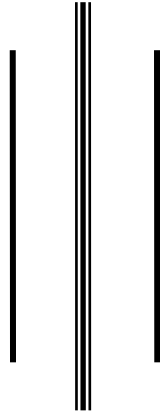


**REPORT ON IMPLEMENTATION
OF GOOD CORPORATE GOVERNANCE**

2012



PT. BANK BUMI ARTA Tbk.

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Introduction

PT. Bank Bumi Arta Tbk. (Bank Bumi Arta) understands that rapid development in banking industry and the ever-increasing complexity of Bank activities will increase risk exposures for the Bank. Considering these increasing risks and challenges, Bank Bumi Arta has committed to implement Good Corporate Governance into its business practices.

In addition to enhancing Bank performance, the implementation of Good Corporate Governance also aims to protect stakeholders' interests and improve the compliance with laws and regulations, as well as with the common ethical values in banking industry. Implementation of Good Corporate Governance in Bank Bumi Arta is based on five fundamental principles of Good Corporate Governance, namely Transparency, Accountability, Responsibility, Independence and Fairness.

In addition, the implementation of Good Corporate Governance in Bank Bumi Arta also bases on the Regulation of Bank Indonesia No. 8/4/PBI/2006 of January 30, 2006, Regulation of Bank Indonesia No. 8/14/PBI/2006 of October 5, 2006, Circular of Bank Indonesia No. 9/12/DPNP of May 30, 2007 on Implementation of Good Corporate Governance for Commercial Banks.

Bank Bumi Arta commits to practice and implement the principles of Good Corporate Governance in every business activity at all organization levels and stages.

The Report on Implementation of Good Corporate Governance of Bank Bumi Arta of 2012 consists of 2 (two) sections as follows:

- I. Transparency of Implementation of Good Corporate Governance.
- II. General Summary of Results of Self Assessment on Implementation of Good Corporate Governance.

I. Transparency of Implementation of Good Corporate Governance

A. Scope of Good Corporate Governance

1. Fulfillment of Duties and Responsibilities of the Board of Commissioners and the Board of Directors

The role of the Board of Commissioners and the Board of Directors in public company management is highly important. Assignment of duties and responsibilities of the Board of Commissioners and the Board of Directors is basically set forth in the Law on Limited Liability Company, the Articles of Association and the Regulation of Bank Indonesia concerning Good Corporate Governance, and the internal policy of Bank Bumi Arta in general serves as a guidance for the Board of Commissioners and the Board of Directors in performing their duties and responsibilities with regard to the management of Bank Bumi Arta.

a. The Number, Composition, Criteria and Independence of members of the Board of Commissioners and the Board of Directors

The Board of Commissioners in Bank Bumi Arta consists of 3 people as follows:

1) Ir. Rachmat Mulia Suryahusada, MBA, as the

President Commissioner

2) Daniel Budi Dharma as Independent Vice President
Commissioner

3) R.M. Sjariffudin (Mohammad Sjariffudin) as
Independent Commissioner

Meanwhile, the Board of Directors in Bank Bumi Arta
consists of 3 (three) people as follows:

1) Wikan Aryono (Wikan Aryono S) as the President
Director

2) Hendrik Atmaja as the Credit and Marketing
Director

3) Tan Hendra Jonathan as the Compliance Director

President Director and Compliance Director of Bank
Bumi Arta are Independent Parties.

All members of the Board of Commissioners and the
Board of Directors have obtained approval from Bank
Indonesia.

b. Duties and Responsibilities of the Board of
Commissioners and the Board of Directors

1) Duties and Responsibilities of the Board of
Commissioners

Pursuant to the provisions in the Articles of

Association of Bank Bumi Arta, the Board of Commissioners supervises policy made by the Board of Directors with regard to the management, running of the management of Bank Bumi Arta in general and management of businesses owned by Bank Bumi Arta, as well as provides advice for the Board of Directors and performs other duties as set forth over times by the General Meeting of Shareholders.

The internal policy of Bank Bumi Arta on Good Corporate Governance practices with regard to the duties and responsibilities of the Board of Commissioners is as follows:

- a) The Board of Commissioners shall ensure the implementation of Good Corporate Governance in every business managed by the Bank at all organization levels and stages.
- b) The Board of Commissioners shall perform supervision on fulfillment of duties and responsibilities of the Board of Directors, as well as provide advices to the Board of Directors, among others by holding regular meeting no less than 4 (four) times in a year.
- c) In performing the supervision, the Board of

Commissioners shall direct, monitor or evaluate the implementation of Bank strategic policies.

d) In performing the supervision, the Board of Commissioners is not allowed to engage in the making of decision related to Bank's operational activities, except on

(1) Lending to related party pursuant to the regulation of Bank Indonesia on Maximum Limit of Lending for Commercial Bank; and

(2) Other matters as specified in the Articles of Association of the Bank or the applicable laws and regulations.

e) Decision-making by the Board of Commissioners as referred to in number d)1 and d)2 is a part of the supervision duty of the Board of Commissioners, and it does not nullify the responsibilities of the Board of Directors in the implementation of Bank management.

f) Deliver a memorandum to the Board of Directors the results of Meeting of the Board of Commissioners on matters of the Board of Commissioners' concern.

g) The Board of Commissioners shall ensure that the Board of Directors has taken follow-up actions on audit findings and recommendation from Bank's

Internal Audit Task Force, External Auditor, and suggestion from the Board of Commissioners for the Board of Directors, supervision result from Bank Indonesia and/or other authorities.

- h) Request the Board of Directors to prepare a Corporate Plan for the next 3 (three) years, including analysis on Bank's mission, vision and Business Plan.
- i) Monitors and reviews/evaluates performance of the Board of Directors in realizing Bank's Business Plan per semester, as well as provides supporting data for the review/evaluation.
- j) The Board of Commissioners shall inform to Bank Indonesia no later than 7 (seven) business days since the disclosure of
 - (1) Violation of laws and regulations on financial and banking matters.
 - (2) Condition or predicted condition that may threat the continuity of Bank business.
- k) In order to support the effectiveness of fulfillment of its duties and responsibilities, the Board of Commissioners shall establish at least:
 - (1) An Audit Committee;
 - (2) A Risk Monitoring Committee;

(3) A Remuneration and Nomination Committee

l) Appointment of members of the Board of Commissioners as referred to in point k) is made by the Board of Directors according to the decision of Meeting of the Board of Commissioners.

m) The Board of Commissioners shall ensure that the established Committee as referred to in point k) performs its duties effectively.

2) Duties and Responsibilities of the Board of Directors

According to the provisions in the Articles of Association of Bank Bumi Arta, the Board of Directors is held responsible for performing its duties for the interest of Bank Bumi Arta. In achieving its goal and objective, the Board of Directors represents Bank Bumi Arta lawfully and directly both inside and outside the Justice Court for all matters and in all events, binds Bank Bumi Arta with other party and other party with Bank Bumi Arta, as well as performs any action related to the management or ownership, but with certain limitation.

The internal policy of Bank Bumi Arta on Good Corporate Governance practices with regard to the duties and responsibilities of the Board of Commissioners is as follows:

- a) The Board of Directors is fully responsible for the management of the Bank.
- b) The Board of Directors must manage the Bank according to its authorities and responsibilities as set forth in the Articles of Association and the applicable laws and regulations.
- c) The Board of Directors must implement the principles of Good Corporate Governance in every business managed by the Bank at all organizational levels and stages.
- d) The Board of Directors must follow-up audit findings and recommendation from Bank's Internal Audit Task Force, External Audit Task Force, supervision result from Bank Indonesia and/or other authorities.
- e) The Board of Directors must follow up the advice/memorandum from the Board of Commissioners on the Result of Meeting of the Board of Commissioners for issues under the concern of the Board of Commissioners.
- f) The Board of Directors must prepare a written

report that is supplied with the supporting data on the follow up by the Board of Directors for the advice/memorandum from the Board of Commissioners.

- g) The Board of Directors must provide accountability report on the implementation of its duties to the shareholders in the General Meeting of Shareholders.
- h) The Board of Directors must disclose to the employees Bank's strategic policy in employment.
- i) In order to promote the effectiveness of fulfillment of its duties and responsibilities, the Board of Directors must establish at least an Internal Audit Task Force, Risk Management Task Force and Risk Management Committee, as well as a Compliance Task Force.
- j) The Board of Directors must provide data and information that is accurate, relevant and in timely manner to the Board of Commissioners.

c. Recommendation from the Board of Commissioners

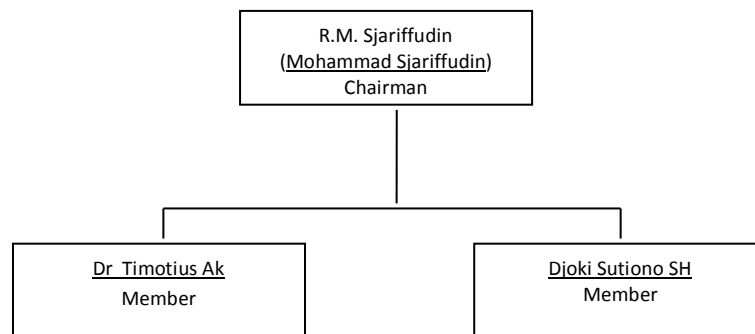
The Board of Directors must take into account the recommendation from the Board of Commissioners according to the result of the General Meeting of Shareholders and the Meeting of the Board of Commissioners.

2. Completeness and Fulfillment of Duty of the Committees

To support the effectiveness of implementation of duties and responsibilities of the Board of Commissioners, the Board of Commissioners has established the Audit Committee, Risk Monitoring Committee and Remuneration and Nomination Committee.

a. Audit Committee

- 1) The Structure, membership, skills and independence of members of the Committee The Audit Committee was established on June 30, 2006, and commenced effective on July 1, 2006. The structure of the Audit Committee has changed and as from August 1, 2012, the structure of the Audit Committee is as follows:



The structure of the Audit Committee consists of:

- a) R. M. Sjariffudin (Mohammad Sjariffudin) as the Chairman and Independent Party, the

Commissioner cum Independent Commissioner.

- b) Dr. Timotius, Ak¹ as Member and Independent Party, who has expertise in financial field.
- c) Djoki Sutiono, SH as Member and Independent Party, who has expertise in legal field.

2) Duties and Responsibilities of the Committee

Audit Committee has the following duties and responsibilities:

- a) Providing opinion for the Board of Commissioners regarding the report and other matters submitted by the Board of Directors to the Board of Commissioners and identify issues that need concern from the Board of Commissioners and perform other duties related to the duties of the Board of Commissioners.
- b) Performing monitoring and evaluation on audit planning and execution and monitoring of follow up for audit result in order to assess the adequacy of the internal control, including the adequacy of financial reporting.

¹ Dr. Timotius, Ak as the substitute for Drs. Leland G. Rompas has been appointed the member of Audit Committee from the Independent Party having expertise in financial field, pursuant to Decree of the Board of Directors No. 168/VII/2012 of July 31, 2012 and is commenced effective as from August 01, 2012.

- c) Providing recommendation for the Board of Commissioners by performing monitoring and evaluation of the following:
- (1) Fulfillment of duties of the Internal Audit Task Force.
 - (2) Conformity of audit by the Public Accounting Firm to the applicable audit standard.
 - (3) Conformity of financial statement to the applicable accounting standard.
 - (4) Implementation of follow up by the Board of Directors for the findings by the Internal Audit Task Force, Public Accountant and result of supervision by Bank Indonesia.
- d) Providing recommendation for the Board of Commissioners on the appointment of Public Accountant and Public Accounting Office to be presented before the general Meeting of Shareholders.
- e) When necessary, the Audit Committee is authorized to access Bank documents related to the implementation of its duty.
- f) Reporting to the Board of Commissioners

several risks that the Bank may face and the implementation of risk management by the Board of Directors.

- g) Keeping the confidentiality of company's document, data and information.
- h) Requiring the IATF (Internal Audit Task Force) to improve the disclosure of information that is supplied with deadline and materials that are focused on the issues to be discussed in the Meeting of Audit Committee.
- i) Reporting
 - (1) Preparing a report to the Board of Commissioners for every assignment.
 - (2) Preparing the annual report on implementation of activities of the Audit Committee to the Board of Commissioners.
 - (3) Preparing the report on result of evaluation on follow up by the Board of Directors.

3) Frequency of meeting of the Committee

In fulfilling its duties and responsibilities, the Audit Committee holds no less than 4 (four) meetings in a year and, when necessary, may hold

a meeting other than the scheduled meeting.

4) Committee Work Plan and Realization

During 2012, the Audit Committee has:

- a. held 6 meetings that have been attended by all members of the Audit Committee.

Attendance of members of Audit Committee in 2012.

Audit Committee (Date)	Tw1		Tw2	Tw3	Tw4	
	12/03/12	26/03/12	28/06/12	18/09/12	10/10/12	11/12/12
R.M.Sjariffudin (Mohammad Sjariffudin), Chairman	√	√	√	√	√	√
Drs. Leland G. Rompas, Member	√	√	√	√	√	√
Djoki Sutiono, SH, Member	√	√	√	√	√	√
Dr. Timotius, Ak, Member	-	-	-	√	√	√

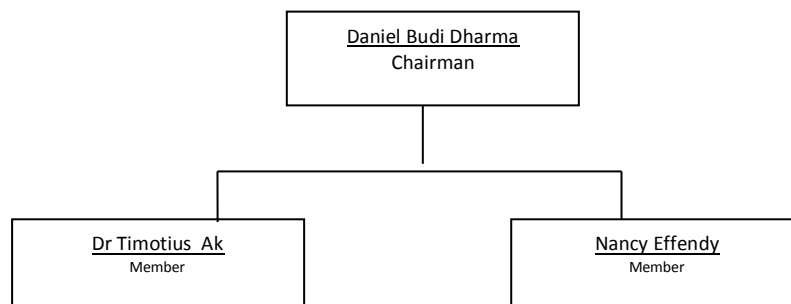
Result of meeting of Audit Committee is presented in the Minutes of Meeting as documentation and the Audit Committee has provided the memorandum of recommendation with regard to the result of Meeting of Audit

Committee for the Board of Commissioners on issues under the concern of the Audit Committee.

b) Making analysis on Financial Statement and its performance, Bank's compliance with the laws and regulation, execution of audit by the internal auditor, and several risks that the Bank may face, as well as the implementation of risk management by the Board of Directors, which is submitted to the Board of Commissioners in the minutes of Meeting of Audit Committee.

b. Risk Monitoring Committee

1) Structure, membership, skills and independence of members of the Committee Risk Monitoring Committee was established on April 16, 2006, and commenced effective on Friday, June 01, 2007. The structure of Risk Monitoring Committee has changed and as from August 1, 2012, the structure of the Committee is as follows:



The structure of Risk Monitoring Committee consists of:

- a) Daniel Budi Dharma as the chairman and Vice President Commissioner cum Independent Commissioner, who has expertise in banking field.
- b) Dr. Timotius, Ak² as Member and Independent Party, who has expertise in financial field.
- c) Nancy Effendy as Member and Independent Party, who has expertise in risk management.

2) Duties and Responsibilities of the Committee

Duties and responsibilities of Risk Monitoring Committee are as follows:

- a) Providing recommendation for the Board of Commissioners on the result of
 - (1) Evaluation on conformity of risk management policy to the implementation of the policy.
 - (2) Monitoring and evaluation on the fulfillment of duties of Risk Management Committee and Risk Management Task Force.

² Dr. Timotius, Ak as the substitute for Drs. Leland G. Rompas has been appointed the member of Audit Committee from the Independent Party having expertise in financial field, pursuant to Decree of the Board of Directors No. 169/VII/2012 of July 31, 2012 and is commenced effective as from August 01, 2012.

b) Performing evaluation (assessment) based on the risk condition on field, among others by considering:

(1) Lending Approval Authority Limit ("BWMK").

(2) Competence and Integrity aspect of Human Resource.

(3) Adequacy of office facility and infrastructure.

(4) Information from other party related to the operational activities that are exposed to risk.

c) Keeping the confidentiality of Bank's document, data and information.

3) Frequency of meeting of the Committee

In fulfilling its duties and responsibilities, Risk Monitoring Committee holds no less than 4 (four) meetings in a year and, when necessary, may hold a meeting other than the scheduled meeting.

4) Committee Work Plan and Realization

During 2012, Risk Monitoring Committee has

a) Held 4 meetings that have been attended by all members of Risk Monitoring Committee.

Attendance of members of Audit Committee in
2012

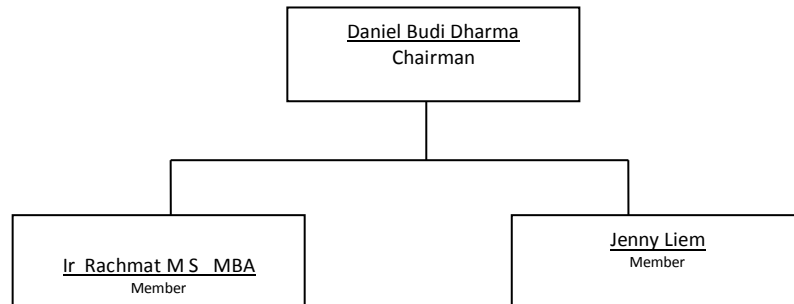
Audits Committee (Date)	Tw 1 12/03/12	Tw 2 28/06/12	Tw 3 18/09/12	Tw 4 11/12/12
Daniel Budi Dharma, Chairman	√	√	√	√
Drs. Leland G. Rompas, Member	√	√	-	-
Nancy Effendy, Member	√	√	√	√
Dr. Timotius, Ak, Member	-	-	√	√

b) Made analysis on Report on Risk Profile, implementation of risk management policy and the duties of Risk Monitoring Committee and Risk Management Unit, which will be submitted to the Board of Commissioners in the Minutes of Meeting of Risk Monitoring Committee and Risk Monitoring Committee has submitted the memorandum of recommendation with regard to the result of Meeting of Risk Monitoring Committee to the Board of Commissioners on issues under the concern of Risk Monitoring

Committee.

c. Remuneration and Nomination Committee

1) The structure, membership, skills and independence of members of the Committee Remuneration and Nomination Committee was established on April 16, 2007 and commenced effective as from June 1, 2007. The structure of the Remuneration and Nomination Committee has changed and as from April 30, 2010, the structure of the Committee is as follows:



The structure of Remuneration and Nomination Committee consists of:

- a) Daniel Budi Dharma as the chairman and Vice President Commissioner cum Independent Commissioner, who has expertise in banking field.
- b) Ir. Rachmat Mulia Suryahusada, MBA, as Member

and President Commissioner, having expertise in banking field.

- c) Jenny Liem as Member and Head of Personnel, General Affair and Secretariat Department, who has expertise in human resource field.

2) Duties and Responsibilities of the Committee

Remuneration and Nomination Committee has the following duties and responsibilities:

- a) Performing evaluation on the Remuneration policy, such as on the wealth of employees, including the payroll structure.

- b) Submitting the memorandum to the Board of Commissioners upon recommendation from the Committee on:

- (1) Remuneration Policy for the Board of Commissioners and the Board of Directors to be presented before the General Meeting of Shareholders.

- (2) Remuneration Policy for the Executive Officer and employees in general to be reported to the Board of Directors.

- c) In evaluating the Remuneration policy, the Committee shall at least take into account the followings:

- (1) Financial performance and provision of reserve fund as set forth in the applicable laws and regulations.
 - (2) Individual work achievement.
 - (3) Fairness with peer group.
 - (4) Consideration of Bank's long-term goal and strategy.
- d) Preparing and providing recommendation on the system and procedures for appointment and/or replacement of the Board of Commissioners and the Board of Directors for the Board of Commissioners, to be presented before the General Meeting of Shareholders.
- e) Providing recommendation on candidates for members of the Board of Commissioners and/or the Board of Directors for the Board of Commissioners, to be presented before the General Meeting of Shareholders.
- f) Providing recommendation on independent party for members of the Audit Committee or Risk Monitoring Committee for the Board of Commissioners.
- g) Keeping the confidentiality of Bank's document, data and information.

3) Frequency of meeting of the Committee

In fulfilling its duties and responsibilities, the Remuneration and Nomination Committee holds no less than 2 (two) meetings in a year and, when necessary, may hold a meeting other than the scheduled meeting.

4) Committee Work Plan and Realization

During 2012, the Remuneration and Nomination Committee :

- a) Has held 3 meetings that are attended by members of the Remuneration and Nomination Committee.

Attendance of members of the Remuneration and Nomination Committee in 2012

Remuneration and Nomination Committee (Date)	Tw2	Tw3	Tw4
	01/05/12	24/07/12	13/12/12
Daniel Budi Dharma, Chairman	√	√	√
Ir. Rachmat Mulia Suryahusada, MBA, Member	√	√	√
Jenny Liem, Member	√	√	√

b) Has provided recommendation for the Board of Commissioners on the remuneration policy for the Board of Commissioners and the Board of Directors, as well as recommendation on candidates of member of the Board of Commissioners that will be provided in the Minutes of Meeting of Remuneration and Nomination Committee, which will be presented before the General Meeting of Shareholders, and the Remuneration and Nomination Committee has submitted the memorandum for recommendation on the result of Meeting of Remuneration and Nomination Committee to the Board of Commissioners on issues under the concern of the Remuneration and Nomination Committee.

3. Implementation of Compliance, Internal Audit and External Audit Function

a. Compliance Function

Compliance Function in Bank Bumi Arta is under the responsibility of the Compliance Director and implemented by Compliance Task Force that is independent from the other task forces. Appointment of Compliance Director is the commitment of Bank

Bumi Arta to always complying with the laws and regulations, both the regulation issued by Bank Indonesia or other laws and regulations.

The general duty of Compliance Director is to advise all organizational levels, from the highest level to the operating personnel to comply with the principles of prudential banking. This general duty can be fulfilled in several ways, such as by issuing the circulars, providing advice in several summits and work meetings.

The Compliance Director must prevent the Board of Directors of the Bank from making policy and/or decision that violates Bank Indonesia Regulation and other applicable laws and regulation, which may harm the continuity of Bank's business.

Bank's Compliance Function includes measures for:

- 1) Realizing the development of Compliance Culture at all organizational levels and Bank's business activities;
- 2) Managing Compliance Risk faced by the Bank;
- 3) Ensuring that the policy, provision, system and procedures, as well as business activities carried out by the Bank, have complied with

Bank Indonesia regulation and the applicable laws and regulations.

- 4) Ensuring Bank's compliance with the commitment made between the Bank and Bank Indonesia and/or other supervisory authorities.

In managing Compliance Risk that the Bank may face, the Compliance Task Force performs identification, measurement, monitoring and controlling of Compliance Risk based on the reports received from related units, which include functional activities related to lending, treasury and investment, operational and service, trade financing, funding and debt instruments, Information System Technology and Management Information System, as well as Human Resource Management.

Compliance Director gives approval for Report on Compliance Risk made by the Compliance Task Force. Report on Compliance Risk will be submitted to the Risk Management Unit to prepare Report on Risk Profile in Bank Bumi Arta.

In order to ensure that the Bank has complied with Bank Indonesia Regulation and other applicable laws and regulations, Compliance Director -together with

the Compliance Task Force- coordinate with the relevant work units to ensure the availability and conformity of the guideline, system and procedures in each work unit to Bank Indonesia Regulation and the applicable laws and regulations for the Principles of Prudential Banking.

In order to monitor and maintain Bank's compliance with all agreements and commitments made between the Bank and Bank Indonesia or other supervisory authorities, Compliance Director performs monitoring of implementation of agreement, fulfillment of commitment, Bank's commitment to obey the command and prohibition from Bank Indonesia or other supervisory authorities.

The Compliance Director has the following duties and responsibilities:

- 1) Formulating the strategy to encourage the development of Bank's Compliance Culture

The general duty of Compliance Director is to advise all organizational levels, from the highest level to the operating personnel to comply with the principles of prudential banking for the development of Bank's Compliance Culture.

This general duty can be fulfilled in several ways, such as by issuing the circulars, providing advices in several summits and work meetings.

- 2) Proposing the compliance policy or compliance principles to be stipulated by the Board of Directors.

The Compliance Director issues Decree of the Board of Directors on Compliance Analysis for monitoring of all provisions of fund in the form of lending (exposure group >2 billion) and gives approval for Compliance Analysis made by the Compliance Task Force.

- 3) Specifying compliance system and procedures (Compliance Guideline.

Compliance Director specifies the Compliance Guideline that is a guideline for the implementation of Compliance Function to perform properly. This guideline is specified according to the duties and responsibilities of Compliance Director pursuant to Bank Indonesia Regulation No. 13/2/PBI/2011 of January 12, 2011 on Implementation of Compliance Function for Commercial Banks.

4) Ensuring that the policy, provision, system and procedures, as well as business activities carried out by the Bank, have complied with Bank Indonesia regulation and the applicable laws and regulations.

In order to ensure that the Bank has complied with Bank Indonesia Regulation and other applicable laws and regulations for Principles of Prudential Banking, Compliance Director -together with the Compliance Task Force- coordinate with the relevant work units to ensure the availability and conformity of the guideline, system and procedures in each work unit to Bank Indonesia Regulation and the applicable laws and regulations for the Principles of Prudential Banking.

5) Minimizing Bank's Compliance Risk.

In order to minimize Bank's Compliance Risk, the Compliance Director gives approval for Report on Compliance Risk made by the Compliance Task Force and provides advices for the management board, both verbally and in written by sending an Internal Memo, in the event that some

improvements are necessary.

- 6) Taking preventive measures to avoid the policy and/or decision made by the Board of Directors of the Bank violating Bank Indonesia regulation and the applicable laws and regulations.

The Compliance Director must prevent the Board of Directors of the Bank from making policy and/or decision that violates Bank Indonesia Regulation and other applicable laws and regulation, which may harm the continuity of Bank's business.

- 7) Performing other duties related to Compliance Function.

In order to monitor and maintain Bank's compliance with all agreements and commitments made between the Bank and Bank Indonesia or other supervisory authorities, Compliance Director performs monitoring of implementation of agreement, fulfillment of commitment, Bank's commitment to obey the command and prohibition from Bank Indonesia or other supervisory authorities.

To promote the effectiveness of fulfillment of its

duties and responsibilities, the Compliance Director supervises Compliance Task Force that is independent from the operational task force.

Duties and responsibilities of the Compliance Task Force are as follows:

- 1) Taking measures for supporting the development of Compliance Culture in all Bank's business activities at all organizational levels.
- 2) Performing identification, measurement, monitoring and controlling of Compliance Risk with reference to Bank Indonesia regulation on the Implementation of Risk Management for Commercial Banks.
- 3) Assessing and evaluating the effectiveness, adequacy and conformity of policy, provision, system and procedures in the Bank to the applicable laws and regulations.
- 4) Making a review and/or recommending update and improvement of Bank's policy, provision, system and procedures to comply with Bank Indonesia regulation and the applicable laws and regulations.
- 5) Putting efforts to ensure that the policy, provision, system and procedures, as well as

business activities carried out by the Bank, have complied with Bank Indonesia regulation and the applicable laws and regulations.

- 6) Assisting the fulfillment of duties of Compliance Director in monitoring and maintaining Bank's compliance with all agreements and commitments made between the Bank and Bank Indonesia.
- 7) Performing monitoring of all provisions of fund in the form of lending (exposure group \geq 2 billion Rupiah) for Compliance Analysis.
- 8) Coordinating the distribution of duties and responsibilities of the staffs of Compliance Task Force.
- 9) Performing other duties assigned by the Compliance Director as far as they are within the scope of duties and function of the Head of Compliance Task Force.

Result of monitoring of the existing procedures or policy in 2012 indicates that the Bank has complied with the principles of prudential banking as required by Bank Indonesia and by taking into account Bank's business activities, Bank's exposure to loss and Compliance Risk is considered Low.

Bank's Compliance Track Record is proven good and the principles of prudential banking in carrying out its business activities have been the fundamental attitude of Bank Bumi Arta. This fundamental attitude is realized by putting its best efforts to comply with the principles of prudential banking specified by Bank Indonesia. There are minor violations to the regulation that can be improved by the Bank, which are not intentionally committed to violate the principles of prudential banking specified by Bank Indonesia, but rather due to negligence and different interpretation of the regulations. The Bank has implemented almost all available financial standards.

b. Internal Audit Function

Internal Audit Function in Bank Bumi Arta is performed by the Internal Supervisory and Audit Division, which is also known as the Internal Audit Task Force ("SKAI"). The Internal Supervisory and Audit Division is an independent agency from the operational task forces that report directly to the President Director.

Implementation of Internal Audit by the Internal Supervisory and Audit Division refers to the Internal Audit Function Standard for Commercial Banks ("SPFAIB"), Internal Audit Charter, Guideline to Internal Supervision and Audit of Bank Bumi Arta, Work Plan of Bank Bumi Arta and Work Plan of the Internal Supervision and Audit Division of Bank Bumi Arta 2012.

In general, the scope of work of the Internal Supervision and Audit Division include all independent audit activities and evaluation on the adequacy and effectiveness of the internal control system in Bank Bumi Arta and work performance in performing the assigned responsibilities.

The Internal Supervision and Audit Division perform the annual audit on a regular basis in the Operational Head Office and Branch Offices according to the work plan. Meanwhile, verification and monitoring on daily basis are performed by the Auditor in the Internal Supervision and Audit Division in the Operational Head Office and Branch Office.

Result of findings and comments in the audit are

reported to the Board of Commissioners, Audit Committee, the Board of Directors and the Audited for improvement follow up. Improvement follow up that is carried out by the Audited is monitored by the Auditor in the Internal Supervision and Audit Division in the Operational Head Office and Branch Office.

c. External Audit Function

External Audit Function in Bank Bumi Arta is carried out by Purwantono, Suherman & Surja Public Accounting Firm, a member of Ernst & Young, with Mr. Peter Surja as the Signing Partner.

According to the independent auditor report No. RPC-3412/PSS/2013 of March 25, 2013, the financial statement of Bank Bumi Arta for the financial year 2012 is classified as unqualified.

The duties of the PAF are to carry out the audit according to the auditing standard specified by the Institute of Indonesian Chartered Accountants (the "generally-accepted auditing standard").

The objective of the audit is to express the opinion on the fairness of the financial statement

for the year ending on December 31, 2012, in all material aspects according to the generally-accepted accounting principles in Indonesia.

In performing the audit, the PAF also refers to

- 1) Bank Indonesia Regulation No. 3/22/PBI/2001 of December 13, 2001 on Transparency of Bank's Financial Condition, more specifically to Article 18 Section 4, as amended by Bank Indonesia Regulation No. 7/50/PBI/2005 of November 29, 2005.
- 2) Circular of Bank Indonesia No. 12/11/DPNP of December 14, 2001 on Presentation of Quarterly and Monthly Condensed Financial Statements of Commercial Banks and Specific Report to Bank Indonesia.
- 3) Circular of Bank Indonesia No. 3/32/DPNP of December 14, 2001 on the Relationship Between the Bank, Public Accountant and Bank Indonesia.
- 4) Bank Indonesia Regulation No. 14/14/PBI/2012 of October 18, 2012 on Transparency and Publication of Bank's Report
- 5) Circular of Bank Indonesia No. 14/35/DPNP of December 10, 2012 on Presentation of Annual Report of Commercial Bank and Specific Annual

Report to Bank Indonesia.

External Audit is carried out to obtain adequate certainty that the financial report is free from material misstatements, whether caused by error or fraud.

In general, the scope of external audit consists of

- 1) Consideration of the internal control for financial reporting, as the basis for determining audit procedures according to the existing condition but is not intended to provide opinion on the effectiveness of Company's internal control for its financial reporting.
- 2) Examination on a test basis, evidences that support the number and disclosure in the financial statement.
- 3) Discussion with Company's management board and the audit committee to find out fraud or suspected fraud that affects the company.
- 4) Assessment of the implemented accounting principles and significant estimation made by the management board.
- 5) Assessment of presentation of the overall financial statement.

4. Implementation of Risk Management and Internal Control System

Bank Bumi Arta has implemented the integrated Risk Management Structure, which is a means in determining the strategy, organization, policy and guideline to ensure that all risks faced by the Bank are identified, measured, monitored and controlled properly.

In line with the road map specified by Bank Indonesia according to Basel II Capital Accord, in 2012 Bank Bumi Arta keeps on improving its Good Corporate Governance, policy, procedures and risk management process, as well as keeps on improving the competence of its human resource.

Risk Management Process that is implemented by Bank Bumi Arta refers to Bank Indonesia Regulation No. 11/25/PBI/2009 of July 1, 2009 on Amendment to Bank Indonesia Regulation no. 5/8/PBI/2003 of May 19, 2003 on the Implementation of Risk Management for Commercial Banks and Circular of Bank Indonesia No. 13/23/DPNP of October 25, 2011 on Amendment to Circular No. 5/21/DPNP on the Implementation of Risk Management for Commercial Banks.

One of the implementations of risk management is the arrangement of Bank's risk profile that is submitted to Bank Indonesia on quarterly basis. Such report on risk profile indicates the inherent risk in Bank's business activities, including the Quality of Implementation of Risk Management for each risk type. Assessment of risk profile in Bank Bumi Arta is made on 8 (eight) types of risks, i.e. Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk and Reputational Risk. The result of composite risk in Bank Bumi Arta per December 31, 2012 is Low to Moderate, which is a combination of the Low to Moderate Aggregate Inherent Risk and the Fair Quality of Implementation of Risk Management.

a. Credit Risk

- 1) Active Supervision by the Board of Commissioners and the Board of Directors

The Board of Commissioners and the Board of Directors elaborate and evaluate Credit Risk policy and strategy, as well as perform monitoring of work plan of the related unit.

The Bank has established the Credit Committee in

each Branch Office and Credit Committee in the Non-Operational Head Office. Credit Committee is a work team that consists of credit officers. The main duties of this committee are to assess a credit proposal and to make credit decision.

2) Adequacy of Policy, Procedures and Limitation

The Bank has the policy and procedures for Credit Risk control, such as Kebijakan Perkreditan Bank Bumi Arta (Credit Policy of Bank Bumi Arta - "KPBBA"), Buku Pedoman Manajemen Risiko (Guide Book of Risk Management - "BPMR") and related Circulars.

Limitation is available, such as limit of assets portfolio composition and concentration level, limit of credit quality provision and adequacy of reserve, Mortgage of Deed of Grant ("APHT") and limit of financial ratio that are always adjusted to the business growth and credit expansion plan.

3) Adequacy of Identification, Measurement, Monitoring and Risk Management, as well as Risk Management Information System

The Bank makes analysis on business capital requirement, financial condition of the prospective borrowers, cash flow projection, etc. Appraisal has been carried out by Credit Administration Department.

The Bank has a credit rating and scoring system for the outstanding debt with a certain credit limit, except for pension credit and credit with cash collateral and carries out monitoring of result of the system for comparison with the realization of credit collectability.

Independent loan review function has been fulfilled by the Review Department in the Non-Operational Head Office according to the Lending Approval Authority Limit ("BWMK").

The Bank has established a special unit for settlement of non-performing loans (Remedial Department in the Non-Operational Head Office) that regularly monitors arrears and overdraft debtors and finds a solution for potentially non-performing debtors or non-performing debtors.

Remedial Department in the Non-Operational Head

Office also make analysis and provides recommendation/opinion for settlement of non-performing loans and Foreclosed Collateral ("AYDA") for the Board of Directors, as well as performing follow up for settlement of non-performing loans and the Foreclosed Collateral.

Report on credit progress, including Credit Risk reporting, is submitted regularly to the Board of Commissioners and the Board of Directors

4) Internal Control System

Credit Risk Control is performed by determining a definite organizational structure that defines the limit of authority and responsibility of each work unit and the availability of regular internal audit.

b. Market Risk

1) Active Supervision by the Board of Commissioners and the Board of Directors

The Board of Commissioners and the Board of Directors have made agreement on Market Risk policy and strategy and performed an evaluation on Market Risk management policy in the meeting

of Asset & Liability Management Committee (ALCO), at least once in a month.

2) Adequacy of Policy, Procedures and Limitation

The Bank has the policy and strategy for Market Risk control, such as Buku Pedoman Manajemen Risiko (Guide Book of Risk Management - "BPMR") and Circulars on Market Risk, which determine the provision for determination of interest rate for Third Party Loans.

Limitation is available, such as volume limit and limit of portfolio composition, limit of potential interest loss risk in banking book, limit of sensitivity to market risk, NOP limit, intraday limit, cut loss limit, dealer limit, etc.

3) Adequacy of Identification, Measurement, Monitoring and Risk Management, as well as Risk Management Information

System Identification, measurement and monitoring of Market Risk are carried out through regular analysis on the growth of market interest rate and foreign exchange rate. Report that is related to Market Risk is submitted in

ALCO meeting and meeting of the Board of Directors no less than once in a month.

4) Internal Control System

Market Risk Control is performed by determining a definite organizational structure that defines the limit of authority and responsibility of each work unit and the availability of regular internal audit.

c. Liquidity Risk

1) Active Supervision by the Board of Commissioners and the Board of Directors

The Board of Commissioners and the Board of Directors have made agreement and performed evaluation on the policy and strategy for Liquidity Risk in the meeting of Asset & Liability Management Committee (ALCO) at least once in a month.

The Bank has established the Treasury Credit Committee that is in charge and responsible for determining the market, instrument and transaction with the eligible counterparty.

2) Adequacy of Policy, Procedures and Limitation

The Bank has proper policy and procedures for

management of Liquidity Risk as set forth in Buku Pedoman Manajemen Risiko (Guide Book of Risk Management ("BPMR")) and the provision set forth in the Circular for Guideline to Liquidity in Bank Bumi Arta.

Limitation is available, such as limit of composition and asset, liabilities, and administrative account transaction, limit of concentration and asset and liabilities, limit of sensitivity to funding needs, and limit of other liquidity ratio.

- 3) Adequacy of Identification, Measurement, Monitoring and Risk Management, as well as Risk Management Information

System Identification, measurement and monitoring of Liquidity Risk are carried out through analysis on the maturity profile, cash flow, growth of Third Party Loans and assets and Liquidity ratio. The Bank makes regular analysis on Third Party Loans. Measurement of Liquidity Risk has been adjusted to the external and internal condition.

Report that is related to liquidity is submitted to the Board of Directors in ALCO meeting and meeting of the Board of Directors no less than once in a month.

- 4) Internal Control System

Liquidity Risk Control is performed by determining a definite organizational structure that defines the limit of authority and responsibility of each work unit and the availability of regular internal audit.

d. Operational Risk

1) Active Supervision by the Board of Commissioners and the Board of Directors

The Board of Commissioners and the Board of Directors have made agreement and performed regular evaluation on the policy and strategy for Operational Risk. The Board of Directors has approved the policy and strategy for Operational Risk management. The operational policy and strategy have been made in consideration with Bank's internal and external condition.

2) Adequacy of Policy, Procedures and Limitation

The Bank has the policy and procedures for Operational Risk management, such as Buku Pedoman Penggunaan Teknologi Sistem Informasi (Guide Book of Utilization of Information System Technology ("BPPTSI"), Pedoman Penerapan Manajemen Risiko dalam Penggunaan Teknologi Informasi (Guideline to Implementation of Risk Management in Utilization of Information Technology - "PPMRPTI"), Buku Pedoman

Manajemen Risiko (Guide Book of Risk Management - "BPMR"), Pedoman Pelaksanaan Program Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme (Guideline to Anti Money Laundering Program and Prevention of Terrorist Financing - "APU dan PPT") and the relevant Circulars.

Limitation is available, such as fraud limit, transaction limit, currency limit, SWIFT limit, etc.

- 3) Adequacy of Identification, Measurement, Monitoring and Risk Management, as well as Risk Management Information

System Identification, measurement and monitoring of Operational Risk are carried out through analysis on operational events data, OEOI ratio, Bank's compliance with Anti Money Laundering and Terrorist Financing program ("APU dan PPT"), and so forth.

Report that is related to the Operational Risk is presented in meeting of the Board of Directors no less than once in a month.

- 4) Internal Control System

Operational Risk Control is performed by determining a definite organizational structure that defines the limit of authority and responsibility of each work

unit and the availability of regular internal audit.

e. Legal Risk

1) Active Supervision by the Board of Commissioners and the Board of Directors

The Board of Directors has made the policy and procedures that cover the Legal Risk. Bank's Policy and Strategy have taken into account the external and internal factors. The Board of Commissioners and the Board of Directors have made agreement and regular evaluation on the policy and procedures that cover the Legal Risk.

2) Adequacy of Policy, Procedures and Limitation

The Bank has the policy and procedures for Legal Risk management as set forth in Credit Policy of Bank Bumi Arta ("KPBB"), Guideline to Implementation of Risk Management in Utilization of Information Technology ("PPMRPTI"), Guide Book of Risk Management ("BPMR"), Circulars and Decrees, as well as Company Regulation.

Limitation is available, such as limit of legal litigation/case faced by the Bank, limit of absence/amendment of laws and regulations and weakness of agreement.

3) Adequacy of Identification, Measurement, Monitoring and Risk Management, as well as Risk Management Information

System Identification, measurement and monitoring of Legal Risk are carried out through, among others, analysis on legal case faced by the Bank, factors of weakness of agreement, absence/amendment of laws and regulations. Legal Risk of the Bank has been regularly monitored.

Branch Offices prepare monthly report on the presence/absence of claims or lawsuits against the Branch Office and send it to the Legal Department of the Non-Operational Head Office. Report that is related to the Legal Risk is presented in meeting of the Board of Directors no less than once in a month.

4) Internal Control System

Legal Risk Control is performed by determining a definite organizational structure that defines the limit of authority and responsibility of each work unit and the availability of regular internal audit.

Legal Department is available to make regular review on contract and agreement between the Bank and other party.

f. Strategic Risk

- 1) Active Supervision by the Board of Commissioners and the Board of Directors

The Board of Commissioners and the Board of Directors give approval and evaluate the policy and procedures related to Strategic Risk. The operational policy and strategy have been made in consideration with Bank's internal (weaknesses and strengths of the Bank) and external condition. The strategic plan and business plan include new products or activities to be launched.

- 2) Adequacy of Policy, Procedures and Limitation

The Bank has the policy and procedures for Strategic Risk management as set forth in Guide Book of Risk Management ("BPMR"), guideline to budgeting as set forth in written in the Circular and Inter-Branch Memo for drafting of Corporate Plan/Business Plan.

Limitation is available, such as limitation on violation to Bank's Business Plan, conformity of the strategy to business environment, and Bank's business position.

- 3) Adequacy of Identification, Measurement, Monitoring and Risk Management, as well as Risk Management Information System

Identification, measurement and monitoring of Strategic Risk are carried out through analysis on the performance of strategic plan (corporate plan) and business plan.

Report on Strategic Risk has been arranged and presented in meeting of the Board of Directors no less than once in a month. Report on Realization of Business Plan has been made and presented in meeting of the Board of Directors no less than once in a month and has been submitted to Bank Indonesia on a quarterly basis.

4) Internal Control System

Strategic Risk Control is performed by determining a definite organizational structure that defines the limit of authority and responsibility of each work unit and the availability of regular internal audit.

g. Compliance Risk

1) Active Supervision by the Board of Commissioners and the Board of Directors

The Board of Commissioners and the Board of Directors are aware of the Compliance Risk, in which regular evaluation is performed on Bank's compliance with laws and regulations and other applicable provisions for the principles of prudential banking. The policy and

procedures for Compliance Risk control have been approved by the Board of Directors.

The Board of Directors has established the Compliance Task Force for monitoring and evaluation on the implementation of the strategy. The Board of Directors obliges all task forces to refer to the applicable regulations, both the internal and external regulations, in performing their operational activities.

2) Adequacy of Policy, Procedures and Limitation

The Bank has the policy and procedures for management of Compliance Risk as set forth in Guideline to Compliance, Guideline to Anti Money Laundering Program and Prevention of Terrorist Financing ("APU and PPT"), Guide Book of Risk Management ("BPMR") and the Circulars.

Limitation of Compliance Risk is intended for the implementation of principles of prudential banking and compliance with Bank Indonesia regulation, such as Minimum Capital Adequacy ("KPPM"), Legal Lending Limit ("BMPK"), sound lending according to the Guideline to Arrangement of Bank Credit Policy ("PPK-PB"), limitation on the Earning Assets Quality ("KAP"), Minimum Statutory Reserves ("GWM") and limitation

related to Foreign Currency transaction that includes Net Open Position ("PDN") and so forth.

3) Adequacy of Identification, Measurement, Monitoring and Risk Management, as well as Risk Management Information System

Identification, measurement and monitoring of Compliance Risk are carried out through analysis on Bank's compliance with Bank Indonesia regulation and regulation of other authorities.

The Bank has regularly monitored Compliance Risk based on the identification of violation and noncompliance with the applicable laws and regulations.

Compliance Risk Control is performed, among others, by regular evaluation on Bank's compliance with the applicable laws and regulations.

Report that is related to the Compliance Risk is presented in meeting of the Board of Directors no less than once in a month. Report on fulfillment of duties and responsibilities of the Compliance Director are submitted to the President Director with a copy for the Board of Commissioners on a quarterly basis. Compliance Report is submitted to Bank Indonesia with a copy for the President Director and the Board of Commissioners on a biannually basis.

4) Internal Control System

Compliance Risk Control is performed by determining a definite organizational structure that defines the limit of authority and responsibility of each work unit and the availability of regular internal audit.

h. Reputational Risk

1) Active Supervision by the Board of Commissioners and the Board of Directors

The Board of Commissioners and the Board of Directors actively give approval and make regular evaluation on the policy and procedures for Reputational Risk. The policy and strategy for Reputational Risk are adjusted to the applicable laws and regulations for consumer's protection.

The Board of Directors has established a special function of handling and settlement of customer complaints and appointed Corporate Secretary in charge of providing necessary information/explanation for the customer and other external parties.

2) Adequacy of Policy, Procedures and Limitation

The Bank has the policy and procedures for Reputational Risk management as set forth in Buku Pedoman Manajemen Risiko (Guide Book of Risk Management - "BPMR"), policy and procedures for transparency of Bank's product

information and the use of customers' personal data, as well as handling of customer complaints to minimize the Reputational Risk arising from adverse publication of the Bank as set forth in the Circular.

Limitation is available, such as limitation of losses due to customer complaints and limitation of loss due to adverse publication, influence from reputation of Bank Owner and related companies, breach of business ethics and so forth.

3) Adequacy of Identification, Measurement, Monitoring and Risk Management, as well as Risk Management Information System

Identification, measurement and monitoring process of Reputational Risk are carried out through analysis on the frequency and impact of customer complaints and adverse publication of the Bank.

Report that is related to Reputational Risk is submitted in meeting of the Board of Directors no less than once in a month.

4) Internal Control System

Reputational Risk Control is performed by determining a definite organizational structure that defines the limit of authority and responsibility of each work unit and the availability of regular internal audit.

5. Lending to Related Party and Large Exposures

Total debit balance for lending to related party and debtors/core group per December 2012 is as follows:

No.	Lending	Amount	
		Debtor	Nominal (in Rupiah)
1	To Related Party	22	96,276 ³
2	To Core Debtors		
	a. Individual	9	213,925
	b. Group	6	255,457
	Total	15	469,382

³ Lending to Related Party to an amount of Rp 96,276 million is secured by cash collateral to an amount of Rp 70,543 million, and therefore, lending that is calculated as the Lega Lending Limit ("BMPK") to Related Party is Rp 25,733 million.

6. BANK'S STRATEGIC PLAN

Strategic Plan of Bank Bumi Arta is arranged in the form of Business Plan according to the vision and mission of the Bank. Arrangement of this Business Plan refers to Bank Indonesia Regulation ("PBI") No. 12/21/PBI/2010 of October 19, 2010 on Bank's Business Plan and the provision in Circular of Bank Indonesia ("SE BI") No. 12/27/DPNP of October 25, 2010 on Business Plan for Commercial Banks.

Business Plan of Bank Bumi Arta is arranged to be realistic, comprehensive and achievable by taking into account the composite risk level of Risk Control System (RCS)— *Strategic Risk*, principles of prudential banking and responsive to internal and external changes that may affect the continuity of Bank's business.

Arrangement of Business Plan of Bank Bumi Arta is based on the policy and strategy of Bank Bumi Arta, such as management policy, risk management and compliance policy, business development strategy, strategy for anticipation of external change, human resource development strategy and remuneration policy, and it is supported by SWOT Analysis, macro and micro analysis, and consideration of the external and internal condition as well as national banking condition.

Business Plan of Bank Bumi Arta has been approved by the Board of Commissioners and the Board of Directors has presented this Business Plan to the Shareholders and to all organizational levels in the Bank, as well as implemented all plans and specified targets effectively.

To ensure the realization of the arranged plan, achievement of midterm and short-term target in Bank's Business Plan, the Board of Directors regularly monitor the achievement. Result of monitoring of Bank's Business Plan is reported to Bank Indonesia in the form of Quarterly Report on Realization of Business Plan.

The Board of Commissioners also perform supervision on the implementation of Bank's Business Plan through the report on Bank's Business Plan, which is submitted by the management board and Meeting of the Board of Commissioners, to evaluate and provide direction for the Board of Directors. Result of supervision of Bank's Business Plan by the Board of Commissioners is reported to Bank Indonesia in the form of Biannually Report on Supervision of Business Plan.

**7. Transparency of Financial and Non Financial Condition
Undisclosed in Other Reports**

Bank Bumi Arta has presented all financial and non-financial condition transparently in all reports submitted to the external parties.

B. Share Ownership by Members of the Board of Commissioners and the Board of Directors of 5% (Five Per Cent) or More of the Paid-Up Capital

Share ownership by members of the Board of Commissioners and the Board of Directors of 5% (five percent) or more and paid-in capital at Bank Bumi Arta, other Banks, Non-Bank Financial Institution and other Companies are as follows:

1. Ir. Rachmat Mulia Suryahusada, MBA, as the President Commissioner, owns 903 units of common stock (20.07%) in PT. Dana Graha Agung⁴.
2. Hendrik Atmaja, Credit and Marketing Director, owns 1,900 units of common stock (21.11%) in PT. Surya Husada Investment⁵.

⁴ PT. Dana Graha Agung is the shareholder in PT. Bank Bumi Arta Tbk. to an amount of 27,27%

⁵ PT. Surya Husada Investment is the shareholder in PT. Bank Bumi Arta Tbk. to an amount of 45,45%

C. Financial Relations and Family Relations of Members of the Board of Commissioners and the Board of Directors with Other Members of the Boards and/or With the Majority Shareholders

Name	Position	Financial Relationship/ Family Relationship
Ir. Rachmat Mulia Suryahusada, MBA	President Commissioner	Has a Family Relationship with Hendrik Atmaja, the Credit and Marketing Director, and does not have Financial Relationship with other members of the Board of Commissioners, other members of the Board of Directors and / or the Majority Shareholders of the Bank.
Daniel Budi Dharma	Vice President Commissioner	Does not have Financial Relationship and Family Relationship with other members of the Board of Commissioners, other members of the Board of Directors and/or the Majority Shareholders of the Bank.

<p>R.M. Sjariffudin (Mohammad Sjariffudin)</p>	<p>Commissioner</p>	<p>Does not have Financial Relationship and Family Relationship with other members of the Board of Commissioners, other members of the Board of Directors and/or the Majority Shareholders of the Bank.</p>
<p>Wikan Aryono (Wikan Aryono S)</p>	<p>President Director</p>	<p>Does not have Financial Relationship and Family Relationship with other members of the Board of Commissioners, other members of the Board of Directors and/or the Majority Shareholders of the Bank.</p>
<p>Hendrik Atmaja</p>	<p>Credit and Marketing Director</p>	<p>Has Family Relationship with Ir. Rachmat Mulia Suryahusada, MBA, the President Commissioners and does not have Financial Relationship with other members of the Board of Commissioners, other members of the Board of Directors and/or the Majority Shareholders of the Bank.</p>

Tan Hendra Jonathan	Compliance Director	Does not have Financial Relationship and Family Relationship with other members of the Board of Commissioners, other members of the Board of Directors and/or the Majority Shareholders of the Bank.
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D. Remuneration Package/Policy and Other Facilities for the Board of Commissioners and the Board of Directors

1. By taking into account the Articles of Association of Bank Bumi Arta and the recommendation from the Remuneration and Nomination Committee, the Board of Commissioners has proposed the Remuneration Policy and other facilities for the Board of Commissioners and the Board of Directors in the General Meeting of Shareholders, and the General Meeting of Shareholders has decided the followings:

a. Giving the authority to the majority shareholders to determine the remuneration for the Board of Commissioners.

b. Giving the authority to the Board of Commissioners to determine the remuneration for the Board of Directors.

2. Remuneration and other Facilities for members of the Board of Commissioners and members of the Board of Directors are as follows:

Type of Remuneration and Other Facilities	The Received Amount in 2012			
	The Board of Commissioners		The Board of Directors	
	People	Million Rupiah	People	Million Rupiah
1. Remuneration (salary, bonus, regular allowance, tantiem and other fringe benefits)	3	1,593	3	3,086
2. Other fringe benefits (housing, transportation, health insurance and so forth) that are*):				
a. Acquirable	-	-	-	-
b. Non-Acquirable	-	-	-	-
Total	3	1,593	3	3,086

*) Measured in Rupiah equivalent.

3. The number of members of the Board of Commissioners and the Board of Directors who receive the remuneration package for 2012 are classified in income level range is as follows:

(person unit)

Amount of Remuneration per person in 2012	Number of the Board of Directors	Number of the Board of Commissioners
Above Rp 2 billion	-	-
Above Rp 1 billion to Rp 2 billion	2	1
Above Rp 500 million to Rp 1 billion	1	-
Rp. 500 million and below	-	2

*) received in cash

E. Shares Option

Shares Option is the option to buy Bank's shares by members of the Board of Commissioners, the Board of Directors and Bank's Executive Officers that are provided through stock offering or share option offering in for provision of compensation for members of the Board of Commissioners, the Board of Directors and Bank's Executive Officers as decided in the General Meeting of Shareholders and/or Articles of Association of the Bank.

Bank Bumi Arta does not offer Shares Option in 2012, and therefore:

1. Bank Bumi Arta does not have the policy for provision of Share Option
2. No shares are owned by members of the Board of Commissioners, the Board of Directors and the Executive Officers until Share Option is provided.
3. No Share Options are given.
4. No Share Options are executed until the end of the reporting period.
5. No Share Options are given.
6. There is no validity period for Share Option

Information/Name	Number of owned shares (share	Number of Options		Price of Options (Rupiah)	Period
		provided (share units)	executed (share units)		
The Board of Commissioners	-	-	-	-	-
The Board of Directors	-	-	-	-	-
Executive Officers	-	-	-	-	-
Total	-	-	-	-	-

F. Highest to Lowest Salary Ratio

Salary is the right of the employee that is received and expressed in the form of cash as the reward from the Bank or the employer to the employees, which is specified and paid according to an employment contract, agreement or laws and regulation, including allowance for employees and their family for a work and/or service provided.

The following information explains salary ratio in Bank Bumi Arta, in which the compared salaries are the reward received monthly by the Board of Commissioners, the Board of Directors and Bank's permanent employees in 2012:

1. The highest and lowest employee's salary are 40.00 : 1 or the highest salary is 40.00 times higher than the lowest salary.
2. The highest and lowest salary of the Board of Directors are 1.45 : 1, or the highest salary is 1.45 times higher than the lowest salary.
3. The highest and lowest salary of the Board of Commissioners are 4.36 : 1, or the highest salary is 4.36 times higher than the lowest salary.
4. The highest salary of the Board of Directors and the highest employee's salary are 1.24 : 1, or the highest salary of the Board of Directors is 1.24 times higher than the highest employee's salary.

G. Frequency of Meeting of the Board of Commissioners

To fulfill its duties and responsibilities more optimally, the Board of Commissioners regularly holds quarterly meeting that is attended by all members of the Board of Commissioners.

In 2012, the Board of Commissioners has held 7 meetings, in which members of the Board of Commissioners physically attended all meetings of the Board of Commissioners.

Attendance of members of the Board of Commissioners in 2012

The Board of Commissioners	Tw2		Tw3		Tw4		
	07/05/12	28/06/12	26/07/12	07/08/12	04/10/12	17/10/12	18/12/12
Ir. Rachmat Mulia Suryahusada, MBA, The President Commissioner	√	√	√	√	√	√	√
Daniel Budi Dharma, Vice President Commissioner	√	√	√	√	√	√	√
R.M. Sjariffudin (Mohammad Sjariffudin), Commissioner	√	√	√	√	√	√	√

H. The Number of Internal Fraud

In 2012, there is no internal fraud that is committed by permanent employees with regard to the work process and Bank's operational activities in that current year, and therefore:

1. There is no internal fraud settled.
2. There is no internal fraud being settled in Bank's internal affairs.
3. There is no internal fraud that has not been sought for settlement.

4. There is no internal fraud that has been followed up by legal proceedings.

(unit)

Internal Fraud in 1 year	Number of Cases Committed by					
	Management Board		Permanent Employee		Non-Permanent Employee	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Total Fraud	-	-	-	-	-	-
Settled Fraud		-		-		-
Being Settled in Bank's Internal Affairs	-	-	-	-	-	-
Has Not Been Sought for Settlement	-	-	-	-	-	-
Has Been Followed Up by Legal Proceedings		-		-		-

I. Legal Cases

During 2012, Bank Bumi Arta, members of the Board of Directors and members of the Board of Commissioners do not face significant legal cases that may affect the continuity of Bank's business.

(unit)

Legal Cases	Number	
	Civil	Criminal
Closed (with final and legally binding decision)	-	-
In proceedings	-	-
Total	-	-

J. Transaction Bearing Conflict of Interests

As specified in the Articles of Association of Bank Bumi Arta, transaction that bears conflict of interests between personal interests of members of the Board of Directors, the Board of Commissioners or Shareholders and the economic interests of the Bank shall obtain approval from the General Meeting of Shareholders ("RUPS"). During 2012, Bank Bumi Arta does not commit transaction that bears conflict of interests that requires approval from the General Meeting of Shareholders ("RUPS").

No.	Name and Position of the Party Having Conflict of Interests	Name and Position of the Party Making the Decision	Type of Transaction	Amount of Transaction (In Million Rupiah)	Note *
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-

*) Noncompliant with the applicable system and procedures.

K. Shares Buyback and/or Bonds Buy Back

In 2012, Bank Bumi Arta does not issue any Bond and does not execute Shares Buyback or repurchase shares issued by the Bank, and therefore:

1. Bank Bumi Arta does not have the policy for shares buyback and/or bonds buyback.
2. There is no repurchased share and/or bond.
3. There is no repurchase of share and/or bond unit
4. There is no increase in earnings per share and/or bond unit.

L. Donations for Corporate Social Responsibility and Political Activities

As a good public company, Bank Bumi Arta holds the social responsibility and commitment to the community.

In 2012, as a form of concern for social and

environmental issues, Bank Bumi Arta has granted donation of the following social programs:

1. Donation for victims of flood in Soreang - Ciwidey, to an amount of Rp 2,500,000,-
2. Donation in cash for Pannadhika Bodhisatta Foundation, to an amount of Rp 10,000,000,-
3. Donation in cash for Kasih Mulia Sejati Orphanage and St. Anna Eldercare, to an amount of Rp 41,253,400.

During 2012, Bank Bumi Arta does not provide any donation for political activities.

II. General Summary of Results of Self Assessment on Implementation of Good Corporate Governance

According to the result of self-assessment, it can be concluded that the implementation of Good Corporate Governance in Bank Bumi Arta in 2012 is considered "Good" at a composite rating of 1.950 with the following details:

No.	Assessed Aspect	Rating
1.	Fulfillment of Duties and Responsibilities of the Board of Commissioners	2
2.	Fulfillment of Duties and Responsibilities of	2

	the Board of Directors	
3.	Completeness and Fulfillment of Duty of the Committees	2
4.	Handling of Conflict of Interests	2
5.	Implementation of Compliance Function of the Bank	2
6.	Implementation of Internal Audit Function	2
7.	Implementation of External Audit Function	1
8.	Implementation of Risk Management and Internal Control System	2
9.	Lending to Related Party and Large Exposures Lending	2
10.	Transparency of Bank's Financial and Non Financial Condition, Report on Implementation of GCG and Internal Reporting	2
11.	Bank's Strategic Plan	2
Composite Rating		1.950

Based on the result of the assessment, it can be concluded that:

A. Weaknesses in the implementation of Good Corporate Governance, which will be followed up immediately

1. Fulfillment of Duties and Responsibilities of the Board of Directors

Some improvements on the employment regulation are necessary. The Bank is gradually improving the employment regulation. Targeted time of completion: December 2014.

B. Strengths in the implementation of Good Corporate Governance

1. The Board of Commissioners and the Board of Directors have implemented the principles of Good Corporate Governance according to the applicable regulations.

2. The existing Committees have complied with the implementation of principles of Good Corporate Governance.

3. The Bank has the policy, system and procedures for settlement of conflict of interests and there are no conflicts of interests that may disadvantage or decrease Bank's profit.

4. Bank's compliance is considered good and the fulfillment and independence of the Compliance Director and Compliance Task Force are performed effectively.

5. Bank's Internal Audit Function is effective and

performed independently and objectively.


6. Audit by *Purwantono, Suherman & Surja* Public Accounting Firm, a member of Ernst & Young, with Mr. Peter Surja as the Signing Partner has been performed effectively and independently according to the minimum requirement specified in the regulation, with a good quality and scope of audit by Public Accountant.
7. The management board effectively identifies and control all risks exposed to the Bank, as well as perform active supervision of the management, policy and limitation, procedures, report, management information system, and risk monitoring to maintain Bank's sound internal condition.
8. There is no violation/over limit to the Legal Lending Limit ("BMPK"). Lending is diversified evenly and the amount of lending for core debtors is not significant in comparison with the total amount of lending.
9. The Bank conducts transparently in presenting its financial and non-financial information and products and service. The Bank submitted the report on implementation of Good Corporate Governance to the shareholders and published it on its homepage in a timely manner. Bank's Management Information System is capable of providing internal reporting that is

complete, accurate, updated, integrated and timely, as well as capable of being used in the effective decision making.

10. Bank's Corporate Plan and Business Plan are arranged according to the vision and mission of the Bank and have taken into account all external and internal factors, the principles of prudential banking and sound banking principles. Business realization for the year 2012 conforms to Bank's Business Plan.

Jakarta, May 20, 2013

PT. Bank Bumi Arta Tbk.



Ir. Rachmat M.S., MBA Wikan Aryono S

President Commissioner

President Director

WORKSHEET FOR SELF-ASSESSMENT ON GOOD CORPORATE GOVERNANCE

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

I. FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

OBJECTIVES

To Assess:

- adequacy of the number, composition, integrity and competence of members of the Board of Commissioners in comparison with the size and complexity of Bank's business, the minimum criteria and level of independence of members of the Board of Commissioners;
- the effectiveness of fulfillment of duties and responsibilities of the Board of Commissioners;
- the effectiveness of meeting of the Board of Commissioners;
- adequacy of disclosure of share ownership and other relationship between members of the Board of Commissioners and other members of the Board of Commissioners, members of the

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

Board of Directors and/or the Majority Shareholders of the Bank;

- compliance of members of the Board of Commissioners with the specified prohibition in the applicable laws and regulations.

SUB-FACTOR

A. Composition, Criteria and Independence of the Board of Commissioners

CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
1. The number of members of the Board of Commissioners shall not be less than 3 (three) people and shall not exceed the number of members of the Board of Directors.	The Board of Commissioners consists of 3 (three) people and the Board of Directors consists of 3 (three) people.
2. No less than 1 (one) member of the Board of Commissioners shall reside in Indonesia.	All members of the Board of Commissioners reside in Indonesia.

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

<p>3. No less than 50% (fifty percent) of the number of members of the Board of Commissioners shall be Independent Commissioner.</p> <p>4. Replacement and/or appointment of the Board of Commissioners have taken into account the recommendation from the Nomination Committee or Remuneration and Nomination Committee and have obtained approval from the GMS ("RUPS").</p>	<p>2 (two) of the 3 (three) members of the Board of Commissioners are Independent Commissioners.</p> <p>Replacement and/or appointment of the Board of Commissioners have taken into account the recommendation from the Remuneration and Nomination Committee and have obtained approval from the GMS ("RUPS").</p>
<p>5. Independent Commissioner does not hold concurrent positions except for matter specified in Bank Indonesia Regulation on the implementation of GCG for Commercial Banks, i.e. concurrent position as a member of the Board of</p>	<p>The Independent Commissioner does not hold concurrent position as the Board of Commissioner, the Board of Directors or Executive Officer in other Bank and the Independent Commissioner holds concurrent position as the Chairman of Committee</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

<p>Commissioners, the Board of Directors or Executive Officer:</p> <ul style="list-style-type: none">• in 1 (one) non-financial institution/company;or• who performs supervisory function in 1 (one) non-bank subsidiary under Bank's control; <p>and the Independent Commissioner holds concurrent position as the Chairman of Committee in a maximum of 2 (two) Committees in a same Bank.</p> <p>6. The majority of the members of the Board of Commissioners does not have family relationship to the second degree with the other members of the Board of Commissioners and/or the Board of Directors.</p>	<p>in a maximum of 2 (two) Committees in a same Bank, i.e. in Risk Monitoring Committee and Remuneration and Nomination Committee.</p> <p>2 (two) of the 3 (three) members of the Board of Commissioners do not have family relationship to the second degree with the other members of the Board of Commissioners and/or the Board of Directors.</p>
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

B. Duties And Responsibilities Of The Board Of Commissioners

CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
<p>1. The Board of Commissioners has ensured the implementation of principles of GCG in every business activity of the Bank at all organizational levels.</p> <p>2. The Board of Commissioners has fulfilled the supervision of implementation of duties and responsibilities of the Board of Directors both on a regular basis or whenever it is necessary, as well as provided advices for the Board of Directors.</p> <p>3. In fulfilling the supervisory duty, the Board of</p>	<ul style="list-style-type: none">• The Board of Commissioners has ensured the implementation of principles of GCG in every business activity of the Bank at all organizational levels.• The Board of Commissioners has fulfilled the supervision of implementation of duties and responsibilities of the Board of Directors both on a regular basis or whenever it is necessary, as well as provided advices for the Board of Directors.• The Board of Commissioners has directed,

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

<p>Commissioners directs, monitors and evaluates the implementation of Bank's strategic policy</p> <p>4. The Board of Commissioners is not involved in the making of decision related to Bank's operational activities, except in lending to related party and other matters specified in the Articles of Association of the Bank and/or the applicable laws and regulation for the fulfillment of supervisory function.</p> <p>5. The Board of Commissioners has ensured that the Board of Directors follows up the audit findings and recommendation from the Internal Audit Task Force ("SKAI") of the Bank, external</p>	<p>monitored and evaluated the implementation of Bank's strategic policy.</p> <ul style="list-style-type: none">• The Board of Commissioners is not involved in the making of decision related to Bank's operational activities, except in the fulfillment of supervisory function; the Board of Commissioners is granted the authority to give credit approval and approval for large exposure lending, higher than the authority of the Board of Directors, which is set forth in the Articles of Association of the Bank.• The Board of Commissioners has ensured that the Board of Directors follows up the audit findings and recommendation from the Internal Audit Task Force ("SKAI") of the Bank,
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

<p>auditor, result of supervision by Bank Indonesia and/or result of supervision by other authorities.</p> <p>6. The Board of Commissioners informed to Bank Indonesia no later than 7 (seven) business days as from the finding of violation to the law and regulation on finance and banking, and condition or predicted condition that may disadvantage the continuity of Bank's business</p> <p>7. The Board of Commissioners has fulfilled its duties and responsibilities independently.</p> <p>8. The Board of Commissioners has established the Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee.</p>	<p>external auditor, result of supervision by Bank Indonesia and/or result of supervision by other authorities.</p> <p>During 2012, there is no violation to the law and regulation on finance and banking, as well as condition or predicted condition that may disadvantage the continuity of Bank's business.</p> <p>The Board of Commissioners has fulfilled its duties and responsibilities independently.</p> <p>The Board of Commissioners has established the Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee.</p>
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

<p>9. Appointment of members of the Committee has been carried out by the Board of Directors pursuant to the decision of meeting of the Board of Commissioners.</p>	<p>Appointment of members of the Committee has been carried out by the Board of Directors pursuant to the decision of meeting of the Board of Commissioners.</p>
<p>10. The Board of Commissioners has ensured that the established Committees have fulfilled their duties effectively.</p>	<p>The Board of Commissioners has ensured that the established Committees have fulfilled their duties effectively.</p>
<p>11. The Board of Commissioners has a work guideline and code of conducts, including guideline to work ethics, working hours and meeting.</p>	<p>The Board of Commissioners has a work guideline and code of conducts that includes guideline to work ethics, working hours and meeting.</p>
<p>12. The Board of Commissioners has provided sufficient time to perform its duties optimally.</p>	<p>The Board of Commissioners has provided sufficient time to perform its duties optimally.</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

C. The Effectiveness of Meeting of the Board of Commissioners

CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
<p>1.Meeting of the Board of Commissioners has been held regularly, no less than 4 (four) times in a year, and the meeting is attended physically or by teleconference technology by all members of the Board of Commissioners, no less than 2 (twice) in a year.</p>	<p>During 2012, 7 (seven) meetings of the Board of Commissioners have been held and attended physically by members of the Board of Commissioners.</p>
<p>2.Decision of meeting of the Board of Commissioners has been made upon deliberation or the majority vote, in the event that deliberation cannot be made.</p>	<p>Decision of meeting of the Board of Commissioners has been made upon deliberation or the majority vote, in the event that deliberation cannot be made.</p>
<p>3.Result of meeting of the Board of Commissioners</p>	<p>Result of meeting of the Board of Commissioners</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

<p>has been presented in the minutes of meeting and documented properly, including the dissenting opinions that arise.</p> <p>4.Result of meeting of the Board of Commissioners has been distributed to all members of the Board of Commissioners and related party.</p> <p>5.The result of meeting of the Board of Commissioners is a recommendation and/or advice to be implemented by the GMS and/or the Board of Directors.</p>	<p>has been presented in the minutes of meeting and documented properly, including the opinions of the attending participants.</p> <p>Result of meeting of the Board of Commissioners has been distributed to all members of the Board of Commissioners and related party.</p> <p>The result of meeting of the Board of Commissioners is a recommendation and/or advice to be implemented by the GMS and/or the Board of Directors, as set forth in the memorandum.</p>
<p>D. Transparency, Financial Relation, Management, and Family as well as Prohibition of Board of Commissioners.</p>	
<p>CRITERIA/INDICATOR</p>	<p>SELF-ASSESSMENT ANALYSIS</p>
<p>1. Members of the Board of Commissioners disclose:</p>	<p>Members of the Board of Commissioners have</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

<ul style="list-style-type: none">• Ownership of share of up to 5% (five percent) or more in the related Bank or in other Bank and other Company (domestic or overseas).• Financial relationship and family relationship with other members of the Board of Commissioners, other members of the Board of Directors and/or the Majority Shareholders.• Remuneration and other facilities in the report on implementation of GCG. <p>2. Members of the Board of Commissioners do not make use of the Bank for their own interests, for the interests of their family and/or other party that may disadvantage or decrease Bank's profit.</p>	<p>disclosed:</p> <ul style="list-style-type: none">• Ownership of shares in the related Bank or in other Bank and company (domestic and overseas).• Financial relationship and family relationship with other members of the Board of Commissioners, members of the Board of Directors and/or the shareholders.• Remuneration and other facilities in the report on implementation of GCG. <p>Members of the Board of Commissioners do not make use of the Bank for their own interests, for the interests of their family and/or other party that may disadvantage or decrease Bank's profit.</p>
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

<p>3. Members of the Board of Commissioners do not take and/or receive any personal advantage from the Bank, other than the remuneration and other facilities specified int the GMS.</p>	<p>Members of the Board of Commissioners do not take and/or receive any personal advantage from the Bank, other than the remuneration and other facilities specified int the GMS.</p>
<p>E. Information on Fit and Proper Test (F&P Test)</p>	
<p>CRITERIA/INDICATOR</p>	<p>SELF-ASSESSMENT ANALYSIS</p>
<p>1.All members of the Board of Commissioners has proper integrity, competence and financial reputation.</p> <p>2.All members of the Board of Commissioners who are the former members of the Board of Directors or Bank's Executive Officers or parties related to the Bank, which may affect their capacity to act</p>	<p>All members of the Board of Commissioners has proper integrity, competence and financial reputation.</p> <p>Members of the Board of Commissioners who are the former members of the Board of Directors do not hold the function as the Independent Commissioners, and therefore do not have to go</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

<p>independently and do not perform supervisory function and are from the Bank itself, have been in the cooling-off period of no less than 1 (one) year.</p>	<p>through the cooling-off period.</p>
<p>3.All Independent Commissioners do not have financial, managerial, ownership and family relationship with other members of the Board of Commissioners, the Board of Directors and/or the Majority Shareholders, or relationship with the Bank, which may affect their capacity to act independently.</p>	<p>All Independent Commissioners do not have financial, managerial, ownership and family relationship with other members of the Board of Commissioners, the Board of Directors and/or the Majority Shareholders, or relationship with the Bank, which may affect their capacity to act independently.</p>
<p>4.All members of the Board of Commissioners have passed the F&P Test and secured the approval from Bank Indonesia.</p>	<p>All members of the Board of Commissioners have passed the F&P Test and secured the approval from Bank Indonesia.</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

I. FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

RATING CRITERIA¹ – FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

Rating 1	<ul style="list-style-type: none">• Number, composition, integrity and competence of members of the Board of Commissioners are highly suitable in comparison with the size and complexity of Bank's business and have met the applicable regulations.• All members of the Board of Commissioners are capable of act and make a decision independently.• Fulfillment of duties and responsibilities of the Board of Commissioners has fully satisfied the principles of GCG, has been implemented effectively and without minor drawbacks.• Meeting of the Board of Commissioners are held effectively and efficiently.• Transparency aspect of members of the Board of Commissioners is high and they never violate the applicable provisions/regulation.
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

<p><u>Rating 2</u></p>	<ul style="list-style-type: none">• Number, composition, integrity and competence of members of the Board of Commissioners are highly suitable in comparison with the size and complexity of Bank's business and have met the applicable regulations.• All members of the Board of Commissioners are capable of act and make a decision independently.• Fulfillment of duties and responsibilities of the Board of Commissioners has fully satisfied the principles of GCG, has been implemented effectively with minor drawbacks.• Meeting of the Board of Commissioners are held effectively and efficiently.• Transparency aspect of members of the Board of Commissioners is high and violation of the applicable provisions/regulations is not committed
<p>Rating 3</p>	<ul style="list-style-type: none">• Number, composition, integrity and competence of members of the Board of Commissioners are sufficiently suitable in comparison with the size and complexity of Bank's business and have met the applicable regulations.

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

	<ul style="list-style-type: none">• All members of the Board of Commissioners are capable of act and make a decision independently.
	<ul style="list-style-type: none">• Fulfillment of duties and responsibilities of the Board of Commissioners has sufficiently satisfied the principles of GCG and has been sufficiently effective, but there are drawbacks that require immediate improvement to avoid downgrade.• Meeting of the Board of Commissioners are held effectively and efficiently.• Transparency aspect of members of the Board of Commissioners is high and violation of the applicable provisions/regulations is not committed.
Rating 4	<ul style="list-style-type: none">• Number, composition, integrity and competence of the Commissioner are less suitable in comparison with the size and complexity of Bank's business and have met the applicable regulations.• Members of the Board of Commissioners do not fully act and make a decision independently.

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

	<ul style="list-style-type: none">• Fulfillment of duties and responsibilities of the Board of Commissioners does not fully satisfy the principles of GCG, are less efficient and there are sufficiently significant drawbacks that may lead to downgrade of GCG aspect and composite rating.• Meeting of the Board of Commissioners are held less effectively and efficiently.• Transparency aspect of members of the Board of Commissioners is deficient and violation of the applicable provisions/regulations has ever been committed.
Rating 5	<ul style="list-style-type: none">• Number, composition, integrity and competence of members of the Board of Commissioners are not suitable in comparison with the size and complexity of Bank's business and with the applicable regulations.• Members of the Board of Commissioners do not act and make a decision independently.• Fulfillment of duties and responsibilities of the Board of Commissioners does

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

	<p>not satisfy the principles of GCG, not efficient and there is significant drawback that leads to downgrade of GCG aspect and composite rating of the Bank.</p> <ul style="list-style-type: none">• Meeting of the Board of Commissioners are held ineffectively and inefficiently.• Transparency aspect of members of the Board of Commissioners is low and violation of the applicable provisions/regulations is frequently committed.
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

I. FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME²

Conclusion :

Fulfillment of duties and responsibilities of the Board of Commissioners has fully satisfied the principles of Good Corporate Governance and has been implemented effectively.

²This column is a combination of result of analysis and self assessment on each Factor/Sub-Factor by comparing it to the rating criteria, determination of Factor Rating and explanation of significant drawbacks or problem in the implementation of Good Corporate Governance. Explanation of the result of identification of problems/drawbacks is required to determine the action plan, which includes corrective action and time of completion for the improvement of implementation of Good Corporate Governance.

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

II. FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

OBJECTIVES

To Assess:

- Adequacy of the number, composition, integrity and competence of members of the Board of Directors in comparison with the size and complexity of Bank's business, the minimum criteria and level of independence of members of the Board of Directors;
- The effectiveness of fulfillment of duties and responsibilities of the Board of Directors;
- The effectiveness of meeting of the Board of Directors;
- Adequacy of disclosure of ownership of share and various relationship between members of the Board of Directors with members of the Board of Commissioners, other members of the Board of Directors and/or the Majority Shareholders of the Bank;
- Compliance of members of the Board of Directors with the specified prohibition in the applicable laws and regulations.

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

SUB-FACTOR	
A. Composition, Criteria and Independence of the Board of Directors	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
1. The number of members of the Board of Directors is no less than 3 (three) people.	The number of members of the Board of Directors is 3 people.
2. All members of the Board of Directors reside in Indonesia.	All members of the Board of Directors reside in Indonesia.
3. Replacement and/or appointment of members of the Board of Directors have taken into account the recommendation from the Nomination Committee or the Remuneration and Nomination Committee.	Replacement and/or appointment of members of the Board of Directors have taken into account the recommendation from the Remuneration and Nomination Committee.
4. The majority of members of the Board of Directors has no less than 5 (five) years of	The majority of members of the Board of

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

<p>experience in the operational field as Bank's Executive Officer, except for Sharia Bank (minimum 2 years of experience).</p> <p>5. The Board of Directors does not hold concurrent position as the Board of Commissioners, the Board of Directors or Executive Officer in other Bank, company and/or institution except for matters specified in Bank Indonesia Regulation on the Implementation of GCG for Commercial Banks, i.e. holding concurrent position as the Board of Commissioners for fulfillment of supervisory function for investment at non-bank subsidiary under the control of the Bank.</p>	<p>Directors has no less than 5 (five) years of experience in the operational field as Bank's Executive Officer</p> <p>The Board of Directors does not hold concurrent position as the Board of Commissioners, the Board of Directors or the Executive Officer in other Bank, company and/or institution.</p>
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

<p>6. Members of the Board of Directors, both individually and collectively, do not own more than 25% (twenty five percent) of share and paid-in capital in another company.</p>	<p>Members of the Board of Directors, both individually and collectively, do not own more than 25% (twenty five percent) of share and paid-in capital in another Bank and/or company.</p>
<p>7. The Board of Directors has appointed members of the Board of Commissioners according to the decision of meeting of the Board of Commissioners.</p>	<p>The Board of Directors has appointed members of the Board of Commissioners according to the decision of meeting of the Board of Commissioners.</p>
<p>8. The majority of the members of the Board of Directors does not have family relationship to the second degree with the other members of the Board of Directors and/or the Board of Commissioners.</p>	<p>The majority of the members of the Board of Directors does not have family relationship to the second degree with the other members of the Board of Directors and/or the Board of Commissioners.</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

<p>9. Members of the Board of Directors do not give the general authority to any other party that may result in the transfer of duties and functions of the Board of Directors.</p>	<p>Members of the Board of Directors do not give the general authority to any other party that may result in the transfer of duties and functions of the Board of Directors.</p>
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B. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
<p>1. The Board of Directors is fully responsible for the implementation of management of the Bank</p> <p>2. The Board of Directors manages the Bank according to its authority and responsibilities as specified in the Articles of Association and the applicable laws and regulations.</p>	<p>The Board of Directors is fully responsible for the implementation of management of the Bank</p> <p>The Board of Directors manages the Bank according to its authority and responsibilities as specified in the Articles of Association and the applicable laws and regulations.</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

<p>3. The Board of Directors has implemented the principles of GCG in every business activities of the Bank at all organizational levels.</p>	<p>The Board of Directors has implemented the principles of GCG in every business activities of the Bank at all organizational</p>
<p>4. The Board of Directors has established the IATF, RMTF, and Risk Management Committee and Compliance Task Force.</p>	<p>The Board of Directors has established the IATF, RMTF, and Risk Management Committee and Compliance Task Force.</p>
<p>5. The Board of Directors has followed up audit findings and recommendation from the IATF, external auditor and result of supervision by Bank Indonesia and/or result of supervision by other authorities.</p>	<p>The Board of Directors has followed up audit findings and recommendation from the IATF, external auditor and result of supervision by Bank Indonesia and/or result of supervision by other authorities.</p>
<p>6. The Board of Directors has submitted the accountability report on the implementation of its duties to the shareholders in the GMS.</p>	<p>The Board of Directors has submitted the accountability report on the implementation of its duties to the shareholders in the GMS.</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

<p>7. The Board of Directors has disclosed Bank's strategic policy in employment to its employee through a media that is easily accessible.</p>	<p>The Board of Directors has disclosed Bank's strategic policy in employment to its employee through a media that is easily accessible. Such as Guideline to Company Regulation and Circular of the Management Board, but improvements are necessary.</p>
<p>8. The Board of Directors does not hire an individual advisor and/or professional service provider as a consultant except for special project under a definite contract that specifies the scope of work, responsibilities, time of completion and costs, and the consultant is an Independent Party having qualification to perform work for special project.</p>	<p>The Board of Directors does not hire an individual advisor and/or professional service provider as a consultant.</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

<p>9. The Board of Directors has provided data and information that is complete, accurate, updated and timely to the Board of Commissioners.</p> <p>10. The Board of Directors has a work guideline and code of conducts that includes guideline to work ethics, working hours and meeting.</p>	<p>The Board of Directors provides data and information that is complete, accurate, updated and timely to the Board of Commissioners, such as the Financial Statement, Risk Profile, Business Plan, Compliance Director Report, etc.</p> <p>The Board of Directors has had a work guideline and code of conducts that includes guideline to work ethics, working hours and meeting.</p>
<p>C. Meeting Of The Board Of Directors</p>	
<p>CRITERIA/INDICATOR</p>	<p>SELF-ASSESSMENT ANALYSIS</p>
<p>1. The Board of Directors has made the strategic policy and decision through a meeting of the Board of Directors.</p>	<p>The Board of Directors has made the strategic policy and decision through a meeting of the Board of Directors.</p>

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

<p>2. Decision of meeting of the Board of Commissioners has been made upon deliberation or the majority vote, in the event that deliberation cannot be made.</p>	<p>Decision of meeting of the Board of Directors has been made upon deliberation or the majority vote, in the event that deliberation cannot be made.</p>
<p>3. Result of the meeting of the Board of Directors has been presented in the summary of report and documented properly, including the disclosure of dissenting opinions arising in the meeting of the Board of Directors.</p>	<p>Result of meeting of the Board of Directors has been presented in the minutes of meeting and documented properly, including the opinions of the attending participants.</p>
<p>4. Every decision of the meeting made by the Board of Directors can be implemented and conforms to the applicable policy, guideline and code of conduct.</p>	<p>Every decision of the meeting made by the Board of Directors can be implemented and conforms to the applicable policy, guideline and code of conduct.</p>

D. Transparency, Financial Relation, Management and Family as well as the Prohibition of Board of

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Directors	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
<p>1. All members of the Board of Directors have disclosed:</p> <ul style="list-style-type: none"> • Ownership of share of up to 5% (five percent) or more in the related Bank or in other Bank and other Company (domestic or overseas). • Financial relationship and family relationship with other members of the Board of Commissioners, other members of the Board of Directors and/or the Majority Shareholders of the Bank. • Remuneration and other facilities in the 	<p>The Board of Directors has disclosed:</p> <ul style="list-style-type: none"> • Ownership of share of up to 5% (five percent) or more in the related Bank or in other Bank and other Company (domestic or overseas). • Financial relationship and family relationship with other members of the Board of Commissioners, members of the Board of Directors and/or the Majority Shareholders of the Bank; • Remuneration and other facilities in the

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

<p>report on implementation of GCG.</p> <p>2. Members of the Board of Directors do not make use of the Bank for their own interests, for the interests of their family and/or other party that may disadvantage or decrease Bank's profit.</p> <p>3. Members of the Board of Directors do not take and/or receive any personal advantage from the Bank, other than the remuneration and other facilities specified in the GMS.</p> <p>4. Members of the Board of Directors, both individually and collectively, do not own more than 25% (twenty five percent) of share and paid-in capital in another company.</p>	<p>report on implementation of GCG.</p> <p>Members of the Board of Directors do not make use of the Bank for their own interests, for the interests of their family and/or other party that may disadvantage or decrease Bank's profit.</p> <p>Members of the Board of Directors do not take and/or receive any personal advantage from the Bank, other than the remuneration and other facilities specified in the GMS.</p> <p>Members of the Board of Directors, both individually and collectively, do not own more than 25% (twenty five percent) of share and paid-in capital in another company.</p>
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

E. Fit and Proper Test Information (F&P Test)	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
1. All members of the Board of Directors has proper integrity, competence and financial reputation.	All members of the Board of Directors has proper integrity, competence and financial reputation.
2. The President Director or the Managing Director are the party independent from the Majority Shareholders, i.e. does not have financial, managerial, share ownership and family relationship.	The President Director or the Managing Director are the party independent from the Majority Shareholders, i.e. does not have financial, managerial, share ownership and family relationship.
3. All members of the Board of directors have passed the F&P Test and secured the approval from Bank Indonesia	All members of the Board of directors have passed the F&P Test and secured the approval from Bank Indonesia.

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

RATING CRITERIA¹ — FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS	
Rating 1	<ul style="list-style-type: none">• Number, composition, integrity and competence of members of the Board of Directors are highly suitable in comparison with the size and complexity of Bank's business and have met the applicable regulations.• All members of the Board of Directors are capable of acting and making a decision independently.• Fulfillment of duties and responsibilities of the Board of Directors has fully satisfied the principles of GCG, has been implemented effectively and without minor drawbacks.• Meeting of the Board of Directors is held effectively and efficiently.• Transparency aspect of members of the Board of Directors is high and violation of the applicable provisions/regulations is not committed
<u>Rating 2</u>	<ul style="list-style-type: none">• Number, composition, integrity and competence of members of the Board of Directors are highly suitable in comparison with the size and complexity of

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

	<p>Bank's business and have met the applicable regulations.</p> <ul style="list-style-type: none">• All members of the Board of Directors are capable of acting and making a decision independently.• Fulfillment of duties and responsibilities of the Board of Directors has fully satisfied the principles of GCG, has been implemented effectively but with minor drawbacks.• Meeting of the Board of Directors is held effectively and efficiently.• Transparency aspect of members of the Board of Directors is good and violation of the applicable provisions/regulations is not committed
Rating 3	<ul style="list-style-type: none">• Number, composition, integrity and competence of members of the Board of Directors are highly suitable in comparison with the size and complexity of Bank's business and have met the applicable regulations.• All members of the Board of Directors are capable of acting and making a decision independently.• Fulfillment of duties and responsibilities of the Board of Directors has

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

	<p>sufficiently satisfied the principles of GCG and has been sufficiently effective, but there are drawbacks that require immediate improvement to avoid downgrade of Rating of Factor.</p> <ul style="list-style-type: none">• Meeting of the Board of Directors is held effectively and efficiently.• Transparency aspect of members of the Board of Directors is sufficiently good and violation of the applicable provisions/regulations is not committed
Rating 4	<ul style="list-style-type: none">• Number, composition, integrity and competence of members of the Board of Directors are not fully suitable in comparison with the size and complexity of Bank's business and do not fully meet the applicable regulations.• All members of the Board of Directors are not fully capable of acting and making a decision independently.• Fulfillment of duties and responsibilities of the Board of Commissioners does not fully satisfy the principles of GCG, are less efficient and there are sufficiently significant drawbacks that may lead to downgrade of GCG aspect• Meeting of the Board of Directors is held less effectively and efficiently.

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

	<ul style="list-style-type: none">• Transparency aspect of members of the Board of Directors is deficient and violation of the applicable provisions/regulations is committed
Rating 5	<ul style="list-style-type: none">• Number, composition, integrity and competence of members of the Board of Directors are not suitable in comparison with the size and complexity of Bank's business and do not meet the applicable regulations.• All members of the Board of Directors are not capable of acting and making a decision independently.• The Implementation of duties and responsibilities of the Board of Directors do not satisfy the principles of GCG, which may lead to downgrade of GCG quality or downgrade of the Composite Rating of GCG of the Bank, Management aspect in CAMELS and the Composite Rating of CAMELS.• Meeting of the Board of Directors is held effectively and efficiently.• Transparency aspect of members of the Board of Commissioners is low and violation of the applicable provisions/regulations is frequently committed.

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME

Identification of Issues:

Some improvements on the employment regulation are necessary.

Action Plan:

The Bank is gradually improving the employment regulation.

Time of Completion:

December 2014.

Conclusion :

The Board of Directors has implemented the principles of Good Corporate Governance according to the applicable regulations despite several improvements that are necessary in employment field.

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

III. COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

OBJECTIVES

To Assess:

- adequacy of the structure, qualification, independence and competence of the Committee;
- the effectiveness of fulfillment of duties and responsibilities of the Committee;
- the effectiveness and efficiency of meeting of the Committee.

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

SUB-FACTOR	
A. Structure, Composition, Concurrent Position and Independence of Members of the Committee	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
<p>1. Audit Committee</p> <ul style="list-style-type: none">Members of the Audit Committee shall at least consist of an Independent Commissioner, an Independent Party having expertise in financial or accounting field, and an Independent Party having expertise in legal or banking field.	<p>Audit Committee</p> <ul style="list-style-type: none">Members of the Audit Committee consist of an Independent Commissioner, an Independent Party having expertise in financial field and an Independent Party having expertise in legal field. <p>Dr. Timotius, Ak as the substitute for Drs. Leland G. Rompas has been appointed the member of Audit Committee and Independent Party having expertise in financial field, pursuant to Decree of the Board of Directors No. 168/VII/2012 of 31 July 2012 and is commenced effective as from August 1, 2012.</p>

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<ul style="list-style-type: none">• Audit Committee is led by the Independent Commissioner• No less than 51% (fifty one percent) of members of the Audit Committee is the Independent Commissioner and Independent Party.• Members of the Audit Committee have proper integrity, characters and morals.	<ul style="list-style-type: none">• Audit Committee is led by the Independent Commissioner.• Members of the Audit Committee consist of the Independent Commissioner and the Independent Party.• Members of the Audit Committee have proper integrity, characters and morals.
<p>2. Risk Monitoring Committee</p> <ul style="list-style-type: none">• Members of the Risk Monitoring Committee shall at least consist of an Independent Commissioner, an Independent Party having expertise in	<p>Risk Monitoring Committee</p> <p>Members of the Risk Monitoring Committee consist of an Independent Commissioner, an Independent Party having expertise in financial field and an Independent Party having expertise in risk management field.</p>

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<p>financial or accounting field, and an Independent Party having expertise in legal or risk management field.</p> <ul style="list-style-type: none">• Risk Monitoring Committee is led by the Independent Commissioner.• No less than 51% (fifty percent) of the number of members of the Risk Monitoring Committee is the Independent Commissioner and the Independent Party.• Members of the Risk Monitoring	<p>Dr. Timotius, Ak as the substitute for Drs. Leland G. Rompas has been appointed the member of Risk Monitoring Committee and Independent Party having expertise in financial field, pursuant to Decree of the Board of Directors No. 169/VII/2012 of 31 July 2012 and is commenced effective as from August 1, 2012.</p> <p>Risk Monitoring Committee is led by the Independent Commissioner</p> <p>Members of the Risk Monitoring Committee consist of the Independent Commissioner and the Independent Party.</p> <p>Members of the Risk Monitoring Committee have proper</p>
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<p>Committee have proper integrity, characters and morals.</p> <p>3. Remuneration and Nomination Committee</p> <ul style="list-style-type: none">• Members of the Remuneration and Nomination Committee shall at least consist of an Independent Commissioner, a Commissioner and an Executive Officer in charge of human resource affair or an employee representative.• The Executive Officer or employee representative shall have the necessary knowledge and understand the provisions for remuneration and/or nomination system and Bank's Succession Plan.	<p>integrity, characters and morals.</p> <p>Remuneration and Nomination Committee</p> <ul style="list-style-type: none">• The members of the Remuneration and Nomination Committee consist of an Independent Commissioner, a Commissioner and an Executive Officer in charge of human resource affair.• The employee representative has the necessary knowledge and understands the provisions for remuneration and/or nomination system and Bank's Succession Plan.
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

- Remuneration and Nomination Committee is led by an Independent Commissioner.
- In the event that the member of the Remuneration and Nomination Committee is specified to be more than 3 (three) people, the members of the Independent Commissioner shall be no less than 2 (two) people
- In the event that the Bank established the Committee separately:
 - o The Executive Officer or employee representative in the members of the Remuneration Committee shall have the knowledge on Bank's remuneration

- Remuneration and Nomination Committee is led by an Independent Commissioner.
- 1 (one) of the 3 (three) members of the Remuneration and Nomination Committee is an Independent Commissioner.
- The Bank does not establish the Remuneration and Nomination Committee separately.

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<p>system; and</p> <ul style="list-style-type: none">o The Executive Officer in the member of the Nomination Committee shall have the knowledge on Bank's nomination system and succession plan. <p>4. Concurrent Positions of Members of the Committee</p> <ul style="list-style-type: none">• Members of the Audit Committee and Risk Monitoring Committee shall not be appointed from the Board of Directors of the same Bank or the other Bank.• Concurrent Position as the Independent Party in the same Bank, other Bank and/or other company has been taken in	<p>Concurrent Positions of Members of the Committee</p> <ul style="list-style-type: none">• Members of the Audit Committee and Risk Monitoring Committee are not appointed from the Board of Directors of the same Bank or the other Bank.• Concurrent Position of the Independent Party in the same Bank, other Bank and/or other company has been taken in consideration of the competence,
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<p>consideration of the competence, independence criteria, confidentiality, ethic codes and fulfillment of duties and responsibilities.</p> <p>5. Independence of Members of the Committee</p> <ul style="list-style-type: none">• No Independent Parties in the members of the Committee has financial, managerial, share ownership and/or family relationship with the Board of Commissioners, the Board of Directors and/or the Majority Shareholders or relationship with the Bank, which may affect their capacity to act independently.	<p>independence criteria, confidentiality, ethic codes and fulfillment of duties and responsibilities.</p> <p>Independence of Members of the Committee</p> <ul style="list-style-type: none">• No Independent Parties in the members of the Committee has financial, managerial, share ownership and/or family relationship with the Board of Commissioners, the Board of Directors and/or the Majority Shareholders or relationship with the Bank, which may affect their capacity to act independently.
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<ul style="list-style-type: none"> All Independent Parties who are the former members of the Board of Directors or Bank's Executive Officers from the same Bank and do not perform supervisory function or other parties related to the Bank, which may affect their capacity to act independently, have been in the cooling-off period of 6 (six) months. 	<ul style="list-style-type: none"> All Independent Parties are not the former Members of the Board of Directors of the same Bank Whereas, the Independent Party who are the Executive Officer of the same Bank perform the supervisory function, and therefore does not have to undergo the cooling-off period of 6 (six) months.
<p>B. Fulfillment of Duties and Responsibilities of the Committee</p>	
<p>CRITERIA/INDICATOR</p>	<p>SELF-ASSESSMENT ANALYSIS</p>
<p>1. Audit Committee</p> <p>To provide recommendation for the Board of Commissioners:</p> <ul style="list-style-type: none"> The Audit Committee has monitored and 	<p>1. Audit Committee</p> <p>To provide recommendation for the Board of Commissioner</p> <ul style="list-style-type: none"> The Audit Committee has monitored and evaluated

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

evaluated the audit planning and implementation, as well as monitored the follow up of audit result in order to assess the adequacy of the internal control, including the adequacy of the financial reporting process.

- The Audit Committee has reviewed:
 - o the implementation of duties of the IATF
 - o the conformity of audit by the Public Accounting Firm to the applicable audit standard.
 - o the conformity of financial statement to the applicable accounting standard.
 - o Implementation of follow up by the

the audit planning and implementation, as well as monitored the follow up of audit result in order to assess the adequacy of the internal control, including the adequacy of the financial reporting process.

- The Audit Committee has reviewed:
 - o the implementation of duties of the IATF\
 - o the conformity of audit by the Public Accounting Firm to the applicable audit standard.
 - o the conformity of financial statement to the applicable accounting standard.
 - o Implementation of follow up by the Board of

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<p>Board of Directors for the findings by the Internal Audit Task Force, Public Accountant, and result of provision by Bank Indonesia</p> <ul style="list-style-type: none">• The Audit Committee gives recommendation for the appointment of Public Accountant and Public Accountant Office (KAP) in accordance with the applicable law to RUPS trough Board of Commissioner.	<p>Directors for the findings from the Internal Audit Task Force, Public Accountant, and supervision result of Bank Indonesia</p> <p>The Audit Committee has made an evaluation report as a feedback by Board of Directors for the findings from Internal Audit Task Force, Public Accountant, and supervision result of Bank Indonesia</p> <ul style="list-style-type: none">• The Audit Committee gives recommendation for the appointment of Public Accountant and Public Accountant Office (KAP) in accordance with the applicable law to RUPS trough Board of Commissioner.
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<p>2. Risk Monitoring Committee</p> <p>To provide the recommendation for the Board of Commissioners, the Risk Monitoring Committee:</p> <ul style="list-style-type: none">• evaluates risk management policy and implementation• monitors and evaluates the implementation of duties of the Risk Management Committee and Risk Management Task Force <p>3. Remuneration and Nomination Committee</p>	<p>Risk Monitoring Committee</p> <p>To provide the recommendation for the Board of Commissioners, the Risk Monitoring Committee:</p> <ul style="list-style-type: none">• evaluates risk management policy and implementation• monitors and evaluates the implementation of duties of the Risk Management Committee and Risk Management Task Force through the result of assessment of Bank's risk profile and other related information exposed to the risk, such as Human Resource issues, completeness of the operational facility and infrastructure in Branch Office <p>Remuneration and Nomination Committee</p>
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

To provide recommendation for the Board of Commissioners:

- The Remuneration Committee has evaluated the remuneration policy for:
 - o The Board of Commissioners and the Board of Directors, which has been presented before the GMS; and
 - o The Executive Officer and the employees, which has been presented before the Board of Directors.
- With regard to the remuneration policy, the Committee has taken into account the financial performance, individual achievement, fairness with peer group and Bank's long-term goal and strategy.
- With regard to the nomination policy,

To provide recommendation for the Board of Commissioners:

- The Remuneration Committee has evaluated the remuneration policy for:
 - o The Board of Commissioners and the Board of Directors, which has been presented before the GMS; and
 - o The Executive Officer and the employees, which has been presented before the Board of Directors.
- With regard to the remuneration, the Committee has taken into account the financial performance, individual achievement, Bank's long-term goal and strategy, as well as fairness with peer group.
- With regard to the nomination policy, the

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<p>the Committee has set the system and procedures for the appointment and/or replacement of members of the Board of Commissioners and the Board of Directors to be presented before the GMS.</p> <ul style="list-style-type: none">• The Nomination Committee has provided recommendation on candidates of members of the Board of Commissioners and/or the Board of Directors to be presented before the GMS.	<p>Committee has set the system and procedures for the appointment and/or replacement of members of the Board of Commissioners and the Board of Directors to be presented before the GMS.</p> <ul style="list-style-type: none">• The Nomination Committee has provided recommendation on candidates of members of Independent Commissioner.
<ul style="list-style-type: none">• The Nomination Committee has provided recommendation on candidates of members of the Committee to the Board of Commissioners.	<ul style="list-style-type: none">• The Remuneration and Nomination Committee has provided recommendation on candidates of members of the Committee to the Board of Commissioners.

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

C. The Effectiveness of Meeting of the Committee	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
1. Meeting of the Committee is held in accordance with the need of the Bank.	During 2012, the following meetings have been held: <ul style="list-style-type: none">• 6 (six) Meetings of the Audit Committee,• 4 (four) Meetings of the Risk Monitoring Committee, and• 3 (three) Meetings of the Remuneration and Nomination Committee.
2. Meeting of the Audit Committee and Risk Monitoring Committee is attended by no less than 51% (fifty one percent) of the members, including the Independent Commissioner and the	Meeting of the Audit Committee is attended by all members, including the Independent Commissioner and the Independent Party. In addition, the meeting is also attended by the Chairman of IATF who provides explanation on the

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<p>Independent Party.</p>	<p>executed audit program, including the result of monitoring and evaluation on the internal control.</p> <p>Meeting of the Risk Monitoring Committee is attended by all members, including the Independent Commissioner and the Independent Party. In addition, the meeting is also attended by the Head of RMU ("UMR") who provides explanation on Bank's risk profile.</p>
<p>3. Meeting of the Remuneration and Nomination Committee is attended by no less than 51% (fifty one percent) of the members, including an Independent Commissioner and the Executive Officer or employee representative.</p>	<p>Meeting of the Remuneration and Nomination Committee is attended by all members, an Independent Commissioner and Employee Representative.</p>

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<p>4. Decision of meeting is made upon deliberation or the majority vote, in the event that deliberation cannot be made.</p>	<p>Decision of meeting is made upon deliberation or the majority vote, in the event that deliberation cannot be made.</p>
<p>5. Result of minutes of meeting shall be made, including the disclosure of dissenting opinions and must be documented properly.</p>	<p>minutes of meeting has been documented properly and has disclosed the opinions of the attending participants.</p>
<p>6. Result of meeting of the Committee is a recommendation to be used optimally by the Board of Commissioners.</p>	<p>Result of meeting of the Committee regarding issues under the concern of the Board of Commissioners is presented in a memorandum for the Board of Commissioners.</p>

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

RATING CRITERIA¹ – EFFECTIVENESS AND COMPLETENESS OF THE COMMITTEE	
Rating 1	<ul style="list-style-type: none">• Composition and competence of members of the Committees are highly suitable in comparison with the size and complexity of Bank's business.• Fulfillment of duties of the Committees is highly effective without minor drawbacks.• Recommendation from the Committees is valuable and can be used as a reference for the Board of Commissioners.• Meetings of the Committees are held according to the internal guideline and are held effectively and efficiently.
<u>Rating 2</u>	<ul style="list-style-type: none">• Composition and competence of members of the Committees are suitable in comparison with the size and complexity of Bank's business.• Fulfillment of duties of the Committees is effective, but there are minor drawbacks.

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

	<ul style="list-style-type: none">• Recommendation from the Committees is valuable and can be used as a reference for The Board of Commissioners• Meetings of the Committees are held according to the internal guideline and are held effectively and efficiently.
Rating 3	<ul style="list-style-type: none">• Composition and competence of members of the Committees are sufficiently suitable in comparison with the size and complexity of Bank's business.• Fulfillment of duties of the Committees is sufficiently effective but there are minor drawbacks that need improvements to avoid downgrade of Rating of Factor.• Recommendation from the Committees is valuable and can be used as a reference for the Board of Commissioners.• Meetings of the Committees are held no in full accordance with the internal guideline and are sufficiently held effectively and efficiently.

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

<p>Rating 4</p>	<ul style="list-style-type: none">• Composition and competence of members of the Committees are not fully suitable in comparison with the size and complexity of Bank's business.• Fulfillment of duties of the Committee is less effective and there are significant drawbacks in the implementation that may lead to downgrade of Rating of Factor and GCG Composite.• Recommendation from the Committees is less valuable and cannot be used as a reference for the Board of Commissioners.• Meetings of the Committees are held not in full accordance with the internal guideline and are held effectively and efficiently.
<p>Rating 5</p>	<ul style="list-style-type: none">• Composition and competence of members of the Committees are not fully suitable in comparison with the size and complexity of Bank's business.

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

- Fulfillment of duties of the Committee is less effective and there are significant drawbacks in the implementation that may lead to downgrade of Rating of Factor and GCG Composite.
- Recommendation from the Committees is valuable and can be used as a reference for the Board of Commissioners.
- Meetings of the Committees are held not in accordance with the internal guideline and are not held effectively and efficiently.

CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME²

Conclusion :

The existing Committees have complied with the implementation of principles of Good Corporate Governance.

ASSESSMENT FACTOR:

HANDLING OF CONFLICT OF INTERESTS

IV. HANDLING OF CONFLICT OF INTERESTS	
OBJECTIVES	
<p>To assess the effectiveness of handling of conflict of interests and the adequacy of the disclosure aspect, as well as the impact arising from the conflict of interests on Bank's profitability.</p>	
HANDLING OF CONFLICT OF INTERESTS	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
<p>1. The Bank has the policy, system and procedures for settlement of:</p> <ul style="list-style-type: none">• conflict of interests that binds all members of the management board and	<p>The Bank has the policy, system and procedures for settlement of conflict of interests as set forth in company regulation, <i>Kebijakan Perkreditan BBA</i></p>

ASSESSMENT FACTOR:

HANDLING OF CONFLICT OF INTERESTS

<p>employees of the Bank;</p> <ul style="list-style-type: none">• administration, documentation and disclosure of conflict of interests as referred to in the Minutes of Meeting. <p>2. Conflict of interests has been disclosed in each decision and has been documented properly.</p> <p>3. Conflict of interests does not disadvantage or decrease Bank's profit.</p>	<p>(Credit Policy of BBA- "KPBBB") and Circular of the Bank.</p> <p>There is no conflict of interests.</p> <p>There is no conflict of interests.</p>
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RATING CRITERIA – HANDLING OF CONFLICT OF INTERESTS

<p>Rating 1</p>	<ul style="list-style-type: none">• The Bank has the complete and effective policy, system and procedures for settlement of handling of conflict.• All conflict of interests has been disclosed in each decision, has been
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ASSESSMENT FACTOR:

HANDLING OF CONFLICT OF INTERESTS

	<p>supplied with the minutes of meeting, and has been administered and documented properly.</p> <ul style="list-style-type: none">• Conflict of interests does not disadvantage or decrease Bank's profit.
<p><u>Rating 2</u></p>	<ul style="list-style-type: none">• The Bank has the complete and effective policy, system and procedures for settlement of handling of conflict.• All conflict of interests has been disclosed in each decision, has been supplied with the minutes of meeting, has been administered and documented properly.• Conflict of interests does not disadvantage or decrease Bank's profit.
<p>Rating 3</p>	<ul style="list-style-type: none">• The Bank has the sufficiently complete and effective policy, system and procedures for settlement of handling of conflict.• All conflict of interests has been sufficiently disclosed in each decision, has been supplied with the minutes of meeting, has been

ASSESSMENT FACTOR:

HANDLING OF CONFLICT OF INTERESTS

	<p>administered and documented properly.</p> <ul style="list-style-type: none">• Conflict of interests does not disadvantage or decrease Bank's profit.
Rating 4	<ul style="list-style-type: none">• The Bank has the policy, system and procedures for settlement of handling of conflict that are not fully complete and effective.• Conflicts of interests are not sufficiently disclosed in each decision, a part of them has been supplied with the minutes of meeting, have not been administered and documented properly.• Conflict of interests disadvantages or decreases Bank's profit.
Rating 5	<ul style="list-style-type: none">• The Bank has the policy, system and procedures for settlement of handling of conflict that are incomplete and ineffective.• All conflict of interests is not sufficiently disclosed in each decision, is not supplied with the minutes of meeting, is not administered and documented properly.• Conflict of interests disadvantages or decreases Bank's profit.

ASSESSMENT FACTOR:

HANDLING OF CONFLICT OF INTERESTS

IV. HANDLING OF CONFLICT OF INTERESTS

CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME²

Conclusion :

The Bank has the policy, system and procedures for settlement of conflict of interests and no conflict of interests that may disadvantage or decrease Bank's profit.

ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

V. IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

OBJECTIVES

To Assess:

- the level of Bank's compliance with Bank Indonesia regulation and the applicable laws and regulations and the fulfillment of commitment with the authorities;
- the effectiveness of fulfillment of duties and independence of the Compliance Director and Compliance Task Force;
- the availability of work guideline, the latest work system and procedures at all organizational levels;
- the availability the proper MIS for the Compliance Task Force to perform its duties effectively.

Performance of Duties of Compliance Function

ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
<p>1. Compliance Director is responsible for:</p> <ul style="list-style-type: none">• Ensuring Bank's compliance to Bank Indonesia regulation and the applicable laws and regulations by<ul style="list-style-type: none">o determining the necessary measures to take in consideration of the principles of prudential banking;o monitoring and maintaining Bank's business activities to avoid violation of the provisions;	<p>With reference to Bank Indonesia Regulation No. 13/2/PBI/2011 of 12 January 2011 on the Fulfillment of Compliance Function for Commercial Banks, the duties and responsibilities of the Compliance Director are</p> <ul style="list-style-type: none">• Formulating the strategy to develop Bank's Compliance Culture. <p>The general duty of Compliance Director is to advise all organizational levels, from the highest level to the operating personnel to comply with the</p>

ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

<p>o monitoring and maintaining Bank's compliance with all agreements and commitments made between the Bank and Bank Indonesia and other authorities.</p>	<p>principles of prudential banking for the development of Bank's Compliance Culture.</p> <p>This general duty can be fulfilled in several ways, such as by issuing the circulars, providing advice in several summits and work meetings.</p> <ul style="list-style-type: none">• Proposing the compliance policy or compliance principles to be stipulated by the Board of Directors. <p>The Compliance Director issues Decree of the Board of Directors on Compliance Analysis for monitoring of all provisions of fund in the form of lending (exposure group >2 billion)</p>
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ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

	<p>and gives approval for Compliance Analysis made by the Compliance Task Force.</p> <ul style="list-style-type: none">• Specifying compliance system and procedures (Compliance Guideline). Compliance Director determines the Compliance Guideline as a guideline that is necessary for the Compliance Function to be implemented properly. This guideline is arranged according to the duties and responsibilities of the Compliance Director pursuant to Bank Indonesia Regulation No. 13/2/PBI/2011 of 12 January 2011 on Implementation of Compliance Function
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ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

	<p>for Commercial Banks.</p> <ul style="list-style-type: none">• Ensuring that the policy, provision, system and procedures, as well as business activities carried out by the Bank, have complied with Bank Indonesia regulation and the applicable laws and regulations. <p>In order to ensure that the Bank has complied with Bank Indonesia Regulation and other applicable laws and regulations for Principles of Prudential Banking, Compliance Director -together with the Compliance Task Force- coordinate with the relevant work units to ensure the</p>
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ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

	<p>availability and conformity of the guideline, system and procedures in each work unit to Bank Indonesia Regulation and the applicable laws and regulations for the Principles of Prudential Banking.</p> <ul style="list-style-type: none">• Minimizing Bank's Compliance Risk. <p>In order to minimize Bank's Compliance Risk, the Compliance Director gives approval for Report on Compliance Risk made by the Compliance Task Force and provides advices for the management board, both verbally and in written by sending an Internal Memo, in the event that some improvements are necessary.</p>
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ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

- Preventing the Board of Directors of the Bank or the Head of Overseas Branch Office to make the policy and/or decision that violates the applicable laws and regulations

- Preventing the Board of Directors of the Bank or the Head of Overseas Branch Office to make the policy and/or decision that violates the applicable laws and regulations

The Compliance Director must prevent the Board of Directors of the Bank from making policy and/or decision that violates Bank Indonesia Regulation and other applicable laws and regulation, which may harm the continuity of Bank's business.

- Performing other duties related to the Compliance Function.

ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

<ul style="list-style-type: none">• Submitting the report on fulfillment of duties and responsibilities on a periodical	<p>In order to monitor and maintain Bank's compliance with all agreements and commitments made between the Bank and Bank Indonesia or other supervisory authorities, Compliance Director performs monitoring of implementation of agreement, fulfillment of commitment, Bank's commitment to obey the command and prohibition from Bank Indonesia or other supervisory authorities.</p> <ul style="list-style-type: none">• Submitting the report on fulfillment of duties and responsibilities on a periodical basis to the President
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ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

<p>basis to the Managing Director with a copy to the Board of Commissioners or other authorities according to the organizational structure of the Bank.</p> <ul style="list-style-type: none">• Appointment of the Compliance Director conforms to the applicable laws and regulations. <p>2. The Board of Directors has</p> <ul style="list-style-type: none">• Approved Bank's compliance policy in the form of a formal document of the effective compliance function. <ul style="list-style-type: none">• Been held responsible for	<p>Director with a copy to the Board of Commissioners or other authorities according to the organizational structure of the Bank.</p> <ul style="list-style-type: none">• Appointment of the Compliance Director conforms to the applicable laws and regulations <p>The Board of Directors has</p> <ul style="list-style-type: none">• Approved Bank's compliance policy in the form of a formal document of the effective compliance function. <ul style="list-style-type: none">• Been held responsible for
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ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

<p>communicating all policies, guidelines, system and procedures to all organizational levels.</p> <ul style="list-style-type: none">• Been held responsible for establishing an effective and permanent compliance function as a part of Bank's overall compliance policy <p>3. The Compliance Task Force has:</p> <ul style="list-style-type: none">• Been being independent from the operational task force• Been held responsible for the availability and conformity of the guideline, system and procedures for all Task Forces to	<p>communicating all policies, guidelines, system and procedures to all organizational levels.</p> <ul style="list-style-type: none">• Been held responsible for establishing an effective and permanent compliance function as a part of Bank's overall compliance policy <p>The Compliance Task Force has:</p> <ul style="list-style-type: none">• Been being independent from the operational task force• Been held responsible for the availability and conformity of the guideline, system and procedures for all Task Forces to the applicable laws
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ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

<p>the applicable laws and regulations at all organizational levels</p> <p>4. The Bank has:</p> <ul style="list-style-type: none">• provided the quality resources for effective fulfillment of duties• Submitted the report on fulfillment of duties of the Compliance Director and special report to Bank Indonesia and related party.	<p>and regulations at all organizational levels by coordinating with relevant work units</p> <p>The Bank has:</p> <ul style="list-style-type: none">• provided the quality resources for effective fulfillment of duties• Submitted the report on fulfillment of duties of the Compliance Director and special report to Bank Indonesia and related party.
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V. IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

RATING CRITERIA¹ – FULFILLMENT OF COMPLIANCE FUNCTION

ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

<p>Rating 1</p>	<ul style="list-style-type: none">• Bank's compliance is considered excellent and violation of the existing provision and commitment is not committed.• Fulfillment of duties and independence of the Compliance Director and Compliance Task Force is highly effective.• Compliance Director and Compliance Task Force perform regular review on the compliance of all operational task forces.• Work guideline, system and procedures are available at all organizational levels in the form that is complete, up-to-date and conformed to the applicable laws and regulations.
<p><u>Rating 2</u></p>	<ul style="list-style-type: none">• Bank's compliance is considered good but immaterial violation of the existing provision and commitment has ever been committed and has been settled in the first quarter of the CAMELS rating assessment period.• Fulfillment of duties and independence of the Compliance Director and Compliance Task Force is effective.

ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

	<ul style="list-style-type: none">• Compliance Director and Compliance Task Force perform regular review on the compliance of all operational task forces.• Work guideline, system and procedures are available at all organizational levels in the form that is complete, up-to-date and conformed to the applicable laws and regulations.
Rating 3	<ul style="list-style-type: none">• Bank's compliance is considered sufficiently good but immaterial violation of the existing provision and commitment has ever been committed and will be settled in the next quarter.• Fulfillment of duties and independence of the Compliance Director and Compliance Task Force is sufficiently effective.• Compliance Director and Compliance Task Force perform regular review on the compliance of all operational task forces.• Work guideline, system and procedures are available at all organizational levels in the form that is complete, up-to-date and conformed to the applicable laws and regulations.

ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

Rating 4	<ul style="list-style-type: none">• Bank's compliance is considered deficient and immaterial violation of the existing provision and commitment has ever been committed and will be settled in the next two quarters.• Fulfillment of duties and independence of the Compliance Director and Compliance Task Force is ineffective.• Compliance Director and Compliance Task Force perform the review on the compliance of parts of the operational task forces on an irregular basis.• Work guideline, system and procedures are available at all organizational levels in the form that is incomplete and not fully conformed to the applicable laws and regulations.
Rating 5	<ul style="list-style-type: none">• Bank's compliance is considered poor and immaterial violation of the

ASSESSMENT FACTOR:

IMPLEMENTATION OF COMPLIANCE FUNCTION OF THE BANK

existing provision and commitment are frequently committed, and will be settled in more than the next two quarters.

- Fulfillment of duties and independence of the Compliance Director and Compliance Task Force is ineffective.
- Compliance Director and Compliance Task Force never perform the review on the compliance of the operational task force.
- Work guideline, system and procedures are available at all organizational levels in the form that is incomplete, outdated and non-conformed to the applicable laws and regulations.

CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME²

Conclusion :

Bank Compliance is considered good and fulfillment of duties and independence of the Compliance Director and Compliance Task Force is effective.

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

VI. IMPLEMENTATION OF INTERNAL AUDIT FUNCTION	
OBJECTIVES	
<p>To Assess:</p> <ul style="list-style-type: none">• the adequacy of Bank's internal audit function, to asses all activities aspects according to Bank Indonesia regulation and the applicable laws and regulations;• the effectiveness of Bank's internal audit function in developing a sound Bank that is capable of fair growth.	
Performance of Duties of Internal Audit Function	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
<p>1. The Board of Directors is held responsible for:</p> <ul style="list-style-type: none">• The establishment of internal control	<p>The Board of Directors is held responsible for:</p> <ul style="list-style-type: none">• The establishment of internal control

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

structure and ensuring the fulfillment of Bank's internal audit function at all managerial levels.

- Follow up of the findings by Bank's internal audit according to the policy and directions from the Board of Commissioners.
- The availability of report on the fulfillment of Bank's internal audit function to the GMS.

2. The Bank:

- Fulfilling the internal audit function effectively at all aspects and elements of activities that are considered

structure and ensuring the fulfillment of Bank's internal audit function at all managerial levels.

- Follow up of the findings by Bank's internal audit according to the policy and directions from the Board of Commissioners.
- Report on the fulfillment of Bank's internal audit function as presented before the GMS.

The Bank:

- Fulfilling the internal audit function effectively at all aspects and elements of activities that are considered having

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

having direct impact on the interests of the Bank and the community.

- Satisfying the Internal Audit Function Standard for Commercial Banks ("SPFAIB"), by:
 - Arranging the Internal Audit Charter;
 - Establishing the Internal Audit Task Force ("SKAI")
 - Arranging the guideline to internal audit.
- The IATF is independent from the operational task force.

direct impact on the interests of the Bank and the community. However, there are concurrent findings and internal audit findings that have not been followed up.

- Satisfying the Internal Audit Function Standard for Commercial Banks ("SPFAIB") by:
 - Arranging the Internal Audit Charter;
 - Establishing the Internal Audit Task Force ("SKAI")
 - Arranging the guideline to internal audit.
- The IATF is independent from the operational task force.

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

- Having an external party performing regular review on the effectiveness of fulfillment of duties of the IATF and its compliance with the SPFAIB every three years.
- Providing quality human resource for effective fulfillment of duties.
- Planning and realizing quality improvement of human resource skills on a regular and sustainable basis.

3. The IATF has:

- Performed the supervisory function independently with proper scope of

- Having an external party performing regular review on the effectiveness of fulfillment of duties of the IATF and its compliance with the SPFAIB every three years.
- Providing quality human resource for effective fulfillment of duties.
- Planning and realizing quality improvement of human resource skills on a regular and sustainable basis.

The IATF has:

- Performed the supervisory function independently with proper scope of duties

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

<p>duties and in accordance with the plan, implementation or monitoring of audit result.</p>	<p>and in accordance with the plan, implementation or monitoring of audit result.</p>
<ul style="list-style-type: none">• Fulfilling the duties that at least include the following assessments on<ul style="list-style-type: none">o the adequacy of Bank's Internal Control Systemo the effectiveness of Bank's Internal Control Systemo performance quality• Reporting all findings of examination according to the applicable provisions.• Monitoring, analyzing and reporting the progress of improvement follow up	<ul style="list-style-type: none">• Fulfilling the duties that at least include the following assessments on<ul style="list-style-type: none">o the adequacy of Bank's Internal Control Systemo the effectiveness of Bank's Internal Control Systemo performance quality• Reporting all findings of examination according to the applicable provisions.• Monitoring, analyzing and reporting the progress of improvement follow up carried

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

<p>carried out by the auditee.</p> <ul style="list-style-type: none">• Regularly arranging and updating work guideline, system and procedures according to the applicable laws and regulations.	<p>out by the auditee.</p> <ul style="list-style-type: none">• Regularly arranging and updating work guideline, system and procedures according to the applicable laws and regulations.
<p>RATING CRITERIA¹ – FULFILLMENT OF INTERNAL AUDIT FUNCTION</p>	
<p>Rating 1</p>	<ul style="list-style-type: none">• Implementation of the Bank's internal audit function is highly effective, the internal guideline is in accordance with the minimum standards set out in SPFAIB and minor drawbacks are not found.• IATF has performed its function independently and objectively.

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

<p><u>Rating 2</u></p>	<ul style="list-style-type: none">• Implementation of Bank's internal audit function is effective, the internal guideline is in accordance with the minimum standards set out in SPFAIB but there are minor drawbacks that have been/can be overcome by regular treatment.• IATF performs its function independently and objectively.
<p>Rating 3</p>	<ul style="list-style-type: none">• Implementation of Bank's internal audit function is sufficiently effective, the internal guideline is sufficiently in accordance with the minimum standards set out in SPFAIB but there are minor drawbacks that may lead to quality downgrade on the implementation of internal audit function.• IATF performs its functions independently and objectively.
<p>Rating 4</p>	<ul style="list-style-type: none">• Implementation of the Bank's internal audit function runs less effective, the internal guideline does not fully conform to the

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

	<p>minimum standards set out in SPFAIB and there are significant drawbacks.</p> <ul style="list-style-type: none">• IATF does not fully perform its functions independently and objectively.
Rating 5	<ul style="list-style-type: none">• Implementation of the Bank's internal audit function is not effective, the internal guideline is not in accordance with the minimum standards set out in SPFAIB and there are significant drawbacks.• IATF does not perform its function independently and objectively.
CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME²	
<p><u>Conclusion :</u></p> <p>Bank's Internal Audit Function is effective and the Bank has carried out its functions independently and objectively.</p>	

ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

VII. IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION	
OBJECTIVES	
<p>To Assess:</p> <ul style="list-style-type: none">• the effectiveness of the audit by Public Accountant;• the quality Public Accountant audit results;• conformity of the appointment of Public Accountant and PAF to the applicable regulations.	
Performance of Duties of External Audit Function	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS

ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

<p>1. In the audit of Bank's financial statements, the Bank appoints a Public Accountant and a Public Accounting Firm ("KAP") registered in Bank Indonesia.</p>	<p>In the audit of Bank's financial statements, the Bank appoints a Public Accountant from <i>Purwantonono, Suherman & Surja</i> Public Accounting Firm, a member of Ernst & Young, under the responsibility of Mr Peter Surja as the Signing Partner registered in Bank Indonesia.</p>
<p>2. The appointment of a same Public Accountant and PAF by the Bank shall not be made for a period exceeding five (5) consecutive fiscal years.</p>	<p>The appointment of a same Public Accountant and PAF by the Bank shall not be made for a period exceeding five (5) consecutive fiscal years.</p>
<p>3. The appointment of Public Accountant and PAF shall obtain prior approval from the GMS upon the recommendation from the Audit Committee and by the Board of</p>	<p>The appointment of Public Accountant and PAF shall obtain prior approval from the GMS upon the recommendation from the Audit Committee and by the Board of Commissioners.</p>

ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

<p>Commissioners.</p> <p>4. Assignment of audit to the Public Accountant and Public Accounting Firm at least complies with following aspects:</p> <ul style="list-style-type: none">• The capacity of the appointed Public Accounting Firm;• The legality of the employment agreement;• Scope of audit;• The professional standards of public accounting, and• Communication between Bank Indonesia and the said Public Accounting Firm	<p>Assignment of audit to the Public Accountants and Public Accounting Firm at least complies with the specified aspects.</p>
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ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

<p>5. The appointed Public Accountant and PAF has</p> <ul style="list-style-type: none">• Presented results of the audit and management letter to the Bank in a timely manner;• Been capable of working independently, satisfying the professional public accountants standards and labor agreements, as well as the defined scope of audit.	<p>The appointed Public Accountant and PAF has</p> <ul style="list-style-type: none">• Presented the results of the audit and management letter to the Bank in time;• Been capable of working independently, satisfying the professional public accountant standards and employment agreements, as well as the specified scope of audit.
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RATING CRITERIA¹ – FULFILLMENT OF EXTERNAL AUDIT FUNCTION

<p><u>Rating 1</u></p>	<ul style="list-style-type: none">• The Audit by the Public Accountant is highly effective and is in accordance with the minimum requirements specified in the provision³
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ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

	<ul style="list-style-type: none">• The quality and coverage the audit results by Public Accountant is excellent.• The implementation of the audit by Public Accountant/KAP is highly independent and meets the specified criteria.
Rating 2	<ul style="list-style-type: none">• The Audit by the Public Accountant is highly effective and is in accordance with the minimum requirements specified in the provision³ despite some minor drawbacks• The quality and coverage the audit results by Public Accountant is good.• The implementation of the audit by Public Accountant/PAF is independent and meets the specified criteria.

ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

Rating 3	<ul style="list-style-type: none">• The Audit by the Public Accountant is sufficiently effective and is in accordance with the minimum requirements specified in the provision³ despite some minor drawbacks• The quality and coverage the audit results by Public Accountant/PAF is sufficiently good.• The implementation of the audit by Public Accountant/PAF is sufficiently independent and meets the specified criteria.
Rating 4	<ul style="list-style-type: none">• The Audit by the Public Accountant is not fully effective and is in accordance with the minimum requirements specified in the provision³ despite some material drawbacks• The quality and coverage the audit results by Public Accountant/PAF is deficient.• The audit implementation by the Public Accountant/KAP is not fully independent.
Rating 5	<ul style="list-style-type: none">• The Audit by the Public Accountant is ineffective and is not in

ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

	<p>accordance with the minimum requirements specified in the provision³ and there are some material drawbacks</p> <ul style="list-style-type: none">• The quality and coverage the audit results by Public Accountant/PAF is poor.• The audit implementation by the Public Accountant/KAP is not independent.
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VII. IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME²

Conclusion :

Audit by *Purwanto, Suherman & Surja* Public Accounting Firm, a member of Ernst & Young, with Mr. Peter Surja as the Signing Partner has been performed effectively and independently according to the minimum requirement specified in the regulation, with a good quality and scope of audit by Public Accountant.

³ With regard to the relationship between the Bank, Public Accountant and Bank Indonesia and the Conventional Bank, or the relationship between the Bank Conducting Business based on Sharia Principles, the Public Accounting Firm, Public Accountant, the Sharia Supervisory Board and Bank Indonesia and the Banks conducting business based on Sharia Principles, as specified in Bank Indonesia Regulation on Transparency of Financial Conditions.

ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

VIII. IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM	
OBJECTIVES	
<p>To assess:</p> <ul style="list-style-type: none">• the effectiveness and adequacy of implementation of risk management in accordance with the objective, size and complexity of the Bank as well as the risks that the Bank may face;• if the Board of Commissioners and Board of Directors (Management) has actively monitored the implementation of risk management policy and strategy.	
Performance of Duties of Risk Management and Internal Control System Function	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
1. The Board of Commissioners has a definite duties and responsibilities, including:	The Board of Commissioners has definite duties and responsibilities, including:

ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

<ul style="list-style-type: none">• Approving and evaluating risk management policy.• Evaluating the responsibilities of the Board of Directors in the implementation of risk management policy.• Evaluating and deciding the requests of Directors related to transactions requiring approval from the for The Board of Commissioners <p>2. The Board of Directors has definite duties and responsibilities, including:</p> <ul style="list-style-type: none">• Performing a review on risk assessment methodology, the adequacy and accuracy of MIS implementation and the	<ul style="list-style-type: none">• Approving and evaluating risk management policy.• Evaluating the responsibilities of the Board of Directors in the implementation of risk management policy.• Evaluating and deciding the requests of Directors related to transactions requiring approval from the Board of Commissioners. <p>The Board of Commissioners has definite duties and responsibilities, including:</p> <ul style="list-style-type: none">• Performing a review on risk assessment methodology, the adequacy and accuracy of MIS implementation and the suitability of
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ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

<p>suitability of the policy, procedures and limitation.</p>	<p>the policy limitation.</p>
<ul style="list-style-type: none">• Providing quality resources to effectively complete risk management duties.• Planning and realizing improvement of human resource skill in charge of risk management on a regular and sustainable basis <p>3. The Bank has:</p> <ul style="list-style-type: none">• Held the policies, procedures and determination of risk limits• Effectively identified, measured, monitored and controlled the risk exposed to the Bank and obtained a	<ul style="list-style-type: none">• Providing quality resources to effectively complete risk management duties• Planning and realizing improvement of human resource skill in charge of risk management on a regular and sustainable basis <p>The Bank has:</p> <ul style="list-style-type: none">• Held the policies, procedures and determination of risk limits• Effectively identified, measured, monitored and controlled the risk exposed to the Bank and obtained a proper risk

ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

<p>proper risk management information system.</p> <ul style="list-style-type: none"> • Implemented a comprehensive and reliable internal control system. 	<p>management information system.</p> <ul style="list-style-type: none"> • Implemented a comprehensive and reliable internal control system.
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VIII. IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

RATING CRITERIA¹ – IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

<p>Rating 1</p>	<ul style="list-style-type: none"> • The management board is highly effective in identifying and controlling the risks exposed to the Bank. • The management is highly active in monitoring the policies, procedures, and limits, comprehensive management information system and highly effective in maintaining Bank's sound internal condition. • The procedures and implementation of Bank's internal control is highly comprehensive and in accordance with the objective, size and
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ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

	<p>complexity of Bank's business and the risks exposed to the Bank.</p> <ul style="list-style-type: none">• The management is highly effective in monitoring the condition of the Bank according to the principles of sound bank management, the applicable regulations and in accordance with Bank's policies and internal procedures.• The implementation of internal control does not indicate any drawback.
<p><u>Rating 2</u></p>	<ul style="list-style-type: none">• The management board is effective in identifying and controlling the risks exposed to the Bank.• The management is active in monitoring the policies, procedures, and limits, comprehensive management information system and highly effective in maintaining Bank's sound internal condition.• The procedures and implementation of Bank's internal control is comprehensive and in accordance with the objective, size and complexity of Bank's business and the risks exposed to the Bank.• The management is effective in monitoring the condition of the Bank

ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

	<p>according to the principles of sound bank management, the applicable regulations and in accordance with Bank's policies and internal procedures.</p> <ul style="list-style-type: none">• The implementation of internal control indicates drawback, but corrective measures have been taken to avoid significant adverse impact on Bank's condition.
Rating 3	<ul style="list-style-type: none">• The management board is sufficiently effective in identifying and controlling the risks exposed to the Bank.• The management is sufficiently active in monitoring the policies, procedures, and limits, comprehensive management information system and sufficiently effective in maintaining Bank's sound internal condition.• The procedures and implementation of Bank's internal control is comprehensive and in accordance with the objective, size and complexity of Bank's business and the risks exposed to the Bank.

ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

	<ul style="list-style-type: none">• The management is sufficiently effective in monitoring the condition of the Bank conformity with the principles of sound bank management, applicable regulations and in accordance with the Bank's policies and internal procedures.• The implementation of internal control indicates immaterial drawback, but late corrective measures may lead to significant adverse impact on Bank's condition.
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ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Rating 4	<ul style="list-style-type: none">• The management is less effective in identifying and controlling the risks exposed to the Bank.• The management is less active in monitoring the policies, procedures, and limits, comprehensive management information system and less effective in maintaining Bank's sound internal condition.• The procedures and implementation of Bank's internal control is less comprehensive and not fully in accordance with the objective, size and complexity of Bank's business and the risks exposed to the Bank.• The management is less effective in monitoring the condition of the Bank conformity with the principles of sound bank management, applicable regulations and in accordance with the Bank's policies and internal procedures.• The implementation of internal control indicates material drawback, and late corrective measures may lead to significant adverse impact on Bank's condition.
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ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Rating 5	<ul style="list-style-type: none">• The management is ineffective in identifying and controlling the risks exposed to the Bank.• The management is inactive in monitoring the policies, procedures, and limits, comprehensive management information system and ineffective in maintaining Bank's sound internal condition.• The procedures and implementation of Bank's internal control is not comprehensive and not in accordance with the objective, size and complexity of Bank's business and the risks exposed to the Bank.• The management is ineffective in monitoring the condition of the Bank conformity with the principles of sound bank management, applicable regulations and not in accordance with the Bank's policies and internal procedures.• The implementation of internal control indicates material drawbacks and violations, and late corrective measures may lead to significant adverse impact on Bank's condition and will likely cause material loss.
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ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

VIII. IMPLEMENTATION RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME²

Conclusion :

The management board effectively identifies and controls the risks exposed to the Bank, as well as performs active supervision on the management, policies and limits, procedures, report, management information systems; risk monitoring is effective to maintain Bank's sound internal condition.

ASSESSMENT FACTOR:

IMPLEMENTATION OF LENDING TO RELATED PARTY AND LARGE EXPOSURES

IX. LENDING TO RELATED PARTY AND LARGE EXPOSURES	
OBJECTIVES	
To Assess: <ul style="list-style-type: none">• the implementation of the principles of prudential banking in lending to related party and large exposure lending;• implementation of risk management related to the concentration of lending;• independence of decision-making related to lending to related parties and large exposures lending.	
LENDING TO RELATED PARTY AND LARGE EXPOSURES	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS

ASSESSMENT FACTOR:

IMPLEMENTATION OF LENDING TO RELATED PARTY AND LARGE EXPOSURES

<p>1. The Bank has :</p> <ul style="list-style-type: none">• Had the written and definite policies, systems and procedures for the provision of lending to related party and large exposure lending, monitoring and settlement of the problem.• Regularly evaluate and update policies, systems and procedures referred to in order to comply with the provisions and the applicable legislation. <p>2. The implementation of lending to related parties and/or large exposures lending by the Bank have:</p> <ul style="list-style-type: none">• Complied with Bank Indonesia on the Legal Lending Limit (BMPK) and taken	<p>The Bank has :</p> <ul style="list-style-type: none">• Had the written and definite policies, systems and procedures for the provision of lending to related party and large exposure lending, monitoring and settlement of the problem.• Regularly evaluate and update policies, systems and procedures referred to in order to comply with the provisions and the applicable legislation. <p>The implementation of lending to related parties and/or large exposures by the Bank have:</p> <ul style="list-style-type: none">• Complied with Bank Indonesia on the Legal Lending Limit (BMPK) and taken into
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ASSESSMENT FACTOR:

IMPLEMENTATION OF LENDING TO RELATED PARTY AND LARGE EXPOSURES

<p>into account the principles of prudential banking and the applicable laws and regulations.</p> <ul style="list-style-type: none"> • Taken into account capital capacity and distribution/diversification of credit portfolio <p>3. Decided by management, independently without intervention of the related parties and other parties.</p> <p>4. The bank has submitted periodic reports to Bank Indonesia on the said matter in a timely manner.</p>	<p>account the principles of prudential banking and the applicable laws and regulations.</p> <ul style="list-style-type: none"> • Taken into account capital capacity and distribution/diversification of credit portfolio <p>Decided by management, independently without intervention of the related parties and/or other parties.</p> <p>The bank has submitted periodic reports to Bank Indonesia on the said matter in a timely manner.</p>
<p>RATING CRITERIA¹ – LENDING TO RELATED PARTY AND LARGE EXPOSURES</p>	
<p>Rating 1</p>	<ul style="list-style-type: none"> • The Bank has the up-to-date and complete policies, systems and

ASSESSMENT FACTOR:

IMPLEMENTATION OF LENDING TO RELATED PARTY AND LARGE EXPOSURES

	<p>procedures for lending to related parties and large exposures lending</p> <ul style="list-style-type: none">• Violation and over limit of the Legal Lending Limit ("BMPK") are not committed.• Lending is evenly diversified or large exposure lending/lending to core debtors is insignificant in comparison with the total lending• Decision for lending to related party and large exposure lending is made independently
<p><u>Rating 2</u></p>	<ul style="list-style-type: none">• The Bank has the up-to-date and complete policies, systems and procedures for lending to related parties and large exposures lending• Violation of the Legal Lending Limit ("BMPK") is not committed, while the committed over limit has been settled.• Lending is evenly diversified or large exposure lending/lending to core debtors is insignificant in comparison with the total lending• Decision for lending to related party and large exposure lending is made independently

ASSESSMENT FACTOR:

IMPLEMENTATION OF LENDING TO RELATED PARTY AND LARGE EXPOSURES

<p>Rating 3</p>	<ul style="list-style-type: none">• The Bank has the sufficiently up-to-date and complete policies, systems and procedures for lending to related parties and large exposures lending• Violation of the Legal Lending Limit ("BMPK") is not committed, while the committed over limit has not been settled due to the settlement period according to the action plan.• Lending is evenly diversified.• Decision for lending to related party and large exposure lending is made sufficiently independent
<p>Rating 4</p>	<ul style="list-style-type: none">• The Bank has the less up-to-date and less complete policies, systems and procedures for lending to related parties and large exposures lending• Violation of the Legal Lending Limit ("BMPK") is not committed, while

ASSESSMENT FACTOR:

IMPLEMENTATION OF LENDING TO RELATED PARTY AND LARGE EXPOSURES

	<p>the committed over limit has not been settled and has exceeded the settlement period according to the action plan.</p> <ul style="list-style-type: none">• Lending is not evenly diversified or large exposure lending/lending to core debtors is significant in comparison with the total lending• Decision for lending to related party and large exposure lending is not fully made independent
<p>Rating 5</p>	<ul style="list-style-type: none">• The Bank has the outdated and incomplete policies, systems and procedures for lending to related parties and large exposures lending• Violation of the Legal Lending Limit ("BMPK") is committed, while the committed over limit has exceeded 2 (two) settlement periods according to the action plan.• Lending is not evenly diversified or large exposure lending/lending to core debtors is highly significant in comparison with the total lending

ASSESSMENT FACTOR:

IMPLEMENTATION OF LENDING TO RELATED PARTY AND LARGE EXPOSURES

- Decision for lending to related party and large exposure lending is not independent

CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME²

Conclusion :

There are no Violation of Maximum Lending Limit (BMPK) and Excess of Maximum Lending Limit (BMPK), diversification of funding sufficiently even and the amount of funds provision of the core debtors compared to the total supply of funds is not significant.

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

X. TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

OBJECTIVES

To assess:

- The timeliness, accuracy and transparency of financial and non-financial information presented to the stakeholders (public);
- The effectiveness of Bank' products and services information management, the management of customer complaints and the management of customers' personal data;
- The scope of report on the implementation of GCG that is submitted in a complete, accurate, up-to-date, intact and timely manner;
- the coverage of parties receiving the GCG report;
- the reliability of Bank' management information system (MIS), particularly if the Internal Reporting System is capable of providing the data and information in a

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

timely, complete and accurate manner and its usefulness in decision making (business).

SUB-FACTOR

A. The application of Transparency of Financial and Non-Financial Condition

CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
1. The Bank has transparently presented its financial and non-financial conditions to the stakeholders, including the quarterly Condensed Financial Statements, and has reported to Bank Indonesia or stakeholders pursuant to the applicable regulations.	The Bank has transparently presented its financial and non-financial conditions to the stakeholders, including the quarterly Condensed Financial Statements, and has reported to Bank Indonesia or stakeholders pursuant to the applicable regulations.

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

<p>2. The Bank is required to and has:</p> <ul style="list-style-type: none">• Prepared and presented a report with the procedure, type and scope specified in Bank Indonesia regulation on Transparency of Bank's Financial Condition.• Make the products information become transparent in accordance with Bank Indonesia regulations on the Transparency of Bank's Products Information and the Use of Customer Personal Data.• Make transparent the procedures for customer complaints and settlement of disputes to the customer in accordance	<p>The Bank is required to and has:</p> <ul style="list-style-type: none">• Prepared and presented a report with the procedure, type and scope specified in Bank Indonesia regulation on Transparency of Bank's Financial Condition.• Make the products information become transparent in accordance with Bank Indonesia regulations on the Transparency of Bank' Products Information and the Use of Customer Personal Data.• Make transparent the procedures for customer complaints and settlement of disputes to the customer in accordance
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ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

<p>with Bank Indonesia regulation on Customer Complaints and Banking Mediation</p> <ul style="list-style-type: none">• Present the Annual Report at least to:<ul style="list-style-type: none">○ Bank Indonesia;○ YLKI;○ Rating Institutions in Indonesia;○ Association of Banks in Indonesia\○ 2 (Two) Research Institutes in Financial and Economics field○ 2 (Two) Economy and Finance Magazines <p>3. The Bank has presented the report on its homepage with the specified scope, including:</p>	<p>with Bank Indonesia regulation on Customer Complaints and Banking Mediation</p> <ul style="list-style-type: none">• Present the Annual Report at least to:<ul style="list-style-type: none">○ Bank Indonesia;○ YLKI;○ Rating Institutions in Indonesia;○ Association of Banks in Indonesia○ 2 (Two) Research Institutes in Financial and Economics field○ 2 (Two) Economy and Finance Magazines <p>The Bank has presented the report on its homepage with the specified scope, including:</p>
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ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

<ul style="list-style-type: none"> • Annual Report (financial and non-financial); • Quarterly Condensed Financial Statements on no less than 1 (one) Indonesian newspapers having a wide distribution range in the area where head office of the Bank resides. 	<ul style="list-style-type: none"> • Annual Report (financial and non-financial); • Quarterly Condensed Financial Statements on no less than 1 (one) Indonesian newspapers having a wide distribution range in the area where head office of the Bank resides.
<p>B. Report on the Implementation of Good Corporate Governance</p>	
<p>CRITERIA/INDICATOR</p>	<p>SELF-ASSESSMENT ANALYSIS</p>
<p>1. The bank has prepared a report on the implementation of GCG with the contents and scope that are in accordance with the applicable provisions.</p>	<p>The bank has prepared the report on the implementation of GCG in accordance with the applicable regulations, by providing the data and information according to the findings of examination by Bank Indonesia'.</p>

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

<p>2. GCG implementation report has</p> <ul style="list-style-type: none">• reflected the actual condition of the Bank or the condition according to the result of Bank's self-assessment.• Been supplied with the result of Bank' self-assessment. <p>3. In the event that difference arises between the Title that is resulted from the self-assessment and the Title resulted from the supervision / examination by Bank Indonesia, the Bank shall:</p> <ul style="list-style-type: none">• Revise the Composite Score and the Title resulted from the said self-assessment, and presents such revision	<p>GCG implementation report has</p> <ul style="list-style-type: none">• reflected the actual condition of the Bank or the condition according to the result of Bank's self-assessment.• Been supplied with the result of Bank' self-assessment <p>In the event that difference arises between the Title that is resulted from the self-assessment and the Title resulted from the supervision/examination by Bank Indonesia, the Bank shall:</p> <ul style="list-style-type: none">• Revise the Composite Score and the Title resulted from the said self-assessment, and presents such revision to the public
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ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

<p>to the public through the Condensed Financial Statement for the nearest period.</p> <ul style="list-style-type: none">• submit the revision of self-assessment of Bank's GCG completely to Bank Indonesia. <p>4. The Bank shall present the report on implementation of GCG to:</p> <ul style="list-style-type: none">• Bank Indonesia;• YLKI;• Rating Institutions in Indonesia;	<p>through the Condensed Financial Statement for the nearest period.</p> <ul style="list-style-type: none">• submit the revision of self-assessment of Bank's GCG completely to Bank Indonesia. <p>The Bank has presented the report on implementation of GCG to the specified parties</p>
<ul style="list-style-type: none">• Association of Banks in Indonesia;• LPPI;• 2 (Two) Research Institute of the field of Economics and Finance;	

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

<ul style="list-style-type: none"> • 2 (Two) Economy and Finance Magazines completely and timely. <p>5. The Bank has presented the report on implementation of GCG on its homepage in a timely manner.</p>	<p>The Bank has presented the report on implementation of GCG on its homepage in a timely manner.</p>
<p>C. Adequacy of Internal Reporting</p>	
<p>CRITERIA/INDICATOR</p>	<p>SELF-ASSESSMENT ANALYSIS</p>
<p>1. The availability of complete internal reporting that is supported by a reliable MIS.</p> <p>2. The availability of accurate and timely information.</p>	<p>Proper internal reporting is available.</p> <p>The availability of accurate and timely information.</p>

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON
IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

<p>3. Reliable information system is available and supported by competent human resource.</p> <p>4. Proper IT security system is available.</p>	<p>Proper information system is available.</p> <p>Proper IT security system is available.</p>
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ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

X. TRANSPARENCY OF BANK'S FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING	
RATING CRITERIA ¹ – TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITION, REPORT ON THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING	
Rating 1	<ul style="list-style-type: none">• The Bank is highly transparent in disclosing its financial and non-financial condition to the public on its homepage and easily accessible media.• The available scope of financial and non-financial information is timely, complete, accurate, up-to-date and intact.• The Bank is transparent in disclosing product and service information, implementing the handling of customer complaints and effectively keeping customer's data and information.• The scope of report on the implementation of GCG is complete, accurate, up-to-date and intact, which has been submitted in a timely manner to the shareholders according to the applicable provisions.

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

	<ul style="list-style-type: none">• Bank's Management Information System, especially the one that is related to Bank's Internal Reporting System, is capable of providing data and information in a timely manner, accurately, completely and reliably, as well as effectively, for the making of management decision.
<p><u>Rating 2</u></p>	<ul style="list-style-type: none">• The Bank is highly transparent in disclosing its financial and non-financial condition to the public on its homepage and proper media.• The scope of financial and non-financial information is timely, complete, accurate, up-to-date and intact.• The Bank is transparent in disclosing product and service information, effectively implementing the handling of customer complaints and effectively keeping customer's data and information.• The scope of report on the implementation of GCG is complete, accurate, up-to-date and intact, which has been submitted in a timely manner to the shareholders according to the applicable provisions.

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

	<ul style="list-style-type: none">• Bank's Management Information System, especially the one that is related to Bank's Internal Reporting System, is capable of providing data and information in a timely manner, accurately, completely and reliably, as well as effectively, for the making of management decision.
Rating 3	<ul style="list-style-type: none">• The Bank is sufficiently transparent in disclosing its financial and non-financial condition to the public on its homepage and easily accessible media.• The available scope of financial and non-financial information is sufficiently timely, complete, accurate, up-to-date and intact.• The Bank is sufficiently transparent in disclosing product and service information, effectively implementing the handling of customer complaints and effectively keeping customer's data and information.• The scope of report on the implementation of GCG is sufficiently complete, accurate, up-to-date and intact, which has been submitted in a

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

	<p>sufficiently timely manner to the shareholders according to the applicable provisions.</p> <ul style="list-style-type: none">• Bank's Management Information System, especially the one that is related to Bank's Internal Reporting System, is sufficiently capable of providing data and information in a timely manner, accurately, completely and reliably, as well as effectively, for the making of of management decision.
Rating 4	<ul style="list-style-type: none">•The Bank is not fully transparent in disclosing its financial and non-financial condition to the public.•The scope of the available financial and non-financial information is not fully complete and not fully accurate.•The Bank is not fully transparent in disclosing product and service information, effectively implementing the handling of customer complaints and effectively keeping customer's data and information.

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

	<ul style="list-style-type: none">•The scope of the report on implementation of GCG is not fully complete, accurate, up-to-date and intact, which has been submitted to the shareholders according to the applicable provisions/late submission.•Bank's Management Information System, especially the one that is related to Bank's Internal Reporting System, is not fully capable of providing data and information in a timely manner, accurately, completely and reliably, as well as effectively, for the making of of management decision.
Rating 5	<ul style="list-style-type: none">•The Bank is not transparent in disclosing its financial and non-financial condition to the public.•The scope of the available financial and non-financial information is incomplete and inaccurate.
	<ul style="list-style-type: none">•The Bank is not transparent in disclosing product and service information, effectively implementing the handling of customer complaints

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

and effectively keeping customer's data and information.

- The scope of report on the implementation of GCG is incomplete, inaccurate, outdated and not intact, which has been submitted not in a timely manner to the shareholders not in accordance with the applicable provisions.
- Bank's Management Information System, especially the one that is related to Bank's Internal Reporting System, incapable of providing data and information in a timely manner, accurately, completely and reliably, as well as effectively, for the making of management decision.

CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME²

Conclusion :

The Bank conducts transparently in presenting its financial and non-financial information and products and service.

The Bank submitted the report on implementation of Good Corporate Governance to the

ASSESSMENT FACTOR:

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON
IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING

shareholders and published it on its homepage in a timely manner.

Bank's Management Information System is capable of providing internal reporting that is complete, accurate, up-to-date, integrated and timely, as well as capable of being used in the effective decision-making.

ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

XI. BANK'S STRATEGIC PLAN	
OBJECTIVES	
<p>To assess:</p> <ul style="list-style-type: none">• the adequacy of Bank's Corporate Plan and Business Plan with regard to the vision and mission of the Bank, its strategic goals and corporate values.• the maturity of Bank's Business Plan.	
Arrangement and Presentation of Bank's Corporate Plan and Business Plan	
CRITERIA/INDICATOR	SELF-ASSESSMENT ANALYSIS
1. Bank's strategic plan has been prepared in the form of Corporate Plan and Business Plan according to the vision and mission of the Bank.	Bank's strategic plan has been prepared in the form of Corporate Plan and Business Plan according to the vision and mission of the Bank.

ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

<p>2. Bank's Business Plan has been prepared in a realistic, comprehensive and achievable form while taking into account the principles of prudential banking and being responsive to the internal and external changes.</p> <p>3. Corporate Plan and Business Plan have been prepared by the Board of Directors and approval has been given by the Board of Commissioners.</p> <p>4. The Board of Directors has</p> <ul style="list-style-type: none">• Communicated its Corporate Plan and Business Plan to the Shareholders and to all organizational levels of the	<p>Bank's Business Plan has been prepared in a realistic, comprehensive and achievable form while taking into account the principles of prudential banking and being responsive to the internal and external changes.</p> <p>Corporate Plan and Business Plan have been prepared by the Board of Directors and approval has been given by the Board of Commissioners.</p> <p>The Board of Directors has</p> <ul style="list-style-type: none">• Communicated Bank's Corporate Plan and Business Plan to the Majority Shareholders and to all organizational levels of the
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ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

Bank.	Bank.
<p>Executing Bank's Business Plan effectively;</p> <p>5. Arrangement and presentation of Bank's Business Plan</p> <ul style="list-style-type: none"> • Refers to Bank Indonesia Regulation on Bank's Business Plan • Taking into account the composite Risk Control System (RCS) – <i>Srategic Risk</i>; • Taking into account the internal and external factors that may affect the continuity of Bank's business; • Taking into account the principles of prudential banking and the sound banking principles; 	<p>Executing Bank's Business Plan effectively;</p> <p>Arrangement and presentation of Bank's Business Plan</p> <ul style="list-style-type: none"> • Refers to Bank Indonesia Regulation on Bank's Business Plan • Taking into account the composite Risk Control System (RCS) <i>Strategic Risk</i>; • Taking into account the internal and external factors that may affect the continuity of Bank's business; • Taking into account the principles of prudential banking and the sound banking principles;

ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

<p>6. The Board of Commissioners has performed supervision on the fulfillment of Bank's Business Plan.</p>	<p>The Board of Commissioners performs supervision on the implementation of Bank's Business Plan.</p>
<p>RATING CRITERIA¹ – BUSINESS PLAN FOR COMMERCIAL BANKS</p>	
<p>Rating 1</p>	<ul style="list-style-type: none"> • Bank's Business Plan is highly in accordance with the vision and mission of the Bank and the Corporate Plan of the Bank. • Bank's Corporate Plan and Business Plan are arranged realistically and have taken into account all external and internal factors, the principles of prudential banking and sound banking principles.
	<ul style="list-style-type: none"> • The realization of Bank's Business Plan for the year 2012 conforms to Bank's Business Plan. • Low Strategic Risk Rating.

ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

<p><u>Rating 2</u></p>	<ul style="list-style-type: none">• Bank's Business Plan is in accordance with the vision and mission of the Bank and the Corporate Plan of the Bank.• Bank's Corporate Plan and Business Plan are arranged realistically and have taken into account all external and internal factors, the principles of prudential banking and sound banking principles.• The realization of Bank's Business Plan for the year 2012 conforms to Bank's Business Plan.• Low Strategic Risk Rating or Moderate to Low Strategic Risk Rating.
<p>Rating 3</p>	<ul style="list-style-type: none">• Bank's Business Plan is sufficiently in accordance with the vision and mission of the Bank and the Corporate Plan of the Bank.• Bank's Corporate Plan and Business Plan are arranged realistically and have taken into account all external and internal factors, the principles of prudential banking and sound banking principles.• The realization of Bank's Business Plan for the year 2012 conforms to

ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

	<p>Bank's Business Plan.</p> <ul style="list-style-type: none">• <i>Moderate Strategic Risk Rating.</i>
Rating 4	<ul style="list-style-type: none">• Bank's Business Plan is not fully in accordance with the vision and mission of the Bank and the Corporate Plan of the Bank.• Bank's Corporate Plan and Business Plan are not fully realistic and have not fully taken into account all external and internal factors, the principles of prudential banking and sound banking principles.• The realization of Bank's Business Plan for the year 2012 does not fully conform to Bank's Business Plan.• High Strategic Risk Rating or Moderate to high Strategic Risk Rating.
Rating 5	<ul style="list-style-type: none">• Bank's Business Plan is not in accordance with the vision and mission of the Bank and the Corporate Plan of the Bank.

ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

- Bank's Corporate Plan and Business Plan are unrealistic and do not take into account all external and internal factors, the principles of prudential banking and sound banking principles.
- The realization of Bank's Business Plan for the year 2012 does not conform to Bank's Business Plan.
- High Strategic Risk Rating.

CONCLUSION : IDENTIFICATION OF ISSUES, ACTION PLAN AND COMPLETION TIME²

Conclusion :

- Bank's Corporate Plan and Business Plan are arranged according to the vision and mission of the Bank and have taken into account all external and internal factors, the principles of prudential banking and sound banking principles.
- Business realization for the year 2012 conforms to Bank's Business Plan.

**SUMMARY OF CALCULATION OF COMPOSITE SCORES
OF SELF-ASSESSMENT ON GOOD CORPORATE GOVERNANCE**

NO	ASSESSED ASPECT	VALUE	RATING	SCORE	NOTE *)
		(a)	(b)	(a) x (b)	
1	Fulfillment of Duties and Responsibilities of the Board of Commissioners	10.00%	2	0.200	Fulfillment of duties and responsibilities of the Board of Commissioners has fully satisfied the principles of Good Corporate Governance.
2	Fulfillment of Duties and Responsibilities of the Board of Directors	20.00%	2	0.400	The Board of Directors has implemented the principles of Good Corporate Governance according to the applicable provisions despite several improvements that are necessary for the employment aspect. The Bank is gradually

					improving the provisions in employment aspect.
3	Completeness and Fulfillment of Duties of the Committee	10.00%	2	0.200	The existing Committees have performed accordingly to the principles of Good Corporate Governance.
4	Handling of Conflict of Interests	10.00%	2	0.200	The Bank has the policy, system and procedures for settlement of conflict of interests and there is no conflict of interests that disadvantages or decreases Bank's profit.
5	Implementation of Bank's Compliance Function	5.00%	2	0.100	Bank' compliance is considered good and the fulfillment of duties and independence of the Compliance Director and Compliance Task Force are effective.
6	Implementation of Internal	5.00%	2	0.100	The implementation of Bank's Internal Audit Function is effective as well as independent and

	Audit Function				objective.
7	Implementation of External Audit Function	5.00%	1	0.50	Audit by <i>Purwantono, Suherman & Surja</i> Public Accounting Firm, a member of Ernst&Young, with Mr. Peter Surja as the Signing Partner, is implemented effectively and independently, as well as in accordance with the minimum requirements specified in the regulation with a good quality and scope of audit by the Public Accountant.
8	Implementation of Risk Management and Internal Control System	7.50%	2	0.150	The management board effectively identifies and controls all risks exposed to the Bank and performs active supervision on the management, policy and limitation, procedures, report, management information system, and risk monitoring is effective in maintaining Bank's sound internal condition.

9	Lending to Related Party and Large Exposure Lending	7.50%	2	0.150	There is no Violation and Over Limit of Legal Lending Limit, diversification of Lending is distributed evenly, and the number of lending for core debtors is not significant in comparison with the lending.
10	Transparence of Bank's Financial and Non-Financial Condition, Report on the Implementation of Good Corporate Governance and Internal	15.00%	2	0.300	The Bank is transparent in disclosing its financial and non-financial information, as well as product and service information. The Bank presents the report on implementation of Good Corporate Governance to the shareholders and publishes it on the homepage in a timely manner. Bank's Management Information System is capable of providing complete, accurate, up-to-date, intact and timely internal reporting for effective decision-making.

	Reporting				
11	Bank's Strategic Plan	5.00%	2	0.100	Bank's Corporate Plan and Business Plan are arranged according to the vision and mission of the Bank while taking into account all external and internal factors, the principles of prudential banking and the sound banking principles. The realization of business plan in 2012 is sufficiently in accordance with Bank's Business Plan.
	Composite Score	100.00%		1.950	Predicate: Good.

