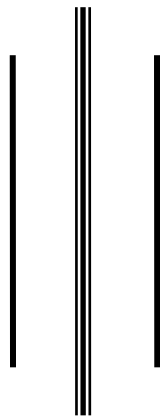


**REPORT ON IMPLEMENTATION  
OF GOOD CORPORATE GOVERNANCE**

**2013**



**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. 15/15/DPNP of April 29, 2013 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 2013 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. Disclosures of Good Corporate Governance Practices**

#### **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, monitoring reports 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

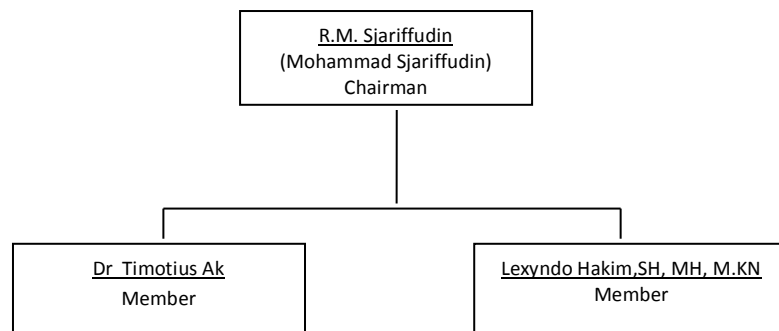
according to the result of the General Meeting of Shareholders and the Meeting of the Board of Commissioners.

## 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 March 16, 2013, 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, Ak as Member and Independent Party, who has expertise in financial field.
- c) Lexyndo Hakim, SH, MH, M.KN<sup>1</sup> as Member and Independent Party, who has expertise in legal field or banking.

## **2) Duties and Responsibilities of the Committee**

Audit Committee has the following duties and responsibilities:

- a) Performing analysis on financial information to be published by Bank for public and/or the authorities, such as financial statement, projection and other reports related to financial information of the Bank.
- b) Performing analysis on legal compliance with regard to Bank's activities

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<sup>1</sup>Lexyndo Hakim, SH, MH, M.KN as the substitute for Djoki Sutiono, SH, has been appointed the member of Audit Committee from Independent Party having expertise in legal field, pursuant to Decree of the Board of Directors No. DIR/174/III/2013 of March 15, 2013 and is commenced effective as from March 16, 2013.

- c) Performing analysis on complaints related to accounting process and Bank's financial reporting
- d) Performing analysis and providing advices to the Board of Commissioners with regard to conflict of interests potentials in the Bank.
- e) Performing analysis on implementation of audit by internal auditor and monitoring the implementation of follow-ups by the Board of Directors with regard to the findings collected by the internal auditor.
- f) Conducting monitoring and evaluation on audit planning and implementation and monitoring of follow up to audit result in order to assess internal control adequacy, including financial reporting adequacy.
- g) Providing recommendation to the Board of Commissioners on appointment of Public Accounting Firm according to the independence, scope of duties and fee to be presented before the General Meeting of Shareholders.
- h) Providing independent opinion in the event of dissent of opinions between the board of management and the Accountant with regard to the provided service.



i) Providing recommendation to the Board of Commissioners on the result of monitoring and evaluation on the following:

- (1) Performance of duties of the Internal Audit Task Force
- (2) Compliance of the Audit performed by the Public Accounting Firm with the applicable Auditing Standard.
- (3) Compliance of financial statement with the applicable auditing standard.
- (4) Implementation of follow up by the Board of Directors with regard to the findings collected by the Internal Audit Task Force, Public Accountant and result of monitoring by Bank Indonesia.

j) Keeping the confidentiality of bank documents, data and information.

### **3) Frequency of meeting of the Committee**

In fulfilling its duties and responsibilities, the Audit Committee holds no less than 1 (one) meetings in 3 months.

### **4) Committee Work Plan and Realization**

During 2013, the Audit Committee has:

a) held 5 meetings that are attended by all members of the Audit Committee

Attendance of members of Audit Committee in 2013.

| Audit Committee<br><br>(Date)                                  | Tw1      |          | Tw2      | Tw3      | Tw4      |
|--|----------|----------|----------|----------|----------|
|  | 11/03/13 | 25/03/13 | 19/06/13 | 19/09/13 | 16/12/13 |
| R.M.Sjariffudin<br><br>(Mohammad Sjariffudin),<br><br>Chairman | √        | √        | √        | √        | √        |
| Dr. Timotius, Ak,<br><br>Member                                | √        | √        | √        | √        | √        |
| Djoki Sutiono, SH,<br><br>Member                               | √        | -        | -        | -        | -        |
| Lexyndo Hakim, SH,<br><br>MH, M.Kn,<br><br>Member              | -        | √        | √        | √        | √        |

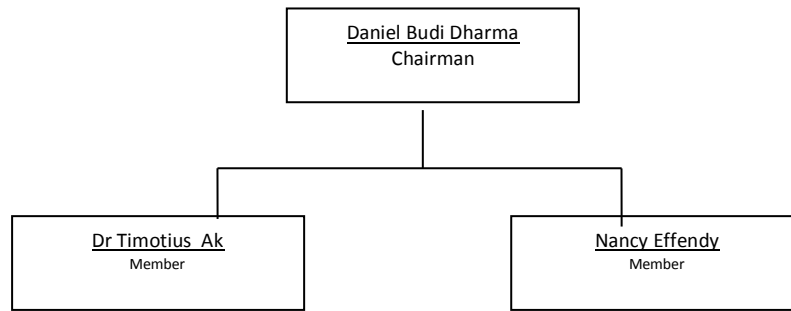
The result of meeting of Audit Committee is presented in the Minutes of Meeting as documentation and the Audit Committee has provided the memorandum of recommendation with regard to the result of Meeting of Audit

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

- b) Performing analysis on financial information to be published by Bank for public and/or the authorities, such as financial statement, projection and other reports related to financial information of the Bank, legal compliance of the Bank, implementation of audit by the internal auditor and monitor the implementation of follow up by the Board of Directors with regard to the findings collected by the internal auditor, which will be 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 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, Ak 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.

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 2013, Risk Monitoring Committee has:

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

Attendance of members of Audit Committee in 2013

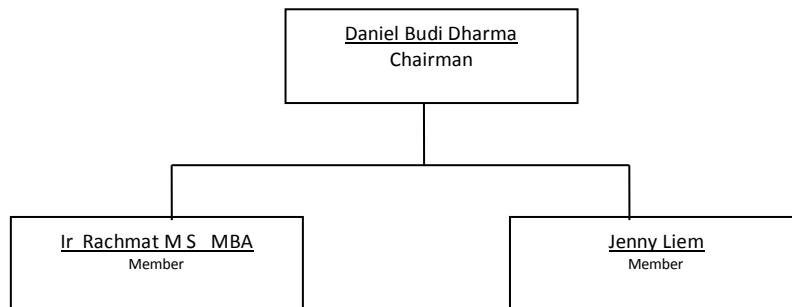
| Audits Committee<br>(Date)      | Tw 1<br>11/03/13 | Tw 2<br>19/06/13 | Tw 3<br>19/09/13 | Tw 4<br>16/12/13 |
|---------------------------------|------------------|------------------|------------------|------------------|
| Daniel Budi Dharma,<br>Chairman | √                | √                | √                | √                |
| Nancy Effendy, Member           | √                | √                | √                | √                |
| Dr. Timotius, Ak,<br>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 (four) meetings in a year and, when necessary, may hold a meeting other than the scheduled meeting.

4) Committee Work Plan and Realization

During 2013, 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 2013

| Remuneration and<br>Nomination Committee<br><br>(Date) | Tw2      | Tw3      | Tw4      |
|--|----------|----------|----------|
|  | 05/03/13 | 24/04/13 | 18/12/13 |
| Daniel Budi Dharma,<br>Chairman                        | √        | √        | √        |
| Ir. H Rachmat Mulia<br>Suryahusada, MBA, Member<br>a   | √        | √        | √        |
| Jenny Liem, Member                                     | √        | √        | √        |

b) 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 2013 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 2013.

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.

According to the independent auditor report No. RPC-4970/PSS/2014 of March 19, 2014, the financial statement of Bank Bumi Arta for the financial year 2013 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, 2013, 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 2013 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, 2013 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 Credit Policy of Bank Bumi Arta ("KPBBA"), 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 Market Risk measurement are carried out using market interest growth and foreign exchange rate as well as performing monitoring using repricing gap to identify Risk Sensitivity Asset (RSA) position to Risk Sensitivity Liabilities (RSL)

on a periodical basis.

The report related with Risk Market is reported in ALCO meeting and Board of Directors meeting at least 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 (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"), Guide Book of Risk Management ("BPMR"), 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 ("KPBA"), 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 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 2013 is as follows:

| No. | Lending          | Amount |                        |
|-----|------------------|--------|------------------------|
|     |                  | Debtor | Nominal<br>(in Rupiah) |
| 1   | To Related Party | 22     | 62,091 <sup>2</sup>    |
| 2   | To Core Debtors  |        |                        |
|     | a. Individual    | 7      | 239,429                |
|     | b. Group         | 8      | 329,581                |
|     | <b>Total</b>     | 15     | 569,010                |

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<sup>2</sup> Lending to Related Party to an amount of Rp 62,091 million is secured by cash collateral to an amount of Rp 37,104 million, and therefore, lending that is calculated as the Lega Lending Limit ("BMPK") to Related Party is Rp 24,987 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.

**8. Other Information Related to Good Corporate Governance of the Bank**

During 2013, there is no intervention of the owner, there is no internal disputes, and there is no problems arising from the remuneration policy in Bank Bumi Arta that may interfere with bank business and performance.

**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 Agung<sup>3</sup>.
2. Hendrik Atmaja, as Credit and Marketing Director, owns 1900 units of common stock (21.11%) in PT. Surya Husada Investment<sup>4</sup>.

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<sup>3</sup> PT. Dana Graha Agung is the shareholder in PT. Bank Bumi Arta Tbk. to an amount of 27,27%

<sup>4</sup> 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<br>Suryahusada, MBA | President<br>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<br>Dharma                 | Vice President<br>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<br/><br/>(Mohammad<br/>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<br/><br/>(Wikan Aryono S)</p>               | <p>President<br/><br/>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<br/><br/>Marketing<br/><br/>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 | Compliance | Does not have Financial  |
| Jonathan   | Director   | 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. |

**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 2013 |                |                        |                |
|---|-----------------------------|----------------|------------------------|----------------|
|   | The Board of Commissioners  |                | The Board of Directors |                |
|   | People                      | Million Rupiah | People                 | Million Rupiah |
| 1. Remuneration (salary, bonus, regular allowance, tantien and other fringe benefits)         | 3                           | 1,687          | 3                      | 3,861          |
| 2. Other fringe benefits (housing, transportation, health insurance and so forth) that are*): |                             |                |                        |                |
| a. Acquirable   | -                           | -              | -                      | -              |
| b. Non-Acquirable   | -                           | -              | -                      | -              |
| <b>Total</b>  | <b>3</b>                    | <b>1,687</b>   | <b>3</b>               | <b>3,861</b>   |

\*) 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 2013 are classified in income level range is as follows:

(person unit)

| Amount of Remuneration per person in 2013 | Number of the Board of Directors | Number of the Board of Commissioners |
|---|----------------------------------|--------------------------------------|
| Above Rp 2 billion                        | -                                | -                                    |
| Above Rp 1 billion to Rp 2 billion        | 3                                | -                                    |
| 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 2013, 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 units) | 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 2013:

1. The highest and lowest employee's salary are 41.33 : 1 or the highest salary is 41.33 times higher than the lowest salary.
2. The highest and lowest salary of the Board of Directors are 1.73 : 1, or the highest salary is 1.73 times higher than the lowest salary.
3. The highest and lowest salary of the Board of

Commissioners are 4.34 : 1, or the highest salary is 4.34 times higher than the lowest salary.

4. The highest salary of the Board of Directors and the highest employee's salary are 1.63 : 1, or the highest salary of the Board of Directors is 1.63 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 and minimum twice (2) in a year.

In 2013, the Board of Commissioners has held 8 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 2013



| The Board of Commissioners<br><br>(date)                                | Tw1      |          | Tw2      | Tw3      |          |          | Tw4      |          |
|---|----------|----------|----------|----------|----------|----------|----------|----------|
|   | 19/02/13 | 11/03/13 | 30/04/13 | 15/07/13 | 23/07/13 | 15/08/13 | 06/11/13 | 20/12/13 |
| Ir. Rachmat Mulia<br>Suryahusada, MBA,<br>The President<br>Commissioner | √        | √        | √        | √        | √        | √        | √        | √        |
| Daniel Budi Dharma,<br>Vice President<br>Commissioner                   | √        | √        | √        | √        | √        | √        | √        | √        |
| R.M. Sjariffudin<br><br>(Mohammad<br>Sjariffudin),<br>Commissioner      | √        | √        | √        | √        | √        | √        | √        | √        |

#### H. The Number of Internal Fraud

In 2013, there is 1 (one) internal fraud committed by permanent employees with regard to the work process and Bank's operational activities. The internal fraud has been followed up by legal process and has been completed in the current year, therefore:

1. There is 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<br>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  | -                            | -            | -                  | 1            | -                      | -            |
| Settled Fraud                                      |                              | -            |                    | 1            |                        | -            |
| Being Settled<br>in Bank's<br>Internal<br>Affairs  | -                            | -            | -                  | -            | -                      | -            |
| Has Not Been<br>Sought for<br>Settlement           | -                            | -            | -                  | -            | -                      | -            |
| Has Been<br>Followed Up by<br>Legal<br>Proceedings |                              | -            |                    | -            |                        | -            |

**I. Legal Cases**

During 2013, 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 2013, 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 2013, 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 2013, as a form of concern for social and

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

1. Implementation of blood donor program in Jakarta to an amount of Rp 9,165,020,-.
2. Charity for Kristen 400 Betel Orphanage in Denpasar to an amount of Rp 2,500,000,-.
3. Donation in the form of books for library collection to Harapan Bangsa Foundation in Pekarangan Village, Karangasem-Denpasar to an amount of Rp 974,700,-.
4. Donation in the form of basic supplies to Jaga Marapati Eldercare-Singaraja in Denpasar to an amount of Rp 2,499,950,-.

During 2013, Bank Bumi Arta does not provide any donation for political activities.

**II. Report on Self-Assessment on Implementation of Good Corporate Governance**

Result of self-assessment on the implementation of Good Corporate Governance of Bank Bumi Arta in 2013 is as follows:

| RESULT OF SELF ASSESSMENT ON IMPLEMENTATION OF GCG |  |
|--|--|
| Rank   | Definition of Rank   |
| 2  | In general, the management board of Bank Bumi Arta has implemented Good Corporate Governance properly. This is reflected on the fulfillment of principles of Good Corporate Governance. When weaknesses are found in the implementation of principles of Good Corporate Governance, such weaknesses are considered less significant and can be overcome by Management Board of the Bank. |

According to the analysis on all criteria/indicators for assessment of Good Corporate Governance, it is concluded that:

**A. Governance Structure**

1. Positive factors in Bank governance structure aspect:

a. Fulfillment of Duties and Responsibilities of the Board of Commissioners

- Number, composition, integrity and competence of members of the Board of Commissioners is in

accordance with the size and complexity of Bank business and have complied with the applicable regulation.

- The Board of Commissioners has a work guideline and code of conducts.

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

- Number, composition, integrity and competence of members of the Board of Directors are in accordance with the size and complexity of Bank business and have complied with the applicable regulation.
- The Board of Directors has a work guideline and code of conducts.

c. Completeness and Fulfillment of Duties of the Committee

- Number, composition, integrity and competence of members of the Committees are in accordance with the size and complexity of Bank business and have complied with the applicable regulation.
- Any Independent Party member of the Committee does not have any 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 his capability to act independently.

d. Handling of Conflict of Interests

The Bank has the policy, system and procedures of settlement of conflict of interests set forth in company's regulation, BBA Credit Policy (KPBBA) and Bank Circular.

e. Implementation of Bank's Compliance Function

- Compliance Task Force is independent from the operational task force
- Appointment of Director in charge of Compliance Function is in accordance with Bank Indonesia Regulation

f. Implementation of Internal Audit Function

- Bank has the Bank Internal Audit Function Standard ("SPFAIB").
- Internal Audit Task Force ("SKAI") is independent from the operational task force.

g. Implementation of External Audit Function

Appointment of auditing work to the Public Accountant and Public Accounting Firm has met the specified aspects.



h. Implementation of Risk Management and Internal Control System

- The Bank has a proper organizational structure to perform Risk Management and internal control, such as the SKAI, Risk Management Unit ("UMR") and Risk Management Committee, as well as Compliance Task Force.
- The Bank has proper policy, procedures and risk limit as set forth in the Guideline to Risk Management ("BPMR").

i. Lending to Related Party and Large Exposure Lending

The Bank has proper written policy, system and procedures for lending to related party and large exposure lending as set forth in the Legal Lending Limit and Lending Approval Authority Limit ("BPMR").

j. Transparency of Bank's Financial and Non-Financial Condition, Report on Implementation of Good Corporate Governance and Internal Reporting

- The Bank has the policy and procedures for implementation of transparency of financial and non-financial condition.
- The Bank has made the Report on Implementation of GCG at the end of each financial year with a scope that is in accordance with the applicable provisions.

- Availability of proper internal reporting and accurate and timely information.

k. Bank's Strategic Plan

- Bank's strategic plan has been set forth in the form of a Corporate Plan and Business Plan in accordance with vision and mission of the Bank.
- Bank's strategic plan is fully supported by the Owner, as reflected in Owner's commitment and efforts in strengthening Bank's capital.

2. Negative aspects in Bank's governance structure are:

- a. Transparency of Bank's Financial and Non-Financial Condition, Report on Implementation of Good Corporate Governance and Internal Reporting.

A reliable information system and proper IT security system are available, but improvement is necessary for the human resource.

**B. Governance Process**

1. Positive factors in Bank's governance process are:

- a. Fulfillment of Duties and Responsibilities of the Board of Commissioners

- Fulfillment of duties and responsibilities of the Board of Commissioners has satisfied the

principles of Good Corporate Governance and has been performed effectively.

- There is no intervention of the Owner in the fulfillment of duties of the Board of Commissioners that may interfere with Bank's operational activities.

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

- The Board of Directors manages the Bank in accordance with its authority and responsibilities as specified in the Articles of Association and the applicable laws and regulations.
- There is no intervention of the Owner in the fulfillment of duties of the Board of Directors that may interfere with Bank's operational activities.

c. Completeness and Fulfillment of Duties of the Committee

- Duties of the Committees have been fulfilled effectively.
- Result of committee meeting on issues under Committee's concern has been presented in a memorandum for the Board of Commissioners.
- There is no intervention of the Owner in the fulfillment of duties of the Committee.

d. Handling of Conflict of Interests

There is no conflict of interests that disadvantages or decreases Bank's profit.

e. Implementation of Bank's Compliance Function

- Director in charge of Compliance Function and Compliance Task Force has fulfilled his duties according to the applicable provisions.
- The Board of Directors has approved Bank's compliance policy and communicated all policies, guidelines, systems and procedures to the relevant organization level.

f. Implementation of Internal Audit Function

- The Bank has implemented internal audit function effectively on all aspects.
- The Bank performs regular review on the effectiveness of fulfillment of duties of IATF ("SKAI") and its compliance with SPFAIB by external parties once every three years.
- There is no violation in the realization of audit plan by Bank's IATF ("SKAI").
- IATF ("SKAI") has performed the supervisory function independently for an adequate task scope and in accordance with the specified plan, implementation and monitoring of audit result.

g. Implementation of External Audit Function

- Appointment of Public Accountant and Public Accounting Firm is carried out by the Board of Directors with the authority granted by the General Meeting of Shareholders on recommendation from the Audit Committee through the Board of Commissioners.
- Public Accountant has fulfilled the audit independently and professionally.
- Public Accountant has reported audit result and Management Letter to Bank Indonesia.

h. Implementation of Risk Management and Internal Control System

- The Board of Commissioners has approved and evaluated Risk Management policy and evaluated the accountability of the Board of Directors and provided guidance for improvement of implementation of Risk Management as set forth in the Appeal/Memorandum of the Board of Commissioners to the Board of Directors.
- The Board of Directors has arranged and evaluated Risk Management policy as set forth in the Guideline to Risk Management ("BPMR"), ensured the implementation of improvement measures of issues or violation found by the IATF ("SKAI"), as well

as developed a Risk Management culture at all organizational levels.

i. Lending to Related Party and Large Exposure Lending

- The Bank has ensured that lending to related party and large exposure lending has been in accordance with the principles of prudential banking.
- The making of decision on lending has been made independently by the Board of Management without any intervention of related party and/or other parties.

j. Transparency of Bank's Financial and Non-Financial Condition, Report on Implementation of Good Corporate Governance and Internal Reporting

- The Bank has transparently presented its financial and non-financial condition to the stakeholders, including by publishing its quarterly Condensed Financial Statement, and has reported it to Bank Indonesia or the stakeholders in accordance with the applicable provisions.
- The Bank has transparently provided information on Bank's product in accordance with Bank Indonesia regulation on transparency of Bank Product Information and the Use of Customer.

- The Bank has transparently informed the procedures for customer complaint and settlement of dispute to the customers according to Bank Indonesia regulation on Customer Complaints and Banking Mediation.
- The Bank has drawn the Report on Implementation of GCG with a scope that is in accordance with the applicable provisions and has presented data and information in accordance with the findings of audit by Bank Indonesia.

k. Bank's Strategic Plan

- Bank's Strategic Plan has been approved by the Board of Commissioners.
- The Board of Directors has communicated Bank's Business Plan to all shareholders and to all organizational levels in the Bank.
- The arrangement and submission of Bank's Business Plan have followed the guidance set forth in Bank Indonesia regulation on Bank's Business Plan and have considered the external and internal factors that may affect the performance of Bank's business, principles of prudential banking, implementation of Risk Management and sound banking principles.

- The Board of Commissioners has performed supervision of implementation of Bank's Business Plan.

2. Negative factors in Bank's governance process aspect are:

a. Implementation of Risk Management and Internal Control System

The Bank has implemented proper internal control system, but improvements shall be made on the performance.

b. Bank's Strategic Plan

In general, Bank's strategic plan has been realized, except for the plan of closing of a network office.

### **C. Governance Outcome**

1. Positive factors in Bank's governance outcome aspect are:

a. Fulfillment of Duties and Responsibilities of the Board of Commissioners

- Result of meeting of the Board of Commissioners has been provided in a minutes of meeting and has been documented properly, supplied with opinions of the participants of meeting.



- The Board of Commissioners has disclosed share ownership, financial and family relationship, remuneration and other facilities as well as the owned shares option in the Report on Implementation of GCG.
- There is no intervention of the owner on the composition and/or fulfillment of duties of the Board of Commissioners that may interfere with Bank's operational activities.

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

- The Board of Directors has reported its accountability in fulfilling its duties to the shareholders in the General Meeting of Shareholders ("RUPS").
- Result of meeting of the Board of Directors has been presented in the minutes of meeting and documented properly, and has been supplied with opinions of the participants of meeting.
- The Board of Directors has disclosed share ownership, financial and family relationship, remuneration and other facilities as well as the owned shares option in the Report on Implementation of GCG.

- There is no intervention of the owner on the composition and/or fulfillment of duties of the Board of Commissioners that may interfere with Bank's operational activities.
- The Bank has improved its payroll system and procedure.

c. Completeness and Fulfillment of Duties of the Committee

- Summary of Committee meeting has been documented properly and has been supplied with opinions of the participants of meeting.
- The existing Committees have provided recommendation for the Board of Commissioners.

d. Handling of Conflict of Interests

Bank's operational activities are free of intervention of the owner/related party/other parties that may cause conflict of interests that may disadvantage or decrease Bank's profit.

e. Implementation of Bank's Compliance Function

The Bank has submitted report on outline of duties of Director in charge of Compliance Function to Bank Indonesia and related party.

f. Implementation of Internal Audit Function

- The Board of Directors has submitted activity report on implementation of Bank's internal audit to the GMS ("RUPS").
- IATF ("SKAI") has act objectively in performing the audit.
- Internal audit function has been performed properly.

g. Implementation of External Audit Function

- Audit result and Management Letter have indicated problems faced by the Bank and been submitted to Bank Indonesia in a timely manner.
- Auditor acts objectively in performing the audit.

h. Implementation of Risk Management and Internal Control System

- The Bank has implemented Risk Management effectively in accordance with the objective, business policy, size and complexity as well as with Bank capacity.
- The Board of Commissioners and the Board of Directors have performed active supervision on implementation of Risk Management policy and strategy.

i. Lending to Related Party and Large Exposure Lending

- There is no violation to Legal Lending Limit ("BMPK") and there is no Legal Lending Over Limit ("BMPK").
  - Diversification of lending is spread evenly or the comparison between the amount of large exposure lending/major debtor and the total lending is not significant.
  - The Bank has submitted periodical report on lending by the Bank to related party and/or large exposure lending to Bank Indonesia in a timely manner.
- j. Transparency of Bank's Financial and Non-Financial Condition, Report on Implementation of Good Corporate Governance and Internal Reporting
- The Bank has submitted the Annual Report and Report on Implementation of Good Corporate Governance to the specified parties completely and in a timely manner.
  - The Bank has presented the Annual Report, Quarterly Condensed Financial Report and Report on Implementation of Good Corporate Governance on the homepage in a timely manner.
  - Mediation for settlement of complaints by customers of the Bank has been performed properly.

k. Bank's Strategic Plan

- Corporate Plan and Business Plan is arranged by the Board of Directors and have been approved by the Board of Commissioners.
- Bank's Business Plan indicates continuing growth of the Bank.
- Bank's strategic plan is arranged in accordance with the comprehensive analysis by taking into account business opportunities and strength of the Bank, as well as identifying the weaknesses and threats (SWOT Analysis).
- There is no intervention of the Owner to the sharing of Bank's profit.

2. Negative factors in Bank's governance outcome aspect are:

a. Implementation of Bank's Compliance Function

There are violations to the applicable regulation, as indicated by the number of recorded penalties.

b. Implementation of Internal Audit Function

Findings collected by IATF ("SKAI") have been followed up by the Board of Directors and the Auditee.

Jakarta 16 May 2014

PT. Bank Bumi Arta Tbk.



Ir. Rachmat M.S., MBA

President Commissioner



Wikan Aryono S

President Director

WORKSHEET FOR SELF-ASSESSMENT ON GOOD CORPORATE GOVERNANCE

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

| A. FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS  |  |
|--|--|
| 1. Governance Structure  |  |
| Criteria/Indicator   | Self-Assessment Analysis   |
| a. 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. |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>b. No less than 1 (one) member of the Board of Commissioners shall reside in Indonesia.</p> <p>c. No less than 50% (fifty percent) of the number of members of the Board of Commissioners shall be Independent Commissioner.</p> <p>d. The Board of Commissioners do not hold concurrent positions except otherwise specified in Bank Indonesia Regulation on Implementation of GCG for Commercial Banks, i.e. concurrent post as member of the Board of Commissioners, the Board of Directors or Executive Officer:</p> <p>1) In 1 (one) non-financial institution/company;</p> <p>or</p> | <p>All members of the Board of Commissioners reside in Indonesia.</p> <p>2 (two) of the 3 (three) members of the Board of Commissioners are Independent Commissioners.</p> <p>The Board of Commissioners do not hold concurrent positions as a Commissioner, Director or Executive Officer in another Bank.</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>2) Performing the supervisory function in 1 (one) non-Bank subsidiary under Bank's control;</p> <p>e. Independent Commissioner may hold concurrent positions as the Chairman of Committee in a maximum of 2 (two) Committees in a same Bank.</p> <p>f. 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>g. The Board of Commissioners has a work guideline and code of conduct, including regulation on</p> | <p>Concurrent positions held by the Independent Commissioner is at a maximum of 2 (two) positions as the Chairman of Committee in a same Bank, i.e. in the 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> <p>The Board of Commissioners has a work guideline and code of conduct that contain regulation on</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>work ethics, working hour and meeting.</p> <p>h. All members of the Board of Commissioners have proper integrity, competence and financial reputation.</p> <p>i. 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 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>j. All Independent Commissioners do not have financial, managerial, ownership and family</p> | <p>work ethics, working hour and meeting.</p> <p>All members of the Board of Commissioners have 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 through the cooling-off period.</p> <p>All Independent Commissioners do not have financial, managerial, ownership and family</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>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>k. All members of the Board of Commissioners have passed the F&amp;P Test and secured the approval from Bank Indonesia.</p> <p>l. Members of the Board of Commissioners have sufficient and relevant competence to their positions to fulfill their duties and responsibilities, as well as in order to be able to implement their competences in the fulfillment of duties and responsibilities.</p> | <p>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 members of the Board of Commissioners have passed the F&amp;P Test and secured the approval from Bank Indonesia.</p> <p>Members of the Board of Commissioners have sufficient and relevant competence to their positions to fulfill their duties and responsibilities, as well as in order to be able to implement their competences in the fulfillment of duties and responsibilities.</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>m. Members of the Board of Commissioners have the willingness and capacity to carry out continuous learning in order to develop their knowledge on banking field and the latest improvement on financial/other fields, which supports the fulfillment of their duties and responsibilities.</p> <p>n. Composition of the Board of Commissioners does not meet the requirement due to intervention of the owner.</p> | <p>Members of the Board of Commissioners have the willingness and capacity to carry out continuous learning in order to develop their knowledge on banking field and the latest improvement on financial/other fields, which supports the fulfillment of their duties and responsibilities, such as by enrolling the certification and risk management refreshment, as well as workshop.</p> <p>Composition of the Board of Commissioners has met the requirement.</p> |
| <p><b>2. Governance Process</b></p>  |  |
| <p>Criteria/Indicator</p>  | <p>Self-Assessment Analysis</p>  |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>a. Replacement and/or appointment of Commissioners are carried out in accordance with the recommendation from the Nomination Committee or the Remuneration and Nomination Committee and have been approved by the GMS ("RUPS").</p>      | <p>Replacement and/or appointment of Commissioners have been carried out in accordance with the recommendation from the Nomination Committee or the Remuneration and Nomination Committee and have been approved by the GMS ("RUPS").</p> |
| <p>b. The Board of Commissioners has fulfilled its duties to ensure the implementation of principles of GCG in every business activity of the Bank at all organizational levels.</p>  | <p>The Board of Commissioners has fulfilled its duties to ensure the implementation of principles of GCG in every business activity of the Bank at all organizational levels</p>  |
| <p>c. The Board of Commissioners has performed supervision on the fulfillment of duties and responsibilities of the Board of Directors on a regular basis or at any time necessary, as well as it has provided advices for the Board of</p> | <p>The Board of Commissioners has performed supervision on the fulfillment of duties and responsibilities of the Board of Directors on a regular basis or at any time necessary, as well as it has provided advices for the Board of</p>  |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>Directors.</p> <p>d. In order to perform the supervisory duty, the Commissioners have directed, monitored and evaluated the implementation of Bank's strategic policies.</p> <p>e. The Board of Commissioners is not involved in the making of decision for Bank's operational activities, except for lending to related party and other matters set forth in the Articles of Association of the Bank and/or the applicable law and regulation in order to perform the supervisory function.</p> | <p>Directors.</p> <p>The Board of Commissioners has directed, monitored and evaluated the implementation of Bank's strategic policies.</p> <p>The Board of Commissioners is not involved in the making of decision for Bank's operational activities except for performance of the supervisory function, the Board of Commissioners has a higher authority than the Board of Directors in giving approval for lending facility and large exposure lending, as set forth in the Articles of Association of the Bank.</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>f. The Board of Commissioners has ensured that the Board of Directors has followed up audit findings and the recommendation from the Internal Audit Task Force ("SKAI"), external auditor, result of monitoring by Bank Indonesia and/or result of monitoring by other authorities.</p> | <p>The Board of Commissioners has ensured that the Board of Directors has followed up audit findings and the recommendation from the Internal Audit Task Force ("SKAI"), external auditor, result of monitoring by Bank Indonesia and/or result of monitoring by other authorities.</p> |
| <p>g. The Board of Commissioners shall inform to Bank Indonesia no later than 7 (seven) business days as of the finding of violation to laws and regulation on financial and banking matters, and condition or predicted condition that may harm the continuity of Bank's business.</p>    | <p>During 2013, there is no violation to the law and regulation on financial and banking matters, and there is no condition or predicted condition that may harm the continuity of Bank's business.</p>   |
| <p>h. The Board of Commissioners has fulfilled its duties and responsibilities independently.</p>  | <p>The Board of Commissioners has fulfilled its duties and responsibilities independently.</p>  |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>i. The Board of Commissioners has established the Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee.</p> <p>j. Appointment of Committee members is carried out by the Board of Directors in accordance with the result of meeting of the Board of Commissioners.</p> <p>k. The Board of Commissioners has ensured that these Committees have fulfilled their duties effectively.</p> <p>l. The Board of Commissioners has provided sufficient time to fulfill its duties and responsibilities optimally.</p> <p>m. Meeting of the Board of Commissioners discusses</p> | <p>The Board of Commissioners has established the Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee.</p> <p>Appointment of Committee members is carried out by the Board of Directors in accordance with the result of meeting of the Board of Commissioners.</p> <p>The Board of Commissioners has ensured that these Committees have fulfilled their duties effectively.</p> <p>The Board of Commissioners has provided sufficient time to fulfill its duties and responsibilities optimally.</p> <p>During 2003, the Board of Commissioners had held</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>issues that are specified in the agenda and is held periodically, no less than 4 (four) times in a year, and shall be physically attended by no less than 2 (twice) in a year, or is held through a teleconference in the event that the members of the Board of Commissioners cannot physically attend the meeting.</p> | <p>8 (eight) meetings, in which members of the Board of Commissioners physically attended all of these meetings.</p>   |
| <p>n. Decision in the meeting of the Board of Commissioners shall be made through a deliberation, or based on the majority vote in the event that deliberation is not made.</p>   | <p>Decision in the meeting of the Board of Commissioners is made through a deliberation or based on the majority vote in the event that deliberation is not made.</p>                      |
| <p>o. Members of the Board of Commissioners shall not make use of the Bank for their own interest, or for their family and/or other party interests that may harm or decrease Bank's profit.</p>  | <p>Members of the Board of Commissioners do not make use of the Bank for their own interest, or for their family and/or other party interests that may harm or decrease Bank's profit.</p> |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>p. Members of the Board of Commissioners shall not take and/or receive personal advantage from the Bank other than from the remuneration and other facilities as specified in the GMS ("RUPS").</p> <p>q. The Owner intervenes with the performance of duties of the Board of Commissioners that affects Bank's operational activities, which results in the decrease of Bank's profit and/or disadvantages the Bank.</p> | <p>Members of the Board of Commissioners do not take and/or receive personal advantage from the Bank other than from the remuneration and other facilities as specified in the GMS ("RUPS").</p> <p>There is no intervention of the Owner in the performance of duties of the Board of Commissioners that affects Bank's operational activities, which results in the decrease of Bank's profit and/or disadvantages the Bank.</p> |
| <p><b>3. Governance Outcome</b></p>  |  |
| <p>Criteria/Indicator</p>  | <p>Self-Assessment Analysis</p>  |
| <p>a. Result of the meeting of the Board of Commissioners has been presented in the summary</p>  | <p>Result of meeting of the Board of Commissioners has been presented in the minutes of meeting and</p>  |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>of report and documented properly, including the disclosure of dissenting opinions arising in the meeting obviously.</p> <p>b. Result of meeting of the Board of Commissioners has been distributed to all members of the Board of Commissioners and related party.</p> <p>c. Result of meeting of the Board of Commissioners is a recommendation and/or a direction to be implemented by the GMS ("RUPS") and/or the Board of Directors.</p> <p>d. In the report on implementation of GCG, members of the Board of Commissioners have disclosed:</p> <p>1) Share ownership of 5% (five percent) or more in the Bank or in other domestic and</p> | <p>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>Result of meeting of the Board of Commissioners is a recommendation and/or a direction to be implemented by the GMS ("RUPS") and/or the Board of Directors as set forth in the memorandum.</p> <p>In the report on implementation of GCG, members of the Board of Commissioners have disclosed:</p> <p>1) Share ownership of 5% (five percent) or more in the Bank or in other domestic and overseas</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>overseas Bank and company;</p> <p>2) Financial relationship and family relationship with other members of the Board of Commissioners, members of the Board of Directors and/or Majority Shareholders of the Bank;</p> <p>3) Remuneration and other facilities;</p> <p>4) Shares option owned by the Board of Commissioners.</p> <p>e. Improvement of knowledge, skills and capacity of Members of the Board of Commissioners in supervising the Bank is indicated by the increase in Bank's performance, settlement of issues faced by the Bank, and achievement result that satisfies the expectation of the</p> | <p>Bank and company;</p> <p>2) Financial relationship and family relationship with other members of the Board of Commissioners, members of the Board of Directors and/or Majority Shareholders of the Bank;</p> <p>3) Remuneration and other facilities;</p> <p>4) Shares option owned by the Board of Commissioners.</p> <p>Improvement of knowledge, skills and capacity of Members of the Board of Commissioners in supervising the Bank is indicated by the increase in Bank's performance, settlement of issues faced by the Bank, and achievement result that satisfies the expectation of the</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

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| <p>stakeholders.</p> <p>Development of sustainable learning culture for improvement of knowledge on banking field and the latest improvement on financial/other fields, which supports the fulfillment of duties and responsibilities of the Board of Commissioners.</p> <p>f. Bank's operational activities are affected and/or providing unfair advantage to the owner, which results in decrease of Bank's profit and/or disadvantage for the Bank due to intervention of the Owner to the composition and/or fulfillment of duties of the Board of Commissioners.</p> | <p>stakeholders.</p> <p>Development of sustainable learning culture for improvement of knowledge on banking field and the latest improvement on financial/other fields, which supports the fulfillment of duties and responsibilities of the Board of Commissioners, has been implemented by participating in seminars and workshops.</p> <p>There is no intervention of the Owner to the composition and/or fulfillment of duties of the Board of Commissioners that may affect Bank's operational activities and/or provide unfair advantage to the Owner, which may result in the decrease of Bank's profit and/or disadvantage for the Bank.</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

**B. FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

**1. Governance Structure**

| Criteria/Indicator   | Self-Assessment Analysis  |
|--|---|
| a. 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.  |
| b. All members of the Board of Directors reside in Indonesia.  | All members of the Board of Directors reside in Indonesia.  |
| c. The majority of members of the Board of Directors has no less than 5 (five) years of experience in the operational field as Bank's Executive Officer, except for Sharia Bank (minimum 2 years of experience). | The majority of members of the Board of Directors has no less than 5 (five) years of experience in the operational field as Bank's Executive Officer. |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>d. 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>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> |
| <p>e. 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> |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>f. 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>g. Replacement and/or appointment of members of the Board of Directors is carried out in accordance with the recommendation from the Nomination Committee or the Remuneration and Nomination Committee.</p> <p>h. 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 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>Replacement and/or appointment of members of the Board of Directors is carried out in accordance with the recommendation from the Remuneration and Nomination Committee.</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> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>i. 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>                        |
| <p>j. All members of the Board of Directors have proper integrity, competence and financial reputation.</p>   | <p>All members of the Board of Directors have proper integrity, competence and financial reputation.</p>                                       |
| <p>k. The President Director or the Managing Director are the party independent from the Majority Shareholders, i.e. does not have</p>  | <p>The President Director or the Managing Director are the party independent from the Majority Shareholders, i.e. does not have financial,</p> |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>financial, managerial, share ownership and family relationship.</p> <p>l. All members of the Board of directors have passed the F&amp;P Test and secured the approval from Bank Indonesia.</p> <p>m. Members of the Board of Directors have sufficient and relevant competence to their positions to fulfill their duties and responsibilities and are capable of implementing their competencies in fulfillment of duties and responsibilities.</p> <p>n. Members of the Board of Directors have the willingness and capacity to carry out continuous learning in order to develop their</p> | <p>managerial, share ownership and family relationship.</p> <p>All members of the Board of directors have passed the F&amp;P Test and secured the approval from Bank Indonesia.</p> <p>Members of the Board of Directors have sufficient and relevant competence to their positions to fulfill their duties and responsibilities and are capable of implementing their competencies in fulfillment of duties and responsibilities.</p> <p>Members of the Board of Directors have the willingness and capacity to carry out continuous learning in order to develop their knowledge on</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>knowledge on banking field and the latest improvement on financial/other fields, which supports the fulfillment of their duties and responsibilities.</p> <p>o. Members of the Board of Directors develop a continuous learning in order to develop their knowledge on banking field and the latest improvement on financial/other fields, which supports the fulfillment of their duties and responsibilities at all organizational levels.</p> | <p>banking field and the latest improvement on financial/other fields, which supports the fulfillment of their duties and responsibilities, such as by participating in seminars and workshops.</p> <p>Members of the Board of Directors develop a continuous learning in order to develop their knowledge on banking field and the latest improvement on financial/other fields, which supports the fulfillment of their duties and responsibilities at all organizational levels, such as by holding internal or external training on various fields of expertise and by engaging the employees in seminars/training/workshops and risk management certification/refreshment.</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>p. Composition of the Board of Directors does not meet the requirement due to intervention of the owner.</p> | <p>Composition of the Board of Directors has met the requirement.</p> |
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**2. Governance Process**

| <b>CRITERIA/INDICATOR</b>  | <b>SELF-ASSESSMENT ANALYSIS</b>   |
|--|---|
| <p>a. The Board of Directors has assigned Committee members according to the result of meeting of the Board of Commissioners.</p>                                    | <p>The Board of Directors has assigned Committee members according to the result of meeting of the Board of Commissioners.</p>                                    |
| <p>b. Members of the Board of Directors do not give general authority to other party that may lead to transfer of duties and function of the Board of Directors.</p> | <p>Members of the Board of Directors do not give general authority to other party that may lead to transfer of duties and function of the Board of Directors.</p> |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>c. The Board of Directors is fully responsible for the implementation of management of the Bank</p>   | <p>The Board of Directors is fully responsible for the implementation of management of the Bank</p>   |
| <p>d. 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 manages the Bank according to its authority and responsibilities as specified in the Articles of Association and the applicable laws and regulations.</p> |
| <p>e. The Board of Directors has fulfilled its duties and responsibilities independently to the shareholders.</p>  | <p>The Board of Directors has fulfilled its duties and responsibilities independently to the shareholders.</p>  |
| <p>f. 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>g. The Board of Directors has followed up audit findings and recommendation from the IATF,</p>  | <p>The Board of Directors has followed up audit findings and recommendation from the IATF,</p>  |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>external auditor and supervision result from Bank Indonesia and/or result of supervision by other authorities.</p> <p>h. The Board of Directors has provided data and information that is complete, accurate, updated and timely to the Board of Commissioners.</p> <p>i. Decision in the meeting of the Board of Directors has been made through a deliberation, or based on the majority vote in the event that deliberation is not made.</p> <p>j. Every decision of the meeting made by the Board of Directors can be implemented and is in</p> | <p>external auditor and result of supervision by Bank Indonesia and/or result of supervision by other authorities.</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>Decision in the meeting of the Board of Directors has been made through a deliberation, or based on the majority vote in the event that deliberation is not made.</p> <p>Every decision of the meeting made by the Board of Directors can be implemented and is in</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>accordance with the policy, work guideline and code of conduct.</p> <p>k. The Board of Directors has set the strategic policy and decision through a meeting of the Board of Directors.</p> <p>l. The Board of Directors does not make use of the Bank for its own interest, for their family and/or other party interests that may harm or decrease Bank's profit.</p> <p>m. The Board of Directors does not take and/or receive personal advantage from the Bank other than from the remuneration and other facilities as specified in the GMS ("RUPS").</p> | <p>accordance with the policy, work guideline and code of conduct.</p> <p>The Board of Directors has set the strategic policy and decision through a meeting of the Board of Directors.</p> <p>The Board of Directors does not make use of the Bank for their own interest, or for their family and/or other party interests that may harm or decrease Bank's profit.</p> <p>The Board of Directors does not take and/or receive personal advantage from the Bank other than from the remuneration and other facilities as specified in the GMS ("RUPS").</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>n. The Owner intervenes with the performance of duties of the Board of Commissioners that affects Bank's operational activities, which results in the decrease of Bank's profit and/or disadvantages the Bank.</p>   | <p>There is no intervention of the Owner in the performance of duties of the Board of Commissioners that affects Bank's operational activities, which results in the decrease of Bank's profit and/or disadvantages the Bank.</p>   |
| <p><b>3. Governance Outcome</b></p>   |   |
| <p><b>CRITERIA/INDICATOR</b></p>  | <p><b>SELF-ASSESSMENT ANALYSIS</b></p>  |
| <p>a. The Board of Directors has submitted the accountability report on the implementation of its duties to the shareholders in the GMS.</p> <p>b. Accountability of the Board of Directors for the fulfillment of its duties and responsibilities is obtained received by the shareholders through the GMS ("RUPS").</p> | <p>The Board of Directors has submitted the accountability report on the implementation of its duties to the shareholders in the GMS.</p> <p>Accountability of the Board of Directors for the fulfillment of its duties and responsibilities is obtained received by the shareholders through the GMS ("RUPS").</p> |



ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>c. 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 <i>Buku Peraturan Perusahaan</i> (Guideline to Company Regulation) and <i>Surat Edaran Manajemen</i> (Circular of the Management Board).</p> <p>The Bank has improved its payroll system and procedures.</p> |
| <p>d. The Board of Directors has communicated to its employee the direction of Bank's business in order to achieve the mission and vision of the Bank.</p> | <p>The Board of Directors has communicated to its employee the direction of Bank's business in order to achieve the mission and vision of the Bank in the Meeting of the Board of Directors and Executive Meeting.</p>  |

ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>e. 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>f. In the report on implementation of GCG, members of the Board of Directors have disclosed:</p> <ol style="list-style-type: none"><li>1) Share ownership of 5% (five percent) or more in the Bank or in other domestic and overseas Bank and company;</li><li>2) Financial relationship and family relationship with other members of the Board of Directors, members of the Board of Directors and/or Majority Shareholders of the Bank;</li><li>3) Remuneration and other facilities;</li></ol> | <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>In the report on implementation of GCG, members of the Board of Directors have disclosed:</p> <ol style="list-style-type: none"><li>1) Share ownership of 5% (five percent) or more in the Bank or in other domestic and overseas Bank and company;</li><li>2) Financial relationship and family relationship with other members of the Board of Directors, members of the Board of Directors and/or Majority Shareholders of the Bank;</li><li>3) Remuneration and other facilities;</li></ol> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>4) Shares option owned by the Board of Directors.</p> <p>g. Improvement of knowledge, skills and capacity of Members of the Board of Directors in supervising the Bank is indicated by the increase in Bank's performance, settlement of issues faced by the Bank, and achievement result that satisfies the expectation of the stakeholders.</p> <p>h. Improvement of knowledge, skills and capacity of all employees in the Bank is indicated by the increase in individual according to their duties and responsibilities.</p> <p>i. Development of sustainable learning culture for improvement of knowledge on banking field and</p> | <p>4) Shares option owned by the Board of Directors.</p> <p>Improvement of knowledge, skills and capacity of Members of the Board of Directors in supervising the Bank is indicated by the increase in Bank's performance, settlement of issues faced by the Bank, and achievement result that satisfies the expectation of the stakeholders.</p> <p>Improvement of knowledge, skills and capacity of all employees in the Bank is indicated by the increase in individual according to their duties and responsibilities.</p> <p>Development of sustainable learning culture for improvement of knowledge on banking field and</p> |
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ASSESSMENT FACTOR:

FULFILLMENT OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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| <p>the latest improvement on financial/other fields, which supports the fulfillment of duties and responsibilities at all organizational levels, which is indicated in the increasing participation of Bank's employees in banking certification and/or education/training for individual quality improvement.</p> <p>j. Bank's operational activities are affected and/or providing unfair advantage to the owner, which results in decrease of Bank's profit and/or disadvantage for the Bank due to intervention of the Owner to the composition and/or fulfillment of duties of the Board of Commissioners.</p> | <p>the latest improvement on financial/other fields, which supports the fulfillment of duties and responsibilities at all organizational levels, which is indicated in the increasing participation of Bank's employees in banking certification and/or education/training for individual quality improvement.</p> <p>There is no intervention of the Owner to the composition and/or fulfillment of duties of the Board of Commissioners that may affect Bank's operational activities and/or provide unfair advantage to the Owner, which may result in the decrease of Bank's profit and/or disadvantage for the Bank.</p> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

| C. COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE   |   |
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| 1. Governance Structure  |   |
| CRITERIA/INDICATOR   | ANALYSIS  |
| <p><b>a. Audit Committee</b></p> <p>1) 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> <p>2) Audit Committee is led by the Independent Commissioner</p> <p>3) No less than 51% (fifty one percent) of</p> | <p><b>Audit Committee</b></p> <p>(1) 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> <p>(2) Audit Committee is led by the Independent Commissioner.</p> <p>(3) Members of the Audit Committee consist of the</p> |

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

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| <p>members of the Audit Committee is the Independent Commissioner and Independent Party.</p> <p>4) Members of the Audit Committee have proper integrity, characters and morals.</p>   | <p>Independent Commissioner and the Independent Party.</p> <p>(4) Members of the Audit Committee have proper integrity, characters and morals.</p>   |
| <p><b>b. Risk Monitoring Committee</b></p> <p>1) Members of the Risk Monitoring 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 risk management field.</p> <p>2) Risk Monitoring Committee is led by the Independent Commissioner.</p> | <p><b>Risk Monitoring Committee</b></p> <p>1) Members of the Risk Monitoring 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 risk management field.</p> <p>2) Risk Monitoring Committee is led by the Independent Commissioner.</p> |

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

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| <p>3) No less than 51% (fifty percent) of the number of members of the Risk Monitoring Committee is the Independent Commissioner and the Independent Party.</p> <p>4) Members of the Risk Monitoring Committee have proper integrity, characters and morals.</p>   | <p>3) Members of the Risk Monitoring Committee consist of the Independent Commissioner and the Independent Party.</p> <p>4) Members of the Risk Monitoring Committee have proper integrity, characters and morals.</p>  |
| <p><b>c. Remuneration and Nomination Committee</b></p> <p>1) 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.</p> <p>2) The Executive Officer or employee representative shall have the necessary</p> | <p><b>Remuneration and Nomination Committee</b></p> <p>1) 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.</p> <p>2) The employee representative has the necessary knowledge and understands the provisions for</p> |

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

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| <p>knowledge and understand the provisions for remuneration and/or nomination system and Bank's Succession Plan.</p> <p>3) Remuneration and Nomination Committee is led by an Independent Commissioner.</p> <p>4) 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</p> <p>5) In the event that the Bank established the Committee separately:</p> <p>a) The Executive Officer or employee representative in the members of the</p> | <p>remuneration and/or nomination system and Bank's Succession Plan.</p> <p>3) Remuneration and Nomination Committee is led by an Independent Commissioner.</p> <p>4) 1 (one) of the 3 (three) members of the Remuneration and Nomination Committee is an Independent Commissioner.</p> <p>5) The Bank does not establish the Remuneration and Nomination Committee separately.</p> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

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| <p>Remuneration Committee shall have the knowledge on Bank's remuneration system; and</p> <p>b) The Executive Officer in the member of the Nomination Committee shall have the knowledge on Bank's nomination system and succession plan.</p> <p>d. 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.</p> <p>e. Concurrent Position as the Independent Party in the same Bank, other Bank and/or other company has been taken in consideration of the competence, independence criteria,</p> | <p>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.</p> <p>Concurrent Position of the Independent Party in the same Bank, other Bank and/or other company has been taken in consideration of the competence, independence criteria, confidentiality, ethic codes</p> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

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| <p>confidentiality, ethic codes and fulfillment of duties and responsibilities.</p> <p>f. 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> <p>g. 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</p> | <p>and fulfillment of duties and responsibilities.</p> <p>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> <p>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> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

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| <p>in the cooling-off period of 6 (six) months.</p> <p>h. Meeting of the Audit Committee and Risk Monitoring Committee shall be attended by no less than 51% (fifty one percent) of the members, including the Independent Commissioner and the Independent Party.</p> | <p>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 presents an explanation of the executed audit work plan, including audit result and internal control evaluation.</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 Risk Management Unit ("UMR") who presents an explanation of Bank's risk profile.</p> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF DUTIES OF THE COMMITTEE

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| <p>i. Meeting of the Remuneration and Nomination Committee shall be attended by no less than 51% (fifty one percent) of the members, including an Independent Commissioner and an Executive Officer or employee representative.</p> | <p>Meeting of the Remuneration and Nomination Committee is attended by all members, including an Independent Commissioner and employees representative.</p> |
| <p>j. Composition of the Committee does not comply with the requirement due to intervention of the Owner.</p>   | <p>Composition of the Committee has met the requirement.</p>  |

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF THE COMMITTEE

**C. COMPLETENESS AND FULFILLMENT OF DUTY OF THE COMMITTEE**

**2. Governance Process**

| <b>CRITERIA/INDICATOR</b>   | <b>SELF-ASSESSMENT ANALYSIS</b>  |
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| <p><b>a. Audit Committee</b></p> <p>To provide recommendation for the Board of Commissioners:</p> <p>1) The Audit Committee has monitored and 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.</p> <p>2) The Audit Committee has reviewed:</p> | <p><b>Audit Committee</b></p> <p>To provide recommendation for the Board of Commissioners:</p> <p>1) The Audit Committee has monitored and 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.</p> <p>2) The Audit Committee has reviewed:</p> |

ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF THE COMMITTEE

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| <p>a) the implementation of duties of the IATF.</p> <p>b) the conformity of audit by the Public Accounting Firm to the applicable audit standard.</p> <p>c) the conformity of financial statement to the applicable accounting standard.</p> <p>d) Implementation of the follow-up by Board of Directors on the findings from SKAI, Public Accountant and supervision result of Bank Indonesia</p><br><p>3) Audit Committee has provided recommendation</p> | <p>a) the implementation of duties of the IATF</p> <p>b) the conformity of audit by the Public Accounting Firm to the applicable audit standard.</p> <p>c) the conformity of financial statement to the applicable accounting standard.</p> <p>d) Implementation of the follow-up by Board of Directors on the findings from SKAI, Public Accountant and supervision result of Bank Indonesia</p> <p>Audit Committee has made evaluation report for the follow-up by Board of Directors on the findings from SKAI, Public Accountant, and supervision result of Bank Indonesia.</p><br><p>3) Audit Committee has provided recommendation</p> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF THE COMMITTEE

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| <p>of the appointment of Public Accountant and KAP in accordance with the applicable provisions under RUPS through Board of Commissioners.</p> <p><b>b. Risk Monitoring Committee</b></p> <p>To provide the recommendation for the Board of Commissioners, the Risk Monitoring Committee:</p> <ol style="list-style-type: none"><li>1) evaluates risk management policy and implementation</li><li>2) monitors and evaluates the implementation of duties of the Risk Management Committee and Risk Management Task Force</li></ol> | <p>of the appointment of Public Accountant and KAP in accordance with the applicable provisions under RUPS through Board of Commissioners.</p> <p><b>Risk Monitoring Committee</b></p> <p>To provide the recommendation for the Board of Commissioners, the Risk Monitoring Committee:</p> <ol style="list-style-type: none"><li>1) evaluates risk management policy and implementation</li><li>2) 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,</li></ol> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF THE COMMITTEE

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| <p><b>c. Remuneration and Nomination Committee</b></p> <p>To provide recommendation for the Board of Commissioners:</p> <p>1) The Remuneration Committee has evaluated the remuneration policy for:</p> <p>a) The Board of Commissioners and the Board of Directors, which has been presented before the GMS; and</p> <p>b) The Executive Officer and the employees, which has been presented before the Board of Directors.</p> <p>2) With regard to the nomination policy, the Committee has set the system and procedures</p> | <p>completeness of the operational facility and infrastructure in Branch Office.</p> <p><b>Remuneration and Nomination Committee</b></p> <p>To provide recommendation for the Board of Commissioners:</p> <p>1) The Remuneration Committee has evaluated the remuneration policy for:</p> <p>a) The Board of Commissioners and the Board of Directors, which has been presented before the GMS; and</p> <p>b) The Executive Officer and the employees, which has been presented before the Board of Directors.</p> <p>2) With regard to the nomination policy, the Committee has set the system and procedures</p> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF THE COMMITTEE

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| <p>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> <p>3) 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> <p>4) The Nomination Committee has provided recommendation on candidates of members of the Committee to the Board of Commissioners.</p> <p>d. Meeting of the Committee is held in accordance with the need of the Bank.</p> | <p>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> <p>3) The Nomination Committee has provided recommendation on candidates of members of Independent Commissioner.</p> <p>4) The Remuneration and Nomination Committee has provided recommendation on candidates of members of the Committee to the Board of Commissioners.</p> <p>During 2013, the following meetings have been held:</p> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF THE COMMITTEE

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| <p>e. Decision of meeting is made upon deliberation or the majority vote, in the event that deliberation cannot be made.</p> <p>f. Result of meeting of the Committee is a recommendation to be used optimally by the Board of Commissioners.</p> <p>g. The Owner intervenes with the fulfillment</p> | <ul style="list-style-type: none"><li>• 5 (five) Meetings of the Audit Committee,</li><li>• 4 (four) Meetings of the Risk Monitoring Committee, and</li><li>• 3 (three) Meetings of the Remuneration and Nomination Committee.</li></ul> <p>Decision of meeting is made upon deliberation or the majority vote, in the event that deliberation cannot be made.</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> <p>The Owner does not intervene with</p> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF THE COMMITTEE

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| <p>of duties of the Committee, such as by providing unfair remuneration for the related party, recommendation on nominees for the Board of Commissioners/Directors that does not comply with the specified procedures for appointment and/or replacement.</p> | <p>fulfillment of duties of the Committee.</p> |
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ASSESSMENT FACTOR:

COMPLETENESS AND FULFILLMENT OF THE COMMITTEE

| C. COMPLETENESS AND FULFILLMENT OF DUTY OF THE COMMITTEE   |   |
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| 3. Governance Outcome  |   |
| CRITERIA/INDICATOR   | SELF ASSESMENT/ANALYSIS   |
| a. Result of minutes of meeting shall be made, including the disclosure of dissenting opinions and must be documented properly.                          | Minutes of meeting has been documented properly and has disclosed the opinions of the attending participants.   |
| b. Each Committee has performed its function according to the applicable regulation, such as provision of recommendation for the Board of Commissioners. | Each Committee has performed its function according to the applicable regulation, such as provision of recommendation for the Board of Commissioners. |

ASSESSMENT FACTOR:

HANDLING OF CONFLICT OF INTEREST

| D. HANDLING OF CONFLICT OF INTEREST   |   |
|---|---|
| 1. Governance Structure   |   |
| CRITERIA/INDICATOR  | ANALYSIS  |
| <p>1. The Bank has the policy, system and procedures for settlement of:</p> <p style="padding-left: 20px;">a. conflict of interests that binds all members of the management board and employees of the Bank;</p> <p style="padding-left: 20px;">b. administration, documentation and disclosure of conflict of interests as referred to in the Minutes of meeting.</p> | <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> (Credit Policy of BBA- "KPBB") and Circular of the Bank.</p> |
| 2. Governance Process   |   |
| CRITERIA/INDICATOR  | ANALYSIS  |
| <p>In the event of conflict of interests, members of</p>  | <p>There is no conflict of interests</p>  |

ASSESSMENT FACTOR:

HANDLING OF CONFLICT OF INTEREST

| <p>the Board of Commissioners, members of the Board of Directors and the Executive Officer shall not take any measure that may harm or decrease Bank's profit.</p>  |  |
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| <p><b>3. Governance Outcome</b></p>   |  |
| <p><b>CRITERIA/INDICATOR</b></p>  | <p><b>ANALYSIS</b></p>   |
| <p>a. Conflict of Interests that may harm the Bank or decrease Bank's profit has been disclosed in each decision and has been documented properly.</p> <p>b. Bank's operational activities are free of intervention of the Owner/other related parties that may lead to conflict of interests, which may harm the Bank or decrease Bank's profit.</p> | <p>There is no conflict of interests</p> <p>Bank's operational activities are free of intervention of the Owner/other related parties that may lead to conflict of interests, which may harm the Bank or decrease Bank's profit.</p> |

ASSESSMENT FACTOR:

HANDLING OF CONFLICT OF INTEREST

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| <p>c. The Bank has succeeded in settling the arising conflict of interests</p> | <p>There is no conflict of interests</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

| <b>E. IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION</b>  |  |
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| <b>1. Governance Structure</b>  |  |
| <b>CRITERIA/INDICATOR</b>   | <b>ANALYSIS</b>  |
| a. The compliance task force is independent from the operational task force   | The compliance task force is independent from the operational task force.  |
| b. Appointment, dismissal and/or resignation of the Director in charge of the Compliance Function shall be made in accordance with Bank Indonesia regulation. | Appointment, dismissal and/or resignation of the Director in charge of the Compliance Function shall be made in accordance with Bank Indonesia regulation. |
| c. The Bank has provided quality human resource for the Compliance Task Force to perform its duties effectively.  | The Bank has provided quality human resource for the Compliance Task Force to perform its duties effectively.  |
| <b>2. Governance Process</b>  |  |



ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

| <b>CRITERIA/INDICATOR</b>   | <b>ANALYSIS</b>   |
|---|---|
| <p>a. Compliance Director is responsible for:</p> <p>1) Ensuring Bank's compliance to Bank Indonesia regulation and the applicable laws and regulations by:</p> | <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> <p>1) Ensures Bank's compliance with the regulation of the Financial Service Authority ("OJK"), Bank Indonesia regulation and the applicable laws and regulations by:</p> |

ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>a) determining the necessary measures to take in consideration of the principles of prudential banking;</p> | <p>a) determining the necessary measures to take in consideration of the principles of prudential banking;</p> <p>Circular of the Management Board no. 069 on Compliance Culture has been issued, in which it is stated "The Board of Directors shall develop and implement the Compliance Culture at all organizational levels and Bank's business activities. All staffs and employees shall be aware that in fulfillment of their duties and responsibilities shall be carried out in compliance with Bank Indonesia regulation and the applicable Laws and Regulation, and shall avoid making policy and/or</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>b) monitoring and maintaining Bank's business activities to avoid violation of the provisions;</p> | <p>decision that violates Bank Indonesia regulation and the applicable Laws and Regulation.</p> <p>b) monitoring and maintaining Bank's business activities to avoid violation of the provisions;</p> <p>In order to monitor and maintain Bank's business avoiding violation of the regulation, the Director in charge of the Compliance Function, together with the Compliance Task Force, issues the Internal Memo, Inter-Branch Memo to the relevant work units and System and Procedure department, as well as provide analysis on</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>c) monitoring and maintaining Bank's compliance with all agreements and commitments made between the Bank and Bank Indonesia and other authorities.</p> | <p>compliance in all provision of fund in the form of credit (exposure group <math>\geq</math> 2 billion Rupiah).</p> <p>c) monitoring and maintaining Bank's compliance with all agreements and commitments made between the Bank Indonesia and other authorities.</p> <p>The Director in charge of Compliance Function monitors the implementation of agreement, performance of commitment, Bank's commitment to obey the command and prohibition from the Bank Indonesia or from other supervisory authorities.</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>2) Submitting the report on fulfillment of duties and responsibilities on a periodical basis to the President Director with a copy to the Board of Commissioners or other authorities according to the organizational structure of the Bank.</p> <p>3) Formulate the strategy to encourage the development of Bank's Compliance Culture.</p> | <p>2) The Director in charge of Compliance Function has submitted the quarterly report on fulfillment of duties and responsibilities to the President Director, supplied with a copy to the Board of Commissioners.</p> <p>3) Formulate the strategy to encourage the development of Bank's Compliance Culture.</p> <p>The general duty of Director in charge of Compliance Function is to advise all organizational levels from the highest level to the operating personnel to comply with the principle of prudential banking, in order to develop Bank's Compliance Culture. Therefore, Circular of the Management Board</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>4) Proposing the compliance policy or compliance principles to be stipulated by the Board of Directors.</p> <p>5) Set the compliance system and procedures for arrangement of Bank's internal regulation and guideline;</p> | <p>No. 069 on Compliance Culture has been issued.</p> <p>4) Proposing the compliance policy or compliance principles to be stipulated by the Board of Directors.</p> <p>Compliance Director has submitted compliance policy or compliance principles contained in the Compliance Culture, Guidelines, and Assessment.</p> <p>5) Specifying compliance system and procedures (Compliance Guideline).</p> <p>Compliance Director determines the Compliance Guideline as a guideline that is necessary for the Compliance Function to be</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>6) Ensure that all policies, provisions, system and procedures, as well as Bank's business activities have complied with Bank Indonesia regulation and the applicable laws and regulations;</p> | <p>implemented properly.</p> <p>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 for Commercial Banks.</p> <p>6) Ensure that all policies, provisions, system and procedures, as well as Bank's business activities have complied with Bank Indonesia regulation and the applicable laws and regulations;</p> <p>The Director in charge of Compliance Function, together with the Compliance Task Force,</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>7) Minimizing Bank's Compliance Risk</p> | <p>coordinate with the relevant work units to ensure the availability and conformity of the guideline, system and procedures in each work unit with the regulation from the Financial Service Authority, Bank Indonesia regulation and the applicable laws and regulations for the principles of prudential banking.</p> <p>7) Minimizing Bank's Compliance Risk.</p> <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</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>8) Take preventive measures to keep the policy and/or decision made by the Board of Directors of the Bank avoiding violation of Bank Indonesia regulation and the applicable laws and regulations.</p> | <p>that some improvements are necessary.</p> <p>8) Take preventive measures to keep the policy and/or decision made by the Board of Directors of the Bank avoiding violation of Bank Indonesia regulation and the applicable laws and regulations.</p> <p>The Director in charge of Compliance Function shall have the Board of Directors of the Bank make policy and/or decision that does not violate the regulation from the Financial Service Authority, Bank Indonesia regulation and other applicable laws and regulations by giving advice in every summit and meeting and providing Compliance Analysis.</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>9) Performing other duties related to the Compliance Function.</p> <p>b. Appointment of the Compliance Director conforms to the applicable laws and regulations.</p> | <p>9) Performing other duties related to the Compliance Function.</p> <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> <p>Appointment of the Compliance Director conforms to the applicable laws and regulations.</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>c. The Board of Director has:</p> <ol style="list-style-type: none"><li>1) Approved Bank's compliance policy in the form of a formal document of the effective compliance function.</li><li>2) Been held responsible for communicating all policies, guidelines, system and procedures to all organizational levels.</li><li>3) Responsible for creating an effective and permanent compliance function as a part of the overall Bank's compliance policies.</li></ol> | <p>The Board of Director has:</p> <ol style="list-style-type: none"><li>1) Approved Bank's compliance policy in the form of a formal document of the effective compliance function.</li><li>2) Been held responsible for establishing an effective and permanent compliance function as a part of Bank's overall compliance policy.</li><li>3) Responsible for creating an effective and permanent compliance function as a part of the overall Bank's compliance policies.</li></ol> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>d. Compliance Task Force holds the duties and responsibilities to:</p> <p>1) Take necessary measures to develop Compliance Culture in all Bank's business activities at all organizational levels;</p> <p>2) Carry out identification, measurement, monitoring and control of Compliance Risk with reference to Bank Indonesia Regulation on Implementation of Risk Management for</p> | <p>Compliance Task Force holds the duties and responsibilities to:</p> <p>1) In order to support the development of Compliance Culture in all Bank's business activities at all organizational levels. Compliance Task Force has disseminated the information on regulation of the Financial Service Authority, Bank Indonesia Regulation and the applicable laws and regulations, both verbally or in written as in the Internal Memo, Inter-Branch Memo, training, etc.;</p> <p>2) Compliance Task Force has carried out identification, measurement, monitoring and control of Compliance Risk based on the reports from the relevant work units, which include</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>Commercial Banks;</p> | <p>credit, treasury and investment functions, operational and service, trade financing, funding and debt instruments, Information System Technology and Management Information System, as well as Human Resource Management.</p> <p>In the event of violation to the applicable regulation or other issues that need improvement, the Compliance Task Force shall coordinate with the relevant work units both verbally or in written through the internal memo.</p> <p>Risk Management Unit receives the report on Compliance Risk that is made by the Compliance Task Force to arrange report on risk profile/composition with reference to Bank</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>3) Assess and evaluate the effectiveness, adequacy and conformity of Bank's policy, provision, system and procedures with the applicable laws and regulations;</p> <p>4) Carry out review and/or recommend update and improvement of Bank's policy, system and procedures for compliance with Bank Indonesia regulation and the applicable laws and</p> | <p>Indonesia Regulation on Implementation of Risk Management for Commercial Banks.</p> <p>3) Compliance Task Force has assessed and evaluated the effectiveness, adequacy and conformity of Bank's policy, provision, system and procedures with the regulation of the Financial Service Authority, Bank Indonesia regulation and other applicable laws and regulations in order to implement the principles of Prudential Banking;</p> <p>4) Compliance Task Force has reviewed and/or recommended update and improvement of Bank's policy, system and procedures for compliance with the regulation of Financial Service</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>regulations;</p> <p>5) Put efforts to ensure that Bank's policy, provision, system and procedures, as well as business activities have complied with Bank Indonesia regulation and other applicable laws and regulations;</p> | <p>Authority, Bank Indonesia regulation and the applicable laws and regulations, buy sending Internal Memo to the System and Procedures Department or to the relevant Work Unit with regard to the arrangement / review / update / improvement of the said policy, provision, system or procedures;</p> <p>5) Compliance Task Force has carried out coordination and monitoring of arrangement / review / update / improvement of the said policy, provision, system or procedures to ensure that Bank's policy, provision, system and procedures, as well as business activities have complied with the regulation of Financial Service Authority, Bank Indonesia regulation</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>6) Perform other duties related to the Compliance Function.</p> | <p>and other applicable laws and regulations;</p> <p>6) Perform other duties related to the Compliance Function, such as:</p> <ul style="list-style-type: none"><li>a) Monitoring of provision of fund in the form of credit (exposure group <math>\geq</math> 2 billion Rupiah) for Compliance Analysis.</li><li>b) Compliance Task Force assists the fulfillment of duties of the Director in charge of Compliance Function in monitoring and keeping Bank's compliance with all agreements and commitments made by the Bank with the Financial Service Authority and Bank Indonesia by following up the result of audit by Bank Indonesia, in order to ensure that it</li></ul> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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|   | <p>complies with the specified requirements/deadline, by:</p> <ul style="list-style-type: none"> <li>• Sending Internal Memo or Inter-Branch Memo to the relevant units on: Follow-Up for Result of Audit;</li> <li>• Holding a coordination meeting with the relevant work units to carry out monitoring of improvement.</li> </ul> |
| <p><b>3. Governance Outcome</b></p>   |  |
| <p><b>Criteria/Indicator</b></p>  | <p><b>Analysis</b></p>   |
| <p>a. The Bank has submitted the report on fulfillment of duties of the Director in charge of Compliance Function and special report to Bank Indonesia and related party.</p> | <p>The Bank has submitted the report on fulfillment of duties of the Director in charge of Compliance Function and special report to Bank Indonesia and related party.</p>   |

ASSESSMENT FACTOR:

IMPLEMENTATION OF BANK'S COMPLIANCE FUNCTION

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| <p>b. Scope of the report on fulfillment of duties of the Director in charge of Compliance Function conforms to the applicable Bank Indonesia regulation.</p> | <p>Scope of the report on fulfillment of duties of the Director in charge of Compliance Function conforms to the applicable Bank Indonesia regulation.</p> |
| <p>c. The Bank has succeeded in reducing violation of the applicable regulation;</p>  | <p>There are some violations to the applicable regulation as indicated by the number of recorded penalties.</p>  |
| <p>d. The Bank has succeeded in developing compliance culture in decision-making and its operational activities.</p>  | <p>The Bank has succeeded in developing compliance culture in decision-making and its operational activities.</p>  |

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

| F. IMPLEMENTATION OF INTERNAL AUDIT FUNCTION   |  |
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| 1. Governance Structure  |  |
| Criteria/Indicator   | Analysis   |
| a. The organizational structure of Bank's IATF is in accordance with the applicable provision.   | The organizational structure of Bank's IATF is in accordance with the applicable provision.  |
| b. Satisfying the Internal Audit Function Standard for Commercial Banks ("SPFAIB"), by:<br>1) Arranging the Internal Audit Charter;<br>2) Establishing the Internal Audit Task Force ("SKAI")<br>3) Arranging the guideline to internal audit. | Satisfying the Internal Audit Function Standard for Commercial Banks ("SPFAIB") by:<br>1) Arranging the Internal Audit Charter;<br>2) Establishing the Internal Audit Task Force ("SKAI")<br>3) Arranging the guideline to internal audit. |
| c. The IATF is independent from the operational task force.  | The IATF is independent from the operational task force.   |

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

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| d. Providing quality human resource for effective fulfillment of duties.  | Providing quality human resource for effective fulfillment of duties.  |
| <b>2. Governance Process</b>  |  |
| <b>Criteria/Indicator</b>   | <b>Analysis</b>  |
| a. The Board of Directors is responsible for:<br><br>1) Establishment of internal control system, and ensuring the implementation of Bank's internal audit function at all managerial levels;<br><br>2) Follow-up for findings of Bank's internal audit under the policy and direction from the Board of Commissioners. | The Board of Directors is responsible for:<br><br>1) Establishment of internal control system, and ensuring the implementation of Bank's internal audit function at all managerial levels;<br><br>2) Follow-up for findings of Bank's internal audit under the policy and direction from the Board of Commissioners. |

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

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| <p>b. The Bank implements internal audit function effectively in all aspects and elements of its activities that may directly be considered affecting the interests of the Bank and the community.</p> | <p>The Bank implements internal audit function effectively in all aspects and elements of its activities that may directly be considered affecting the interests of the Bank and the community.</p> |
| <p>c. The Bank carries out periodical analysis by an external party on the effectiveness of performance of IATF and its compliance with the SPFAIB every three years.</p>                              | <p>The Bank carries out periodical analysis by an external party on the effectiveness of performance of IATF and its compliance with the SPFAIB every three years.</p>                              |
| <p>d. Proper audit plan by Bank's IATF, adequacy of scope of audit and the depth of audit.</p>   | <p>Proper audit plan by Bank's IATF, adequacy of scope of audit and the depth of audit.</p>   |
| <p>e. There is no violation in the realization of</p>  | <p>There is no violation in the realization of audit</p>  |

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

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| <p>audit plan by Bank's IATF.</p> <p>f. Bank was Planning and realizing quality improvement of human resource skills on a regular and sustainable basis.</p> <p>g. The IATF has Performed the supervisory function independently with proper scope of duties and in accordance with the plan, implementation or monitoring of audit result.</p> <p>h. Fulfilling the duties that at least include the following assessments on:</p> <ul style="list-style-type: none"><li>1) the adequacy of Bank's Internal Control System</li><li>2) the effectiveness of Bank's Internal</li></ul> | <p>plan by Bank's IATF.</p> <p>Bank was Planning and realizing quality improvement of human resource skills on a regular and sustainable basis.</p> <p>The IATF has Performed the supervisory function independently with proper scope of duties and in accordance with the plan, implementation or monitoring of audit result.</p> <p>Fulfilling the duties that at least include the following assessments on:</p> <ul style="list-style-type: none"><li>1) the adequacy of Bank's Internal Control System</li><li>2) the effectiveness of Bank's Internal Control</li></ul> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

| Control System   | System   |
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| <p data-bbox="297 280 674 312">3) performance quality</p> <p data-bbox="237 427 1088 529">i. Reporting all findings of examination according to the applicable provisions.</p> <p data-bbox="237 644 1088 817">j. Monitoring, analyzing and reporting the progress of improvement follow up carried out by the audited.</p> <p data-bbox="237 932 1088 1257">k. SKAI has compiled and updated the guidelines as well as systems and procedures for implementing the duties for internal auditors on a regular basis according to the needs and applicable regulations.</p> | <p data-bbox="1171 280 1547 312">3) performance quality</p> <p data-bbox="1133 427 1984 529">Reporting all findings of examination according to the applicable provisions.</p> <p data-bbox="1133 644 1984 817">Monitoring, analyzing and reporting the progress of improvement follow up carried out by the audited.</p> <p data-bbox="1133 932 1984 1257">SKAI has compiled and updated the guidelines as well as systems and procedures for implementing the duties for internal auditors on a regular basis according to the needs and applicable regulations.</p> |

ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

| <b>3. Governance Outcome</b>   |   |
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| <b>Criteria/Indicator</b>  | <b>Analysis</b>   |
| a. The Board of Directors is responsible for the availability of report on implementation of Bank's internal audit to the GMS. | The Board of Directors has submitted the report on implementation of Bank's internal audit to the GMS.  |
| b. Findings of audit by the IATF have been followed-up and there is no recurrent finding.                                      | Findings of audit by the IATF have been followed-up by the Board of Directors and the Audited. There are some recurrent findings, but follow-up has been made by the Audited. |
| c. IATF act objectively in performing the audit.   | IATF has acted objectively in performing the audit.   |
| d. Internal Audit function has been carried out  | Internal Audit function has been carried out  |



ASSESSMENT FACTOR:

IMPLEMENTATION OF INTERNAL AUDIT FUNCTION

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| <p>properly while taking into account the followings:</p> <ol style="list-style-type: none"><li>1) Audit program includes all work units on which the implementation considers risk level in each work unit.</li><li>2) Audit program and scope of audit are properly in accordance with the principles of SPFAIB, among others by the fulfillment of independence, objectivity, no limitation of scope and extent of internal audit.</li><li>3) Fulfillment of the number and quality of internal auditor.</li></ol> | <p>properly while taking into account the followings:</p> <ol style="list-style-type: none"><li>1) Audit program includes all work units on which the implementation considers risk level in each work unit.</li><li>2) Audit program and scope of audit are properly in accordance with the principles of SPFAIB, among others by the fulfillment of independence, objectivity, no limitation of scope and extent of internal audit.</li><li>3) Fulfillment of the number and quality of internal auditor.</li></ol> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

| G. IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION  |  |
|---|--|
| 1. Governance Structure   |  |
| Criteria/Indicator  | Analysis   |
| Assignment of audit to the Public Accountant and Public Accounting Firm shall at least meet the following aspects:<br><ul style="list-style-type: none"><li>a. Capacity of the appointed PAF</li><li>b. Legality of contract agreement</li><li>c. Scope of audit</li><li>d. Professional standard of public accountant;<br/>and</li><li>e. Communication between Bank Indonesia and the said PAF.</li></ul> | Assignment of audit to the Public Accountant and Public Accounting Firm shall has met the specified aspects. |

ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

| <b>2. Governance Process</b>  |   |
|---|---|
| <b>Criteria/Indicator</b>   | <b>Analysis</b>   |
| a. In the audit of Bank's financial statement, the Bank appointed a Public Accountant and PAF registered in Bank Indonesia. | In the audit of Bank's financial statement, the Bank appointed Osman Bing Satrio & Eny Public Accountant and Public Accountant Firm, a member of Deloitte Touche Tohmatsu that is registered in Bank Indonesia. |
| b. Appointment of the same Public Accountant and PAF has complied with the applicable laws and regulations.                 | Appointment of the same Public Accountant and PAF has complied with the applicable laws and regulations.  |
| c. Appointment of Public Accountant and PAF is made upon approval from the GMS based on the                                 | Appointment of Public Accountant and PAF is made upon approval from the GMS based on the  |

ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

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| <p>recommendation from the Audit Committee through the Board of Commissioners.</p> <p>d. The appointed Public Accountant and PAF are capable of performing independently, satisfying the professional standard of public accountant and contract agreement, as well as the specified scope of audit.</p> <p>e. Public Accountant has communicated with Bank Indonesia with regard to the condition of the audited Bank for the preparation and execution of the audit.</p> <p>f. Public Accountant has performed the audit independently and professionally.</p> | <p>recommendation from the Audit Committee through the Board of Commissioners.</p> <p>The appointed Public Accountant and PAF are capable of performing independently, satisfying the professional standard of public accountant and contract agreement, as well as the specified scope of audit.</p> <p>Public Accountant has communicated with Bank Indonesia with regard to the condition of the audited Bank for the preparation and execution of the audit.</p> <p>Public Accountant has performed the audit independently and professionally.</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF EXTERNAL AUDIT FUNCTION

| <p>g. Public Accountant has reported the result of audit and the Management Letter to Bank Indonesia.</p>   | <p>Public Accountant has reported the result of audit and the Management Letter to Bank of Indonesia.</p>  |
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| <p><b>3. Governance Outcome</b></p>   |  |
| <p><b>Criteria/Indicator</b></p>  | <p><b>Analysis</b></p>   |
| <p>a. Result of audit and Management Letter indicates significant problems in the Bank and has been submitted in a timely manner to Bank Indonesia by the appointed PAF.</p> <p>b. Scope of audit result shall at least conform to the scope of audit set forth in the applicable provision.</p> <p>c. The auditor acts independently in the audit.</p> | <p>Result of audit and Management Letter indicates significant problems in the Bank and has been submitted in a timely manner to the Bank of Indonesia.</p> <p>Scope of audit result shall at least conform to the scope of audit set forth in the applicable provision.</p> <p>The auditor acts independently in the audit.</p> |

ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

| H. IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM   |   |
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| 1. Governance Structure  |   |
| Criteria/Indicator   | Analysis  |
| a. The Bank has a proper organizational structure to support the implementation of Risk Management and Internal Control System, such as the IATF, RMTF ("SKMR") and Risk Management Committee, as well as the Compliance Task Force. | The Bank has a proper organizational structure to support the implementation of Risk Management and Internal Control System, such as the IATF, RMTF ("SKMR") and Risk Management Committee, as well as the Compliance Task Force. |
| b. The Bank has proper policy, procedures and determination of risk limit.   | The Bank has proper policy, procedures and determination of risk limit as set forth in the Guideline to Risk Management ("BPMP").   |

ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

| <b>2. Governance Process</b>   |   |
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| <b>Criteria/Indicator</b>  | <b>Analysis</b>   |
| <p>a. The Board of Commissioners has definite duties and responsibilities, among others:</p> <p>1) Giving approval for Risk Management policy, including Risk Management strategy and work frame that are specified in accordance with the risk appetite and risk tolerance;</p> <p>2) Evaluating Risk Management policy and Risk Management Strategy no less than once in a year or more, in the event that there is change of factors that significantly affect Bank's business;</p> | <p>The Board of Commissioners has definite duties and responsibilities, among others:</p> <p>1) Giving approval for Risk Management policy, including Risk Management strategy and work frame that are specified in accordance with the risk appetite and risk tolerance as set forth in the Guideline to Risk Management ("BPMR").</p> <p>2) Evaluating Risk Management policy and Risk Management Strategy.</p> |

ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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| <p>3) Evaluating the accountability report of the Board of Directors and periodically providing direction for improvement of implementation of Risk Management policy. Evaluation is made in order to ensure that the Board of Directors manages Bank's activities and risks effectively.</p> <p>b. The Board of Directors has definite duties and responsibilities, among others:</p> <p>1) Making Risk Management policy, including Risk Management strategy and frame work in written and comprehensively, including the overall risk limit and limit for each risk type, in accordance with risk appetite and</p> | <p>3) Evaluating the accountability report of the Board of Directors and periodically providing direction for improvement of implementation of Risk Management policy. Evaluation is made in order to ensure that the Board of Directors manages Bank's activities and risks effectively.</p> <p>The Board of Directors has definite duties and responsibilities, among others:</p> <p>1) Making Risk Management policy, including Risk Management strategy and frame work in written and comprehensively, including the overall risk limit and limit for each risk type, in accordance with risk appetite and risk</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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| <p>risk tolerance to capital adequacy. Upon approval from the Board of Commissioners, the Board of Directors shall set the said Risk Management policy, strategy and frame work;</p> <p>2) Arranging, specifying and updating the procedures and instruments for identifying, measuring, monitoring and controlling the risk;</p> <p>3) Arranging and specifying the mechanism of transaction approval, including for the over limit transaction and the authority of each position level;</p> | <p>tolerance to capital adequacy as set forth in the Guideline to Risk Management. Upon approval from the Board of Commissioners, the Board of Directors shall set the said Risk Management policy, strategy and frame work;</p> <p>2) Arranging, specifying and updating the procedures and instruments for identifying, measuring, monitoring and controlling the risk;</p> <p>3) Arranging and specifying the mechanism of transaction approval, including for the over limit transaction and the authority of each position level;</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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| <p>4) Evaluating and/or updating the policy, strategy and frame work of Risk Management no less than once in a year or more, in the event that there is change of factors that significantly affect Bank's business, risk exposure, and/or risk profile.</p> <p>5) Determining the organizational structure, including the definite authority and responsibility with regard to the implementation of Risk Management;</p> <p>6) Being responsible for the implementation of Risk Management policy, strategy and frame work approved by the Board of Commissioners and evaluating and providing direction based</p> | <p>4) Evaluating and/or updating the policy, strategy and frame work of Risk Management as set forth in the Guideline to Risk Management ("BPMR")</p> <p>5) Determining the organizational structure, including the definite authority and responsibility with regard to the implementation of Risk Management;</p> <p>6) Being responsible for the implementation of Risk Management policy, strategy and frame work approved by the Board of Commissioners and evaluating and providing direction based on the</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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| <p>on the reports submitted by the RMTF, including the report on risk profile;</p> <p>7) Ensuring that all material risks and impacts arising from the said risk have been followed-up and that accountability report has been submitted regularly to the Board of Commissioners. The said report includes - among others- progress report and issues related to material risks, supplied with improvement measures that have been taken, being taken and will be taken;</p> <p>8) Ensuring that the implementation of improvement measures for issues or violation in Bank's business is identified by the</p> | <p>reports submitted by the RMTF, including the report on risk profile;</p> <p>7) Ensuring that all material risks and impacts arising from the said risk have been followed-up and that accountability report has been submitted regularly to the Board of Commissioners;</p> <p>8) Ensuring that the implementation of improvement measures for issues or violation in Bank's business is identified by the IATF;</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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| <p>IATF;</p> <p>9) Developing Risk Management culture, including risk awareness, at all organizational levels, including proper communication among all organizational levels on the importance of effective internal control;</p> <p>10) Ensuring the adequacy of financial capacity and infrastructure to manage and control the risk;</p> <p>11) Ensuring that Risk Management function has been implemented independently, as reflected in the separation of function between the</p> | <p>9) Developing Risk Management culture, including risk awareness, at all organizational levels, including proper communication among all organizational levels on the importance of effective internal control;</p> <p>10) Ensuring the adequacy of financial capacity and infrastructure to manage and control the risk;</p> <p>11) Ensuring that Risk Management function has been implemented independently, as reflected in the separation of function between the RMTF -that</p> |
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ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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| <p>RMTF -that performs risk identification, measurement, monitoring and control- and task force that execute and finalize the transaction.</p> <p>c. The Bank has implemented comprehensive and reliable internal control system.</p> | <p>performs risk identification, measurement, monitoring and control- and task force that execute and finalize the transaction.</p> <p>The Bank has implemented proper control system. Improvement is necessary on the implementation.</p> |
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**3. Governance Outcome**

| <p><b>Criteria/Indicator</b></p>   | <p><b>Analysis</b></p>   |
|--|--|
| <p>a. The Bank has implemented effective Risk Management, which is adjusted to the objective, business policy, size and complexity of Bank's business and capacity.</p> <p>b. The Board of Commissioners and Directors</p> | <p>The Bank has implemented effective Risk Management, which is adjusted to the objective, business policy, size and complexity of Bank's business and capacity.</p> <p>The Board of Commissioners and Directors</p> |

ASSESSMENT FACTOR:

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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| <p>(Management Board) are capable of performing active supervision of the implementation of Risk Management policy and strategy.</p> <p>c. The Bank does not commit business activities exceeding its capital capacity to absorb loss risk.</p> | <p>(Management Board) are capable of performing active supervision of the implementation of Risk Management policy and strategy.</p> <p>The Bank does not commit business activities exceeding its capital capacity to absorb loss risk.</p> |
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ASSESSMENT FACTOR:

LENDING TO RELATED PARTY AND LARGE EXPOSURES LENDING

| <b>I. LENDING TO RELATED PARTY AND LARGE EXPOSURES LENDING</b>   |  |
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| <b>1. Governance Structure</b>   |  |
| <b>Criteria/Indicator</b>  | <b>Analysis</b>  |
| The Bank has 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. | The Bank has 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. |
| <b>2. Governance Process</b>   |  |
| <b>Criteria/Indicator</b>  | <b>Analysis</b>  |
| a. The Bank has regularly evaluated and updated policies, systems and procedures referred to in order to comply with the   | The Bank has regularly evaluated and updated policies, systems and procedures referred to in order to comply with the provisions and   |

ASSESSMENT FACTOR:

LENDING TO RELATED PARTY AND LARGE EXPOSURES LENDING

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| <p>provisions and the applicable legislation.</p> <p>b. There is a proper process to ensure lending to related party and large exposure lending in accordance with the principles of prudential banking.</p> <p>c. Decision-making in the lending is made independently by the Management Board without any intervention of the related party and/or other parties.</p> | <p>the applicable legislation.</p> <p>There is a proper process to ensure lending to related party and large exposure lending in accordance with the principles of prudential banking</p> <p>Decision-making in the lending is made independently by the Management Board without any intervention of the related party and/or other parties.</p> |
| <p><b>3. Governance Outcome</b></p>   |   |
| <p><b>Criteria/Indicator</b></p>  | <p><b>Analysis</b></p>  |
| <p>a. Implementation of lending to related party and/or large exposure lending by the Bank have:</p>  | <p>Implementation of lending to related party and/or large exposure lending by the Bank have:</p>   |



ASSESSMENT FACTOR:

LENDING TO RELATED PARTY AND LARGE EXPOSURES LENDING

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| <p>1) Complied with Bank Indonesia regulation on Legal Lending Limit and taking into account the principles of prudential banking and the applicable laws and regulations;</p> <p>2) Considering capital capacity and distribution/diversification of lending portfolio.</p> <p>b. The report as referred to in number 1) has been submitted regularly to Bank Indonesia in a timely manner.</p> | <p>1) Complied with Bank Indonesia regulation on Legal Lending Limit and taking into account the principles of prudential banking and the applicable laws and regulations;</p> <p>2) Considering capital capacity and distribution/diversification of lending portfolio.</p> <p>The report as referred to in number 1) has been submitted regularly to the Financial Service Authority in a timely manner.</p> |
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ASSESSMENT FACTOR:

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

| <b>J. TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITION, REPORT ON IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND INTERNAL REPORTING</b>                 |  |
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| <b>1. Governance Structure</b>  |  |
| <b>Criteria/Indicator</b>   | <b>Analysis</b>  |
| a. The Bank has the policy and procedures for methods of implementation fo transparance fo financial and non-financial condition.                             | The Bank has the policy and procedures for methods of implementation fo transparance fo financial and non-financial condition.                             |
| b. The Bank must submit the Report on Implementation of GCG at every end of financial year, with a scope that is in accordance with the applicable provision. | The Bank must submit the Report on Implementation of GCG at every end of financial year, with a scope that is in accordance with the applicable provision. |
| c. Availability of complete, accurate and timely internal reporting that is supported by proper   | Availability of complete, accurate and timely internal reporting that is supported by proper   |

ASSESSMENT FACTOR:

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

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| <p>MIS.</p> <p>d. Availability of reliable information system that is supported by competent human resource and proper IT security system.</p>  | <p>MIS.</p> <p>Reliable information system is available, but improvement is needed for human resource competence and proper IT security system.</p>  |
| <p><b>2. Governance Process</b></p>   |  |
| <p><b>Criteria/Indicator</b></p>  | <p><b>Analysis</b></p>   |
| <p>a. 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.</p> | <p>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.</p> |

ASSESSMENT FACTOR:

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

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| <p>b. The Bank has 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, such as:</p> <ol style="list-style-type: none"><li>1) Written information on Bank's product that meets the specified minimum requirements;</li><li>2) Bank Officers (the Customer Service and Marketing Officer) have explained product information to the customers;</li><li>3) Product information is disclosed according to its true condition;</li><li>4) The Bank has disclosed to the customers</li></ol> | <p>The Bank has made 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.</p> |
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ASSESSMENT FACTOR:

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

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| <p>whenever there are changes of product information;</p> <p>5) Product information can be read and understood easily;</p> <p>6) The Bank has product information service that is easily accessible for public;</p> <p>7) The Bank has explained to the customers the objective and consequence of distribution of personal data.</p> <p>8) The customers whose personal data are distributed have given their approval for disclosure of personal data.</p> <p>c. The Bank has made transparent the</p> | <p>The Bank has make transparent the procedures</p> |
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ASSESSMENT FACTOR:

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

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| <p>procedures for customer complaints and settlement of disputes to the customer in accordance with Bank Indonesia regulation on Customer Complaints and Banking Mediation.</p> <p>d. The Bank has prepared and presented a report with the procedure, type and scope specified in Bank Indonesia regulation on Transparency of Bank's Financial Condition.</p> <p>e. 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>for customer complaints and settlement of disputes to the customer in accordance with Bank Indonesia regulation on Customer Complaints and Banking Mediation</p> <p>The Bank has prepared and presented a report with the procedure, type and scope specified in Bank Indonesia regulation on Transparency of Bank's Financial Condition.</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> |
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ASSESSMENT FACTOR:

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

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| <p>f. In the event that the Report on Implementation of GCG does not conform to the real condition, the Bank shall immediately submit the revision completely to Bank Indonesia, and any Bank that has its homepage shall publish it on the homepage.</p> <p>g. In the event that there is difference in the Rank of GCG Factor from the self assessment in Bank's Report on Implementation of GCG and assessment result of implementation of GCG by Bank Indonesia, the Bank:</p> <p>1) Shall at least make a revision of the Rank of GCG Factor and Definition of Rank from the said self assessment to the public in a</p> | <p>Report on Implementation of GCG conforms to the real condition.</p> <p>There is no difference in the Rank of GCG Factor from the self-assessment in Bank's Report on Implementation of GCG and assessment result of implementation of GCG by the Financial Service Authority.</p> |
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ASSESSMENT FACTOR:

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

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| <p>Condensed Financial Statement for the nearest period;</p> <p>2) Shall immediately submit the complete revision of self-assessment on Bank's GCG to Bank Indonesia, and any Bank that has its homepage shall publish it on the homepage.</p> |  |
| <p><b>3. Governance Outcome</b></p>  |  |
| <p><b>Criteria/Indicator</b></p>   | <p><b>Analysis</b></p>   |
| <p>a. Annual Report has been completely and on time submitted by Bank to the Shareholders and at least to:</p> <p>1) Bank Indonesia;</p> <p>2) YLKI;</p> <p>3) Rating Institutions in Indonesia;</p>   | <p>a. Annual Report has been completely and on time submitted by Bank to the Shareholders and at least to:</p> <p>1) Bank Indonesia;</p> <p>2) YLKI;</p> <p>3) Rating Institutions in Indonesia;</p> |



ASSESSMENT FACTOR:

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

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| <p>4) Association of Banks in Indonesia;</p> <p>5) Indonesia Banking Development Institute;</p> <p>6) 2 (Two) Research Institutes in Financial and Economics field</p> <p>7) 2 (Two) Economy and Finance Magazines</p> <p>b. The Bank has presented the report on its homepage with the specified scope, including:</p> <p>1) Annual Report (financial and non-financial);</p> <p>2) 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 or the domiciles of KCBA.</p> | <p>4) Association of Banks in Indonesia;</p> <p>5) Indonesia Banking Development Institute;</p> <p>6) 2 (Two) Research Institutes in Financial and Economics field</p> <p>7) 2 (Two) Economy and Finance Magazines</p> <p>The Bank has presented the report on its homepage with the specified scope, including:</p> <p>1) Annual Report (financial and non-financial);</p> <p>2) 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> |
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ASSESSMENT FACTOR:

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

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| <p>c. GCG implementation report has reflected the actual condition of the Bank or the condition according to the result of Bank's self-assessment and has been supplied with the result of Bank' self-assessment to:</p> <ol style="list-style-type: none"><li>1) Scope of GCG as referred to in BIR on GCG and the result of self-assessment on the implementation of GCG;</li><li>2) Share ownership by members of the Board of Commissioners and financial relationship and family relationship between members of the Board of Commissioners and other members of the Board of Commissioners, members of the Board of Directors and/or Bank's share</li></ol> | <p>GCG implementation report has reflected the actual condition of the Bank or the condition according to the result of Bank's self-assessment and has been supplied with the result of Bank' self-assessment.</p> |
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ASSESSMENT FACTOR:

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

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| <p>holders;</p> <p>3) Share ownership by members of the Board of Directors and financial relationship and family relationship between members of the Board of Directors and other members of the Board of Commissioners, members of the Board of Directors and/or Bank's share holders;</p> <p>4) Share ownership by members of the Board of Directors and financial relationship and family relationship between members of the Board of Directors and members of the Board of Commissioners, other members of the Board of Directors and/or Bank's share holders;</p> <p>5) Remuneration package/policy and other</p> |  |
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ASSESSMENT FACTOR:

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

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| <p>facilities for members of the Board of Commissioners and the Board of Directors;</p> <p>6) Share option owned by the Board of Commissioners, the Board of Directors and Executive Officers;</p> <p>7) The highest to lowest salary ratio;</p> <p>8) Frequency of meeting of the Board of Commissioners meets the requirements;</p> <p>9) The number of internal fraud and settlement efforts by the Bank;</p> <p>10) Transaction with conflict of interests;</p> <p>11) Share buy-back and/or Bank's bond buy-back;</p> <p>12) Provision of fund for social program and political activities, both in cash or non-cash;</p> |  |
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ASSESSMENT FACTOR:

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

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| <p>c. Report on Implementation of GCG has been submitted completely and in a timely manner to the shareholders and to:</p> <ol style="list-style-type: none"><li>1) Bank Indonesia;</li><li>2) Indonesian Consumers Protection Foundation ("YLKI");</li><li>3) Rating Agency in Indonesia;</li><li>4) National Bank Association in Indonesia;</li><li>5) Indonesian Banking Development Institute ("LPPI");</li><li>6) 2 (two) Research Agencies in Economics and Finance;</li><li>7) 2 (two) Economics and Finance Magazines.</li></ol> | <p>The Bank has submitted the Report on Implementation of GCG to the specified party completely and in a timely manner.</p> |
| <p>d. Report on Implementation of GCG has been published on the homepage in a timely manner.</p>   | <p>The Bank has published the Report on Implementation of GCG on the homepage in a timely</p>                               |

ASSESSMENT FACTOR:

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

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| <p>e. Mediation for settlement of customer complaint has been carried out properly.</p> <p>f. The Bank implements transparency of information on product and the use of customer's data.</p> | <p>manner.</p> <p>Mediation for settlement of customer complaint has been carried out properly.</p> <p>The Bank has implemented transparency of information on product and the use of customers data.</p> |
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ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

| <b>K. BANK'S STRATEGIC PLAN</b>   |  |
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| <b>1. Governance Structure</b>  |  |
| <b>Criteria/Indicator</b>   | <b>Analysis</b>  |
| a. Bank's strategic plan has been arranged in the form of a Corporate Plan and Business Plan according to the vision and mission of the Bank.   | Bank's strategic plan has been arranged in the form of a Corporate Plan and Business Plan according to the vision and mission of the Bank.   |
| b. Bank's strategic plan is fully supported by the Owner, as indicated by the commitment and efforts of the Owner to strengthen Bank's capital. | Bank's strategic plan is fully supported by the Owner, as indicated by the commitment and efforts of the Owner to strengthen Bank's capital. |

ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

| <b>2. Governance Process</b>   |   |
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| <b>Criteria/Indicator</b>  | <b>Analysis</b>   |
| a. The Bank has arranged its realistic, comprehensive and achievable Business Plan while considering the principles of prudential banking and being responsive to the internal and external changes. | The Bank has arranged its realistic, comprehensive and achievable Business Plan while considering the principles of prudential banking and being responsive to the internal and external changes. |
| b. Bank's Business Plan is approved by the Board of Commissioners.   | Bank's Business Plan is approved by the Board of Commissioners.   |
| c. The Board of Directors has communicated Bank's Business Plan to:<br><br>1) Bank's Shareholders<br><br>2) All organizational levels in the Bank  | The Board of Directors has communicated Bank's Business Plan to Bank's Shareholders and all organizational levels in the Bank   |



ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

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| <p>d. The Board of Directors has implemented Bank's Business Plan ("RBB") effectively.</p> <p>e. The arrangement and submission of RBB refers to Bank Indonesia regulation on Bank's Business Plan, and the Bank has taken into account the followings:</p> <ol style="list-style-type: none"><li>1) The external and internal factors that may affect the continuity of Bank's business;</li><li>2) Principles of prudential banking;</li><li>3) Implementation of Risk Management;</li><li>4) Sound Banking principles.</li></ol> <p>f. The Board of Commissioners has performed</p> | <p>The Board of Directors has implemented Bank's Business Plan ("RBB") effectively. In general, Bank's Business Plan has been achieved.</p> <p>The arrangement and submission of RBB refers to Bank Indonesia regulation on Bank's Business Plan, and the Bank has taken into account the followings:</p> <ol style="list-style-type: none"><li>1) The external and internal factors that may affect the continuity of Bank's business;</li><li>2) Principles of prudential banking;</li><li>3) Implementation of Risk Management;</li><li>4) Sound Banking principles.</li></ol> <p>The Board of Commissioners has performed</p> |
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ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

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| <p>supervision on the implementation of Bank's Business Plan.</p> <p>g. The Owner does not express seriousness and/or does not take necessary measures to support the Bank's strategic plan, as indicated in the weak commitment and efforts of the Owner to strengthen Bank's capital.</p> | <p>supervision on the implementation of Bank's Business Plan.</p> <p>The Owner does not express seriousness and/or does not take necessary measures to support the Bank's strategic plan, as indicated in the weak commitment and efforts of the Owner to strengthen Bank's capital.</p> |
| <p><b>3. Governance Outcome</b></p>   |  |
| <p><b>Criteria/Indicator</b></p>  | <p><b>Analysis</b></p>   |
| <p>a. Corporate Plan and Business Plan are drawn by the Board of Directors and approved by the Board of Commissioners.</p>  | <p>Corporate Plan and Business Plan are drawn by the Board of Directors and approved by the Board of Commissioners.</p>  |

ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

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| <p>b. Bank's Corporate Plan and Business Plan, along with the realization, have been communicated by the Board of Directors to the Majority Shareholders and to all organizational levels in the Bank.</p> <p>c. Bank's Business Plan indicates the continuing growth of the Bank.</p> <p>d. Bank's Growth provides economic and non-economic values for the stakeholders.</p> <p>e. Bank's strategic plan is made based on the comprehensive analysis by considering business opportunities and strength of the Bank, as well</p> | <p>Bank's Corporate Plan and Business Plan, along with the realization, have been communicated by the Board of Directors to the Majority Shareholders and to all organizational levels in the Bank.</p> <p>Bank's Business Plan indicates the continuing growth of the Bank.</p> <p>Bank's Growth provides economic and non-economic values for the stakeholders.</p> <p>Bank's strategic plan is made based on the comprehensive analysis by considering business opportunities and strength of the Bank, as well as</p> |
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ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN

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| <p>as by identifying its weakness and the threats (SWOT Analysis).</p> <p>f. Bank's strategic plan shall be supported by provision of proper infrastructure, such as HR, IT, office network, policy and procedures.</p> <p>g. There is intervention of the Owner on the sharing of Bank's profit without considering capitalization efforts to support Bank's strategic plan.</p> <p>h. The Owner is not capable of overcoming the shortfall of Bank's capital or Bank's capital is lower than the specified requirement.</p> | <p>by identifying its weakness and the threats (SWOT Analysis).</p> <p>Bank's strategic plan shall be supported by provision of proper infrastructure, such as HR, IT, office network, policy and procedures.</p> <p>There is no intervention of the Owner on the sharing of Bank's profit.</p> <p>Bank's capital meets the specified requirement.</p> |
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ASSESSMENT FACTOR:

BANK'S STRATEGIC PLAN