

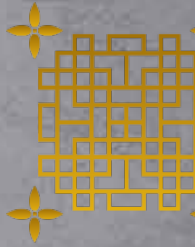
TATA KELOLA PERUSAHAAN

Corporate Governance

- | | | | |
|-----|---|-----|--|
| 196 | TATA KELOLA PERUSAHAAN
Corporate Governance | 280 | ORGAN PENDUKUNG DIREKSI
Supporting Organs of The Board of Directors |
| 211 | RAPAT UMUM PEMEGANG SAHAM
General Meeting of Shareholders | 284 | SEKRETARIS PERUSAHAAN
Corporate Secretary |
| 217 | DEWAN KOMISARIS
Board of Commissioners | 289 | AUDIT INTERNAL
Internal Audit |
| 229 | DIREKSI
Board of Directors | 298 | AKUNTAN PUBLIK
Public Accountant |
| 242 | PENILAIAN PENERAPAN GCG 2018
TERHADAP DEWAN KOMISARIS
DAN DIREKSI
2018 GCG Assessment for the
Board of Commissioners and Board
of Directors | 301 | MANAJEMEN RISIKO
Risk Management |
| 246 | KEBIJAKAN REMUNERASI
DEWAN KOMISARIS DAN DIREKSI
Remuneration Policy of the Board
of Commissioners and Board of
Directors | 337 | SISTEM PENGENDALIAN
INTERNAL
Internal Control System |
| 248 | RAPAT DEWAN KOMISARIS
DAN DIREKSI
Board of Commissioners and Board
of Directors Meetings | 341 | PERKARA PENTING
Litigation |
| 254 | INFORMASI MENGENAI
PEMEGANG SAHAM UTAMA &
PENGENDALI
Information on Ultimate
Shareholders & Controlling
Shareholders | 342 | AKSES INFORMASI & DATA
PERUSAHAAN
Information Access & Corporate
Data |
| 254 | HUBUNGAN AFILIASI ANTARA
ANGGOTA DIREKSI,
DEWAN KOMISARIS, DAN
PEMEGANG SAHAM UTAMA
& PENGENDALI
Affiliates Relationship Between
Members of the Board of Directors,
Board of Commissioners, and
Ultimate & Controlling Shareholders | 344 | HUBUNGAN DENGAN PEMANGKU
KEPENTINGAN
Relations With Stakeholders |
| 256 | PENGUNGKAPAN RANGKAP
JABATAN DEWAN KOMISARIS
DAN DIREKSI
Disclosure of Concurrent Positions
of the Board of Commissioners and
Board of Directors | 346 | KODE ETIK
Code of Conduct |
| 257 | KEBERAGAMAN KOMPOSISI
DEWAN KOMISARIS & DIREKSI
Diversity of the Board of
Commissioners & Board of Directors | 355 | KEBIJAKAN TRANSPARANSI DAN
BENTURAN KEPENTINGAN
Policy on Transparency and Conflict
of Interest |
| 258 | ORGAN PENDUKUNG DEWAN
KOMISARIS
Board of Commissioners'
Supporting Organ | 356 | KEBIJAKAN PENGADAAN
BARANG & JASA
Procurement Policy |
| 258 | SEKRETARIS DEWAN KOMISARIS
Board of Commissioners' Secretary | 358 | WHISTLEBLOWING SYSTEM
Whistleblowing System |
| 260 | KOMITE AUDIT
Audit Committee | 363 | TRANSPARANSI PRAKTIK BAD
GOVERNANCE
Transparency of Bad Governance
Practices |
| 268 | KOMITE REMUNERASI DAN
NOMINASI
Remuneration and Nomination
Committee | | |
| 274 | KOMITE PEMANTAU RISIKO
Risk Monitoring Committee | | |

TATA KELOLA PERUSAHAAN

CORPORATE GOVERNANCE



PENERAPAN TATA KELOLA PERUSAHAAN

Corporate Governance Implementation

Penerapan GCG yang berkualitas menciptakan akuntabilitas yang tinggi di hadapan para pemangku kepentingan, baik dalam pemaparan rencana pengembangan usaha maupun dalam menyampaikan kinerja. Menyadari pentingnya akuntabilitas dalam setiap tahapan operasional, Bank berkomitmen untuk meningkatkan kualitas penerapan GCG dengan melaksanakan seluruh aturan perundangan-undangan, kebijakan dan pedoman kerja sesuai kaidah pengelolaan perusahaan terkini untuk menjamin pertumbuhan usaha yang berkualitas dalam jangka panjang.

The implementation of quality GCG has enabled The Bank to gain high accountability from the perspective of stakeholders in disclosing its business development plan as well as performance deliverables. Realizing the importance of accountability in every operational stage, The Bank is committed to enhance the quality of GCG by implementing all provisions of laws, policies and working guidelines in accordance with up-to-date corporate management to ensure a long-term quality of business growth.



TATA KELOLA PERUSAHAAN

Corporate Governance



PENDAHULUAN

Bagi Bank ICBC Indonesia (Bank), penerapan tata kelola perusahaan yang baik (Good Corporate Governance – GCG) dalam era persaingan global saat ini, sudah menjadi kebutuhan yang mutlak dalam menjalankan segala kegiatan usaha Bank. Dengan adanya penerapan GCG maka Bank telah memiliki pondasi yang kokoh dan bekal yang cukup untuk mencapai visi dan misi Bank, serta mampu menjadi perusahaan yang tangguh dan terus berkembang.

Untuk itu, Bank senantiasa berupaya menyempurnakan penerapan praktik-praktik terbaik GCG pada seluruh tingkatan organisasi secara berkesinambungan. Bank menyadari bahwa GCG merupakan salah satu komponen utama dalam rangka meningkatkan kinerja Bank, melindungi kepentingan para pemangku kepentingan, dan meningkatkan kepatuhan terhadap peraturan perundang-undangan, serta nilai-nilai etika yang berlaku umum pada industri perbankan.

FOREWORD

For Bank ICBC Indonesia (The Bank), the implementation of Good Corporate Governance (GCG) in today's global competitive era is a much-needed element in undertaking The Bank's business activities. The GCG implementation will enable The Bank to create solid foundation and adequate endeavor to achieve The Bank's vision and mission, as well as to become a sustainable strong corporation.

To that end, The Bank strives to refine the sustainable implementation of its GCG best practices in all level of organizations. The Bank realizes that GCG becomes one of the main components in the improvement of The Bank's performance, safeguard the stakeholders' interests, and enhance compliance with prevailing regulatory and ethics values in the banking industry.

DASAR PENERAPAN TATA KELOLA PERUSAHAAN

Penerapan GCG Bank berdasarkan pada peraturan perundangan-undangan berikut:

1. Undang-Undang Republik Indonesia No. 10 tahun 1998 tentang perubahan atas Undang-Undang No 7 tahun 1992 tentang Perbankan;
2. Undang-Undang Republik Indonesia No. 40 Tahun 2007 tentang Perseroan Terbatas;
3. Undang-Undang No. 25 Tahun 2007 tentang Penanaman Modal;
4. Undang-Undang Republik Indonesia No. 7 Tahun 1992 tentang Perbankan sebagaimana telah diubah dengan Undang-Undang Republik Indonesia No. 10 Tahun 1998;
5. Peraturan Otoritas Jasa Keuangan (POJK) No. 55/POJK.03/2016 tanggal 7 Desember 2016 tentang Penerapan Tata Kelola bagi Bank Umum;
6. Surat Edaran Otoritas Jasa Keuangan (SEOJK) No. 13/SEOJK.03/2017 tanggal 17 Maret 2017 tentang Penerapan Tata Kelola bagi Bank Umum;
7. POJK No. 29/POJK.04/2016 tanggal 29 Juli 2016 tentang Laporan Tahunan Emiten atau Perusahaan Publik;
8. *Roadmap* Tata Kelola Perusahaan Indonesia Menuju Tata Kelola Emiten dan Perusahaan Publik yang Lebih Baik yang diterbitkan oleh OJK tanggal 4 Februari 2014;
9. POJK No. 21/POJK.04/2015 tanggal 16 November 2015 tentang Penerapan Pedoman Tata Kelola Perusahaan Terbuka;
10. Surat Edaran Otoritas Jasa Keuangan (SEOJK) No. 32/SEOJK.04/2015 tanggal 17 November 2015 tentang Pedoman Tata Kelola Perusahaan Terbuka;
11. SEOJK No. 30/SEOJK.04/2016 tanggal 3 Agustus 2016 tentang Bentuk dan Isi Laporan Tahunan Emiten atau Perusahaan Publik.

CORPORATE GOVERNANCE LEGAL REFERENCES

The Bank's GCG implementation refers to the following regulatory:

1. Law of the Republic of Indonesia No. 10 of 1998 concerning the amendments to Law No. 7 of 1992 concerning the Banking;
2. Law of the Republic of Indonesia No. 40 of 2007 concerning the Limited Liability Companies;
3. Law No. 25 of 2007 concerning the Capital Investment;
4. Law of the Republic of Indonesia No. 7 of 1992 concerning the Banking as amended by the Law of the Republic of Indonesia No. 10 of 1998;
5. Regulation of the Financial Services Authority (POJK) No. 55/POJK.03/2016 dated December 7, 2016 concerning the Implementation of Governance for Commercial Banks;
6. Circular Letter of the Financial Services Authority (SEOJK) No. 13/SEOJK.03/2017 dated March 17, 2017 concerning the Implementation of Governance for Commercial Banks;
7. POJK No. 29/POJK.04/2016 dated July 29, 2016 concerning the Annual Report of Issuers or Public Companies;
8. Roadmap of Indonesian Corporate Governance Towards Better Governance of Issuers and Public Companies issued by OJK on February 4, 2014;
9. POJK No. 21/POJK.04/2015 dated November 16, 2015 concerning the Implementation of Corporate Governance Guidelines for Public Companies;
10. Circular of the Financial Services Authority (SEOJK) No. 32/SEOJK.04/2015 dated November 17, 2015 concerning the Governance Guidelines for Public Companies;
11. SEOJK No. 30/SEOJK.04/2016 dated August 3, 2016 concerning the Formulation and Content of the Annual Report of Issuers or Public Companies.

Tata Kelola Perusahaan
Corporate Governance

PENDEKATAN TATA KELOLA PERUSAHAAN

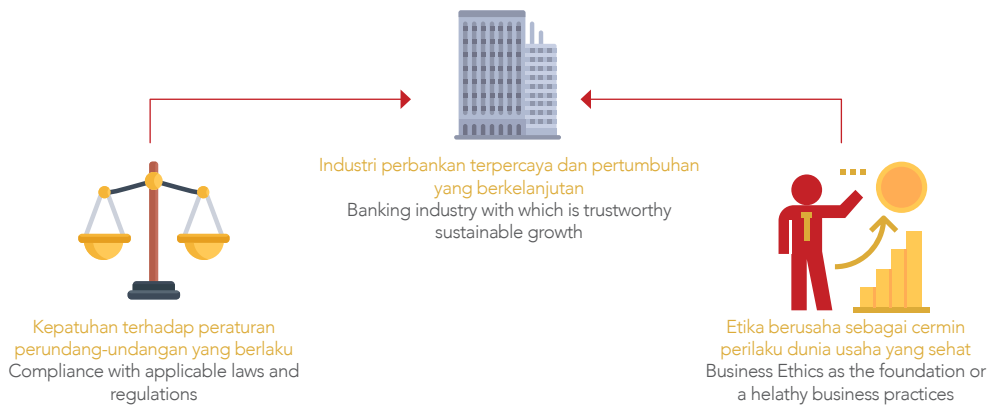
Bank memahami bahwa industri perbankan memiliki peran penting dalam perekonomian nasional. Oleh karena itu, kualitas governance yang tidak baik akan berdampak negatif bagi perekonomian nasional. Bank menyadari bahwa penyelenggaraan kegiatan perbankan yang baik disertai dasar penerapan GCG yang kuat akan berdampak positif terhadap kinerja Bank secara keseluruhan, yang pada akhirnya akan memperkuat posisi Bank baik dalam persaingan industri perbankan lokal maupun global.

Penegasan yang kuat terhadap pentingnya hubungan yang harmonis antara entitas usaha dan pemangku kepentingan telah berlangsung secara berkesinambungan di Indonesia, yang didukung komitmen dari Regulator dan para pemangku kepentingan lainnya. Hubungan harmonis ini diharapkan akan membentuk dunia usaha yang berkelanjutan, serta mampu berkontribusi dalam jangka panjang guna pengembangan sosial dan lingkungan di sekitarnya.

CORPORATE GOVERNANCE APPROACH

Banking industry holds a pivotal role in the national economy; hence The Bank acknowledges that bad governance will render negative impact to our economy. Good banking implementation and strong GCG application will deliver positive performances for The Bank, which eventually will strengthen The Bank's position both domestically and in the global banking industry competition.

In Indonesia, the regulators together with other stakeholders render a strong affirmation of the importance of harmonious relationships between business entities and stakeholders. This harmonious relationship is expected to create a sustainable business culture, and able to contribute in the long term for the surrounding social and environmental development.



PRINSIP-PRINSIP TATA KELOLA PERUSAHAAN

Dasar penerapan prinsip-prinsip GCG di Bank dilandasi komitmen untuk menciptakan perusahaan yang transparan dan terpercaya melalui manajemen bisnis yang dapat dipertanggungjawabkan.

Dalam melaksanakan kinerjanya dan pada setiap pengambilan keputusan strategis, Bank terus memperhatikan dan menerapkan lima prinsip-prinsip GCG, yaitu Transparansi, Akuntabilitas, Pertanggungjawaban, Independensi dan Kewajaran.

Penerapan prinsip-prinsip utama tersebut diyakini oleh Bank sebagai instrumen yang dapat diandalkan dalam mengatur segala aspek bisnis yang dijalankan oleh Bank melalui sistem internal yang melibatkan Dewan Komisaris, Direksi dan segenap karyawan Bank sehingga diharapkan dapat menciptakan keseimbangan dalam operasional usaha Bank secara menyeluruh.

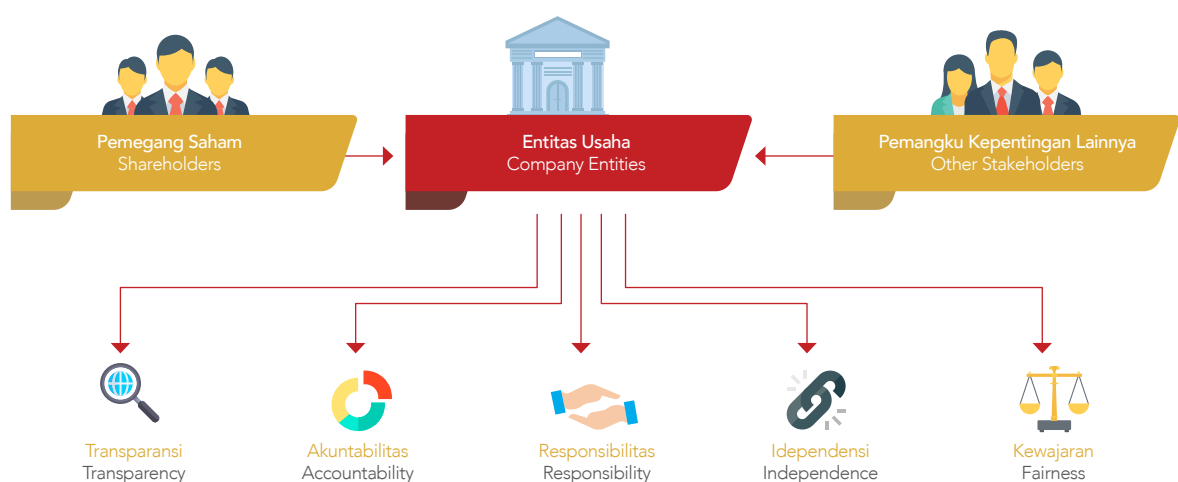
CORPORATE GOVERNANCE PRINCIPLES

GCG principles implementation in The Bank is constituted upon the commitment to create a transparent and reliable company through accountable business management.

In its business performance and in every strategic decision-making, The Bank continually takes into account on the five GCG principles namely Transparency, Accountability, Responsibility, Independency and Fairness.

The implementation of those principles is believed as a reliable instrument in regulating The Bank's business aspects through internal system that involves the Board of Commissioners, Board of Directors and all employees; hence is expected to deliver comprehensive balance of The Bank's business operations.

Harmonisasi Entitas Usaha dengan Pemegang Saham dan Pemangku Kepentingan Harmonious Relations of Business Entities with Shareholders and other Stakeholders



Tata Kelola Perusahaan
Corporate Governance

TRANSPARANSI Transparency	AKUNTABILITAS Accountability	RESPONSIBILITAS Responsibility	INDEPENDENSI Independency	KEWAJARAN Fairness
<p>Keterbukaan dalam melaksanakan proses pengambilan keputusan dan dalam mengemukakan informasi materiil yang relevan mengenai Bank. Bank menerapkan prinsip transparansi dengan cara memberikan tanggapan secara efektif dan responsif dalam berkomunikasi sehingga seluruh pemangku kepentingan mampu memahami kinerja dan tindakan Bank.</p> <p>Transparency in carrying out the decision-making process and openness in disclosing material and relevant information regarding The Bank. The Bank applies principles of transparency by providing effective and responsive means of communication for acquiring information regarding The Bank. Hence, all stakeholders understand The Bank's performances and actions.</p>	<p>Kejelasan fungsi, pelaksanaan dan pertanggungjawaban organ sehingga pengelolaan Bank terlaksana secara efektif. Bank menerapkan prinsip akuntabilitas dengan mengoptimalkan kinerja dan peran setiap individu sehingga seluruh aksi dan kegiatan Bank berjalan dengan efektif dan efisien.</p> <p>Clarity of functions and accountability within The Bank's organs, so as to carry out the management effectively. The Bank applies the principle of accountability by optimizing the performance and role of each individual. Thus, all actions and activities of The Bank perform effectively and efficiently.</p>	<p>Tanggung jawab kepatuhan dalam pengelolaan Bank terhadap peraturan perundang-undangan yang berlaku dan prinsip korporasi yang sehat. Bank menerapkan prinsip pertanggungjawaban terhadap masyarakat dan lingkungan, mematuhi peraturan yang berlaku, serta menghindari segala transaksi yang dapat merugikan pihak lain.</p> <p>Compliance in The Bank's management of applicable laws and regulations, as well as sound corporate principles. The Bank applies the principle of responsibility by behaving in a responsible manner towards the community and the environment, by complying with applicable regulations, and by avoiding all forms of harmful transactions from third parties or different parties beyond the agreed upon terms.</p>	<p>Pengelolaan secara profesional dan mandiri tanpa benturan kepentingan dan pengaruh/tekanan dari pihak manapun yang tidak sesuai dengan peraturan perundang-undangan yang berlaku, prinsip korporasi, serta prinsip tata nilai perusahaan.</p> <p>The Bank is managed in a professional and independent manner without conflict of interest and influence/pressure from any party that is not in accordance with applicable laws and regulations, corporate principles, and principles of corporate values.</p>	<p>Keadilan dan kesetaraan dalam memenuhi hak pemangku kepentingan yang timbul berdasarkan perjanjian dan peraturan perundang-undangan yang berlaku secara adil, namun tetap memperhatikan kaidah dan peraturan Bank.</p> <p>Impartial treatment and equality in fulfilling the right of stakeholders arising pursuant to the prevailing agreement and law regulation fairly, but still pay attention to The Bank rules and regulations.</p>

ROADMAP TATA KELOLA PERUSAHAAN

Dalam rangka meningkatkan kualitas penerapan GCG secara konsisten dan berkesinambungan, Bank telah memiliki roadmap GCG yang mencakup tahapan-tahapan yang telah dicapai dalam membangun nilai-nilai tata kelola berdasarkan ketentuan Penerapan Tata Kelola bagi Bank Umum. Dalam tiga tahun terakhir Bank telah melaksanakan beberapa inisiatif dalam penyempurnaan pelaksanaan GCG sebagai berikut:

CORPORATE GOVERNANCE ROADMAP

To improve the quality of consistent and continuous GCG implementation, The Bank has established GCG roadmap, which includes the stages that have been achieved in building the values of governance based on the provisions of Governance Implementation for the Commercial Banks. In the last three years The Bank has implemented several initiatives to improve the implementation of GCG, as follows:

2016	2017	2018
<ol style="list-style-type: none"> Sosialisasi GCG oleh Dewan Komisaris dan Direksi kepada seluruh karyawan untuk membangun kesadaran atas pentingnya penerapan GCG secara konsisten dengan berpedoman pada 5 prinsip GCG. Melakukan pemenuhan struktur organisasi untuk mendukung pelaksanaan GCG. Optimalisasi peran dan fungsi komite dalam menunjang pelaksanaan tugas Dewan Komisaris dan Direksi. Penyempurnaan Kebijakan <i>Whistleblowing</i>. Penerapan <i>check and balance</i> yang memadai di seluruh lini organisasi. 	<ol style="list-style-type: none"> Meningkatkan fungsi kepatuhan dan manajemen risiko. Pemenuhan struktur dan komposisi Dewan Komisaris, Direksi dan pejabat eksekutif. Pemenuhan dan penyesuaian Kebijakan, sistem dan prosedur. Mengoptimalkan peran dan fungsi komite dan satuan kerja dalam mendukung peningkatan kinerja Bank. Menetapkan dan melaksanakan pelatihan GCG kepada seluruh karyawan. 	<ol style="list-style-type: none"> Penerapan prinsip-prinsip GCG secara konsisten. Perubahan susunan keanggotaan komite-komite di bawah Dewan Komisaris, yang disesuaikan dengan susunan Komisaris terbaru. Pengkinian Pedoman dan Tata Tertib Kerja Dewan Komisaris. Pengkinian Piagam dan Pedoman Kerja Komite. Pengkinian Pedoman dan Tata Tertib Kerja Direksi. Pembuatan dan pengkinian kebijakan, sistem & prosedur operasional Bank yang disusun sesuai ketentuan undang-undang yang berlaku. Melakukan evaluasi dan pemenuhan kewajiban sertifikasi manajemen risiko kepada pejabat Bank.
<ol style="list-style-type: none"> GCG Socialization by the Board of Commissioners and the Board of Directors to all employees to build awareness on the importance of implementing GCG consistently, guided by the five principles of GCG. Fulfilling the organizational structure to support the implementation of GCG. Optimizing the role and functions of the committees to support the implementation duties of the Board of Commissioners and Board of Directors. Improvement of Whistleblowing Policy Implementation of proper checks and balance in the entire organization. 	<ol style="list-style-type: none"> Improving the compliance and risk management functions. Fulfillment of the structure and composition of the Board of Commissioners, Directors and executive officers. Compliance and adjustment of policies, systems and procedures. Optimize the role and functions of the committees and its business units in supporting The Bank's performance. Establish and implement GCG training to all employees. 	<ol style="list-style-type: none"> Consistent application of the principles of GCG. Changes of the Board of Commissioners committees memberships composition, which has been adjusted with the new Commissioners structure. Update of the Board of Commissioners Charter. Update of the Committee Charter. Update of the Board of Directors Charter. Formation and updating of policies, transparency and operational procedures of The Bank as prepared in accordance with applicable laws. Evaluation and risk management compliance certification obligations to The Bank officials.

IMPLEMENTASI TATA KELOLA PERUSAHAAN TAHUN 2018

Bank terus memperkuat pelaksanaan GCG dengan praktik terbaik berlandaskan pada prinsip-prinsip GCG dan kriteria pencapaian, serta standar implementasi GCG, yang dirumuskan berdasarkan peraturan terkait, masukan dari para pemangku kepentingan, hasil *assessment* dan *benchmarking*.

Pelaksanaan GCG menjadi salah satu perhatian utama Bank sebagai proses berkesinambungan yang terutama bertujuan untuk:

- Meningkatkan kinerja Bank;
- Melindungi kepentingan para pemangku kepentingan; dan
- Meningkatkan kepatuhan terhadap peraturan perundang-undangan serta nilai etika yang berlaku umum di industri perbankan.

CORPORATE GOVERNANCE IMPLEMENTATION IN 2018

The Bank continues to strengthen its GCG practise based on GCG principles and achievements criteria, as well as GCG implementation standards, which are formulated based on relevant laws, stakeholders feedback, assessment and benchmarking results.

The Bank places its main concern on GCG implementation, as a continuous process that aims to:

- Improve The Bank's performance;
- Safeguard the interests of stakeholders;
- Improve the compliance with the prevailing laws and banking ethics values.



Tata Kelola Perusahaan
Corporate Governance

Pada tahun 2018, Bank telah melaksanakan beberapa peningkatan yang meliputi:

- Divisi Kepatuhan Bank telah menyampaikan laporan GCG semester I dan II tahun 2018 secara tepat waktu.
- Bank telah melakukan *self-assessment* GCG untuk periode I dan II tahun 2018, dengan pencapaian rating 2 yang mengindikasikan "Baik" atas kategori penerapan GCG Bank.

Pelaksanaan *Self-Assessment* Tata Kelola Perusahaan Sesuai Surat Edaran Otoritas Jasa Keuangan No. 13/SEOJK.03/2017 tentang Pelaksanaan Tata Kelola Perusahaan Bagi Bank Umum, Bank melaksanakan *self-assessment* terhadap pelaksanaan GCG sesuai dengan periode penilaian *Risk-Based Bank Rating* (RBBR) yang dilakukan per semester.

Bank melaksanakan *self-assessment* GCG juga dengan tujuan mengukur kedalaman implementasi praktik GCG sekaligus mendapatkan umpan baik bagi perbaikannya di masa mendatang.

Untuk itu, Bank melaksanakan *self-assessment* terhadap 11 (sebelas) faktor penilaian pelaksanaan GCG secara berkala, yang meliputi:

1. Pelaksanaan tugas dan tanggung jawab Dewan Komisaris.
2. Pelaksanaan tugas dan tanggung jawab Direksi.
3. Kelengkapan dan pelaksanaan tugas komite.
4. Penanganan benturan kepentingan.
5. Penerapan fungsi kepatuhan.
6. Penerapan fungsi audit internal.
7. Penerapan fungsi audit eksternal.
8. Penerapan manajemen risiko termasuk sistem pengendalian internal.
9. Penyediaan dana kepada pihak terkait dan penyediaan dana besar.
10. Transparansi kondisi keuangan dan non-keuangan Bank, laporan pelaksanaan GCG dan pelaporan internal.
11. Rencana strategis Bank.

In 2018, The Bank has implemented several enhancement amongst others:

- The Bank's Compliance Division has submitted GCG reports first and second semesters of 2018 in a timely manner.
- The Bank has carried out GCG self-assessment for the period of first half and second half of 2018, with an achievement of rating 2 that indicated "Good" for The Bank's GCG implementation category.

Corporate Governance Self-Assessment Implementation Pursuant to the Circular Letter of Financial Services Authority No. 13/SEOJK.03/2017 concerning the Implementation of Corporate Governance for Commercial Banks, The Bank carried out self assessment on GCG implementation in accordance with the Risk-Based Bank Rating (RBBR) evaluation period at every semester.

The Bank also conducted GCG self-assessment that aim to measure the depth of GCG practice at the same time to attain feedbacks for future improvements.

To that end, The Bank's self-assessment is carried out periodically towards 11 (eleven) factors of GCG implementation, as follows:

1. The Board of Commissioners' duties implementation and responsibilities.
2. The Board of Directors' duties implementation and responsibilities.
3. Comprehensiveness and duties implementation of the committee.
4. Conflict of interests handling.
5. Compliance function implementation.
6. Internal audit function implementation.
7. External audit function implementation.
8. Risk management implementation including internal control system.
9. Funding to related parties and large exposures.
10. The Bank's financial and non-financial condition transparency, GCG implementation report and internal reporting.
11. The Bank's strategic plan.



Penilaian faktor-faktor GCG tersebut di atas menjadi dasar penilaian kualitas manajemen Bank atas pelaksanaan prinsip-prinsip GCG, dengan memperhatikan materialitas permasalahan terhadap penerapan GCG secara *bank-wide*, sesuai skala, karakteristik and kompleksitas usaha Bank.

Selanjutnya, penilaian dikelompokkan dalam sistem *governance* yang terdiri dari 3 (tiga) aspek *governance*, yaitu:

- *Governance Structure*,
- *Governance Process*, dan
- *Governance Outcome*.

HASIL & TINDAK LANJUT SELF-ASSESSMENT TATA KELOLA PERUSAHAAN

Bank telah melaksanakan *self-assessment* GCG untuk periode semester II tahun 2018 dengan hasil akhir penilaian 2 yang terkategori "Baik". Penilaian berdasarkan 11 (sebelas) indikator yang dapat dilihat sebagai berikut:

The above GCG factors represent the assessment of The Bank's management quality on GCG principles implementation, with due observance to the materiality of issues on GCG application bankwide, according to The Bank's business scales, characteristics and complexities.

Furthermore, the assessment is grouped under 3 (three) *governance* systems of the following aspects:

- *Governance Structure*,
- *Governance Process*, and
- *Governance Outcome*.

CORPORATE GOVERNANCE SELF-ASSESSMENT RESULTS & FOLLOW UPS

The Bank has undertaken the GCG self-assessment for the period of second semester of 2018 with the assessment result of 2 categorized as "Good". The assessment was based on the following 11 (eleven) indicators:

	FAKTOR PENILIAIAN PELAKSANAAN GCG GCG ASSESSMENT FACTORS	SKOR SCORE
1	Pelaksanaan tugas dan tanggung jawab Dewan Komisaris The Board of Commissioners' duties implementation and responsibilities	1
2	Pelaksanaan tugas dan tanggung jawab Direksi The Board of Directors' duties implementation and responsibilities	2
3	Kelengkapan dan pelaksanaan tugas komite Comprehensiveness and duties implementation of the committee	1
4	Penanganan benturan kepentingan Conflict of interest handling	1
5	Penerapan fungsi kepatuhan Compliance functions implementation	2
6	Penerapan fungsi audit internal Internal audit functions implementation	2
7	Penerapan fungsi audit eksternal External audit function implementation	1
8	Penerapan manajemen risiko termasuk sistem pengendalian internal Risk management implementation including internal control system	2
9	Penyediaan dana kepada pihak terkait dan penyediaan dana besar Funding to related parties and large exposures.	2
10	Transparansi kondisi keuangan dan non-keuangan Bank, laporan pelaksanaan GCG dan pelaporan internal The Bank's financial and non-financial condition transparency, GCG implementation report and internal reporting.	1
11	Rencana strategis Bank The Bank's strategic plan	2
	Rating GCG	2

Berdasarkan hasil assessment dari regulator, maka hasil penilaian rating GCG tahun 2018 adalah 3*
Based on the assessment results of the regulator, the GCG rating in 2018 is 3*

* Rating tersebut merupakan hasil dari *assessment* di tahun 2017
This rating is the result of an assessment in 2017

Tata Kelola Perusahaan
Corporate Governance

REKOMENDASI DAN TINDAK LANJUT BANK

Berikut adalah rekomendasi dan tindak lanjut yang dilakukan oleh Bank.

THE BANK'S RECOMMENDATIONS AND FOLLOW-UPS

The following are The Bank's recommendations and follow ups:

ASPEK YANG PERLU MENDAPAT PERHATIAN/ REKOMENDASI ASPECTS REQUIRED ATTENTION/ RECOMMENDATIONS	TELAH ATAU BELUM DITINDAKLANJUTI HAVE BEEN OR YET TO BE FOLLOWED UP	BENTUK TINDAK LANJUT FOLLOW UP ACTIONS
Bank perlu memfinalisasi kebijakan mengenai mekanisme remunerasi yang jelas. The Bank has to finalize clear remuneration mechanism policy.	○	Saat ini Bank dalam pengembangan mekanisme remunerasi yang jelas yang dituangkan dalam bentuk kebijakan. The Bank is currently developing the clear remuneration mechanism into a policy.
Bank perlu meningkatkan distribusi agenda dan bahan pertemuan komite terlebih dahulu, terkadang agenda dan/atau materi rapat disampaikan satu hari sebelum pertemuan. The Bank have to improve the distribution of the committee's meeting agenda and material in advance, as these matters are sometimes submitted one day prior.	●	Bank telah menerapkan mekanisme agar distribusi agenda atau materi rapat dapat disampaikan satu hari sebelum pertemuan. The Bank has implemented the distribution mechanism of meeting agenda or materials to be submitted one day prior.
Laporan audit internal Bank belum mencakup penilaian komprehensif tentang kecukupan dan efektivitas pengendalian internal dan kualitas kinerja bank. The Bank's internal audit report has not included the comprehensive assessment on The Bank's internal control adequacy and effectiveness as well as performance quality.	●	Bank telah melengkapi laporan internal audit Bank sesuai dengan yang diminta regulator. The Bank has completed its audit internal report in accordance with the regulator's requests.
Bank perlu memperlihatkan progres <i>onshoring</i> . The Bank shall inform the onshoring progress.	○	Bank akan memperlihatkan keseriusannya dalam menunjukkan progress <i>onshoring</i> melalui laporan triwulanan progres <i>onshoring</i> yang detail dan jelas. The Bank will render seriousness in informing the onshoring progress through detailed and clear quarterly onshoring progress report.
Bank harus menjaga kinerja dan independensi Audit Internal dan SKMR. The Bank shall maintain the Internal Audit and Risk Management Unit performance and independency.	●	Bank telah menerapkan mekanisme yang memastikan fungsi Audit Internal dan SKMR independen. The Bank has implemented mechanism that ensures the independent function of Internal Audit and Risk Management Unit.
Direksi perlu memonitor komitmen terhadap regulator: Kemajuan <i>onshoring</i> dan pengawasan untuk menghindari NPL baru dan menyelesaikan akun NPL yang ada. The Board of Directors shall monitor the commitment to the regulators: Onshoring progress and oversight on the prevention of new NPL and settlement of existing NPL accounts.	○	Bank akan melakukan monitoring terhadap kemajuan <i>onshoring</i> serta pengawasan terhadap kredit berkualitas rendah. The Bank will monitor the onshoring progress and oversight on the non performing loans.
Masih terdapat kesalahan administratif dalam pelaporan kepada regulator. Perbaikan proses maupun akurasi laporan perlu dilaksanakan guna menghindari terjadinya kesalahan serupa. Occurrence of administrative errors in the reporting to the regulators. Improvements on reporting process and accuracy shall be carried out to prevent the occurrence of the same negligences.	●	Bank telah melakukan <i>refreshment training</i> untuk menghindari kesalahan berulang dan menerapkan kebijakan <i>reward</i> dan <i>punishment</i> . The Bank has undertaken refreshment training to prevent the occurrence of such errors and implemented the reward and punishment policy.
Terdapat pelampauan Batas Maksimum Pemberian Kredit (BMPK) PT Megah Prima. Occurrence of legal lending limit excess for PT Megah Prima.	●	Bank telah mengirimkan <i>action plan</i> kepada regulator terkait hal ini dan memiliki mekanisme <i>monitoring</i> yang dapat mencegah pelampauan dan pelanggaran. The Bank has submitted the action plan to the regulator on such matter and has the monitoring mechanism in place to prevent such excess and violation.

PENILAIAN PERIODE TAHUN 2018

Pada tahun 2018, Bank melaksanakan *self-assessment* GCG untuk periode semester II tahun 2018 dengan hasil akhir penilaian 2 (dua) dengan kategori "Baik".

Dibandingkan hasil penilaian pada periode semester I yang sebelumnya, terdapat perbedaan hasil untuk semester II yaitu pada pilar Audit Internal dan Rencana Strategis Bank.

Perbedaan hasil pada pilar Audit Internal terjadi antara hasil periode sebelumnya yang mencapai rating 1 (satu), pada periode semester II 2018 menjadi rating 2 (dua). Hal ini dikarenakan laporan audit internal Bank belum mencakup penilaian komprehensif tentang kecukupan dan efektivitas pengendalian internal dan kualitas kinerja Bank.

Sedangkan pada pilar Transparansi terjadi perbaikan rating yang sebelumnya tercatat rating 2 (dua) menjadi rating 1 (satu) pada periode semester II tahun 2018. Hal ini dikarenakan Bank telah memiliki dan mempresentasikan rencana jangka panjang Bank kepada OJK.

Berdasarkan hasil *self-assessment* terhadap 11 indikator penilaian *rating* GCG tahun 2018, dapat disimpulkan sebagai berikut:

Struktur Tata Kelola

Faktor-faktor positif aspek Struktur Tata Kelola:

- Seluruh anggota Direksi memiliki integritas, kompetensi dan reputasi keuangan yang memadai.
- Seluruh Komisaris Independen tidak ada yang memiliki hubungan keuangan, kepengurusan, kepemilikan dan hubungan keluarga dengan anggota Dewan Komisaris lainnya, Direksi dan/atau pemegang saham pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuannya untuk bertindak independen.
- Dewan Komisaris dan Direksi memiliki sarana mekanisme komunikasi melalui BOC – BOD *communication meeting* yang dilaksanakan secara berkala. Pada pertemuan tersebut, dibahas hal-hal terkini yang berkaitan dengan perkembangan perusahaan maupun permasalahan yang dihadapi.

ASSESSMENT FOR THE PERIOD OF 2018

In 2018, The Bank implements GCG *self-assessment* for the period of second semester 2018 with final assessment result of 2 (two) categorized as "Good".

In comparison to the previous first semester result, there are differences of the second semester result, namely on the Internal Audit and The Bank's Strategic Plan pillars.

The Internal Audit pillar recorded differences in the result of previous period that reached 1 (one) rating, and the result of second semester 2018 with the rating of 2 (two). This was due to the insufficiency of comprehensive evaluation of The Bank's internal audit report on The Bank's internal control adequacy and effectiveness and performance quality.

The Transparency pillar saw rating improvement from previously of 2 (two) to 1 (one) in the second semester 2018. This was due to the implementation and presentation of The Bank's corporate plan to OJK.

In reference to the *self-assessment* result on 11 indicators of GCG rating assessment in 2018, the summary is as follows:

Governance Structure

Positive factors of Governance Structure aspect:

- All Board of Directors members have integrity, competency and adequate financial reputation.
- All Independent Commissioners does not have financial relationship, management, ownership and family relationship with the other Board of Commissioners members, Directors and/or controlling shareholders or relationship with The Bank, which may impact their ability to act independently.
- The Board of Commissioners and Board of Directors already have communication mechanism through the BOC - BOD *communication meeting* which conducted regularly. At the meeting, current matters related to the company development as well as issues were discussed.

Tata Kelola Perusahaan
Corporate Governance

- Frekuensi komunikasi dan pemantauan oleh Dewan Komisaris mengenai kondisi Bank (tingkat koreksi terhadap audit OJK, manajemen risiko dan Anti Pencucian Uang-APU) telah meningkat.
- Bank telah membuat perbaikan terhadap *governance structure* terutama pada komposisi Direksi dan struktur organisasi.
- Saat ini Bank telah menindak-lanjuti sebagian besar (98%) temuan audit OJK dan temuan audit internal yang berpengaruh pada penilaian RBBR dan GCG secara keseluruhan.
- Risalah rapat telah dibuat dalam format percakapan individu dan secara jelas mengungkapkan orang yang berbicara dalam rapat termasuk pendapat yang berbeda pendapat. Hal ini didukung dengan rekaman seluruh percakapan dalam rapat.
- Bank telah memperbaiki kebijakan, prosedur dan metodologi dalam melakukan identifikasi, pengukuran, pemantauan, dan pengendalian risiko dengan unit kerja yang melakukan dan menyelesaikan transaksi (unit pengambilan risiko).
- Bank telah memperbaiki kebijakan dan prosedur mengenai *risk appetite* dan mitigasi untuk penerimaan kredit.
- Bank telah menyelesaikan kebijakan untuk mengatur pihak terkait dan eksposur besar termasuk batas sesuai dengan prinsip kehati-hatian.
- Bank telah menyerahkan dan mempresentasikan rencana perusahaan jangka panjang kepada OJK.

Faktor yang perlu mendapat perhatian pada aspek *Governance Structure*:

- Bank perlu meningkatkan distribusi agenda dan bahan pertemuan komite terlebih dahulu, terkadang agenda dan/atau materi rapat disampaikan satu hari sebelum pertemuan.
- Laporan audit internal Bank belum mencakup penilaian komprehensif tentang kecukupan dan efektivitas pengendalian internal dan kualitas kinerja Bank.
- Bank perlu memperlihatkan progres *onshoring*.

- The frequency of communication and monitoring by the Board of Commissioners regarding The Bank conditions (OJK audit rectification rate, risk management, Anti Money Laundering-AML concerns) has been improved.
- The Bank has made improvement to the governance structure, especially in the composition of the Board of Directors and organizational structure.
- Currently, The Bank has followed up most of OJK audit findings (98%) and internal audit findings, which impact on the overall RBBR and GCG assessment.
- The Minutes of Meeting (MoM) has been developed in the format of individual conversations and clearly disclosed the spoke person in the meeting including a dissenting opinion. This is supported by recording of the entire conversation in the meeting.
- The Bank has improved the policy, procedure and methodology in performing risk identification, measurement, monitoring, and control with the working unit that conducts and settles the transactions (risk taking unit).
- The Bank has improved the policies and procedures regarding risk appetite and mitigation for credit acceptance.
- The Bank has already finalized the policy to govern related party and large exposures including limit in line with the prudential principle.
- The Bank has submitted and presented long-term corporate plan to OJK.

Factors that needed attention of Governance Structure aspect:

- The Bank needs to improve distribution of agenda and meeting material of committee in advance, sometimes the agenda and/or meeting material submitted one day prior to the meeting.
- The Bank's internal audit report has not included a comprehensive assessment of the adequacy and effectiveness of internal control and the quality of The Bank performance.
- The Bank needs to inform the onshoring progress.

Proses Tata Kelola

Faktor-faktor positif aspek *Governance Process*:

- Seluruh komite telah menjalankan tugasnya dengan baik dan membantu Dewan Komisaris dalam memantau risiko yang mungkin terjadi.
- Dewan Komisaris telah melaksanakan pengawasan terhadap pelaksanaan tugas dan tanggung jawab Direksi secara berkala maupun sewaktu-waktu, serta memberikan nasihat kepada Direksi.
- Dewan Komisaris tidak terlibat dalam pengambilan keputusan kegiatan operasional Bank, kecuali dalam hal penyediaan dana kepada pihak terkait dan hal-hal lain yang ditetapkan dalam Anggaran Dasar Bank dan/atau peraturan perundangan yang berlaku dalam rangka melaksanakan fungsi pengawasan.
- Direksi telah memberikan perhatian yang sangat serius terhadap tindak lanjut temuan hasil pemeriksaan OJK dan memastikan tindak lanjut tersebut dipenuhi sesuai komitmen.
- Direksi telah secara aktif terlibat dalam komunikasi dengan regulator (OJK dan BI).
- Direksi telah secara aktif menindaklanjuti perbaikan atas temuan audit dan sanksi regulator.
- Bank telah mengkomunikasikan rencana bisnis Bank pada tanggal 19 Desember 2018 dan OJK telah memberikan beberapa masukan terhadap angka-angka finansial.
- Direksi Bank telah mengkomunikasikan rencana bisnis Bank kepada pemegang saham dan semua level organisasi.

Faktor-faktor yang perlu mendapat perhatian pada aspek *Governance Process*:

- Bank harus menjaga kinerja dan independensi Audit Internal dan SKMR.
- Direksi perlu memonitor komitmen terhadap regulator: Kemajuan onshoring dan pengawasan untuk menghindari NPL baru dan menyelesaikan akun NPL yang ada.

Governance Process

Positive factors of *Governance Process*:

- All committees have performed their duties well and able to assist the Board of Commissioners in monitoring probable risk event.
- The Board of Commissioners has performed its duties to conduct supervision to the implementation of the Board of Directors duties and responsibilities regularly or ad hoc, including providing advice to the Board of Directors.
- The Board of Commissioners does not involve in the decision of operational aspect of The Bank, except on the aspect of funding to related party and other issues, which is determined in The Bank's Articles of Association and/or the prevailing laws in performing its supervisory function.
- The Board of Directors has rendered a serious attention to OJK findings follow up and ensuring the said follow up has been met according to the commitment.
- The Board of Directors has actively involved in communication with regulators (OJK and BI)
- The Board of Directors actively follows up on the regulatory audit findings rectification and regulatory sanctions.
- The Bank has communicated The Bank's business plan to OJK on December 19, 2018 and OJK has acknowledged the financial figure with several suggestions.
- The Bank's Board of Directors has communicated The Bank's business plan to shareholders and to all level of organizations.

Factors that needed attention of *Governance Process* aspect:

- The Bank must maintain the performance and independency of the Internal Audit and Risk Management Unit.
- The Board of Directors needs to closely monitor the commitment to regulator: The onshoring progress and oversight to prevent new NPL and settlement of existing NPL accounts.

Tata Kelola Perusahaan
Corporate Governance

Hasil Tata Kelola

Faktor-faktor positif aspek *Governance Outcome*:

- Bank telah menindaklanjuti 98% temuan audit OJK sesuai dengan target penyelesaian posisi Desember 2018.
- Bank telah meningkatkan implementasi sistem kontrol internal yang andal dan komprehensif pada kredit dan kegiatan operasional dengan memperluas ruang lingkup audit.
- Laporan-laporan yang diwajibkan oleh Bank Indonesia/OJK telah disampaikan kepada regulator maupun pihak lain sesuai dengan ketentuan yang berlaku.
- Tidak terdapat permasalahan terkait dengan penunjukan, komunikasi dan independensi serta ruang lingkup pekerjaan dari eksternal auditor.

Faktor-faktor yang perlu mendapat perhatian pada aspek *Governance Outcome*:

- Masih terdapat kesalahan administratif dalam pelaporan kepada regulator. Perbaikan proses maupun akurasi laporan perlu dilaksanakan guna menghindari terjadinya kesalahan serupa.

Perkembangan Penilaian dan Hasilnya

Bank secara berkala melakukan penilaian dengan tujuan melakukan pemantauan, evaluasi, serta perbaikan terhadap penerapan praktik GCG di lingkup Bank. Bank telah mencapai rating 2 (dua) selama 5 (lima) tahun terakhir. Pencapaian rating tersebut dapat disimpulkan bahwa penerapan praktik GCG di lingkup Bank telah berjalan dengan baik didukung dengan kesinambungan yang konsisten.

Struktur Tata Kelola Perusahaan

Struktur GCG Bank dibentuk berdasarkan fungsi, kewenangan dan tanggung jawab masing-masing organ sesuai dengan Undang-Undang No. 40 tahun 2007, Peraturan Otoritas Jasa Keuangan terkait, dan Anggaran Dasar Bank.

Struktur GCG Bank secara garis besar terbagi atas Organ Utama dan Organ Pendukung.

Governance Outcomes

Positive factors of *Governance Outcome* aspects:

- The Bank has followed up 98% audit findings from OJK as of a target dated of December 2018.
- The Bank has improved the implementation of reliable and comprehensive internal control system on credit and operational activities by expanding the audit scope.
- A regulatory report that must be submitted to Bank Indonesia/OJK has been reported accordingly to the regulator or other parties in line with the prevailing regulations.
- No issues related to the appointment, communication, independency and scope of work of external auditors.

Factors that needed attention of *Governance Outcome* aspect:

- Occurrence of administrative errors in the reporting to the regulators. Improvements on reporting process and accuracy shall be carried out to prevent the occurrence of the same negligences.

Assessment Progress and Results

The Bank regularly carries out the assessment aim at monitoring, evaluating, and improving the GCG practice within The Bank's environment. During the last 5 (five) years, The Bank has achieved an assessment rating of 2 (two), this indicated well implementation of GCG practice within The Bank's scopes supported with consistent sustainability.

Corporate Governance Structure

The Bank governance structure is established based on the functions, authorities and responsibilities of each organ in accordance with Law No. 40 year 2007, related Financial Services Authority regulations and The Bank's Articles of Association.

In general, The Bank governance structure is divided into Primary Organs and Supporting Organs.

Organ Utama Bank adalah sebagai berikut:

1. **Rapat Umum Pemegang Saham (RUPS)**

Rapat Umum Pemegang Saham merupakan forum bagi pemegang saham untuk melakukan pembahasan dan pengambilan keputusan strategis usaha Bank dan didasarkan pada Anggaran Dasar Bank serta peraturan perundang-undangan.

2. **Dewan Komisaris**

Dewan Komisaris adalah organ yang secara kolektif memiliki tugas dan tanggung jawab untuk melaksanakan fungsi pengawasan dan pemberian arahan terhadap pengelolaan usaha Bank serta memastikan terpenuhinya kepentingan para pemangku kepentingan berdasarkan prinsip-prinsip GCG.

3. **Direksi**

Direksi adalah organ yang secara kolektif memiliki tugas dan tanggung jawab untuk melaksanakan pengelolaan Bank sesuai dengan arah dan tujuan yang telah ditetapkan, serta bertindak atas nama Bank dalam urusan di dalam maupun di luar pengadilan.

Selanjutnya Organ Pendukung terdiri dari komite di bawah Dewan Komisaris serta komite dan fungsi di bawah Direksi.

Bank juga telah memiliki *soft structure* atau perangkat kebijakan yang akan memberikan definisi batasan-batasan tugas, peran dan tanggung jawab dari masing-masing organ Bank, sebagai berikut:

- Kode Etik
- Speak Up
- Kebijakan GCG
- Pedoman dan Tata Tertib Kerja Direksi
- Pedoman dan Tata Tertib Kerja Dewan Komisaris
- Piagam Kepatuhan
- Piagam Internal Audit
- Piagam Komite Audit

The Primary Organs are as follows:

1. **General Meeting of Shareholders (GMS)**

The General Meeting of Shareholders is a strategic discussion and decision-making forum for the shareholders, in relation with The Bank interests and is based on Articles of Association as well as laws and regulations.

2. **Board of Commissioners**

The Board of Commissioners is an organ collectively assigned with supervisory and advisory functions on the management of The Bank as well as ensuring that all stakeholders' interests are met based on the governance principles.

3. **Board of Directors**

The Board of Directors is an organ collectively responsible for managing The Bank in accordance with the set direction and objectives, as well as acting on behalf of The Bank in both legal and non-legal settings.

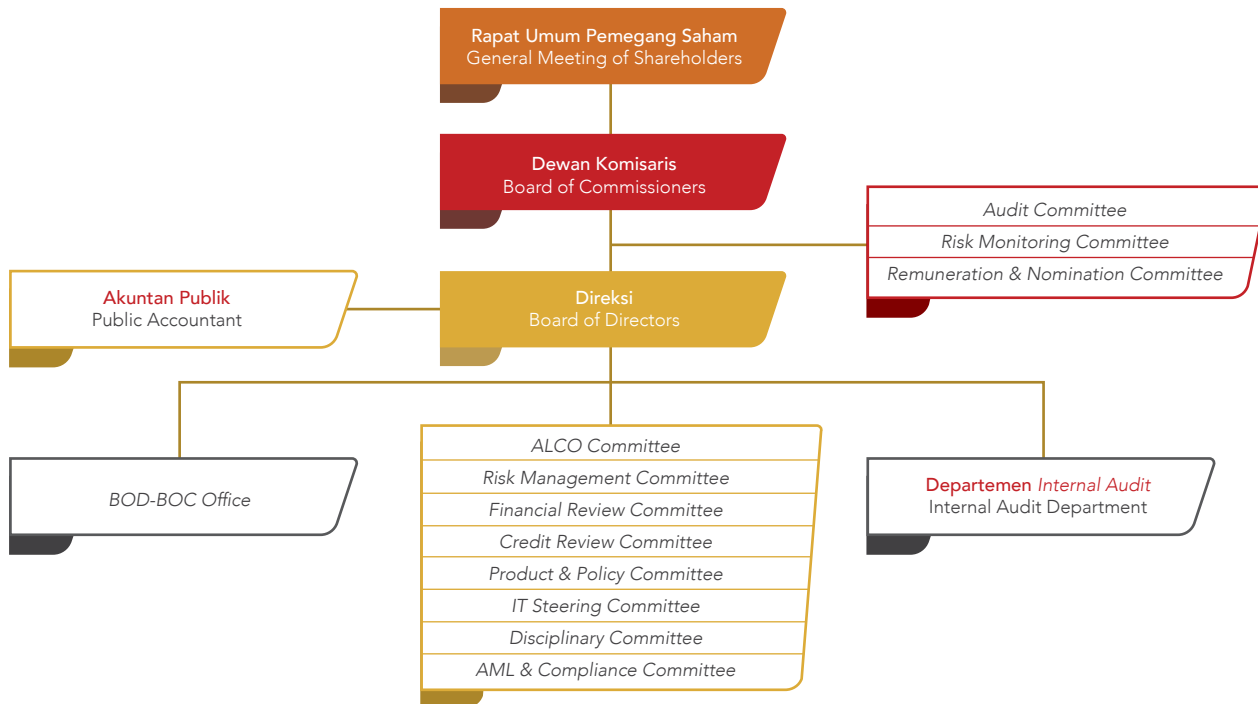
The Supporting Organs consist of committees under the Board of Commissioners as well as committees and functions under the Board of Directors.

The Bank also has in place the soft structures or policies that define the boundaries of duties, roles and responsibilities of each of The Bank's organs, as follows:

- Code of Conduct
- Speak Up
- GCG Policy
- BOD Charter
- BOC Charter
- Compliance Charter
- Internal Audit Charter
- Audit Committee Charter

Tata Kelola Perusahaan
Corporate Governance

Struktur Tata Kelola Perusahaan
Corporate Governance Structures



RENCANA PENINGKATAN PENERAPAN TATA
KELOLA PERUSAHAAN

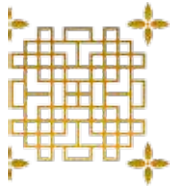
Sebagai tindak lanjut dan komitmen yang tinggi atas kesinambungan peningkatan praktik GCG pada seluruh level organisasi, Bank merencanakan beberapa kegiatan penting terkait praktik GCG. Kegiatan dimaksud mencakup diantaranya:

1. Melengkapi seluruh *soft structure* yang disesuaikan dengan peraturan yang berlaku dan praktik terbaik penerapan GCG serta melakukan kajian bagi penyempurnaan yang sudah ada guna meningkatkan kualitas penerapan GCG.
2. Melakukan *monitoring*, pelaporan secara reguler, dan mengkaji penerapan GCG serta memfasilitasi *assessment* oleh pihak independen terhadap implementasi GCG di Bank untuk mendapatkan *feedback* penerapan GCG.

CORPORATE GOVERNANCE IMPLEMENTATION
IMPROVEMENT PLANS

As a follow up and high commitment on sustainability of GCG practise at all operational level, The Bank has planned key activities related to GCG practice. The activities include as follows:

1. Complete all soft structures in accordance with prevailing regulations and best practices for GCG implementation as well as review the existing improvements in order to improve the quality of GCG implementation.
2. Monitoring, regular reporting, and reviewing the GCG implementation as well as facilitating the independent assessment of GCG implementation in The Bank to obtain GCG implementation feedbacks.



RAPAT UMUM PEMEGANG SAHAM

General Meeting of Shareholders

Rapat Umum Pemegang Saham (RUPS) adalah organ perusahaan dengan kewenangan yang tidak diberikan kepada Dewan Komisaris atau Direksi dalam batas yang ditentukan dalam Anggaran Dasar dan peraturan perundang-undangan yang berlaku.

RUPS merupakan forum bagi pemegang saham untuk menggunakan haknya, menjalankan wewenang, mengemukakan pendapat, memberikan suara serta meminta informasi berkaitan dengan pengambilan keputusan strategis ataupun pengelolaan Bank.

Anggaran Dasar Bank menyatakan bahwa pelaksanaan RUPS sekurang-kurangnya 1 (satu) kali dalam setahun dan harus diselenggarakan paling lambat 6 (enam) bulan setelah berakhirnya tahun buku.

PEMEGANG SAHAM DAN INFORMASI TENTANG PEMEGANG SAHAM MAYORITAS

Pemegang saham mayoritas Bank adalah ICBC Ltd dengan kepemilikan sebesar 98,61%. Sedangkan, Pemegang saham minoritas adalah PT Intidana Wijaya dengan kepemilikan sebesar 1,39%. Sebagai pemegang saham mayoritas, ICBC Ltd telah memenuhi persyaratan kemampuan, kepatutan, dan kepatuhan terhadap regulasi yang ditetapkan oleh OJK, Bank Indonesia, serta perundang-undangan terkait perbankan yang berlaku di Indonesia.

HAK PEMEGANG SAHAM

- Menghadiri dan memberikan suara dalam suatu RUPS, berdasarkan ketentuan 1 (satu) saham memberi hak kepada pemegangnya untuk mengeluarkan satu suara;
- Memperoleh informasi material secara tepat waktu dan teratur sehingga memungkinkan bagi pemegang saham untuk membuat keputusan;
- Menerima bagian keuntungan dari Bank dalam bentuk dividen dan bentuk pembagian keuntungan lainnya;
- Menyelenggarakan RUPS dalam hal Dewan Komisaris dan/atau Direksi lalai menyelenggarakan RUPS Tahunan dan/atau RUPS Luar Biasa, setelah mendapat izin dari Ketua Pengadilan Negeri setempat;

The General Meeting of Shareholders (GMS) is a company's organ with authorities not granted to the Board of Commissioners and the Board of Directors within threshold as set forth under the Articles of Association and prevailing regulations.

The GMS serves as a forum for shareholders to exercise rights, initiate authorities, and submission of opinions, voting, and request of information relating to the strategic decision-making or The Bank management.

The Bank's Articles of Association states that the GMS is to be held at least once a year and shall be held no later than 6 (six) months after the end of the fiscal year.

SHAREHOLDERS AND INFORMATION ON THE MAJORITY SHAREHOLDERS

The majority shareholders of The Bank is ICBC Ltd with shares ownership of 98.61%. Meanwhile, minority shareholder is PT Intidana Wijaya with shares ownership of 1.39%. As the controlling shareholder of The Bank, ICBC Ltd has fulfilled the requirements of ability, propriety and compliance established by Financial Services Authority (OJK), Bank Indonesia and applicable banking related legislation in Indonesia.

SHAREHOLDERS RIGHTS

- Attending and voting in a General Meeting of Shareholders (GMS), under the condition that one share entitles the holder to issue one vote;
- Receiving material information in a timely and orderly manner so as to enable shareholders to make informed decisions;
- Receiving a share of The Bank's profits in the form of dividends and other forms of profit sharing;
- Organizing a GMS in the event that the Board of Commissioners and/or the Board of Directors fails to hold an Annual GMS and/or an Extraordinary GMS, after obtaining a permission from the local District Court Chairman;

Rapat Umum Pemegang Saham
General Meeting of Shareholders

- Atas nama Bank, pemegang saham yang mewakili paling sedikit 1/10 (satu per sepuluh) bagian dari jumlah seluruh saham dengan hak suara dapat mengajukan gugatan melalui pengadilan negeri terhadap anggota Dewan Komisaris dan/atau Direksi yang karena kesalahan atau kelalaiannya menimbulkan kerugian pada Bank;
- Setiap pemegang saham berhak mengajukan gugatan terhadap Bank ke pengadilan negeri apabila dirugikan karena tindakan Bank yang dianggap tidak adil dan tanpa alasan wajar sebagai akibat keputusan RUPS, Dewan Komisaris, dan/atau Direksi;
- Meminta secara tertulis untuk penyelenggaraan Rapat Dewan Komisaris, Rapat Direksi dan RUPS Luar Biasa bila dipandang perlu.
- On behalf of The Bank, a shareholder representing at least 1/10 (one-tenth) of the total number of shares with voting rights may file a lawsuit through the district court against a member of the Board of Commissioners and/or the Board of Directors whose fault or negligence incurs a loss to The Bank;
- Each shareholder is entitled to file a lawsuit against The Bank to the district court if they are impaired by The Bank's actions deemed unfair and unreasonable as a result of the resolutions of the GMS, the Board of Commissioners, and/or the Board of Directors;
- Requesting in writing for the holding of a Board of Commissioners Meeting, a Board of Directors Meeting and an Extraordinary GMS if deemed necessary.

WEWENANG RAPAT UMUM PEMEGANG SAHAM

RUPS memiliki wewenang, antara lain untuk:

- Memutuskan perubahan Anggaran Dasar Bank;
- Memutuskan perubahan modal Bank dan/atau pengeluaran saham-saham yang masih disimpan untuk keperluan modal Bank;
- Memberikan persetujuan atau menolak pemindahan hak atas saham Bank;
- Memutuskan penggabungan, peleburan, dan pengambilalihan serta pembubaran Bank;
- Memutuskan untuk mengalihkan, menjadikan jaminan hutang, melepaskan hak atas seluruh atau sebagian besar harta kekayaan Bank dalam satu tahun buku;
- Menyetujui atau menolak Rencana Jangka Panjang Bank (RJPB);
- Menyetujui atau menolak Rencana Kerja dan Anggaran Bank (RKAB);
- Mengangkat dan memberhentikan Dewan Komisaris dan Direksi;
- Menilai kinerja Dewan Komisaris dan Direksi;
- Mendelegasikan kepada Dewan Komisaris tentang pembagian tugas dan wewenang setiap anggota Direksi;

GENERAL MEETING OF SHAREHOLDERS AUTHORITIES

The GMS has the authorities to do the following:

- Deciding on amendments to The Bank's Articles of Association;
- Deciding on changes in The Bank's capital and/or expenditures of shares held for The Bank's capital requirements;
- Approving or rejecting the transfer of rights to The Bank's shares;
- Making decisions involving merger, consolidation, acquisition and dissolution of The Bank;
- Deciding to transfer, make debt guarantees, waive rights to all or most of The Bank's assets within a fiscal year;
- Approving or rejecting The Bank's Long Term Plan (RJPB);
- Approving or rejecting The Bank's Work Plan and Budget (RKAB);
- Appointing and dismissing the Board of Commissioners and Board of Directors;
- Assessing the performance of the Boards of Commissioners and Directors;
- Delegating the Board of Commissioners on the distribution of duties and authorities of each member of the Board of Directors;

- Mengesahkan laporan tahunan dan perhitungan tahunan yang diajukan Direksi;
 - Memutuskan penggunaan laba bersih Bank termasuk menentukan jumlah penyisihan untuk cadangan;
 - Menetapkan auditor eksternal berdasarkan usulan yang diterima dari Dewan Komisaris;
 - Menetapkan remunerasi (gaji dan/atau tunjangan) Dewan Komisaris dan Direksi;
 - Wewenang lainnya sebagaimana diatur dalam peraturan perundang-undangan.
- Approving the annual report and calculations submitted by the Board of Directors;
 - Deciding on the use of The Bank's net income, including determining the amount of allowance for reserves;
 - Establishing an external auditor based on proposals received from the Board of Commissioners;
 - Establishing remuneration (salary and/or allowances) for the Boards of Commissioners and Directors;
 - Other powers as regulated in legislation.

TATA CARA PELAKSANAAN RAPAT UMUM PEMEGANG SAHAM

Tata cara penyelenggaraan RUPS telah diatur dalam Anggaran Dasar Bank, sebagai berikut:

- RUPS diadakan di tempat kedudukan Bank.
- Diselenggarakan dengan pemanggilan terlebih dahulu kepada para pemegang saham dengan surat tercatat.
- Pemanggilan dilakukan paling lambat 14 (empat belas) hari sebelum RUPS diadakan dengan tidak memperhitungkan tanggal pemanggilan dan tanggal RUPS.
- Dalam pemanggilan harus dicantumkan acara, waktu dan tempat penyelenggaraan RUPS.
- Pemanggilan RUPS tidak diperlukan jika semua pemegang saham menyetujui agenda rapat dan keputusan disetujui dengan suara bulat.
- RUPS dipimpin oleh Presiden Komisaris.
- Jika Presiden Komisaris tidak hadir atau berhalangan, RUPS dipimpin oleh salah seorang anggota Komisaris yang hadir, apabila seluruh anggota Dewan Komisaris tidak hadir, RUPS dipimpin oleh Presiden Direktur. Dalam hal Presiden Direktur tidak hadir, RUPS dipimpin oleh salah satu anggota Direksi yang hadir.
- Jika semua Direksi tidak hadir, RUPS dipimpin oleh salah seorang yang dipilih diantara mereka yang hadir dalam rapat.
- RUPS dapat dilangsungkan apabila kuorum kehadiran sesuai undang-undang Perusahaan Terbatas telah dipenuhi.

GENERAL MEETING OF SHAREHOLDERS CONVENTION PROCEDURES

The procedure for implementing the GMS has been arranged in the Articles of Association of The Bank, as follows:

- The GMS is to be held in the domicile of The Bank;
- It is to be organized by calling shareholders through registered mail;
- The call shall be made no later than 14 (fourteen) days before the GMS is held, not taking into account the date of the summon and date of the GMS;
- The summon shall include the event, time and place of the GMS;
- A GMS call is not required if all shareholders agree on the agenda of the meeting and the decision is approved unanimously;
- The GMS is chaired by the President Commissioner;
- If the President Commissioner is absent or not present, the GMS is to be chaired by one of the members of the Board of Commissioners present. If all members of the Board of Commissioners are absent, the GMS is to be chaired by the President Director. In the event that the President Director is absent, the GMS is to be chaired by one of the members of the Board of Directors present;
- If all the Directors are absent, the GMS is to be presided over by one elected among those present at the meeting;
- A GMS may be held if the quorum required by the law on Limited Liability Company has been fulfilled;

Rapat Umum Pemegang Saham
General Meeting of Shareholders

- Pemungutan suara mengenai diri orang dilakukan dengan surat tertutup dan mengenai hal lain dilakukan secara lisan.
- The voting of a person is by a closed letter and on other matters done orally;
- Suara blanko (*abstain*) tidak dihitung.
- Abstained votes are not counted.

PELAKSANAAN DAN HASIL KEPUTUSAN RAPAT UMUM PEMEGANG SAHAM TAHUN 2018

Selama tahun 2018, Bank menyelenggarakan 1 (satu) kali RUPS Tahunan, bertempat di ICBC Tower, Jakarta. Agenda dan hasil keputusan RUPS serta realisasi dan/atau rencana realisasi oleh manajemen Bank disampaikan pada tabel di bawah ini.

GENERAL MEETING OF SHAREHOLDERS CONVENTION AND RESOLUTIONS IN 2018

During 2018, The Bank convened 1 (one) Annual GMS, held in ICBC Tower, Jakarta. Followings are the GMS resolutions and realizations and/or realization plans by The Bank management.

RUPS Tanggal 29 Agustus 2018
GMS Dated August 29, 2018

HASIL KEPUTUSAN RESOLUTIONS	SUDAH TERLAKSANA FOLLOWED UP ON	REALISASI OLEH MANAJEMEN FOLLOW UP BY MANAGEMENT
Menerima pengunduran diri anggota Dewan Komisaris: Christina Harapan selaku Komisaris Independen, terhitung sejak tanggal 31 Mei 2018.	●	Seluruh pergantian Manajemen Kunci Bank telah dilakukan dan dilegal-formalkan melalui Akta No. 137 tanggal 29 Agustus 2018.
Accepted the resignation of member of the Board of Commissioners: Christina Harapan as Independent Commissioner, effective as of May 31, 2018.		All changes of The Bank's Key Management have been carried out and legalized-formalized through the Deed No. 137 dated August 29, 2018.
Menerima pengunduran diri anggota Direksi: Liang Qinjun selaku Direktur, terhitung sejak tanggal 31 Mei 2018.	●	
Accepted the resignation of member of the Board of Directors: Liang Qinjun as Director, effective as of May 31, 2018.		
Mengangkat anggota Dewan Komisaris yang baru: H. Yunno Kusumo, SE.AKT.MA selaku Komisaris Independen, yang berlaku efektif sejak diperolehnya persetujuan/perijinan sesuai ketentuan yang berlaku.	●	
Appointed new member of the Board of Commissioners: H. Yunno Kusumo, SE.AKT.MA as Independent Commissioner, effective as of the obtaining of approval/permit in accordance with applicable regulations.		

Rapat Umum Pemegang Saham
General Meeting of Shareholders**PELAKSANAAN DAN HASIL KEPUTUSAN RUPS
TAHUN 2017**

Di sepanjang tahun 2017, Bank melaksanakan 3 (tiga) kali RUPS, bertempat di ICBC Tower, Jakarta. Agenda dan hasil keputusan RUPS serta realisasi dan/atau rencana realisasi oleh manajemen Bank disampaikan pada tabel di bawah.

GMS CONVENTION AND RESOLUTIONS IN 2017

During 2017, The Bank convened 3 (three) GMS, held in ICBC Tower, Jakarta. Followings are the GMS resolutions and realizations and/or realization plans by The Bank Management.

RUPS Tanggal 13 April 2017

GMS Dated April 13, 2017

HASIL KEPUTUSAN RESOLUTIONS	SUDAH TERLAKSANA FOLLOWED UP ON	REALISASI OLEH MANAJEMEN FOLLOW-UP BY MANAGEMENT
<p>Menetapkan telah berakhirnya kontrak penugasan Ibu Bati Lestari sebagai Komisaris Independen, terhitung sejak tanggal 16 April 2016.</p> <p>Established the termination of Mrs. Bati Lestari's assignment contract as Independent Commissioner, starting from April 16, 2016.</p> <p>Menunjuk anggota Direksi Bank yang baru sebagai berikut: Ibu Ir. Fransisca Nelwan Mok sebagai Direktur, Ibu Xin Haiyan sebagai Direktur.</p> <p>Appointed new members of the Board of Directors of The Bank as follows: Mrs. Ir. Fransisca Nelwan Mok as Director, Mrs. Xin Haiyan as Director.</p> <p>● telah ditindaklanjuti Has been followed-up ○ belum ditindaklanjuti Has not been follow-up</p>	●	<p>Seluruh pergantian Manajemen Kunci Bank telah dilakukan dan dilegal-formalkan melalui Akta No. 71 tanggal 13 April 2017.</p> <p>All changes of The Bank's Key Management have been made and legalized-formalized through Deed No. 71 of April 13, 2017.</p>

RUPS Tanggal 21 June 2017

GMS Dated June 21, 2017

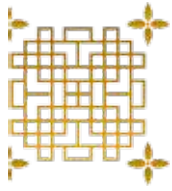
HASIL KEPUTUSAN RESOLUTIONS	SUDAH TERLAKSANA FOLLOWED UP ON	REALISASI OLEH MANAJEMEN FOLLOW-UP BY MANAGEMENT
<p>Menyetujui peningkatan modal Bank dari semula Rp2.692.250.000.000 (dua triliun enam ratus sembilan puluh dua miliar dua ratus lima puluh juta rupiah) menjadi sebesar Rp3.706.150.000.000 (tiga triliun tujuh ratus enam miliar seratus lima puluh juta rupiah).</p> <p>Approving the increase of Bank capital from IDR2,692,250,000,000 (two trillion six hundred ninety two billion two hundred and fifty thousand million rupiah) to IDR3,706,150,000,000 (three trillion seven hundred six billion and one hundred fifty million rupiah).</p> <p>● telah ditindaklanjuti Has been followed-up ○ belum ditindaklanjuti Has not been follow-up</p>	●	<p>Tambahan modal tersebut dimasukkan ke dalam Modal inti Bank yang secara total menjadi lebih dari Rp5 (lima) triliun</p> <p>The additional capital is incorporated into The Bank's core capital totaling more than IDR5 (five) trillion.</p>

Rapat Umum Pemegang Saham
General Meeting of Shareholders

RUPS Tanggal 12 Desember 2017

GMS Dated December 21, 2017

HASIL KEPUTUSAN RESOLUTIONS	SUDAH TERLAKSANA FOLLOWED UP ON	REALISASI OLEH MANAJEMEN FOLLOW-UP BY MANAGEMENT
<p>Menerima pengunduran diri Bapak Ma Xiangjun sebagai Presiden Komisaris. Menerima pengunduran diri anggota Direksi: Bapak Shen Xiaoqi sebagai Presiden Direktur terhitung sejak tanggal 31 Oktober 2017. Ibu Ir. Rolytha Sayuli M. sebagai Direktur terhitung sejak tanggal 31 Mei 2017.</p> <p>Accepted the resignation of Mr. Ma Xiangjun as President Commissioner. Accepted the resignation of members of the Board of Directors: Mr. Shen Xiaoqi as President Director as of October 31, 2017. Mrs. Ir. Rolytha Sayuli M. as Director as of May 31, 2017.</p> <p>Menunjuk Bapak Wang Kun sebagai Presiden Komisaris. Menunjuk Bapak Zhang Jinxing sebagai Presiden Direktur yang berlaku efektif sejak diperolehnya persetujuan/perijinan sesuai ketentuan yang berlaku.</p> <p>Appointing Mr. Wang Kun as President Commissioner. Appointed Mr. Zhang Jinxing as President Director effective as of the obtaining of approval/permit in accordance with applicable provisions.</p>	●	<p>Seluruh pergantian Manajemen Kunci Bank telah dilakukan dan dilegal-formalkan melalui Akta No. 108 tanggal 13 Desember 2017.</p> <p>All changes of The Bank's Key Management have been made and legalized-formalized through Deed No. 108 dated December 13, 2017.</p>
<p>● telah ditindaklanjuti Has been followed-up ○ belum ditindaklanjuti Has not been follow-up</p>		



DEWAN KOMISARIS

Board of Commissioners

Dewan Komisaris adalah organ perseroan yang melakukan fungsi pengawasan serta memberikan nasihat terhadap kegiatan pengelolaan perseroan oleh Direksi perseroan sesuai dengan Anggaran Dasar untuk memastikan pengelolaan perseroan sesuai dengan tujuan bisnis dan target perusahaan.

Dewan Komisaris tidak turut serta dalam pengambilan keputusan operasional. Kedudukan setiap anggota Dewan Komisaris termasuk Presiden Komisaris adalah setara. Dewan Komisaris memiliki lebih dari satu orang anggota yang setiap anggota bertindak atas keputusan bersama dan mewakili Dewan Komisaris.

DASAR HUKUM

Ketentuan mengenai Dewan Komisaris termasuk penunjukkan, kriteria, wewenang serta tugas dan tanggung jawab adalah berdasarkan pada:

- Undang-Undang No. 40 tahun 2007
- POJK no. 55/POJK.03/2016
- Anggaran Dasar

KRITERIA & PERSYARATAN ANGGOTA DEWAN KOMISARIS

Kriteria dan Persyaratan minimum untuk Dewan Komisaris adalah:

- Dewan Komisaris terdiri dari paling sedikit 3 (tiga) orang dan paling banyak sama dengan jumlah anggota Direksi.
- Dari seluruh anggota Dewan Komisaris, paling sedikit 1 (satu) orang wajib berdomisili di Indonesia.
- Dewan Komisaris wajib dipimpin oleh Presiden Komisaris atau Komisaris Utama.
- Dewan Komisaris wajib terdiri dari Komisaris Independen dan Komisaris Non-Independen.
- Komisaris Independen wajib paling sedikit berjumlah 50% (lima puluh persen) dari jumlah anggota Dewan Komisaris.
- Mantan anggota Direksi atau Pejabat Eksekutif bank atau pihak-pihak yang mempunyai hubungan dengan bank, yang dapat mempengaruhi kemampuan yang bersangkutan untuk bertindak independen wajib menjalani masa tunggu (*cooling off*) paling singkat 1 (satu) tahun sebelum menjadi

The Board of Commissioners is a company organ that undertakes supervisory and advisory function to the Board of Directors management activities in accordance with the Articles of Association to ensure that the company is being managed in accordance with its business objectives and purposes.

The Board of Commissioners does not take part in making operational decisions. The status of each member of the Board, including the Chief Commissioner, is equal. Each individual member acts on a joint decision and represents the Board.

LEGAL BASIS

Stipulations on the Board of Commissioners including the appointment, criterias, authorities as well as the duties and responsibilities refer to:

- Law No. 40 year 2007
- POJK no. 55/POJK.03/2016
- Articles of Association

BOARD OF COMMISSIONERS CRITERIA & MEMBER REQUIREMENTS

The minimum requirements for the Board of Commissioners are:

- At the very least the Board of Commissioners shall consist of three (3) members and at the most equivalent to the members of Board of Directors.
- At least 1 (one) member of the Board of Commissioners must be domiciled in Indonesia.
- The Board of Commissioners has to be led by President Commissioner.
- The Board of Commissioners shall consist of Independent Commissioner and Non-Independent Commissioner.
- Independent Commissioners shall at the very least occupy 50% (fifty percent) of the total members of the Board of Commissioners.
- Former member of the bank's Board of Directors or Executive Members or other parties, which have relationship with bank, who have the ability to act as an Independent requires to undergo a cooling off period at the very least 1 (one) year prior to the

Dewan Komisaris
Board of Commissioners

- Komisaris Independen pada bank. Ketentuan tersebut tidak berlaku bagi mantan anggota Direksi yang membawahi fungsi pengawasan atau Pejabat Eksekutif yang melakukan fungsi pengawasan pada bank tersebut.
- Komisaris Non-Independen dapat beralih menjadi Komisaris Independen setelah memenuhi persyaratan sebagai Komisaris Independen.
- Komisaris Non-Independen yang akan beralih menjadi Komisaris Independen wajib menjalani masa tunggu (*cooling off*) paling singkat 6 (enam) bulan.
- Peralihan dari Komisaris Non-Independen menjadi Komisaris Independen wajib memperoleh persetujuan Otoritas Jasa Keuangan (OJK).
- Komisaris Independen yang telah menjabat selama 2 (dua) periode masa jabatan berturut-turut dapat diangkat kembali pada periode selanjutnya sebagai Komisaris Independen dalam hal Rapat Anggota Dewan Komisaris menilai bahwa Komisaris Independen tetap dapat bertindak independen; dan Komisaris Independen menyatakan dalam RUPS mengenai independensi yang bersangkutan.
- Pernyataan independensi Komisaris Independen wajib diungkapkan dalam laporan pelaksanaan tata kelola.
- Setiap usulan pengangkatan dan/atau penggantian anggota Dewan Komisaris kepada RUPS harus memperhatikan rekomendasi Komite Remunerasi & Nominasi.
- Anggota Komite Remunerasi & Nominasi yang memiliki benturan kepentingan (*conflict of interest*) dengan usulan yang direkomendasikan wajib mengungkapkan dalam usulan yang direkomendasikan.
- Anggota Dewan Komisaris harus memenuhi persyaratan penilaian kemampuan dan kepatutan sesuai POJK mengenai Penilaian Kemampuan dan Kepatutan bagi Pihak Utama Lembaga Jasa Keuangan.
- Mayoritas anggota Dewan Komisaris dilarang saling memiliki hubungan keluarga sampai dengan derajat kedua dengan sesama anggota Dewan Komisaris dan/atau anggota Direksi.
- appointment as Independent Commissioner of the bank. The rule is ruled out for former member of the Board of Directors in charge of monitoring function or Executive Members whose duties is to perform monitoring function.
- Non-Independent Commissioners can be functioned as Independent Commissioners after fulfilling the requirements to be Independent Commissioners.
- Non-Independent Commissioners who will be positioned as Independent Commissioners are required to go through cooling off period at the very least in a period of 6 (six) months.
- The transition from Non-Independent Commissioners to Independent Commissioners requires an approval from the Financial Services Authority (OJK).
- Independent Commissioner who have held the position for 2 (two) office terms consecutively can be appointed again in the next period as Independent Commissioner in the conditions of the Board of Commissioners' meeting concludes that Independent Commissioner can act independently; and the Independent Commissioners stated his/her independency in the GMS.
- The independency statements of Independent Commissioners are required to be disclosed in the GCG report.
- Every opinion on the appointment and/or changes in the members of the Board of Commissioners to the GMS has to consider the recommendation from the Remuneration & Nomination Committee.
- Members of the Remuneration & Nomination Committee who have conflict of interest with the recommended inputs shall disclose in the recommended inputs.
- Members of the Board of Commissioners have to fulfill the capability requirements in accordance with POJK on the Fit and Proper Test as the Main Party of Financial Institutions.
- Majority of the Board of Commissioners are prohibited to have family relations to the second degree within the Board of Commissioners and/or Board of Directors.

RANGKAP JABATAN

- Anggota Dewan Komisaris dilarang melakukan rangkap jabatan sebagai anggota Direksi, anggota Dewan Komisaris atau Pejabat Eksekutif:
 - Pada lembaga keuangan atau perusahaan keuangan, baik bank maupun bukan bank;
 - Pada lebih dari 1 (satu) lembaga bukan keuangan atau perusahaan bukan keuangan, baik yang berkedudukan di dalam maupun di luar negeri.
- Tidak termasuk rangkap jabatan dalam hal:
 - Anggota Dewan Komisaris menjabat sebagai anggota Direksi, anggota Dewan Komisaris atau Pejabat Eksekutif yang melaksanakan fungsi pengawasan pada 1 (satu) perusahaan anak bukan bank yang dikendalikan oleh bank;
 - Komisaris Non-Independen menjalankan tugas fungsional dari pemegang saham bank yang berbentuk badan hukum pada kelompok usaha bank; dan/atau
 - Anggota Dewan Komisaris menduduki jabatan pada organisasi atau lembaga nirlaba.

PENGANGKATAN DAN PEMBERHENTIAN DEWAN KOMISARIS

Berikut ini adalah mekanisme serta prosedur pengangkatan Dewan Komisaris Bank:

1. Setiap usulan atas kandidat anggota Dewan Komisaris harus memperhatikan rekomendasi dari Komite Remunerasi dan Nominasi.
2. Kandidat anggota Dewan Komisaris yang telah dinominasikan melalui hasil rekomendasi dari Komite Remunerasi dan Nominasi akan diajukan kepada pemegang saham guna mendapatkan persetujuan awal.
3. Setelah menerima persetujuan awal dari pemegang saham, kandidat akan diatur untuk menjalani tes Uji Kemampuan dan Kepatutan oleh regulator, tes kesehatan, dan bentuk pemeriksaan lainnya yang akan dilakukan oleh pemegang saham maupun Bank.

MULTIPLE BOARD MEMBERSHIPS

- Members of the Board of Commissioners are prohibited to have a concurrent position as member of the Board of Directors, member of the Board of Commissioners and Executive Members:
 - At financial institutions or financial companies, bank or non-bank;
 - At more than 1 (one) non-financial institution or non-financial company, both located domestically and overseas.
- Conditions which do not fall as concurrent positions:
 - The Board of Commissioners member who has a concurrent position as member of the Board of Directors, member of the Board of Commissioners or Executive Members and who perform the monitoring function in 1 (one) non-bank subsidiary company that is controlled by the bank;
 - Non-Independent Commissioners who performs functional responsibility from the bank's shareholders in the form of legal entity in The Bank business group; and/or
 - The Board of Commissioners member who assumes position in an organization or non-profit institutions.

BOARD OF COMMISSIONERS APPOINTMENTS AND DISMISSALS

The following are mechanisms and procedures for the appointment of members of The Bank's Board of Commissioners:

1. Every proposal of candidates for the Board of Commissioners have to take into account the recommendations of the Remuneration and Nomination Committee.
2. The candidate for the Board of Commissioners who has been nominated through the recommendation from the Remuneration and Nomination Committee will be proposed to the shareholders for initial approval.
3. After receiving the initial approval from the shareholders, the candidate will be arranged to undergo the Fit and Proper Test by the regulator, medical test, and other forms of inspection that will be carried out by the shareholders and The Bank.

Dewan Komisaris
Board of Commissioners

4. Setelah kandidat memenuhi persyaratan penilaian kemampuan dan kepatutan sesuai peraturan Otoritas Jasa Keuangan (OJK) dan juga bentuk pemeriksaan lainnya yang akan dilakukan oleh pemegang saham dan Bank, maka pemegang saham akan melakukan RUPS untuk memutuskan secara formal anggota baru dan komposisi baru dari anggota Dewan Komisaris termasuk di dalamnya persetujuan atas paket remunerasi. Persetujuan RUPS akan berupa keputusan pemegang saham dalam bentuk risalah rapat RUPS atau cara lain yang diatur dalam Anggaran Dasar.
 5. Berdasarkan keputusan tersebut diatas, Departemen Sumber Daya Manusia akan mempersiapkan surat pemberitahuan kepada *supervisor/regulator* mengenai perubahan komposisi dari Dewan Komisaris.
 6. Untuk kandidat yang berasal dari pemegang saham atau dari internal (Pejabat Eksekutif Bank), proses seleksi secara umum akan berlaku sama, kecuali untuk beberapa poin yang mungkin tidak berlaku untuk kandidat yang berasal dari ICBC Ltd. seperti disebutkan di atas.
4. After the candidate meets the requirements for the Fit and Proper Test according to the Financial Services Authority regulations (OJK) and other inspections carried out by the shareholders and The Bank, the shareholders will hold a GMS to formally decide a new member and the new composition of the Board of Commissioners members, including the approval of the remuneration package. The agreement will be in the form of shareholders' decisions and the GMS Minutes of Meeting (MoM) or other methods stipulated in the Articles of Association.
 5. Based on the aforementioned decision, the Human Resources Department will prepare a notification letter to the supervisors/regulators regarding changes in the composition of the Board of Commissioners.
 6. For candidates from the shareholders or internal (executive officers of The Bank), the same general selection process applies, except for some points, which may not apply to candidates from ICBC Ltd., as mentioned above.

SUSUNAN DAN KOMPOSISI DEWAN KOMISARIS TAHUN 2018

Susunan Dewan Komisaris Bank pada 31 Desember 2018 terdiri dari 1 (satu) orang Presiden Komisaris dan 2 (dua) orang Komisaris Independen. Kedua Komisaris Independen berdomisili di Indonesia. Dengan demikian, komposisi Dewan Komisaris Bank telah memenuhi Peraturan OJK tentang Pelaksanaan Tata Kelola bagi Bank Umum.

BOARD OF COMMISSIONERS COMPOSITION IN 2018

The composition of The Bank's Board of Commissioners as of December 31, 2018 consists of 1 (one) President Commissioner and 2 (two) Independent Commissioners. The two Independent Commissioners are domiciled in Indonesia. As such, the Board of Commissioners' composition has complied with OJK Regulations on the Governance Implementation for Commercial Banks.

NAMA NAME	JABATAN POSITION	PERIODE PERIOD	DASAR PENUNJUKKAN APPOINTMENT LEGAL BASIS
Wang Kun	Presiden Komisaris President Commissioner	13 Desember 2017 - sekarang December 13, 2017 - current	Akta pengangkatan No. 108 tanggal 13 Desember 2017 Deed of appointment No. 108 dated December 13, 2017
Hendra Widjoto	Komisaris Independen Independent Commissioner	19 September 2007 - sekarang September 19, 2007 - current	Akta pengangkatan No. 024 tanggal 19 September 2007 Deed of appointment No. 024 dated September 19, 2007
H. Yunno Kusumo	Komisaris Independen Independent Commissioner	29 Agustus 2018 - sekarang August 29, 2018 - current	Akta pengangkatan No. 137 tanggal 29 Agustus 2018 Deed of appointment No. 137 dated August 29, 2018

Dewan Komisaris
Board of Commissioners

NAMA NAME	JABATAN POSITION	PERIODE PERIOD	DASAR PENUNJUKKAN APPOINTMENT LEGAL BASIS
Christina Harapan	Komisaris Independen Independent Commissioner	22 Februari 2016 - 31 Mei 2018 February 22, 2016 - May 31, 2018	Christina Harapan mengundurkan diri sebagai Komisaris Independen efektif sejak tanggal 31 Mei 2018 Christina Harapan resigned as Independent Commissioner as of May 31, 2018

UJI KEMAMPUAN DAN KEPATUTAN

Uji Kemampuan dan Kepatutan bagi Dewan Komisaris dilakukan setelah menerima persetujuan awal dari pemegang saham. Kandidat akan diatur untuk menjalani tes Uji Kemampuan dan Kepatutan oleh regulator, tes kesehatan, dan bentuk pemeriksaan lainnya yang akan dilakukan baik oleh pemegang saham maupun Bank.

Per 31 Desember 2018, seluruh anggota Dewan Komisaris Bank telah lulus Uji Kemampuan dan Kepatutan oleh regulator melalui keputusan di bawah ini:

NAMA NAME	JABATAN POSITION	SURAT UJI KEMAMPUAN DAN KEPATUTAN LETTER OF FIT AND PROPER TEST
Wang Kun	Presiden Komisaris President Commissioner	Surat No. KEP-203/D.03/2017 tanggal 3 November 2017 Letter No. KEP-203/D.03/2017 dated November 3, 2017
Hendra Widjojo	Komisaris Independen Independent Commissioner	Surat No. 9/9/DPIP/Prz/Sb/Rahasia tanggal 7 November 2007 Letter No. 9/9/DPIP/Prz/Sb/Rahasia dated November 7, 2007
H. Yunno Kusumo	Komisaris Independen Independent Commissioner	Surat No. SR-165/PB.12/2018 tanggal 9 Agustus 2018 Letter No. SR-165/PB.12/2018 dated August 9, 2018

PROGRAM ORIENTASI DAN PENGENALAN DEWAN KOMISARIS BARU

Bank memiliki program orientasi dan pengenalan bagi anggota Dewan Komisaris dan komite di bawah Dewan Komisaris yang baru bergabung dengan tujuan untuk memberikan pengetahuan dan pemahaman tentang Bank dan lingkup pekerjaannya yang dipresentasikan oleh Presiden Direktur dan Direksi lainnya yang meliputi: visi dan misi Bank; kode etik Bank; struktur organisasi Bank; pedoman dan tata tertib kerja Dewan Komisaris dan komite-komite; informasi tentang segmen/bidang yang ada di Bank, yang disampaikan oleh masing-masing Direktur bidang; serta peraturan-peraturan terkait lainnya.

Pada tahun 2018, Bank telah memberikan program orientasi dan pengenalan kepada H. Yunno Kusumo yang menjabat sebagai Komisaris Independen yang baru.

FIT AND PROPER TEST

The Fit and Proper Test of the Board of Commissioners shall be conducted upon receiving the initial approval from the shareholders. The candidate will be required to undergo the Fit and Proper Test by regulators, medical test, and other forms of inspection that will be carried out by the shareholders and The Bank.

As of December 31, 2018, all members of the Bank's Board of Commissioners have passed the Fit and Proper Test from the regulator through below decrees:

BOARD OF COMMISSIONERS' ORIENTATION AND INDUCTION PROGRAM

The Bank has an orientation and induction program for newly appointed Board of Commissioner members as well as for Committees under the Board of Commissioners. The purpose is to provide knowledge and understanding of The Bank and the scope of its work. This information is to be presented by the President Director and Board of Directors members and covers; The Bank's vision and mission; The Bank's code of conduct; The Bank's organizational structure; the Board Charter and Committee Charter; information on segments/fields of The Bank, submitted by each field Director; and other related regulations.

In 2018, The Bank has provided orientation and induction program to H. Yunno Kusumo who is assigned as the new Independent Commissioner.

Dewan Komisaris
Board of Commissioners

PELATIHAN DAN PENGEMBANGAN KOMPETENSI

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Dewan Komisaris, yang dilakukan melalui berbagai pelatihan dan pendidikan. Daftar pelatihan dan pengembangan kompetensi Dewan Komisaris dapat dilihat pada Bab Profil Perusahaan pada laporan tahunan ini.

PEDOMAN KERJA

Dewan Komisaris Bank melaksanakan fungsi pengawasan berdasarkan pedoman dan tata tertib kerja Dewan Komisaris, yang telah diperbaharui pada tanggal 10 Oktober 2017, yang antara lain mengatur tugas dan tanggung jawab Dewan Komisaris; etika atau pedoman berperilaku; waktu kerja Dewan Komisaris; kategori rapat; serta tata tertib rapat.

PEDOMAN PERILAKU

Dewan Komisaris telah bertindak profesional dan menghindari segala bentuk potensi benturan kepentingan secara langsung maupun tidak langsung, menjamin keamanan dan kerahasiaan informasi penting perusahaan.

Interaksi antara Dewan Komisaris dengan pemegang saham terjadi, antara lain ketika:

- Memberikan pendapat dan saran saat RUPS mengenai rencana jangka panjang perusahaan, anggaran dan rencana kerja perusahaan yang diusulkan Direksi.
- Mengawasi pengelolaan Bank, serta memberikan pendapat dan saran kepada RUPS mengenai setiap masalah yang dianggap penting.
- Melaporkan dengan segera kepada RUPS apabila terjadi gejala penurunan kinerja perusahaan.

Sementara itu, interaksi Dewan Komisaris dan Direksi antara lain terjadi ketika:

- Meneliti dan menelaah laporan berkala dan laporan tahunan yang disiapkan Direksi, serta menandatangani laporan tahunan.
- Melakukan pengawasan dan memberikan pendapat atas pengelolaan Bank.
- Melakukan penilaian atas kinerja Direksi.

TRAINING AND COMPETENCY DEVELOPMENT

The Bank has policies related to the development and enhancement of the Board of Commissioners, which are conducted through trainings and workshops. The trainings and development of the Board of Commissioners can be referred to the Company Profile section in this annual report.

BOARD CHARTER

The Bank's Board of Commissioners conducts the oversight function based on the Board Charter, which have been updated on October 10, 2017. The Board Charter among others regulates the duties and responsibilities, as well as the authorities of the Board of Commissioners; ethics or code of conduct; working time of the Board of Commissioners; meeting category; and the meeting procedures.

CODE OF CONDUCT

The Board of Commissioners has acted professionally and avoided any form of potential conflict of interest directly or indirectly, ensured the security and confidentiality of corporate key information.

Interaction between the Board of Commissioners and shareholders occurs, among others, when they are:

- Providing opinions and suggestions during the GMS on the corporate long term plan, budget and business plan proposed by the Board of Directors.
- Supervising the management of The Bank, and provide opinions and suggestions to the GMS regarding any issues that are considered important.
- Reporting immediately to the GMS in the event of declining inclination of the company performance.

Meanwhile, the interaction of the Board of Commissioners and the Board of Directors, among others, occurred when they are:

- Examining and reviewing the periodical reports and annual reports prepared by the Board of Directors, and signing these annual reports.
- Conducting supervision and providing opinions on the management of The Bank.
- Assessing the performance of the Board of Directors.

TUGAS DAN TANGGUNG JAWAB

Tugas dan tanggung jawab Dewan Komisaris antara lain:

- Melaksanakan pengawasan terhadap Direksi Bank dalam pelaksanaan kebijakan Bank, tugas-tugas dan tanggung jawabnya sesuai dengan Keputusan RUPS maupun semua ketentuan yang berlaku.
- Memberikan nasihat kepada Direksi mengenai hal-hal strategis yang berhubungan dengan kegiatan usaha Bank.
- Membuat dan menyampaikan laporan adanya pelanggaran terhadap undang-undang dan/atau ketentuan di bidang keuangan dan perbankan, keadaan atau perkiraan keadaan yang dapat membahayakan kelangsungan usaha Bank kepada pihak berwenang yang terkait.
- Melaksanakan pengawasan terhadap rencana bisnis Bank yang dilakukan Direksi.
- Mengevaluasi pertanggungjawaban Direksi atas pelaksanaan kebijakan manajemen risiko Bank.
- Memberikan persetujuan pengangkatan dan pemberhentian kepala Satuan Kerja Audit Internal (SKAI).
- Melakukan kajian atas perencanaan audit dan pelaksanaannya serta pemantauan atas tindak lanjut hasil audit dalam rangka menilai kecukupan pengendalian internal, termasuk kecukupan proses pelaporan keuangan.
- Memberikan laporan tentang tugas pengawasan yang telah dilakukan selama tahun buku yang sebelumnya kepada RUPS.
- Mengevaluasi laporan tahunan yang telah diaudit untuk diajukan dalam RUPST.
- Melakukan pengawasan terhadap pelaksanaan fungsi kepatuhan Bank.
- Memastikan terselenggaranya pelaksanaan tata kelola perusahaan yang baik dalam setiap kegiatan usaha Bank pada seluruh tingkatan atau jenjang organisasi.
- Memastikan bahwa Direksi Bank telah menindaklanjuti temuan audit dan rekomendasi dari SKAI, auditor eksternal, hasil pengawasan regulator.
- Memastikan bahwa Komite Audit, Komite Pemantau Risiko, serta Komite Remunerasi dan Nominasi telah menjalankan tugasnya secara efektif.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Board of Commissioners are as follows:

- Conduct oversight on the Board of Directors of The Bank in the implementation of The Bank's policies, duties and responsibilities in accordance with the Resolutions of the GMS and all applicable regulations.
- Advise the Board of Directors on strategic matters relating to The Bank's business activities.
- Create and submit reports for violation of laws and/or regulations in the financial and banking fields, and for circumstances or estimates of circumstances that may compromise The Bank's business continuity to the relevant authorities.
- Implement oversight of The Bank's business plan conducted by the Board of Directors.
- Evaluate the Board of Directors' accountability for the implementation of The Bank's risk management policy.
- Provide approval of the appointment and dismissal of the Internal Audit Unit.
- Review the audit planning and its implementation process as well as the monitoring of follow-ups of audit results in order to assess the adequacy of internal controls, including the adequacy of the financial reporting process.
- Provide reports on oversight duties that have been conducted during the previous financial year to the GMS.
- Evaluate audited annual reports for submission in the AGMS.
- Monitor the implementation of The Bank's compliance function.
- Ensure the implementation of Good Corporate Governance in every business activity of The Bank at all levels of the organization.
- Ensure the Board of Directors of The Bank has followed-up on audit findings and recommendations of The Bank Internal Audit Unit, external auditors, the results of supervision by Bank Indonesia or other authorities.
- Ensure the Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee have performed their duties effectively.

Dewan Komisaris
Board of Commissioners

- Menjamin SKAI dapat melaksanakan tugasnya secara independen.
- Memberikan persetujuan atas kebijakan dan prosedur penerapan program Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme (APU dan PPT), serta melakukan pengawasan atas pelaksanaan tanggung jawab Direksi terhadap program APU dan PPT.
- Menyetujui dan mengevaluasi kebijakan alih daya termasuk penyempurnaannya, termasuk mengevaluasi pertanggungjawaban Direksi atas penerapan manajemen risiko pada alih daya.
- Mengarahkan, memantau dan mengevaluasi rencana strategis Teknologi Informasi dan kebijakan Bank terkait dengan penyelenggaraan teknologi informasi.
- Memelihara dan memantau tingkat kesehatan Bank serta mengambil langkah-langkah yang diperlukan untuk memelihara dan/atau meningkatkan tingkat kesehatan Bank.
- Sendiri dan/atau bersama-sama dengan Direksi dan/atau pemegang saham pengendali wajib menyampaikan rencana tindakan (*action plan*) kepada OJK yang memuat langkah-langkah perbaikan yang wajib dilaksanakan oleh Bank dalam rangka mengatasi permasalahan yang signifikan yang dihadapi oleh Bank beserta target waktu penyelesaiannya.
- Melakukan pengawasan aktif terhadap penerapan manajemen risiko dalam kegiatan keagenan produk keuangan luar negeri;
- Memantau dan memberikan persetujuan kepada Direksi untuk menetapkan kebijakan dan prosedur tentang transparansi penggunaan data pribadi nasabah serta kebijakan dan prosedur tentang transparansi informasi produk Bank.
- Ensure the Internal Audit Unit can carry out its duties independently.
- Provide approval on the Anti Money Laundering and Counter Terrorism Financing (AML and CTF) program policies and procedures, as well as supervision over the implementation of the Board of Directors' responsibilities to AML and CTF programs.
- Approve and evaluate outsourcing policy and its improvements, including evaluating the responsibility of the Board of Directors on the implementation of risk management on outsourcing.
- Direct, monitor and evaluate the strategic plan of Information Technology and The Bank policy related to the implementation of information technology.
- Maintain and monitor The Bank's soundness rating and take necessary measures to maintain and/or to increase the soundness rating of The Bank.
- Individually and/or collectively with the Board of Directors and controlling shareholders, to submit the action plans to OJK in which contain remedial measures that must be performed by The Bank in order to address the significant problems faced by The Bank and their time of completion target.
- Conduct active oversight of the implementation of risk management in the activities of foreign financial product agency;
- Monitor and provide approval to the Board of Directors to establish policies and procedures on the transparency use of customer personal data , as well as policies and procedures on the transparency of information for The Bank's products.

LAPORAN PELAKSANAAN TUGAS DEWAN KOMISARIS TAHUN 2018

Dewan Komisaris telah melakukan pengawasan terhadap pelaksanaan rencana bisnis yang dijalankan oleh Direksi tahun 2018. Pengawasan dilakukan terhadap aspek-aspek penting antara lain:

- Penilaian Dewan Komisaris tentang aspek kualitatif maupun kuantitatif dari realisasi rencana bisnis, termasuk penilaian faktor-faktor eksternal yang mempengaruhi operasional Bank.
- Hasil penilaian Dewan Komisaris tentang faktor-faktor yang mempengaruhi kinerja Bank.
- Pendapat Dewan Komisaris mengenai upaya untuk meningkatkan kinerja Bank.

Dewan Komisaris telah aktif berperan dalam hal pengawasan operasional Bank. Di tahun 2018, Dewan Komisaris telah mengadakan rapat Dewan Komisaris, dimana terdapat 18 (delapan belas) proposal utama yang telah dibahas. Rapat Komite Pemantau Risiko dan Komite Audit yang berada di bawah Dewan Komisaris telah dilaksanakan dengan masing-masing 40 (empat puluh) topik dan 18 (delapan belas) topik yang menjadi perhatian utama telah dibahas dan ditinjau. Rapat Komite Remunerasi dan Nominasi yang berada di bawah Dewan Komisaris juga telah dilaksanakan.

Selain itu, untuk memantau masalah-masalah penting di Bank secara tepat, Dewan Komisaris telah mengadakan beberapa pertemuan lainnya seperti penyelesaian NPL, kemajuan migrasi DC/DRC, dan beberapa pembahasan lainnya. Untuk lebih memperkuat komunikasi dan koordinasi antara Direksi dan Dewan Komisaris, diselenggarakan rapat komunikasi Direksi dan Dewan Komisaris.

REPORT ON THE DUTIES IMPLEMENTATION OF THE BOARD OF COMMISSIONERS IN 2018

The Board of Commissioners has supervised the implementation of the business plan performed by the Board of Directors in 2018. The supervision is carried out on important aspects such as:

- Assessment of the Board of Commissioners on the qualitative and quantitative aspects of the realization of The Bank's business plan, including the assessment of external factors affecting The Bank's operations.
- The results of the Board of Commissioners' assessment of the factors affecting The Bank's performance.
- The opinion of the Board of Commissioners on efforts to improve the performance of The Bank.

The Board of Commissioners has been actively involved in the supervision of The Bank's operations. In 2018, the Board of Commissioners has held the Board of Commissioners meeting, during which 18 (eighteen) main proposals were discussed. The meetings of the Risk Monitoring Committee and the Audit Committee under the Board of Commissioners have been implemented, with 40 (forty) topics and 18 (eighteen) topics respectively of major concerns being discussed and reviewed. The Remuneration and Nomination Committee meeting under the Board of Commissioners has also been implemented.

In addition, to monitor important issues at The Bank appropriately, the Board of Commissioners has held several other meetings such as NPL settlement, DC/DRC migration progress, and several other discussions. To further strengthen the communication and coordination between the Board of Directors and Board of Commissioners, a communication meeting of the Board of Directors and Board of Commissioners has also been held.

Dewan Komisaris
Board of Commissioners

PENILAIAN KINERJA KOMITE DI BAWAH DEWAN KOMISARIS

Berdasarkan Peraturan OJK No. 55/POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum, komite telah melaporkan hasil kinerja setiap kuartal kepada Dewan Komisaris dan sudah diterima dengan baik oleh Dewan Komisaris.

Selama tahun 2018, Dewan Komisaris dan anggota komite di bawah Dewan Komisaris melakukan beberapa kegiatan, sebagai berikut:

PERFORMANCE ASSESSMENT OF THE COMMITTEE UNDER THE BOARD OF COMMISSIONERS

In accordance with OJK Regulation No. 55/POJK.03/2016 on the Implementation of Corporate Governance for Commercial Banks, the committees have reported quarterly performance results to the Board of Commissioners and have been well received by the Board of Commissioners.

During 2018, the Board of Commissioners and committee members under the Board of Commissioners conducted several activities, as follows:

TANGGAL DATE	AKTIVITAS ACTIVITY	DEWAN KOMISARIS DAN KOMITE AUDIT BOARD OF COMMISSIONERS AND AUDIT COMMITTEE	TEMPAT VENUE
13 September 2018 September 13, 2018	Kunjungan ke Kantor OJK, dalam rangka memperkuat komunikasi antara Bank dan OJK. Visit to the OJK Office, to strengthen communication between The Bank and OJK.	Wang Kun Presiden Komisaris/President Commissioner	Kantor OJK, Jakarta
		Hendra Widjojo Komisaris Independen/Independent Commissioner	OJK Office, Jakarta
		H. Yunno Kusumo Komisaris Independen/Independent Commissioner	
05 Oktober 2018 October 05, 2018	Kunjungan ke Kantor Cabang Batam, dalam rangka menghadiri <i>internal audit exit meeting</i> . Visit to the Batam Branch Office, to attend the internal audit exit meeting.	Ricky Dompas Anggota Komite Audit/Audit Committee Member	Kantor Cabang Batam
		Waldy Gutama Anggota Komite Audit/Audit Committee Member	Batam Branch Office

KOMISARIS INDEPENDEN

Komisaris Independen Bank memiliki peranan penting dalam menjaga pelaksanaan pengawasan Dewan Komisaris yang obyektif dan memastikan kewajaran terhadap berbagai kepentingan termasuk kepentingan pemegang saham minoritas.

Kriteria Penentuan Komisaris Independen

Berdasarkan Peraturan OJK No. 55/POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum, Komisaris Independen adalah anggota Dewan Komisaris yang tidak memiliki hubungan keuangan, kepengurusan, kepemilikan saham dan/atau hubungan keluarga dengan anggota Direksi, anggota Dewan Komisaris lain dan/atau pemegang saham pengendali, atau hubungan dengan Bank yang dapat mempengaruhi kemampuan yang bersangkutan untuk bertindak independen.

INDEPENDENT COMMISSIONER

The Independent Commissioner of The Bank have significant roles in promoting objective and fairness supervision in order to maintain the interests of shareholders, in particular the minorities.

Independent Commissioner Stipulation Criteria

Pursuant to OJK Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks, Independent Commissioners are members of the Board of Commissioners who have no financial, management, share ownerships and/or family relationships with members of the Board of Directors, other members of the Board of Commissioners and/or controlling shareholders, or relationships with The Bank that may affect the ability to act independently.

Peraturan juga mensyaratkan bahwa setidaknya 50% (lima puluh persen) dari anggota Dewan Komisaris adalah Komisaris Independen, dengan ketentuan masa jabatan 2 (dua) periode masa jabatan berturut-turut dan dapat diangkat kembali pada periode selanjutnya sebagai Komisaris Independen dengan ketentuan sebagai berikut:

- Rapat Dewan Komisaris menilai bahwa Komisaris Independen tetap dapat bertindak independen.
- Komisaris Independen menyatakan dalam RUPS mengenai independensi yang bersangkutan.

Bank telah memenuhi peraturan di atas, dimana komposisi keanggotaan Komisaris Independen berjumlah 2 (dua) orang, atau 66,67% (enam puluh enam koma enam puluh tujuh persen) dari jumlah keseluruhan Dewan Komisaris yang sebanyak 3 (tiga) orang yaitu Hendra Widjojo dan H. Yunno Kusumo.

Pernyataan Independensi Dewan Komisaris

Dewan Komisaris wajib bersifat independen dalam melaksanakan tugasnya termasuk dalam memberikan keputusan strategis terkait Bank yang bebas dari tekanan atau kepentingan pihak tertentu.

Masing-masing anggota Dewan Komisaris Bank wajib menghindari adanya benturan kepentingan dalam bentuk hubungan keuangan maupun hubungan keluarga dengan sesama anggota Dewan Komisaris, Direksi, Pemegang saham Pengendali maupun pihak eksternal yang memiliki hubungan bisnis dengan Bank.

Seluruh anggota Dewan Komisaris Bank telah menandatangani Surat Pernyataan yang menyatakan pemenuhan seluruh kriteria dan independensi jabatannya sesuai kriteria yang disyaratkan oleh Peraturan perundang-undang yang berlaku.

The regulation also requires that at least 50% (fifty percent) of the Board of Commissioners members are Independent Commissioners, subject to the term of office of 2 (two) periods of consecutive terms and may be reappointed in the following period as Independent Commissioners with the following provisions:

- The Board of Commissioners meeting believes that the Independent Commissioner remains independent.
- An Independent Commissioner declares during the GMS concerning his/her independence.

The Bank has complied with the above regulations, in which the composition of its Independent Commissioners consist of 2 (two) members, or 66.67% (sixty-six point sixty-seven percent) of the overall total 3 (three) members of the Board of Commissioners, namely Hendra Widjojo and H. Yunno Kusumo.

Independence Statement of the Board of Commissioners

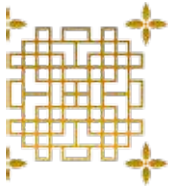
The Board of Commissioners shall be independent in carrying out its duties including in providing strategic decisions pertaining with The Bank that are free from pressure or interest of certain parties.

Each member of The Bank's Board of Commissioners shall avoid any conflict of interest in the form of financial or family relationships with other members of the Board of Commissioners, the Board of Directors, Controlling Shareholders or any external party having business relationship with The Bank.

All members of The Bank's Board of Commissioners have signed Statement certifying fulfillment of criteria as well as his/her independency of position in accordance with the criteria as set under prevailing regulations.

Dewan Komisaris
Board of Commissioners





DIREKSI

Board of Directors

Direksi adalah organ perseroan yang bertanggung jawab terhadap pengelolaan operasional sehari-hari Bank untuk kepentingan terbaik Bank sesuai dengan tujuan dan target usaha. Direksi dapat mewakili Bank baik di dalam maupun di luar pengadilan tentang segala hal dan dalam segala kejadian terkait Perseroan.

DASAR HUKUM

Dasar hukum penunjukan, kriteria, kewenangan serta tugas dan tanggung jawab Direksi berdasarkan pada:

- Undang-Undang No. 40 tahun 2007
- Anggaran Dasar
- POJK no. 55/POJK.03/2016

KRITERIA & PERSYARATAN ANGGOTA DIREKSI

Kriteria dan Persyaratan minimum untuk Direksi adalah:

1. Bank diurus dan dipimpin oleh suatu Direksi yang terdiri dari sekurang-kurangnya 3 (tiga) Direktur, satu diantaranya akan ditunjuk sebagai Presiden Direktur.
2. Presiden Direktur diangkat dari calon yang dinominasikan oleh pemegang saham asing di dalam RUPS, yang akan mengikat RUPS untuk menunjuk Presiden Direktur tersebut.
3. Presiden Direktur haruslah seseorang yang independen dari pemegang saham pengendali.
4. Mereka yang diangkat sebagai anggota Direksi harus:
 - a. Mayoritas anggota Direksi harus Warga Negara Indonesia;
 - b. Mayoritas anggota Direksi harus memiliki setidaknya 5 (lima) tahun pengalaman dalam operasional perbankan sebagai Pejabat Eksekutif dalam bank.
 - c. Bertempat tinggal di Indonesia dan bersedia tinggal di Indonesia (apabila kandidat adalah warga negara asing);
 - d. Minimum memiliki gelar sarjana;
 - e. Tidak memegang jabatan lain sebagai Dewan Komisaris, Direktur atau Pejabat Eksekutif di Bank lain, perusahaan atau institusi lain,

The Board of Directors is a company organ responsible for the management of The Bank's daily operations for The Bank's best interests, in accordance with its target and objectives. The Board of Directors may represent The Bank both in and out of court with regards to all matters and events related with The Bank.

LEGAL BASIS

The appointment, criteria, authorities as well as the duties and responsibilities of the Board of Directors refer to:

- Law No. 40 year 2007
- Articles of Association
- POJK no. 55/POJK.03/2016

BOARD OF DIRECTORS CRITERIA & MEMBER REQUIREMENTS

The minimum requirements for the Board of Directors are:

1. The Bank is managed and led by the Board of Directors, which consists of at least 3 (three) Directors, one of which will be appointed by the President Director.
2. President Director is appointed from a nominated candidate by foreign shareholders in the GMS, which will bind the GMS to appoint the concerned President Director.
3. President Director shall be independent from the controlling shareholders.
4. Those appointed as members of the Board of Directors shall be:
 - a. Majority of the Board of Directors must be Indonesian Citizen;
 - b. Majority of the Board of Directors should have a minimum 5 (five) years experience as the Bank's Executive Officer, and preferably in a similar area that he/she will be assigned to as Director;
 - c. Reside in Indonesia and willing to stay in Indonesia (if the candidate is non-Indonesian);
 - d. Minimum hold a bachelor degree;
 - e. Does not hold any other position as the Board of Commissioners, Director or Executive Officer in other bank, company or other institution

Direksi
Board of Directors

- kecuali yang telah diatur oleh Peraturan Bank Indonesia mengenai Pelaksanaan GCG;
- f. Tidak secara sendiri-sendiri atau bersama-sama memiliki saham untuk jumlah lebih dari 25% (dua puluh lima persen) dari modal disetor di Bank atau perseroan terbatas lainnya.
 - g. Anggota Direksi tidak boleh memiliki hubungan darah sampai derajat kedua dengan anggota Direksi atau Dewan Komisaris lainnya.
 - h. Memiliki integritas tinggi, kompetensi, dan reputasi keuangan yang cukup (tidak pernah dinyatakan pailit atau menjadi anggota Direksi atau anggota Dewan Komisaris yang dinyatakan pernah menyebabkan suatu perusahaan dinyatakan pailit dalam 5 tahun atau lebih). Integritas dibuktikan melalui SID.
 - i. Tidak memiliki catatan kriminal (dalam waktu 20 tahun atau lebih), tidak memiliki publikasi negatif yang telah dibuktikan dengan proses pengecekan latar belakang. Kompetensi dibuktikan dari pengalaman kerja yang relevan di Bank maupun perusahaan keuangan.
 - j. Untuk kandidat yang berasal dari ICBC Ltd poin a, b, d, i dapat dicek dan dikonfirmasi oleh ICBC LTD.
 - k. Memiliki sertifikasi manajemen risiko dan sertifikasi lainnya sesuai ketentuan yang berlaku.
 - l. Lulus Uji Kepatuhan dan Kelayakan sesuai dengan peraturan Bank Indonesia;
5. Anggota Direksi harus ditunjuk berdasarkan keputusan yang diambil berdasarkan suara yang setuju lebih dari 2/3 (dua pertiga) dari jumlah suara yang dikeluarkan secara sah di RUPS untuk periode 3 (tiga) tahun dimulai sejak tanggal penunjukkan anggota Direksi tersebut dan setelah lulus Uji Kepatuhan dan Kelayakan yang dilakukan oleh Bank Indonesia. Anggota Direksi yang masa jabatannya telah berakhir dapat dipilih kembali untuk periode 3 (tiga) tahun selanjutnya.
 6. Gaji dan/atau remunerasi lainnya dapat diberikan kepada anggota Direksi, yang jumlahnya ditetapkan oleh RUPS dan wewenang tersebut oleh RUPS dapat dilimpahkan kepada Dewan Komisaris.
- except for those determined in Bank Indonesia regulation regarding GCG implementation;
- f. Individually or jointly does not have more than 25% (twenty five percent) shares of capital paid to The Bank and or in other company;
 - g. Board of Directors members do not have family relationship up to second degree, with other member of the Board of Directors of Board of Commissioners;
 - h. Have strong integrity, competency and sufficient financial reputation (never been declared bankrupt or becoming member of the Board of Directors or the Board of Commissioners that declared guilty for causing a company to be bankrupt in the past 5 years or more). Integrity is proven through SID;
 - i. No criminal record (in the past 20 years or more), no negative publication that has been proven through background check process. Competency is evidenced by related work experience in banking and finance.
 - j. For candidate from ICBC Ltd, point a, b, d, I might be checked and confirmed by ICBC Ltd.
 - k. Attained risk management certification and other certification according to prevailing regulations.
 - l. Have passed Fit and Proper Test in accordance with Bank Indonesia regulation.
5. Members of the Board of Directors shall be appointed based on decisions taken by agreed votes of more than 2/3 (two thirds) from legitimate votes at the GMS for a period of 3 (three) years commencing from the date of an appointment of concerned members of the Board of Directors and has passed the Fit and Proper Test by Bank Indonesia. Members of the Board of Directors whose term of office has completed can be re-appointed for the next 3 (three) years.
 6. Salary and/or other remuneration may be provided to members of the Board of Directors, which sums are determined by the GMS and such authority may be delegated by the GMS to the Board of Commissioners.

Direksi
Board of Directors

7. Apabila oleh sebab apapun jabatan anggota Direksi lowong, RUPS harus diselenggarakan dalam jangka waktu 30 (tiga puluh) hari kalender sejak terjadi lowongan untuk mengisi kekosongan tersebut dengan memperhatikan ketentuan yang berlaku. Masa jabatan dari pihak yang ditunjuk untuk mengisi kekosongan oleh sebab apapun adalah masa jabatan dari anggota Direksi yang digantikan.
8. Apabila oleh suatu sebab apapun semua jabatan anggota Direksi lowong, maka dalam jangka waktu 30 (tiga puluh) hari kalender sejak terjadinya lowongan tersebut RUPS harus diselenggarakan untuk mengangkat Direksi baru, dan Bank untuk sementara diurus oleh setiap pihak yang diberi kewenangan oleh Direksi untuk bertindak atas nama Direksi dengan suatu surat kuasa.
9. Seorang anggota Direksi berhak mengundurkan diri dari jabatannya dengan memberitahukan secara tertulis mengenai maksudnya tersebut kepada Bank sekurang-kurangnya 30 (tiga puluh) hari kalender sebelum tanggal pengunduran dirinya.
10. Jabatan anggota Direksi berakhir apabila:
 - a. Mengundurkan diri sesuai dengan ketentuan ayat 12;
 - b. Tidak lagi memenuhi persyaratan untuk menjabat sesuai perundang-undangan yang berlaku;
 - c. Meninggal dunia;
 - d. Diberhentikan berdasarkan keputusan RUPS;
 - e. Dinyatakan pailit.

PENGANGKATAN DAN PEMBERHENTIAN DIREKSI

Berikut ini adalah mekanisme serta prosedur pengangkatan Direksi Bank:

- Direksi, Dewan Komisaris atau pemegang saham akan memberikan proposal kandidat anggota Direksi kepada Komite Remunerasi & Nominasi yang akan memproses kandidat lebih lanjut.
- Sebelum diajukan kepada pemegang saham melalui Dewan Komisaris, kandidat akan menjalani proses seleksi. Kandidat yang telah memenuhi

BOARD OF DIRECTORS APPOINTMENTS AND DISMISSALS

The following are mechanisms and procedures for the appointment of members of The Bank's Board of Directors:

- The Board of Directors, Board of Commissioners or shareholders will give proposal of the candidates of the Board of Directors members to the Remuneration & Nomination Committee who will then process the candidate.
- Prior to be proposed to shareholders thru the Board of Commissioners, the candidate will go through the selection process. Those who meet criteria will

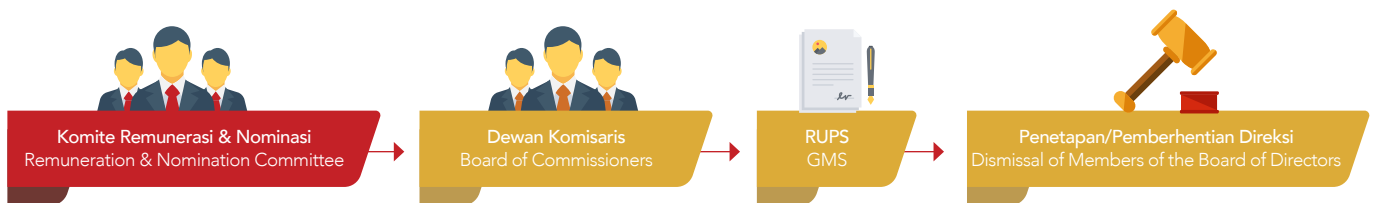
Direksi
Board of Directors

- kriteria selanjutnya akan diwawancara. Kandidat yang lulus wawancara akan dicek latar belakangnya oleh pihak eksternal dan secara internal.
- Setelah melakukan beberapa proses seleksi di atas, kandidat yang terpilih akan dinominasikan oleh Komite Remunerasi & Nominasi kepada Dewan Komisaris yang kemudian akan mengajukan kepada RUPS.
- Setelah menerima persetujuan awal dari pemegang saham, kandidat akan diatur untuk menjalani Uji Kelayakan dan Kemampuan di regulator, tes kesehatan, dan bentuk pemeriksaan lainnya yang akan dilakukan oleh pemegang saham maupun Bank.
- Kandidat yang telah lolos akan diusulkan oleh Dewan Komisaris dan Direksi untuk ditunjuk oleh pemegang saham. Proposal akan termasuk di dalamnya paket remunerasi untuk kandidat anggota Direksi.
- Berdasarkan persetujuan dari pemegang saham, Departemen Sumber Daya Manusia akan memberikan penawaran kepada kandidat anggota Direksi.
- Setelah meninjau proposal dari Dewan Komisaris, dan persetujuan penawaran dari kandidat anggota Dewan Komisaris atau Direksi, kemudian RUPS akan memutuskan secara formal anggota baru dan komposisi baru dari anggota Direksi termasuk didalamnya persetujuan paket remunerasi untuk anggota Direksi yang baru.
- Keputusan akan berupa Keputusan Pemegang Saham atau Risalah rapat dari RUPS atau cara lain yang diatur dalam anggaran dasar.
- Berdasarkan keputusan tersebut, Departemen Sumber Daya Manusia akan mempersiapkan surat pemberitahuan kepada Regulator mengenai perubahan komposisi Direksi.
- Untuk kandidat yang datang dari pemegang saham atau dari internal (yaitu pejabat eksekutif Bank), proses seleksi secara umum akan berlaku sama. Kecuali untuk beberapa poin yang mungkin tidak berlaku untuk kandidat yang berasal dari ICBC Ltd seperti disebutkan di atas.
- be arranged for interview. Candidates, who pass the interview, will be checked by external party for background check, and internally.
- After going through the above selection process, the chosen candidate will be nominated by the Remuneration & Nomination Committee to the Board of Commissioners, who will then propose to the GMS.
- After receiving initial approval from shareholder, the candidate will be arranged for Fit and Proper Test in regulator, medical check-up, and other forms of checking that will be done by shareholders or The Bank.
- Candidate who has passed the process will be proposed by the Board of Commissioners and the Board of Directors to be appointed by the shareholders. The proposal will include the remuneration package for the member of the Board of Directors candidate.
- Based on the approval from shareholder, Human Resources Department will give the offer to candidate of the Board of Directors member.
- After reviewing the proposal from the Board of Commissioners, and having agreed offer from the candidate of the Board of Directors member, then the GMS will decide the new member or new composition of the Board of Directors members including the agreed remuneration package for new Board of Directors members.
- The approval will be in the form of Shareholders' Resolution or Minutes of Meeting of the GMS or any other way that is regulated in the articles of association.
- Based on the decision, Human Resources Department will prepare a notification letter to Regulator regarding the change of the Board of Directors composition.
- For candidates who came from shareholders or from internal (i.e. executive officer of The Bank), the selection process in general must be the same. Except some points that might not applicable for candidate from ICBC Ltd as mentioned above.

Direksi
Board of Directors

Proses Pengangkatan dan Pemberhentian Direksi

Process the Appointment and Dismissal of members of the Board of Directors



SUSUNAN DAN KOMPOSISI DIREKSI TAHUN 2018

Komposisi Direksi Bank telah memperhitungkan dan disesuaikan dengan kondisi Bank dimana masing-masing anggota Direksi memiliki kemampuan sesuai kebutuhan Bank dalam menjalankan tugasnya baik secara individu maupun kolektif.

Jumlah anggota Direksi Bank per 31 Desember 2018 sebanyak 7 (tujuh) orang dan masing-masing memiliki pengalaman yang baik di bidang perbankan. Seluruh anggota Direksi Bank berdomisili di Indonesia dan memiliki integritas serta kompetensi yang memadai sesuai dengan persyaratan Uji Kemampuan dan Kepatutan regulator.

BOARD OF DIRECTORS STRUCTURE AND COMPOSITION IN 2018

The composition of the Board of Directors has taken into account and in accordance with The Bank's condition whereby each member of the Board of Directors has the ability based on The Bank's needs to perform the duty both individually or collectively.

As of December 31, 2018, The Bank's Board of Directors consists of 7 (seven) members and respectively has good experience in banking. All members of The Bank's Board of Directors are domiciled in Indonesia and have adequate integrity and competence in accordance with regulatory requirements on the Fit and Proper Test.

NAMA NAME	JABATAN POSITION	PERIODE PERIOD	DASAR PENUNJUKKAN APPOINTMENT LEGAL BASIS
Zhang Jinxing	Presiden Direktur President Director	20 April 2018 - sekarang April 20, 2018 - current	Akta pengangkatan No. 108 tanggal 13 Desember 2018 Deed of appointment No. 108 dated December 13, 2018
Yu Guangzhu	Direktur Director	13 Mei 2014 - sekarang May 13, 2014 - current	Akta pengangkatan No. 118 tanggal 13 Mei 2014 Deed of appointment No. 118 dated May 13, 2014
Jeff S. V. Eman	Direktur Director	30 Juni 2015 - sekarang June 30, 2015 - current	Akta pengangkatan No. 417 tanggal 30 Juni 2015 Deed of appointment No. 417 dated June 30, 2015
Xin Haiyan	Direktur Director	13 April 2017 - sekarang April 13, 2017 - current	Akta pengangkatan No. 71 tanggal 13 April 2017 Deed of appointment No. 71 dated April 13, 2017
Thomas Arifin	Direktur Director	22 Februari 2016 - sekarang February 22, 2016 - current	Akta pengangkatan No. 135 tanggal 22 Februari 2016 Deed of appointment No. 135 dated February 22, 2016
Sandy T. Muliana	Direktur Director	24 November 2009 - sekarang November 24, 2009 - current	Akta pengangkatan No. 35 tanggal 24 November 2009 Deed of appointment No. 35 dated November 24, 2009
Fransisca Nelwan Mok	Direktur Director	13 April 2017 - sekarang April 13, 2017 - current	Akta pengangkatan No. 71 tanggal 13 April 2017 Deed of appointment No. 71 dated April 13, 2017
Liang Qinjun	Direktur Director	3 Juni 2016 - 31 Mei 2018 June 3, 2016 - May 31, 2018	Liang Qinjun mengundurkan diri sebagai Direktur efektif sejak tanggal 31 Mei 2018 Liang Qinjun resigned as Director as of May 31, 2018

Direksi
Board of Directors

UJI KEMAMPUAN DAN KEPATUTAN

Sebagai bentuk kepatuhan dan komitmen terhadap GCG, proses penetapan Direksi Bank dilakukan melalui Uji Kemampuan dan Kepatutan yang dilaksanakan oleh Otoritas Jasa Keuangan (OJK). Bank mengajukan dan melengkapi *compliance checklist* administratif kepada OJK yang ditandatangani oleh Direktur yang membawahi fungsi kepatuhan.

Seluruh anggota Direksi Bank telah lulus Uji Kemampuan dan Kepatutan oleh regulator melalui keputusan di bawah ini:

FIT AND PROPER TEST

As a form of compliance and commitment towards GCG, The Bank's process of determining its Board of Directors members is done through Fit and Proper Test conducted by OJK. This is done through the Bank's proposal that has filled out an administrative compliance checklist to OJK, signed by the Director in charge of the compliance function.

All members of The Bank's Board of Directors has passed the Fit and Proper Test by the regulator through the following decrees:

NAMA NAME	JABATAN POSITION	SURAT UJI KEMAMPUAN DAN KEPATUTAN LETTER OF FIT AND PROPER TEST
Zhang Jinxing	Presiden Direktur President Director	Surat No. SR-58/PB.12/2018 tanggal 6 April 2018 Letter No. SR-58/PB.12/2018 dated April 6, 2018
Yu Guangzhu	Direktur - Kredit Director - Credit	Surat No. SR-48/D.03/2014 tanggal 8 April 2014 Letter No. SR-48/D.03/2014 dated April 8, 2014
Jeff S. V. Eman	Direktur - Operasional Director - Operations	Surat No. SR-4/D.03/2015 tanggal 5 Januari 2015 Letter No. SR-4/D.03/2015 dated January 5, 2015
Xin Haiyan	Direktur - Marketing Director - Marketing	Surat No. SR-55/PB.12/2017 tanggal 24 Maret 2017 Letter No. SR-55/PB.12/2017 dated March 24, 2017
Thomas Arifin	Direktur - Marketing Director - Marketing	Surat No. SR-190/D.03/2015 tanggal 15 Oktober 2015 Letter No. SR-190/D.03/2015 dated October 15, 2015
Sandy T. Muliana	Direktur - Kepatutan Director - Compliance	Surat No. 11/109/GBI/DPIP/Rahasia tanggal 21 Agustus 2009 Letter No. 11/109/GBI/DPIP/Rahasia dated August 21, 2009
Fransisca Nelwan Mok	Direktur - Sumber Daya Manusia Director - Human Resources	Surat No. SR-22/PB.12/2017 tanggal 8 Februari 2017 Letter No. SR-22/PB.12/2017 dated February 8, 2017

PROGRAM ORIENTASI DIREKSI BARU

Anggota Direksi yang baru ditunjuk wajib diberikan program pengenalan mengenai Bank dan dilakukan sesegera mungkin setelah pengangkatannya. Tanggung jawab untuk mengadakan program pengenalan bagi Direksi yang baru berada pada Presiden Direktur, atau jika Presiden Direktur berhalangan, maka tanggung jawab pelaksanaan program pengenalan tersebut berada pada Direksi yang ada. Program pengenalan ini dapat dilaksanakan dalam bentuk presentasi/seminar/*workshop*, pertemuan, kunjungan ke lokasi, pengkajian dokumen atau bentuk lainnya yang dianggap sesuai.

BOARD OF DIRECTORS' ORIENTATION PROGRAM

A newly appointed member of the Board of Directors shall be provided an induction program concerning The Bank and shall be done immediately following its appointment. Responsibility to hold an induction program for a new member of the Board of Directors lies on the President Director, or if the President Director is absent, then the responsibility for the implementation of induction program rests with the existing Directors. This induction program can be carried out in the form of presentations/seminars/workshops, meetings, site visits, document review, or any other forms deemed appropriate.

Direksi
Board of Directors

Program pengenalan kepada Direksi baru mencakup hal-hal sebagai berikut:

- Gambaran mengenai Bank berkaitan dengan visi dan misi, nilai dan budaya Bank, tujuan dan strategi Bank, kinerja keuangan dan operasi, rencana usaha jangka pendek dan jangka panjang, aplikasi teknologi informasi, manajemen risiko, kondisi persaingan usaha, dan masalah strategis lainnya.
- Penjelasan mengenai tugas dan tanggung jawab Dewan Komisaris, Direksi serta komite di bawah Dewan Komisaris dan komite di bawah Direksi.
- Penjelasan mengenai pemangku kepentingan utama Bank dan tanggung jawab sosial Bank.
- Sistem pengendalian internal, sistem audit dan temuan audit yang belum ditindaklanjuti secara tuntas serta kasus hukum yang melibatkan Bank.
- Pelaksanaan GCG di lingkungan Bank.

Di tahun 2018, Bank melakukan program orientasi dan pengenalan kepada Presiden Direktur yang baru, yaitu Zhang Jinxing.

PELATIHAN DAN PENGEMBANGAN KOMPETENSI

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Direksi, yang dilakukan melalui berbagai pelatihan dan pendidikan. Daftar pelatihan dan pengembangan kompetensi Direksi dapat dilihat pada Bab Profil Perusahaan pada Laporan Tahunan ini.

PEDOMAN DAN TATA TERTIB KERJA DIREKSI

Bank memiliki pedoman dan tata tertib kerja bagi Direksi (*Board Charter*), yang telah disahkan pada tanggal 30 Juni 2015.

Board Charter berfungsi sebagai pedoman bagi masing-masing anggota Direksi untuk menjaga hubungan kerja yang profesional dan produktif secara efisien dalam menjalankan tugasnya serta untuk memahami peran serta wewenang masing-masing.

The induction program to the new Board of Directors includes the following:

- Description on The Bank's vision and mission, values and culture, The Bank's goals and strategies, financial and operating performance, short-term and long-term business plans, information technology applications, risk management, business competition conditions and other strategic issues.
- Description of the duties and responsibilities of the Board of Commissioners, the Board of Directors, as well as the committees under the Board of Commissioners and committees under the Board of Directors.
- Description of The Bank's key stakeholders and The Bank's social responsibility.
- Internal control system, audit systems and audit findings that have not been fully acted upon and legal cases involving The Bank.
- Implementation of GCG within The Bank.

In 2018, The Bank conducted an orientation and induction program to the new President Director, namely Zhang Jinxing.

TRAINING AND COMPETENCY DEVELOPMENT

The Bank has policies related to the development and enhancement of the Board of Directors, which are conducted through trainings and workshops. The trainings and development of the Board of Directors can be referred to the Company Profile section in this annual report.

BOARD OF DIRECTORS BOARD CHARTER

The Bank has in place the guidelines and working procedures of the Board of Directors (*Board Charter*), which was ratified on June 30, 2015.

The Board Charter serves as a guideline for each member of the Board of Directors to maintain professional and productive working relationships in an efficient manner in performing their duties as well as understanding each roles and authorities.

Direksi
Board of Directors

TUGAS DAN TANGGUNG JAWAB

Berkaitan dengan pelaksanaan tugas, Direksi Bank mengacu pada pedoman dan tata tertib direksi berdasarkan Undang-Undang No. 40 Tahun 2007 tanggal 16 Agustus 2007 tentang Perseroan Terbatas; POJK No. 55/POJK.03/2016 tentang Penerapan Tata Kelola bagi Bank Umum; serta Anggaran Dasar Bank.

Tanggung Jawab

Direksi Bank bertanggung jawab dalam hal-hal sebagai berikut:

- Bertanggung jawab penuh atas pelaksanaan kepengurusan Bank untuk kepentingan dan tujuan Bank.
- Bertanggung jawab penuh atas pelaksanaan tugas kepada pemegang saham melalui RUPS.
- Wajib mengelola Bank sesuai dengan kewenangan dan tanggung jawab Direksi sebagaimana diatur dalam Anggaran Dasar dan peraturan perundang-undangan.
- Wajib menerapkan prinsip-prinsip tata kelola yang baik dalam setiap kegiatan usaha Bank pada seluruh tingkatan atau jenjang organisasi.
- Direksi paling sedikit wajib membentuk Satuan Kerja Audit Internal (SKAI); Satuan Kerja Manajemen Risiko (SKMR) dan Komite Manajemen Risiko; dan Satuan Kerja Kepatuhan.
- Wajib menciptakan struktur pengendalian intern, menjamin terselenggaranya fungsi audit internal dalam setiap tingkatan manajemen dan menindaklanjuti temuan audit dan rekomendasi dari SKAI Bank, auditor eksternal, hasil pengawasan OJK dan/atau hasil pengawasan otoritas lain, dan melaporkan kegiatan tersebut kepada RUPS.
- Mendorong terciptanya budaya kepatuhan melalui perumusan strategi, kebijakan kepatuhan, menetapkan sistem dan prosedur kepatuhan, dan memastikan bahwa seluruh kebijakan, ketentuan, sistem, dan prosedur, serta kegiatan usaha yang dilakukan Bank telah sesuai dengan ketentuan OJK dan peraturan perundang-undangan.
- Meminimalkan risiko kepatuhan Bank.
- Sesuai dengan POJK No. 46/POJK.03/2017, Direktur yang membawahi fungsi kepatuhan wajib

DUTIES AND RESPONSIBILITIES

In implementing its duties, the Board of Directors of The Bank refers to the Board's guidelines and procedures, which are based on Law No. 40/2007 dated August 16, 2007 on Limited Liability Company; POJK No. 55/POJK.03/2016 on GCG Implementation for Commercial Banks; and the Bank's Articles of Association.

Responsibilities

The Bank's Board of Directors is responsible for the following matters:

- Fully responsible for the execution of The Bank's management in the interests and objectives of The Bank.
- Fully responsible for the performance of duties to shareholders through the GMS.
- Responsible to manage The Bank in accordance with the authorities and responsibilities of the Board of Directors as stipulated in the Articles of Association and laws and regulations.
- Responsible to apply the Good Governance principles in each of The Bank's business activities at all levels of the organization.
- The Board of Directors shall at least be required to establish the Internal Audit Unit; Risk Management Unit and Risk Management Committee; and Compliance Unit.
- Responsible to establish internal control structures, ensure the implementation of The Bank's internal audit function at all levels of management and follow up the audit findings and recommendations of The Bank's internal audit unit, external auditors, the results of the supervision of OJK and/or the results of supervision of other authorities, and shall report the activity to GMS.
- Encourage the creation of compliance culture through strategy formulation, compliance policy, compliance systems and procedures, and ensure that all policies, regulations, systems, procedures and business activities conducted by The Bank are in compliance with the provisions of OJK, laws and regulations.
- Minimize The Bank compliance risk.
- In reference to POJK No. 46/POJK.03/2017, the Director in charge of compliance function must

Direksi
Board of Directors

melaporkan pelaksanaan tugas dan tanggung jawabnya kepada Presiden Direktur dengan tembusan kepada Dewan Komisaris, serta menyampaikan laporan kepada OJK tentang pelaksanaan tugasnya.

- Memastikan bahwa Bank memiliki kebijakan dan prosedur penerapan program APU dan PPT, serta melakukan pengawasan atas kepatuhan unit kerja yang dibentuk dalam menerapkan program APU dan PPT.
- Menyusun dan menyempurnakan kebijakan dan prosedur alih daya, termasuk memantau, mengevaluasi, dan bertanggung jawab atas penerapan manajemen risiko atas alih daya.
- Menetapkan rencana strategis Teknologi Informasi dan kebijakan Bank terkait penggunaan teknologi informasi, dan memastikan penerapan proses manajemen risiko dalam penggunaan teknologi informasi dilaksanakan secara memadai dan efektif.
- Memelihara dan memantau tingkat kesehatan Bank serta mengambil langkah-langkah yang diperlukan untuk memelihara dan/atau meningkatkan tingkat kesehatan Bank.
- Sesuai dengan POJK No. 4/POJK.03/2016, Direksi bersama-sama dengan Dewan Komisaris, dan/atau pemegang saham pengendali wajib menyampaikan rencana tindak (*action plan*) kepada OJK.
- Menetapkan rencana, kebijakan dan prosedur Bank untuk aktivitas keagenan produk keuangan luar negeri, termasuk memantau dan mengevaluasinya.
- Menetapkan kebijakan dan prosedur tertulis transparansi informasi produk Bank dan penggunaan data pribadi nasabah.
- Menyusun dan melaksanakan rencana bisnis secara efektif, dan mengkomunikasikan rencana bisnis kepada pemegang saham Bank dan seluruh jenjang organisasi yang ada pada Bank.
- Menyusun kebijakan dan strategi manajemen risiko secara tertulis dan komprehensif, serta bertanggung jawab atas pelaksanaan kebijakan manajemen risiko dan eksposur risiko yang diambil oleh Bank secara keseluruhan.
- Direksi bersama-sama dengan Dewan Komisaris Bank wajib menumbuhkan budaya dan kepedulian *anti-fraud* pada seluruh jajaran organisasi Bank.

report the execution of its duties and responsibilities to the President Director with copies to the Board of Commissioners, and shall submit a report to OJK concerning the performance of its duties.

- Ensure that The Bank has policies and procedures for implementing AML and CTF programs, and supervising the compliance of the established work units in implementing the AML and CTF programs.
- Develop and refine the outsourcing policies and procedures, including monitoring and evaluating the overall implementation of the outsourcing.
- Establish the Information Technology strategic plan and The Bank's policy regarding the use of information technology, and ensure that the implementation of risk management process in the use of information technology is carried out adequately and effectively.
- Maintain and monitor The Bank's soundness rating and taking necessary steps to maintain and/or improve The Bank's soundness rating.
- Pursuant to POJK No. 4/POJK.03/2016, the Board of Directors together with the Board of Commissioners and/or controlling shareholders must submit action plan to OJK.
- Establish The Bank's plan, policies and procedures for agency activities related to overseas financial products, including its monitoring and evaluation.
- Establish the policies and procedures of The Bank's product information transparency, as well as of the use of customers' personal data.
- Prepare and implement the business plan effectively, and to communicate the business plan to The Bank's shareholders and all levels of the organization in The Bank.
- Develop the risk management policy and strategy comprehensively in writing, and be responsible for the implementation of risk management policy and risk exposure taken by The Bank as a whole.
- The Board of Directors together with the Board of Commissioners of The Bank shall foster the culture of and concern for anti-fraud in all levels of The Bank's organization.

Direksi
Board of Directors

- Wajib menilai dan memantau kualitas aset, serta mengambil langkah-langkah yang diperlukan agar kualitas aset senantiasa baik.
- Menyusun kebijakan remunerasi yang paling sedikit memuat struktur remunerasi, skala remunerasi berdasarkan tingkat dan jabatan, serta komponen remunerasi, termasuk metode dan mekanisme penetapan remunerasi.
- The Board of Directors shall assess and monitor the assets quality, including taking the necessary steps to ensure continuous appropriation of assets quality.
- Develop the remuneration policy containing at least the remuneration structure, remuneration scale based on level and position, and remuneration component, as well as method and mechanism for determining remuneration.

Pembagian Lingkup Tugas Anggota Direksi

Dalam menjalankan tugasnya, setiap anggota Direksi memiliki lingkup tugas dan tanggung jawab masing-masing, yaitu:

Board of Directors Delegation of Duties

In performing their duties, the members of the Board of Directors have their respective duties and responsibilities, as follows:

NAMA NAME	JABATAN POSITION	LINGKUP TUGAS DAN TANGGUNG JAWAB SCOPE OF DUTIES AND RESPONSIBILITIES
Zhang Jinxing	Presiden Direktur President Director	<i>Financial Management</i> <i>Internal Audit</i> <i>Strategy Management and Investor Relation</i>
Yu Guangzhu	Direktur Director	<i>Credit Management</i> <i>Credit Review</i>
Jeff S. V. Eman	Direktur Director	<i>Information Technology</i> <i>Management Information and Accounting</i> <i>Loan Operation</i> <i>Operation Management</i> <i>Bills Center</i>
Xin Haiyan	Direktur Director	<i>Corporate Banking I</i> <i>Corporate Banking II</i> <i>Corporate Banking Surabaya</i> <i>Trade Finance</i>

Direksi
Board of Directors

NAMA NAME	JABATAN POSITION	LINGKUP TUGAS DAN TANGGUNG JAWAB SCOPE OF DUTIES AND RESPONSIBILITIES
Thomas Arifin	Direktur Director	Global Market SME Banking Consumer Banking Branches
Sandy T. Muliana	Direktur Director	Compliance Anti-Money Laundering Risk Management
Fransisca Nelwan Mok	Direktur Director	Human Resources General Affairs Special Asset Management Legal

PERNYATAAN INDEPENDENSI DIREKSI

Direksi Bank wajib bersifat independen dalam memutuskan hal-hal terkait kepentingan Perseroan.

Masing-masing anggota Direksi wajib menghindari benturan kepentingan dari pihak manapun termasuk hubungan keluarga dengan Anggota Direksi dan Dewan Komisaris.

Seluruh anggota Direksi Bank telah menandatangani Surat Pernyataan yang menyatakan pemenuhan seluruh kriteria dan independensi jabatannya sesuai kriteria yang disyaratkan oleh Peraturan perundang-undang yang berlaku.

INDEPENDENCE STATEMENT OF THE BOARD OF DIRECTORS

The Bank's Board of Directors shall be independent in deciding matters concerning the interests of The Bank.

Each member of the Board of Directors shall avoid any conflict of interest from any party including family relationships with members of the Board of Directors and Board of Commissioners.

All members of The Bank's Board of Directors have signed Statement certifying fulfillment of criteria as well as his/her independency of position in accordance with the criteria as set under prevailing regulations.

Direksi
Board of Directors



Direksi
Board of Directors

ICBC PT. BANK ICBC INDONESIA

**DIRECTOR
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER¹
As of 31 December 2018**

To comply with with OJK Regulation No.55/POJK.03/2016, dated December 7th, 2016 regarding The Implementation of Good Corporate Governance, as Director of PT Bank ICBC Indonesia, herewith I declare the following:

1. I do not hold another position as a member of the Board of Commissioners, the Board of Directors or Executive Officer at a bank, company and/or other institution.
2. I do not own, individually or jointly, shares of more than 25% (twenty five percent) from the paid in capital of PT Bank ICBC Indonesia and/or another company.
3. I have/do not have² family and/or financial relationship up to the second degree with other members of the Board of Directors and/or members of the Board of Commissioners, as stated on "Financial and Family Relationship Form" (attachment 1).
4. I never extend a general power of attorney to other parties which will result in transfer of my tasks and functions.
5. With regard to having an individual advisory and/or professional service as a consultant, I have complied with the prevailing regulation.
6. I own/do not own³ shares of PT Bank ICBC Indonesia and/or other bank and/or non-bank financial institution and/or other company, as stated on "Share Ownership Form" (attachment 2).
7. I never use the Bank for self, family, and other party's interests which may cause a loss or decrease the profit of the Bank.
8. I never taking and/or receiving a personal gain from the Bank other than remuneration and other facilities as stipulated in the General Meeting of Shareholders.

I certify that the information made in this form is true and this Statement Letter is made to be used as it is appropriate.

Jakarta, 31 December 2018


Six Hidariz
Director

¹ This statement letter is an integral part of following attachment:
• Attachment 1: Financial and Family Relationship Form
• Attachment 2: Share Ownership Form
• Attachment 3: Declaration and Requirements
² None as necessary

ICBC PT. BANK ICBC INDONESIA

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Jakarta, 31 December 2018


Yuchengqin
Director

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Jakarta, 31 December 2018


Pratiwi Sulastika
Director

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ICBC PT. BANK ICBC INDONESIA

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Jakarta, 31 December 2018


Agus V. Fiant
Director

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PENILAIAN PENERAPAN GCG 2018 TERHADAP DEWAN KOMISARIS DAN DIREKSI

2018 GCG Assessment for the Board of Commissioners and Board of Directors

Bank melakukan *self-assessment* terhadap penerapan GCG tahun 2018 sejalan dengan periode penilaian *Risk-Based Bank Rating* (RBBR) yang dilakukan setiap semester sebagaimana dimaksud dalam Surat Edaran OJK No. 13/SEOJK.03/2017 tentang Pelaksanaan Tata Kelola Bagi Bank Umum.

Berdasarkan acuan tersebut, Bank melakukan *self-assessment* secara berkala terhadap 11 (sebelas) faktor penilaian penerapan GCG, dimana 2 (dua) faktor diantaranya merupakan Dewan Komisaris dan Direksi, yaitu:

1. Pelaksanaan tugas dan tanggung jawab Dewan Komisaris.
2. Pelaksanaan tugas dan tanggung jawab Direksi.

Hasil *self-assessment* tahun 2018 terhadap kedua aspek di atas menunjukkan berfungsinya perangkat organ Dewan Komisaris dan Direksi, dengan hasil sebagai berikut:

The Bank conducts *self-assessment* of GCG implementation in 2018 in accordance with the period of *Risk-Based Bank Rating* (RBBR) assessment conducted every semester as referred to in OJK Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Governance for Commercial Banks.

Based on these guidelines, the The Bank conducts the *self-assessment* regularly for 11 (eleven) GCG implementation assessment factors, of which 2 (two) factors are on the Board of Commissioners and Board of Directors, namely:

1. Implementation of duties and responsibilities of the Board of Commissioners.
2. Implementation of duties and responsibilities of the Board of Directors.

The results of the assessment in 2018 on the above aspects indicate the proper functioning of the organ of the Board of Commissioners and the Board of Directors, with the following results:

FAKTOR PENILAIAN PENERAPAN GCG ASSESSMENT FACTOR OF GCG IMPLEMENTATION	SKOR SCORE
Pelaksanaan tugas dan tanggung jawab Dewan Komisaris Implementation of duties and responsibilities of the Board of Commissioners	1
Pelaksanaan tugas dan tanggung jawab Direksi Implementation of duties and responsibilities of the Board of Directors	2

Realisasi/Tindak Lanjut atas Hasil Rekomendasi Realization/Follow Up on Recommendations

REKOMENDASI ATAS ASSESSMENT PENERAPAN GCG TAHUN 2017 & 2018 RECOMMENDATION ON THE GCG IMPLEMENTATION ASSESSMENT IN 2017 & 2018	TINDAK LANJUT DI TAHUN 2018 FOLLOW UP IN 2018		
	STATUS	PERIODE TINDAK LANJUT FOLLOW UP PERIODS	BENTUK REALISASI/TINDAK LANJUT REALIZATION/FOLLOW UP
Aspek Dewan Komisaris Board of Commissioners Aspect			
Bank harus menjaga kinerja dan independensi Audit Internal dan Satuan Kerja Manajemen Risiko. The Bank shall maintain the performance and independency of Internal Audit and Risk Management Unit.	○	2019	OJK memberikan masukan pada rapat RBB tanggal 19 Desember 2018 bahwa Komisaris Independen harus menjaga kinerja dan independensi Audit Internal dan Satuan Kerja Manajemen Risiko. OJK mentioned in RBB meeting on December 19, 2018 that Independent Commissioners must maintain the performance of Internal Audit and Risk Management Unit, also to maintain the independency of Internal Auditor.

Penilaian Penerapan GCG 2018 Terhadap Dewan Komisaris dan Direksi
2018 GCG Assessment for the Board of Commissioners and Board of Directors

REKOMENDASI ATAS ASSESSMENT PENERAPAN GCG TAHUN 2017 & 2018 RECOMMENDATION ON THE GCG IMPLEMENTATION ASSESSMENT IN 2017 & 2018	TINDAK LANJUT DI TAHUN 2018 FOLLOW UP IN 2018		
	STATUS	PERIODE TINDAK LANJUT FOLLOW UP PERIODS	BENTUK REALISASI/TINDAK LANJUT REALIZATION/FOLLOW UP
Aspek Direksi Board of Directors Aspect			
Pemisahan tugas dan wewenang Direktur yang membawahi SAM dan <i>General Affairs</i> Bank	●	2018	Bank telah memisahkan tugas dan wewenang Direktur yang membawahi SAM dan <i>General Affairs</i> sesuai dengan struktur organisasi Bank yang baru.
Separation of duties and authorities of the Director in charge of SAM and General Affairs			The Bank has carried out the separation of duties and authorities of the Director in charge of SAM and General Affairs in accordance with The Bank's new organization structure.
Direksi perlu memonitor komitmen terhadap regulator: Kemajuan <i>onshoring</i> dan pengawasan untuk menghindari NPL baru serta menyelesaikan akun NPL yang ada.	●	2019	Bank telah mengirimkan <i>action plan</i> yang lebih detail terkait dengan <i>onshoring</i> dan Bank telah menerapkan mekanisme pemantauan terhadap akun-akun yang termasuk dalam <i>watchlist</i> untuk menghindari timbulnya NPL baru.
The Board of Directors shall closely monitor the commitment to regulator: Progress of <i>onshoring</i> and oversight in order to prevent new NPL and settle the existing NPL accounts.			The Bank has submitted a more detailed action plan on the <i>onshoring</i> progress and The Bank has implemented monitoring mechanism on the <i>watchlist</i> accounts to prevent the occurrence of new NPL.
Bank perlu memfinalisasi kebijakan mengenai mekanisme remunerasi yang jelas.	○	2019	Bank sedang dalam tahap finalisasi kebijakan yang dimaksud.
The Bank needs to finalize the policy regarding clear mechanism for remuneration.			The Bank is under finalization phase of such policy.

PENILAIAN KINERJA DEWAN KOMISARIS DAN DIREKSI

Metode/Mekanisme Penilaian

Penilaian faktor GCG merupakan penilaian terhadap kualitas manajemen Bank atas pelaksanaan prinsip GCG, dengan memperhatikan signifikansi atau materialitas suatu permasalahan terhadap penerapan GCG secara *bank-wide*, sesuai skala, karakteristik dan kompleksitas usaha Bank. Penilaian tersebut dikelompokkan dalam suatu *governance system* yang terdiri dari 3 (tiga) aspek *governance*, yaitu: *governance structure*, *governance process*, dan *governance outcome*.

Hasil Penilaian

Governance Structure

- Seluruh anggota Direksi memiliki integritas, kompetensi dan reputasi keuangan yang memadai.
- Seluruh Komisaris Independen tidak ada yang memiliki hubungan keuangan, kepengurusan, kepemilikan dan hubungan keluarga dengan anggota Dewan Komisaris lainnya, Direksi dan/

BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

Assessment Methods/Mechanisms

The GCG assessment factors is the assessment of the quality of The Bank management in implementing GCG principles, by taking into account the significance or materiality of an issue to the implementation of GCG bank-wide, based on the scale, characteristics and complexity of The Bank's business. The assessment is grouped into a governance system comprising three (3) aspects of governance: governance structures, governance process, and governance outcomes.

Assessment Results

Governance Structure

- All members of the Board of Directors have integrity, competency and adequate financial reputation.
- All Independent Commissioners does not have financial relationship, management, ownership and family relationship with the other Board of Commissioners members, Directors and/

Penilaian Penerapan GCG 2018 Terhadap Dewan Komisaris dan Direksi
2018 GCG Assessment for the Board of Commissioners and Board of Directors

- atau pemegang saham pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuannya untuk bertindak independen.
- Dewan Komisaris dan Direksi memiliki sarana mekanisme komunikasi melalui BOC – BOD *communication meeting* yang dilaksanakan secara berkala. Pada pertemuan tersebut, dibahas hal-hal terkini yang berkaitan dengan perkembangan perusahaan maupun permasalahan yang dihadapi.
- Frekuensi komunikasi dan pemantauan oleh Dewan Komisaris mengenai kondisi Bank (tingkat koreksi terhadap audit OJK, manajemen risiko dan Anti Pencucian Uang-APU) telah meningkat.
- Bank telah membuat perbaikan terhadap *governance structure* terutama pada komposisi Direksi dan struktur organisasi.
- Saat ini Bank telah menindak-lanjuti sebagian besar (98%) temuan audit OJK dan temuan audit internal yang berpengaruh pada penilaian RBBR dan GCG secara keseluruhan.
- Risalah rapat telah dibuat dalam format percakapan individu dan secara jelas mengungkapkan orang yang berbicara dalam rapat termasuk yang berbeda pendapat. Hal ini didukung dengan rekaman seluruh percakapan dalam rapat.
- Bank telah memperbaiki kebijakan, prosedur dan metodologi dalam melakukan identifikasi, pengukuran, pemantauan, dan pengendalian risiko dengan unit kerja yang melakukan dan menyelesaikan transaksi (unit pengambilan risiko).
- Bank telah memperbaiki kebijakan dan prosedur mengenai *risk appetite* dan mitigasi untuk penerimaan kredit.
- Bank telah menyelesaikan kebijakan untuk mengatur pihak terkait dan eksposur besar termasuk batas sesuai dengan prinsip kehati-hatian.
- Bank telah menyerahkan dan mempresentasikan rencana perusahaan jangka panjang kepada OJK.

Governance Process

- Seluruh komite telah menjalankan tugasnya dengan baik dan membantu Dewan Komisaris dalam memantau risiko yang mungkin terjadi.
- Dewan Komisaris telah melaksanakan pengawasan terhadap pelaksanaan tugas dan tanggung jawab

or controlling shareholders or relationship with The Bank, which may impact their ability to act independently.

- The Board of Commissioners and Board of Directors already have communication mechanism through the BOC – BOD communication meeting which conducted regularly. At the meeting, current matters related to the company development as well as issues were discussed.
- The frequency of communication and monitoring by the Board of Commissioners regarding The Bank conditions (OJK audit rectification rate, risk management, Anti Money Laundering-AML concerns) has been improved.
- The Bank has made improvement to the governance structure, especially in the composition of the Board of Directors and organizational structure.
- Currently, The Bank has followed up most of OJK audit findings (98%) and internal audit findings, which impact on the overall RBBR and GCG assessment.
- The Minutes of Meeting (MoM) has been developed in the format of individual conversations and clearly disclosed the spoke person in the meeting including a dissenting opinion. This is supported by recording of the entire conversation in the meeting.
- The Bank has improved the policy, procedure and methodology in performing risk identification, measurement, monitoring, and control with the working unit that conducts and settles the transactions (risk taking unit).
- The Bank has improved the policy and procedure regarding risk appetite and mitigation for credit acceptance.
- The Bank has already finalized the policy to govern related party and large exposures including limit in line with the prudential principle.
- The Bank has submitted and presented long-term corporate plan to OJK.

Governance Process

- All committees have performed their duties well and able to assist the Board of Commissioners in monitoring probable risk event.
- The Board of Commissioners has performed its duties to conduct supervision to the implementation

Penilaian Penerapan GCG 2018 Terhadap Dewan Komisaris dan Direksi
2018 GCG Assessment for the Board of Commissioners and Board of Directors

Direksi secara berkala maupun sewaktu-waktu, serta memberikan nasihat kepada Direksi.

- Dewan Komisaris tidak terlibat dalam pengambilan keputusan kegiatan operasional Bank, kecuali dalam hal penyediaan dana kepada pihak terkait dan hal-hal lain yang ditetapkan dalam Anggaran Dasar Bank dan/atau peraturan perundangan yang berlaku dalam rangka melaksanakan fungsi pengawasan.
- Direksi telah memberikan perhatian yang sangat serius terhadap tindak lanjut temuan hasil pemeriksaan OJK dan memastikan tindak lanjut tersebut dipenuhi sesuai komitmen.
- Direksi telah secara aktif terlibat dalam komunikasi dengan regulator (OJK dan BI).
- Direksi telah secara aktif menindaklanjuti perbaikan atas temuan audit dan sanksi regulator.
- Bank telah mengkomunikasikan rencana bisnis Bank pada tanggal 19 Desember 2018 dan OJK telah memberikan beberapa masukan terhadap angka-angka finansial.
- Direksi Bank telah mengkomunikasikan rencana bisnis Bank kepada pemegang saham dan semua level organisasi.

Governance Outcome

- Bank telah menindaklanjuti 98% temuan audit OJK sesuai dengan target penyelesaian posisi Desember 2018.
- Bank telah meningkatkan implementasi sistem kontrol internal yang andal dan komprehensif pada kredit dan kegiatan operasional dengan memperluas ruang lingkup audit.
- Laporan-laporan yang diwajibkan oleh Bank Indonesia/OJK telah disampaikan kepada regulator maupun pihak lain sesuai dengan ketentuan yang berlaku.
- Tidak terdapat permasalahan terkait dengan penunjukan, komunikasi dan independensi serta ruang lingkup pekerjaan dari eksternal auditor.

of the Board of Directors duties and responsibilities regularly or ad hoc, including providing advice to the Board of Directors.

- The Board of Commissioners does not involve in the decision of operational aspect of The Bank, except on the aspect of funding to related party and other issues, which is determined in The Bank's Articles of Association and/or the prevailing laws in performing its supervisory function.
- The Board of Directors has rendered a serious attention to OJK findings follow up and ensuring the said follow up has been met according to the commitment.
- The Board of Directors has actively involved in communication with regulators (OJK and BI)
- The Board of Directors actively follows up on the regulatory audit findings rectification and regulatory sanctions.
- The Bank has communicated The Bank's business plan to OJK on December 19, 2018 and OJK has acknowledged the financial figure with several suggestions.
- The Bank's Board of Directors has communicated The Bank's business plan to shareholders and to all level of organizations.

Governance Outcome

- The Bank has followed up 98% audit findings from OJK as of a target dated of December 2018.
- The Bank has improved the implementation of reliable and comprehensive internal control system on credit and operational activities by expanding the audit scope.
- A regulatory report that must be submitted to Bank Indonesia/OJK has been reported accordingly to the regulator or other parties in line with the prevailing regulations.
- No issues related to the appointment, communication, independency and scope of work of external auditors.



KEBIJAKAN REMUNERASI DEWAN KOMISARIS DAN DIREKSI

Remuneration Policy of the Board of Commissioners and Board of Directors

Berdasarkan Undang-undang Undang-Undang No. 40 Tahun 2007 tentang Perseroan Terbatas dan Anggaran Dasar Peseroan; gaji, honorarium, atau tunjangan yang diberikan kepada Anggota Dewan Komisaris dan Direksi harus ditetapkan dalam keputusan Rapat Umum Pemegang Saham (RUPS).

Remunerasi Dewan Komisaris dan Direksi Bank direkomendasikan oleh Komite Remunerasi dan Nominasi, untuk kemudian diserahkan kepada Dewan Komisaris dan disampaikan kepada RUPS untuk mendapatkan persetujuan.

Pursuant to Law No.40 Year 2007 concerning the Limited Liability Companies and Articles of Association; the General Meeting of Shareholders (GMS) shall approve the salary, fees, or benefits paid to the Board of Commissioners and Board of Directors members.

The Remuneration and Nomination Committee provides recommendation of remuneration for the Bank's Board of Commissioners and Board of Directors, for further submission to the GMS for approval.

Prosedur Remunerasi Dewan Komisaris dan Direksi
Remuneration Procedures of the Board of Commissioners and Board of Directors



INDIKATOR PENETAPAN REMUNERASI

Rekomendasi remunerasi oleh Komite Remunerasi dan Nominasi disusun berdasarkan formulasi remunerasi yang mengacu kepada kebijakan internal Bank, peraturan eksternal yang berlaku, komparasi industri serta mempertimbangkan kinerja Bank.

Penetapan remunerasi Dewan Komisaris dan Direksi direkomendasikan oleh Komite Remunerasi dan Nominasi dengan mengacu kepada prinsip-prinsip remunerasi Bank dan hasil penilaian atas pencapaian target (*goal setting*), peraturan yang berlaku, komparasi industri dan kinerja Bank.

REMUNERATION DETERMINATION INDICATORS

The remuneration recommendations by the Remuneration and Nomination Committee are prepared based on the remuneration formulation referring to The Bank's internal policies, applicable external regulations, industrial comparisons and consideration of The Bank's performances.

The remuneration of the Board of Commissioners and the Board of Directors is recommended by the Remuneration and Nomination Committee with reference to The Bank's remuneration principles and the assessment results of the target setting, applicable regulations, industrial comparison and The Bank's performances.

Kebijakan Remunerasi Dewan Komisaris dan Direksi
Remuneration Policy of the Board of Commissioners and Board of Directors

Jumlah Remunerasi Diterima dalam 1 Tahun

Total Remuneration Accepted in 1 Year

TOTAL REMUNERATION PER ORANG DALAM 1 TAHUN TOTAL REMUNERATION PER PERSON IN 1 YEAR	JUMLAH KOMISARIS NUMBER OF COMMISSIONERS	JUMLAH DIREKTUR NUMBER OF DIRECTORS
Diatas IDR2 miliar Above IDR2 billion	0	8
Diatas IDR1 miliar s.d IDR2 miliar Above IDR1 billion up to IDR2 billion	1	1
Diatas IDR500 juta s.d IDR1 miliar Above IDR500 million up to IDR1 billion	1	0
Dibawah IDR500 juta IDR500 million or less	1	0
TOTAL	3	9

Jumlah anggota Direksi awal tahun adalah 9 (sembilan) dan pada akhir tahun menjadi 7 (tujuh) orang.
The number of Board of Directors' members earlier in the year is 9 (nine) and at the end of the year to 7 (seven).

Jumlah anggota Dewan Komisaris awal tahun adalah 3 (tiga) dan pada akhir tahun menjadi 2 (dua) orang.
The number of Board of Commissioners' members earlier in the year is 3 (three) and at the end of the year to 2 (two).

RASIO GAJI

Rasio gaji tertinggi dan terendah dalam lingkup organisasi Bank adalah sebagai berikut:

SALARY RATIO

The ratio of the highest and lowest salaries within the scope of The Bank's organization is as follows:

RASIO GAJI SALARY RATIO	2018	2017
Gaji Direktur tertinggi terhadap gaji Direktur paling rendah The highest salary of Directors compared to the lowest salary of Directors	2,04 : 1	1,32 : 1
Gaji Direktur tertinggi terhadap gaji Komisaris tertinggi The highest salary of Directors compared to the highest salary of Commissioners	7,29 : 1	3,58 : 1
Gaji Komisaris tertinggi terhadap gaji Komisaris paling rendah The highest salary of Commissioners compared to the lowest salary of Commissioners	1,14 : 1	1 : 1
Gaji Direktur tertinggi terhadap gaji karyawan tertinggi The highest salary of Directors compared to the highest salary of employees	2,48 : 1	1,55 : 1
Gaji karyawan tertinggi terhadap gaji karyawan paling rendah The highest salary of employees compared to the lowest salary of employees	34,55 : 1	32,21 : 1
Gaji karyawan paling rendah terhadap Upah Minimum Provinsi (UMP) The lowest salary of employees compared to the Provincial Minimum Wage	0,81 : 1	1,10 : 1

OPSI SAHAM DAN BUY BACK

Hingga akhir tahun 2018, Bank tidak memiliki kebijakan mengenai Opsi Saham bagi Dewan Komisaris dan Direksi.

STOCK OPTIONS AND BUY BACK

By the end of 2018, The Bank does not have a policy on stock options for the Board of Commissioners and Board of Directors.



RAPAT DEWAN KOMISARIS DAN DIREKSI

Board of Commissioners and Board of Directors Meetings

RAPAT DEWAN KOMISARIS

Rapat Dewan Komisaris dilaksanakan berdasarkan Peraturan OJK no. 55/POJK.03/2016 mengenai penetapan rapat Dewan Komisaris yang diwajibkan untuk mengadakan rapat minimum satu kali dalam dua bulan.

Kebijakan Rapat Dewan Komisaris

Kebijakan rapat Dewan Komisaris diatur dalam *Board Charter* dengan pokok-pokok sebagai berikut:

- Keputusan rapat Dewan Komisaris diambil berdasarkan musyawarah untuk mufakat. Dalam hal keputusan secara musyawarah untuk mufakat tidak tercapai, maka keputusan diambil berdasarkan suara setuju lebih dari ½ (setengah) jumlah suara yang sah dalam rapat. Dalam hal suara yang setuju dan tidak setuju berimbang maka usul harus dianggap ditolak.
- Dewan Komisaris dapat pula mengambil keputusan yang sah tanpa mengadakan rapat Komisaris dengan ketentuan semua anggota Komisaris telah diberitahu secara tertulis dan semua anggota Komisaris memberikan persetujuan mengenai usul yang diajukan secara tertulis serta menandatangani persetujuan tersebut. Keputusan yang diambil dengan cara demikian mempunyai kekuatan yang sama dengan keputusan yang diambil dengan sah dalam rapat Komisaris. Keputusan Dewan Komisaris mengikat seluruh anggota Dewan Komisaris.

Agenda dan Frekuensi Rapat

Sepanjang tahun 2018, Dewan Komisaris menyelenggarakan rapat sebanyak 4 (empat) kali. Berikut disampaikan agenda dan tingkat kehadiran Dewan Komisaris dalam rapat-rapat tersebut.

Agenda Rapat Dewan Komisaris

Board of Commissioners Meeting Agenda

TANGGAL DATE	AGENDA
27-Mar-18	<ol style="list-style-type: none"> 1. Measures to be taken to improve GCG rating 2. OJK's concerns: <ol style="list-style-type: none"> 2.1. Organization structure 2.2. NPL progress and action plan 2.3. DC-DRC updates

BOARD OF COMMISSIONERS MEETING

The Board of Commissioners meetings is implemented pursuant to the OJK Regulation no. 55/POJK.03/2016 on the meeting convention by the Board of Commissioners at least once every two months.

Board of Commissioners Meeting Policy

The Board of Commissioners meeting policy is accommodated under the Board Charter with the following key points:

- The decision of the Board of Commissioners meeting is based on deliberations to reach consensus. In the event that a consensus decision is not reached, a decision is made on the basis of a vote agreeing to more than ½ (half) the number of valid votes in the meeting. In the case of agreeing and disagreeing votes are equal then the proposal shall be deemed to be rejected.
- The Board of Commissioners may also make informed decisions without holding a Board of Commissioners meeting provided that all members of the Board of Commissioners have been notified in writing and all members of the Board of Commissioners agree on the proposal submitted in writing and sign the agreement. The decisions taken in this way have the same power as the decisions taken legitimately in the Board of Commissioners meetings. Decisions of the Board of Commissioners are binding to all members of the Board of Commissioners.

Meetings Agenda and Frequencies

Throughout 2018, the Board of Commissioners held 4 (four) meetings. The following are the Board of Commissioners meetings agenda and attendance.

Rapat Dewan Komisaris dan Direksi
Board of Commissioners and Board of Directors Meetings

TANGGAL DATE	AGENDA
13-Sep-18	<ol style="list-style-type: none"> 1. Working progress, challenges and working plan in Business Units 2. DC-DRC updates 3. Financial performance 4. Organization structure
19-Oct-18	<ol style="list-style-type: none"> 1. Corporate Plan 2019-2023 2. Projection of financial figures by end of 2018 3. NPL updates 4. Exchange program of local and expatriate employees
21-Dec-18	<ol style="list-style-type: none"> 1. AC work summary in 2018 and work plan in 2019 2. RMC work summary in 2018 and work plan in 2019 3. RNC work summary in 2018 and work plan in 2019 4. NPL updates 5. DC-DRC updates 6. AML and Compliance activities

Kehadiran Rapat Dewan Komisaris

Board of Commissioners Meeting Attendance

BOC	27-MAR-18	13-SEP-18	19-OCT-18	21-DEC-18	TOTAL RAPAT TOTAL MEETINGS	TOTAL KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Wang Kun	1	1	1	1	4	4	100%
Hendra Widjojo	1	1	1	1	4	4	100%
H. Yunno Kusumo*		1	1	1	3	3	100%
Christina Harapan**	1				1	1	100%

* efektif penunjukkan per tanggal 29 Agustus 2018/officially appointed as of August 29, 2018

** efektif pengunduran diri per tanggal 31 Mei 2018/officially resigned as of May 31, 2018

RAPAT DIREKSI

Rapat Direksi dilaksanakan berdasarkan Peraturan OJK no. 55/POJK.03/2016 tentang penetapan kewajiban rapat Direksi minimum satu kali sebulan. Selain dari kewajiban tersebut, rapat Direksi juga dapat dilaksanakan setiap waktu apabila dan ketika diperlukan.

Kebijakan Rapat Direksi

Rapat Direksi dilaksanakan di kantor pusat Bank, lokasi usaha atau lokasi lain yang disetujui oleh Direksi. Namun, rapat juga dapat dilaksanakan melalui media komunikasi lainnya, yang mana para direktur dapat berkomunikasi satu sama lainnya dan berpartisipasi seperti kehadiran dalam rapat.

Agenda dan Frekuensi Rapat

Sepanjang tahun 2018, Direksi menyelenggarakan rapat sebanyak 28 (dua puluh delapan) kali. Berikut disampaikan agenda dan tingkat kehadiran Direksi dalam rapat-rapat tersebut.

BOARD OF DIRECTORS MEETINGS

The Board of Directors meeting is implemented based on OJK Regulation no. 55/POJK.03/2016 on the meeting convention of Board of Directors at least once a month. Furthermore, the Board of Directors may convene a meeting when is deemed necessary.

Board of Directors Meeting Policy

The Board of Directors meeting is held at The Bank head office, other business locations or places agreed by the Board of Directors. However, the meeting can also be done via other means of communication, through which the directors can communicate with one another and participate as if they are present in that meeting.

Meetings Agenda and Frequencies

Throughout 2018, the Board of Directors held 28 (twenty-eight) meetings. The following are the Board of Directors meetings agenda and attendance.

Rapat Dewan Komisaris dan Direksi
Board of Commissioners and Board of Directors Meetings

Agenda Rapat Direksi

Board of Directors Meeting Agenda

TANGGAL DATE	AGENDA
08-Jan-18	<ol style="list-style-type: none"> 1. Financial Report-full year 2017 2. SAM's achievement in 2017 and 2018 action plan 3. Transfer of non-clerical staffs to outsourcing company 4. IT strategic plan 5. Confirmation to counterparties
15-Jan-18	<ol style="list-style-type: none"> 1. Corporate Plan 2018-2022/3 kick-off meeting 2. Business Plan 2018 preparation meeting with OJK
17-Jan-18	<ol style="list-style-type: none"> 1. CCTV standardization project 2. Preparation for Business Plan 2018 presentation to OJK
05-Feb-18	<ol style="list-style-type: none"> 1. Temporary PIC of Internal Audit department 2. NPL progress 3. Potential NPL updates
12-Feb-18	<ol style="list-style-type: none"> 1. Bank-wide financial performance Jan'18 2. OJK's response towards Business Plan 2018-2020
27-Feb-18	<ol style="list-style-type: none"> 1. NPL accounts 2. Potential NPL accounts 3. External audit findings
05-Mar-18	<ol style="list-style-type: none"> 1. Preparation for audit from ICBC Limited 2. General discussion
14-Mar-18	<ol style="list-style-type: none"> 1. KPI achievement 2. Organization structure 3. 2017 performance bonus
26-Mar-18	<ol style="list-style-type: none"> 1. 2017 performance bonus 2. KPMG audit results 3. NPL progress 4. Potential NPL updates
02-Apr-18	<ol style="list-style-type: none"> 1. 2018 KPI formulation 2. Potential NPL updates
20-Apr-18	Bank-wide organization structure
20-Apr-18	Bank-wide organization structure
25-Apr-18	General updates
14-May-18	<ol style="list-style-type: none"> 1. Updates on ICBC Limited audit findings 2. Current situation regarding bomb threatening 3. 2018 Business Plan Revision
28-May-18	<ol style="list-style-type: none"> 1. Limited Operations on 19 and 20 June 2018 2. OJK Audit Updates 3. Global Market Business Solutions 4. Reward and Punishment for NPL and Potential Settlement Collection 5. PT The First National Glassware 6. Business Plan Revision
30-May-18	NPL accounts updates
05-Jun-18	<ol style="list-style-type: none"> 1. Sarmedia case 2. NPL updates (i.e. Bhirawa and Royal) 3. Breakfasting event 4. General updates
05-Jul-18	General updates
18-Jul-18	<ol style="list-style-type: none"> 1. Potential NPL updates and post-disbursement management in business units 2. General updates 3. Post-disbursement management in CMD 4. NPL updates
24-Jul-18	General updates
31-Jul-18	<ol style="list-style-type: none"> 1. KPI 2. Employee rotation 3. Summit system
27-Aug-18	<ol style="list-style-type: none"> 1. Rectification progress on ICBC Limited audit findings 2. Rectification progress on OJK audit findings <p>Clear Up Projects:</p> <ol style="list-style-type: none"> 3. Outsourcing management 4. Fix asset management 5. Warehouse management 6. Various legal contracts and documents
31-Aug-18	Updates on OJK Meeting on 29 Aug'18

Rapat Dewan Komisaris dan Direksi
Board of Commissioners and Board of Directors Meetings

TANGGAL DATE	AGENDA
31-Aug-18	1. Document, policy-procedures, stamp clear up management 2. Various legal contracts and documents 3. The remaining six clear up and six governance activities
4-Oct-18	1. Corporate Plan 2. General updates
29-Oct-18	1. OJK audit findings rectification progress 2. ICBC Limited audit findings rectification progress 3. ICBC Limited risk management implementation progress 4. General Updates
31-Oct-18	Corporate Plan
29-Nov-18	General updates
12-Dec-18	General updates

Kehadiran Rapat Direksi

Board of Directors Meeting Attendance

TANGGAL RAPAT MEETING DATE	DIREKSI BOARD OF DIRECTORS							
	ZHANG JINXING*	YU GUANGZHU**	JEFF S. V. EMAN	XIN HAIYAN	THOMAS ARIFIN	SANDY T. MULIANA	FRANSISCA NELWAN MOK	LIANG QINJUN***
08-Jan-18		1	1	1		1	1	1
15-Jan-18		1	1		1	1	1	1
17-Jan-18		1	1		1	1	1	1
05-Feb-18		1	1		1	1	1	1
12-Feb-18		1	1		1	1	1	
27-Feb-18		1	Conflicting with other meeting	1	1		1	1
05-Mar-18		1		1	1	1	1	
14-Mar-18		1	1	1	1	1	1	
26-Mar-18		1	1	1	1	1	1	
02-Apr-18		1		1	1	1	1	
20-Apr-18		1	1	1	1	1	1	
25-Apr-18	1	1	1	1	1	1	1	
14-May-18		1	1	1	1	1	1	
28-May-18	1	1	1		1	1	1	
30-May-18	1	1	1	1	1	1	1	
05-Jun-18	1	1	1	1	1	1	1	
05-Jul-18	1	1	1	1	1	1	1	





Rapat Dewan Komisaris dan Direksi
Board of Commissioners and Board of Directors Meetings

TANGGAL RAPAT MEETING DATE	DIREKSI BOARD OF DIRECTORS							
	ZHANG JINXING*	YU GUANGZHU**	JEFF S. V. EMAN	XIN HAIYAN	THOMAS ARIFIN	SANDY T. MULIANA	FRANSISCA NELWAN MOK	LIANG QINJUN***
18-Jul-18	1	1	1	1	1	1	1	
24-Jul-18	1	1	1	1	1	1	1	
31-Jul-18	1	1	1	1	1	1	1	
27-Aug-18	1	1	1	1	1	1	1	
31-Aug-18	1	1	1	1		1	1	
31-Aug-18	1	1	1	1		1	1	
04-Oct-18		1	1		1	1	1	
29-Oct-18		1	1	1	1	1	1	
31-Oct-18		1		1		1	1	
29-Nov-18	1	1	1	1	1	1	1	
12-Dec-18	1	1	1	1	1	1	1	
Total Kehadiran Total Attendance	13	28	24	22	24	27	28	5
Total Rapat Total Meetings	13	28	28	28	28	28	28	15
Persentase Kehadiran Percentage of Attendance	100%	100%	86%	79%	86%	96%	100%	33%

* efektif penunjukkan sebagai Presiden Direktur per tanggal 20 April 2018/Officially appointed as President Director as of April 20, 2018

** pelaksana tugas Presiden Direktur per tanggal 31 Oktober 2017 s.d 19 April 2018/Temporary acting as President Director as of October 31, 2017 until April 19, 2018

*** efektif mengundurkan diri sebagai Direktur per tanggal 31 Mei 2018/Officially resigned as Director as of May 31, 2018

	Belum bergabung/efektif mengundurkan diri/Not yet on board/officially resigned
	Pelatihan/Training
	Perjalanan Dinas/Business Trip
	Cuti/On Leave

RAPAT GABUNGAN DEWAN KOMISARIS DAN DIREKSI

Rapat gabungan Dewan Komisaris dan Direksi dilaksanakan guna memelihara koordinasi, sinergi dan penyelarasan antara Dewan Komisaris dan Direksi dalam menjalankan tugas mencapai tujuan perusahaan. Materi pembahasan rapat meliputi isu strategis termasuk tentang kelangsungan usaha perusahaan serta pelaporan kinerja Direksi.

JOINT MEETING OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The Board of Commissioners and Board of Directors joint meetings are implemented for coordination, synergy and alignment between the Board of Commissioners and Board of Directors in carrying out their duties to achieve the company objectives. Meetings discussion includes strategic issues regarding the company's business sustainability as well as the Board of Directors performance report.

Rapat Dewan Komisaris dan Direksi
Board of Commissioners and Board of Directors Meetings**Agenda dan Frekuensi Rapat**

Pada tahun 2018, rapat gabungan dilaksanakan 1 (satu) kali. Berikut agenda dan tingkat kehadiran Dewan Komisaris dan Direksi dalam rapat gabungan.

Meetings Agenda and Frequencies

In 2018, a joint meeting was held 1 (one) time. The following are the joint meeting agenda and attendance of the Board of Commissioners and Board of Directors.

Agenda Rapat Gabungan

Joint Meeting Agenda

TANGGAL DATE	AGENDA
27-Mar-18	2018 overview and YTD realization 1. Summary of 2018 Business Plan V. 2 2. Bank-wide realization YTD 2018 3. YTD business achievements, strategies and challenges going forward (each of Business Director)

Kehadiran Rapat Gabungan

Joint Meeting Attendance

DEWAN KOMISARIS BOC	27-MAR-18	TOTAL RAPAT TOTAL MEETING	TOTAL KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Wang Kun	1	1	1	100%
Hendra Widjojo	1	1	1	100%
H. Yunno Kusumo*		0	0	100%
Christina Harapan**	1	1	1	100%

* efektif penunjukkan per tanggal 29 Agustus 2018/officially appointed as of August 29, 2018

** efektif pengunduran diri per tanggal 31 Mei 2018/officially resigned as of May 31, 2018

DIREKSI BOD	27-MAR-18	TOTAL RAPAT TOTAL MEETING	TOTAL KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Zhang Jinxing*		0	0	100%
Yu Guangzhu	1	1	1	100%
Jeff S. V. Eman	1	1	1	100%
Xin Haiyan		1	0	0%
Liang Qinjun**		1	0	0%
Thomas Arifin		1	0	0%
Sandy T. Muliana		1	0	0%
Fransisca Nelwan Mok	1	1	1	100%

* efektif penunjukkan sebagai Presiden Direktur per tanggal 20 April 2018/officially appointed as of April 20, 2018

** efektif pengunduran diri per tanggal 31 Mei 2018/officially resigned as of May 31, 2018

	Belum bergabung/efektif mengundurkan diri/Not yet on board/officially resigned
	Perjalanan Dinas/Business Trip
	Cuti/On Leave



INFORMASI MENGENAI PEMEGANG SAHAM UTAMA & PENGENDALI

Information on Ultimate Shareholders & Controlling Shareholders

Pemegang saham mayoritas Bank adalah ICBC Ltd. dengan kepemilikan sebesar 98,61%. Sedangkan, pemegang saham minoritas adalah PT Intidana Wijaya dengan kepemilikan sebesar 1,39%. Sebagai pemegang saham mayoritas, ICBC Ltd. telah memenuhi persyaratan kemampuan, kepatutan dan kepatuhan terhadap regulasi yang ditetapkan oleh OJK, Bank Indonesia, serta perundang-undangan terkait perbankan yang berlaku di Indonesia.

The majority shareholder of The Bank is ICBC Ltd. with shares ownership of 98.61%. Meanwhile, minority shareholder is PT Intidana Wijaya with shares ownership of 1.39%. As the controlling shareholder of The Bank, ICBC Ltd. has fulfilled the requirements of ability, propriety and compliance established by Financial Services Authority (OJK), Bank Indonesia and applicable banking related legislation in Indonesia.



HUBUNGAN AFILIASI ANTARA ANGGOTA DIREKSI, DEWAN KOMISARIS, DAN PEMEGANG SAHAM UTAMA & PENGENDALI

Affiliates Relationship Between Members of the Board of Directors, Board of Commissioners, and Ultimate & Controlling Shareholders

Pemegang saham mayoritas, Dewan Komisaris dan Direksi saling menghormati pelaksanaan tugas, tanggung jawab, dan wewenang masing-masing sesuai peraturan perundang-undangan dan Anggaran Dasar. Pengungkapan hubungan afiliasi mencakup hubungan keluarga dan hubungan keuangan. Bentuk hubungan keuangan termasuk diantaranya hutang-piutang, kerja sama bisnis, dan sebagainya; sementara bentuk hubungan keluarga mencakup hubungan istimewa terutama yang disebabkan hubungan pertalian darah seperti suami/istri/anak/orang tua/saudara kandung/ipar, dan sebagainya.

The majority shareholders, Board of Commissioners and Board of Directors honor their respective duties, responsibilities, and authorities in accordance with the laws and the Articles of Association. The disclosure of affiliation includes family relationships and financial relationships. The form of financial relations includes debts, business cooperation, and so forth; while the form of family relationships includes special relationships primarily due to blood-related relationships such as spouses/children/parents/siblings/in-laws, and so forth.

Hubungan Afiliasi Antara Anggota Direksi, Dewan Komisaris, dan Pemegang Saham Utama & Pengendali
Affiliates Relationship Between Members of the Board of Directors, Board of Commissioners, and Ultimate & Controlling Shareholders

	HUBUNGAN KELUARGA DENGAN FAMILY RELATIONSHIP WITH			HUBUNGAN KEUANGAN DENGAN FINANCIAL RELATIONSHIP WITH		
	DEWAN KOMISARIS BOARD OF COMMISSIONERS	DIREKSI BOARD OF DIRECTORS	ICBC LTD. (PEMEGANG SAHAM UTAMA/ PENGENDALI) ICBC LTD. (MAJORITY/ CONTROLLING SHAREHOLDER)	DEWAN KOMISARIS BOARD OF COMMISSIONERS	DIREKSI BOARD OF DIRECTORS	ICBC LTD. (PEMEGANG SAHAM UTAMA/PENGENDALI) ICBC LTD. (MAJORITY/ CONTROLLING SHAREHOLDER)
Dewan Komisaris Board of Commissioners						
Wang Kun Presiden Komisaris President Commissioner	○	○	○	○	○	●
Hendra Widjojo Komisaris Independen Independent Commissioner	○	○	○	○	○	○
H. Yunno Kusumo Komisaris Independen Independent Commissioner	○	○	○	○	○	○
Direksi Board of Directors						
Zhang Jinxing Presiden Direktur President Director	○	○	○	○	○	○
Yu Guangzhu Direktur Director	○	○	○	○	○	○
Jeff S. V. Eman Direktur Director	○	○	○	○	○	○
Xin Haiyan Direktur Director	○	○	○	○	○	○
Thomas Arifin Direktur Director	○	○	○	○	○	○
Sandy T. Muliana Direktur Director	○	○	○	○	○	○
Fransisca Nelwan Mok Direktur Director	○	○	○	○	○	○
● Terdapat hubungan/A relationship with ○ Tidak terdapat hubungan/No relationship						



PENGUNGKAPAN RANGKAP JABATAN DEWAN KOMISARIS DAN DIREKSI

Disclosure of Concurrent Positions of the Board of Commissioners and Board of Directors

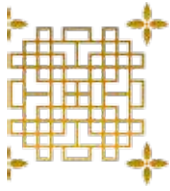
Rangkap jabatan oleh Dewan Komisaris maupun Direksi dapat dilakukan sepanjang memenuhi kriteria dan persyaratan sesuai perundang-undangan yang berlaku.

Multiple board membership by members of the Board of Commissioners and Board of Directors can be done upon criteria and requirements in accordance with prevailing laws and regulations.

Berikut ini tabel yang menunjukkan rangkap jabatan Dewan Komisaris dan Direksi pada perusahaan/institusi lain dalam periode tahun 2018.

The following table illustrates the concurrent positions of the Board of Commissioners and Board of Directors in other companies/institutions in 2018.

	Kepengurusan pada Perusahaan/Institusi Lain Management of Other Companies/Institutions		
	Sebagai Anggota Dewan Komisaris As Board of Commissioners Member	Sebagai Anggota Direksi As Board of Directors Member	Jabatan Lainnya Other Position
Dewan Komisaris Board of Commissioners			
Wang Kun Presiden Komisaris President Commissioner	○	○	●
Hendra Widjojo Komisaris Independen Independent Commissioner	○	○	○
H. Yunno Kusumo Komisaris Independen Independent Commissioner	○	○	○
Direksi Board of Directors			
Zhang Jinxing Presiden Direktur President Director	○	○	○
Yu Guangzhu Direktur Director	○	○	○
Jeff S. V. Eman Direktur Director	○	○	○
Xin Haiyan Direktur Director	○	○	○
Thomas Arifin Direktur Director	○	○	○
Sandy T. Muliana Direktur Director	○	○	○
Fransisca Nelwan Mok Direktur Director	○	○	○
●	Wang Kun memegang jabatan sebagai Deputy General Manager International Dept di ICBC Ltd./Wang Kun serves as Deputy General Manager International Dept at ICBC Ltd.		
○	Tidak terdapat hubungan kepengurusan/No management relationship		



KEBERAGAMAN KOMPOSISI DEWAN KOMISARIS & DIREKSI

Diversity of the Board of Commissioners & Board of Directors

Keberagaman komposisi Dewan Komisaris dan Direksi merupakan bagian dari upaya Bank untuk mendorong proses pengambilan keputusan yang lebih obyektif, komprehensif, optimal, dan memiliki dampak positif terhadap pengawasan dan pengelolaan Bank. Keberagaman ini diharapkan dapat memperkaya sudut pandang dan kepentingan dalam proses pengambilan keputusan baik di tubuh Dewan Komisaris maupun Direksi, sehingga mampu memberikan nilai tambah bagi kegiatan Bank, serta penerapan tata kelola perusahaan di lingkup Bank.

The diversity of the Board of Commissioners and the Board of Directors is part of The Bank's efforts to encourage a more objective, comprehensive, and optimal decision-making process that has a positive impact on The Bank supervision and management. This diversity is expected to enrich the point of view and interest in the decision making process in both the Board of Commissioners and the Board of Directors, thereby providing added value for The Bank's activities, as well as the implementation of Good Corporate Governance within the scope of The Bank.

Keberagaman Komposisi Dewan Komisaris Board of Commissioners Diversity

NAMA DAN JABATAN NAME AND POSITION	LATAR BELAKANG PENDIDIKAN EDUCATIONAL BACKGROUND	PENGALAMAN KERJA WORK EXPERIENCE	USIA AGE	JENIS KELAMIN GENDER
Wang Kun Presiden Komisaris President Commissioner	English Education & Literature	Bekerja di ICBC Ltd. sejak tahun 2002 Careers at ICBC Ltd. since 2002	41	Laki-laki Male
Hendra Widjojo Komisaris Independen Independent Commissioner	Ekonomi Economy	Menjabat sebagai manajemen kunci PT Bank Halim Indonesia, pendahulu Bank ICBC Indonesia, sejak tahun 1989 Served as the key management of PT Bank Halim Indonesia, the predecessor of Bank ICBC Indonesia since 1989	55	Laki-laki Male
H. Yunno Kusumo Komisaris Independen Independent Commissioner	Ekonomi Economy	Pengawasan Perbankan Banking Supervision	62	Laki-laki Male

Keberagaman Komposisi Direksi Board of Directors Diversity

NAMA DAN JABATAN NAME AND POSITION	LATAR BELAKANG PENDIDIKAN EDUCATIONAL BACKGROUND	PENGALAMAN KERJA WORK EXPERIENCE	USIA AGE	JENIS KELAMIN GENDER
Zhang Jinxing Presiden Direktur President Director	Science and Economics	Bekerja di ICBC Ltd. sejak tahun 1988 Careers at ICBC Ltd. since 1988	52	Laki-laki Male
Yu Guangzhu Direktur Director	Geochemistry and Business Administration	Bekerja di ICBC Ltd. sejak tahun 1988 Careers at ICBC Ltd. since 1988	52	Laki-laki Male
Jeff S. V. Eman Direktur Director	Accounting	Bekerja di PT Bank Halim Indonesia, pendahulu Bank ICBC Indonesia, sejak tahun 1989 Working at PT Bank Halim Indonesia, the predecessor of PT Bank ICBC Indonesia since 1990	61	Laki-laki Male
Xin Haiyan Direktur Director	International Trade and Administration	Bekerja di ICBC Ltd. sejak tahun 1995 Careers at ICBC Ltd. since 1995	44	Perempuan Female
Thomas Arifin Direktur Director	Business Administration and Management	Perbankan Banking	57	Laki-laki Male
Sandy T. Muliana Direktur Director	Economic Management	Perbankan Banking	54	Laki-laki Male
Fransisca Nelwan Mok Direktur Director	Husbandry and Finance	Perbankan Banking	62	Perempuan Female

ORGAN PENDUKUNG DEWAN KOMISARIS

Board of Commissioners' Supporting Organ

SEKRETARIS DEWAN KOMISARIS

Board of Commissioners' Secretary

Dalam rangka mendukung pelaksanaan fungsi dan efektivitas tugasnya, Dewan Komisaris menunjuk SMIR yang salah satu fungsi utamanya sebagai Sekretaris Dewan Komisaris untuk membantu Dewan Komisaris dalam melaksanakan tugas dan tanggung jawabnya terhadap Bank.

TUGAS DAN TANGGUNG JAWAB SEKRETARIS DEWAN KOMISARIS

Tugas Sekretaris Dewan Komisaris adalah sebagai berikut:

- Berperan membantu Dewan Komisaris dan komite dalam pengadaaan rapat Dewan Komisaris dan komite baik sebelum, selama, dan setelah rapat tersebut dilaksanakan, termasuk segala sesuatu yang berkaitan dengan agenda rapat antara lain penjadwalan, pengaturan agenda, koordinasi, persiapan, kehadiran, rekaman, risalah rapat dan distribusi material.
- Mengatur jadwal rapat dan membuat draft agenda untuk rapat Dewan Komisaris dan komite selama setahun sekaligus memastikan kepatuhan dengan persyaratan eksternal dan internal, dan bekerja sama dengan Dewan Komisaris dan komite dalam menciptakan, memelihara, dan merevisi agenda jika diperlukan.
- Mengkoordinasikan penyusunan dan penyebaran bahan rapat dalam bentuk *hard copy* atau *soft copy*, sekaligus memastikan kecukupan, konsistensi (dengan dokumen sebelumnya dan berikutnya), kemudahan penggunaan, dan kualitas bahan.
- Mendukung pemenuhan dokumen dari departemen terkait untuk rapat dan anggota komite dan Dewan Komisaris.
- Menghadiri rapat anggota Dewan Komisaris dan rapat komite, mencatat dan mengedarkan risalah rapat yang mencakup antara lain, keputusan, informasi, tindakan, dan arahan.

To support the implementation of functions and effectiveness of its duties, the Board of Commissioners appoints SMIR as one of its main functions as Secretary of the Board of Commissioners to assist them in carrying out their duties and responsibilities to The Bank.

DUTIES AND RESPONSIBILITIES OF SECRETARY TO THE BOARD OF COMMISSIONERS

The duty of Secretary to the Board of Commissioners are as follows:

- Assist the Board of Commissioners and committees in the meeting implementation both before, during and after the meetings, as well as everything related to the meeting agenda including scheduling, agenda setting, coordination, preparation, attendance, recording, minutes of meetings (MoM) and material distribution.
- Arrange the meeting schedule as well as drafting the annual agenda for the Board of Commissioners and committee meetings while ensuring compliance with external and internal requirements, and coordinate with the Board of Commissioners and committees in any changes or revision to the agenda as necessary.
- Coordinate the preparation and dissemination of meeting materials in both hard copy or soft copy form, while ensuring adequate, consistency (with previous and subsequent documents), ease of use, and quality of materials.
- Support the fulfilment of documents from relevant departments for meetings and members of the committees and Board of Commissioners.
- Attend the Board of Commissioners and committee meetings, record and circulate MoM that includes among others, decisions, information, actions, and direction.

Sekretaris Dewan Komisaris
Board of Commissioners' Secretary

- Laporan mengenai agenda yang tertunda dan mengambil tindakan untuk memastikan informasi diberikan kepada anggota Dewan Komisaris dan komite pada waktu yang tepat.
- Melakukan aktivitas sekretarial, system pengarsipan, dan surat resmi masuk/keluar (aliran dokumen) yang sejalan dengan panduan yang ada untuk keperluan dalam memastikan keamanan dan kepatuhan dengan prosedur dan sistem yang telah ada.
- Bertanggung jawab atas terselenggaranya dengan baik kegiatan korespondensi surat menyurat antara Dewan Komisaris dan komite dengan pihak internal maupun eksternal.
- Melakukan fungsi peninjauan dan pengecekan untuk surat keluar resmi yang dikeluarkan oleh Dewan Komisaris dan komite dalam rangka untuk memastikan keakuratan informasi yang diberikan.
- Menyusun agenda kegiatan Dewan Komisaris dan komite-komite sesuai dengan instruksi yang diterima.
- Menyusun konsep laporan dan dokumen untuk keperluan tugas Dewan Komisaris dan komite sesuai dengan diskusi dan instruksi.
- Mengatur perjalanan dinas untuk Dewan Komisaris dan komite, serta penyelesaian seluruh pengeluaran yang terjadi selama perjalanan dinas termasuk pemesanan tiket, hotel, aplikasi visa, dll.
- Turut mengambil bagian untuk melaksanakan kegiatan dan acara *bank-wide* dengan departemen terkait.
- Turut mengambil bagian dalam aktivitas pelaksanaan tanggung jawab sosial *bank-wide*.
- Provide report on any pending agenda and to take action to ensure information is provided to the Board of Commissioners and committees at appropriate times.
- Conduct secretarial activities, filing systems, and official incoming/outgoing forms (document flows) in line with existing guidelines to ensure security and compliance with existing procedures and systems.
- Responsible for the proper implementation of correspondence activities between the Board of Commissioners and committees with internal or external parties.
- Conduct review and check function for an official outgoing letter issued by the Board of Commissioners and committees in order to ensure the accuracy of the information provided.
- Arrange the agenda of activities of the Board of Commissioners and the committees in accordance with the instructions received.
- Prepare the concept of reports and documents for the purposes of the Board of Commissioners and committees in accordance with the discussions and instructions received.
- Arrange business travel for the Board of Commissioners and committees, as well as the completion of all expenses incurred during official travel, including ticket bookings, hotels, visa applications, etc.
- Take part to carry out bank-wide activities and events with relevant departments.
- Participate in the implementation of bank-wide social responsibility activities.

PELAKSANAAN TUGAS SEKRETARIS DEWAN KOMISARIS TAHUN 2018

Pada tahun 2018, Sekretaris Dewan Komisaris telah melaksanakan tugas yang secara garis besar terbagi atas pengadaaan rapat Dewan Komisaris dan komite, penyusunan laporan sebagai pemenuhan peraturan OJK, pelaksanaan kegiatan terkait tata kelola perusahaan, dan administrasi atas surat keputusan Dewan Komisaris dan Direksi.

IMPLEMENTATION OF DUTIES OF SECRETARY TO THE BOARD OF COMMISSIONERS IN 2018

In 2018, the Secretary of the Board of Commissioners has carried out duties that in general are divided into the implementation of the Board of Commissioners and committee meetings, preparation of reports in compliance with OJK regulations, implementation of activities related to the corporate governance and administration on the decrees of the Board of Commissioners and Board of Directors.

Sekretaris Dewan Komisaris
Board of Commissioners' Secretary

THE AUDIT COMMITTEE HAS CARRIED OUT WORK PROGRAMS IN 2018 AS FOLLOWS:	PELAKSANAAN PADA TAHUN 2018 IMPLEMENTATION IN 2018
Monitor and evaluate the IAU policies, procedures, programs and implementation.	<ul style="list-style-type: none"> Menyelenggarakan rapat Dewan Komisaris sebanyak 4 (empat) kali. Menyelenggarakan rapat gabungan Dewan Komisaris dan Direksi sebanyak 1 (satu) kali. Menyelenggarakan rapat Komite Audit sebanyak 11 (sebelas) kali. Menyelenggarakan rapat Komite Pemantau Risiko sebanyak 10 (sepuluh) kali. Menyelenggarakan rapat Komite Remunerasi dan Nominasi sebanyak 4 (empat) kali. Membuat, mendistribusikan, mengarsip risalah rapat Dewan Komisaris, rapat gabungan Dewan Komisaris dan Direksi, serta rapat komite-komite. Convened 4 (four) times of the Board of Commissioners meetings. Convened 1 (one) joint meeting of the Board of Commissioners and Board of Directors. Convened 11 (eleven) times of the Audit Committee meetings. Convened 10 (ten) times of the Risk Monitoring Committee meetings. Convened 4 (four) times of the Remuneration and Nomination Committee meetings. Develop, distribute, filing the Board of Commissioners MoM, joint meetings of the Boards, as well as meetings of the committees.
Monitor and evaluate actions from the management on the findings of IAU, external audit, and the OJK.	<ul style="list-style-type: none"> Membantu dalam menyusun laporan rutin pengawasan Dewan Komisaris, laporan evaluasi Komite Audit terhadap kinerja Akuntan Publik dan/atau Kantor Akuntan Publik kepada OJK. Menyusun laporan perubahan susunan anggota komite kepada OJK serta perubahan susunan Dewan Komisaris dan Direksi kepada LPS. Assist in preparing regular supervision report of the Board of Commissioners, Audit Committee evaluation report on Public Accountant and/or Public Accounting Firm performance to OJK. Prepare report on the changes of committees' members to OJK and the changes of the Board of Commissioners and Board of Directors to Indonesia Deposit Insurance Corporation (LPS).
Provide recommendations to the Board of Commissioners regarding the appointment of a Public Accounting Firm.	<ul style="list-style-type: none"> Melengkapi GCG <i>self-assessment</i> dan <i>risk assessment</i> pada aspek yang terkait dengan tugas dan tanggung jawab Dewan Komisaris, Direksi dan komite-komite. Complete the GCG self-assessment and risk assessment on aspects related to duties and responsibilities of the Board of Commissioners, Board of Directors and committees.
Administrasi atas surat keputusan Dewan Komisaris dan Direksi Administration of the decrees of the Board of Commissioners and Board of Directors	<ul style="list-style-type: none"> Mempersiapkan surat keputusan yang memerlukan persetujuan Dewan Komisaris dan Direksi. Prepare the decree requiring the approval from the Board of Commissioners and Board of Directors.



KOMITE AUDIT

Audit Committee

Sebagai bentuk pemenuhan atas Peraturan Otoritas Jasa Keuangan No. 55/POJK.04/2015 tentang Pembentukan dan Pedoman Pelaksanaan Kerja Komite Audit, Dewan Komisaris Bank membentuk Komite Audit.

Komite Audit membantu Dewan Komisaris dalam menjalankan fungsi pengawasan terhadap Bank.

KRITERIA ANGGOTA KOMITE AUDIT

Kriteria anggota Komite Audit Bank telah sesuai dengan POJK No. 55/POJK.04/2015 yaitu sebagai berikut:

- Berkewarganegaraan Indonesia.
- Sehat jasmani dan rohani.

In compliance with the Financial Authority Regulation No. 55/POJK.04/2015 on the Establishment and Working Guidelines of the Audit Committee, The Bank's Board of Commissioners established the Audit Committee.

The Audit Committee assists the Board of Commissioners in performing its supervisory duty towards The Bank.

CRITERIA OF AUDIT COMMITTEE MEMBERS

Criteria of the Audit Committee members of The Bank are in accordance with POJK No. 55/POJK.04/2015, as follows:

- Indonesian citizenship.
- Physically and mentally healthy.

Komite Audit
Audit Committee

- Memiliki integritas, komitmen, kemampuan, pengetahuan dan pengalaman yang memadai sesuai dengan latar belakang pendidikannya serta mampu berkomunikasi dengan baik.
- Salah seorang dari anggota Komite Audit memiliki latar belakang pendidikan akuntansi atau keuangan.
- Memiliki pengetahuan yang cukup untuk membaca dan memahami laporan keuangan.
- Bukan merupakan orang dalam Kantor Akuntan Publik, Kantor Konsultan Hukum, atau pihak lain yang memberi jasa audit, jasa non audit, dan/atau jasa konsultasi lain kepada Bank dalam waktu 1 (satu) tahun terakhir sebelum diangkat oleh Komisaris.
- Bukan orang yang mempunyai wewenang dan tanggung jawab untuk merencanakan, memimpin atau mengendalikan kegiatan Bank dalam waktu 1 (satu) tahun terakhir.
- Tidak mempunyai saham baik langsung maupun tidak langsung pada Bank.
- Tidak memangku jabatan sebagai pengurus partai politik dan/atau calon/anggota legislatif dan/atau calon kepala daerah/wakil kepada daerah, dan jabatan lain sesuai dengan peraturan perundang-undangan yang dapat menimbulkan benturan kepentingan.
- Tidak pernah ditetapkan menjadi terdakwa atas dugaan telah melakukan kesalahan/kelalaian/kejahatan yang dapat diancam dengan hukuman penjara.
- Tidak mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horisontal maupun vertikal dengan Komisaris, Direksi atau pemegang saham utama Bank.
- Tidak memiliki hubungan usaha baik langsung maupun tidak langsung yang berkaitan dengan kegiatan usaha Bank.
- Having the integrity, commitment, ability, knowledge and adequate experience in accordance with educational background and able to communicate well.
- A member of the Audit Committee has an accounting or financial education background.
- Having sufficient knowledge to read and understand the financial statements.
- Not an insider in a Public Accounting Firm, Legal Consultant Office, or any other party providing audit services, non-audit services, and/or other consulting services to The Bank within 1 (one) year prior to the appointment by the Commissioner.
- Not a person having the authority and responsibility to plan, lead or control The Bank's activities within the last 1 (one) year.
- Not having any shares directly or indirectly to The Bank.
- Not taking office as a party official and/or candidate/legislative member and/or candidate for regional head/representative to the region, and other positions in accordance with laws and regulations that may create a conflict of interest.
- Has never been named a defendant for alleged wrongdoing/negligence/crime that could be punishable by imprisonment.
- Has no family relationship due to marriage and descent to second degree, either horizontally or vertically with the Commissioners, Directors or major shareholders of The Bank.
- Has no direct or indirect business relationship related to The Bank's business activities.

KETENTUAN MASA JABATAN

Berdasarkan piagam Komite Audit, masa kerja ketua Komite Audit maksimal sama dengan masa jabatannya sebagai anggota Dewan Komisaris Bank. Sementara masa tugas bagi anggota Komite Audit adalah 1 (satu) tahun dan dapat dipilih kembali hanya untuk 1 (satu) periode berikutnya dengan tidak mengurangi hak Komisaris untuk memberhentikannya sewaktu - waktu.

TERMS OF OFFICE

Based on the Audit Committee charter, the tenure of the chairman of the Audit Committee is following the term of office as a member of The Bank's Board of Commissioners. While tenure for members of the Audit Committee is 1 (one) year and may be re-elected only for 1 (one) next period without prejudice to the right of the Commissioner to dismiss them at anytime.

Komite Audit
Audit Committee

SUSUNAN DAN PROFIL KOMITE AUDIT

Komite Audit terdiri dari seorang ketua yang merupakan Komisaris Independen dan 2 (dua) orang pihak independen sebagai anggota. Ketua dan anggota-anggota Komite Audit memiliki latar belakang, kompetensi, dan pengalaman yang memadai.

Kronologi susunan Komite Audit Bank sepanjang tahun 2018 adalah sebagai berikut:

STRUCTURE AND PROFILE OF AUDIT COMMITTEE

This committee consists of a chairman who is an Independent Commissioner and 2 (two) independent parties. The chairman and members of the Audit Committee have adequate background, competence and experience.

The chronology of The Bank's Audit Committee composition throughout 2018 is as follows:

1 JANUARI 2018 – 31 MEI 2018 JANUARY 1, 2018 – MAY 31, 2018	1 JUNI 2018 – 12 SEPTEMBER 2018 JUNE 1, 2018 – SEPTEMBER 12, 2018	13 SEPTEMBER 2018 - 31 DESEMBER 2018 SEPTEMBER 13, 2018 - DECEMBER 31, 2018
Christina Harapan Ketua Komite Audit & Komisaris Independen Audit Committee Chairman & Independent Commissioner	Hendra Widjojo Ketua Komite Audit & Komisaris Independen Audit Committee Chairman & Independent Commissioner	H. Yunno Kusumo Ketua Komite Audit & Komisaris Independen Audit Committee Chairman & Independent Commissioner
Waldy Gutama Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party	Waldy Gutama Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party	Waldy Gutama Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party
Ricky Dompas Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party	Ricky Dompas Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party	Ricky Dompas Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party

Profil Komite Audit per 31 Desember 2018 sebagai berikut:

The following is the Audit Committee profile as of December 31, 2018:

<p>H. Yunno Kusumo Ketua Komite Audit & Komisaris Independen Audit Committee Chairman & Independent Commissioner</p>	<p>Profil H. Yunno Kusumo sebagai Ketua Komite Audit tersedia pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini. H. Yunno Kusumo's profile as Audit Committee Chairman is available in the Board of Commissioners Profile section in Company Profile of this annual report.</p> <p>Efektif menjabat sebagai Ketua Komite Audit pada 13 September 2018. Serves as Chairman of Audit Committee effective as of September 13, 2018.</p>
<p>Ricky Dompas Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party</p>	<p>Pengalaman Kerja/Jabatan Sekjen dan Direktur Lembaga Sertifikasi Profesi Perbankan (LSPP) (2011-sekarang), Senior Vice President, Head Internal Audit/Kepala Satuan Kerja Audit Internal, Head Compliance Monitoring, dan Head Compliance PT Bank Permata Tbk (2006-2011), Vice President, Division Head Audit Support & Centralised Operations PT Bank Danamon Indonesia Tbk (2001-2006), Senior Vice President Asset Management Credit/AMC, Badan Penyehatan Perbankan Nasional (IBRA) (1999-2001), Assistant Vice President, Accounting & Reporting Manager, The Chase Manhattan Bank, Jakarta (1990-1999), Supervisor Internal Audit, PT Huffco Indonesia, a subsidiary of Roy M. Huffington, Inc. (1984-1990).</p> <p>Latar Belakang Pendidikan BSc. (Strata-1) Business Administration dari American University, Washington DC, Amerika Serikat (1983).</p> <p>Work Experience Secretary General and Director of the Banking Profession Certification Organization (LSPP) (2011-present), Senior Vice President, Head Internal Audit, Head Compliance Monitoring, and Head Compliance of PT Bank Permata Tbk (2006-2011), Vice President, Division Head Audit Support & Centralized Operations of PT Bank Danamon Indonesia Tbk (2001-2006), Senior Vice President Asset Management Credit/AMC, Indonesian Bank Restructuring Agency (IBRA) (1999-2001), Assistant Vice President, Accounting & Reporting Manager, The Chase Manhattan Bank, Jakarta (1990-1999), Supervisor Internal Audit, PT Huffco Indonesia, a subsidiary of Roy M. Huffington, Inc. (1984-1990).</p> <p>Education BSc. (Strata-1) Business Administration from American University, Washington DC, United States (1983).</p>

Komite Audit
Audit Committee

Waldy Gutama

Anggota Komite Audit/Pihak Independen
Audit Committee Member/Independent Party

Pengalaman Kerja/Jabatan

Komite Pemantau Risiko Bank Woori Saudara (BWS) (2015-sekarang), Komite Audit PT Bank Tabungan Negara (Persero) (2013-2017), Komite Audit Woory Bank (2012-2014), berkarir di Bank Indonesia sejak 1981 hingga 2011, dengan tugas terakhir sebagai Pengawas Bank Senior, tim 2.4 Direktorat Pengawasan Bank 2.

Latar Belakang Pendidikan

Sarjana (S1) Administrasi Negara dari Sekolah Tinggi Administrasi Negara Republik Indonesia (STIA-LAN RI), Jakarta (1988), dan Magister (S2) Manajemen bidang studi Konsentrasi Keuangan dan Manajemen dari Sekolah Tinggi Ilmu Ekonomi-Institut Pengembangan Wiraswasta Indonesia, Jakarta (2000).

Work experience

Risk Monitoring Committee of Bank Woori Brothers (BWS) (2015-present), Audit Committee of PT Bank Tabungan Negara (Persero) (2013-2017), Woory Bank Audit Committee (2012-2014), career at Bank Indonesia from 1981 to 2011, with the last position being a Senior Bank Supervisor of team 2.4 Directorate of Bank Supervision 2.

Education

Bachelor of State Administration from State Administration High School of the Republic of Indonesia (STIA-LAN RI), Jakarta (1988), and Master's degree in Management of Finance and Management Concentration from Sekolah Tinggi Ilmu Ekonomi-Institute for Entrepreneurship Development Indonesia, Jakarta (2000).

INDEPENDENSI

Sesuai kriteria yang telah ditetapkan Bank dan regulasi yang berlaku, Komite Audit wajib memiliki independensi atas beberapa aspek yang berhubungan dengan kepemimpinan Bank. Berikut disampaikan transparansi independensi Komite Audit.

INDEPENDENCE

In accordance to the criterias established by The Bank and prevailing regulations, the Audit Committee shall have their independence over several aspects relating to The Bank's management. The following contains the details of the Audit Committee's independence:

ASPEK INDEPENDENSI INDEPENDENCY ASPECTS	KOMITE AUDIT AUDIT COMMITTEE				
	CHRISTINA HARAPAN	HENDRA WIDJOJO	H. YUNNO KUSUMO	RICKY DOMPAS	WALDY GUTAMA
Merupakan orang dalam Kantor Akuntan Publik, Kantor Konsultan Hukum, atau pihak lain yang memberi jasa audit, jasa non-audit, dan/atau jasa konsultasi lain kepada Bank dalam waktu 1 (satu) tahun terakhir sebelum diangkat oleh Komisaris. Is an insider in a Public Accounting Firm, Legal Consultant Office, or any other party providing audit services, non-audit services, and/or other consulting services to The Bank within 1 (one) year prior to appointment by the Commissioner.	○	○	○	○	○
Mempunyai wewenang dan tanggung jawab untuk merencanakan, memimpin atau mengendalikan kegiatan Bank dalam waktu 1 (satu) tahun terakhir. Is a person having the authority and responsibility to plan, lead or control The Bank's activities within the last 1 (one) year.	○	○	○	○	○
Mempunyai saham baik langsung maupun tidak langsung pada Bank. Own shares directly or indirectly to The Bank.	○	○	○	○	○

Komite Audit
Audit Committee

ASPEK INDEPENDENSI INDEPENDENCY ASPECTS	KOMITE AUDIT AUDIT COMMITTEE				
	CHRISTINA HARAPAN	HENDRA WIDJOJO	H. YUNNO KUSUMO	RICKY DOMPAS	WALDY GUTAMA
Memangku jabatan sebagai pengurus partai politik dan/atau calon/anggota legislatif dan/atau calon kepala daerah/wakil kepada daerah, dan jabatan lain sesuai dengan peraturan perundang-undangan yang dapat menimbulkan benturan kepentingan. Has taken office as a party official and/or candidate/legislative member and/or candidate for regional head/representative to the region, and other positions that may create a conflict of interest, in accordance with laws and regulations.	○	○	○	○	○
Mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horisontal maupun vertikal dengan Komisaris, Direksi atau pemegang saham utama Bank. Has a family relationship due to marriage and descent to the second degree, either horizontally or vertically, with the Commissioners, Directors or the main shareholders of The Bank.	○	○	○	○	○
Memiliki hubungan usaha baik langsung maupun tidak langsung yang berkaitan dengan kegiatan usaha Bank. Has a direct or indirect business relationship related to The Bank's business activities	○	○	○	○	○
● Ada Yes ○ Tidak ada No					

PIAGAM KOMITE AUDIT

Dalam melaksanakan tugasnya, Komite Audit Bank mengacu kepada Piagam Komite Audit yang telah disahkan oleh Dewan Komisaris pada tanggal 23 Februari 2017 dan diperbaharui sesuai dengan ketentuan Otoritas Jasa Keuangan pada 6 September 2017.

TUGAS DAN TANGGUNG JAWAB

Dalam melaksanakan fungsinya, Komite Audit memiliki tugas dan tanggung jawab sebagai berikut:

- Melakukan pemantauan dan evaluasi atas perencanaan dan pelaksanaan audit serta pemantauan atas tindak lanjut hasil audit dalam rangka menilai kecukupan pengendalian internal termasuk kecukupan proses pelaporan keuangan.
- Dalam rangka melaksanakan tugas pada butir tersebut di atas dan guna memberi rekomendasi kepada Dewan Komisaris, Komite Audit melakukan pemantauan dan evaluasi terhadap:
 - Pelaksanaan tugas Satuan Kerja Audit Internal (SKAI).

AUDIT COMMITTEE CHARTER

In carrying out its duties, The Bank's Audit Committee refers to the Audit Committee Charter which was enacted by the Board of Commissioners on February 23, 2017 and updated in accordance with provision of Financial Services Authority on September 6, 2017.

DUTIES AND RESPONSIBILITIES

In performing its functions, the Audit Committee has the following duties and responsibilities:

- Monitor and evaluate the planning and execution of audits, and monitoring follow-up of audit results in order to assess the adequacy of internal control, including financial reporting process.
- In order to carry out the duties mentioned above and to provide recommendations to the Board of Commissioners, the Audit Committee shall monitor and evaluate:
 - The implementation of the Internal Audit Unit's (IAU) tasks.

Komite Audit
Audit Committee

- Kesesuaian pelaksanaan audit oleh Kantor Akuntan Publik dengan standar audit yang berlaku.
- Memberikan pendapat independen dalam hal terjadi perbedaan pendapat antara manajemen dan Kantor Akuntan Publik atas jasa yang diberikannya.
- Pelaksanaan tindak lanjut oleh Direksi atas hasil temuan SKAI, Akuntan Publik, Bank Indonesia dan hasil pengawasan Otoritas Jasa Keuangan (OJK).
- Melakukan penelaahan atas informasi keuangan lainnya yang akan dikeluarkan Bank kepada publik dan/atau pihak otoritas seperti proyeksi, dan laporan lainnya terkait dengan informasi keuangan Bank.
- Melakukan penelaahan atas kepatuhan Bank terhadap peraturan perundang-undangan di bidang perbankan dan peraturan perundang-undangan lainnya.
- Memberikan rekomendasi kepada Dewan Komisaris mengenai penunjukan Kantor Akuntan Publik, yang didasarkan pada independensi, ruang lingkup penugasan dan fee untuk disampaikan kepada pemegang saham melalui Dewan Komisaris.
- Menelaah dan melaporkan kepada Dewan Komisaris atas pengaduan yang berkaitan dengan proses akuntansi dan pelaporan keuangan Bank.
- Melakukan penelaahan dan pemantauan atas implementasi GCG yang efektif dan berkelanjutan.

Menjalankan tugas-tugas lain yang relevan dengan fungsi Komite Audit atas permintaan Dewan Komisaris serta peraturan Otoritas Jasa Keuangan dan Bank Indonesia.

KEWENANGAN

Dalam melaksanakan tugasnya, Komite Audit mempunyai wewenang sebagai berikut:

- Mengakses dokumen, data, dan informasi Bank tentang karyawan, dana, aset, dan sumber daya Bank yang diperlukan.
- Melakukan komunikasi langsung dengan karyawan, termasuk Direksi dan pihak yang menjalankan

- Compliance of audit conducted by Public Accounting Firm with applicable audit standards.
- Provide an independent opinion in the event of dissenting opinions between the management and a Public Accounting Firm for its services.
- Implementation of follow-up by the Board of Directors on findings made by the IAU, Public Accountants, Bank Indonesia, as well as of the supervision results from OJK.
- Review other financial information to be issued to the public and/or authorities such as projections, and other reports relating to The Bank's financial information.
- Review The Bank's compliance with laws and regulations in the banking sector and other laws and regulations.
- Provide recommendations to the Board of Commissioners regarding the appointment of a Public Accounting Firm. This recommendation is based on the independence, scope of assignment and costs to be submitted to the shareholders through the Board of Commissioners.
- Review and report to the Board of Commissioners for complaints relating to The Bank's accounting and reporting process.
- Review and monitor the effectiveness and sustainability of GCG implementation.

Carry out other tasks relevant to the functions of the Audit Committee at the request of the Board of Commissioners and the regulations of the Financial Services Authority and Bank Indonesia.

AUTHORITIES

In performing its duties, the Audit Committee has the following authorities:

- Accessing documents, data, and The Bank's information on its employees, funds, assets, and resources required.
- The ability to communicate directly with employees, including the Board of Directors and

Komite Audit Audit Committee

fungsi audit internal, manajemen risiko, akuntansi dan sistem informasi, unit kerja terkait dan akuntan publik terkait tugas dan tanggung jawab Komite Audit.

- Jika diperlukan, melibatkan pihak independen di luar anggota Komite Audit yang diperlukan untuk membantu pelaksanaan tugasnya.
- Melakukan kewenangan lain yang diberikan oleh Dewan Komisaris.

PEMBAGIAN TUGAS DAN TANGGUNG JAWAB DALAM KEANGGOTAAN KOMITE AUDIT

Komite Audit diketuai oleh seorang Komisaris Independen dan beranggotakan 2 (dua) pihak independen. Per 31 Desember 2018 keanggotaan Komite Audit adalah sebagai berikut:

1. H. Yunno Kusumo, sebagai ketua sekaligus mewakili peran Komisaris Independen dalam Komite Audit.
2. Ricky Dompas, sebagai pihak independen yang memiliki keahlian dalam bidang keuangan.
3. Waldy Gutama, sebagai pihak independen yang memiliki keahlian dalam bidang keuangan.

PELATIHAN DAN PENGEMBANGAN KOMPETENSI

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Komite Audit, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank.

Informasi terkait pelatihan dan pengembangan kompetensi Komite Audit tersedia pada bab Profil Perusahaan pada laporan tahunan ini.

RAPAT KOMITE AUDIT

Rapat Komite Audit diselenggarakan sesuai dengan kebutuhan Bank, sekurang-kurangnya 4 (empat) kali dalam 1 (satu) tahun.

Selama tahun 2018, Komite Audit menyelenggarakan rapat sebanyak 11 (sebelas) kali dengan pelaksanaan sebagai berikut:

parties performing internal audit functions, risk management, accounting and information system, related units and public accountants related to the Audit Committee's duties and responsibilities.

- Where necessary, the committee may involve independent parties from outside of the Audit Committee members to assist the committee in performing its duties.
- To exercise other powers granted by the Board of Commissioners.

DIVISION OF DUTIES AND RESPONSIBILITIES BETWEEN

Member of the Audit Committee

The Audit Committee is chaired by an Independent Commissioner and consists of 2 (two) independent parties. As of December 31, 2018, the membership of the Audit Committee is as follows:

1. H. Yunno Kusumo, as chairman and representing the role of Independent Commissioner in the Audit Committee.
2. Ricky Dompas, as an independent party with expertise in finance.
3. Waldy Gutama, as an independent party with expertise in finance.

TRAINING AND COMPETENCY DEVELOPMENT

The Bank has policies related to the development and the competency of the Audit Committee, which is conducted through various trainings and education programs being fully funded as part of The Bank's responsibility.

The list of trainings and competency development programs for the Audit Committee can be seen in its respective chapter within the Company Profile in this annual report.

AUDIT COMMITTEE MEETING

The Audit Committee meetings are convened in accordance with the needs of The Bank, at least 4 (four) times in 1 (one) year.

During 2018, the Audit Committee held 11 (eleven) meetings with the following implementation:

Komite Audit
Audit Committee

NO.	TANGGAL DATE	PEMBAHASAN TOPIC
1	18-Jan-18	1. Internal Audit Activity Report 2. 2018 Internal Audit Plan 3. Year 2017 - Disciplinary Meeting & Implementation
2	22-Feb-18	1. KPMG Audit Progress 2. Internal Audit Activity Report
3	28-Mar-18	1. KPMG Audit Progress 2. Internal Audit Activity Report
4	13-Apr-18	KPMG Management Letter
5	2-May-18	Internal Audit Activity Report
6	24-May-18	Internal Audit Activity Report
7	12-Jul-18	Internal Audit Activity Report
8	27-Aug-18	Internal Audit Activity Report
9	1-Oct-18	Internal Audit Activity Report
10	15-Nov-18	1. Entry meeting with KPMG 2. Internal Audit Activity Report
11	20-Dec-18	1. Internal Audit Plan in 2019 2. Follow up on ICBC Ltd, External and Internal Audit findings which are still pending or overdue as of 30 November 2018 3. Follow up on OJK Audit Findings which are still pending or overdue as of 30 November 2018

KOMITE AUDIT AUDIT COMMITTEE	18- JAN- 18	22- FEB-18	28- MAR- 18	13- APR-18	2-MAY- 18	24- MAY- 18	12-JUL- 18	27- AUG- 18	1-OCT- 18	15- NOV- 18	20- DEC-18	JUMLAH RAPAT TOTAL MEETING	JUMLAH KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Christina Harapan*	1	1	1	1	1	1						6	6	100%
Hendra Widjojo**							1	1				2	2	100%
H. Yunno Kusumo***									1	1	1	3	3	100%
Ricky Dompas	1	1	1	1	1	1	-	1	1	1	1	11	10	91%
Waldy Gutama	1	1	1	1	1	1	1	1	1	1	1	11	11	100%

* Resmi mengundurkan diri sejak 31 Mei 2018 | Officially resigned on May 31, 2018

** Mengambil alih tugas sebagai Ketua Komite sejak 1 Juni 2018 | Take over Committee Chairman duty as of June 1, 2018

*** Efektif menjabat sebagai Ketua Komite Audit sejak 13 September 2018 | Officially appointed as Chairman of Audit Committee as of September 13, 2018

LAPORAN SINGKAT PELAKSANAAN KEGIATAN KOMITE AUDIT TAHUN 2018

Komite Audit telah menjalankan program kerja pada 2018, antara lain sebagai berikut:

- Mengawasi dan mengevaluasi kebijakan, prosedur, program dan penerapan SKAI.
- Mengawasi dan mengevaluasi tindakan manajemen atas hasil temuan SKAI, audit eksternal, dan OJK.
- Memberikan rekomendasi kepada Dewan Komisaris mengenai penunjukan Kantor Akuntan Publik.

BRIEF REPORT ON THE IMPLEMENTATION OF THE ACTIVITIES OF THE AUDIT COMMITTEE IN 2018

The Audit Committee has carried out work programs in 2018 as follows:

- Monitor and evaluate the IAU policies, procedures, programs and implementation.
- Monitor and evaluate actions from the management on the findings of IAU, external audit, and the OJK.
- Provide recommendations to the Board of Commissioners regarding the appointment of a Public Accounting Firm.



KOMITE REMUNERASI DAN NOMINASI

Remuneration and Nomination Committee

Komite Remunerasi dan Nominasi Bank dibentuk dalam rangka membantu pelaksanaan tugas Dewan Komisaris terkait evaluasi dan rekomendasi atas kebijakan remunerasi yang berlaku bagi Dewan Komisaris, Direksi dan karyawan Bank serta memberikan rekomendasi kepada Dewan Komisaris atas tindak lanjut temuan audit internal dan/atau audit eksternal serta hasil pengawasan OJK tentang kebijakan di bidang manajemen SDM.

Pembentukan dan tugas serta tanggung jawab Komite Remunerasi dan Nominasi telah sesuai dengan Peraturan Otoritas Jasa Keuangan No. 34/POJK.04/2014 tentang Komite Remunerasi dan Nominasi Emiten atau Perusahaan Publik.

SUSUNAN DAN PROFIL KOMITE REMUNERASI DAN NOMINASI

Komite Remunerasi dan Nominasi Bank dikepalai oleh seorang Komisaris Independen dan terdiri atas Komisaris Independen serta pihak yang menduduki jabatan manajerial di bawah Direksi yang membidangi sumber daya manusia.

Kronologis susunan Komite Remunerasi dan Nominasi Bank sepanjang tahun 2018 adalah sebagai berikut:

The Bank's Remuneration and Nomination Committee was established to support the implementation duty of the Board of Commissioners in regards to evaluation and recommendation on prevailing remuneration policy for the Board of Commissioners, Board of Directors and employees of The Bank, as well as to provide recommendation to the Board of Commissioners on the follow up action pursuant to findings from internal auditors and/or external auditors and OJK supervision on Human Resource Management policy.

The establishment and duties and responsibilities of Remuneration and Nomination Committee has been in accordance with the Financial Services Authority Regulation No. 34/POJK.04/2014 on the Remuneration and Nomination Committee of Issuers or Public Companies.

STRUCTURE AND PROFILE OF THE REMUNERATION AND NOMINATION COMMITTEE

The Bank's Remuneration and Nomination Committee is chaired by an Independent Commissioner and comprised of Independent Commissioners, as well as personnel within managerial level below the Board of Directors in charge of human resources.

The chronology of The Bank's Remuneration and Nomination Committee composition during 2018 is as follows:

1 JANUARI 2018 – 13 SEPTEMBER 2018 JANUARY 1, 2018 – SEPTEMBER 13, 2018	13 SEPTEMBER 2018 – 31 DESEMBER 2018 SEPTEMBER 13, 2018 – DECEMBER 31, 2018
Hendra Widjojo Ketua Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Chairman & Independent Commissioner	Hendra Widjojo Ketua Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Chairman & Independent Commissioner
Christina Harapan Anggota Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Member & Independent Commissioner	H. Yunno Kusumo Anggota Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Member & Independent Commissioner
Resmi mengundurkan diri pada 31 Mei 2018 Officially resigned on May 31, 2018	Efektif menjabat pada 13 September 2018 Serves as of September 13, 2018
Josephine Sambajon Anggota Komite Remunerasi dan Nominasi Remuneration and Nomination Committee Member	Josephine Sambajon Anggota Komite Remunerasi dan Nominasi Remuneration and Nomination Committee Member

Komite Remunerasi dan Nominasi
Remuneration and Nomination Committee

Per 31 Desember 2018 profil Komite Remunerasi dan Nominasi Bank adalah sebagai berikut:

As of December 31, 2018, the profile of The Bank's Remuneration and Nomination Committee is as follows:

Hendra Widjojo Ketua Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Chairman & Independent Commissioner	Profil Hendra Widjojo sebagai Ketua Komite Remunerasi dan Nominasi tersedia pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini. Hendra Widjojo's profile as Remuneration and Nomination Committee Chairman is available in the Board of Commissioners Profile section in the Company Profile of this annual report.
H. Yunno Kusumo Anggota Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Member & Independent Commissioner	Profil H. Yunno Kusumo sebagai anggota Komite Remunerasi dan Nominasi tersedia pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini. H. Yunno Kusumo's profile as member of Remuneration and Nomination Committee is available in the Board of Commissioners Profile section in the Company Profile of this annual report. Efektif menjabat sebagai anggota Komite Remunerasi dan Nominasi pada 13 September 2018. Serves as member of Remuneration and Nomination Committee effective as of September 13, 2018.
Christina Harapan Anggota Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Member & Independent Commissioner	Anggota Komite Remunerasi dan Nominasi Member of Remuneration and Nomination Committee Resmi mengundurkan diri pada 31 Mei 2018. Officially resigned on May 31, 2018.
Josephine Sambajon Anggota Komite Remunerasi dan Nominasi Remuneration and Nomination Committee Member	Profil Josephine Sambajon sebagai anggota Komite Remunerasi dan Nominasi tersedia pada bagian Profil Pejabat Excecutive dalam bab Profil Perusahaan di laporan tahunan ini. Josephine Sambajon' profile as member of Remuneration and Nomination Committee is available in the Executive Officer Profile section in the Company Profile of this annual report.

INDEPENDENSI

Sesuai kriteria yang telah ditetapkan Bank dan regulasi yang berlaku, Komite Remunerasi dan Nominasi wajib memiliki independensi atas beberapa aspek yang berhubungan dengan kepengurusan Bank. Berikut disampaikan transparansi independensi Komite Remunerasi dan Nominasi.

INDEPENDENCE

In accordance with the criteria established by The Bank and prevailing regulations, the Remuneration and Nomination Committee shall have independence on several aspects relating to the management of The Bank. Below is an outline of the independence of the Remuneration and Nomination Committee.

ASPEK INDEPENDENSI INDEPENDENCY ASPECTS	KOMITE REMUNERASI DAN NOMINASI REMUNERATION AND NOMINATION COMMITTEE			
	HENDRA WIDJOJO	H. YUNNO KUSUMO	CHRISTINA HARAPAN	JOSEPHINE SAMBAJON
Merupakan orang dalam Kantor Akuntan Publik, Kantor Konsultan Hukum, atau pihak lain yang memberi jasa audit, jasa non-audit, dan/atau jasa konsultasi lain kepada Bank dalam waktu 1 (satu) tahun terakhir sebelum diangkat oleh Komisaris. Is an insider in a Public Accounting Firm, Legal Consultant Office, or any other party providing audit services, non-audit services, and/or other consulting services to The Bank within 1 (one) year prior to appointment by the Commissioner.	○	○	○	○
Mempunyai wewenang dan tanggung jawab untuk merencanakan, memimpin atau mengendalikan kegiatan Bank dalam waktu 1 (satu) tahun terakhir. Is a person having the authority and responsibility to plan, lead or control The Bank's activities within the last 1 (one) year.	○	○	○	○
Mempunyai saham baik langsung maupun tidak langsung pada Bank. Own shares directly or indirectly to The Bank.	○	○	○	○
Memangku jabatan sebagai pengurus partai politik dan/atau calon/anggota legislatif dan/atau calon kepala daerah/wakil kepada daerah, dan jabatan lain sesuai dengan peraturan perundang-undangan yang dapat menimbulkan benturan kepentingan. Has taken office as a party official and/or candidate/legislative member and/or candidate for regional head/representative to the region, and other positions that may create a conflict of interest, in accordance with laws and regulations.	○	○	○	○

Komite Remunerasi dan Nominasi
Remuneration and Nomination Committee

ASPEK INDEPENDENSI INDEPENDENCY ASPECTS	KOMITE REMUNERASI DAN NOMINASI REMUNERATION AND NOMINATION COMMITTEE			
	HENDRA WIDJOJO	H. YUNNO KUSUMO	CHRISTINA HARAPAN	JOSEPHINE SAMBAJON
Mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horisontal maupun vertikal dengan Komisaris, Direksi atau pemegang saham utama Bank. Has a family relationship due to marriage and descent to the second degree, either horizontally or vertically, with the Commissioners, Directors or the main shareholders of The Bank.	○	○	○	○
Memiliki hubungan usaha baik langsung maupun tidak langsung yang berkaitan dengan kegiatan usaha Bank. Has a direct or indirect business relationship related to The Bank's business activities	○	○	○	○

● Ada | Yes
○ Tidak ada | No

PEDOMAN KOMITE REMUNERASI DAN NOMINASI

Komite Remunerasi dan Nominasi Bank telah memiliki Pedoman Komite Remunerasi dan Nominasi berdasarkan Keputusan Dewan Komisaris tanggal 24 Juli 2013 yang telah di perbaharui pada tanggal 6 September 2017.

TUGAS DAN TANGGUNG JAWAB KOMITE REMUNERASI DAN NOMINASI

Tugas dan tanggung jawab Komite Remunerasi dan Nominasi sebagaimana diatur dalam POJK 34/POJK.04/2014 paling sedikit meliputi:

- Terkait dengan kebijakan remunerasi wajib:
 - Melakukan evaluasi terhadap kebijakan remunerasi yang didasarkan atas kinerja, risiko, kewajaran dengan peer group, sasaran, dan strategi jangka panjang Bank, pemenuhan cadangan sebagaimana diatur dalam peraturan perundang-undangan, dan potensi pendapatan Bank pada masa yang akan datang;
 - Menyampaikan hasil evaluasi dan rekomendasi kepada Dewan Komisaris mengenai:
 - o Kebijakan remunerasi bagi Dewan Komisaris dan Direksi untuk disampaikan kepada RUPS; dan
 - o Kebijakan remunerasi bagi pegawai secara keseluruhan untuk disampaikan kepada Direksi.

CHARTER OF REMUNERATION AND NOMINATION

The Bank's Remuneration and Nomination Committee has in place the Remuneration and Nomination Charter based on the Board of Commissioners Decree dated July 24, 2013 that has been updated on September 6, 2017.

DUTIES AND RESPONSIBILITIES OF THE REMUNERATION AND NOMINATION COMMITTEE

As stipulated in POJK 34/POJK.04/2014, the Remuneration and Nomination Committee shall perform at least:

- In relation to remuneration policy:
 - Perform an evaluation of the remuneration policy based on performance, risks, fairness with peer group, target, and The Bank's long-term strategies, the fulfilment of reserves as stipulated in laws, and future revenue of The Bank;
 - Submit evaluation result and recommendation to the Board of Commissioners regarding:
 - o The Board of Commissioners and Board of Directors remuneration policy to be submitted to the GMS; and
 - o Employee remuneration policies to be submitted to the Board of Directors.

Komite Remunerasi dan Nominasi
Remuneration and Nomination Committee

- Memastikan bahwa kebijakan remunerasi telah sesuai dengan ketentuan; dan
 - Melakukan evaluasi secara berkala terhadap penerapan kebijakan remunerasi.
- Terkait dengan kebijakan nominasi:
- Menyusun dan memberikan rekomendasi mengenai sistem serta prosedur pemilihan dan/atau penggantian anggota Dewan Komisaris dan anggota Direksi kepada Dewan Komisaris untuk disampaikan kepada RUPS;
 - Memberikan rekomendasi mengenai calon anggota Dewan Komisaris dan/atau calon anggota Direksi kepada Dewan Komisaris untuk disampaikan kepada RUPS; dan
 - Memberikan rekomendasi mengenai Pihak Independen yang akan menjadi anggota Komite kepada Dewan Komisaris.
- Ensure remuneration policy is in accordance with the provision; and
 - Conduct periodic evaluation of the implementation of remuneration policy.
- In relation to nomination policy:
- Prepare and provide recommendation on the system and procedure in selecting and/or replacing members of the Board of Commissioners and Board of Directors to the Board of Commissioners to be submitted to the GMS;
 - Submit a recommendation on candidate members of the Board of Commissioners and/or Board of Directors to the Board of Commissioners to be submitted to the GMS;
 - Submit a recommendation on Independent Parties as the committees' candidate to the Board of Commissioners.

**PEMBAGIAN TUGAS DAN TANGGUNG JAWAB
DALAM KEANGGOTAAN KOMITE REMUNERASI
DAN NOMINASI**

Berikut komposisi Komite Remunerasi dan Nominasi:

1. Hendra Widjojo, sebagai ketua yang juga mewakili peranan Komisaris Independen dalam komite.
2. H. Yunno Kusumo, sebagai anggota komite yang juga merupakan Komisaris Independen.
3. Josephine Sambajon, sebagai anggota komite yang merupakan Pejabat Eksekutif yang membawahi bagian sumber daya manusia Bank.

PELATIHAN DAN PENGEMBANGAN KOMPETENSI

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Komite Remunerasi dan Nominasi, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Tentang daftar pelatihan dan pengembangan kompetensi Komite Remunerasi dan Nominasi tersedia pada bab Profil Perusahaan pada laporan tahunan ini.

**DIVISION OF DUTIES AND RESPONSIBILITIES
BETWEEN MEMBER OF THE REMUNERATION
AND NOMINATION COMMITTEE**

The composition of the Remuneration and Nomination Committee is as follows:

1. Hendra Widjojo, as chairman, who also represents the role of Independent Commissioner in the committee.
2. H. Yunno Kusumo, as a committee member who is also an Independent Commissioner.
3. Josephine Sambajon, as a committee member who is an Executive Officer in charge of The Bank's human resources.

TRAINING AND COMPETENCE DEVELOPMENT

The Bank has its own policy related to the development and improvement of the competency of the Remuneration and Nomination Committee. This is done through various full funding training and education programs being the responsibility of The Bank. The list of training and competency development programs for the Remuneration and Nomination Committee is available in its respective chapter within the Company Profile in this annual report.

Komite Remunerasi dan Nominasi
Remuneration and Nomination Committee

RAPAT KOMITE REMUNERASI DAN NOMINASI

Rapat Komite Nominasi dan Remunerasi diselenggarakan sesuai dengan kebutuhan Bank, sekurang-kurangnya 4 (empat) kali dalam 1 (satu) tahun. Selama tahun 2018, Komite Remunerasi dan Nominasi menyelenggarakan rapat sebanyak 4 (empat) kali. Berikut disampaikan agenda dan risalah rapat, kehadiran, serta rekapitulasi tingkat kehadiran anggota Komite Remunerasi dan Nominasi dalam rapat-rapat tersebut.

MEETINGS OF THE REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee's meetings are held in accordance with the needs of The Bank, at least 4 (four) times annually. Throughout 2018, the Remuneration and Nomination Committee held 4 (four) meetings. The following are the details of the agenda and minutes of meetings, attendance, and recapitulation of the attendance of Remuneration and Nomination Committee members in its meetings.

TANGGAL DATE	PEMBAHASAN TOPIC
13-Apr-18	1. 2017 Employee Performance Bonus 2. Interview Candidate of Risk Monitoring Committee
16-May-18	1. Nomination of Candidate of Independent Commissioner 2. Resignation of Independent Commissioner and Director
12-Jul-18	1. 2018 Salary Adjustment for Employees 2. Revision of Material Risk Taker Policy 3. 2017 Performance Bonus and 2018 Salary Adjustment for BOD-BOC 4. Nomination of new candidate of Risk Monitoring Committee 5. Nomination of new Head of Internal Audit
15-Nov-18	1. Revision of 2017 Performance Bonus for BOD-BOC 2. Contract Extension of Pak Lando Simatupang and Pak Richard S. Dompas 3. Candidates for Risk Monitoring Committee

KOMITE REMUNERASI & NOMINASI REMUNERATION & NOMINATION COMMITTEE	13-APR-18	16-MAY-18	12-JUL-18	15-NOV-18	JUMLAH RAPAT TOTAL MEETING	JUMLAH KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Hendra Widjojo	1	1	1	1	4	4	100%
Christina Harapan*	1	1			2	2	100%
H. Yunno Kusumo**				1	1	1	100%
Josephine Sambajon	1	1	1	1	4	4	100%

Resmi mengundurkan diri sejak 31 Mei 2018 | Officially resigned on May 31, 2018

** Resmi diangkat sejak 13 September 2018 | Officially appointed on September 13, 2018

LAPORAN SINGKAT PELAKSANAAN KEGIATAN KOMITE REMUNERASI DAN NOMINASI

Di sepanjang tahun 2018, Komite Remunerasi dan Nominasi melaksanakan tugas sebagai berikut:

- Mengevaluasi dan memberikan rekomendasi terhadap kebijakan remunerasi bagi *Material Risk Takers* (MRT) HR/POL/034 yang mengacu kepada POJK No. 45/POJK.03/2015.

BRIEF SUMMARY OF THE ACTIVITIES OF THE REMUNERATION AND NOMINATION COMMITTEE

Throughout 2018, the Remuneration and Nomination Committee performed the following duties:

- Evaluate and provide recommendations on the remuneration policy of *Material Risk Takers* (MRT) HR/POL/034 in accordance to POJK No. 45/POJK.03/2015.

Komite Remunerasi dan Nominasi
Remuneration and Nomination Committee

- Memberikan rekomendasi kepada Dewan Komisaris untuk pengangkatan calon Komisaris, calon Direktur, calon anggota komite serta calon Pejabat Eksekutif baru.
- Memberikan rekomendasi terkait remunerasi bagi Dewan Komisaris, Direktur dan karyawan.
- Provide recommendations to the Board of Commissioners for the appointment of candidates for Commissioners, Directors, prospective members of committees, and candidates for Executive Officers.
- Provide recommendations regarding remuneration to the Boards of Commissioners, Board of Directors and employees.

KEBIJAKAN MENGENAI SUKSESI DIREKSI

Suksesi Direksi Bank diatur berdasarkan *Board of Directors and Commissioners Nomination Policy* No. HR/POL/020 tanggal 24 Maret 2014 tentang Penggantian dan Pengangkatan Direksi. Tidak hanya terbatas untuk Direksi, kebijakan ini termasuk mengatur suksesi bagi Dewan Komisaris, termasuk persyaratan jika nominasi berasal dari Pejabat Eksekutif internal Bank dan pejabat dari ICBC Ltd sebagai pemegang saham mayoritas. Kebijakan ini juga mengatur secara rinci terkait prosedur pengusulan untuk Dewan Komisaris dan Direksi jika berasal dari kalangan internal.

POLICY CONCERNING THE SUCCESSION OF THE BOARD OF DIRECTORS

The succession of The Bank's Board of Directors is governed by the Board of Directors and Commissioners Nomination Policy No. HR/POL/020 dated March 24, 2014 regarding Replacement and Appointment of the Board of Directors. This policy not only limited to the Board of Directors, it also regulates the succession of the Board of Commissioners, including the requirements if the candidates are from The Bank's internal Executive Officers and officials of ICBC Ltd, as the majority shareholders. This policy also regulates in detail the procedure for proposals for the Board of Commissioners and the Board of Directors if the members are from internal.



KOMITE PEMANTAU RISIKO

Risk Monitoring Committee

Komite Pemantau Risiko bertugas untuk membantu Dewan Komisaris dalam mengawasi pelaksanaan manajemen risiko di lingkungan Bank. Komite ini diketuai oleh Komisaris Independen dengan 2 (dua) orang anggota yang berasal dari pihak independen yang memiliki keahlian pada bidang keuangan dan manajemen risiko.

Susunan dan Profil Komite Pemantau Risiko Kronologis susunan Komite Pemantau Risiko Bank di tahun 2018 adalah sebagai berikut:

1 JANUARI 2018 – 2 FEBRUARI 2018 JANUARY 1, 2018 – FEBRUARY 2, 2018	3 FEBRUARI 2018 – 9 AGUSTUS 2018 FEBRUARY 3, 2018 – AUGUST 9, 2018	10 AGUSTUS 2018 – 12 DESEMBER 2018 AUGUST 10, 2018 – DECEMBER 12, 2018	13 DESEMBER 2018 – 31 DESEMBER 2018 DECEMBER 13, 2018 – DECEMBER 31, 2018
Hendra Widjojo Ketua Komite Pemantau Risiko & Komisaris Independen Risk Monitoring Committee Chairman & Independent Commissioner	Hendra Widjojo Ketua Komite Pemantau Risiko & Komisaris Independen Risk Monitoring Committee Chairman & Independent Commissioner	Hendra Widjojo Ketua Komite Pemantau Risiko & Komisaris Independen Risk Monitoring Committee Chairman & Independent Commissioner	Hendra Widjojo Ketua Komite Pemantau Risiko & Komisaris Independen Risk Monitoring Committee Chairman & Independent Commissioner
Sukarwan Anggota Komite Pemantau Risiko Risk Monitoring Committee Member	Lando Simatupang Anggota Komite Pemantau Risiko Risk Monitoring Committee Member	Ignace Widiatmoko Anggota Komite Pemantau Risiko Risk Monitoring Committee Member	Ignace Widiatmoko Anggota Komite Pemantau Risiko Risk Monitoring Committee Member
Lando Simatupang Anggota Komite Pemantau Risiko Risk Monitoring Committee Member		Lando Simatupang Anggota Komite Pemantau Risiko Risk Monitoring Committee Member	Aki H. Parwoto Anggota Komite Pemantau Risiko Risk Monitoring Committee Member

Per 31 Desember 2018 profil Komite Pemantau Risiko Bank adalah sebagai berikut:

Hendra Widjojo
Ketua Komite Pemantau Risiko &
Komisaris Independen
Risk Monitoring Committee
Chairman & Independent
Commissioner

Profil Hendra Widjojo sebagai Ketua Komite Pemantau Risiko tersedia pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini. Hendra Widjojo's profile as Risk Monitoring Committee Chairman is available in the Board of Commissioners Profile section in the Company Profile of this annual report.

The Risk Monitoring Committee has the duty to assist the Board of Commissioners in overseeing the implementation of risk management within The Bank. The Committee is chaired by an Independent Commissioner, with 2 (two) members from independent parties with expertise in the area of finance and risk management.

Structure and Profile of the Risk Monitoring Committee The chronology of The Bank's Risk Monitoring Committee composition in 2018 is as follows:

As of December 31, 2018, the profile of The Bank's Risk Monitoring Committee is as follows:

Komite Pemantau Risiko
Risk Monitoring Committee**Ignace Widiatmoko**Anggota Komite Pemantau Risiko
Risk Monitoring Committee
Member**Pengalaman Kerja/Jabatan**

Ignace Widiatmoko sebelumnya menjabat sebagai Managing Director, PT. Gedung Bank Exim and Komisaris PT. Resik Guna Maju (2015-2018). Beliau juga menjalankan karir profesionalnya antara lain pada Bank Mandiri sebagai VP of Risk Management Directorate (2007-2015), VP of Consumer Banking (2006-2007), Department Head Bancassurance (2004-2006), Department Head Fee Base Business/E-banking (2001-2003), Department Head Liabilities Products (1999-2001) serta pada Bank Ekspor Impor Indonesia (1985-1998).

Latar Belakang Pendidikan

- Chartered Financial Consultant & Diploma in Financial Planning, Singapore College of Insurance, Jakarta-Singapore, 2006.
- MBA in Marketing, Rutgers University, Graduate School of Management Newark, New Jersey USA, 1995.
- USA Pre MBA Program, The Economic Institute, Colorado University, Boulder USA, 1993.
- Sarjana Ekonomi, University of Diponegoro, Indonesia, 1994.

Work Experience

Ignace Widiatmoko previously served as Managing Director, PT. Bank Exim Building and Commissioner of PT. Resik Guna Maju (2015-2018). His other professional careers are, at Bank Mandiri as the VP of Risk Management Directorate (2007-2015), VP of Consumer Banking (2006-2007), Department Head Bancassurance (2004-2006), Department Head Fee Base Business/E-banking (2001-2003), Department. Head Liabilities Products (1999-2001) and at Bank Ekspor Impor Indonesia (1985-1998).

Education

- Chartered Financial Consultant & Diploma in Financial Planning, Singapore College of Insurance, Jakarta-Singapore, 2006.
- MBA in Marketing, Rutgers University, Graduate School of Management Newark, New Jersey USA, 1995.
- USA Pre MBA Program, The Economic Institute, Colorado University, Boulder USA, 1993.
- BA in Economics, University of Diponegoro, Indonesia, 1984.

Aki H. ParwotoAnggota Komite Pemantau Risiko
Risk Monitoring Committee
Member**Pengalaman Kerja/Jabatan**

Aki H. Parwoto saat ini menjabat sebagai anggota Komite Pemantau Risiko dan Komite Audit pada PT Bank Resona Perdania. Sebelumnya beliau bergabung dengan PT Bank CIMB Niaga sejak tahun 2009 dan menjabat antara lain sebagai Senior Vice President Head of Credit and Operations Policy (2015-2017), First Vice President Credit Risk Management Group Head (2010-2014) dan Vice President Credit Risk Management Group Head (2009-2010). Beliau juga pernah menjabat berbagai posisi strategis pada PT Bank Niaga untuk periode 1987-2008 dengan menjabat antara lain sebagai Vice President Credit pada Risk Division Head (2004-2008), Risk Asset Audit Division Head (2001-2004), Assistant Vice President Compliance Management Group (2000), Assistant Vice President Credit Policy and Administration Group (1998-1999), Senior Manager - Branch Bali (1994-1997), Manager - Credit Audit (1988-1993) dan Officer Development Program (1987). Beliau memulai karir profesionalnya pada Kantor Akuntan Publik Amir Abadi Jusuf pada tahun 1986.

Latar Belakang Pendidikan

- Magister Management, Universitas Gajah Mada, 2004.
- Sarjana Akuntansi, Fakultas Ekonomi, Universitas Indonesia, 1985.

Work Experience

Aki H. Parwoto currently serving as a member of Risk Monitoring Committee and Audit Committee at PT Bank Resona Perdania. He previously joined at PT Bank CIMB Niaga in 2009 and served as Senior Vice President of Credit and Operations Policy (2015-2017), First Vice President of Credit Risk Management Group Head (2010-2014) and Vice President Credit Risk Management Group Head (2009-2010). He also had various strategic positions at PT Bank Niaga for the period 1987-2008 with the positions including Vice President Credit at the Risk Division Head (2004-2008), Risk Asset Audit Division Head (2001-2004), Assistant Vice President Compliance Management Group (2000), Assistant Vice President of the Credit Policy and Administration Group (1998-1999), Senior Manager - Branch Bali (1994-1997), Manager - Credit Audit (1988-1993) and Officer Development Program (1987). He began his professional career at Amir Abadi Jusuf Public Accounting Office in 1986.

Education

- Magister Management, Universitas Gajah Mada, 2004.
- Bachelor of Accountant, Faculty of Economy, Universitas Indonesia, 1985.

INDEPENDENSI

Sesuai kriteria yang telah ditetapkan Bank, Komite Pemantau Risiko wajib memiliki independensi atas beberapa aspek yang berhubungan dengan kepengurusan Bank. Berikut disampaikan transparansi independensi Komite Pemantau Risiko.

INDEPENDENCE

In accordance with the criteria established by The Bank, the Risk Monitoring Committee shall have independence over several aspects relating to the management of The Bank. The following is a transparency on the independence of the Risk Monitoring Committee.

Komite Pemantau Risiko
Risk Monitoring Committee

ASPEK INDEPENDENSI INDEPENDENCY ASPECTS	KOMITE PEMANTAU RISIKO RISK MONITORING COMMITTEE				
	HENDRA WIDJOJO	IGNACE WIDIATMOKO	AKI H. PARWOTO	SUKARWAN	LANDO SIMATUPANG
Merupakan orang dalam Kantor Akuntan Publik, Kantor Konsultan Hukum, atau pihak lain yang memberi jasa audit, jasa non-audit, dan/atau jasa konsultasi lain kepada Bank dalam waktu 1 (satu) tahun terakhir sebelum diangkat oleh Komisaris. Is an insider in a Public Accounting Firm, Legal Consultant Office, or any other party providing audit services, non-audit services, and/or other consulting services to The Bank within 1 (one) year prior to appointment by the Commissioner.	○	○	○	○	○
Mempunyai wewenang dan tanggung jawab untuk merencanakan, memimpin atau mengendalikan kegiatan Bank dalam waktu 1 (satu) tahun terakhir. Is a person having the authority and responsibility to plan, lead or control The Bank's activities within the last 1 (one) year.	○	○	○	○	○
Mempunyai saham baik langsung maupun tidak langsung pada Bank. Own shares directly or indirectly to The Bank.	○	○	○	○	○
Memangku jabatan sebagai pengurus partai politik dan/atau calon/anggota legislatif dan/atau calon kepala daerah/wakil kepada daerah, dan jabatan lain sesuai dengan peraturan perundang-undangan yang dapat menimbulkan benturan kepentingan. Has taken office as a party official and/or candidate/legislative member and/or candidate for regional head/representative to the region, and other positions that may create a conflict of interest, in accordance with laws and regulations.	○	○	○	○	○
Mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horisontal maupun vertikal dengan Komisaris, Direksi atau pemegang saham utama Bank. Has a family relationship due to marriage and descent to the second degree, either horizontally or vertically, with the Commissioners, Directors or the main shareholders of The Bank.	○	○	○	○	○
Memiliki hubungan usaha baik langsung maupun tidak langsung yang berkaitan dengan kegiatan usaha Bank. Has a direct or indirect business relationship related to The Bank's business activities.	○	○	○	○	○
● Ada Yes ○ Tidak ada No					

PEDOMAN KOMITE PEMANTAU RISIKO

Dalam menjalankan tugasnya, Komite Pemantau Risiko memiliki pedoman dan tata tertib kerja yang telah disahkan dan diperbaharui pada tanggal 25 Agustus 2017.

GUIDELINES OF THE RISK MONITORING COMMITTEE

In performing its duties, the Risk Monitoring Committee has a guidelines and code of conduct that has been ratified and updated on August 25, 2017.

TUGAS DAN TANGGUNG JAWAB

Sebagaimana diatur dalam pasal 48 POJK No. 55/POJK.03/2016, Komite Pemantau Risiko wajib melakukan paling sedikit:

- Evaluasi tentang kesesuaian antara kebijakan dengan pelaksanaan kebijakan manajemen risiko dari Bank;
- Pemantauan dan evaluasi pelaksanaan tugas Komite Manajemen Risiko dan Satuan Kerja Manajemen Risiko (SKMR).

Hasil dari evaluasi yang telah disebutkan di atas wajib disampaikan dan memberikan rekomendasi kepada Dewan Komisaris. Laporan hasil evaluasi tersebut wajib disampaikan secara triwulanan setiap tahun. Prioritas tugas Komite Pemantau Risiko adalah sebagai berikut:

- Mengevaluasi proposal kebijakan manajemen risiko termasuk strategi dan kerangka manajemen risiko, serta memberikan rekomendasi dan masukan kepada Dewan Komisaris terhadap proposal kebijakan tersebut.
- Meninjau notulen rapat Komite Manajemen Risiko secara berkala, mengusulkan saran independen dan memberikan rekomendasi untuk memperkuat panduan manajemen risiko Bank.
- Mengadakan rapat dengan SKMR dan departemen terkait paling sedikit sebulan sekali mengenai pengendalian risiko, *risk appetite* dan *risk tolerance*. Memberikan panduan mengenai potensial risiko bisnis dan isu-isu manajemen risiko
- Memberikan perhatian kepada peringkat kesehatan Bank serta memberikan rekomendasi praktisnya.
- Dalam setiap triwulan progres kerja, apabila ada temuan yang muncul maka perlu memberikan rekomendasi dan tindak lanjut dari rekomendasi tersebut serta memberikan laporan kepada Dewan Komisaris.

PEMBAGIAN TUGAS DAN TANGGUNG JAWAB DALAM KEANGGOTAAN KOMITE PEMANTAU RISIKO

Komite Pemantau Risiko diketuai oleh Hendra Widjojo selaku Komisaris Independen dan beranggotakan sebagai berikut:

DUTIES AND RESPONSIBILITIES

As stipulated in Article 48 POJK No. 55/POJK.03/2016, Risk Monitoring Committee shall perform at least:

- Evaluate the conformity between The Bank's risk management policy and implementation;
- Monitor and evaluate the implementation of duties of Risk Management Committee and Risk Management Unit (RMU).

The result of evaluation mentioned above to be submitted to the Board of Commissioners with its recommendation. The report on evaluation result shall be submitted quarterly every year. Risk Monitoring Committee priority duties are as follows:

- Evaluate the risk management policy proposals including risk management strategies and frameworks and provide recommendations and input to the Board of Commissioners on those policy proposals.
- Review minutes of meeting of Risk Management Committee regularly, propose independent advice and recommendation to strengthen guidance of The Bank's risk management.
- Conduct a meeting at least once a month with RMU and other related departments regarding risk control, risk appetite and risk tolerance. To provide guidance on potential business risks and risk management issues.
- Pay attention to The Bank's soundness rating and provide practical recommendations.
- During each quarter of work progress, if there are any findings, it is necessary to give recommendation and follow-up of the recommendation and report to the Board of Commissioners.

DIVISION OF DUTIES AND RESPONSIBILITIES BETWEEN MEMBER OF THE RISK MONITORING COMMITTEE

The Risk Monitoring Committee is chaired by Hendra Widjojo as Independent Commissioner and has the following members:



Komite Pemantau Risiko
Risk Monitoring Committee

- Ignace Widiatmoko, berperan sebagai pihak yang memiliki keahlian dalam bidang manajemen risiko.
- Aki H. Parwoto, berperan sebagai pihak independen yang memiliki keahlian dalam bidang keuangan.

- Ignace Widiatmoko, as an independent party with an expertise in risk management.
- Aki H. Parwoto, as an independent party with an expertise in finance.

PELATIHAN DAN PENGEMBANGAN KOMPETENSI

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Komite Pemantau Risiko, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Tentang daftar pelatihan dan pengembangan kompetensi Komite Pemantau Risiko dapat dilihat pada bab Profil Perusahaan laporan tahunan ini.

TRAINING AND COMPETENCE DEVELOPMENT

The Bank has its own policy related to the development and improvement of the competency of the Risk Monitoring Committee. This is done through various full funding training and education programs being the responsibility of The Bank. The list of training and competence development programs for the Risk Monitoring Committee can be seen in its respective chapter within the Company Profile in this annual report.

RAPAT KOMITE PEMANTAU RISIKO

Komite Pemantau Risiko mengadakan rapat sesuai dengan ketentuan OJK yang mensyaratkan penyelenggaraan rapat paling kurang 4 (empat) kali dalam setahun.

RISK MONITORING COMMITTEE MEETINGS

The Risk Monitoring Committee's meetings are held in accordance with OJK regulation, at least 4 (four) times annually.

Selama tahun 2018, Komite Pemantau Risiko menyelenggarakan rapat sebanyak 10 (sepuluh) kali. Berikut disampaikan agenda dan risalah rapat, kehadiran, serta rekapitulasi tingkat kehadiran anggota Komite Pemantau Risiko dalam rapat-rapat tersebut.

Throughout 2018, the Risk Monitoring Committee held 10 (ten) meetings. The following are the details of the agenda and minutes of meetings, attendance, and recapitulation of the attendance of Risk Monitoring Committee members in its meetings.

TANGGAL DATE	PEMBAHASAN TOPIC
18-Jan-18	1. RBBR Assessment Semester II - 2017 2. Work Plan Summary 2018
22-Feb-18	1. Progress of RMD Plan and Updates on Policy-Procedure 2. NPL Progress 3. Progress on Implementation of PSAK 71/IFRS 9
28-Mar-18	1. Loan Portfolio Analysis 2. Potential NPL (CB III, CMB, CCB SBY, SME) 3. Potential NPL (CB I)
2-May-18	1. Amendment of Risk Management Policy 2. Risk Profile Assessment Q1-2018 3. Risk Appetite Q1-2018
24-May-18	1. Stress Testing 2. NPL Progress 3. YTD Financial Performance
12-Jul-18	1. Watch List Accounts 2. Projection of RBBR as of June 2018 3. Impelementation Progress of RMD as of June 2018 4. Operational Risk Assessment Result 5. Amendment of Risk Management Policy
27-Aug-18	1. Corporate and Commercial NPL Progress as of July 2018 2. Haiyin 3. Individual NPL Accounts Progress

Komite Pemantau Risiko
Risk Monitoring Committee

TANGGAL DATE	PEMBAHASAN TOPIC
1-Oct-18	1. Potential NPL Updates 2. Corporate and Commercial NPL Progress 3. Individual NPL Accounts Progress
15-Nov-18	1. Corporate and Commercial NPL Progress 2. Potential NPL Updates 3. Risk Profile Report Q3-2018
20-Dec-18	1. Potential NPL Updates 2. Risk Management Plan in 2019

KOMITE PEMANTAU RISIKO RISK MONITORING COMMITTEE	18- JAN- 18	22- FEB-18	28- MAR- 18	2-MAY- 18	24- MAY- 18	12-JUL- 18	27- AUG- 18	1-OCT- 18	15- NOV- 18	20- DEC-18	JUMLAH RAPAT TOTAL MEETING	JUMLAH KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Hendra Widjojo	1	1	1	1	1	1	1	1	1	1	9	9	100%
Sukarwan*	1										1	1	100%
Ignace Widiatmoko**							1	1	1	1	4	4	100%
Aki H. Parwoto***										1	1	1	100%
Lando Simatupang****	1	1	1	1	1	1	1	1	1		9	9	100%

*Resmi mengundurkan diri pada 3 Februari 2018 | Officially resigned on February 3, 2018

**Resmi diangkat pada 10 Agustus 2018 | Officially appointed on August 10, 2018

*** Resmi diangkat pada 13 Desember 2018 | Officially appointed on December 13, 2018

**** Resmi mengundurkan diri pada 12 Desember 2018 | Officially resigned on December 12, 2018

LAPORAN SINGKAT PELAKSANAAN KEGIATAN KOMITE PEMANTAU RISIKO TAHUN 2018

Sepanjang tahun 2018, Komite Pemantau Risiko telah bekerja guna membantu Dewan Komisaris yang mencakup hasil evaluasi mengenai tugas dan tanggung jawab beserta dengan rekomendasinya.

Adapun kegiatan yang telah dilaksanakan komite ini sampai Desember 2018 adalah sebagai berikut:

- Melakukan pemantauan dan evaluasi pelaksanaan tugas Komite Pemantau Risiko dan Satuan Kerja Manajemen Risiko (SKMR).
- Melakukan evaluasi terhadap rencana kerja SKMR.
- Melakukan evaluasi Kualitas Penerapan Manajemen Risiko (KPMR) pada *Risk-Based Bank Rating* (RBBR).
- Melakukan evaluasi terhadap laporan profil risiko Bank per 3 bulan, serta kecukupan kebijakan dan prosedur Bank.
- Melakukan pemantauan dan evaluasi pelaksanaan tugas Departemen Special Asset Management dalam mengatasi masalah kredit macet.

BRIEF SUMMARY OF THE ACTIVITIES OF THE RISK MONITORING COMMITTEE OF 2018

Throughout 2018, the Risk Monitoring Committee has assisted the Board of Commissioners, which includes the results of evaluation on duties and responsibilities with recommendations.

The following are activities carried out by the committee until December 2018:

- Monitor and evaluate the implementation of duties of the Risk Monitoring Committee and Risk Management Unit.
- Evaluate the work plan of the Risk Management Unit.
- Evaluate the quality of risk management implementation in Risk-Based Bank Rating (RBBR).
- Evaluate The Bank's risk profile report every quarter, as well as the adequacy of The Bank policies and procedures.
- Monitor and evaluate the implementation of the tasks of the Special Asset Management Department in overcoming the non-performing loans.



ORGAN PENDUKUNG DIREKSI

Supporting Organs of The Board of Directors

KOMITE-KOMITE EKSEKUTIF

Dalam menjalankan tugas pengelolaan Bank, Direksi memiliki komite-komite eksekutif yang masing-masing beranggotakan Direktur dan para Pejabat Eksekutif Bank. Seluruh komite bertanggung jawab dan melapor kepada Direksi.

ASSETS AND LIABILITIES COMMITTEE (ALCO)

Assets and Liabilities Committee (ALCO) bertugas untuk membantu Direksi dalam mengelola aset, liabilitas, dan ekuitas Bank, termasuk namun tidak terbatas pada menetapkan suku bunga deposito, pinjaman, dan pinjaman antar bank, serta memeriksa kebijakan dan peraturan yang berkaitan dengan nilai dari aset dan liabilitas Bank.

Disamping itu, komite ini juga bertugas untuk memastikan tingkat likuiditas Bank dalam tingkat yang sehat dan memenuhi persyaratan yang ditetapkan oleh Bank Indonesia. Dalam hal pengelolaan aset, liabilitas dan ekuitas Bank, ALCO memiliki wewenang untuk mengeluarkan dan mengevaluasi kebijakan yang terkait dengan aset, liabilitas, dan ekuitas Bank. Selama tahun 2018, ALCO mengadakan rapat sebanyak 11 (sebelas) kali.

RISK MANAGEMENT COMMITTEE (RMC)

Tugas utama Risk Management Committee (RMC) adalah membantu Direksi dalam merumuskan kebijakan dan mengawasi pelaksanaan kebijakan yang berkaitan dengan manajemen risiko, memantau perkembangan dan kondisi profil risiko, serta memberikan saran dan perbaikan terkait dengan manajemen risiko. Selain itu, komite ini berwenang dan bertanggung jawab untuk menyusun kebijakan, strategi, dan pedoman pelaksanaan manajemen risiko termasuk penetapan limit, *risk appetite*, *risk tolerance*, dan *contingency plan*. Selama tahun 2018, Komite Manajemen Risiko mengadakan rapat sebanyak 10 (sepuluh) kali.

FINANCIAL REVIEW COMMITTEE (FRC)

Tugas komite ini adalah mengawasi, memeriksa dan mengevaluasi kebutuhan pengeluaran dana dalam jumlah besar yang persetujuannya berada di luar wewenang Direksi. Bank mewajibkan penggunaan dana diatas nilai tertentu harus mendapat persetujuan para

EXECUTIVE COMMITTEES

In carrying out The Bank's management duties, the Board of Directors has executive committees, each of which consists of Directors and The Bank Executive Officers. All committees are responsible and report to the Board of Directors.

ASSETS AND LIABILITIES COMMITTEE (ALCO)

The Assets and Liabilities Committee (ALCO) is responsible for assisting the Board of Directors in managing The Bank's assets, liabilities and equity, including but not limited to setting interest rates on deposits, loans and interbank loans, and checking policies and regulations related to the value of The Bank's assets and liabilities.

In addition, the committee is also assigned to ensure that The Bank's liquidity level is at a sound level and meets the requirements set by Bank Indonesia. In terms of asset, liability and equity management of The Bank, ALCO has the authority to issue and evaluate policies related to The Bank's assets, liabilities and equity. Throughout 2018, ALCO held 11 (eleven) meetings.

RISK MANAGEMENT COMMITTEE (RMC)

The main duty of the Risk Management Committee (RMC) is to assist the Board of Directors in formulating policy and observe the implementation of the policy related to risk management, to monitor the progress and condition of risk profile, and also to provide suggestions and improvement associated with risk management. In addition, the committee authorizes and is responsible to develop policy, strategy, and guideline of risk management implementation, including limit determination, risk appetite, risk tolerance, and contingency plan. Throughout 2018, the Risk Management Committee conducted 10 (ten) meetings.

FINANCIAL REVIEW COMMITTEE (FRC)

The duties of this committee are to oversee, examine and evaluate the need for large exposures which approval is beyond the authority of the Board of Directors. The Bank requires the use of substantial funds to be approved by the shareholders in the General Meeting of Shareholders

pemegang saham dalam Rapat Umum Pemegang Saham (RUPS). Biaya-biaya yang menggunakan dana dalam jumlah besar juga harus diperiksa sesuai dengan standar dan prosedur FRC yang berlaku melalui mekanisme rapat FRC. Selama tahun 2018, FRC mengadakan rapat untuk pemeriksaan 44 aplikasi dalam meeting FRC.

CREDIT REVIEW COMMITTEE (CRC)

Credit Review Committee (CRC) bertugas untuk memberikan rekomendasi atas usulan pinjaman yang memerlukan persetujuan Direksi. Dalam melaksanakan tugasnya, CRC berkoordinasi dengan ALCO terkait dengan pembiayaan kredit. Selama 2018, CRC mengadakan rapat sebanyak 43 (empat puluh tiga) kali untuk Kredit Korporasi & SME dan 32 (tiga puluh dua) kali untuk Kredit Konsumen.

PRODUCT AND POLICY COMMITTEE (PPC)

Product and Policy Committee (PPC) adalah komite yang bertugas membantu manajemen melaksanakan penerapan prinsip-prinsip *Good Corporate Governance* yang berkaitan dengan penerbitan kebijakan dan prosedur antara lain melalui:

- Memutuskan kebijakan dan prosedur yang akan diterbitkan maupun yang di amandemen.
- Memantau kebijakan dan prosedur Bank agar sesuai dengan peraturan internal dan eksternal, serta sesuai dengan kebutuhan Bank.
- Mengendalikan dan mengevaluasi kebijakan dan prosedur yang berlaku agar tidak terjadi konflik antara kebijakan dan prosedur.

COMPLIANCE AND AML COMMITTEE

Untuk mengimplementasikan prinsip GCG, serta menerapkan budaya kepatuhan dan anti pencucian uang yang kuat.

Pembentukan komite ini adalah untuk mengawasi risiko-risiko kepatuhan dan AML Bank, untuk memastikan bahwa manajemen Bank memahami risiko-risiko kepatuhan dan AML yang mungkin dihadapi, dan memiliki kebijakan dan prosedur yang tepat serta tindakan untuk mengelola risiko tersebut.

(GMS). Applications which require large exposures shall be verified in accordance with the prevailing FRC standards and procedures, which are through FRC meeting. Throughout 2018, FRC reviewed 44 (forty four) applications during FRC meetings.

CREDIT REVIEW COMMITTEE (CRC)

Credit Review Committee (CRC) is assigned to provide recommendations on proposed loans that require the approval of the Board of Directors. In performing its duties, CRC coordinates with ALCO in relation to lending. Throughout 2018, CRC held 43 (forty three) meetings for Corporate & SME Loans and 32 (thirty two) meetings for Consumer Loans.

PRODUCT AND POLICY COMMITTEE (PPC)

Product and Policy Committee (PPC) is a committee which duty is to assist the management in implementing the principles of Good Corporate Governance related to the issuance of policies and procedures, among others through:

- Decision on the policies and procedures for publication as well as its amendments.
- Monitor the policies and procedures of The Bank in order to comply with internal and external regulations, and in accordance with the needs of The Bank.
- Control and evaluate the prevailing policies and procedures to prevent conflicts between the policies and procedures.

COMPLIANCE AND AML COMMITTEE

To implement the principle of GCG, as well as implementing compliance culture and robust anti money laundering.

The objective of the formation of this committee is to oversee the compliance and AML risks in The Bank, to ensure that The Bank's management understands the compliance and AML risks to which The Bank may be exposed, and to have in place appropriate policies and procedures as well as action to manage such risks.



Organ Pendukung Direksi Supporting Organs of The Board of Directors

Komite akan meninjau tindakan yang diambil untuk memastikan sistem kepatuhan dan AML yang kuat dan konsisten diterapkan, menciptakan budaya kepatuhan yang tinggi, dan membantu Direksi untuk mengurangi potensi permasalahan di area kepatuhan dan AML.

Tujuan Compliance and AML Committee adalah untuk membantu Direksi dalam memenuhi tanggung jawab pengawasannya terkait dengan:

- Kepatuhan dan AML Bank sesuai peraturan yang berlaku;
- Memberikan saran untuk pengembangan dan pelaksanaan kontrol untuk mengelola dan memantau kualitas kegiatan kepatuhan dan AML Bank;
- Mengawasi risiko kepatuhan dan AML di Bank.
- Mendorong budaya kepatuhan yang tinggi dan prinsip AML.
- Memberikan saran kepada Direksi mengenai kesesuaian dan efisiensi sistem pengendalian internal Bank terkait dengan kepatuhan dan AML.

Selama 2018, Compliance and AML Committee mengadakan rapat sebanyak 4 (empat) kali.

KOMITE PENGARAH TEKNOLOGI INFORMASI

Komite Pengarah Teknologi Informasi bertanggung jawab memberikan rekomendasi kepada Direksi paling sedikit terkait dengan:

- Rencana strategis Teknologi Informasi yang sejalan dengan rencana strategis kegiatan usaha Bank;
- Perumusan kebijakan, standar, dan prosedur TI yang utama;
- Kesesuaian antara proyek TI yang disetujui dengan rencana strategis TI;
- Kesesuaian antara pelaksanaan proyek TI dengan rencana proyek yang disepakati;
- Kesesuaian antara TI dengan kebutuhan sistem informasi manajemen serta kebutuhan kegiatan usaha Bank;

The committee shall review actions taken to ensure a robust and consistent compliance and AML system is in place, promote a high compliance culture, and assist the Board of Directors to mitigate the risk of compliance and AML.

The purpose of the Compliance and AML Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to:

- The Bank's compliance and AML with regulatory requirements;
- Providing advice for the development and the implementation of controls to manage and monitor The Bank's compliance and AML activities;
- Overseeing the risk of compliance and AML functions in The Bank;
- Promoting a high compliance culture and AML principle.
- Providing advice to the Board of Directors regarding appropriateness and efficiency of The Bank's internal controls system related to compliance and AML.

Throughout 2018, the Compliance and AML Committee held 4 (four) meetings.

INFORMATION TECHNOLOGY STEERING COMMITTEE

Information Technology Steering Committee is responsible for providing recommendations to the Board of Directors at least related to:

- Information Technology strategic plan that is consistent with the strategic plan of The Bank's business activities;
- Formulation of policies, standards, and procedures for the main IT;
- Alignment between the approved IT project with IT strategic plan;
- Alignment between IT implementation with the agreed project charter;
- Alignment between IT with the needs of management information system and the needs of The Bank's business activities;



Organ Pendukung Direksi
Supporting Organs of The Board of Directors

- | | |
|--|--|
| <ul style="list-style-type: none"> f. Efektivitas langkah-langkah dalam meminimalkan risiko atas investasi Bank pada sektor TI agar investasi Bank pada sektor TI memberikan kontribusi terhadap pencapaian tujuan bisnis Bank; g. Pemantauan atas kinerja TI dan upaya peningkatan kinerja TI; h. Upaya penyelesaian berbagai masalah terkait TI yang tidak dapat diselesaikan oleh satuan kerja pengguna dan penyelenggara TI secara efektif, efisien, dan tepat waktu; dan i. Kecukupan dan alokasi sumber daya yang dimiliki Bank. | <ul style="list-style-type: none"> f. Effectiveness of the measures taken in order to minimize the investment risk in The Bank's IT sector so that The Bank's investment in IT can contribute to the business objectives of The Bank; g. Monitor the performance of IT and efforts to improve IT performance; h. Efforts to resolve various problems related to IT that cannot be resolved by the working unit of IT's users and providers effectively, efficiently, and on time; and i. Adequacy and allocation of resources owned by The Bank. |
|--|--|

DISCIPLINARY COMMITTEE

Untuk menjamin kepercayaan masyarakat terhadap integritas Bank, maka Bank membentuk Disciplinary Committee. Komite ini memiliki satuan kerja khusus, tim kerja disiplin, yang bertugas untuk melakukan investigasi dan mengajukan sanksi kepada pelanggar peraturan dan kode etik Bank. Selama 2018, Disciplinary Committee mengadakan rapat sebanyak 17 (tujuh belas) kali.

DISCIPLINARY COMMITTEE

To ensure public trust in the integrity of The Bank, The Bank has established a Disciplinary Committee. The committee has a special working unit, a disciplinary working team, which is in charge of investigating and filing sanctions against violators of The Bank's rules and codes of ethics. Throughout 2018, the Disciplinary Committee held 17 (seventeen) meetings.



SEKRETARIS PERUSAHAAN

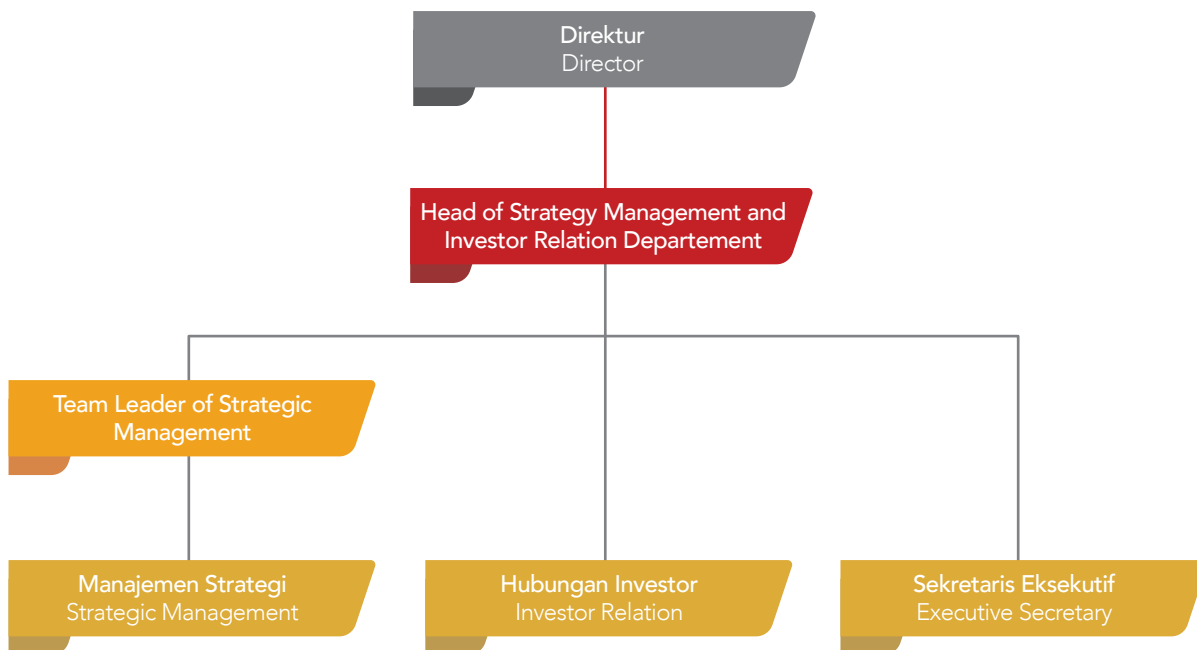
Corporate Secretary

Sekretaris Perusahaan merupakan salah satu organ pendukung yang berperan penting dalam memfasilitasi komunikasi antar organ Bank, hubungan antara Bank dengan pemegang saham, regulator, dan pemangku kepentingan lainnya. Fungsi Sekretaris Perusahaan Bank diemban oleh Departemen SMIR.

Corporate Secretary is one of the supporting organs taking an important role in facilitating The Bank's inter-organ communications, the relationship between The Bank and its shareholders, regulators, and other stakeholders. The Bank's Corporate Secretary function is carried out by the SMIR Department.

Struktur Organisasi Sekretaris Perusahaan

Corporate Secretary Organizational Structure



PEJABAT PELAKSANA FUNGSI SEKRETARIS PERUSAHAAN

Berdasarkan Surat Keputusan Direksi No. 020A/KPTS. DIR/ICBC.IND/2017 tanggal 30 November 2017, Bank telah menunjuk posisi Head of Strategy Management and Investor Relation Department sebagai Pejabat Pelaksana Fungsi Sekretaris Perusahaan.

EXECUTIVE IN CHARGE OF CORPORATE SECRETARY FUNCTION

Based on the Board of Directors Decree No. 020A/KPTS. DIR/ICBC.IND/2017 dated November 30, 2017, The Bank has appointed the Head of Strategy Management and Investor Relation Department as Executive in Charge of Corporate Secretary Function.

Johan Candra

Kepala Departemen Strategy Management and Investor Relation & Pejabat Pelaksana Fungsi Sekretaris Perusahaan
Head of Strategy Management and Investor Relation & Executive in Charge of Corporate Secretary Function

Profil Johan Candra sebagai Pejabat Pelaksana Fungsi Sekretaris Perusahaan dapat dilihat pada bab Profil Perusahaan di laporan tahunan ini.

Profile of Johan Candra as Executive in Charge of Corporate Secretary Function can be seen in Company Profile chapter in this Annual Report.

KUALIFIKASI

Dalam melaksanakan tugasnya, sesuai dengan Peraturan Otoritas Jasa Keuangan No. 35/POJK.04/2014 maka Sekretaris Perusahaan wajib memiliki pengetahuan mengenai peraturan yang berkaitan dengan Bank, hubungan masyarakat, ketrampilan administratif, dan pengalaman yang mendukung pelaksanaan tugasnya.

FUNGSI SEKRETARIS PERUSAHAAN

Sekretaris Perusahaan memiliki fungsi sebagai berikut:

- Bertindak sebagai penghubung antara Direksi dengan Dewan Komisaris, pemegang saham, masyarakat, dan media massa termasuk mewakili Bank dalam berkomunikasi dengan masyarakat, regulator, lembaga atau asosiasi lain yang berkaitan dengan Bank.
- Bertindak sebagai administrator yang mengelola dokumen Bank.
- Mempersiapkan RUPS.
- Mengkoordinasikan dan menghadiri rapat Direksi dan rapat komunikasi antara Dewan Komisaris dan Direksi.
- Mempersiapkan undangan, jadwal, agenda, materi dan menyusun risalah rapat.
- Mengelola dan menyiapkan dokumen yang terkait dengan kegiatan Bank meliputi dokumen RUPS, risalah rapat Direksi, risalah rapat gabungan antara Dewan Komisaris dan Direksi, daftar pemegang saham, daftar khusus perusahaan dan dokumen-dokumen penting Bank lainnya.
- Mencatat daftar khusus berkaitan dengan Dewan Komisaris dan keluarganya serta Direksi dan keluarganya baik dalam Bank maupun afliasinya yang mencakup kepemilikan saham, hubungan bisnis, dan peranan lain yang menimbulkan benturan kepentingan dengan kepentingan Bank.
- Menentukan kriteria mengenai jenis dan materi informasi yang dapat disampaikan kepada pemangku kepentingan, termasuk informasi yang dapat disampaikan sebagai dokumen publik.
- Memberikan informasi relevan yang dibutuhkan oleh pemangku kepentingan.
- Merencanakan dan melaksanakan kegiatan Bank yang melibatkan pihak eksternal yang bertujuan untuk membentuk citra Bank.

QUALIFICATION

In carrying out its duties, in accordance with the Financial Services Authority Regulation No. 35/POJK.04/2014, the Corporate Secretary shall have the knowledge on regulations related to The Bank, public relations, administrative skills, and experiences that support the implementation of their duties.

CORPORATE SECRETARY FUNCTION

Corporate Secretary has the following functions:

- As a liaison between the Board of Directors and the Board of Commissioners, shareholders, the public, and mass media, including representing The Bank in communicating with the public, regulators, institutions or other associations relating to The Bank.
- As the administrator that manages The Bank's documents.
- Prepare the General Meeting of Shareholders (GMS).
- Coordinate and attend the Board of Directors meetings and communication meetings between the Board of Commissioners and the Board of Directors.
- Prepare invitations, schedules, agendas, materials, and drafting minutes of meetings (MoM).
- Manage and prepare documents related to The Bank's activities including the GMS documents, MoM of the Board of Directors, minutes of joint meetings between the Board of Commissioners and the Board of Directors, shareholders registry, company registry, and other important documents.
- Record a special registry with regard to the Board of Commissioners and their families as well as the Board of Directors and their families in both The Bank and its affiliates that include share ownership, business relation and other roles that may create a conflict of interest with The Bank's interests.
- Define criteria on the types and materials of information that can be submitted to stakeholders, including information that may be disseminated as public documents.
- Provide relevant information required by the stakeholders.
- Plan and execute The Bank's activities that involve external parties with the aim to establish The Bank's image.

Sekretaris Perusahaan
Corporate Secretary

- Memelihara dan memperbarui informasi tentang Bank yang disampaikan kepada pemangku kepentingan baik melalui situs dan media informasi lainnya.

TUGAS DAN TANGGUNG JAWAB FUNGSI SEKRETARIS PERUSAHAAN

Tugas dan tanggung jawab Sekretaris Perusahaan adalah sebagai berikut:

- Mengkoordinasikan kegiatan internal.
- Melakukan pembinaan hubungan dengan media.
- Mengkoordinasikan Rapat Dewan Komisaris dan Direksi bulanan.
- Mengkoordinasikan RUPS Tahunan dan RUPS Luar Biasa (LB).
- Mengkoordinasikan rapat kerja/rapat koordinasi Bank.
- Merencanakan dan melaksanakan kegiatan CSR Bank.
- Mengkoordinasikan penanganan legal Bank baik internal maupun eksternal.
- Menyiapkan Laporan Tahunan Bank.
- Melaksanakan aktivitas *investor relationship*.

PENGANGKATAN DAN PEMBERHENTIAN SEKRETARIS PERUSAHAAN

Sekretaris Perusahaan diangkat dan diberhentikan oleh Direksi.

LAPORAN SINGKAT PELAKSANAAN TUGAS TAHUN 2018

Selama tahun 2018, Sekretaris Perusahaan telah melaksanakan tugas dan tanggung jawabnya, antara lain:

- Memfasilitasi pengiriman dan penerimaan sebanyak 971 dokumen/informasi penting yang berkenaan dengan pemegang saham melalui *Overseas Administration Systems*.
- Menerjemahkan lebih kurang 1500 halaman dokumen dari bahasa asing ke Bahasa Indonesia atau sebaliknya dengan tujuan menjembatani komunikasi antara para pemangku kepentingan.

Maintain and update information on The Bank to be submitted to stakeholders, both through the website and other information media.

DUTIES AND RESPONSIBILITIES OF CORPORATE SECRETARY FUNCTION

The duties and responsibilities of the Corporate Secretary are as follows:

- Coordinate internal activities.
- Conduct coaching on relationships with the media.
- Coordinate monthly meetings of the Board of Commissioners and the Board of Directors.
- Coordinate the Annual GMS and Extraordinary GMS.
- Coordinate The Bank's work/coordination meetings.
- Plan and carry out The Bank's CSR activities.
- Coordinate The Bank's internal and external legal handlings.
- Prepare The Bank's Annual Report.
- Conduct investor relationship activities.

APPOINTMENT AND DISMISSAL OF CORPORATE SECRETARY

The Corporate Secretary is appointed and dismissed by the Board of Directors.

BRIEF REPORT OF DUTIES IMPLEMENTATION IN 2018

Throughout 2018, the Corporate Secretary has carried out the duties and responsibilities, among others:

- Facilitating shipping and receiving 971 documents/important information related to shareholders through *Overseas Administration Systems*.
- Translating more or less 1500 pages of documents from foreign language to Bahasa Indonesia or vice versa, with the aim to bridge communications among stakeholders.

Sekretaris Perusahaan
Corporate Secretary

- Melaksanakan tugas-tugas dalam 57 (lima puluh tujuh) rapat yang berkaitan dengan Dewan Komisaris, Direksi, dan komite, dengan antara lain melakukan penjadwalan, pengaturan agenda, koordinasi, persiapan, kehadiran, rekaman, risalah rapat dan distribusi material.
- Memimpin inisiatif tanggung jawab sosial Bank dengan meluncurkan 8 (delapan) kegiatan.
- Menjadi mitra yang aktif dengan Dewan Komisaris, Direksi, dan anggota komite dalam pemenuhan kewajiban tata kelola perusahaan (misalnya: kewajiban menghadiri jumlah tertentu dari rapat). Alhasil, *self-assessment* untuk parameter GCG yang dikelola Departemen SMIR membaik dari tahun sebelumnya.
- Melaksanakan persiapan yang matang dalam menyambut kunjungan para delegasi ICBC Ltd ke ICBC Indonesia.
- Implementing duties in 57 (fifty-seven) meetings related to the the Board of Commissioners, Board of Directors, and committees, among others by doing: scheduling, arranging agenda, coordination, attendance list, recording, minutes of meeting, and distributing materials.
- Taking the lead in The Bank's social responsibility initiatives by launching 8 (eight) CSR activities.
- Becoming an active partner with Board of Commissioners, the Board of Directors, and members of committees in fulfilling the corporate governance requirements (for instance: the requirement to attend certain number of meetings). As a result, self-assessments for GCG parameter managed by the SMIR Department has improved, compared to the previous year.
- Executing well preparation in welcoming ICBC Ltd delegation visit to ICBC Indonesia.

PROGRAM KERJA SEKRETARIS PERUSAHAAN TAHUN 2019

Fungsi Sekretaris Perusahaan telah menyusun program kerja yang akan dilaksanakan di tahun 2019, antara lain:

- Menerbitkan ketentuan-ketentuan baru maupun mengkinikan peraturan-peraturan yang telah ada guna meningkatkan tata kelola perusahaan ke tingkat yang lebih baik lagi.
- Meluncurkan kegiatan tanggung jawab sosial sesuai rencana.
- Meningkatkan efektifitas pelaksanaan tugas dan tanggung jawab melalui perbaikan prosedur.
- Memastikan kelancaran komunikasi dengan para pemangku kepentingan.
- Melanjutkan pekerjaan yang telah dikerjakan pada 2018.

PELATIHAN DAN PENGEMBANGAN KOMPETENSI

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Sekretaris Perusahaan, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Berikut adalah daftar pelatihan yang diikuti oleh Sekretaris Perusahaan:

CORPORATE SECRETARY WORK PROGRAM IN 2019

The Corporate Secretary function has prepared work programs to be implemented in 2019, among others:

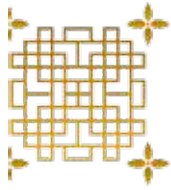
- Issuing new provisions and updating existing regulations to reach the higher level of corporate governance.
- Launching CSR activities according to the plan.
- Increasing the effectiveness of executing duties and responsibilities by means of procedure improvement.
- Ensuring smooth communication with stakeholders.
- Continuing tasks executed in 2018.

TRAINING AND COMPETENCY DEVELOPMENT

The Bank has its own policy related to the development and improvement of Corporate Secretary competency. This is done through various trainings and education programs with full funding being the responsibility of The Bank. The trainings participated by the Corporate Secretary are as follows:

Sekretaris Perusahaan
Corporate Secretary

NAMA DAN JABATAN NAME AND POSITION	MATERI PENDIDIKAN DAN PELATIHAN EDUCATION AND TRAINING MATERIAL	TEMPAT/TANGGAL PLACE/DATE	PENYELENGGARA ORGANIZER
Sandra Dewinta	Preparation of Risk Management Certification Level 1	Jakarta 23 February 2018	GPS
	Translation for Banking Industry	Jakarta 10 March 2018	HPI
	Service Value at Work	Jakarta 8 June 2018	Cyltama Irawan
	Office Information System	Jakarta 25 July 2018	ICBC Indonesia
	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 9 August 2018	ICBC Indonesia
	Compliance, AML, Risk, Audit & Legal	Jakarta 28 August 2018	ICBC Indonesia
	Personal Leadership in Challenging Situation	Jakarta 29 September 2018	Elgro
	Team Improvement 2018	Kuala Lumpur 5-7 October 2018	ICBC Indonesia
	Exposure Training Program	Hangzhou 15-19 October 2018	Hangzhou Training Centre
Elycia Liberty	Compliance, AML, Risk, Audit & Legal	Jakarta 15 November 2018	ICBC Indonesia
	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 26 November 2018	ICBC Indonesia – Financial Management Department
	New Employee Orientation Program	Jakarta 30 November 2018	ICBC Indonesia
Jessica Chondro Wanjaya	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 9 August 2018	ICBC Indonesia
	Compliance, AML, Risk, Audit & Legal	Jakarta 28 August 2018	ICBC Indonesia
	Personal Leadership in Challenging Situation	Jakarta 29 September 2018	Elgro
	Team Improvement 2018	Kuala Lumpur 5-7 October 2018	ICBC Indonesia
	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 26 November 2018	ICBC Indonesia - Financial Management Department



AUDIT INTERNAL

Internal Audit

VISI

Menjadi audit internal yang profesional sesuai dengan peraturan dan *best practice*, serta menjadi mitra manajemen dalam pencapaian rencana bisnis Bank.

MISI

Untuk memberikan keyakinan yang memadai dan jasa konsultasi, melalui aktivitas audit yang independen dan objektif yang dirancang untuk memberikan nilai tambah dan meningkatkan proses tata kelola, manajemen risiko, dan sistem pengendalian internal Bank, dengan memastikan kepatuhan Bank terhadap regulasi serta kebijakan & prosedur yang berlaku.

Bank memiliki fungsi audit internal yang dilaksanakan oleh Departemen Internal Audit (SKAI) dan dipimpin oleh seorang Kepala Departemen.

FUNGSI DEPARTEMEN INTERNAL AUDIT

SKAI Bank bersifat independen dan bertanggung jawab langsung kepada Presiden Direktur, serta memiliki jalur komunikasi langsung kepada Dewan Komisaris melalui Komite Audit untuk menginformasikan hal-hal signifikan yang berhubungan dengan aktivitas audit internal.

SKAI memeriksa efektivitas sistem pengendalian internal, termasuk kepatuhan terhadap hukum dan peraturan yang berlaku, kecukupan proses tata kelola, manajemen risiko, dan sistem pengendalian internal Bank, serta memberikan rekomendasi untuk perbaikan di area Bank yang membutuhkan

Rencana kerja SKAI 2018 disetujui oleh Presiden Direktur dan Komite Audit. Rencana tersebut dikaji ulang secara berkala untuk memastikan relevansinya dengan kondisi dan risiko bisnis Bank.

KEORGANISASIAN DEPARTEMEN INTERNAL AUDIT

Struktur organisasi SKAI dapat dilihat pada diagram di bawah ini:

VISION

Being a professional internal audit in accordance with regulations and best practices, as well as being a management partner in achieving The Bank's business plan.

MISSION

To provide reasonable assurance and consultancy services through an independent and objective internal audit activity designed to add value and improve The Bank's governance, risk management and control processes, by ensuring compliance with regulations and prevailing policies and procedures.

The Bank has the internal audit function conducted by the Internal Audit Department (SKAI) and led by a Head of Department.

FUNCTIONS OF INTERNAL AUDIT DEPARTMENT

The Bank's SKAI has independent functions with direct responsibility to the President Director, and has direct communication channels to the Board of Commissioners through the Audit Committee to inform significant matters related with activities of the internal audit.

SKAI examines the effectiveness of The Bank's internal control system, including compliance with prevailing laws and regulations, adequacy of governance processes, risk management, and The Bank's internal control system. It also provides recommendations for improvement.

SKAI's work programs in 2018 were approved by President Director and the Audit Committee. The plan is reviewed periodically to ensure its relevance to The Bank's business conditions and risks.

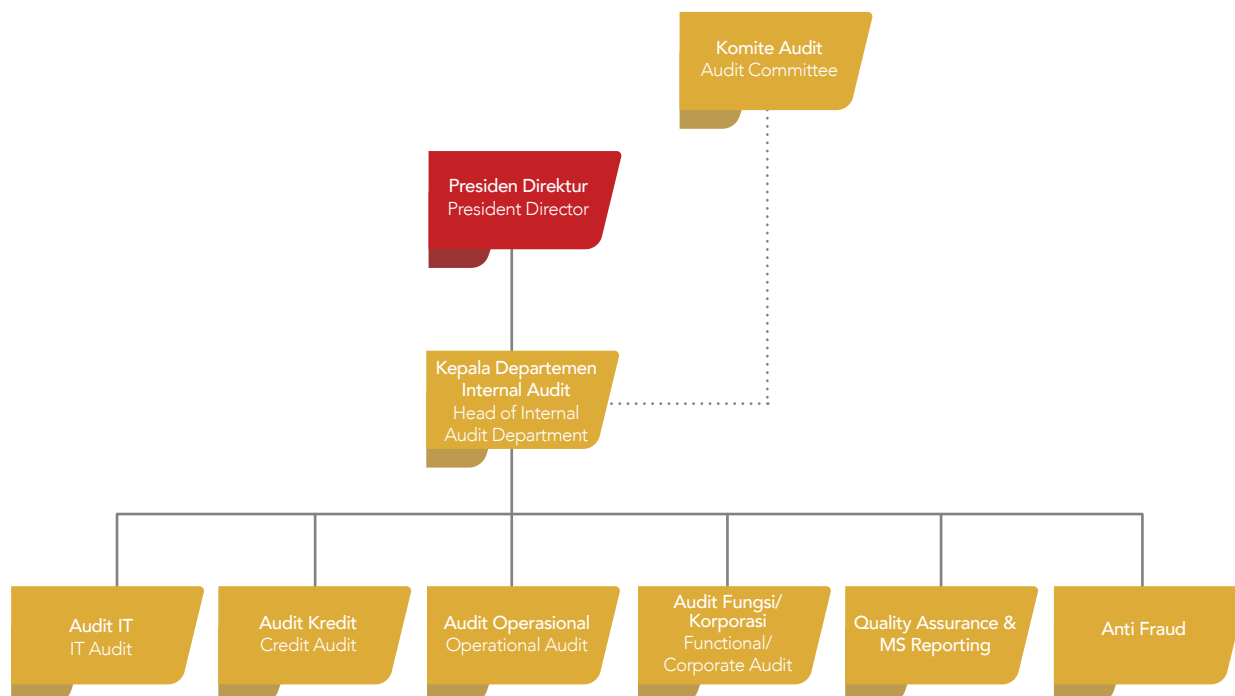
INTERNAL AUDIT DEPARTMENT ORGANIZATION

SKAI's organizational structure can be seen in the diagram below:

Audit Internal
Internal Audit

STRUKTUR ORGANISASI DEPARTEMEN INTERNAL AUDIT

Internal Audit Department Organizational Structure



Per 31 Desember 2018, jumlah karyawan Departemen Audit Internal sebanyak 16 (enam belas) orang dengan rincian karyawan sebagai berikut:

As of 31 December 2018, the Internal Audit Department has 16 (sixteen) staffs as per following details:

JABATAN POSITION	FUNGSI FUNCTION	JUMLAH ORANG TOTAL PERSON(S)
Kepala Departemen Department Head	SKAI Internal Audit Department & Anti Fraud	1
Ketua Tim Team Leader	Audit Teknologi Informasi Information Technology Audit	1
	Audit Kredit Credit Audit	1
	Audit Operasional Operational Audit	1
	Audit Fungsi Korporasi Corporate Function Audit	1

Audit Internal
Internal Audit

JABATAN POSITION	FUNGSI FUNCTION	JUMLAH ORANG TOTAL PERSON(S)
Auditor Internal Internal Auditor	Audit Teknologi Informasi Information Technology Audit	1
	Audit Kredit Credit Audit	3
	Audit Operasional Operational Audit	3
	Audit Fungsi Korporasi Corporate Function Audit	2
	Quality Assurance dan SIM Quality Assurance & MIS	1
Anti Fraud Anti Fraud	Manajemen Anti Fraud Anti Fraud Management	1

PEJABAT KEPALA DEPARTEMEN INTERNAL AUDIT

Berdasarkan Surat Keputusan Direksi No.026/KPTS.DIR/ICBC.IND/2018 tanggal 5 November 2018, Bank telah menunjuk I Gde Wiyadnya sebagai Kepala Departemen Internal Audit.

HEAD OF INTERNAL AUDIT DEPARTMENT

In accordance to BOD Decree No. No.026/KPTS.DIR/ICBC.IND/2018 dated November 5, 2018, The Bank has appointed I Gde Wiyadnya as Head of Internal Audit Department.

I Gde Wiyadnya

Kepala Departemen Audit Internal | Head of Internal Audit Department

Profil I Gde Wiyadnya sebagai Kepala SKAI dipaparkan pada bagian Profil Pejabat Eksekutif dalam bab Profil Perusahaan di laporan tahun ini.

Profile of I Gde Wiyadnya as the Head of Internal Audit Department is disclosed in the Executive Officers Profile section in the Company Profile of this annual report.

PENGANGKATAN DAN PEMBERHENTIAN KEPALA DEPARTEMEN INTERNAL AUDIT

Kepala SKAI diangkat dan diberhentikan serta bertanggung jawab langsung kepada Presiden Direktur atas persetujuan Dewan Komisaris, dan selanjutnya dilaporkan kepada Otoritas Jasa Keuangan (OJK).

APPOINTMENT AND DISMISSAL OF INTERNAL AUDIT DEPARTMENT HEAD

Head of Internal Audit Department is appointed and dismissed and directly responsible to President Director upon approval of the Board of Commissioners, and subsequently reported to the Financial Services Authority (OJK).

PIAGAM AUDIT INTERNAL

SKAI memiliki Piagam Audit Internal sebagai pedoman kerja yang telah disahkan oleh Presiden Direktur, Presiden Komisaris, dan Komisaris Independen (Ketua Komite Audit) Bank dengan revisi terakhir pada 1 Januari 2018.

INTERNAL AUDIT CHARTER

SKAI has established an Internal Audit Charter as working guideline as approved by the President Director, President Commissioner, and Independent Commissioner (Chairman of the Audit Committee) of The Bank with the latest revision on January 1, 2018.

Piagam ini merupakan dokumen resmi yang mendefinisikan tujuan, kewenangan dan tanggung jawab aktivitas audit internal. Kedudukan, kewenangan dan tanggung jawab yang dinyatakan secara formal dalam Piagam Audit Internal telah sesuai dengan Peraturan Bank Indonesia mengenai penerapan Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB) dan Peraturan Otoritas Jasa Keuangan (POJK) No. 56/POJK.04/2015 tentang Pembentukan dan Pedoman

This Charter is an official document that defines the objectives, authority and responsibilities of the internal audit activities. The position, authority and responsibilities that formally stated in the Internal Audit Charter are in conformity with Bank Indonesia Regulation on the application of Bank Internal Audit Function Standards (SPFAIB). It is also in conformity with Financial Services Authority (POJK) Regulation No. 56/POJK.04/2015 on the Establishment and Guidelines for

Audit Internal
Internal Audit

Penyusunan Piagam Audit Internal serta *best practice* yang mengacu pada International Professional Practice Framework (IPPF) oleh Institute of Internal Auditor (IIA).

WEWENANG, TUGAS DAN TANGGUNG JAWAB DEPARTEMEN INTERNAL AUDIT

SKAI memiliki wewenang sebagai berikut:

- Memperoleh akses yang tidak terbatas pada seluruh fungsi, catatan, pembukuan, personal, serta aset dan kewajiban Bank, baik di kantor pusat maupun cabang.
- Mempunyai akses penuh kepada Dewan Komisaris melalui Komite Audit apabila diperlukan.
- Mengalokasikan sumber daya, menetapkan jadwal, memilih subyek, menentukan cakupan tugas, dan menerapkan teknik yang dibutuhkan untuk memenuhi tujuan audit.
- Memperoleh bantuan yang dibutuhkan dari unit organisasi yang diaudit, serta layanan khusus lainnya, baik dari dalam maupun luar organisasi.

SKAI tidak berwenang untuk:

- Melaksanakan tugas operasional Bank.
- Melaksanakan, menginisiasi, atau menyetujui transaksi akuntansi/operasional atau aktivitas non-operasional lainnya di luar audit yang dapat mempengaruhi independensi termasuk apabila aktivitas tersebut mensyaratkan persetujuan Departemen Internal Audit sebelum dijalankan baik sementara maupun permanen.
- Mengarahkan aktivitas dari karyawan Bank yang tidak dipekerjakan oleh Departemen Internal Audit, kecuali karyawan tersebut telah ditugaskan sebagai tim pemeriksa atau diperbantukan di Departemen Internal Audit.

SKAI memiliki tugas antara lain:

- Membantu Presiden Direktur dan Dewan Komisaris dalam melakukan tugas pengawasan dengan cara menjabarkan perencanaan, pelaksanaan maupun pemantauan hasil audit.
- Membuat analisis dan penilaian di bidang keuangan, akuntansi, operasional dan kegiatan lainnya melalui pemeriksaan langsung dan pengawasan secara tidak langsung.

the Formulation of the Internal Audit Charter as well as with best practices that refer to the International Professional Practice Framework (IPPF) by the Institute of Internal Auditors (IIA).

AUTHORITIES, DUTIES AND RESPONSIBILITIES OF INTERNAL AUDIT DEPARTMENT

SKAI has the following authorities:

- Acquiring unrestricted access to all functions, records, books, personnels, as well as assets and liabilities of The Bank, either at the head office or branch.
- Having full access to the Board of Commissioners through the Audit Committee if necessary.
- Allocating resources, setting schedules, selecting subjects, determining the scope of tasks, and applying the techniques required to meet audit objectives.
- Obtaining the required assistance from the organizational units to be audited, as well as other specialized services, both within and outside the organization.

SKAI is not authorized to:

- Carry out operational tasks of The Bank.
- Implement, initiate, or approve an accounting/operational transaction or other non-operational activity outside the audit that may affect independence, including if such activity requires the approval of the Internal Audit Department prior to its temporary or permanent execution.
- Direct the activities of The Bank employees who are not employed by the Internal Audit Department, unless the employee has been assigned as a review team or seconded to the Internal Audit Department.

SKAI has the following tasks:

- Assist the President Director and the Board of Commissioners in conducting supervisory duties by outlining the plan, implementation and monitoring of audit results.
- Make analysis and assessments in finance, accounting, operations and other activities through direct inspection and indirect supervision.

- Mengidentifikasi segala kemungkinan untuk memperbaiki dan meningkatkan efisiensi penggunaan sumber daya dan dana.
- Memberikan saran perbaikan dan informasi yang objektif tentang kegiatan yang diperiksa pada semua tingkatan manajemen.
- Menyampaikan laporan audit kepada Presiden Direktur dan Dewan Komisaris melalui Komite Audit dengan tembusan kepada Direktur Kepatuhan.
- Memantau pelaksanaan tindak lanjut yang dilakukan oleh pihak yang di audit atas usulan langkah perbaikan yang telah disetujui.
- Membuat laporan pelaksanaan dan pokok-pokok hasil audit, termasuk informasi rahasia dari hasil audit. Laporan tersebut ditandatangani oleh Presiden Direktur dan Dewan Komisaris. Laporan harus dibuat untuk periode yang masing-masing berakhir pada 30 Juni dan 31 Desember, dan disampaikan kepada OJK paling lambat dua bulan sejak berakhirnya periode pelaporan.
- Segera membuat laporan khusus atas setiap temuan audit internal yang diperkirakan dapat membahayakan kelangsungan usaha Bank. Laporan tersebut harus ditandatangani oleh Presiden Direktur dan Dewan Komisaris. Laporan harus disampaikan segera ke OJK paling lambat 7 (tujuh) hari setelah adanya informasi temuan audit tersebut.

Tanggung Jawab SKAI adalah sebagai berikut:

- Membuat rencana audit yang fleksibel dengan menggunakan metodologi audit berbasis risiko, termasuk seluruh risiko dan masalah pengendalian yang teridentifikasi oleh manajemen dan menyampaikan rencana tersebut kepada Presiden Direktur dan Dewan Komisaris melalui Komite Audit untuk dikaji ulang dan disetujui, demikian pula dengan pengkiniannya secara periodik.
- Memberikan saran kepada Presiden Direktur langkah-langkah perbaikan yang perlu diambil oleh pihak yang diaudit, termasuk mengusulkan langkah korektif dan/atau usul pengenaan sanksi apabila perlu atas pelanggaran/penyimpangan yang dilakukan oleh pihak yang di audit.

- Identify all possibilities to improve as well as improve the efficient use of resources and funds.
- Provide objective advice for improvements and information on the activities examined at all levels of management.
- Submit an audit report to the President Director and the Board of Commissioners through the Audit Committee with a copy to the Compliance Director.
- Monitor the implementation of follow-ups conducted by the party being audited on the proposed approved remedial steps.
- Produce implementation reports and audit results, including confidential information from the audit results. The report is to be signed by the President Director and the Board of Commissioners. Reports shall be made for the periods ending on June 30 and December 31 and shall be submitted to the Financial Services Authority (OJK) no later than two months after the end of the reporting period.
- Immediately make a special report on any internal audit findings that are expected to damage The Bank's business continuity. The report must be signed by the President Director and the Board of Commissioners. The report should be submitted immediately to OJK no later than 7 (seven) days after the information of the audit findings.

Responsibilities of SKAI are as follows:

- Create a flexible audit plan using a risk-based audit methodology, including all risks and control issues identified by management and submit these plan to the President Director and the Board of Commissioners through the Audit Committee for review and approval, as well as periodic updating.
- Provide advice to the President Director of corrective actions that need to be taken by the audited parties, including suggesting corrective actions and/or proposed sanctions if necessary for violations/irregularities committed by the party in the audit.

Audit Internal
Internal Audit

- Memastikan kesesuaian fungsi dan aktivitas Departemen Internal Audit dengan Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB).

RUANG LINGKUP PEKERJAAN DEPARTEMEN INTERNAL AUDIT

Ruang lingkup pekerjaan SKAI mencakup pemeriksaan atas seluruh aspek operasional Bank yang secara langsung ataupun tidak langsung dapat membahayakan kepentingan Bank dan masyarakat umum. Ruang lingkup audit meliputi hal-hal sebagai berikut:

- Melakukan kajian dan penilaian atas kecukupan sistem pengendalian internal yang telah ditetapkan untuk memberikan keyakinan yang memadai bahwa tujuan dan sasaran Bank dapat dicapai secara efisien dan efektif.
- Melakukan kajian dan penilaian atas efektivitas sistem manajemen risiko Bank yang meliputi aspek risiko operasional, risiko kredit, risiko pasar, risiko likuiditas, risiko hukum, risiko kepatuhan, risiko reputasi, dan risiko strategis. Cakupan kerja juga mencakup pengkajian atas risiko pada bidang Teknologi Informasi.
- Melakukan kajian dan penilaian atas efektivitas penerapan prinsip dan praktik GCG di semua tingkatan manajemen serta untuk meyakinkan kepatuhan terhadap regulasi yang terkait dengan GCG.
- Melakukan kajian dan penilaian atas pencapaian strategi bisnis yang ditetapkan.

Ruang lingkup SKAI mencakup seluruh area di kantor pusat, kantor cabang, dan teknologi informasi. Prioritas penugasan audit internal dilaksanakan dengan pendekatan audit berbasis risiko. Selain itu, pelaksanaan audit insidental dilaksanakan sesuai kebutuhan Bank.

SKAI memantau tindak lanjut yang dilakukan oleh manajemen dan auditee atas temuan hasil audit secara bulanan. Rangkuman kegiatan Departemen Internal Audit dan ringkasan hasil pemeriksaan telah disampaikan kepada OJK pada setiap semester.

- Ensure the suitability of functions and activities of the Internal Audit Department with the Bank Internal Audit Function Implementation Standard (SPFAIB).

INTERNAL AUDIT DEPARTMENT SCOPE OF WORK

The scope of work of SKAI covers the examination of all aspects of The Bank's operations which may directly or indirectly compromise the interests of The Bank and the public. The scope of the audit includes the following:

- Review and assess the adequacy of the established internal control system to provide reasonable assurance that the goals and objectives of The Bank can be achieved efficiently and effectively.
- Review and assess the effectiveness of The Bank's risk management system including operational risk, credit risk, market risk, liquidity risk, legal risk, compliance risk, reputation risk, and strategic risk. The scope of work also includes an assessment of risks in the field of Information Technology.
- Review and evaluate the effectiveness of the application of GCG principles and practices at all levels of management and to ensure compliance with GCG-related regulations.
- Conduct assessment and evaluation of the achievement of The Bank's defined business strategy.

The scope of the SKAI covers all areas of head office, branch offices, and information technology. The priority of internal audit assignments is carried out with a risk-based audit approach. In addition, the implementation of ad-hoc audits is carried out according to the needs of The Bank.

SKAI monitors the follow ups action that conducted by the management and the audited parties on monthly basis. A summary of the activities of the Internal Audit Department and summary of inspection results have been submitted to the OJK in each semester.

KODE ETIK

Dalam menjalankan tugasnya auditor internal memiliki kode etik yang harus dipatuhi, yaitu:

- Integritas
 - Harus bekerja dengan jujur, sungguh-sungguh dan bertanggung jawab.
 - Harus mematuhi hukum dan membuat pengungkapan sesuai hukum dan profesi.
 - Tidak terlibat secara sadar dalam kegiatan ilegal, atau tindakan yang dapat mendiskreditkan profesi audit internal atau organisasi.
 - Harus menghormati dan berkontribusi pada tujuan yang etis dan telah ditetapkan oleh organisasi.
- Obyektivitas
 - Tidak terlibat di dalam aktivitas atau hubungan yang dapat merusak atau mengganggu penilaian yang obyektif. Hal ini mencakup aktivitas atau hubungan yang bertentangan dengan kepentingan organisasi.
 - Tidak boleh menerima sesuatu dalam bentuk apapun yang dapat atau patut diduga mempengaruhi pertimbangan profesionalnya.
 - Harus mengungkapkan semua fakta-fakta penting yang diketahuinya, jika tidak dilakukan pengungkapan dapat mendistorsi laporan atas aktivitas yang dikaji.
- Kerahasiaan
 - Berhati-hati dalam penggunaan dan selalu menjaga informasi yang diperoleh selama menjalankan tugasnya.
 - Tidak menggunakan informasi untuk kepentingan pribadi atau kepentingan lain yang bertentangan dengan hukum atau yang dapat merugikan tujuan yang telah ditetapkan organisasi.
- Kompetensi
 - Hanya menjalankan penugasan yang sesuai dengan pengetahuan, keterampilan, dan pengalaman.
 - Memberikan jasa audit internal sesuai dengan Standards for the Professional Practice of Internal Auditing.
 - Harus meningkatkan kemampuan dan efektivitas serta kualitas jasa audit yang diberikan.

CODE OF CONDUCT

In carrying out its duties, the internal auditor has a code of conduct that shall be complied, namely:

- Integrity
 - Must work honestly, sincerely and responsibly.
 - Must comply with the laws and make disclosures in accordance with laws and professions.
 - Not consciously engaging in illegal activities, or actions that may discredit the profession or organization.
 - Must respect and give contributions to the ethical goals set by the organization.
- Objectivity
 - Not engaging in activities or relationships that may damage or disrupt objective judgments. This includes activities or relationships that conflict with the interests of the organization.
 - Must not accept anything in any form which can or should be reasonably suspected to affect an auditor's professional judgment.
 - Must disclose all important facts an auditor knows, otherwise a lack of disclosure may distort the report on the activity being reviewed.
- Confidentiality
 - Be cautious in the use of information and always keep the information obtained during the course of their work.
 - Not using information for personal or other interests that are contrary to law or which may prejudice the organization's intended purpose.
- Competency
 - Only execute assignments that are compatible with the auditor's knowledge, skills and experience.
 - Provide internal audit services in accordance with Standards for the Professional Practice of Internal Auditing.
 - Must improve the ability and effectiveness as well as quality of audit services provided.

Audit Internal
Internal Audit

LAPORAN PELAKSANAAN TUGAS DEPARTEMEN INTERNAL AUDIT

Hingga 31 Desember 2018, SKAI mencatat pencapaian 152% (seratus lima puluh dua persen) dari rencana kerja tahunan. Pencapaian ini merupakan pelaksanaan serangkaian penugasan terencana dan ad-hoc bagi SKAI dalam tahun berjalan seiring dengan pertumbuhan bisnis dan profil risiko Bank.

SKAI melakukan penilaian terhadap kecukupan sistem pengendalian internal dan berpartisipasi dalam meningkatkan efektivitas sistem pengendalian internal terkait aktivitas operasional Bank. Proses penilaian dilakukan dengan kerangka acuan yang diterbitkan oleh Committee of Sponsoring Organization of the Treadway Commission (COSO) dan kepatuhan terhadap regulasi yang berlaku. COSO terdiri dari 5 (lima) komponen yaitu lingkungan pengendalian, penilaian risiko, aktivitas pengendalian, informasi & komunikasi, dan monitoring.

Selain itu, SKAI mengembangkan dan mengoptimalkan metodologi serta alat bantu audit sehingga pelaksanaan audit lebih efektif dan efisien secara berkesinambungan, yaitu:

- Mengimplementasikan *audit management system* untuk memastikan standar kualitas audit dan mendukung proses audit tanpa kertas.
- Mengimplementasikan teknik audit berbantuan komputer (Computer-Assisted Audit Technique/CAAT) untuk mengekstrak data, menganalisa data, dan menghasilkan *exception report*.
- Mengkaji ulang, mengkonsolidasikan, dan mengkinikan kebijakan dan prosedur audit internal, yang bertujuan agar laporan hasil audit diselesaikan secara tepat waktu, dan proses penyelesaian temuan dilakukan lebih efektif.

SKAI secara rutin melakukan kajian pengendalian mutu (*quality assurance review*) atas aktivitas audit internal. Tujuan pelaksanaan *quality assurance* adalah:

- Memastikan proses audit telah sesuai dengan SPFAIB yang diatur dalam Peraturan Bank Indonesia No. 1/6/PBI/1999 tanggal 20 September 1999, dan metodologi audit yang berlaku.

REPORT ON IMPLEMENTATION OF DUTIES OF INTERNAL AUDIT DEPARTMENT

As of December 31, 2018, SKAI recorded a 152% (one hundred and fifty two percent) achievement of the annual work plan. This achievement is the implementation of a series of planned and ad-hoc assignments for SKAI in the current year in line with business growth and The Bank's risk profile.

SKAI assesses the adequacy of the internal control system and participates in improving the effectiveness of the internal control system related to The Bank's operational activities. The assessment process is conducted by a framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and through compliance with applicable regulations. COSO consists of 5 (five) components, namely, the control environment, risk assessment, control activities, information and communication, and monitoring.

In addition, SKAI develops and optimizes the methodology and audit tools so that the implementation of audits is more effective and efficient on an ongoing basis. This means:

- Implementing an audit management system to ensure audit quality standards and supporting paperless auditing process.
- Implementing Computer-Assisted Audit Techniques (CAAT) to extract data, analyze data, and generate exception reports.
- Reviewing, consolidating, and updating internal audit policies and procedures. This is aimed at ensuring that audit reports are completed in a timely manner, and the process of completing the findings is more effective.

SKAI regularly reviews quality assurance on internal audit activities. The purposes of implementing quality assurance reviews are:

- To ensure the audit process is in compliance with the SPFAIB as stipulated in Bank Indonesia Regulation No. 1/6/PBI/1999 dated September 20, 1999, and with applicable audit methodologies.

- Memastikan pelaksanaan audit terdokumentasikan dengan baik dan temuan audit didukung dengan bukti yang cukup.
- Memastikan penggunaan *audit management system* dengan baik.

- To ensure that audits are properly documented and audit findings are supported with sufficient evidence.
- To ensure the proper use of audit management systems.

SERTIFIKASI DAN PELATIHAN

SKAI memberikan pelatihan dan ujian sertifikasi manajemen risiko kepada para auditor internal agar mematuhi regulasi yang berlaku. Untuk mendukung pertumbuhan bisnis, SKAI juga memberikan pelatihan kepada para auditor internal untuk meningkatkan pemahaman terhadap bidang usaha yang menjadi target Bank (seperti infrastruktur, energi, transportasi, dan lain-lain). Selain itu, SKAI juga memberikan pelatihan yang bersifat *soft-skills* maupun pelatihan untuk memperoleh sertifikasi profesi bagi para auditor internal.

Berikut data sertifikasi profesi yang dimiliki oleh para auditor internal Bank:

CERTIFICATION AND TRAINING

SKAI provides training and risk management certification examinations to internal auditors in order to comply with prevailing regulations. To support business growth, SKAI also provides training to internal auditors to improve understanding of the areas of business targeted by The Bank (such as infrastructure, energy, transportation, etc.). In addition, SKAI also provides soft-skills training and training for obtaining professional certification for internal auditors.

The following is the certification data of the internal auditors of The Bank:

SERTIFIKASI CERTIFICATION	NAMA NAME	JABATAN POSITION
Certified Information System Auditor (CISA)	I Gde Wiyadnya	Head of Internal Audit Department
	Herindra Nurbuana	Team Leader - IT Audit
Chartered Accountant	I Gde Wiyadnya	Head of Internal Audit Department
Qualified Internal Auditor	Deny Syahbani	Team Leader - Operation Audit
Certified Bank Internal Auditor	Deny Syahbani	Team Leader - Operation Audit
	Sampe Tua Haryanto Sinambela	Team Leader - Credit Audit
	Taufiqurarahman	Auditor - Operation Audit
	Susana	Auditor - Corporate Function Audit
	Claudia Jessica Iskandar	Auditor - Credit Audit
	Dany Hermawan	Auditor - Credit Audit
Certified Enterprise Risk Governance (CERG)	I Gde Wiyadnya	Head of Internal Audit Department
Enterprise Risk Management Certified Professional (ERMCP)	Ardi Nanjaya	Team Leader - Corporate Function Audit
Certified COBIT 5 Foundation (COBIT)	Herindra Nurbuana	Team Leader - IT Audit
Information Technology Infrastructure Library Foundation (ITIL)	Herindra Nurbuana	Team Leader - IT Audit

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi audit internal, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Tentang daftar pelatihan dan pengembangan kompetensi audit internal dapat dilihat pada bab Profil Perusahaan pada laporan tahunan ini.

The Bank has its own policy related to the development and improvement of the competency of internal auditors. This is done through various training and education programs with full funding being the responsibility of The Bank. The training and competence development programs for internal auditors can be seen in its respective chapter within the Company Profile in this annual report.



AKUNTAN PUBLIK

Public Accountant

Akuntan publik merupakan organ eksternal Bank untuk memberikan opini terkait kesesuaian penyajian laporan keuangan Bank terhadap Pernyataan Standar Akuntansi Keuangan (PSAK) yang berlaku di Indonesia. Pelaksanaan audit eksternal Bank dilaksanakan oleh auditor eksternal yaitu Kantor Akuntan Publik yang telah ditunjuk oleh Para pemegang saham dalam RUPS berdasarkan usulan Dewan Komisaris & Komite Audit.

AKUNTAN PUBLIK TAHUN 2018

Berdasarkan FEM No.027/FEM/FM DEPT/ICBC INA/XI/2018, audit eksternal untuk tahun buku 2018 dilaksanakan oleh Kantor Akuntan Publik Siddharta Widjaja & Rekan (KPMG).

AKUNTAN PUBLIK DAN BIAYA PERIODE 7 TAHUN TERAKHIR

Guna kebutuhan transparansi, berikut disampaikan daftar Kantor Akuntan Publik, akuntan, jasa yang diberikan dan jasa lainnya, serta biaya dalam mengaudit laporan keuangan Bank selama 7 (tujuh) tahun terakhir.

Public accountant is The Bank's external organ that provides opinions regarding the conformity of the presentation of The Bank's financial statements against applicable Indonesian financial accounting standards (PSAK). The execution of The Bank's external audit shall be conducted by an external auditor, namely a Public Accounting Firm appointed by shareholders in the GMS based on the proposal from the Board of Commissioners and the Audit Committee.

PUBLIC ACCOUNTANT IN 2018

In accordance to FEM No.027/FEM/FM DEPT/ICBC INA/XI/2018, an external audit for the fiscal year 2018 was conducted by Registered Public Accountants Siddharta Widjaja & Partners (KPMG).

PUBLIC ACCOUNTANT AND FEES FOR THE LAST 7 YEARS

In the name of transparency, the following submission is the list of Public Accounting Firms, accountants, services provided, other services, and costs in auditing the financial statements of The Bank for the last 7 (seven) years.

TAHUN BUKU FISCAL YEAR	KANTOR AKUNTAN PUBLIK PUBLIC ACCOUNTING FIRM	AKUNTAN ACCOUNTANT	JASA YANG DIBERIKAN SERVICES PROVIDED	JASA LAINNYA OTHER SERVICES	BIAYA COST
2018	Siddharta Widjaja & Rekan (KPMG)	Kusumaningsih Angkawijaya	Audit Eksternal External Auditor	-	Rp1.260.000.000 (Termasuk Pajak) Rp1,260,000,000 (Tax Inclusive)
2017	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjje	Audit Eksternal External Auditor	-	Rp1.149.120.000 (Termasuk Pajak) Rp1,149,120,000 (Tax Inclusive)
2016	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjje	Audit Eksternal External Auditor	-	Rp1.149.120.000 (Termasuk Pajak) Rp1,149,120,000 (Tax Inclusive)
2015	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjje	Audit Eksternal External Auditor	-	Rp925.000.000 (Tidak Termasuk Pajak) Rp925,000,000 (Tax Exclusive)
2014	Siddharta Widjaja & Rekan (KPMG)	Kusumaningsih Angkawijaya	Audit Eksternal External Auditor	-	USD55.000 (Tidak Termasuk Pajak) USD55,000 (Tax Exclusive)
2013	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjje	Audit Eksternal External Auditor	-	USD49.500 (Tidak Termasuk Pajak) USD49,500 (Tax Exclusive)

Akuntan Publik
Public Accountant

TAHUN BUKU FISCAL YEAR	KANTOR AKUNTAN PUBLIK PUBLIC ACCOUNTING FIRM	AKUNTAN ACCOUNTANT	JASA YANG DIBERIKAN SERVICES PROVIDED	JASA LAINNYA OTHER SERVICES	BIAYA COST
2012	Purwanto, Suherman & Surja (Ernst & Young)	Peter Surja	Audit Eksternal External Auditor	-	Rp550.000.000 (Tidak Termasuk Pajak) Rp550.000.000 (Tax Exclusive)

MEKANISME PELAKSANAAN PEKERJAAN AUDIT

Audit dilaksanakan berdasarkan standar audit yang ditetapkan Ikatan Akuntan Indonesia (IAI) serta memperhatikan semua ketentuan OJK tentang bentuk dan susunan laporan keuangan. Tanggung jawab Auditor adalah pada pernyataan pendapat apakah laporan keuangan telah disajikan secara wajar, dalam semua hal yang material, posisi keuangan, hasil usaha serta arus kas.

Agar proses audit sesuai dengan standar profesional akuntan serta perjanjian kerja dan ruang lingkup audit yang telah ditetapkan dan selesai sesuai dengan target waktu yang telah ditetapkan, secara rutin dilakukan pembahasan atas isu-isu yang signifikan.

Berikut disampaikan prosedur dan mekanisme penunjukan akuntan publik dan pelaksanaan audit eksternal di lingkungan Bank.

Mekanisme Penunjukan Akuntan Publik dan Pelaksanaan Audit Eksternal

1. Komite Audit mengusulkan Kantor Akuntan Publik kepada Dewan Komisaris.
2. Dewan Komisaris mengusulkan Kantor Akuntan Publik kepada pemegang saham melalui RUPS.
3. Pengesahan dan penunjukan Kantor Akuntan Publik oleh RUPS.
4. *Kick-off meeting* dengan manajemen, audit internal, serta Komite Audit.
5. Menyampaikan jadwal audit sesuai dengan target waktu yang telah disepakati.
6. Melaksanakan audit umum untuk interim dan akhir tahun berdasarkan standar audit yang berlaku umum di Indonesia.
7. Mengidentifikasi isu yang signifikan dan melakukan pembahasan dengan manajemen.

MECHANISM OF AUDITING IMPLEMENTATION

Auditing is implemented based on the auditing standard set by the Indonesia Accountants Association (IAI) with regard to all provisions of the Financial Services Authority on the form and arrangement of annual report. The responsibilities of an auditor are with the opinion statement whether the financial report has been presented in fair value, in all material aspects, financial position, business achievement, and cash flows.

In order the auditing process is on par with the standards of professional accountant as well as working agreement and auditing scope being set and completed within the time frame, discussions on significant issues are routinely conducted.

The following are the procedure and mechanism of appointing public accountant and the implementation of external audit in The Bank.

Mechanism of Appointing Public Accountant and Implementation of External Audit

1. The Audit Committee proposes the Public Accounting Firm to the Board of Commissioners.
2. The Board of Commissioners proposes the Public Accounting Firm to shareholders through the GMS.
3. Ratification and appointment of Public Accounting Firm by the GMS.
4. Kick-off meetings with management, internal audit, and Audit Committee.
5. Delivering the audit schedule in accordance with agreed time targets.
6. Conduct public audits for interim and the end of the year based on generally-accepted auditing standards in Indonesia.
7. Identify significant issues and conduct discussions with management.



Akuntan Publik
Public Accountant

8. Melakukan *exit meeting* dengan manajemen, audit internal, Komite Audit.
9. Menerbitkan laporan audit.
10. Menyampaikan laporan audit.

HUBUNGAN AUDITOR EKSTERNAL DENGAN DEPARTEMEN INTERNAL AUDIT

Dalam mendukung kelancaran tugas-tugas auditor eksternal, SKAI dan Departemen *Management Information & Accounting* (MI&Acc), dan SKAI bekerjasama dengan auditor eksternal, bertanggung jawab untuk mengkoordinasikan kegiatannya dengan kegiatan auditor eksternal agar tercapai hasil audit yang optimal dan komprehensif, antara lain melalui analisa cakupan audit, dan pertemuan periodik untuk membahas hal-hal penting terkait dengan kegiatan audit internal. Departemen Internal Audit juga melakukan monitoring atas tindak lanjut temuan audit eksternal.

TINDAK LANJUT TEMUAN AUDIT EKSTERNAL

Departemen Internal Audit telah memantau tindak lanjut atas temuan-temuan yang disampaikan oleh auditor eksternal. Temuan Auditor Eksternal telah ditindaklanjuti sesuai dengan komitmen target waktu.

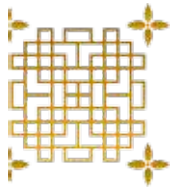
8. Conducting exit meetings with management, internal audit, Audit Committee.
9. Publish an audit report.
10. Submit an audit report.

EXTERNAL AUDITOR'S RELATIONSHIP WITH INTERNAL AUDIT DEPARTMENT

In performing its duties, the external auditor cooperates with the Internal Audit Department (SKAI) and Management Information & Accounting (MI&Acc) Department to supports the efficient operations of the external auditor's duties. In this case the MI&Acc and SKAI are responsible for coordinating its activities with the activities of external auditor in order to achieve optimal and comprehensive audit results, including through the analysis of audit coverage and periodic meetings to discuss important matters related to internal audit activities. The Internal Audit Department also monitors the follow-ups of external audit findings.

FOLLOW-UPS OF EXTERNAL AUDIT FINDINGS

Internal Audit Department has monitored the follow-ups of findings raised by external auditors. Findings of the External Auditor have been followed-up as per committed target.



MANAJEMEN RISIKO

Risk Management

KERANGKA MANAJEMEN RISIKO

Kegiatan usaha Bank senantiasa menghadapi risiko-risiko yang terkait dengan fungsinya sebagai lembaga intermediasi keuangan baik risiko yang sudah ada maupun potensi risiko dimasa depan, sehingga pengelolaan operasional bisnis tidak boleh menimbulkan kerugian yang melebihi kemampuan Bank.

Kerangka manajemen risiko yang diterapkan pada Bank, sesuai dengan Peraturan Otoritas Jasa Keuangan No. 18/POJK.03/2016 tentang Penerapan Manajemen Risiko bagi Bank Umum, merujuk kepada 4 (empat) pilar manajemen risiko:

1. Pengawasan aktif Dewan Komisaris dan Direksi.
2. Kebijakan dan prosedur manajemen risiko serta penetapan limit risiko.
3. Proses identifikasi, pengukuran, pemantauan, dan pengendalian risiko, serta sistem informasi manajemen risiko.
4. Sistem pengendalian internal yang menyeluruh.

Bank telah melakukan penilaian terhadap 8 (delapan) jenis risiko, yaitu: Risiko Kredit, Risiko Pasar, Risiko Likuiditas, Risiko Operasional, Risiko Hukum, Risiko Kepatuhan, Risiko Strategik, dan Risiko Reputasi.

KEBIJAKAN MANAJEMEN RISIKO

Kebijakan manajemen risiko Bank menjadi acuan dalam pemantauan dan/atau pengendalian internal pada semua tahapan dalam proses manajemen risiko dalam hubungannya dengan visi, misi, dan rencana strategis Bank:

- Sebagai panduan dalam menerapkan prinsip kehati-hatian dan GCG;
- Sebagai panduan untuk menetapkan dan memperjelas wewenang dan tanggung jawab semua pihak yang terkait dalam manajemen risiko;
- Merupakan alat pengawasan untuk mengendalikan risiko secara keseluruhan;
- Sebagai panduan untuk menjalankan semua aktivitas dalam limit risiko.

Tanggung Jawab Dewan Komisaris dan Direksi Terhadap Manajemen Risiko

RISK MANAGEMENT FRAMEWORK

The Bank's business activities continue to encounter risks associated with its function as a financial intermediary institution both current risk and future potential risk. As such, the management of business operations must not incur any losses that exceed The Bank's capabilities.

The risk management framework applied to The Bank refers to 4 (four) management pillars, in accordance with Financial Services Authority Regulation No. 18/POJK.03/2016 on the Application of Risk Management for Commercial Banks is as follows:

1. Active supervision of the Board of Commissioners and Board of Directors.
2. Risk management policies and procedures and the establishment of risk threshold.
3. The process of identifying, measuring, monitoring, and controlling risk, as well as a risk management information system.
4. A comprehensive internal control system

The Bank has assessed 8 (eight) types of risks, namely: Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Compliance Risk, Strategic Risk and Reputation Risk.

RISK MANAGEMENT POLICY

The Bank's risk management policy serves as a reference in internal monitoring and/or control at all stages of the risk management process in relation to The Bank's vision, mission and strategic plan. It serves the following purposes:

- As a guidance on applying prudential principles and GCG;
- As a guidance on establishing and clarifying the authority and responsibility of all parties involved in risk management;
- It is a monitoring tool to control overall risk;
- As a guidance to carry out all activities within risk limits.

Responsibility of the Board of Commissioners and Board of Directors on Risk Management

Manajemen Risiko
Risk Management

Dalam rangka memastikan penerapan fungsi manajemen risiko dan pengendalian internal yang baik, Bank telah memiliki struktur organisasi yang memadai dengan tingkat tanggung jawab yang berbeda. Pembagian wewenang dan tanggung jawab dalam organisasi dan fungsi manajemen risiko Bank adalah:

DEWAN KOMISARIS

Wewenang dan tanggung jawab Dewan Komisaris yang berkaitan dengan manajemen risiko meliputi hal-hal sebagai berikut:

- Menyetujui serta mengevaluasi kebijakan manajemen risiko Bank;
- Menyetujui dan mengevaluasi arah kebijakan dan strategi manajemen risiko Bank sekurang-kurangnya 1 (satu) tahun sekali atau sekiranya terjadi perubahan faktor-faktor yang mempengaruhi kegiatan usaha Bank secara signifikan;
- Mengevaluasi pertanggungjawaban Direksi dan memberikan arahan perbaikan atas pelaksanaan kebijakan manajemen risiko.

DIREKSI

Wewenang dan tanggung jawab Direksi Bank yang berkaitan dengan manajemen risiko sekurang-kurangnya meliputi:

- Menyusun kebijakan manajemen risiko Bank ICBC Indonesia berdasarkan rekomendasi dari Komite Manajemen Risiko, dan menyampaikan kebijakan tersebut kepada Dewan Komisaris untuk mendapatkan persetujuan;
- Menyusun, menetapkan, mengevaluasi dan/atau memperbaharui strategi manajemen risiko secara komprehensif yang sesuai dengan ketentuan yang berlaku, termasuk penetapan dan persetujuan limit risiko secara keseluruhan maupun per jenis risiko;
- Bertanggung jawab atas pelaksanaan kebijakan manajemen risiko dan eksposur risiko yang diambil oleh Bank secara keseluruhan;
- Mengembangkan budaya manajemen risiko pada seluruh jenjang organisasi, yang meliputi komunikasi yang memadai kepada seluruh jenjang organisasi tentang pentingnya pengendalian internal yang efektif.

In order to ensure the proper implementation of risk management and internal control functions, The Bank has in place an adequate organizational structure with different levels of responsibility. The division of authority and responsibility in the organization and functions of risk management of The Bank is as follows:

BOARD OF COMMISSIONERS

The authority and responsibilities of the Board of Commissioners in relation to risk management include the following:

- Approving and evaluating The Bank's risk management policy;
- Approving and evaluating the direction of The Bank risk management policies and strategies at least once every 1 (one) year, in the event of any change in factors affecting The Bank's business activities significantly;
- Evaluating the accountability of the Board of Directors and providing direction for improvements in the implementation of risk management policies.

BOARD OF DIRECTORS

The authority and responsibilities of the Board of Directors of The Bank in relation to risk management shall include, among others:

- Establish the risk management policy of The Bank based on recommendations from the Risk Management Committee, and submitting these policies to the Board of Commissioners for approval;
- Establish, maintain, evaluate and/or update a comprehensive risk management strategy in accordance with prevailing rules, including the establishment and approval of risks threshold for overall situations and per type situations;
- Responsibility for implementing risk management policy and risk exposure taken by The Bank as a whole;
- Develop a risk management culture at all levels of the organization, including adequate communications to all levels of the organization on the importance of effective internal controls.

KOMITE MANAJEMEN RISIKO

Komite Manajemen Risiko adalah komite yang bersifat non-struktural dalam manajemen risiko, berkedudukan di kantor pusat yang membantu Direksi dalam merumuskan kebijakan, mengawasi pelaksanaan kebijakan, memantau perkembangan dan kondisi profil risiko, dan memberikan saran-saran dan langkah perbaikan yang berkaitan dengan manajemen risiko. Komite Manajemen Risiko diketuai oleh Presiden Direktur, dengan anggota terdiri dari Direksi, Kepala Satuan Kerja Audit Internal, Kepala Departemen yang memimpin Satuan Kerja Manajemen Risiko (SKMR), dan Kepala Departemen terkait lainnya. Wewenang dan tanggung jawab Komite Manajemen Risiko antara lain:

- Menyusun kebijakan, strategi, dan pedoman pelaksanaan manajemen risiko, termasuk penetapan limit dan *contingency plan* dalam kondisi tidak normal;
- Memperbaiki atau menyempurnakan pelaksanaan manajemen risiko berdasarkan hasil evaluasi pelaksanaan yang dimaksud;
- Memantau, mengevaluasi, dan menilai perkembangan komposisi profil risiko dalam portofolio Bank, penetapan dan pelaksanaan limit, kecukupan permodalan Bank terhadap eksposur risiko sesuai ketentuan yang berlaku, dan memastikan efektivitas pelaksanaan manajemen risiko.

DEPARTEMEN MANAJEMEN RISIKO

SKMR adalah unit kerja yang memiliki wewenang dan tanggung jawab dalam menjalankan proses manajemen risiko dan independen dari satuan kerja bisnis dan departemen lainnya yang menjalankan fungsi pengendalian internal. Wewenang dan tanggung jawab Departemen Manajemen Risiko antara lain meliputi:

- Memberikan masukan kepada Direksi dalam penyusunan kebijakan, strategi, dan kerangka manajemen risiko;
- Mengembangkan prosedur dan alat untuk mengidentifikasi, mengukur, memantau, dan mengendalikan risiko, serta mendesain dan menerapkan perangkat yang dibutuhkan dalam penerapan manajemen risiko;

RISK MANAGEMENT COMMITTEE

The Risk Management Committee is a non-structural committee in risk management, domiciled in the head office. The committee assists the Board of Directors in formulating policies, overseeing policy implementation, monitoring the progress and conditions of risk profiles, and providing suggestions and improvement measures related to risk management. The Risk Management Committee is chaired by the President Director, with members consisting of the Board of Directors, the Head of the Internal Audit Unit, the Head of the Department who leads the Risk Management Unit, and other relevant Heads of Department. The authority and responsibilities of the Risk Management Committee include:

- Establish policies, strategies and guidelines for the implementation of risk management, including the establishment of limits and contingency plans in abnormal conditions;
- Improve or enhance the implementation of risk management based on the results of evaluations of the implementations;
- Monitor, evaluate and assess the development of risk profile compositions in The Bank's portfolio, the establishment and implementation of limits, the adequacy of The Bank's capital against risk exposure in accordance with prevailing rules, and ensure the effectiveness of risk management implementation.

RISK MANAGEMENT DEPARTMENT

The Risk Management Department is a unit that has the authority and responsibility for carrying out the risk management process and is independent of the business units and other departments that perform internal control functions. The authority and responsibilities of the Risk Management Department include the following:

- Provide input to the Board of Directors in formulating policies, strategies and risk management frameworks;
- Develop procedures and tools for identifying, measuring, monitoring, and controlling risks, and designing and implementing the tools required for the implementation of risk management;

Manajemen Risiko
Risk Management

- Memantau posisi risiko secara keseluruhan, maupun jenis posisi risiko tertentu serta melakukan *stress testing* untuk mengetahui dampak dari implementasi kebijakan dan strategi manajemen risiko terhadap portofolio atau kinerja Bank secara keseluruhan;
- Melakukan kaji ulang secara berkala untuk memastikan kecukupan kerangka manajemen risiko, keakuratan metodologi penilaian risiko, dan kecukupan sistem informasi manajemen risiko;
- Memberikan rekomendasi kepada satuan kerja bisnis dan/atau Komite Manajemen Risiko terkait penerapan manajemen risiko, antara lain mengenai besaran atau eksposur risiko maksimum yang dapat dipelihara Bank.
- Monitor overall risk positions, as well as specific types of risk positions, and performing stress testing to determine the impact of carrying risk management policies and strategies on the overall portfolio or performance of The Bank;
- Conduct periodic reviews to ensure adequate risk management framework, accuracy of risk assessment methodology, and adequacy of risk management information systems;
- Provide recommendations to the business unit and/or Risk Management Committee related to the implementation of risk management, among others, on matters concerning the amount or maximum risk exposure that can be maintained by The Bank.

KEGIATAN MANAJEMEN RISIKO

Bank telah melaksanakan beberapa program kerja penting dalam mengembangkan manajemen risiko, termasuk antara lain, namun tidak terbatas pada:

- Bank telah memiliki komite-komite yang secara aktif melakukan pemantauan atas pengelolaan risiko Bank, seperti Komite Manajemen Risiko dan Komite Pemantau Risiko. Komite-komite tersebut telah melakukan evaluasi atas pelaksanaan manajemen risiko secara berkesinambungan;
- Kebijakan dan prosedur terkait manajemen risiko dan perkreditan antara lain:
 - Bank telah memiliki kebijakan dan prosedur yang komprehensif yang meliputi 8 (delapan) jenis risiko. Pada masing-masing area risiko, penyempurnaan kebijakan dan prosedur juga dilakukan agar sejalan dengan kondisi Bank dan peraturan terkini;
 - Bank juga telah menerapkan asas-asas perkreditan yang sehat sesuai dengan prinsip-prinsip kehati-hatian secara konsisten dan berkesinambungan, dimana secara komprehensif Bank telah memiliki kebijakan dan prosedur mengenai perkreditan dengan Kebijakan Perkreditan Bank sebagai payung kebijakan, yang senantiasa dilakukan penyempurnaan agar sejalan dengan kondisi Bank dan peraturan terkini;

RISK MANAGEMENT ACTIVITIES

The Bank has implemented several important work programs in developing risk management. This includes, among others, but not limited to the following:

- The Bank has established committees that actively monitor The Bank's risk management, such as the Risk Management Committee and the Risk Monitoring Committee. These committees have evaluated the implementation of risk management on an ongoing basis;
- Policies and procedures related to risk management and credit are:
 - The Bank has comprehensive policies and procedures covering 8 (eight) types of risk. In each risk area, improvements to the policy and procedures are also conducted in line with The Bank's current conditions and regulations;
 - The Bank has also adopted sound credit principles according to the prudential principles in a consistent and continuous manner, whereby The Bank has comprehensive policy and procedures on credit, with The Bank Credit Policy serving as an umbrella policy, which is constantly being refined to be in line with The Bank's conditions and current regulations;

- Dalam rangka menjaga kualitas kredit, Bank juga telah meningkatkan pengelolaan kredit bermasalah. Pengelolaan kredit bermasalah bertujuan untuk meminimalkan jumlah kredit bermasalah Bank serta memaksimalkan tingkat pengembalian kredit.

Risk Appetite

Pelaksanaan manajemen risiko yang efektif harus didukung oleh kerangka kerja manajemen risiko yang komprehensif, dimana salah satunya melalui kerangka kerja *risk appetite*, yang ditetapkan secara jelas sejalan dengan visi, misi, dan strategi bisnis Bank. *Risk Appetite Statement* memuat limit/target dan *trigger limit*/target atas indikator baik kuantitatif maupun kualitatif yang telah ditetapkan, yang dipantau secara berkala dan apabila diperlukan dikaji kembali untuk diselaraskan dengan rencana strategi dan permodalan Bank.

Risiko Kredit

Pada area Risiko Kredit, pelaksanaan kerangka kerja Risiko Kredit telah diterapkan melalui pengembangan proses manajemen Risiko Kredit yang antara lain meliputi identifikasi Risiko Kredit pada produk/aktivitas baru, kecukupan kebijakan dan prosedur terkait proses perkreditan, pemantauan perkembangan portofolio pinjaman baik per mata uang, debitur, produk, segmentasi, lapangan usaha, industri, jangka waktu pembiayaan, penilaian profil Risiko Kredit, serta pelaksanaan *stress testing* Risiko Kredit secara berkala. Pencadangan penurunan nilai secara individual telah dilakukan tepat waktu yang didasarkan atas analisis kemampuan pembayaran dan arus kas debitur. Selain itu, sistem telah diimplementasikan untuk menghitung pencadangan penurunan nilai secara kolektif.

Risiko Pasar

Dalam penerapan manajemen Risiko Pasar, dengan mengacu kepada *best practice*, selain kaji ulang dan pemantauan atas limit-limit yang telah ada, yaitu *limit dealer*, *counterparty limit*, *stop loss limit*, limit PDN, Bank juga menerapkan faktor sensitivitas (PV01), *Management Action Triggers*

- In order to maintain credit quality, The Bank has also improved the management of non-performing loans. The management of non-performing loans aims to minimize the number of non-performing loans of The Bank and to maximize the credit repayment rate.

Risk Appetite

The implementation of effective risk management must be supported by a comprehensive risk management framework. This includes through the use of a risk appetite framework that is clearly defined in line with The Bank's vision, mission and business strategy. The Risk Appetite Statement consist of the limit/target and trigger limit/target for both quantitative and qualitative indicators, which are monitored periodically and where necessary reviewed to align with The Bank's strategic plan and capital.

Credit Risk

In the area of Credit Risk, the implementation of a Credit Risk framework has been applied through the development of a Credit Risk management process, which includes the identification of Credit Risk on new products/activities, the adequacy of policies and procedures related to the credit process, monitoring the development of loan portfolios by currency, debtors, product, segmentation, business sector, industry, financing period, Credit Risk profile assessment, and periodic stress testing. Individual impairment has been made on time based on analysis of payment ability and cash flow of the debtors. In addition, the system has been implemented to calculate the collective impairment.

Market Risk

In the implementation of Market Risk management, with reference to best practices, in addition to reviewing and monitoring existing limits namely dealer limit, counterparty limit, stop loss limit, Net Open Position (NOP) limit, the Bank also applies a sensitivity factor (PV01), Management Action

Manajemen Risiko
Risk Management

(MATs), *stress testing*, faktor risiko (*PSE risk factor*) dalam penentuan limit FX untuk *counterparty*, VaR, serta memastikan bahwa transaksi yang dilakukan Bank sesuai dengan harga pasar (pemantauan *off market*). Selain itu, valuasi terhadap portofolio yang dimiliki Bank didasarkan pada sumber data pasar yang lazim digunakan. Dalam area manajemen risiko *banking book*, pengelolaan Risiko Suku Bunga dilakukan melalui pendekatan faktor sensitivitas (PV01) dan *stress testing* baik dari perspektif pendapatan maupun perspektif nilai ekonomis. Hal ini akan membantu dalam melakukan pengukuran Risiko Suku Bunga di *banking book* dengan lebih tepat.

Risiko Likuiditas

Manajemen Risiko Likuiditas merupakan salah satu fungsi yang sangat penting di Bank. Pendekatan proaktif yang melibatkan manajemen Bank dan departemen terkait melalui Komite *Asset & Liability* (ALCO) dalam mengoptimalkan dan memperkuat sumber pendanaan serta penggunaan dana bagi Bank akan terus dilakukan. *Stress testing* likuiditas bulanan dilakukan berdasarkan asumsi yang disetujui untuk memastikan kondisi pendanaan pada satu bulan pertama, pemantauan atas indikator peringatan dini, rasio aset likuid, dan likuiditas jangka pendek senantiasa disesuaikan dengan perkembangan yang ada. Dalam rangka penerapan Basel III, Bank menggunakan perhitungan *Liquidity Coverage Ratio* dan *Net Stable Funding Ratio* sebagai parameter pemantauan Risiko Likuiditas. Selain itu, Rencana Pendanaan Darurat (*Contingency Funding Plan*) telah disusun untuk mempersiapkan Bank jika terjadi krisis likuiditas, termasuk *stand by committed facility* dalam mata uang IDR dan USD dari bank lokal, dimana *trigger* Rencana Pendanaan Darurat (*Contingency Funding Plan*) dipantau secara berkala dan uji coba Rencana Pendanaan Darurat (*Contingency Funding Plan*) melalui *Liquidity Crisis Team* dilakukan satu tahun sekali.

Triggers (MATs), stress testing and risk factors (PSE risk factor) in determining FX limit for counterparties, VAR, and ensuring that transactions conducted by The Bank is in accordance with market prices (off-market monitoring). In addition, the valuation of The Bank's portfolio is based on commonly used market data sources. In the banking book risk management area, Interest Rate Risk management is performed through a sensitivity factor (PV01) and stress testing approach from both income perspectives and economic value perspectives. This should help in dimensioning Interest Rate Risk in the banking book with better precision.

Liquidity Risk

Liquidity Risk management is one of the most critical functions in The Bank. A proactive approach involving The Bank management and related departments through the Asset & Liability Committee (ALCO) in optimizing and strengthening the funding sources and use of funds for The Bank will continue to be implemented. Monthly stress testing is performed based on approved assumption to ensure funding conditions in the first month. The monitoring of early warning indicators, liquid asset ratios, and short-term liquidity are always adjusted to the existing developments. In implementing Basel III, The Bank uses Liquidity Coverage Ratio and Net Stable Funding Ratio as parameters of Liquidity Risk monitoring. In addition, the Contingency Funding Plan has been in place to prepare The Bank in the event of a liquidity crisis, including a stand-by committed facility in IDR and USD currency from a local bank, where the trigger of the Contingency Funding Plan is monitored periodically and testing of the Contingency Funding Plan through the Liquidity Crisis Team is conducted once a year.

Risiko Operasional

Sebagai bagian dari upaya Bank untuk meningkatkan pemantauan Risiko Operasional, Bank senantiasa melakukan penyesuaian dan penyempurnaan alat bantu Risiko Operasional, antara lain *Risk Control Self-Assessment (RCSA)* pada *risk taking units*, pemantauan pencatatan *Risk/Loss Event Database (RLED)*, *Risk Representative Officer* sebagai kepanjangan tangan dari Departemen Manajemen Risiko, Departemen Kepatuhan, dan Departemen AML/CFT dalam mengidentifikasi dan memitigasi terjadinya Risiko Operasional dan Risiko Kepatuhan di cabang, Bersama dengan Departemen IT dalam kesiapan Rencana Kontinuitas Bisnis untuk meminimalkan risiko yang berhubungan dengan gangguan bisnis baik karena masalah internal maupun eksternal, yang diuji coba secara berkala paling kurang satu tahun sekali. Selain itu, untuk menguatkan pengendalian internal dalam rangka mengurangi paparan terhadap Risiko Operasional dan meningkatkan kemampuan dalam pencegahan dan deteksi atas tindakan penyimpangan yang menyebabkan kerugian baik bagi Bank maupun nasabah, penilaian risiko *fraud* untuk departemen dan cabang senantiasa dilakukan.

Risiko Hukum, Risiko Strategik, Risiko Kepatuhan, dan Risiko Reputasi

Kerjasama dengan departemen terkait, yaitu Departemen Hukum, Departemen *Strategy Management and Investor Relations*, Departemen Kepatuhan dan Departemen *Consumer Banking* dalam melakukan pengelolaan maupun pengawasan Risiko Hukum, Risiko Strategik, Risiko Kepatuhan, dan Risiko Reputasi secara komprehensif, baik melalui penilaian profil risiko secara triwulanan, sosialisasi dan pelatihan untuk meningkatkan *awareness* dan pemahaman karyawan, maupun melalui rapat-rapat komite dan rapat-rapat Direksi.

Analisa risiko atas usulan aktivitas dan/atau produk baru dilakukan untuk memastikan kemampuan Bank dalam mengelola aktivitas dan/atau produk baru termasuk kecukupan sumber daya manusia, kelengkapan kebijakan prosedur dan sistem.

Operational Risk

As part of The Bank's initiatives to improve Operational Risk monitoring, The Bank continues to adjust and enhance Operational Risk tools, such as Risk Control Self-Assessments (RCSA) on risk taking units, and monitoring of Risk/Loss Event Database (RLED) records, Risk Representative Officers as lengthening arms of the Risk Management Department, the Compliance Department, and the AML/CFT Department in identifying and mitigating the occurrence of Operational Risk and Compliance Risk in the branches, together with the IT Department, as part of the Business Continuity Plan to minimize the risks associated with business interruption due to internal or external issues, which periodically tested at least once a year. In addition, to strengthen internal controls in order to reduce exposure to Operational Risk and improve capability in the prevention and detection of violation that cause harm to both The Bank and its customers, the fraud risk assessment for departments and branches is always being done.

Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk

Cooperation with relevant departments, namely Legal Department, Strategy Management and Investor Relation Department, Compliance Department and Consumer Banking Department to manage and supervise Legal Risk, Strategic Risk, Compliance Risk and Reputation Risk comprehensively, either through a quarterly risk profile assessment, socialization and training to increase awareness and understanding of employees or through the committees' meetings and the Board of Directors' meetings.

Risk analysis of proposed new activities and/or products is undertaken to ensure The Bank's ability to manage new activities and/or products. These include analysis of the adequacy of human resources, the completeness of policies and procedures, and systems.

Manajemen Risiko
Risk Management

- Budaya Manajemen Risiko
Dalam hal meningkatkan budaya manajemen risiko, sosialisasi mengenai *awareness* manajemen risiko terus dilakukan, antara lain melalui program CARAL (*Compliance, AML/CFT, Risk Management, Internal Audit, Legal*), forum diskusi dengan cabang, *awareness* terkait Rencana Kontinuitas Bisnis, termasuk mengingatkan kembali pemahaman terhadap kebijakan dan prosedur yang ada dan yang akan diimplementasikan.

PROSES DAN PENILAIAN MANAJEMEN RISIKO

Proses manajemen risiko mencakup identifikasi, pengukuran, pemantauan, dan pengendalian risiko dengan dukungan sistem informasi manajemen yang memadai. Pelaksanaan penilaian risiko dilakukan oleh Departemen Manajemen Risiko yang dilaporkan pada setiap triwulan.

Penilaian risiko dilakukan berdasarkan penilaian risiko inheren dan kualitas penerapan manajemen risiko pada setiap risiko yang akan dinilai. Kualitas penerapan manajemen risiko meliputi tata kelola risiko, kerangka manajemen risiko, proses manajemen risiko, kecukupan sumber daya manusia, kecukupan sistem informasi manajemen, dan kecukupan sistem pengendalian risiko. Risiko yang wajib dikelola Bank seperti yang tercantum pada Kebijakan Manajemen Risiko adalah Risiko Kredit, Risiko Pasar, Risiko Likuiditas, Risiko Operasional, Risiko Hukum, Risiko Strategik, Risiko Kepatuhan, dan Risiko Reputasi.

RISIKO KREDIT

Risiko Kredit didefinisikan sebagai risiko yang terjadi akibat kegagalan pihak debitur dan/atau pihak lain dalam memenuhi kewajiban kepada Bank. Risiko Kredit dapat bersumber dari berbagai aktivitas bisnis Bank. Selain pada aktivitas pemberian kredit, Risiko Kredit dapat berasal dari berbagai instrumen keuangan seperti efek-efek, akseptasi, transaksi antar-bank, transaksi nilai tukar dan derivatif, transaksi pembiayaan perdagangan, dan liabilitas komitmen dan kontinjensi.

- Risk Management Culture
In improvement of risk management culture, awareness of risk management is continuously conducted through CARAL (*Compliance, AML/CFT, Risk Management, Internal Audit, Legal*) programs, discussion forums with branches, awareness related to the Business Continuity Plan, as well as through the refining the understanding of existing policies and procedures and which will be implemented.

RISK MANAGEMENT PROCESS AND ASSESSMENT

The risk management process includes identification, measurement, monitoring, and risk control with the support of an adequate management information system. Implementation of risk assessment conducted by the Risk Management Department is reported on a quarterly basis.

Risk assessment is based on inherent risk assessment and the quality of risk management implementation at each risk to be assessed. The quality of risk management implementation covers aspects such as risk governance, risk management framework, the risk management process, human resource adequacy, adequacy of management information systems, and adequacy of risk control systems. Risks that must be managed by The Bank (as stated in the Risk Management Policy) are Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk.

CREDIT RISK

Credit Risk is defined as the risk arising from the failure of the debtor and/or other party in fulfilling their obligations to The Bank. Credit Risk can be sourced from various The Bank business activities. In addition to lending activities, Credit Risk can come from various financial instruments such as securities, acceptances, interbank transactions, exchange and derivative transactions, trade finance transactions, and commitment and contingent liabilities.

Penerapan manajemen Risiko Kredit berlandaskan pada kebijakan dan prosedur Risiko Kredit yang mencakup ketentuan regulator dan juga kebijakan internal. Kebijakan dan prosedur internal dikaji ulang secara berkala agar sejalan dengan perubahan-perubahan ketentuan perbankan, perkembangan usaha Bank dan kondisi perekonomian.

Pelaksanaan penilaian Risiko Kredit dilakukan Bank atas penilaian terhadap risiko inheren dan kualitas penerapan manajemen risiko. Parameter yang digunakan sebagai dasar penilaian risiko inheren terdiri dari komposisi portofolio aset dan tingkat konsentrasi, kualitas penyediaan dana dan kecukupan pencadangan, strategi penyediaan dana dan sumber timbulnya penyediaan dana, dan faktor eksternal.

Berdasarkan penilaian tersebut, unit-unit pengambil risiko melakukan tindak lanjut, antara lain agar komposisi portofolio tidak terpusat pada sektor ataupun debitur besar tertentu, mempertahankan kualitas penyediaan dana pada tingkat risiko yang dipandang aman, mempertahankan kecukupan pencadangan, memastikan bahwa pemberian kredit dan pengambilan keputusan kredit telah dikelola secara memadai dan sesuai dengan limit yang telah ditetapkan.

Penerapan manajemen risiko yang dilakukan oleh Bank dalam rangka pemantauan dan pengendalian Risiko Kredit antara lain sebagai berikut:

- Pemberian kredit dan pengambilan keputusan kredit senantiasa mengacu pada pedoman tertulis yang telah dimiliki Bank mengenai kebijakan dan prosedur terkait perkreditan yang mencakup seluruh aspek proses pemberian kredit, termasuk mengenai pendelegasian wewenang dan limit wewenang kredit;
- Melakukan analisis terhadap sektor ekonomi/ industri berdasarkan risiko dan penetapan limit sektor ekonomi/ industri internal, yang bertujuan selain memberikan acuan dalam melakukan pemberian kredit, juga sebagai upaya untuk melakukan diversifikasi dan meningkatkan hasil proses pengelolaan Risiko Kredit yang lebih baik;

The implementation of Credit Risk management is based on Credit Risk policies and procedures which include regulatory provisions as well as internal policies. Internal policies and procedures are regularly reviewed to be consistent with changes in banking regulations, business development and economic conditions.

Implementation of Credit Risk assessment conducted by The Bank is done based on assessments of inherent risk and the quality of risk management implementation. The parameters used as the basis for inherent risk assessment consist of the asset portfolio composition and the level of concentration, the quality of the provision of funds and the adequacy of the reserves, the strategy of provision of funds and the source of the provision of funds, and external factors.

Based on these assessments, risk takers conduct follow-ups to ensure that the portfolio composition is not concentrated on a particular sector or large debtor, to maintain the quality of provided funds at a safely perceived level of risk, to maintain sufficient reserves, and to ensure that credit granting and credit decision making has been adequately managed and is in accordance with the limits established.

The implementation of risk management by The Bank in monitoring and controlling Credit Risk includes, among others, as follows:

- Credit granting, and credit decision making must always refer to the written guidance that The Bank has in place regarding credit policy and procedure, which covers all aspects of the crediting process, including delegation of authority and limit of credit authority;
- Analyzing the economic/ industrial sectors based on risk and limits setting on the internal economic/ industrial sector. This aims at providing guidance on lending, as well as efforts to diversify and improve the credit risk management process;

Manajemen Risiko
Risk Management

- Secara berkala, Bank melakukan pemantauan terhadap portofolio kredit, antara lain meliputi pemantauan pertumbuhan kredit, kualitas/kolektibilitas kredit, kecukupan pencadangan, konsentrasi pemberian kredit pada sektor ekonomi, debitur/grup debitur terbesar, dan mata uang;
- Melakukan pemantauan secara intensif dan penyusunan solusi penyelesaian terhadap setiap kredit bermasalah termasuk kemungkinan dilakukannya restrukturisasi kredit, penjualan kredit, penjualan agunan secara suka rela oleh debitur, lelang agunan;
- Melakukan identifikasi Risiko Kredit pada setiap produk/aktivitas baru, termasuk mitigasi risiko yang diperlukan.
- The Bank periodically monitors loan portfolios, including monitoring of credit growth, credit/asset quality, reserve adequacy, credit lending concentration in the economic sector, the largest debtors/group of debtors, and currency;
- Conduct intensive monitoring and providing of settlement solutions against any non-performing loans including possibility of credit restructuring, credit sales, voluntary collateral sales by debtors, collateral auctions;
- Identify Credit Risk on any new product/activity, including any risk mitigation required.

RISIKO KREDIT MAKSIMUM

Untuk aset keuangan yang diakui di laporan posisi keuangan, eksposur maksimum terhadap Risiko Kredit sama dengan nilai tercatat. Untuk garansi bank dan *Standby L/C* yang diterbitkan dan *L/C* serta SKBDN yang masih berjalan dan tidak dapat dibatalkan, eksposur maksimum terhadap Risiko Kredit adalah nilai maksimum yang harus dibayarkan oleh Bank jika kewajiban atas garansi bank, *Standby L/C*, *L/C*, dan SKBDN tersebut terjadi. Untuk komitmen fasilitas kredit yang diberikan yang belum digunakan, eksposur maksimum terhadap Risiko Kredit adalah sebesar jumlah komitmen tersebut.

Tabel berikut menyajikan eksposur maksimum Bank terhadap Risiko Kredit untuk instrumen keuangan pada laporan posisi keuangan dan rekening administratif dengan Risiko Kredit, tanpa memperhitungkan agunan yang dimiliki atau perlindungan kredit lainnya:

MAXIMUM CREDIT RISK

For recognized financial assets in the financial statement, the maximum exposure to Credit Risk equals the carrying amount. For bank guarantee and *Standby L/C* issued outstanding irrevocable *L/C* and SKBDN, maximum exposure to Credit Risk shall be the maximum value to be paid by The Bank if the obligation for bank guarantee, *Standby L/C*, *L/C*, and SKBDN occurs. For unused committed credit facility, the maximum exposure to Credit Risk is the committed amount.

The following table sets forth the maximum exposure of The Bank to Credit Risk for financial instruments in the statement of financial positions and off balance sheet accounts with Credit Risk, regardless of any collateral held or other credit protection:

Risiko Kredit Maksimum Maximum Credit Risk

		2018	2017
Laporan posisi keuangan	Statement of financial position		
Giro pada Bank Indonesia	Current accounts with Bank Indonesia	3.848.283	3.888.038
Giro pada bank-bank lain	Current accounts with other banks	3.456.397	3.314.446
Penempatan pada Bank Indonesia dan bank-bank lain	Placement with Bank Indonesia and other banks	5.410.777	5.135.049
Aset Derivatif	Derivative assets	267.422	5.980
Tagihan akseptasi	Acceptance receivables	595.160	1.519.878
Efek-efek untuk tujuan investasi	Investment securities	3.791.167	6.248.877
Kredit yang diberikan	Loan receivable	36.542.280	35.068.608

Risiko Kredit Maksimum

Maximum Credit Risk

		2018	2017
Aset lain-lain	Other assets	261.580	243.300
Rekening Administratif dengan Risiko Kredit	Off-balance sheet accounts with credit risk		
Fasilitas kredit yang diberikan yang belum digunakan - <i>committed</i>	Unused loan facilities - committed	9.601.421	10.248.418
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan	Outstanding irrevocable L/C and domestic L/C	265.968	726.454
Garansi bank dan <i>Standby L/C</i> yang diterbitkan	Bank guarantees and Standby L/C issued	7.326.525	4.486.597
TOTAL		71.366.980	70.885.645

RISIKO KONSENTRASI KREDIT

Bank mengelola dan mengendalikan konsentrasi kredit dengan menetapkan batas pemberian kredit untuk pihak terkait, satu debitur, kelompok debitur serta sektor ekonomi tertentu. Salah satu strategi yang dilakukan Bank dalam mengelola Risiko Konsentrasi Kredit adalah dengan memberikan acuan dalam aktivitas kredit berupa penetapan target dalam pemberian kredit seperti target berdasarkan sektor ekonomi, yang dituangkan dalam rencana bisnis Bank, termasuk di dalamnya penetapan target pasar yang bertujuan untuk mengidentifikasi segmen bisnis yang dapat diterima Bank, sehingga Bank dapat memfokuskan upaya pemasaran serta menentukan mitigasi risiko yang diperlukan.

Bank juga melakukan kaji ulang atas target yang telah ditetapkan dengan mempertimbangkan kondisi ekonomi terkini, serta apabila diperlukan Bank melakukan penyesuaian atas target tersebut.

AGUNAN DAN PERLINDUNGAN KREDIT LAINNYA

Sebagai salah satu kebijakan dalam memitigasi Risiko Kredit, Bank meminta agunan sebagai jaminan pembayaran atas dana yang diberikan oleh Bank. Bank berprinsip bahwa agunan adalah sumber terakhir dari pelunasan kredit, dimana sumber utama pelunasan kredit adalah dana dari hasil usaha debitur.

Pedoman Bank mengenai agunan antara lain mencakup jenis agunan yang dapat diterima sebagai mitigasi Risiko Kredit, perhitungan rasio jaminan, serta frekuensi penilaian agunan untuk setiap jenis agunan. Penentuan nilai dan jenis agunan yang diminta juga tergantung pada penilaian Risiko Kredit dari debitur.

CREDIT CONCENTRATION RISK

The Bank manages and controls credit concentration by setting limits on lending to related parties, one debtor, group of debtors and a specific economy. One of the strategies undertaken by The Bank in managing Credit Concentration Risk is to provide a reference in credit activities in the form of target market lending, such as targets based on economic sectors, set forth in the business plan of The Bank. This includes target market targeting to identify segments business that can be received by The Bank, so that The Bank can focus its marketing efforts and determine the necessary risk mitigation.

The Bank also reviews the predetermined targets by taking into consideration the current economic condition, and if necessary, The Bank adjusts its target.

COLLATERAL AND OTHER CREDIT PROTECTION

As one of the policies of The Bank in mitigating Credit Risk, The Bank has requested collateral as a guarantee of payment for funds provided by The Bank. The Bank considers that the collateral is the last source of loan repayment, where the main source of loan repayment is the fund generated from the debtor's business.

The Bank's guidance on collateral includes, among other things, types of collateral that can be accepted as Credit Risk mitigation, calculation of collateral coverage ratio, and the frequency of collateral valuation for each type of collateral. The determination of the value and type of collateral required depends also on the assessment of Credit Risk from the debtor.

Manajemen Risiko
Risk Management

Risiko Kredit Berdasarkan Risiko Konsentrasi Kredit

	PEMERINTAH (TERMASUK BI) GOVERNMENT (INCLUDING BI)		BADAN USAHA MILIK NEGARA STATE-OWNED ENTERPRISES	
	2018	2017	2018	2017
Laporan posisi keuangan Statement of financial position				
Giro pada Bank Indonesia Current accounts with Bank Indonesia	3,848,283	3,888,038	-	-
Giro pada bank-bank lain Current accounts with other banks	-	-	-	-
Penempatan pada Bank Indonesia dan bank-bank lain Placement with Bank Indonesia and other banks	3,349,184	1,198,324	-	-
Aset Derivatif Derivative assets	-	-	-	-
Tagihan akseptasi Acceptance receivables	-	-	107,279	273,472
Efek-efek untuk tujuan investasi Investment securities	3,781,502	5,418,837	-	-
Kredit yang diberikan Loan receivable	-	-	11,147,803	7,588,481
Aset lain-lain Other assets	42,964	42,304	54,455	37,999
Rekening Administratif dengan Risiko Kredit Off-balance sheet accounts with credit risk				
Fasilitas kredit yang diberikan yang belum digunakan - <i>committed</i> Unused loan facilities - <i>committed</i>	-	-	4,000,255	3,609,065
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan Outstanding irrevocable L/C and domestic L/C	-	-	69,518	107,513
Garansi bank dan <i>Standby</i> L/C yang diterbitkan Bank guarantees and <i>Standby</i> L/C issued	-	-	63,282	61,054
TOTAL	11,021,933	10,547,503	15,442,592	11,677,584
Persentase	16%	15%	22%	17%

Jenis jaminan yang dapat diterima oleh Bank antara lain deposito berjangka/setoran kas, *Standby L/C*, tanah dan bangunan (properti - rumah tinggal, komersial, industri, dan dalam konstruksi), tanah kosong, mesin dan peralatan, piutang dagang, persediaan (termasuk komoditi), truk/bis, alat berat, pesawat (untuk tujuan komersial dan *charter*), kapal, mobil, saham, motor dan jaminan perusahaan atau perorangan. Kondisi, legalitas, peruntukan jaminan (sebagai jaminan pokok, utama, tambahan) serta rasio jaminan telah diatur dalam kebijakan Bank.

The types of collateral that can be received by The Bank include time deposits/cash deposits, *Standby L/C*, land and buildings (property - residential, commercial, industrial and under construction), vacant land, machinery and equipment, accounts receivable, supplies (including commodities), trucks/buses, heavy equipment, aircrafts (for commercial and charter purposes), ships, automobiles, stocks, motorcycles, and corporate guarantees (individuals). The condition, the legality, collateral purpose (as prime, main, additional collateral) and collateral ratio are regulated in the policy of The Bank.

Manajemen Risiko
Risk Management

	BANK DAN LEMBAGA KEUANGAN LAINNYA BANKS AND OTHER FINANCIAL INSTITUTIONS		PERUSAHAAN CORPORATE		RITEL RETAIL		JUMLAH TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017
	-	-	-	-	-	-	3,848,283	3,888,038
	3,456,397	3,314,446	-	-	-	-	3,456,397	3,314,446
	2,061,593	3,936,725	-	-	-	-	5,410,777	5,135,049
	267,422	5,980	-	-	-	-	267,422	5,980
	-	-	487,881	1,246,406	-	-	595,160	1,519,878
	5,703	830,040	3,962	-	-	-	3,791,167	6,248,877
	712,676	671,968	24,147,619	26,134,533	534,182	673,626	36,542,280	35,068,608
	32,667	21,682	128,712	138,598	2,782	2,717	261,580	243,300
	-	-	5,249,855	6,279,465	351,311	359,888	9,601,421	10,248,418
	-	-	196,450	618,941	-	-	265,968	726,454
	1,438,000	-	5,824,868	4,425,168	375	375	7,326,525	4,486,597
	7,974,458	8,780,841	36,039,347	38,843,111	888,650	1,036,606	71,366,980	70,885,645
	11%	12%	50%	55%	1%	1%	100%	100%

Untuk kredit atau pembiayaan properti, Bank telah menetapkan rasio *Loan to Value* (LTV), yang merupakan rasio antara nilai kredit yang dapat diberikan oleh Bank terhadap nilai agunan pada saat awal pemberian kredit, sesuai dengan ketentuan oleh regulator yang berlaku saat ini.

For credit or property financing, The Bank has established a Loan to Value (LTV) ratio, which is the ratio between the credit value that may be granted by The Bank to the value of the collateral at the beginning of the crediting period, in accordance with the provisions of the current regulator.

Manajemen Risiko
Risk Management

Tabel berikut menyajikan komposisi kredit yang diberikan (sebelum penyisihan kerugian penurunan nilai) yang mendapatkan manfaat dari agunan, baik sebagian maupun penuh, sebagai mitigasi dari Risiko Kredit:

The following table sets forth the composition of the loans (before allowance for impairment losses) that benefits from collateral, either partially or in full, as mitigation of Credit Risk:

Agunan dan Perlindungan Kredit Lainnya
Collateral and Other Credit Protection

	NILAI KREDIT YANG DIBERIKAN SEBELUM PENYISIHAN KERUGIAN PENURUNAN NILAI BALANCE OF LOANS RECEIVABLE BEFORE ALLOWANCE FOR IMPAIRMENT LOSSES		JENIS AGUNAN TYPE OF COLLATERAL	
	2018	2017		
Dijamin penuh	4.518.738	4.589.695	Kas, Standby L/C	Cash, Standby L/C
Dijamin sebagian	24.509.329	25.591.568	Kas, piutang dagang, tanah dan bangunan, aset bergerak, garansi	Cash, accounts receivable, land and buildings, moveable assets, guarantees
Tidak memiliki jaminan	8.185.764	5.483.069		
TOTAL	37.213.831	35.664.332		

Dalam menghitung persentase di atas, taksiran nilai agunan yang melebihi nilai bruto kredit akan disesuaikan menjadi sama dengan nilai bruto. Hal ini sesuai dengan pola pemulihan dari agunan ketika suatu kredit menjadi macet.

In calculating the above percentages, the estimated value of the collateral that exceeds the gross amount of the credit will be adjusted to be equal to the gross value. This corresponds to the recovery pattern of the collateral in the event of unperformed credit.

KUALITAS ASET KEUANGAN

Bank memiliki kebijakan untuk memelihara secara akurat dan konsisten peringkat risiko seluruh portofolio aset keuangan. Hal ini akan memfasilitasi fokus manajemen risiko atas risiko yang ada dan perbandingan eksposur kredit di seluruh lini bisnis, daerah geografis, dan produk. Sistem peringkat ini didukung oleh berbagai analisa keuangan, dikombinasikan dengan informasi pasar yang telah diolah untuk menyediakan masukan utama untuk pengukuran risiko pihak lawan.

QUALITY OF FINANCIAL ASSETS

The Bank has a policy to maintain accurate and consistent risk ratings throughout the portfolio of financial assets. This will facilitate the focus of risk management on existing risks and comparison of credit exposures across business lines, geographic areas, and products. This ranking system is supported by a variety of financial analyses, combined with market information that has been processed to provide key inputs for counter-party risk measurement.

FUNGSI PENGENDALIAN SEBELUM DAN
SETELAH PENCAIRAN KREDIT

Fungsi pengendalian pada proses sebelum pencairan bertujuan untuk memastikan kelengkapan dokumen, pemenuhan syarat dan ketentuan yang telah ditetapkan serta kepatuhan debitur yang merupakan pemeriksaan umum awal sebelum pencairan dilakukan. Penatausahaan dokumentasi dan administrasi yang baik akan menempatkan Bank pada posisi yang kuat pada saat terjadi tuntutan hukum yang harus diperhitungkan dengan baik, sehingga tidak ada keraguan dalam legalitas dokumen.

CONTROL FUNCTIONS PRE AND POST CREDIT
DISBURSEMENT

The control function of the process prior to disbursement aims to ensure the completeness of the documents, the fulfillment of the terms and conditions established and the compliance of the debtor which is the initial general verification before the disbursement takes place. Proper administration of documentation and administration will place The Bank in a strong position in the event of a lawsuit that must be taken into account as well, so that there is no doubt in the legality of the document.

Tidak hanya pengendalian sebelum pencairan kredit, pemantauan dan pemeriksaan setelah kredit direalisasi juga merupakan hal penting yang harus dilakukan. Oleh sebab itu, Bank mewajibkan adanya kunjungan rutin ke nasabah, melakukan pemeriksaan pasca realisasi kredit berdasarkan pemeriksaan umum dan khusus serta mendokumentasikannya dalam arsip file kredit.

Pemeriksaan umum antara lain meliputi kesesuaian penggunaan fasilitas dengan perjanjian kredit, situasi perkembangan usaha, aset dan kewajiban debitur, aktivitas rekening debitur dan perkembangan pasar dari debitur.

EVALUASI PENURUNAN NILAI

Pertimbangan utama evaluasi penurunan nilai kredit yang diberikan antara lain adalah kualitas asset kredit, kondisi keuangan dan prospek usaha debitur. Bank melakukan evaluasi penurunan nilai dalam dua pendekatan:

EVALUASI PENURUNAN NILAI SECARA INDIVIDUAL

Bank menentukan penyisihan kerugian penurunan nilai secara individual untuk setiap kredit yang signifikan secara individual dan memiliki bukti obyektif penurunan nilai kredit. Hal-hal yang dipertimbangkan dalam menentukan jumlah penyisihan kerugian penurunan nilai antara lain mencakup keberlanjutan rencana bisnis debitur, kemampuan debitur untuk memperbaiki kinerja saat menghadapi kesulitan keuangan, proyeksi penerimaan dan ekspektasi pengeluaran saat terjadi kepailitan, ketersediaan dukungan keuangan lainnya, nilai agunan yang dapat direalisasikan, dan ekspektasi waktu diperolehnya arus kas. Penyisihan kerugian penurunan nilai dievaluasi setiap tanggal pelaporan kecuali terdapat beberapa kondisi yang mengharuskan adanya perhatian lebih. Penilaian individu dilakukan berdasarkan metode *discounted cash flow*.

EVALUASI PENURUNAN NILAI SECARA KOLEKTIF

Evaluasi penyisihan kerugian penurunan nilai secara kolektif dilakukan atas kredit yang diberikan yang tidak signifikan secara individual dan kredit yang diberikan yang dinilai secara individual namun tidak terdapat bukti obyektif mengenai penurunan nilai. Pendekatan yang digunakan untuk penilaian kolektif didasarkan pada data

It is not just control before credit disbursement. Monitoring and after-credit checks are also important. Therefore, The Bank requires regular visits to customers, conducting post-disbursement checking based on general and special checking and documenting them in credit files.

General examinations include, among others, the appropriateness of the use of facilities with credit agreements, business development situations, debtor assets and liabilities, debtor account activities and market developments of debtors.

EVALUATION OF IMPAIRMENT

The main consideration of the evaluation of the loan impairment are the quality of credit assets, financial condition and business prospects of the debtor. The Bank evaluates impairment in two approaches:

INDIVIDUAL IMPAIRMENT EVALUATION

The Bank determines the allowance for impairment losses individually for each loan that is individually significant and has objective evidence of impairment of the credit score. Matters considered in determining the allowance for impairment losses include the sustainability of the debtor's business plan, the ability of the debtor to improve performance in the face of financial difficulties, the projected revenue and expenditure in the event of bankruptcy, the availability of other financial support, the value of collateral that can be realized, and the expected time of cash flows. Allowance for impairment losses is evaluated on every reporting date, unless there are certain conditions that require more attention. Individual assessment is based on discounted cash flow method.

COLLECTIVE IMPAIRMENT EVALUATION

Evaluation of allowance for impairment losses is collectively carried out on loans that are not individually significant and the loans granted are individually assessed but there is no objective evidence of impairment. The approach used for collective valuation is based on observable data and indicates a measurable

Manajemen Risiko
Risk Management

yang dapat diobservasi dan mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa datang, terkait dengan kelompok aset keuangan seperti memburuknya status pembayaran debitur atau penerbit dalam kelompok tersebut atau kondisi ekonomi yang berkorelasi dengan wanprestasi atas aset dalam kelompok tersebut.

Tabel di bawah menunjukkan kualitas aset keuangan yang belum jatuh tempo dan tidak mengalami penurunan nilai, telah jatuh tempo tetapi tidak mengalami penurunan nilai, dan yang mengalami penurunan nilai:

decline in the estimated future cash flows associated with a group of financial assets such as the deterioration in the payment status of the debtor or the issuer in that group or the economic conditions that are correlated with the default asset in the group.

The table below shows the quality of financial assets that have not matured and are not impaired, are due but not impaired, and are impaired:

Kualitas Aset Keuangan

	BELUM JATUH TEMPO DAN TIDAK MENGALAMI PENURUNAN NILAI NEITHER PAST DUE NOR IMPAIRED		TELAH JATUH TEMPO TETAPI TIDAK MENGALAMI PENURUNAN NILAI PAST DUE BUT NOT IMPAIRED	
	2018	2017	2018	2017
Laporan posisi keuangan Statement of financial position				
Giro pada Bank Indonesia Current accounts with Bank Indonesia	3,848,283	3,888,038	-	-
Giro pada bank-bank lain Current accounts with other banks	3,456,397	3,314,446	-	-
Penempatan pada Bank Indonesia dan bank-bank lain Placement with Bank Indonesia and other banks	5,410,777	5,135,049	-	-
Aset Derivatif Derivative assets	267,422	5,980	-	-
Tagihan akseptasi Acceptance receivables	595,160	1,519,078	-	800
Efek-efek untuk tujuan investasi Investment securities	3,791,167	6,248,877	-	-
Kredit yang diberikan Loan receivable	32,348,622	30,497,824	273,434	114,735
Aset lain-lain Other assets	225,773	211,254	2,640	2,737
TOTAL	49,943,601	50,820,546	276,074	118,272

Manajemen Risiko
Risk Management

	MENGALAMI PENURUNAN NILAI IMPAIRED		PENYISIHAN KERUGIAN NILAI ALLOWANCE FOR IMPAIRMENT LOSSES		JUMLAH TOTAL	
	2018	2017	2018	2017	2018	2017
	-	-	-	-	3,848,283	3,888,038
	-	-	-	-	3,456,397	3,314,446
	-	-	-	-	5,410,777	5,135,049
	-	-	-	-	267,422	5,980
	-	-	-	-	595,160	1,519,878
	-	-	-	-	3,791,167	6,248,877
	4,591,775	5,051,773	(671,551)	(595,724)	36,542,280	35,068,608
	33,167	29,309	-	-	261,580	243,300
	4,624,942	5,081,082	(671,551)	(595,724)	54,173,066	55,424,176

Manajemen Risiko
Risk Management

Definisi dari kualitas kredit Bank adalah sebagai berikut:

- Belum jatuh tempo dan tidak mengalami penurunan nilai:
eksposur menunjukkan laba yang tinggi atau stabil, modal dan likuiditas yang memadai, secara umum direfleksikan dengan pembayaran komitmen terhadap Bank dan kreditur lainnya secara tepat waktu. Sumber pembayaran dapat diidentifikasi secara jelas dan Bank tidak bergantung pada jaminan untuk penyelesaian komitmen masa datang. Hal ini pada umumnya untuk debitur korporasi dengan kualitas kredit peringkat satu sesuai klasifikasi Bank Indonesia dan kredit konsumen yang tidak mengalami keterlambatan pembayaran;
- Telah jatuh tempo tetapi tidak mengalami penurunan nilai:
eksposur dimana nasabah dalam tahap awal dari keterlambatan pembayaran dan telah gagal untuk melakukan pembayaran atau pembayaran tidak penuh, sesuai dengan persyaratan kontraktual dalam perjanjian kredit. Hal ini pada umumnya untuk debitur korporasi dengan peringkat dua sesuai klasifikasi peraturan dari regulator. Definisi ini tidak termasuk kredit restrukturisasi yang mengalami penurunan nilai namun memiliki kualitas kredit peringkat dua;
- Mengalami penurunan nilai:
eksposur telah mengalami penurunan nilai. Bank mempertimbangkan bahwa nasabah tidak mungkin membayar kewajiban kredit secara penuh, atau pemulihannya akan bertumpu pada realisasi agunan apabila ada, termasuk juga kredit restrukturisasi yang mengalami penurunan nilai namun memiliki kualitas kredit peringkat 1 dan 2. Selain itu, pada umumnya merupakan debitur korporasi dengan peringkat 3-5 sesuai klasifikasi peraturan dari regulator. Pertimbangan utama atas penilaian penurunan kualitas kredit mencakup keterlambatan pembayaran pokok atau bunga atau kesulitan aliran kas yang dialami oleh debitur/pihak lawan, penurunan peringkat kredit, atau pelanggaran atas persyaratan perjanjian kredit.

The definition of credit quality of The Bank is as follows:

- Not due and is not impaired:
exposures indicate high or stable earnings, adequate capital and liquidity, generally reflected by payment of commitments to The Bank and other creditors in a timely manner. The source of payment can be clearly identified, and The Bank does not rely on collateral for future commitment settlement. This is generally the case for corporate borrowers with a credit rating of one rank according to the classification of Bank Indonesia and consumer loans with no delinquency;
- Past due but is not impaired:
exposure where the customer is in the early stages of late payment and has failed to make payment or make partial payment, in accordance with the contractual terms in the credit agreement. This is generally for corporate debtors with a rating of two according to the regulatory classification of the regulator. This definition does not include credit restructuring that is impaired but has a credit rating of two;
- Impaired:
exposure has been impaired. The Bank considers that either the debtor is unlikely to pay full credit obligations, or the recovery will be from realization of collateral, if any, including restructuring credit which is impaired but has a credit quality rating of 1 and 2. In addition, it is generally a corporate debtor with rating 3-5 according to regulatory classification. The main consideration of the assesment of declining credit quality includes the late payment of principal or interest or cash flow difficulties experienced by the debtor/counterpart, credit rating downgrade, or breach of the terms of the credit agreement.

RISIKO PASAR

Risiko Pasar adalah risiko terjadinya perubahan harga pasar, seperti tingkat suku bunga dan nilai tukar valuta asing, yang akan mempengaruhi pendapatan Bank atau nilai dari instrumen keuangan yang dimilikinya. Tujuan dari manajemen Risiko Pasar adalah untuk mengelola dan mengendalikan eksposur Risiko Pasar dalam parameter yang dapat diterima, dan secara bersamaan mengoptimalkan hasil pengembalian atas risiko yang diterima. Penerapan manajemen Risiko Pasar Bank meliputi Risiko Suku Bunga dan Risiko Nilai Tukar yang timbul baik dari posisi *trading book* maupun posisi *banking book*.

Komite *Asset & Liability* (ALCO), yang diketuai oleh Presiden Direktur, dengan anggota Direksi terkait, Kepala Departemen terkait, Departemen *Global Markets*, dan Departemen *Finance Management*, keduanya sebagai sekretaris ALCO. ALCO mengadakan rapat secara berkala untuk mengkaji profil bisnis Bank dan dampaknya terhadap pengelolaan aset dan kewajiban. ALCO menentukan strategi pengelolaan aset dan kewajiban dengan mempertimbangkan lingkungan bisnis saat ini dan yang diharapkan. ALCO mengkaji posisi aset, kewajiban, dan suku bunga dan posisi gap likuiditas pada *banking book*. ALCO juga menetapkan suku bunga deposito dan suku bunga acuan kredit.

RISIKO SUKU BUNGA

Risiko Suku Bunga timbul dari adanya kemungkinan bahwa perubahan tingkat suku bunga akan mempengaruhi aliran kas di masa depan atau nilai wajar instrumen keuangan. Posisi ini dipantau secara bulanan untuk memastikan bahwa posisi tersebut dapat dikelola oleh Bank. Pengelolaan Risiko Suku Bunga dilakukan dengan pemantauan sensitivitas aset dan liabilitas keuangan Bank atas berbagai skenario suku bunga. Tabel di bawah ini menyajikan aset berbunga dan liabilitas berbunga (bukan untuk tujuan diperdagangkan) Bank pada nilai tercatat, yang dikategorikan menurut mana yang lebih terdahulu antara tanggal *re-pricing* atau tanggal jatuh tempo kontraktual:

MARKET RISK

Market risk is the risk of changes in market prices, such as interest rates and foreign exchange rates, which will affect The Bank's income or the value of its financial instruments. The objective of Market Risk management is to manage and control Market Risk exposures within acceptable parameters, while simultaneously optimizing returns on the risks. Implementation of The Bank's Market Risk management includes Interest Rate Risk and Exchange Rate Risk arising both from trading book positions and banking book positions.

The Asset & Liability Committee (ALCO), chaired by President Director, with members consists of related Directors, related Department Heads, Global Markets Department and Finance Management Department, both as secretary of ALCO. The ALCO meets periodically to review The Bank's business profile and its impact on asset and liability management. It determines the asset and liability management strategy in light of the current and expected business environment. It reviews positions of assets, liabilities, and the interest rate and liquidity gap positions on the banking book. The ALCO also sets deposit and benchmark lending rates.

INTEREST RATE RISK

Interest Rate Risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. This position is monitored on a monthly basis to ensure that the position can be managed by The Bank. Interest Rate Risk management is performed by monitoring the sensitivity of The Bank's assets and liabilities over various interest rate scenarios. The table below presents The Bank's interest-bearing cash assets and liabilities at carrying amounts, which are categorized according to whichever is earlier between the re-pricing or contractual maturity dates:

Manajemen Risiko
Risk Management

Instrumen dengan Tingkat Suku Bunga Mengambang

	NILAI TERCATAT CARRYING AMOUNT		HINGGA 3 BULAN UP TO 3 MONTHS	
	2018	2017	2018	2017
Giro pada bank-bank lain Current accounts with other banks	3,456,397	3,314,446		
Penempatan pada Bank Indonesia dan bank-bank lain Placement with Bank Indonesia and other banks	5,410,777	5,135,049	458,483	
Kredit yang diberikan Loans receivable	37,213,831	35,664,332	11,158,828	14,226,764
Efek-efek untuk tujuan investasi Investment securities	3,791,167	6,248,877		
	49,872,172	50,362,704	11,617,311	14,226,764
Simpanan nasabah Deposits from customer	(30,418,315)	(32,864,123)	(8,521,981)	(5,927,233)
Simpanan dari bank-bank lain Deposits from other banks	(2,227,491)	(4,235,045)	(1,551)	(1,224)
Efek-efek yang dijual dengan janji dibeli kembali Securities sold under agreements to repurchase		(88,979)		
Pinjaman yang diterima Borrowings	(13,780,073)	(2,858,866)	(12,561,105)	(2,180,491)
Surat berharga yang diterbitkan Securities issued		(6,783,641)		(6,783,641)
Pinjaman subordinasi Subordinated loan	(1,222,300)	(1,153,238)	(1,222,300)	(1,153,238)
	(47,648,179)	(47,983,892)	(22,306,937)	(16,045,827)
Jumlah Total	2,223,993	2,378,812	(10,689,626)	(1,819,063)

Manajemen Risiko
Risk Management

	3-12 BULAN MONTHS		> 1 TAHUN YEAR	
	2018	2017	2018	2017
	20,181,956	18,789,761		
	20,181,956	18,789,761	-	-
	(115)			
		(678,375)		
	(115)	(678,375)	-	-
	20,181,841	18,111,386	-	-

Manajemen Risiko
Risk Management

Instrumen dengan Tingkat Suku Bunga Tetap

	NILAI TERCATAT CARRYING AMOUNT		HINGGA 3 BULAN UP TO 3 MONTHS	
	2018	2017	2018	2017
Giro pada bank-bank lain Current accounts with other banks	3,456,397	3,314,446	3,456,397	3,314,446
Penempatan pada Bank Indonesia dan bank-bank lain Placement with Bank Indonesia and other banks	5,410,777	5,135,049	3,579,146	2,950,681
Kredit yang diberikan Loans receivable	37,213,831	35,664,332	51,893	7,448
Efek-efek untuk tujuan investasi Investment securities	3,791,167	6,248,877	1,356,388	1,771,720
	49,872,172	50,362,704	8,443,824	8,044,295
Simpanan nasabah Deposits from customer	(30,418,315)	(32,864,123)	(16,711,471)	(18,758,286)
Simpanan dari bank-bank lain Deposits from other banks	(2,227,491)	(4,235,045)	(1,495,414)	(2,196,171)
Efek-efek yang dijual dengan janji dibeli kembali Securities sold under agreements to repurchase		(88,979)		(88,979)
Pinjaman yang diterima Borrowings	(13,780,073)	(2,858,866)		
Surat berharga yang diterbitkan Securities issued		(6,783,641)		
Pinjaman subordinasi Subordinated loan	(1,222,300)	(1,153,238)		
	(47,648,179)	(47,983,892)	(18,206,885)	(21,043,436)
Jumlah Total	2,223,993	2,378,812	(9,763,061)	(12,999,141)

Berdasarkan perjanjian kredit dengan debitur/nasabah, Bank berhak mengubah besaran suku bunga sewaktu-waktu atas dasar pertimbangan Bank, kecuali untuk kredit-kredit tertentu yang sudah ditetapkan jangka waktu *repricing*.

RISIKO NILAI TUKAR

Risiko Nilai Tukar merupakan risiko dimana nilai instrumen keuangan akan berfluktuasi karena perubahan kurs nilai tukar. Bank telah menetapkan batasan posisi berdasarkan mata uang yang dipantau secara harian untuk memastikan bahwa posisi tersebut tetap berada dalam batasan yang telah ditetapkan.

Based on the credit agreement with the debtor/customer, The Bank has the right to change the interest rate at any time based on the consideration of The Bank, except for certain credits that the repricing period have been set.

EXCHANGE RATE RISK

Exchange Rate Risk represents the risk that the value of a financial instrument will fluctuate due to changes in the exchange rate. The Bank has set position limits on the basis of the currency monitored on a daily basis to ensure that the position remains within the prescribed limits.

Manajemen Risiko
Risk Management

	3-12 BULAN MONTHS		> 1-2 TAHUN YEARS		> 2 TAHUN YEARS	
	2018	2017	2018	2017	2018	2017
	1,373,148	2,184,368				
	991,423	21,620	4,429,117	3,448	400,614	2,615,291
	881,925	2,544,781	177,502	631,850	1,375,352	1,300,526
	3,246,496	4,750,769	4,606,619	635,298	1,775,966	3,915,817
	(5,172,705)	(8,166,936)	(5,235)	(4,205)	(6,808)	(7,463)
	(730,526)	(2,037,650)				
	(1,218,968)					
	(7,122,199)	(10,204,586)	(5,235)	(4,205)	(6,808)	(7,463)
	(3,875,703)	(5,453,817)	4,601,384	631,093	1,769,158	3,908,354

Bank memiliki eksposur risiko mata uang melalui transaksi dalam mata uang asing. Bank memonitor konsentrasi risiko yang terkait dengan tiap mata uang individual sehubungan dengan penjabaran transaksi, aset moneter dan liabilitas moneter dalam mata uang asing ke dalam mata uang fungsional Bank, yaitu IDR.

Perhitungan Posisi Devisa Neto (PDN) dilakukan berdasarkan peraturan dari regulator yang berlaku, Bank diwajibkan untuk menjaga PDN secara keseluruhan maksimum 20% dari total modal.

The Bank has exposure to currency risk through transactions denominated in foreign currency. The Bank monitors the concentration of risk associated with each individual currency in respect of translation of foreign currency transaction and monetary assets and liabilities into The Bank's functional currency, which is IDR.

Calculation of Net Open Position (NOP) is based on regulations from prevailing regulators. The Bank is required to keep the total NOP at a maximum of 20% of total capital.

Manajemen Risiko
Risk Management

PDN pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

The NOP as of December 31, 2018 and 2017 is as follows:

Perhitungan Posisi Devisa Neto

MATA UANG CURRENCY	KESELURUHAN (LAPORAN POSISI KEUANGAN DAN REKENING ADMINISTRATIF) AGGREGATE (STATEMENT OF FINANCIAL POSITION AND OFF-BALANCE SHEET ACCOUNTS)					
	ASET ASSETS		LIABILITAS LIABILITIES		POSISI DEvisa NETO (NILAI ABSOLUT) NET OPEN POSITION (ABSOLUTE AMOUNT)	
	2018	2017	2018	2017	2018	2017
Dolar Amerika Serikat	34.120.530	33.666.415	34.144.988	33.696.501	24.458	30.086
Yuan China	1.426.797	1.602.930	1.383.693	1.597.899	43.104	5.031
Euro Eropa	2.285	12.584	2.702	12.487	417	97
Dolar Singapura	24.433	40.416	24.792	40.173	359	243
Dolar Australia	6.805	11.460	7.010	11.139	205	321
Dolar Hong Kong	4.015	2.284	1.117	1.026	2.898	1.258
Poundsterling Inggris	4.436	4.252	4.773	4.283	337	31
Yen Jepang	693	1.004	797	542	104	462
Dolar Selandia Baru	407	1.449	249	1.021	158	428
					72.040	37.957
Jumlah Modal					6.349.385	6.704.664
Rasio PDN					1,13%	0,57%

Fungsi manajemen Risiko Pasar diterapkan secara independen, antara lain, dengan terdapatnya pemisahan yang jelas antara tugas dan tanggung jawab setiap pihak yang terkait Risiko Pasar. Departemen *Global Markets (front office)* sebagai unit bisnis mengelola Risiko Pasar secara harian, Unit *Settlement Center (back office)* melakukan fungsi *settlement*, dan Departemen Manajemen Risiko (*middle office*) sebagai pihak yang independen memastikan pengelolaan Risiko Pasar sesuai dengan limit yang telah ditetapkan. Limit yang ditetapkan telah dipantau secara berkala dan telah berjalan dengan baik, antara lain, pemantauan atas *limit dealer*, *limit stop loss*, *Management Action Triggers (MATs)*, *limit counterparty*, *off market*, PDN, VaR telah dilakukan secara harian. Limit ini dikaji ulang secara berkala.

The Market Risk management function is applied independently, among others, clear separation the duties and responsibilities of each party related to Market Risk. The Global Markets Department (front office) serves as a business unit to manage Market Risk on a daily basis, the Settlement Center Unit (back office) performs the settlement function, and the Risk Management Department as middle office is an independent party that ensures Market Risk management in accordance with predetermined limits. The specified limit has been monitored periodically and has been running well. The monitoring of dealer limits, stop loss limits, Management Action Triggers (MATs), counterparty unit, off-market, NOP, VaR, have been done on a daily basis. These limits are reviewed regularly.

Risiko Suku Bunga dengan menggunakan pendekatan *repricing* diukur sensitivitas terhadap pendapatan bunga bersih dan nilai ekonomi permodalan.

Selain itu *stress testing* dilakukan dengan berbagai *scenario* untuk mengukur kerugian dan inisiasi langkah-langkah pengendalian.

RISIKO LIKUIDITAS

Risiko Likuiditas adalah risiko akibat ketidakmampuan Bank untuk memenuhi liabilitas yang jatuh tempo dari sumber pendanaan arus kas dan/atau dari aset likuid berkualitas tinggi yang dapat diagunkan, tanpa mengganggu aktivitas dan kondisi keuangan Bank.

Risiko Likuiditas diukur melalui, antara lain, rasio aset likuid, rasio cadangan sekunder, *Loan To Funding Ratio* (LDR), rasio deposito besar, profil maturitas, *Liquidity Coverage Ratio* (LCR), *Net Stable Funding Ratio* (NSFR). Pengendalian Risiko Likuiditas dilakukan dengan menetapkan limit-limit yang mengacu pada ketentuan regulator maupun internal serta menetapkan indikator peringatan dini.

Bank senantiasa mempertahankan aset likuid pada tingkat yang dipandang aman, memperkecil ketergantungan pada deposito besar, dan memastikan bahwa Bank dapat memperoleh akses sumber pendanaan baik pada kondisi normal maupun krisis, dengan mempertimbangkan *stress testing* yang dilakukan. Sedangkan pengendalian Risiko Likuiditas dilakukan melalui strategi pendanaan, pengelolaan posisi likuiditas dan Risiko Likuiditas harian, pengelolaan aset likuid yang berkualitas tinggi, dan rencana pendanaan darurat.

Komite ALCO Bank bertanggung jawab terhadap pengelolaan Risiko Likuiditas.

The Interest Rate Risk by using repricing approach is measured its net interest income sensitivity and economic value of equity.

In addition, stress testing is simulated using various scenarios in order to measure losses and initiate control measures.

LIQUIDITY RISK

Liquidity Risk is a risk due to the inability of The Bank to meet the maturity liabilities of sources from cash flow and/or of high quality liquid assets that can be mortgaged, without disrupting the activities and financial condition of The Bank.

Liquidity Risk is measured through, among others, the ratio of liquid assets, the ratio of secondary reserves, Loan To Funding Ratio (LFR), the ratio of large depositors, maturity profile, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR). Liquidity Risk control is carried out by setting limits that refer to both regulatory and internal provisions and establishing early warning indicators.

The Bank continues to maintain liquid assets at a level that is deemed safe, minimize dependence on large depositors, and ensure that The Bank can obtain access to financing sources in both normal and crisis conditions, by considering stress testing. Liquidity Risk control is conducted through funding strategy, liquidity position management and daily Liquidity Risk, high quality liquid asset management, and contingency funding plan.

The Bank's Asset & Liability Committee (ALCO) is responsible for Liquidity Risk management.

Manajemen Risiko
Risk Management

Nilai Nominal Bruto Arus Kas Masuk (Keluar) Berdasarkan Sisa Jatuh Tempo Kontraktual Liabilitas Keuangan

	NILAI TERCATAT CARRYING AMOUNT		NILAI NOMINAL BRUTO ARUS KAS MASUK (KELUAR) GROSS NOMINAL CASH INFLOW (OUTFLOW)	
	2018	2017	2018	2017
Liabilitas non-derivatif Non-derivative liabilities				
Liabilitas segera Liabilities immediately payable	2,355	6,544	(2,355)	(6,544)
Simpanan nasabah Deposits from customer	30,588,043	33,044,505	(30,813,257)	(33,377,746)
Simpanan dari bank-bank lain Deposits from other banks	2,227,491	4,235,045	(2,241,452)	(4,248,461)
Efek-efek yang dijual dengan janji dibeli kembali Securities sold under agreements to repurchase		88,979		(89,429)
Liabilitas akseptasi Acceptance payables	595,160	1,519,878	(595,160)	(1,519,878)
Pinjaman yang diterima Borrowings	13,780,073	2,858,866	(15,282,897)	(2,979,308)
Efek-efek yang diterbitkan Securities issued		6,783,641		(6,833,569)
Liabilitas lain-lain dan beban yang masih harus dibayar Other liabilities and accrued expenses	270,166	172,454	(270,166)	(172,454)
Pinjaman subordinasi Subordinated loan	1,222,300	1,153,238	(1,358,465)	(1,279,794)
	48,685,588	49,863,150	(50,563,752)	(50,507,183)
Liabilitas derivatif Derivative liabilities				
Diperdagangkan: Trading:	538	2,865		
Arus kas keluar Cash outflow			(101,607)	(3,279,144)
Arus kas masuk Cash inflow			101,042	3,276,279
	538	2,865	(565)	(2,865)
	48,686,126	49,866,015	(50,564,317)	(50,510,048)

Manajemen Risiko
Risk Management

	KURANG DARI 3 BULAN LESS THAN 3 MONTHS		3-12 BULAN MONTHS		1-5 TAHUN YEARS		LEBIH DARI 5 TAHUN MORE THAN 5 YEARS	
	2018	2017	2018	2017	2018	2017	2018	2017
	(2,355)	(6,544)						
	(25,423,713)	(24,896,182)	(5,367,513)	(8,459,188)	(22,031)	(22,376)		
	(1,502,008)	(2,879,958)	(739,444)	(1,368,503)				
		(89,429)						
	(369,471)	(761,007)	(225,689)	(758,871)				
	(153,470)	(3,630)	(4,752,751)	(2,238,651)	(10,376,676)	(737,027)		
		(6,833,569)						
	(270,166)	(172,454)	-					
	(9,212)	(7,383)	(385,071)	(22,116)	(964,182)	(426,286)		(824,009)
	(27,730,395)	(35,650,156)	(11,470,468)	(12,847,329)	(11,362,889)	(1,185,689)	-	(824,009)
	(101,607)	(3,279,144)						
	101,042	3,276,279						
	(565)	(2,865)	-	-	-	-	-	-
	(27,730,960)	(35,653,021)	(11,470,468)	(12,847,329)	(11,362,889)	(1,185,689)	-	(824,009)

Manajemen Risiko
Risk Management

SISA JATUH TEMPO KONTRAKTUAL DARI LIABILITAS KEUANGAN

Per 31 Desember 2018, nilai nominal bruto arus kas masuk (arus kas keluar) berdasarkan sisa jatuh tempo kontraktual liabilitas keuangan adalah seperti tabel di atas. Nilai nominal arus kas masuk (arus kas keluar) yang diungkapkan pada tabel di atas menyajikan arus kas kontraktual yang tidak didiskontokan terkait dengan nilai pokok dan bunga dari liabilitas keuangan. Arus kas atas instrumen keuangan yang diharapkan Bank bervariasi secara signifikan dari analisa ini. Sebagai contoh, simpanan diharapkan memiliki saldo yang stabil atau meningkat atau fasilitas kredit kepada nasabah yang belum digunakan (*committed*) tidak seluruhnya diharapkan untuk segera digunakan.

RISIKO OPERASIONAL

Risiko Operasional adalah risiko yang dapat timbul akibat ketidakcukupan dan/atau tidak berfungsinya proses internal, *human error*, kegagalan sistem, dan/atau adanya kejadian-kejadian eksternal yang mempengaruhi operasional Bank. Risiko Operasional melekat pada semua aktivitas, kegiatan operasional dan produk Bank. Kegagalan mengelola Risiko Operasional dapat menyebabkan kerugian finansial, mempengaruhi keselamatan karyawan dan reputasi Bank.

Kerangka kerja manajemen Risiko Operasional terdiri dari identifikasi dan penilaian risiko dan kontrol, kerangka proses analisa risiko atas produk baru, pengukuran dan pemantauan melalui alat bantu Risiko Operasional, dan mitigasi melalui peningkatan proses dan kontrol. Bank mengelola Risiko Operasional secara aktif dan konsisten dengan menerapkan prinsip kehati-hatian pada setiap kegiatan usaha Bank dan seluruh unit bisnis terkait. Pelaksanaan penilaian terhadap Risiko Operasional dilakukan Bank pada semua aktivitas fungsional secara komprehensif. Penilaian terhadap Risiko Operasional dilakukan atas penilaian terhadap risiko inheren dan kualitas penerapan manajemen risiko. Parameter yang digunakan sebagai dasar penilaian risiko inheren mencakup karakteristik dan kompleksitas bisnis, sumber daya manusia, teknologi informasi dan infrastruktur pendukung, *fraud* dan kejadian eksternal seperti terorisme, pandemik, dan bencana alam.

CONTRACTUAL REMAINING MATURITY OF FINANCIAL LIABILITIES

As of December 31, 2018, the gross nominal value of cash inflows (out) based on the remaining maturity of contractual financial liabilities is as the table below. The nominal value of the cash inflows (outflows) disclosed in the above table presents an discontinued contractual cash flow related to the principal and interest of the financial liabilities. The cash flows on the financial instruments The Bank expects will vary significantly from this analysis. For example, savings are expected to have a stable or increased balance or unused credit facilities to customers not expected to be used immediately.

OPERATIONAL RISK

Operational Risk is a risk that may arise due to inadequacy and/or a malfunction of internal processes, human errors, system failures, and/or the presence of external events affecting The Bank's operations. Operational Risk is inherent in all of The Bank activities, operational activities and products. Failure to manage Operational Risk can cause financial loss, affecting employee safety and reputation of The Bank.

The Operational Risk management framework comprises identification and assessment of risks and controls, new products and risk analysis process framework, measurement and monitoring through Operational Risk tools, and mitigation through process and control enhancement. The Bank manages the Operational Risk actively and consistently by applying prudential principles to every business activity of The Bank and all related business units. Implementation of the assessment of Operational Risk is done by The Bank on all functional activities in a comprehensive manner. Assessment of Operational Risk is conducted on the assessment of inherent risk and the quality of risk management implementation. The parameters used as the basis for inherent risk assessment include the characteristics and complexity of business, human resources, information technology and supporting infrastructure, fraud and external events such as terrorism, pandemics, and natural disasters.

Unit-unit pengambil risiko berperan sebagai lini pertahanan lapis pertama dalam pengelolaan Risiko Operasional sehari-hari. Lini pertahanan lapis kedua meliputi fungsi-fungsi pendukung, seperti manajemen risiko, kepatuhan. Masing-masing fungsi ini, bersama dengan unit-unit bisnis, memastikan bahwa risiko di unit bisnis telah diidentifikasi dan dikelola dengan tepat.

Fungsi-fungsi bisnis pendukung bekerjasama untuk membantu menentukan strategi, menerapkan kebijakan dan prosedur Bank, dan mengumpulkan informasi untuk menyusun risiko Bank secara keseluruhan. Sementara itu, pengawasan independen yang dilakukan oleh Audit Internal sebagai lini pertahanan ketiga secara independen menilai efektivitas proses yang dilakukan oleh lini pertahanan pertama dan kedua dan memastikan kecukupan proses tersebut. Selain itu, fungsi audit juga secara aktif memberikan rekomendasi perbaikan terhadap proses operasional dan kualitas pelayanan.

Penerapan manajemen Risiko Operasional dilakukan melalui penyusunan dan penetapan kebijakan dan prosedur tertulis untuk setiap aktivitas operasional Bank, mengembangkan budaya organisasi yang sadar terhadap Risiko Operasional, memperkuat aspek keamanan dan kehandalan operasi teknologi Informasi sehingga kesalahan manusia, *fraud*, kesalahan proses, dan potensi kegagalan sistem yang menyebabkan terganggunya kelangsungan usaha dapat ditekan dan dimitigasi lebih dini.

Bank juga mengembangkan pemantauan secara berkala oleh Departemen Manajemen Risiko terhadap hasil penilaian sendiri yang dilakukan unit-unit pengambil risiko atas Risiko Operasional yang melekat pada areanya masing-masing untuk mendeteksi secara dini dan melakukan pencegahan terhadap timbulnya Risiko Operasional, serta *Business Continuity Management*, untuk memastikan kemampuan Bank untuk tetap beroperasi jika terjadi bencana.

Selanjutnya, untuk memitigasi risiko operasional, Bank telah menerapkan kontrol internal yang komprehensif termasuk jejak audit, pemisahan yang tepat dari *front*, *middle* dan operasional *back office*, proses pemantauan pasca transaksi di bagian belakang untuk memastikan

Risk taking units serve as the first line of defense in day-to-day of Operational Risk management. The second line of defense includes support functions, such as risk management, compliance. Each of these functions, together with business units, ensures that risks in the business unit have been properly identified and managed.

The support business functions work together to help to determine strategies, implement The Bank policies and procedures, and collect information to provide overall risk of The Bank. Meanwhile, independent monitoring conducted by the Internal Audit as a third line of defense independently assesses the effectiveness of the processes conducted by the first and second line of defense and ensures the adequacy of the process. In addition, the audit function also proactively recommends improvements in operational processes and service quality.

The implementation of Operational Risk management is conducted through the preparation and stipulation of written policies and procedures for each operational activity of The Bank, developing organizational culture to have awareness of Operational Risk, strengthening security and reliability aspects of information technology operations so that human error, fraud, process error and potential failure systems that cause disruption of business continuity can be suppressed and mitigated earlier.

The Bank also develops periodic monitoring by the Risk Management Department on self-assessment results conducted by risk taking units for Operational Risk inherent to their respective areas for early detection and prevention of Operational Risk, as well as Business Continuity Management, to ensure The Bank's ability to remain operational in the event of a disaster.

Furthermore, to mitigate Operational Risk, The Bank has put in place extensive internal controls including audit trails, appropriate segregation of front, middle, and back office operations, post transaction monitoring processes at the back end to ensure independent checks

Manajemen Risiko
Risk Management

pemeriksaan secara independen, kepatuhan terhadap pelaksanaan kebijakan dan prosedur Bank dan untuk semua pedoman peraturan yang berlaku.

RISIKO HUKUM

Risiko Hukum adalah risiko yang timbul akibat tuntutan hukum dan/atau kelemahan aspek yuridis, diantaranya akibat kelemahan perikatan yang dilakukan oleh Bank, ketiadaan dan/atau perubahan peraturan perundang-undangan yang menyebabkan suatu transaksi yang telah dilakukan oleh Bank menjadi tidak sesuai dengan ketentuan yang ada dan proses litigasi baik yang timbul dari gugatan pihak ketiga maupun Bank terhadap pihak ketiga.

Penerapan manajemen Risiko Hukum dilakukan melalui penerapan kebijakan manajemen Risiko Hukum, prosedur dan pedoman yang terkait dengan hukum untuk mengawasi pengelolaan Risiko Hukum yang disesuaikan dengan strategi bisnis Bank dan peraturan atau perundangan yang berlaku, termasuk peninjauan dokumentasi, standarisasi dokumen dan prosedur, penggunaan konsultan hukum, pengelolaan proses litigasi dan proses evaluasi atas produk atau layanan baru.

Departemen Hukum berfungsi sebagai penasehat dan melalui fungsinya sebagai ahli hukum mengidentifikasi Risiko Hukum pada produk/aktivitas dan perjanjian. Kejadian proses litigasi termasuk potensi kerugian dikelola sebagai sebuah parameter dalam mengukur Risiko Hukum yang didukung oleh pencatatan dan penatausahaan yang memadai.

Departemen Hukum melakukan pengkajian secara rutin atas kontrak dan perjanjian antara Bank dan pihak lain, termasuk tetapi tidak terbatas pada pengkajian ulang dan memastikan validitas atas hak dan kewajiban di dalam kontrak dan perjanjian terpenuhi. Departemen Hukum juga melakukan pemantauan secara berkala terhadap pengkinian perjanjian hukum dan tindak lanjut penyimpangan dokumen hukum.

and balances, adherence to the laid down policies and procedures of The Bank and to all applicable regulatory guidelines.

LEGAL RISK

Legal Risk is the risk arising from lawsuits and/or weakness of juridical aspect, such as due to weakness of legal binding conducted by The Bank, the absence and/or change of regulation legislation causing a transaction that has been done by The Bank to be inconsistent with existing provisions, and litigation process process either arising from any third party lawsuits or The Bank against any third party.

The implementation of Legal Risk management is conducted through the application of Legal Risk management policies, legal procedures and guidelines to oversee the management of Legal Risk adapted to The Bank's business strategy and applicable laws and regulations, including documentation review, standardization of documents and procedures, use of legal consultants, litigation process management and evaluation process of new products or services.

Legal Department functions as an adviser and through its function as a legal expert identifying the Legal Risk on products/activities and agreements. The litigation process incidents including potential losses are managed as a parameter in measuring Legal Risk supported by adequate records and administration.

Legal Department conducts regular review of contracts and agreements between The Bank and other parties, including but not limited to reviewing and ensuring the validity of the rights and obligations in the contracts and agreements are met. Legal Department also conducts periodic monitoring of legal agreement updates and follows up on irregularities of legal documents.

Peran serta Departemen Legal dalam berbagai aktivitas pengendalian di dalam Bank, seperti tinjauan aktivitas/produk baru, tinjauan kebijakan, prosedur dan proses operasional merupakan bagian untuk memastikan kecukupan dari pengendalian Risiko Hukum.

RISIKO STRATEJIK

Risiko Strategik adalah risiko akibat ketidaktepatan dalam pengambilan dan/atau pelaksanaan suatu keputusan strategik serta kegagalan dalam mengantisipasi perubahan lingkungan bisnis. Risiko Strategik merupakan potensi dari efek samping pada pendapatan (*earning*) yang muncul dari perubahan kondisi kegiatan usaha, seperti keadaan pasar, perilaku nasabah, kemajuan teknologi, serta keputusan strategi yang kurang baik.

Risiko Strategik dapat disebabkan oleh kelemahan dan ketidaktepatan dalam perumusan strategi, sistem informasi manajemen yang kurang memadai, analisa lingkungan internal dan eksternal yang kurang memadai, ketidaktepatan dalam implementasi strategi dan kegagalan mengantisipasi perubahan lingkungan bisnis. Dalam rangka mendukung perumusan strategi Bank, Bank telah mempersiapkan perkembangan teknologi yang dituangkan dalam rencana strategis IT dan terus meningkatkan kemampuan organisasi dibidang sumber daya manusia.

Bank memiliki rencana bisnis tertulis yang mencakup strategi selama tiga tahun yang akan dikaji ulang dan diperbaharui setiap tahun. Rencana bisnis tersebut disusun sesuai dengan visi dan misi Bank dan dengan mempertimbangkan kondisi internal (kekuatan dan kelemahan Bank), perkembangan faktor-faktor/kondisi-kondisi eksternal yang secara langsung atau tidak langsung dapat mempengaruhi strategi usaha Bank, dan strategi yang diambil untuk mencapai tujuan kegiatan usaha Bank.

Laporan rencana bisnis dibandingkan dengan realisasi pencapaian secara berkala dilaporkan kepada Dewan Komisaris dan Direksi dalam rangka mengevaluasi pelaksanaan rencana bisnis, dimana Risiko Strategik diidentifikasi dan langkah-langkah perbaikan akan diambil apabila terjadi penyimpangan.

The role of the Legal Department in various control activities within The Bank, such as new product/activity reviews, policy review, operational procedures and processes are part of ensuring the adequacy of Legal Risk control.

STRATEGIC RISK

Strategic Risk is the risk due to inaccuracy in the taking and/or execution of a strategic decision as well as failure in anticipating changes in the business environment. Strategic Risk is the potential of side-effects on earnings arising from changing business conditions, such as market conditions, customer behavior, technological advances, and unfavourable strategic decisions.

Strategic risks can be caused by weakness and inaccuracy in the formulation of strategies, inadequate management information systems, inadequate internal and external environment analyzes, inaccuracy in strategy implementation and failure to anticipate changes in the business environment. To support The Bank's strategy formulation, The Bank has prepared technological developments as outlined in the IT strategic plan and continues to improve its organizational capability in the field of human resources.

The Bank has a written business plan covering a three-year strategy that will be reviewed and updated annually. The business plan is structured according to The Bank's vision and mission and taking into account the internal conditions (strengths and weaknesses of The Bank), the development of external factors/conditions that directly or indirectly affect The Bank's business strategy, and the strategies taken to achieve the objectives business activities of The Bank.

The business plan report compared to the achievements realized is periodically reported to the Board of Commissioners and the Board of Directors in order to evaluate the implementation of the business plan. Strategic Risk is identified, and corrective measures will be taken in the event of any deviation.

Manajemen Risiko
Risk Management

Laporan realisasi berkala kepada regulator setiap triwulan menggambarkan realisasi berbanding dengan rencana bisnis, diikuti dengan penjelasan dari variasi-variasi yang ada. Laporan profil Risiko Strategik disiapkan setiap triwulan oleh Departemen *Strategy Management and Investor Relation* bersama dengan Departemen Manajemen Risiko untuk mengidentifikasi dan mengevaluasi perkembangan rencana strategis berdasarkan parameter yang telah ditentukan.

RISIKO KEPATUHAN

Risiko Kepatuhan merupakan risiko yang disebabkan oleh karena Bank tidak mematuhi dan/atau tidak melaksanakan peraturan perundang-undangan dan ketentuan yang berlaku. Dalam mengelola Risiko Kepatuhan, Bank berpedoman pada Kebijakan dan Prosedur Kepatuhan. Untuk menjalankan fungsi kepatuhan secara efektif, Bank telah memiliki Departemen Kepatuhan dan Departemen *Anti Money Laundering/Countering Financing of Terrorism* (AML/CFT) yang kompeten, serta Kebijakan Kepatuhan dan Prosedur Sistem Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme yang mencakup proses identifikasi, pengukuran, pemantauan, pengendalian dan pelaporan Risiko Kepatuhan.

Dalam hal terjadi pelanggaran, Bank melakukan identifikasi penyebab terjadinya pelanggaran dan mengambil tindakan perbaikan untuk mencegah terjadinya pelanggaran yang sama di masa mendatang. Departemen Kepatuhan juga memastikan kepatuhan terhadap kebijakan, prosedur, sistem dan bisnis yang dimiliki oleh Bank, dan menjaga pelaksanaan komitmen kepada regulator.

Di tahun 2018, Bank telah membentuk Komite Kepatuhan dan APU/PPT yang diketuai oleh Direktur Kepatuhan, dengan anggota terdiri dari Direktur yang membawahi operasional, Kepala Departemen Satuan Kerja Audit Internal, Kepala Departemen yang memimpin Satuan Kerja Manajemen Risiko (SKMR), Kepala Departemen APU/PPT, dan Kepala Departemen Kepatuhan, juga sebagai sekretaris komite.

Regular realization reports to the regulators on a quarterly basis illustrate the realization compared to the business plan, followed by an explanation of the variations. The Strategic Risk profile report is prepared quarterly by the Strategy Management and Investor Relation Department in conjunction with the Risk Management Department to identify and evaluate the progress of strategic plans based on predetermined parameters.

COMPLIANCE RISK

Compliance Risk is a risk caused by The Bank's failure to comply with and/or not enforce the applicable laws and regulations. In managing Compliance Risk, The Bank is guided by Compliance Policy and Procedure. To perform compliance functions effectively, The Bank has a Compliance Department and Anti-Money Laundering/Countering Financing of Terrorism (AML/CFT) Department, as well as the Compliance Policy and Anti-Money Laundering and Counter-Terrorism Financing System Procedure covering the process of identification, measurement, monitoring, controlling and reporting Compliance Risk.

In the event of a violation, The Bank identifies the cause of the violation and takes corrective action to prevent the occurrence of the same violation in the future. The Compliance Department also ensures compliance with The Bank's policies, procedures, systems and businesses, and maintains the implementation of its commitments to regulators.

In 2018, The Bank has established Compliance and AML/CFT Committee, which is chaired by Compliance Director, with members consisting of Director in charge of operation, the Head of the Internal Audit, the Head of the Department who leads the Risk Management Unit, the Head of AML/CFT, and the Head of Compliance, who also as secretary of the committee.

RISIKO REPUTASI

Risiko Reputasi adalah risiko akibat menurunnya tingkat kepercayaan pemangku kepentingan yang bersumber dari persepsi negatif terhadap Bank. Kunci pengelolaan Risiko Reputasi di Bank berhubungan dengan kepatuhan terhadap peraturan-peraturan, penanganan yang tepat terhadap keluhan-keluhan nasabah, dan pelaksanaan pengujian kesesuaian nasabah terhadap produk yang ditawarkan.

Dalam mengelola Risiko Reputasi Bank, kerangka kerja manajemen Risiko Reputasi telah dibuat untuk memastikan Risiko Reputasi dalam Bank telah diidentifikasi dengan baik, diukur, dipantau, dikendalikan, dan dilaporkan secara konsisten.

Sebagai bagian dari pengelolaan Risiko Reputasi, Bank memiliki *call center* yang bertanggung jawab untuk menyediakan informasi komprehensif kepada nasabah dan pemilik kepentingan bank lainnya, serta menangani permintaan dan keluhan nasabah.

Pemantauan terhadap media cetak, jejaring sosial, internet, maupun media lainnya, dilakukan agar dapat segera diambil langkah-langkah yang diperlukan sekiranya terdapat pemberitaan yang memiliki dampak negatif terhadap Bank. Bank telah memiliki kebijakan tentang transparansi kondisi keuangan dan non-keuangan Bank yang dipublikasikan secara berkala untuk memberikan informasi yang komprehensif kepada pemangku kepentingan Bank.

PENGELOLAAN PERMODALAN

Sasaran utama atas kebijakan pengelolaan permodalan yang dilakukan oleh Bank adalah untuk mematuhi ketentuan permodalan eksternal yang berlaku dan untuk mempertahankan rasio permodalan yang sehat agar dapat mendukung usaha dan memaksimalkan nilai bagi pemegang saham.

Bank mengelola struktur modal dan melakukan penyesuaian atas struktur tersebut terhadap perubahan kondisi ekonomi dan karakteristik risiko aktivitasnya. Untuk mempertahankan atau menyesuaikan struktur modal tersebut, Bank melakukan antara lain penambahan setoran modal inti dari pemegang saham dan memperoleh pinjaman subordinasi.

REPUTATION RISK

Reputation Risk is the risk that comes due to the decreasing of stakeholders trust level pertaining to negative perception towards The Bank. The key to Reputation Risk management at The Bank relates to compliance with regulations, the proper handling of customer complaints, and the implementation of customer conformity testing on the products offered.

In managing the Reputation Risk of The Bank, the Reputation Risk management framework has been established to ensure that Reputation Risk within The Bank has been properly identified, measured, monitored, controlled, and reported consistently.

As part of Reputation Risk management, The Bank has a call center responsible for providing comprehensive information to customers and other bank interest owners, as well as handling customer requests and complaints.

Monitoring of print media, social networking, internet, and other media, is conducted to immediately take the necessary steps if there is any news that has a negative impact on The Bank. The Bank has a policy on transparent financial and nonfinancial condition of The Bank which is published periodically to provide comprehensive information to stakeholders of The Bank.

CAPITAL MANAGEMENT

The main objective of the capital management policy undertaken by The Bank is to comply with applicable external capital requirements and to maintain a healthy capital ratio in order to support the business and maximize value for shareholders.

The Bank manages the capital structure and adjusts the structure to changes in economic conditions and risk characteristics of its activities. To maintain or adjust the capital structure, The Bank makes, among other things, the addition of core capital contribution from the shareholders and obtains a subordinated loan.

Manajemen Risiko
Risk Management

Bank telah mematuhi semua persyaratan modal yang ditetapkan sepanjang periode pelaporan. Kewajiban Penyediaan Modal Minimum (KPMM) Bank, sesuai dengan peraturan Otoritas Jasa Keuangan (OJK), yang saat ini menggunakan pendekatan standar untuk Risiko Kredit dan Pasar, serta pendekatan indikator dasar untuk Risiko Operasional, adalah sebagai berikut:

The Bank has complied with all capital requirements set out throughout the reporting period. The Minimum Capital Adequacy Ratio (CAR) of The Bank, in accordance with Financial Services Authority (OJK) regulation, is currently on the standardized approach for Credit as well as Market Risk and the basic indicator approach for Operational Risk, are as follows:

Kewajiban Penyediaan Modal Minimum Bank
Bank Capital Adequacy Ratio Obligation

		2018	2017
Modal Tier 1	Tier 1 capital	5.095.370	5.339.836
Modal Tier 2	Tier 2 capital	1.254.015	1.364.828
Jumlah Modal	Total Capital	6.349.385	6.704.664
ATMR untuk risiko kredit setelah memperhitungkan risiko spesifik	RWA for credit risks after considering specific risks	36.186.382	35.400.416
ATMR untuk risiko operasional	RWA for operation risks	2.902.493	2.409.396
ATMR untuk risiko pasar	RWA for market risks	72.040	37.957
Jumlah ATMR untuk risiko kredit, pasar, dan operasional	Total RWA for credit, market, and operational risks	39.160.915	37.847.769
Rasio CET 1	CET 1 ratio	13,01%	14,11%
Rasio Tier 1	Tier 1 ratio	13,01%	14,11%
Rasio Tier 2	Tier 2 ratio	3,20%	3,61%
Rasio total	Total ratio	16,21%	17,72%
Rasio KPMM yang diwajibkan sebelum modal penyangga	Required CAR before buffer	9% - 10%	9% - 10%
Capital conservation buffer	Capital conservation buffer	1,875%	1,25%
Countercyclical buffer	Countercyclical buffer	0%	0%
Capital surcharge	Capital surcharge	-	-

PROSES PERHITUNGAN KECUKUPAN MODAL INTERNAL (ICAAP)

Bank telah melakukan perhitungan Kecukupan Modal Internal (ICAAP) untuk menetapkan kecukupan modal sesuai dengan profil risikonya, dan menetapkan strategi untuk memelihara tingkat permodalan.

Kecukupan modal minimum sesuai profil risiko bertujuan untuk mengantisipasi potensi kerugian yang timbul dari seluruh risiko yang dihadapi Bank, yang kemungkinan memiliki dampak material terhadap bisnis dan posisi keuangan dan kecukupan permodalan untuk menutup risiko-risiko tersebut, antara lain, Aset Tertimbang

PROCESS CALCULATION OF INTERNAL CAPITAL ADEQUACY (ICAAP)

The Bank has calculated the Internal Capital Adequacy Assessment Process (ICAAP) to determine the adequacy of capital in accordance with its risk profile and establishes a strategy to maintain the capital level.

The minimum capital adequacy according to the risk profile aims to anticipate potential losses arising from all risks that The Bank encounters, which may have a material adverse impact on its business and financial position and the adequacy of capital to cover these risks, among others, Risk Weighted Assets (RWA) which have taken

Menurut Risiko (ATMR) yang telah memperhitungkan Risiko Kredit, Risiko Pasar, dan Risiko Operasional. Selain itu, kecukupan modal minimum juga bertujuan mengantisipasi potensi kerugian di masa mendatang dari risiko-risiko yang belum sepenuhnya diperhitungkan dalam ATMR tersebut, antara lain Risiko Konsentrasi, Risiko Likuiditas, Risiko Suku Bunga pada *banking book*, Risiko Hukum, Risiko Kepatuhan, Risiko Strategik, dan Risiko Reputasi serta untuk mengantisipasi dampak penerapan skenario *stress-test* terhadap kecukupan modal Bank.

KAJI ULANG TERHADAP PENERAPAN MANAJEMEN RISIKO

Bank melakukan kaji ulang penerapan manajemen risiko melalui evaluasi secara internal dan eksternal, yang antara lain bertujuan untuk menilai keandalan kerangka manajemen risiko, yang mencakup kebijakan dan prosedur, struktur organisasi, alokasi sumber daya, desain proses manajemen risiko, sistem informasi dan pelaporan risiko.

Secara internal, Satuan Kerja Audit Intern secara independen dan rutin melakukan kaji ulang dan audit terhadap penerapan manajemen risiko Bank berdasarkan prinsip *risk-based audit* dengan tujuan bukan saja sebagai pengendalian internal namun juga untuk perbaikan penerapan manajemen risiko secara terus menerus. Komite Pemantau Risiko melakukan kajian dan evaluasi atas kebijakan dan pelaksanaan manajemen risiko Bank, serta memberikan masukan dan rekomendasi kepada Dewan Komisaris dalam rangka melaksanakan fungsi pengawasan. Secara eksternal, kaji ulang penerapan manajemen risiko dilakukan oleh auditor eksternal maupun pemeriksaan Otoritas Jasa Keuangan (OJK).

SERTIFIKASI MANAJEMEN RISIKO

Bank telah melakukan pemantauan atas pelaksanaan kewajiban sertifikasi manajemen risiko pada seluruh unit kerja Bank, sebagai alat untuk meningkatkan kompetensi dan keahlian pengelolaan risiko.

into account Credit Risk, Market Risk and Operational Risk. In addition, the minimum capital adequacy also aims to anticipate potential future losses from risks not yet fully accounted for in the Risk Weighted Assets, such as Concentration Risk, Liquidity Risk, Interest Rate Risk in banking book, Legal Risk, Compliance Risk, Strategic Risk, and Reputation Risk, as well as to anticipate the impact of the implementation of stress test scenario on the capital adequacy of The Bank.

RISK MANAGEMENT IMPLEMENTATION REVIEW

The Bank reviews the implementation of risk management through internal and external evaluations, which aims at assessing the reliability of the risk management framework, including policies and procedures, organizational structure, resource allocation, risk management process design, information systems and risk reporting.

Internally, the Internal Audit Department independently and regularly reviews and audits the application of risk management of The Bank based on the principle of risk-based audit with the objective not only as internal control but also for continuous improvement of risk management implementation. The Risk Monitoring Committee reviews and evaluates the policies and implementation of risk management of The Bank, and provides input and recommendation to the Board of Commissioners in order to implement supervisory functions. Externally, reviews of risk management implementation are performed by external auditors as well as by examinations from the Financial Services Authority (OJK).

RISK MANAGEMENT CERTIFICATION

The Bank has conducted monitoring on the implementation of risk management certification obligations in all of the The Bank's work units. This was done as a tool to improve competency and risk management expertise.

Manajemen Risiko
Risk Management

Sertifikasi Manajemen Risiko

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
Sasaran Target	155	206	140	36	7
Terpenuhi Fulfilled	134	168	79	32	7
Tidak terpenuhi Not fulfilled	21	38	61	4	0
Pemenuhan Fulfillment	86,45%	81,55%	56,43%	88,89%	100,00%
Rata-rata pemenuhan Average Fulfillment	82,66%				

PROFIL RISIKO DAN MITIGASI

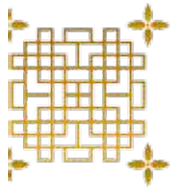
Penilaian terhadap profil risiko dilakukan setiap triwulan yang dilaporkan kepada Dewan Komisaris, Direksi dan regulator. Penilaian tersebut ditempuh dengan menggabungkan risiko yang melekat (*inherent risk*) dengan kualitas penerapan manajemen risiko.

Berdasarkan penilaian profil risiko per 31 Desember 2018, risiko inheren memiliki peringkat "*low to moderate*" dan kualitas penerapan manajemen risiko memiliki peringkat "*satisfactory*" sehingga risiko komposit Bank adalah "*low to moderate*".

RISK PROFILE AND MITIGATION

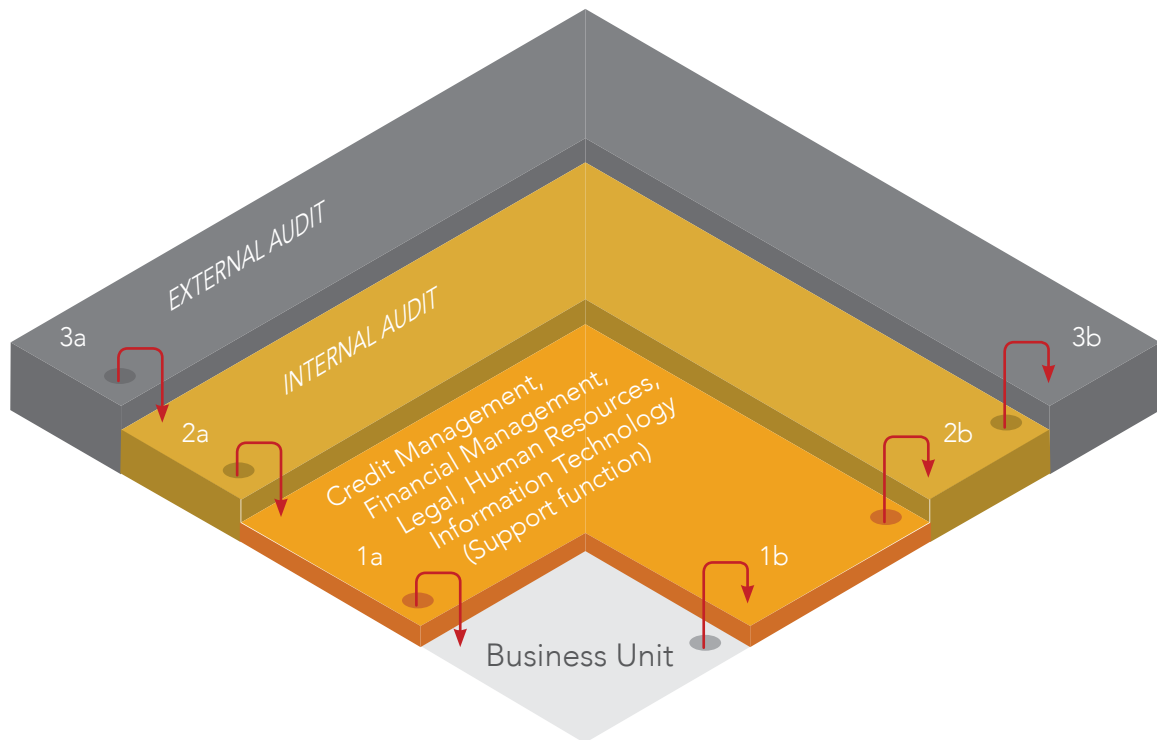
An assessment of the risk profile is performed quarterly to the Board of Commissioners, Board of Directors and regulators. The assessment is done by combining inherent risk with the quality of risk management implementation.

Based on risk profile assessments as of December 31, 2018, The Bank's inherent risk has "low to moderate" rating and the quality of risk management implementation has "satisfactory" rating, so the risk of The Bank composite is "low to moderate".



SISTEM PENGENDALIAN INTERNAL

Internal Control System



- 1a.
- Peraturan perusahaan, kode etik, termasuk tindakan disiplin.
 - Kebijakan, prosedur, petunjuk pelaksanaan
 - Opini/nasehat dari Compliance
 - Pelatihan, sosialisasi, diskusi
 - Laporan hasil audit/hal-hal yang menjadi perhatian (*concern*) dari regulator, seperti Bank Indonesia dan Otoritas Jasa Keuangan.
 - Laporan hasil audit non-keuangan dari pihak eksternal
- 1b.
- Laporan *Risk Control Self-Assessment (RCSA)/ IT Risk Management (ITRM)*, laporan kejadian risiko (RER), laporan *risk officer*
 - Tindak lanjut hasil audit/concern, baik internal/eksternal

- 1a.
- Company regulation, code of conduct, including disciplinary action.
 - Policy, procedure and guideline
 - Compliance's opinion/advice
 - Training, socialization, discussion
 - Report on audit results/concerns from regulators, such as Bank Indonesia and Financial Service Authority
 - External audit report (non-financial audit)
- 1b.
- Risk Control Self-Assessment (RCSA)/IT Risk Management (ITRM) Report, Risk Event Reporting (RER), risk officer report.
 - Follow up on audit results/concerns, both internal/external

Sistem Pengendalian Internal
Internal Control System

<p>2a.</p> <ul style="list-style-type: none"> · Laporan hasil audit internal (termasuk audit investigasi), penilaian terhadap kualitas penerapan manajemen risiko. · Penilaian risiko <i>fraud</i> · Laporan hasil audit dari pihak eksternal (keuangan dan non-keuangan) <p>2b.</p> <ul style="list-style-type: none"> · Laporan RCSA/ITRM, laporan RER, laporan <i>risk officer</i> · Tindak lanjut hasil audit, baik internal/eksternal <p>3a.</p> <ul style="list-style-type: none"> · Laporan hasil audit eksternal · Ruang lingkup dan strategi audit eksternal <p>3b.</p> <ul style="list-style-type: none"> · Laporan hasil audit internal · Ruang lingkup dan rencana strategis internal audit 	<p>2a.</p> <ul style="list-style-type: none"> · Internal audit report (including investigation), assessment on the quality risk management implementation · Fraud risk assessment. · External audit report (financial and non-financial). <p>2b.</p> <ul style="list-style-type: none"> · RCSA/ITRM, RER and risk officer reports · Follow up internal/external audit results <p>3a.</p> <ul style="list-style-type: none"> · External audit report · External audit scope and strategy <p>3b.</p> <ul style="list-style-type: none"> · Internal audit report · Internal audit scope and strategic plan
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Pada prinsipnya, sistem pengendalian internal melekat dalam seluruh aktivitas dan seluruh unit kerja. Dewan Komisaris dan Direksi bertanggung jawab penuh untuk mengawasi dan melaksanakan kerangka kerja sistem pengendalian internal yang diterapkan di Bank, dan untuk mengusulkan perubahan jika diperlukan. Bank telah membentuk tiga lapis *assurance* guna memastikan sistem pengendalian internal berjalan sesuai fungsinya.

Unit bisnis/pendukung/operasional, yang memiliki dan mengelola risiko, baik yang ada di cabang dan kantor pusat adalah lapis pertama *assurance*. Lapis kedua *assurance* adalah fungsi yang memantau dan meyakini bahwa risiko dan pengendalian terkelola dengan baik oleh lapis pertama, seperti manajemen risiko, kepatuhan, legal, sumber daya manusia, keuangan, operasional, dan teknologi.

Lapisan ketiga *assurance* adalah fungsi audit internal yang secara independen menilai efektivitas proses yang diciptakan di lapisan pertama dan kedua, serta memberikan *assurance* yang memadai atas seluruh aktivitas dan unit kerja.

In principle, the internal control system is attached in all activities and throughout all units. The Board of Commissioners and the Board of Directors are fully responsible in overseeing and implementing the internal control system framework implemented at The Bank, and to propose changes when necessary. The Bank has established three layers of assurance to ensure the internal control system is functioning accordingly.

Business/support/operational units who own and manage risk, both in the branch and head office serves as the first layer of assurance. The second layer of assurance is a function that monitors and ensures that the risks and controls are well managed by the first layer, such as risk management, compliance, legal, human resources, financial management, operations, and information technology.

The third layer of assurance is an internal audit function that independently assesses the effectiveness of processes created in the first and second layers, and provides adequate assurance of all activities and work units.

SISTEM PENGENDALIAN KEUANGAN DAN OPERASIONAL

Sistem pengendalian internal ditetapkan oleh Direksi dengan persetujuan Dewan Komisaris. Penerapan sistem pengendalian yang efektif dilakukan secara berkesinambungan dengan tujuan sebagai berikut:

- Menjaga dan mengamankan harta kekayaan Bank.
- Menjamin tersedianya laporan yang lebih akurat.
- Meningkatkan kepatuhan terhadap ketentuan yang berlaku.
- Mengurangi dampak keuangan/kerugian, penyimpangan termasuk kecurangan/*fraud*, dan pelanggaran terhadap prinsip kehati-hatian.
- Meningkatkan efektivitas organisasi dan efisiensi biaya.

PENILAIAN TERHADAP EFEKTIVITAS PENGENDALIAN INTERNAL

Manajemen bertanggung jawab atas terselenggaranya sistem pengendalian internal yang handal dan efektif serta berkewajiban untuk meningkatkan budaya risiko (*risk culture*) yang efektif, dan wajib memastikan bahwa hal tersebut telah melekat di setiap jenjang organisasi. Departemen Internal Audit (SKAI) bertanggung jawab mengevaluasi dan berperan aktif dalam meningkatkan efektivitas sistem pengendalian internal secara berkesinambungan berkaitan dengan pelaksanaan operasional Bank dalam mencapai sasaran yang telah ditetapkan Bank. SKAI melakukan audit secara periodik terhadap seluruh aktivitas di unit kerja. Hasil audit disampaikan kepada manajemen untuk ditindaklanjuti dan dimonitor pelaksanaannya. Hal ini dilakukan untuk memastikan sistem pengendalian internal berjalan secara efektif.

Proses penilaian kecukupan pengendalian internal dilakukan terhadap 5 (lima) komponen pengendalian internal yang merujuk ke kerangka acuan yang diterbitkan oleh Committee of Sponsoring Organization of the Treadway Commission (COSO) dan komponen kepatuhan terhadap regulasi (*compliance*).

Penilaian pengendalian internal dengan berdasarkan kepada hasil audit dan reuiu lainnya menunjukkan

FINANCIAL AND OPERATIONAL CONTROL SYSTEMS

The internal control system is established by the Board of Directors with the approval of the Board of Commissioners. The implementation of effective internal control systems is carried out continuously with the following objectives:

- Maintain and secure The Bank's assets.
- Ensure more accurate reporting.
- Improve compliance with applicable regulations.
- Reduce financial/disadvantageous impacts, irregularities, including cheating/*fraud*, and violation of prudential principles.
- Improve organizational effectiveness and cost efficiency.

ASSESSMENT OF EFFECTIVENESS OF INTERNAL CONTROLS

The management is responsible for the implementation of a reliable and effective internal control system and is obliged to promote an effective risk culture, and must ensure that it is inherent at every level of the organization. The Internal Audit Department (SKAI) is responsible for evaluating and taking an active role in improving the effectiveness of the internal control system on an ongoing basis in relation to The Bank's operational implementation in achieving the objectives set by The Bank. SKAI conducts periodic audits of all activities in the work unit. Audit results are submitted to the management for follow-up and monitored for implementation. This is done to ensure the internal control system runs effectively.

The process of assessing the adequacy of internal control is carried out on 5 (five) components of internal control that refers to framework issued by the Treadway Commission Sponsor Organizing Committee (COSO) and the component of compliances to regulations.

The assessment of internal control which is based on audit results and other reviews shows internal controls



Sistem Pengendalian Internal Internal Control System

pengendalian internal yang ada telah dirancang untuk memitigasi risiko, namun masih memerlukan perbaikan, serta keefektifan pelaksanaannya masih perlu ditingkatkan.

FUNGSI KEPATUHAN (COMPLIANCE)

Untuk memenuhi ketentuan dalam Peraturan Otoritas Jasa Keuangan No. 55/POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum, Bank telah menetapkan serangkaian pedoman compliance yang antara lain berupa:

PIAGAM COMPLIANCE

Piagam Compliance merupakan standar formal yang berisi prinsip-prinsip dasar, kewenangan, tugas dan tanggung jawab fungsi compliance dalam organisasi, dan jalur pelaporan antara Dewan Komisaris, Direksi dan Otoritas Jasa Keuangan (OJK) selaku pengawas Bank.

PERNYATAAN COMPLIANCE

Pernyataan Compliance berisi kesanggupan setiap karyawan Bank untuk bertanggung jawab dan patuh pada kode etik perilaku; kebijakan, prosedur, dan pedoman internal; Peraturan Bank Indonesia dan OJK; serta peraturan dan perundang-undangan yang berlaku sesuai dengan lingkup pekerjaan karyawan yang bersangkutan.

KEBIJAKAN COMPLIANCE

Kebijakan Compliance merupakan ketentuan yang mendefinisikan peran compliance didalam Bank. Kebijakan ini diterbitkan dalam rangka memitigasi risiko pada aktifitas bisnis Bank terutama dalam pengelolaan risiko kepatuhan (ex-ante).

KESESUAIAN DENGAN COSO

Sistem pengendalian internal Bank disusun secara terintegrasi dan telah sesuai dengan kerangka acuan yang diterbitkan oleh Committee of Sponsoring Organization of the Treadway Commission (COSO) dan kepatuhan terhadap peraturan yang berlaku.

that have been designed to mitigate risk, however the improvement is still required as well as the effectiveness of the implementation of internal control.

COMPLIANCE FUNCTIONS

In compliance with the Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, The Bank has established a series of compliance guidelines, which include:

COMPLIANCE CHARTER

The Compliance Charter is a formal standard that contains the basic principles, authorities, duties and responsibilities of the compliance function within the organization, and the reporting line between the Board of Commissioners, the Board of Directors and the Financial Services Authority (OJK) as The Bank's supervisor.

COMPLIANCE STATEMENT

The Compliance Statement contains the ability of every Bank employee to be responsible and adhere to the Code of Conduct; internal policies, procedures and guidelines; Bank Indonesia and OJK Regulations; as well as applicable laws and regulations in accordance with the scope of work of the employees concerned.

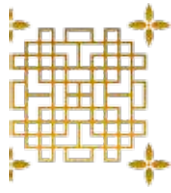
COMPLIANCE POLICY

The Compliance Policy is a provision that defines compliance's role within The Bank. This policy is published to mitigate the risks to The Bank's business activities specially to manage compliance risk. (ex-ante).

COMPATIBILITY WITH COSO

The internal control system of The Bank is developed in an integrated manner and is in accordance with the framework published by the Committee of Sponsoring Organization of the Treadway Commission (COSO) and comply with prevailing regulations.





PERKARA PENTING

Litigation

PERMASALAHAN HUKUM

Perkembangan jumlah permasalahan dan/atau perkara hukum serta litigasi yang dihadapi Bank dalam 3 (tiga) tahun terakhir adalah sebagai berikut,

PERKARA HUKUM LEGAL ISSUE	2018		2017		2016	
	PERDATA CIVIL	PIDANA CRIMINAL	PERDATA CIVIL	PIDANA CRIMINAL	PERDATA CIVIL	PIDANA CRIMINAL
Selesai (telah mempunyai kekuatan hukum tetap) Completed (has valid legal force)	4	-	1	-	4	-
Dalam proses penyelesaian In the process of settlement	6	-	5	-	-	-
Jumlah Total	10	-	6	-	4	-

Selama tahun 2018 terdapat 10 (sepuluh) perkara yang dihadapi Bank. Perkara hukum yang telah selesai (telah mempunyai kekuatan hukum tetap) berjumlah 4 (empat) perkara dengan nominal uang yang menjadi objek perkara sejumlah Rp13.413.884.683. Perkara hukum yang sedang dalam proses penyelesaian berjumlah 6 (enam) perkara dengan nominal uang yang menjadi objek perkara sejumlah Rp71.127.369.221. Perkara hukum tersebut dilaksanakan melalui proses yang berlaku di Indonesia dengan penuh kesadaran sebagai bentuk kepatuhan hukum. Bank senantiasa berkomitmen untuk memberikan kerjasama yang baik dalam proses penyelesaian perkara hukum.

Untuk Dewan Komisaris dan Direksi, tidak terdapat perkara hukum yang melibatkan anggota dari kedua organ tersebut.

SANKSI ADMINISTRATIF

Pada tahun 2018 terdapat 7 (tujuh) sanksi administratif dari Bank Indonesia senilai total Rp3.652.000 dan 3 (tiga) sanksi administratif dari Otoritas Jasa Keuangan senilai total Rp5.900.000. Seluruh sanksi administratif tersebut telah dibayarkan oleh Bank kepada instansi terkait.

LEGAL ISSUES

The development of the number of issues and/or legal and litigation issues faced by The Bank in the last 3 (three) years is as follows:

During 2018 there were 10 (ten) cases encountered by The Bank. The legal cases that have been completed (have valid legal force) are 4 (four) cases with the nominal money being the object of the case amounting to Rp13,413,884,683. The legal cases that are in the process of settlement are 6 (six) cases with the nominal money being the object of the case amounting to Rp71,127,369,221. The legal case is carried out through a process that applies in Indonesia with full awareness as a form of legal compliance. The Bank is always committed to providing good cooperation in the settlement of legal cases.

As for the Board of Commissioners and Board of Directors, there is no legal case involving members of both organs.

ADMINISTRATIVE SANCTION

In 2018 there are 7 (seven) administrative sanctions from Bank Indonesia amounted to Rp3,652,000 and 3 (three) administrative sanctions from the Financial Services Authority amounted to Rp5,900,000. All administrative sanctions have been paid by The Bank to the relevant agencies.



AKSES INFORMASI & DATA PERUSAHAAN

Information Access & Corporate Data

AKSES INFORMASI BANK

Sesuai dengan Undang-Undang Republik Indonesia No. 14 Tahun 2008 tentang Keterbukaan Informasi Publik yang menyatakan bahwa keterbukaan informasi publik merupakan sarana dalam mengoptimalkan pengawasan publik terhadap penyelenggaraan negara dan badan publik lainnya dan segala sesuatu yang berakibat pada kepentingan publik, maka Bank berkomitmen menerapkan prinsip transparansi kepada segenap pemangku kepentingan Bank dengan menyediakan akses dan sarana perolehan informasi yang memadai kepada seluruh pemangku kepentingan.

Akses informasi dan data Bank kepada publik secara eksternal dapat diakses di situs resmi Bank, media cetak, dan media elektronik lainnya seperti:

BANK INFORMATION ACCESS

Law of the Republic of Indonesia No. 14 Year 2008 on Public Information Disclosure states that public information disclosure is a means to optimize public supervision on the administration of the state and other public bodies and everything that affects the public interest. In accordance with this law, The Bank is committed to apply the principle of transparency to all stakeholders of The Bank by providing access and means of obtaining adequate information to all stakeholders.

Access to The Bank information and data for the public is externally accessible on The Bank's official website, as well as through print media and the following channels:



Email: customer_care@ina.icbc.com.cn



Website: www.icbc.co.id



Phone: (+62-21) 2355 6000 (hunting)

KETERBUKAAN DALAM KOMUNIKASI EKSTERNAL

Sebagai bentuk transparansi kepada masyarakat, Bank secara berkala menyebarluaskan informasi mengenai aktivitas dan kinerja Bank, yakni sebagai berikut:

Perkembangan Keterbukaan Informasi

Development of Information Disclosure

BENTUK KETERBUKAAN TRANSPARENCY DISCLOSURES	2018	2017	2016
Iklan Publikasi Pengumuman Lelang Tender Publications	-	-	-
Laporan Tahunan Annual Reports	1	1	1
Paparan Kinerja Bank Bank Performance Presentations	7	5	6
Siaran/Konferensi Pers Press Conferences/Releases	2	3	12

SITUS WEB

Bank memiliki situs elektronik dengan alamat www.icbc.co.id yang dapat diakses oleh pemegang saham dan segenap pemangku kepentingan. Dalam situs ini disajikan informasi mengenai profil dan sejarah perusahaan, manajemen perusahaan, produk dan layanan, kinerja keuangan, serta sejumlah dokumen keterbukaan informasi lainnya.

DISCLOSURE IN EXTERNAL COMMUNICATION

As a form of transparency towards the public, The Bank periodically disseminates material information on its activities and performances:

WEBSITE

The Bank has a website at www.icbc.co.id that is accessible to shareholders and all other stakeholders. This website provides information on the company's profile and history, company management, products and services, financial performance, and other information disclosure documents.

Akses Informasi & Data Perusahaan
Information Access & Corporate Data

PAPARAN KINERJA

Sepanjang 2018 Bank telah menyampaikan paparan kinerja kepada pemegang saham dan pemangku kepentingan sebagai bentuk keterbukaan informasi. Paparan kinerja dilakukan melalui tayangan iklan media massa nasional sebagai berikut:

Publikasi Laporan Keuangan Financial Report Publication

POSISI KEUANGAN FINANCIAL POSITION	TANGGAL PUBLIKASI PUBLICATION DATE	MEDIA
31 Desember 2017 December 31, 2017	29 Maret 2018 March 29, 2018	Bisnis Indonesia
31 Maret 2018 March 31, 2018	8 Mei 2018 May 8, 2018	Bisnis Indonesia
30 Juni 2018 June 30, 2018	14 Agustus 2018 August 14, 2018	Bisnis Indonesia
30 September 2018 September 30, 2018	9 November 2018 November 9, 2018	Bisnis Indonesia
31 Desember 2018 December 31, 2018		

Publikasi Laporan keuangan ICBC Ltd ICBC Ltd Financial Report Publication

POSISI KEUANGAN FINANCIAL POSITION	TANGGAL PUBLIKASI PUBLICATION DATE	MEDIA
30 Juni 2018 June 30, 2018	10 September 2018 September 10, 2018	Bisnis Indonesia

LAPORAN TAHUNAN

Bank menerbitkan laporan tahunan yang merupakan dokumentasi resmi atas pencapaian kinerja Bank di tahun buku. Laporan tahunan didistribusikan kepada pemegang saham dan segenap pemangku kepentingan lainnya. Laporan tahunan Bank tahun 2018 telah didistribusikan kepada pemegang saham dan pemangku kepentingan serta telah diikutsertakan dalam Annual Report Awards (ARA) yang diselenggarakan oleh regulator.

PENGELOLAAN KOMUNIKASI INTERNAL

Dalam rangka menciptakan iklim komunikasi internal yang kondusif untuk mendukung pencapaian kinerja, Bank senantiasa menciptakan komunikasi dua arah melalui berbagai media komunikasi termasuk:

- Surel
- Situs Internal
- Newsboard
- Digital Signage

PERFORMANCE EXPOSURE

Throughout 2018, The Bank has submitted performance exposures to shareholders and stakeholders as a form of information disclosure and reporting to shareholders. Performance exposure is done through national mass media advertisement as follows:

ANNUAL REPORT

The Bank publishes an annual report which is the official documentation of The Bank's performance in a financial year. The annual report is distributed to shareholders and all other stakeholders. The Bank's 2018 annual report has been distributed to shareholders and stakeholders and has been included in the Annual Report Awards (ARA) organized by regulators.

INTERNAL COMMUNICATION MANAGEMENT

To create a conducive internal communication climate to support performance achievements, the Bank continues to create two-way communication channels through various communication media, including as follows:

- E-mail
- Internal Site
- Newsboard
- Digital Signage



HUBUNGAN DENGAN PEMANGKU KEPENTINGAN

Relations With Stakeholders

Pemangku kepentingan adalah pihak-pihak yang memiliki kepentingan dengan Bank baik langsung maupun tidak langsung. Pemangku kepentingan utama Bank adalah ICBC Ltd dan PT Intidana Wijaya. Sedangkan pemangku kepentingan lainnya antara lain karyawan, nasabah, Vendor penyedia barang dan jasa, pemerintah, regulator dan masyarakat.

PRINSIP DASAR

Bank menghormati hak setiap pemangku kepentingan yang tercermin dalam kebijakan sebagai berikut:

- Pengelolaan pemangku kepentingan diarahkan pada kepentingan bisnis Bank ICBC Indonesia dengan tetap memperhatikan aturan main, dan praktek bisnis yang sehat dan beretika.
- Pengelolaan pemangku kepentingan didasarkan pada prinsip-prinsip GCG, yaitu Transparency, Accountability, Responsibility, Independency, dan Fairness.

POLA HUBUNGAN DENGAN PEMANGKU KEPENTINGAN

Dalam mencapai keseimbangan dalam pengelolaan pemangku kepentingan, Bank wajib memperhatikan hak pemangku kepentingan yang dapat timbul secara hukum karena peraturan perundangan, perjanjian/kontrak, nilai etika/moral, atau tanggung jawab sosial perusahaan yang tidak bertentangan dengan aturan main Bank, dengan demikian:

- Bank mengkomunikasikan hak-hak para pemangku kepentingan secara transparan, akurat, dan tepat waktu melalui Sekretaris Perusahaan atau pejabat yang ditunjuk untuk menjadi penghubung antara Bank dengan pemangku kepentingan.
- Bank mempunyai mekanisme untuk menampung dan menindaklanjuti saran dan keluhan dari pemangku kepentingan.
- Bank mendorong pemangku kepentingan ikut berpartisipasi dalam penciptaan iklim yang kondusif untuk mentaati peraturan perundangan yang berlaku.
- Bank memberikan kesempatan kepada masyarakat sekitar untuk bekerja di Bank sepanjang sesuai dengan kebutuhan dan standar mutu yang ditetapkan.

Stakeholders are parties who have an interest with The Bank either directly or indirectly. The main stakeholders of The Bank are ICBC Ltd and PT Intidana Wijaya. Other stakeholders include employees, customers, vendors of goods and services provider, government, regulators and society.

BASIC PRINCIPLES

The Bank respects the rights of each stakeholder, as is reflected in the following policies:

- Stakeholder management is directed to The Bank's business interests with due regard to the rules of the game, and sound and ethical business practices.
- Stakeholder management is based on GCG principles, namely, Transparency, Accountability, Responsibility, Independence, and Fairness.

RELATIONSHIP PATTERNS WITH STAKEHOLDERS

In achieving the balance in the management of stakeholders, The Bank takes into account the rights of stakeholders that may arise legally due to laws, contracts, moral/ethical values, or corporate social responsibility not in conflict with The Bank's rules of conduct. This is done in the following ways:

- The Bank communicates the rights of stakeholders in a transparent, accurate and timely manner through the Corporate Secretary or through an appointed official to serve as a link between The Bank and the stakeholders.
- The Bank has mechanisms to accommodate and follow up on stakeholders' suggestions and complaints.
- The Bank encourages stakeholders to participate in the creation of a conducive climate to comply with applicable laws and regulations.
- The Bank provides an opportunity for the surrounding community to work at the Bank as long as it meets the needs and quality standards set.

Hubungan Dengan Pemangku Kepentingan
Relations With Stakeholders

PENGEMBANGAN KOMUNIKASI DENGAN PEMANGKU KEPENTINGAN

Upaya yang dilakukan Bank dalam membangun komunikasi dengan para pemangku kepentingan dilaksanakan dengan menggunakan berbagai media, diantaranya sebagai berikut:

DEVELOPMENT OF COMMUNICATION WITH STAKEHOLDERS

The efforts made by The Bank in establishing communication with stakeholders are implemented using various media, including as follows:

PEMANGKU KEPENTINGAN STAKEHOLDERS	PENGEMBANGAN SARANA KOMUNIKASI HOW COMMUNICATION IS DEVELOPED
Pemegang Saham Shareholders	<ul style="list-style-type: none"> Rapat Umum Pemegang Saham General Meeting of Shareholders Kunjungan kerja Work visits Presentasi paparan kinerja Presentations on The Bank's work performance Laporan tahunan Annual reports
Regulator Regulators	<ul style="list-style-type: none"> Kunjungan kerja Work visits Laporan tahunan Annual reports
Pemerintah Government	<ul style="list-style-type: none"> Laporan tahunan Annual reports
Masyarakat Society	<ul style="list-style-type: none"> Situs Website Media jejaring sosial Bank ICBC Indonesia Bank ICBC Indonesia social media Berita tentang Bank di media massa News about Bank in the mass media Tanggung jawab sosial perusahaan Corporate social responsibility
Nasabah Customers	<ul style="list-style-type: none"> Situs Website Media jejaring sosial Bank The Bank's social media Petugas garda depan Front guard officers
Lembaga Swadaya Masyarakat Non-governmental organizations	<ul style="list-style-type: none"> Laporan tahunan Annual reports Tanggung jawab sosial perusahaan Corporate social responsibility
Media Massa Mass media	<ul style="list-style-type: none"> Situs Website Media jejaring sosial Bank ICBC Indonesia Bank ICBC Indonesia social media Laporan tahunan Annual reports Pendistribusian siaran pers Distribution of press releases Press gathering Wawancara Interviews
Peer Group Usaha Perbankan (Bank Umum, Bank Devisa) Peer Banking Business Groups (Commercial Bank, Foreign Exchange Bank)	<ul style="list-style-type: none"> Asosiasi industri Industry associations Laporan tahunan Annual reports Studi banding Comparative studies
Komunitas Keuangan Financial Community	<ul style="list-style-type: none"> Laporan tahunan Annual reports
Pesaing Competitors	<ul style="list-style-type: none"> Asosiasi industri Industry associations Laporan tahunan Annual reports
Pihak Ketiga (Pemasok) Third Party (Suppliers)	<ul style="list-style-type: none"> Pengarahan Briefing/Aanwijzing
Karyawan Employees	<ul style="list-style-type: none"> Situs internal Internal site Pos elektronik Electronic posts



KODE ETIK

Code of Conduct

BUDAYA PERUSAHAAN

Bank memiliki nilai-nilai, budaya, dan karakter yang menjadi landasan kerja bagi seluruh insan Bank yaitu:

Integrity

Bertindak sesuai dengan norma dan etika serta bertanggung jawab terhadap tindakan yang dilakukan

Commitment

Melakukan yang terbaik untuk mencapai standar tertinggi melalui inovasi dan perbaikan berkelanjutan.

Belonging

Semangat kebersamaan untuk mencapai tujuan

Care & Respect

Peduli dan empati, menghargai satu sama lain.

LANDASAN PENERAPAN KODE ETIK

Untuk dapat menjalankan fungsinya dengan baik, dan memelihara kepercayaan masyarakat umum, termasuk para pemangku kepentingan terhadap Bank, setiap karyawan wajib melaksanakan tugasnya dengan kejujuran, integritas, tidak memihak, tanpa perlakuan istimewa dari pihak manapun, dan bertindak sesuai dengan ketentuan yang berlaku. Oleh karena itu, diperlukan penetapan standar kode etik yang baik.

KODE ETIK BANK

Bank telah memiliki *code of conduct* (kode etik). Tujuan kode etik adalah diharapkan agar seluruh karyawan Bank dapat selalu bersikap hati-hati, cermat dan cerdas saat menghadapi hal-hal yang berpotensi menimbulkan risiko yang dapat merugikan Bank (memiliki *risk awareness*).

Kode etik Bank berlaku bersama dengan peraturan internal Bank, peraturan pemerintah dan undang-undang yang berlaku, dan sama sekali tidak dimaksud untuk menggantikan regulasi tersebut karena tidak semua hal tercakup di dalam kode etik. Karyawan diharapkan selalu dapat bertindak dan berperilaku atas

COMPANY CULTURE

The Bank has the following values, culture, and character that serve as the foundation of work for all of The Bank insiders:

Integrity

Acting in accordance with norms and ethics and taking responsibility for actions taken.

Commitment

Doing our best to achieve the highest standards through continuous innovation and improvement.

Belonging

The spirit of togetherness to achieve goals.

Care & Respect

Caring and empathy, and respecting each other

PLATFORM FOR IMPLEMENTING A CODE OF CONDUCT

To be able to perform its functions well, and maintain the trust of the general public, including stakeholders of The Bank, it is important that each employee performs his duties with honesty, integrity, impartiality, without any preferential treatment of any party. It is also important that they act in accordance with applicable provisions. As such, it is necessary to establish good banking practice standards that all of The Bank employees can comply with.

BANK CODE OF CONDUCT

The Bank already has a code of conduct that allows it to carry out its code of ethics and business ethics. The purpose of the code of conduct is so that all of The Bank employees are always cautious, meticulous and intelligent when faced with potential risks that may harm The Bank (risk awareness).

The Bank's code of conduct applies in conjunction with The Bank's internal regulations, government regulations and applicable laws, and is not intended to replace them as not all are covered by it. Employees are expected to always act and behave in good and right manners, and

Kode Etik
Code of Conduct

pertimbangan baik dan benar, serta bila diperlukan mendiskusikannya dengan atasan jika timbul keraguan dalam bertindak dan berperilaku.

when necessary discuss things with superiors when there is doubt in acting and behaving.

Kode etik Bank sebagaimana tertuang dalam kode etik memuat 10 (sepuluh) sikap dasar sebagaimana secara ringkas diuraikan di bawah ini:

The Bank's code of conduct contains 10 (ten) basic attitudes as summarized below:



Kode Etik
Code of Conduct

<p>Mematuhi Peraturan Internal Bank, Peraturan Regulator dan Peraturan Perundangan Lain yang Berlaku.</p>	<p>Karyawan mewakili dan menjaga reputasi Bank, sehingga karyawan harus memahami dan mengenal seluruh peraturan dan ketentuan yang berlaku terkait dengan departemennya. Jika terdapat keraguan, karyawan harus berkonsultasi dengan rekan-rekan yang berpengalaman pada Departemen Kepatuhan, Departemen Sumber Daya Manusia, Departemen Hukum, Departemen Legal, Departemen MI and Accounting, dan Departemen Financial Management sesegera mungkin. Pelanggaran terhadap undang-undang dan peraturan dapat dikenakan sanksi sesuai dengan peraturan yang berlaku.</p>
<p>Compliance with The Bank's Internal Regulations, Bank Indonesia Regulations and Other Applicable Laws.</p>	<p>Employees represent and maintain The Bank's reputation, so they must understand all applicable rules and regulations related to their departments. In case of doubt, employees should consult with experienced colleagues in the Compliance Department, Human Resources Department, Legal Department, MI and Accounting Department, and Financial Management Department as soon as possible. Violations of the laws and regulations may be subject to sanctions in accordance with applicable regulations.</p>
<p>Menolak Penyuapan, Korupsi, dan Aktivitas Ilegal Lain</p>	<p>Penyuapan dan korupsi merusak bisnis serta nilai-nilai yang dijunjung. Bank menentang segala bentuk penyuapan dan korupsi. Karyawan dilarang melakukan penyuapan, korupsi, dan kegiatan ilegal apapun untuk keuntungan material atau sesuatu yang berharga.</p>
<p>Rejecting of Bribery, Corruption, and Other Illegal Activities</p>	<p>Bribery and corruption damage business and upheld values. The Bank opposes all forms of bribery and corruption. Employees are prohibited from bribery, corruption, and any illegal activity for material benefits or valuable things.</p>
<p>Hadiah dan Hiburan Gifts and Entertainment</p>	<p>Karyawan dilarang menerima atau meminta hadiah dan/atau hiburan dalam bentuk apapun dari nasabah, vendor atau pihak manapun yang dapat berpotensi terhadap benturan kepentingan atau lebih jauh lagi dapat mempengaruhi proses pengambilan keputusan.</p> <p>Hadiah dan/atau hiburan dapat diterima apabila memenuhi kriteria berikut:</p> <ul style="list-style-type: none"> - Karyawan yang karena tugasnya harus memberikan atau menerima hadiah berupa barang dengan nilai yang wajar kepada/dari pihak eksternal dalam rangka hari raya keagamaan dan tahun baru, harus melaporkan kepada atasan langsung dan atasan langsung berikutnya untuk dilakukan pencatatan. Adapun nilai yang wajar adalah hadiah yang nilainya tidak melebihi Rp1.000.000. Hadiah berbentuk uang tunai tetap tidak diperkenankan. - Menawarkan dan menerima jamuan bisnis yang wajar. - Menerima hadiah yang bernilai tinggi, dimana penolakan akan menimbulkan penghinaan, dan dimana permintaan maaf dan pengembalian tidak dimungkinkan. Jika diterima, hadiah itu harus dilaporkan kepada atasan langsung dan atasan langsung berikutnya untuk dicatat, dan kemudian dilaporkan dan diserahkan ke Departemen Sumber Daya Manusia untuk disumbangkan dalam acara-acara karyawan atau amal. - Karyawan harus mencatat semua hadiah yang diterima dalam suatu daftar hadiah di departemen atau unit kerja yang bersangkutan. <p>Employees are prohibited from accepting or soliciting gifts of any kind and/or entertainment from customers, vendors or other parties that may potentially impact conflicts or may further influence the decision-making process. The following rewards and/or entertainment may be accepted in accordance with applicable provisions:</p> <ul style="list-style-type: none"> - An employee who, due to his/her duties, must provide/receive a prize of goods of a reasonable value to/from an external party in the framework of religious festivities and new year's celebrations, shall report to the immediate supervisor and subsequent immediate supervisor for recording. The fair value is a gift which value does not exceed Rp1,000,000. Gifts in cash are still not allowed. - Offer and receive a reasonable business dinner. - Receive high value rewards, where refusal will cause humiliation, and where apologies and returns are not possible. If accepted, the prize must be reported to the immediate supervisor and subsequent immediate supervisor to be recorded, and then reported and submitted to the Human Resources Department to be donated in employee or charity events. - Employees shall record all prizes received in a list of departmental prizes or work units.

Speak Up

Speak up adalah media bagi karyawan untuk mengungkapkan permasalahan yang berkaitan dengan perilaku yang tidak baik dan malpraktek. Karyawan harus menyampaikan *speak up* apabila karyawan memiliki kecurigaan yang besar terhadap suatu hal dengan menyampaikan kekhawatirannya.

Semua laporan yang masuk melalui prosedur *speak up* akan diperiksa dan ditindaklanjuti apabila memenuhi kriteria dalam penyampaian *speak up*. Perlu diingat bahwa kebijakan *speak up* bukanlah mekanisme untuk mengungkapkan keluhan umum.

Hal-hal yang dapat dilaporkan melalui prosedur *speak up* antara lain: pelanggaran undang-undang, regulasi, nilai-nilai budaya, penipuan, ataupun aksi kriminal yang lain dan insiden serius yang serupa, yang dirasakan belum dilaporkan atau diinvestigasi dengan benar. Masalah lain yang dapat menimbulkan risiko reputasi bagi Bank dapat dilaporkan.

Bank mendorong aksi *speak up* dengan menyediakan saluran pelaporan yang aman dan terjamin kerahasiannya. *Speak up* merupakan bagian penting dari nilai-nilai Bank. Tidak ada yang dirugikan dari *speak up*, kecuali jika penggunaannya disalahgunakan untuk memberikan informasi yang tidak benar (fitnah).

Speak up is a medium for employee to express concerns related to bad behavior and malpractice. Employee must convey *speak up* if the respective employee has a great suspicion of something by expressing his/her concerns.

All reports that enter through the *speak up* procedure will be recorded, reviewed and followed up if they meet the criteria for delivering *speak up*. Keep in mind that *speak up* policies are not a mechanism for expressing public complaints.

Matters that can be reported through *speak up* procedures include: violation of laws, regulations, cultural values, fraud, or other criminal acts and similar serious incidents, which have not been properly reported or investigated. Any other issues that may pose a reputation risk to The Bank may be reported.

The Bank encourages the action of *speak up* procedures by providing secure and confidential reporting channels. *Speak up* is an important part of The Bank's values. Nothing is harmed from *speak up*, unless the use is misused to provide false information.

Kode Etik
Code of Conduct

Mencegah Pencucian Uang
Preventing Money Laundering

Pencucian uang merusak integritas dan reputasi Bank dan membawa Bank kepada kemungkinan dikenakan hukuman yang berat. Bank mendukung gerakan internasional dalam memerangi tindakan kriminal sepenuhnya serta berkomitmen mencegah pencucian uang dan penipuan.

Karyawan wajib mematuhi berbagai undang-undang dan peraturan lain yang dikeluarkan oleh pemerintah atau instansi yang berwenang yang dirancang untuk mendeteksi, mencegah, dan melaporkan pencucian uang, pembiayaan teroris dan kriminalitas penggunaan sistem keuangan.

Bank sudah memiliki kebijakan dan prosedur tentang anti pencucian uang dan pencegahan pendanaan terorisme berdasarkan ketentuan regulator dan Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) dan peraturan perundangan lainnya yang terkait, maupun *international best practice* yang harus dipatuhi dalam menjalankan semua kegiatan usaha Bank.

Dalam mencegah kegiatan pencucian uang, karyawan wajib untuk:

- Pelatihan dan sosialisasi: Berpartisipasi dalam semua program pelatihan dan sosialisasi.
- Mengenal nasabah: Karyawan harus mengenal nasabah dan mempunyai pengetahuan yang memadai mengenai nasabah agar dapat mengidentifikasi transaksi yang tidak sesuai dengan pola transaksi nasabah atau tidak sesuai dengan aktivitasnya.
- Melaporkan aktivitas yang mencurigakan: Karyawan harus segera melaporkan kepada Departemen Kepatuhan dan Departemen AML/CFT (*Anti Money Laundering/Countering Financing of Terrorism*) atas kecurigaan pencucian uang. AML officer harus diberitahu untuk menentukan perlu atau tidaknya mengajukan laporan transaksi keuangan yang mencurigakan.

Money laundering undermines the integrity and reputation of The Bank and brings The Bank to possible severe penalties. The Bank supports the international movement in combating criminal acts completely and is committed to preventing money laundering and fraud.

Employees are required to comply with various other laws and regulations issued by the government or authorized agencies designed to detect, prevent, and report money laundering, terrorist financing and criminal use of the financial system.

The Bank has a policy and procedure on anti-money laundering and counter-terrorism financing based on the provisions of Bank Indonesia and the center for financial transaction reporting and analysis (PPATK) and other relevant legislation, as well as international best practices to be observed in carrying out all business activities of The Bank.

In preventing money laundering activities, employees are required to observe the following:

- Training and socialization: Participate in all training and socialization programs.
- Know your customer: Employees must be familiar with customers and have sufficient knowledge of customers to identify transactions that are not in accordance with the pattern of customer transactions or not in accordance with their activities.
- Reporting suspicious activity: Employees should report to the Compliance Department and AML/CFT Department for suspicion of money laundering. The AML officer must be notified to determine whether or not to file a suspicious transaction report.

Menghindari Benturan Kepentingan
Avoiding Conflict of Interest

Benturan kepentingan adalah suatu kondisi di dalam suatu rangkaian aktivitas Bank, di mana kepentingan Bank, dan/atau nasabahnya, dan/atau karyawan Bank saling berbenturan baik secara langsung maupun tidak langsung. Terdapat 5 (lima) kategori benturan kepentingan:

- Benturan kepentingan dengan nasabah (atau pihak lainnya). Dalam melakukan kegiatan memasarkan produk dan jasa Bank, karyawan harus senantiasa memperhatikan kepentingan Bank dengan tetap menciptakan dan memelihara hubungan baik dengan calon nasabah atau nasabah.
- Benturan kepentingan antar karyawan (dalam kaitannya dengan aktivitas profesional) dan nasabah. Karyawan harus selalu bersikap obyektif dan tidak dipengaruhi oleh rekanan atau calon rekanan untuk memenuhi kepentingannya yang tidak sesuai dengan ketentuan internal Bank.
- Benturan kepentingan diluar Bank.
- Karyawan Bank tidak diperkenankan untuk mendapatkan keuntungan pribadi dengan menggunakan informasi yang diperoleh karena jabatannya di Bank, sedangkan informasi tersebut bukan informasi umum.
- Karyawan Bank tidak diperkenankan memiliki usaha atau bisnis pribadi diluar pekerjaannya sebagai karyawan Bank.
- Karyawan Bank tidak diperkenankan untuk mengikat hubungan kerja dengan pihak lain. Apabila hal ini terjadi, karyawan dapat dikenakan sanksi yang telah ditentukan oleh Bank. Bank dapat memberi izin kepada karyawan yang memiliki keahlian khusus, misalnya di bidang pendidikan (pengajar) untuk mengabdikan keahliannya kepada masyarakat luas sejauh karyawan tetap mengutamakan dan tidak mengabaikan kewajibannya terhadap Bank. Namun untuk hal ini karyawan harus mendapatkan rekomendasi dari atasannya sekurang-kurangnya pejabat tingkat Kepala Departemen. Namun Bank juga mempunyai hak prerogatif untuk tidak memberikan izin terhadap kepentingan tersebut di atas.
- Benturan kepentingan dengan calon karyawan dan antar karyawan. Karyawan tidak diperkenankan untuk menerima suatu pemberian apalagi meminta sesuatu dari sesama karyawan maupun calon karyawan, baik berupa uang, tip, komisi, bantuan atau sesuatu apapun yang dapat menyebabkan "hutang budi" kepada karyawan maupun calon karyawan tersebut.
- Benturan kepentingan hubungan keluarga. Karyawan yang memiliki hubungan keluarga dengan karyawan lain di Bank, harus melaporkan hubungan tersebut kepada Departemen Sumber Daya Manusia. Hal ini dilakukan agar Departemen Sumber Daya Manusia dapat mengatur posisi masing-masing karyawan tidak saling menimbulkan benturan kepentingan. Benturan kepentingan akan membawa dampak negatif terhadap Bank dan reputasi karyawan sendiri.

A conflict of interest is a condition within a series of Bank activities, in which the interests of The Bank, and/or its customers, and/or The Bank employees conflict with each other directly or indirectly. There are 5 (five) categories of conflict of interest:

- Conflict of interest with customers (or other parties). In conducting activities to market The Bank's products and services, employees must always pay attention to the interests of The Bank while maintaining good relationships with prospective customers or customers.
- Conflict of interest between employees (in connection with professional activities) and customers. Employees must always be objective and not influenced by partners or potential partners to fulfill interests that are not in accordance with the internal provisions of The Bank.
- Conflict of interest outside The Bank.
- The Bank employees are not allowed to gain personal benefit by using information obtained because of their position at The Bank, as the information is not for public consumption.
- The Bank employees are not allowed to own a business or personal business outside of their work as The Bank employees.
- The Bank employees are not allowed to engage with other parties. In the event that this occurs, the employee may be subject to sanctions determined by The Bank. The Bank may grant licenses to employee with special expertise, for example in the field of education (instructor) to devote his/her expertise to the public as long as the employee remains concerned and does not neglect its obligations to The Bank. But for this, the employee must get recommendations from superiors at least the level of Head of Department officials. However, The Bank also has a prerogative to not grant permission to the above-mentioned interests.
- Conflict of interest with prospective employees and inter-employees. Employees are not allowed to accept gift or request something from their fellow employees or prospective employees, whether in the form of money, tips, commissions, assistance or anything that can cause "debt" to the employees or prospective employees.
- Conflict of interest of family relations. Employees who have family relationships with other employees at The Bank must report their relationships to the Human Resources Department. This is done so that the Human Resources Department can set the position of each employee to not conflict with each other interests. A conflict of interest will have a negative impact on The Bank as opposition may damage The Bank's reputation and the reputation of its own employees.

Kode Etik
Code of Conduct

Insider Trading

Dalam melakukan pekerjaan di dalam Bank, karyawan dapat memiliki akses terhadap *inside information*. Karyawan dilarang melakukan *insider trading* apabila memiliki *inside information* yang belum menjadi informasi publik. Bila karyawan melakukan transaksi tersebut karena mengetahui atau mendapatkan *inside information*, maka karyawan dapat dianggap telah membocorkan rahasia Bank dan harus bertanggung jawab atas pelanggaran undang-undang yang berlaku. Ketika memiliki *inside information*, karyawan harus bertindak dengan integritas dan kejujuran, serta menghindari mengambil keuntungan pribadi melalui transaksi yang dilakukan. Pemberian "gratifikasi" kepada orang lain atau bertransaksi mewakili keluarga, teman, ataupun pihak ketiga yang lain berdasarkan informasi orang dalam juga dilarang.

In performing their work within The Bank, the employees may have access to inside information. Employees are prohibited to conduct insider trading if they have inside information that has not become public information. If an employee commits such transactions for knowing or obtaining inside information, then employees may be deemed to have disclosed The Bank secrets and shall be liable for breach of applicable laws. When having inside information, employees must act with integrity and honesty, and avoid taking personal advantage through transactions made. Giving "gratuity" to others or transacting on behalf of family, friends, or other third parties based on inside information is also prohibited.

Proper Selling

Karyawan dilarang, baik sengaja atau secara ceroboh, membuat pernyataan, janji, atau prediksi yang menyesatkan, palsu atau menipu kepada setiap nasabah atau dengan kata lain karyawan wajib untuk menghindari terjadinya *misselling*. *Misselling* dapat menurunkan reputasi Bank dan menimbulkan adanya tuntutan hukum dari nasabah. *Misselling* terjadi dikarenakan kesalahan dalam menyampaikan risiko yang terkait suatu produk perbankan, atau ketika produk perbankan yang ditawarkan tidak sesuai dengan kebutuhan nasabah. Misal: produk yang memiliki jangka waktu panjang (10 tahun), mungkin menjamin pembayaran pokok investasi hanya pada tanggal jatuh tempo. Tetapi jika investasi dicairkan sebelum tanggal jatuh tempo, nilai pokok investasi tidak akan dibayar seluruhnya. Hal ini berpotensi menimbulkan *misselling* jika produk dijual kepada nasabah yang memiliki kebutuhan uang tunai dalam jangka pendek atau kepada nasabah yang berusia 70 tahun. Selain itu, karyawan dilarang menyembunyikan fakta apapun dari nasabah yang dapat menyebabkan nasabah atau pemangku kepentingan membuat keputusan berdasarkan informasi yang tidak benar. Setiap karyawan wajib untuk memberikan atau membuat pernyataan baik lisan ataupun tertulis mengenai fakta yang benar atau dengan kata lain karyawan wajib untuk menghindari terjadinya *misrepresentation*. Dengan demikian, karyawan diharuskan untuk:

- Menghindari menjual produk dan jasa yang tidak sesuai dengan kebutuhan nasabah dan tidak mempedulikan kepentingan nasabah.
- Informasi yang relevan dan lengkap kepada nasabah supaya mereka dapat dihadapkan kepada pilihan yang paling tepat dari produk yang ada.
- Memiliki pengetahuan yang memadai mengenai produk-produk Bank dan tingkat risiko yang diinginkan nasabah, serta tujuan, keuangan, dan kondisi pribadi nasabah agar dapat menilai akibat yang ditimbulkan dan apakah produk tersebut dapat memenuhi kebutuhan nasabah.
- Berusaha agar nasabah mengerti produk beserta risikonya, terutama produk-produk yang rumit dan pembelian produk tersebut harus didasarkan atas persetujuan nasabah.
- Menjelaskan fitur produk dengan jelas baik secara lisan maupun melalui media.

Employees are prohibited, either deliberately or carelessly, from making false or deceptive statements, promises or predictions to customers. In other words, employees are required to avoid the occurrence of *misselling*. *Misselling* can undermine The Bank's reputation and cause lawsuits from customers. *Misselling* occurs due to errors in conveying the risks associated with a banking product. Or when the offered banking products are not in accordance with the needs of customers. For example: a product that has a long term (10 years) may guarantee the payment of principal investment only on the due date. But if the investment is cashed before the due date, the principal amount of the investment will not be paid in full. This has the potential to cause *misselling* if the product is sold to customers who have cash needs in the short term or to customers aged 70 years. In addition, employees are prohibited from hiding any facts from customers that may cause customers or stakeholders to make decisions based on information that is not true. Every employee is obliged to give or make a statement both orally and in writing about the correct facts. In other words employees are obliged to avoid the occurrence of *misrepresentation*. Accordingly, employees are required to:

- Avoid selling products and services that are not in accordance with the needs of customers and not caring about the interests of customers.
- Provide relevant and complete information to customers so that they can be exposed to the most appropriate choice of existing products.
- Have sufficient knowledge of The Bank's products and the level of risk desired by the customers, as well as the clients' personal goals, finances and conditions in order to assess the consequences and whether the product meets the customers' needs.
- Try to get customers to understand the product and its risks, especially the complicated products and purchases of the products must be based on the customers' approval.
- Describe the product features clearly both orally and through the media.

Rahasia Bank dan Perlindungan
Informasi
Bank Confidentiality and Information
Protection

Karyawan Bank wajib sepanjang waktu menghormati prinsip kerahasiaan Bank khususnya sehubungan dengan perlindungan kerahasiaan informasi nasabah. Tugas untuk melindungi kerahasiaan informasi nasabah terus berlanjut bahkan setelah karyawan berhenti bekerja pada Bank, hal tersebut terkait dan sejalan dengan kebijakan benturan kepentingan, kode etik, serta *compliance statement* yang disetujui karyawan pada saat bergabung dengan Bank. Karyawan Bank dapat memperoleh informasi Bank untuk dirahasiakan, dan tidak untuk diungkapkan kepada pihak ketiga. Membocorkan informasi tersebut kepada pihak diluar Bank adalah pelanggaran serius. Karyawan dilarang melakukan hal tersebut kecuali jika karyawan diminta oleh badan/ instansi hukum/ yang berwenang (pengadilan/polisi/BI/OJK, dll). Dengan demikian, karyawan wajib untuk:

- Mencatat dan melaporkan seluruh data yang berkaitan dengan informasi nasabah dan menyimpan data dan informasi nasabah pada tempat yang aman, tidak dapat diakses oleh orang yang tidak berhak untuk memperoleh informasi tersebut untuk membaca, mengetahui, mencatat dan menggandakan data tersebut.
- Menjaga kerahasiaan informasi nasabah dan tidak mendiskusikannya di tempat-tempat umum serta tidak memberi informasi baik secara lisan maupun tertulis tentang nasabah dan calon nasabah kepada pihak manapun termasuk teman dekat atau anggota keluarga sendiri yang tidak berwenang untuk mengetahuinya yang dapat merugikan nasabah dan Bank secara langsung maupun tidak langsung.
- Dilarang menyebarkan informasi gaji, pinjaman karyawan, dan informasi lainnya yang bersifat pribadi dan rahasia kepada pihak luar Bank.
- Tidak menggunakan kembali kertas-kertas bekas yang berisikan informasi bersifat rahasia.

The Bank employees shall at all times respect the principle of The Bank secrecy especially in respect to protecting the confidentiality of customer information. The duty of protecting the confidentiality of customer information continues even after the employee stops working at The Bank. It is related and in line with the policy of conflict of interest, code of conduct, and compliance statement that employees agree upon when joining The Bank. The Bank employees may obtain its information to be kept confidential, not to be disclosed to third parties. Leaking that information to parties outside The Bank is a serious offense. Employees are prohibited from doing so unless they are requested by a legal entity/agency (courts/police/Bank Indonesia/OJK, etc.). Accordingly, employees are required to:

- Record and report all data relating to customer information and store customer data and information in a safe place, not accessible to unauthorized persons to obtain such information to read, know, record and duplicate the data.
- Maintain the confidentiality of customer information and not discussing it in public places, and not providing information both orally and in writing about customers and potential customers to any party including close friends or family members not authorized to know that may harm the customer and The Bank directly or indirectly.
- It is prohibited to disseminate salary information, employee loans and other personal and confidential information to parties outside The Banks.
- Do not reuse used papers containing confidential information.

Kode Etik
Code of Conduct

<p>Memperlakukan Karyawan dengan Adil Employee Fair Treatment</p>	<p>Bank berupaya membantu karyawannya untuk mencapai potensi terbaiknya agar dapat berkinerja tinggi dengan selalu berusaha meningkatkan kesejahteraan dan memperlakukan karyawan secara adil dan bertindak sesuai peraturan internal Bank, peraturan Bank Indonesia dan peraturan perundangan lainnya yang berlaku serta melindungi hak-hak karyawan.</p> <p>Atasan mengemban tugas untuk memperhatikan secara seksama karyawannya. Karyawan harus terus mengembangkan keterampilan dan kemampuan untuk dapat memenuhi komitmen Bank kepada pemangku kepentingan.</p> <p>Dengan demikian, karyawan diharuskan untuk:</p> <ol style="list-style-type: none"> 1. Mempertahankan standar kinerja dan perilaku <ul style="list-style-type: none"> · Memenuhi standar kinerja yang diharapkan, perilaku, dan etika. · Setiap perilaku diskriminatif, pelecehan, atau pelanggaran perilaku tidak akan ditolerir dan akan dipertahankan dengan serius. 2. Menjaga kesehatan, keselamatan dan keamanan <ul style="list-style-type: none"> · Bekerja dengan sehat dan aman supaya tindakan atau kelalaian tidak menimbulkan risiko bagi orang lain. · Mendorong rekan kerja untuk bekerja secara sehat dan aman. · Melaporkan semua kecelakaan dan kejadian. · Meminta perhatian manajemen akan semua bahaya yang ada di tempat kerja. 3. Pembelajaran dan kompetensi <ul style="list-style-type: none"> · Karyawan bertanggung jawab atas pembelajaran dan perkembangan yang berkesinambungan. · Karyawan harus menjaga keahlian dan pengetahuan yang diperlukan dalam menjalankan pekerjaan dengan baik dan memaksimalkan potensi. · Karyawan harus mengidentifikasi kebutuhan pembelajaran setiap tahun dan berpartisipasi dalam aktivitas pengembangan yang relevan dalam membantu mengembangkan keahlian dan kemampuan baru. <p>The Bank strives to accommodate its employees to reach their best potential and generate great performance by improving their welfare, treating them fairly, and acting in accordance with its internal policies, Bank Indonesia regulations, and other regulatory requirements, as well as protecting the rights of its employees.</p> <p>Managers owe a duty of care to all their subordinates. Employees must continuously develop their skills and capabilities, so they can deliver The Bank's commitments to the stakeholders.</p> <p>Thus, the employees are required to:</p> <ol style="list-style-type: none"> 1. Maintain the standards of performance and conduct. <ul style="list-style-type: none"> - Meet the expected standards of performance, behavior, and conduct. - Any discriminatory behavior, harassment, or breach of conduct will not be tolerated and will be treated seriously. 2. Maintain healthy, safety and security work environment <ul style="list-style-type: none"> - Work in a healthy and safe manner, so that the actions or omissions taken do not put others at risk. - Encourage others to work in a healthy and safe manner. - Report all accidents and incidents. - Bring any hazard in the workplace to the attention of management. 3. Learning and competency <ul style="list-style-type: none"> - Employees have responsibility for learning and development. - Employees must maintain the skills and knowledge they need to perform their jobs well and to maximize their potential. - Employees must identify their learning needs each year and participate in relevant development activities that help them develop new skills and capabilities.
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PENERAPAN KODE ETIK

Kode etik Bank berlaku untuk seluruh karyawan dengan level organisasi dalam Bank.

SOSIALISASI DAN PENYEBARLUASAN KODE ETIK

Untuk menyosialisasikan kepada seluruh insan Bank, manajemen melakukan penyebaran materi kode etik melalui *Town Hall Meeting*, penerbitan buku kode etik secara cetak maupun digital yang dibagikan secara cuma-cuma, serta melalui distribusi pos elektronik secara berkala kepada seluruh insan Bank. Penyebarluasan kode etik ini dibawah koordinasi Sekretaris Perusahaan dan Departemen Human Resources.

IMPLEMENTATION OF CODE OF CONDUCT

The Bank's code of conduct applies to all of The Bank employees at each level of the organization.

SOCIALIZATION AND DISSEMINATION OF THE CODE

To socialize to all of The Bank employees, the management disseminates the code of conduct materials through *Town Hall Meeting*, the publication of a printed and digital code of conduct books that are distributed free of charge, and through the distribution of electronic mail regularly to all of The Bank employees. The dissemination of this code of conduct is under the coordination of the Corporate Secretary and the Human Resources Department.

PELANGGARAN DAN SANKSI DISIPLIN

Kepatuhan terhadap kebijakan dan peraturan Bank adalah wajib. Karyawan yang berhubungan langsung dengan nasabah atau rekanan wajib menekankan dan mengimplementasikan kondisi pada kebijakan ini dalam hubungan kerjasama bisnis/komersil. Pelanggaran atas kebijakan tersebut dapat berakibat pada tindakan disiplin sesuai dengan peraturan perusahaan yang berlaku mulai dari surat peringatan sampai dengan pemberhentian, sebagaimana diatur dalam Kebijakan dan Prosedur Disipliner.

PENYIMPANGAN INTERNAL 2018

Penyimpangan internal atau *internal fraud* adalah penyimpangan/kecurangan yang dilakukan oleh pengurus, karyawan tetap dan tidak tetap (*honorer* dan *outsourcing*) terkait dengan proses kerja dan kegiatan operasional Bank yang mempengaruhi kondisi keuangan Bank secara signifikan.

Bank telah menerapkan fungsi audit internal yang efektif pada seluruh aspek dan unsur kegiatan. Apabila terdapat hal-hal yang berindikasi penyimpangan/kecurangan (*fraud*) maka akan dilakukan audit khusus (*investigasi*). Terdapat 3 (tiga) penyimpangan internal yang terjadi pada tahun 2018 dan seluruhnya telah diselesaikan berdasarkan peraturan perusahaan yang berlaku.

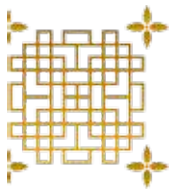
VIOLATIONS AND DISCIPLINARY SANCTIONS

Compliance with all policies and regulations of The Bank is a mandatory obligation. Any respective employee with direct interaction with the customer or the required partner must emphasize and implement conditions in this policy in any business/commercial cooperation. Violation of this policy can result in disciplinary action even dismissal, as stipulated in Disciplinary Policies and Procedures.

INTERNAL FRAUD 2018

Internal frauds are deviations/acts of fraud committed by the management, permanent and non-permanent employees in relation to The Bank's work processes and operational activities that affect The Bank's financial condition significantly.

The Bank has implemented an effective internal audit function on all aspects and elements of activities. If there are any indications of fraud, a special audit is conducted (*investigation*). There were 3 (three) internal deviations that occurred 2018 that have been completed based on prevailing company regulation.



KEBIJAKAN TRANSPARANSI DAN BENTURAN KEPENTINGAN

Policy on Transparency and Conflict of Interest

Kode etik Bank mengatur kebijakan terkait benturan kepentingan, yang tercantum dalam 10 Sikap Dasar Kode Etik Bank, yang salah satunya adalah "Menghindari Benturan Kepentingan". Dalam kode etik Bank tercantum kebijakan secara rinci tentang definisi benturan kepentingan, dan jenis benturan kepentingan yang memungkinkan munculnya kerugian baik bagi Bank sendiri maupun bagi pemangku kepentingan.

The Bank's code of conduct establishes conflict related policies listed in the 10 Basic Attitudes of The Bank's Code of Conduct, one of which is "Avoiding Conflicts Of Interest". The Bank's code of conduct includes detailed policies on the definition of conflict of interest, and the types of conflict of interest that may cause harm to both The Bank itself and the stakeholders.



KEBIJAKAN PENGADAAN BARANG & JASA

Procurement Policy

TATA CARA PENGADAAN BARANG DAN JASA

1. Menerima permintaan dari pemohon dan melakukan penelaahan dan diskusi untuk mendapatkan kriteria barang dan jasa yang diminta.
2. Menghubungi vendor-vendor terkait yang dapat menyediakan barang dan jasa yang diminta dan meminta penawaran harga awal.
3. Membuat analisa perbandingan dari penawaran yang diterima dari vendor-vendor.
4. Membuat proposal pengajuan dana pengadaan ke manajemen untuk mendapatkan persetujuan dana serta persetujuan atas hasil seleksi vendor.
5. Membuat pemesanan barang dan jasa kepada vendor terpilih.
6. Melakukan pengawasan terhadap penyerahan barang dan jasa yang telah dilaksanakan oleh vendor.
7. Melakukan pendataan dan penyimpanan terhadap barang yang telah dikirim oleh vendor.
8. Melakukan serah terima kepada pemohon.
9. Memproses tagihan vendor kebagian keuangan.

Sebagai salah satu komitmen Bank untuk melaksanakan proses bisnis yang berkelanjutan manajemen sangat memperhatikan hubungan yang baik serta profesional dengan para pemasok barang dan jasa secara transparan, akuntabel, bertanggung jawab, independen, dan fair.

Semua pengadaan pendukung operasional dan bisnis Bank wajib melalui departemen penanggung jawab termasuk pengadaan untuk jasa perawatan, penggantian barang atas perbaikan, dan kontrak kerja pembelian atau sewa.

Pengajuan pendanaan atas pengadaan barang dan jasa dengan nominal tertentu dianalisa melalui *Finance Review Committee* (FRC) dan dimintakan persetujuan ke Direktur penanggung jawab FRC dan Presiden Direktur.

PROCEDURE FOR THE PROCUREMENT OF GOODS AND SERVICES

1. Receive requests from applicants and conduct review and discussions for obtaining the criteria of goods and services requested.
2. Contact the relevant vendors who can provide the goods dan services requested and asking for initial price quotes from vendor.
3. Make a comparison analysis of the proposals received from vendors.
4. Make a proposal for procurement funding to management for obtaining approval of funding and result of vendor selection.
5. Make a purchase order of goods and services to the selected vendor.
6. Conduct supervision of goods dan services delivery that have been implemented by the vendor.
7. Collect data and storage the goods that have been sent by vendor.
8. Handover to the applicant.
9. Process billing to finance department

As part of The Bank's commitment to implementing sustainable business processes, the management is very concerned about good relationships with professionals and suppliers of goods and services in a transparent, accountable, responsible, independent, and fair manner.

All procurement of The Bank's operational and business support shall be required to be done through the department in charge, including procurement for maintenance services, replacement of goods for repairs, and contracts of purchases or leases.

Submission of funding for procurement of goods and services with certain amount is analyzed through the Financial Review Committee (FRC) and request for approval from the Director in charge of FRC and the President Director.

Kebijakan Pengadaan Barang & Jasa
Procurement Policy

Proses seleksi vendor atas barang dan jasa dengan nominal tertentu dikaji oleh *Centralized Purchase Review Team* (CPRT) yang terdiri dari perwakilan kepala atau penanggung jawab dari Departemen *General Affair*, Departemen *Finance Management* dan departemen-departemen terkait lainnya yang ditunjuk oleh Presiden Direktur.

Tugas dan tanggung jawab dari departemen penanggung jawab dapat diuraikan sebagai berikut:

- Melaksanakan permintaan atas barang dan jasa dari pemohon berdasarkan prosedur yang telah ditetapkan.
- Menyusun detail permintaan atas barang dan jasa sesuai permintaan pemohon.
- Bekerjasama dengan vendor dalam proses pengadaan.
- Melakukan pendataan atas barang yang telah diterima.
- Pengawasan terhadap kualitas barang atau hasil pekerjaan dari vendor.
- Melakukan serah terima barang dan jasa kepada pemohon.

The vendor selection process of goods and services with certain amount is reviewed by the *Centralized Purchase Review Team* (CPRT) consisting of representatives of head or person in charge of the *General Affairs Department*, *Financial Management Department* and other relevant departments appointed by President Director.

The duties and responsibilities of the department in charge can be described as follows:

- Conducting requests for goods dan services from applicants based on established procedures.
- Prepare detail of goods dan services request according to request from applicants.
- Working closely with vendor in the procurement process.
- Collecting data on goods that have been received.
- Monitoring the quality of the goods or work result of the vendor.
- Hand over goods dan services to the applicant.



WHISTLEBLOWING SYSTEM

Whistleblowing System

Dalam menciptakan lingkungan kerja yang sehat, Bank telah memiliki *whistleblowing system* untuk menyelesaikan berbagai permasalahan, penyimpangan dan malpraktek terhadap kode etik perilaku, peraturan perundang-undangan yang berlaku, serta praktek umum yang berlaku pada industri perbankan termasuk kegiatan yang mencurigakan.

Speak up merupakan media/alat bagi pegawai Bank untuk mengungkapkan permasalahan tersebut di atas, Bank mendorong pegawainya untuk mengungkapkan bentuk penyelewengan dengan menyediakan sarana yang aman dan terjamin kerahasiaannya.

PENERAPAN KEBIJAKAN

Dalam menerapkan budaya manajemen risiko yang mampu mentransformasikan Bank untuk menjadi penyedia jasa keuangan terkemuka, maka prosedur *whistleblowing* diterapkan melalui:

1. Partisipasi aktif dari pegawai Bank
Partisipasi aktif dari pegawai Bank diperlukan untuk mengadopsi nilai-nilai yang mendukung budaya risiko. Partisipasi aktif dari pegawai Bank dapat diwujudkan dalam bentuk tindakan nyata untuk mempertahankan terciptanya lingkungan kerja yang bebas dari pelanggaran. Oleh karena itu, setiap pegawai Bank berhak untuk melaporkan setiap indikasi akan adanya penyelewengan dan wajib untuk mengungkapkan setiap pelanggaran yang dilakukan oleh karyawan lain kepada Departemen Kepatuhan secara langsung ataupun melalui sarana *Speak up* yang telah disediakan.
2. Komite Disipliner
Setelah evaluasi dan analisa laporan yang disampaikan oleh karyawan, maka Komite Disipliner akan mengambil tindak lanjut yang mungkin juga melibatkan pihak-pihak terkait, seperti Departemen Kepatuhan, Departemen Internal Audit, Departemen Hukum, Departemen Sumber Daya Manusia, Departemen Manajemen Risiko dan pihak lain jika dipandang perlu. Jika yang dicurigai melakukan potensi pelanggaran atau pelanggaran adalah anggota Dewan Komisaris atau Direksi, maka laporan ditujukan kepada Ketua Komite Audit (yang diketuai oleh Komisaris Independen).

In creating a favorable working environment, The Bank has a whistleblowing system to resolve various problems, irregularities and malpractices towards the code of conduct, applicable laws and regulations, and general practices that apply to the banking industry including suspicious activities.

Speak up is a media/tool for The Bank employees to express the above issues, The Bank encourages its employees to disclose the form of fraud by providing a safe and secure means of secrecy.

IMPLEMENTATION OF POLICIES

In implementing a risk management culture that can transform The Bank into a leading financial service provider, the whistleblowing procedure is implemented through:

1. The active participation of The Bank employees
The active participation of The Bank employees are required in the form of concrete actions to maintain the creation of a work environment free from offense. Therefore, every employee is entitled to report any indication of any fraud and shall be obliged to disclose any violation committed by other employees to the Compliance Department directly or through the *Speak up* channel provided.
2. The Disciplinary Committee
Following the evaluation and analysis reports submitted by employees, the Disciplinary Committee will take follow-up actions that may also involve relevant parties, such as Compliance Department, Internal Audit Department, Legal Department, Human Resources Department, Risk Management Department, and others if deemed necessary. If the suspected potential violation or the violation is a member of the Board of Commissioners or Board of Directors, then the report is addressed to the Chairperson of the Audit Committee (chaired by an Independent Commissioner).

PRINSIP DASAR SISTEM PELAPORAN PELANGGARAN

Penerapan sistem pelaporan pelanggaran di Bank memiliki prinsip dasar bagi yang memiliki informasi dan ingin melaporkan suatu perbuatan tidak etis maupun pelanggaran yang terjadi di lingkungan Bank. Pelapor tidak perlu khawatir atas terungkapnya identitas diri karena Bank akan merahasiakan identitas diri pelapor sebagai *whistleblower*. Bank menghargai informasi yang dilaporkan dan fokus pada materi informasi yang dilaporkan.

TUJUAN

Pemberlakuan sistem pelaporan pelanggaran di lingkup Bank dilakukan sebagai acuan dalam tata cara pengelolaan penanganan pengaduan/penyingkapan (*whistleblowing system*) bagi Dewan Komisaris, Direksi, karyawan serta pihak yang berkepentingan dalam berhubungan dengan Bank, agar setiap laporan yang dikirimkan terjaga kerahasiaannya dan kasus yang dilaporkan dapat dipertanggungjawabkan serta dapat ditindaklanjuti.

RUANG LINGKUP

Sistem pelaporan pelanggaran berlaku bagi seluruh insan Bank dan seluruh pemangku kepentingan Bank. Pelanggaran yang dapat dilaporkan meliputi korupsi, suap, benturan kepentingan, pencurian, kecurangan, dan pelanggaran peraturan/hukum.

PENANGANAN PELAPORAN PELANGGARAN

Bank memiliki prosedur dalam penanganan pelaporan pelanggaran. Prosedur tersebut dibuat dengan mengacu pada prinsip di bawah ini:

- Laporan *Speak Up* yang bersifat rahasia. Hanya pelapor dan administrator *Speak Up*, serta komite yang telah ditunjuk yang mempunyai kewenangan untuk mengakses laporan tersebut.
- Pihak pelapor berhak untuk mendapat perlindungan dari Bank jika laporannya dapat menyebabkan ancaman yang berasal dari dalam maupun dari luar Bank.
- Pihak pelapor dan terlapor dibebaskan dari segala sanksi apabila laporannya tidak dapat dibuktikan secara sah kebenarannya.

BASIC PRINCIPLES OF VIOLATION REPORTING SYSTEM

The implementation of a violation reporting system at The Bank has a basic principle for those who have information and want to report an unethical act or violation that occurred in the environment of The Bank. The whistleblower does not have to worry about the disclosure of his/her identity as The Bank will keep the identity of the whistleblower. The Bank appreciates the reported information and focuses on the reported information material.

PURPOSE

The application of violation reporting system in the scope of The Bank is conducted as a reference point in the management of the whistleblowing system for the Board of Commissioners, Board of Directors, employees and the parties concerned in dealing with The Bank. This is so that each submitted report is kept confidential and the reported case may be accountable and actionable.

SCOPE

The violation reporting system applies to all of The Bank employees and stakeholders. Reportable offenses include corruption, bribery, conflicts of interest, theft, fraud and law violations.

HANDLING OF VIOLATION REPORT

The Bank has procedures for handling violation reporting. The procedure is made with reference to the following principles:

- *Speak up* reports are confidential. Only reporters, *Speak up* administrators and designated committees have the authority to access such reports (in this case the relevant parties referred to above are members of the *Speak Up* Committee).
- The reporting party is entitled to protection from The Bank if its reporting may cause threats from within or outside The Bank.
- The reporting party and the reported party are exempt from any sanction if the report cannot be legally validated.

Whistleblowing System Whistleblowing System

- Bank menjamin bahwa seluruh pihak pelapor dan laporan yang telah disampaikannya tidak akan mempengaruhi penilaian terhadap kinerja maupun terhadap karir pegawai Bank.
- Berdasarkan kepastian dan jaminan di atas, pihak pelapor wajib untuk bersedia memberikan informasi yang lebih rinci jika diminta oleh pihak manajemen Bank sebagai bagian dari tindak lanjut atas laporan yang telah disampaikannya.

Langkah-langkah dari prosedur tersebut adalah:

1. Pendeteksian
2. Penulisan
3. Penyampaian

PENDETEKSIAN INDIKASI PELANGGARAN

Dalam hal karyawan Bank mengetahui, melihat, dan mendengar tentang hal apapun yang dapat diindikasikan sebagai tindakan pelanggaran di dalam lingkungan kerja, dengan mengacu kepada kode etik perilaku Bank, perjanjian kerja, serta hukum positif yang berlaku di Indonesia, pegawai Bank dapat melaporkan hal tersebut kepada atasannya sesuai dengan mekanisme eskalasi yang berlaku. Dalam hal mekanisme eskalasi tidak dapat diikuti disebabkan bahwa tindakan penyimpangan yang dilaporkan berhubungan dengan atasan langsung pegawai Bank dan/atau atasan lain, pegawai Bank dapat menggunakan prosedur *speak up* ini.

Dalam hal terdapat laporan pelanggaran yang diperkirakan berdampak negatif secara signifikan terhadap Bank dan/atau nasabah, termasuk yang berpotensi menjadi perhatian publik, maka Bank akan segera melaporkan hal tersebut kepada Otoritas Jasa Keuangan paling lambat 3 (tiga) hari kerja setelah Bank mengetahui terjadinya pelanggaran tersebut, sesuai dengan SEBI No.13/28/DPNP tanggal 9 Desember 2011 perihal "Penerapan Strategi Anti Fraud", dalam hal ini pelaporan ini juga mengacu pada "Prosedur Strategi Anti Fraud" (RM/PRO/014).

PENULISAN LAPORAN

Pelaporan mengenai adanya indikasi pelanggaran atau aktivitas yang mencurigakan yang dilaporkan sepengetahuan pegawai Bank harus dinyatakan secara tertulis dengan menggunakan *speak up form*. Bukti pendukung (jika ada), wajib dilampirkan di dalam formulir pelaporan.

- The Bank guarantees that all reporting parties and reports submitted will not affect the assessment of performance or career of The Bank employees.

- Based on the above certainty and guarantee, the reporting party shall be obliged to provide more detailed information if requested by the management of The Bank as part of a follow-up on the reports it has submitted.

The steps of the procedure are:

1. Detecting
2. Writing
3. Submitting

DETECTING AN INDICATION OF VIOLATION

In the event that The Bank employee knows, sees and hears about any matter that may be indicated as an act of violation within the working environment, with reference to The Bank's code of conduct, work agreement, and applicable positive laws in Indonesia, The Bank employee may report such incidents in accordance with applicable escalation mechanisms. In the event that escalation mechanisms cannot be followed due to reported acts of irregularities are related to the direct supervisors of The Bank employees and/or other superiors, The Bank employees may use this *speak up* procedure.

In the event of a violation report is expected to have a significant negative impact on The Bank and/or its customers, including potential public concerns, The Bank shall promptly report the matter to the Financial Services Authority no later than 3 (three) working days after The Bank becomes aware of the breach, in pursuant to SEBI No. 13/28/DPNP dated December 9, 2011 regarding "Implementation of Anti Fraud Strategy", in this case reporting also refers to "Anti Fraud Strategy Procedure" (RM/PRO/014).

REPORT DOCUMENTATION

Reporting of any indication of violation or suspicious activity reported by the employee of The Bank shall be expressed in writing using the *speak up form*. Supporting evidence (if any) must be attached to the reporting form.

PENYAMPAIAN LAPORAN

Formulir *Speak Up* yang berisi laporan atas penyimpangan dapat disampaikan dengan menggunakan surel yang dikirimkan kepada: speakup@ina.icbc.com.cn. Jika dicurigai melakukan potensi pelanggaran atau pelanggaran adalah anggota Dewan Komisaris atau Direksi, maka laporan dilakukan secara tertulis dan ditujukan melalui surat tertutup kepada Ketua Komite Audit (yang diketuai oleh Komisaris Independen).

PENERIMAAN LAPORAN

Setiap laporan yang diterima oleh administrator *Speak Up* akan ditindaklanjuti sebagai berikut:

- Membubuhkan tanda terima laporan.
- Pemberitahuan kepada pihak pelapor yang berupa konfirmasi (melalui surel) bahwa laporannya sudah diterima dan akan dilakukan paling lambat 5 (lima) hari kerja setelah laporan diterima.
- Laporan yang diterima dianalisa sesuai dengan isi permasalahan yang dilaporkan.
- Data pendukung diinvestigasi.
- Laporan kemudian disampaikan kepada komite yang berwenang untuk ditindaklanjuti.

3 (tiga) poin terakhir di atas dilakukan paling lambat 3 (tiga) bulan sejak diterimanya dokumen *Speak Up*.

TINDAK LANJUT LAPORAN

Komite Disipliner memutuskan tindakan yang tepat untuk setiap laporan yang disampaikan. Komite Disipliner berwenang secara penuh untuk mengkategorikan laporan yang disampaikan berdasarkan urgensi dan signifikansinya untuk menentukan laporan yang perlu ditindaklanjuti dengan segera. Jika laporan telah ditindaklanjuti dan telah diambil tindakan sehingga mengarah kepada pencegahan penyimpangan, jika dipandang perlu, pihak pelapor akan diberikan penghargaan. Sebaliknya, jika laporan yang disampaikan tidak dapat ditindaklanjuti dengan alasan apapun, komite akan menginformasikan alasan mengapa laporannya tidak dapat ditindaklanjuti kepada pihak pelapor.

PERLINDUNGAN BAGI PELAPOR

Hanya pihak yang melapor, administrator *Speak Up*, dan Komite Disipliner yang memiliki kewenangan untuk mengakses laporan. Pegawai yang melapor berhak mendapatkan perlindungan dari Bank dalam hal keselamatannya terancam. Selain itu, pegawai

REPORT SUBMISSION

Speak up forms containing reports of irregularities may be submitted using email sent to: speakup@ina.icbc.com.cn. If the suspected potential violation or violation is a member of the Board of Commissioners or Board of Directors, the report shall be made in writing and addressed by a closed letter to the Chairman of the Audit Committee (chaired by an Independent Commissioner).

REPORT ACCEPTANCE

Any report received by speak up administrator will be followed-up in the following way:

- Append the report receipt.
- Notification to the reporting party in the form of confirmation (by email) that the report has been received and will be processed no later than 5 (five) working days after the report is received.
- Report received is analyzed in accordance with the contents of reported problems.
- Supporting data is investigated.
- The report is then submitted to the committee authorized for follow-up.

The last 3 (three) points above shall be made no later than 3 (three) months after the receipt of the speak up document.

FOLLOW-UP REPORT

The Disciplinary Committee has the authority to decide on appropriate action for each report submitted. The Disciplinary Committee is entitled to fully categorize the report submitted based on its urgency and significance to determine which reports need immediate follow-up. If a report has been acted upon and action has been taken that may lead to the prevention of irregularities, the reporting party will be awarded, if deemed necessary. On the contrary, if the submitted report cannot be acted upon for any reason, the committee will inform the reason why its report cannot be acted upon by the reporting party.

WHISTLEBLOWER PROTECTION

Only the reporting party, speak up administrator, and the Disciplinary Committee have the authority to access the report. The reporting employees are entitled to protection from The Bank in the event of their safety being threatened. In addition, reporting employees are

Whistleblowing System

yang melapor juga bebas dari segala bentuk sanksi, bahkan jika laporan mereka tidak terbukti benar. Bank juga memberikan jaminan kepada seluruh pihak yang melapor bahwa laporan mereka tidak akan berdampak pada evaluasi kinerja dan/atau karir mereka di Bank.

PELANGGARAN WHISTLEBLOWING 2018

Sepanjang tahun 2018, Bank menemukan adanya laporan yang masuk melalui mekanisme WBS yang dimiliki dan dikelola oleh Bank sebanyak 3 (tiga) kali. Pada Desember 2018, 2 (dua) dari 3 (tiga) laporan telah terbukti.

PIHAK YANG MENGELOLA PENGADUAN

Pengaduan tersebut dikelola oleh Komite disipliner, dimana komite ini merupakan perwakilan dari Direksi Bank dan departemen sebagai berikut: Departemen Sumber Daya Manusia, Departemen Kepatuhan, Departemen Manajemen Risiko, Departemen Legal, dan Departemen Audit Internal. Komite Disipliner, setelah melakukan evaluasi dan menganalisa pelaporan yang disampaikan oleh karyawan akan mengambil tindak lanjut yang mungkin juga melibatkan pihak-pihak terkait dan pihak lain jika dipandang perlu. Jika yang dicurigai melakukan potensi pelanggaran atau pelanggaran adalah anggota Dewan Komisaris atau Direksi, maka laporan ditujukan kepada Ketua Komite Audit yang diketuai oleh Komisaris Independen.

SANKSI BAGI TERLAPOR YANG TERBUKTI

Bentuk sanksi kepada terlapor yang terbukti bersalah diberikan sesuai dengan ketentuan yang berlaku di Bank. Berdasarkan Perjanjian Kerja Bersama (PKB) Bank tindakan disiplin kepada pekerja dapat berupa teguran lisan, surat peringatan, pencabutan fasilitas, penundaan kenaikan golongan upah, penurunan golongan upah, pemindahan (mutasi dan demosi), pembayaran ganti rugi atau pemutusan hubungan kerja sesuai dengan tingkatan kesalahan yang diperbuat.

SOSIALISASI WHISTLE BLOWING SYSTEM

Untuk mensosialisasikan kepada seluruh insan Bank, manajemen melakukan penyebarluasan materi kode etik melalui pelatihan CARAL, penerbitan buku kode etik secara cetak maupun digital yang dibagikan secara cuma-cuma, serta melalui distribusi surel secara berkala kepada seluruh insan Bank. Penyebarluasan kode etik ini di bawah koordinasi Sekretaris Perusahaan dan Departemen Sumber Daya Manusia.

also free from any form of sanction, even if their reports are not proven to be true. The Bank also provides assurance to all reporting parties that their report will not affect their performance evaluation and/or career at The Bank.

WHISTLEBLOWING VIOLATION 2018

Throughout 2018, The Bank accepted reports through its whistleblowing system (WBS) with a total of 3 (three) reports. As of December 2018, 2 (two) out of 3 (three) reports were already proven.

PARTIES IN CHARGE OF MANAGING COMPLAINT

Complaints are administered by the Disciplinary Committee, which comprised of the representative of the Board of Directors members and departments as follows: Human Resources Department, Compliance Department, Risk Management Department, Legal Department and Internal Audit Department. The Disciplinary Committee, after evaluating and analyzing the reports submitted by an employee, will take follow-up actions that may also involve relevant parties, and others if deemed necessary. If the suspected of potetial violation or violation is a member of the Board of Commissioners or Board of Directors, the report is addressed to the Chairman of the Audit Committee, chaired by an Independent Commissioner.

SANCTIONS FOR REPORTED PARTIES IN PROVEN REPORT

The form of sanction to the reported party that is proven guilty is given in accordance with the prevailing provisions in The Bank. Based on the Collective Labor Agreement (CLA) of The Bank, disciplinary action to employees may include oral warnings, warning letters, facility retention, postponement of wage increases, wage reductions, transfer (rotation and demotion), payment of losses incurred, or termination of employment in accordance with the level of error made.

WHISTLE BLOWING SYSTEM SOCIALIZATION

To socialize to all of The Bank employees, the management has disseminated code of conduct materials through CARAL trainings, the publication of a printed and digital code of conduct books that are distributed free of charge, and through the distribution of electronic mail regularly to all of The Bank employees. The dissemination of code of conduct is under the coordination of the Corporate Secretary and the Human Resources Department.



TRANSPARANSI PRAKTIK BAD GOVERNANCE

Transparency of Bad Governance Practices

Pada tahun 2018, tidak adanya pihak manapun yang melaporkan aktivitas Bank yang dapat mencemari lingkungan; baik aktivitas langsung maupun aktivitas perbankan seperti pemberian kredit kepada nasabah yang memiliki pelanggaran terhadap pencemaran lingkungan.

PENGUNGKAPAN PEMENUHAN KEWAJIBAN PERPAJAKAN

Bank telah berkontribusi dalam pembayaran pajak sebesar Rp158,38 miliar selama tahun 2018.

KETIDAKSESUAIAN PENYAJIAN LAPORAN TAHUNAN DAN LAPORAN KEUANGAN DENGAN PERATURAN YANG BERLAKU DAN PERNYATAAN STANDAR AKUNTASI KEUANGAN (PSAK)

Laporan tahunan Bank tahun buku 2018 disusun melalui acuan laporan keuangan Bank yang berakhir pada 31 Desember 2018. Laporan keuangan Bank tahun buku 2018 telah diaudit oleh Kantor Akuntan Publik (KAP) Siddharta Widjaja & Rekan (KPMG) yang telah disusun sesuai dengan PSAK yang berlaku di Indonesia.

KASUS TERKAIT DENGAN BURUH DAN KARYAWAN

Bank tidak menemukan adanya kasus terkait buruh dan karyawan di sepanjang tahun 2018.

KESESUAIAN BUKU LAPORAN TAHUNAN DAN LAPORAN TAHUNAN DIGITAL

Laporan tahunan digital Bank baik yang disampaikan kepada pemegang saham, pemangku kepentingan, maupun yang telah diunggah pada situs web Bank telah sesuai dengan buku laporan tahunan yang dicetak dan diterbitkan oleh Bank.

In 2018, there were no parties reporting the activities of The Bank that can pollute the environment, whether it be direct activities or banking activities such as lending to customers with violation in environmental pollution.

DISCLOSURE OF TAX OBLIGATION FULFILLMENT

The Bank has contributed commitment related to taxation payment amounting to Rp158.38 billion during 2018.

NON-CONFORMITY PRESENTATION OF ANNUAL REPORT AND FINANCIAL STATEMENT WITH APPLICABLE REGULATION AND FINANCIAL ACCOUNTING STANDARD (PSAK)

The Bank's annual report for the financial year 2018 is prepared through The Bank's financial statements ended December 31, 2018. The Bank's financial statements for the fiscal year 2018 have been audited by the Registered Public Accountants Siddharta Widjaja & Partners (KPMG). These statements have been prepared in accordance with the applicable financial accounting standards (SAK) in Indonesia.

CASES RELATED TO LABOR AND EMPLOYEE

The Bank did not find any labor and employee related cases throughout the year 2018.

COMPATIBILITY OF ANNUAL REPORT BOOKS AND DIGITAL ANNUAL REPORT

The Bank's digital annual report submitted to shareholders, stakeholders or uploaded on The Bank's official website is in conformity with the annual report printed and published by The Bank.