

Dalam upaya meningkatkan kualitas pelaksanaan Tata Kelola Perusahaan yang Baik, Commonwealth Bank Indonesia secara rutin melakukan *Self-Assessment* komprehensif.

In its effort to improve the quality of the implementation of Good Corporate Governance, Commonwealth Bank Indonesia regularly conducts comprehensive Self Assessment.



Tata Kelola Perusahaan

Corporate Governance



“Pengelolaan Commonwealth Bank Indonesia senantiasa mengacu pada prinsip-prinsip Good Corporate Governance (GCG) yang menjadi dasar pertumbuhan usaha. Dewan Komisaris secara aktif mengawasi kinerja Bank serta menjalin kerjasama yang terpadu dan efektif dengan Direksi.”

“Commonwealth Bank Indonesia is built on Good Corporate Governance (GCG), which is the foundation of its corporate growth. The Board of Commissioners actively supervises the Bank and work in a cohesive and effective manner with the Board of Directors.”

LAPORAN PELAKSANAAN TATA KELOLA PERUSAHAAN YANG BAIK SEPANJANG 2014

Overview

Sesuai Peraturan Bank Indonesia No.8/4/PBI/2006 tentang Pelaksanaan *Good Corporate Governance* bagi Bank Umum, Peraturan Bank Indonesia No.8/14/PBI/2006 tentang Perubahan Atas Peraturan Bank Indonesia No.8/4/PBI/2006 tentang Pelaksanaan *Good Corporate Governance* bagi Bank Umum, dan Surat Edaran Bank Indonesia No. 15/15/DPNP perihal Pelaksanaan *Good Corporate Governance* bagi Bank Umum, Dewan Komisaris, Direksi dan seluruh karyawan PT Bank Commonwealth (“Commonwealth Bank Indonesia”) berkomitmen penuh mengelola bisnis dengan mengikuti prinsip-prinsip Transparansi, Akuntabilitas, Tanggung Jawab, Independensi dan Kewajaran.

Dalam upaya mempertahankan, memperbaiki, dan meningkatkan kualitas pelaksanaan Tata Kelola Perusahaan yang Baik, Commonwealth Bank Indonesia secara rutin melakukan *Self-Assessment* komprehensif akan pelaksanaan Tata Kelola Perusahaan yang Baik sesuai 11 (sebelas) aspek evaluasi dalam memantau dan mengevaluasi hasil implementasi, menetapkan rencana aksi, dan mengambil tindakan perbaikan yang diperlukan yang diperlukan untuk menjaga aset TI, serta tren teknologi dan industri perbankan.

RAPAT UMUM PEMEGANG SAHAM (RUPS)

Rapat Umum Pemegang Saham diadakan beberapa kali selama 2014, seperti tercantum dalam Akta Notaris berikut:

REPORT FOR GOOD CORPORATE GOVERNANCE IMPLEMENTATION 2014

Overview

In adherence to the Bank Indonesia Regulation No.8/4/PBI/2006 on Good Corporate Governance Implementation for Commercial Banks, Bank Indonesia Regulation No.8/14/PBI/2006 on Revision on Bank Indonesia Regulation No.8/4/PBI/2006 on Good Corporate Governance Implementation for Commercial Banks, and Bank Indonesia Circular Letter No. 15/15/DPNP on Good Corporate Governance Implementation by Commercial Banks, the Board of Commissioners, Board of Directors and all PT Bank Commonwealth (“Commonwealth Bank Indonesia”) employees are fully committed to managing the business by following the principles of Transparency, Accountability, Responsibility, Independency and Fairness.

In its effort to maintain, rectify, and improve the quality of the implementation of Good Corporate Governance, Commonwealth Bank Indonesia regularly conducts comprehensive Self Assessment on the implementation of Good Corporate Governance relating to 11 (eleven) evaluation aspects to monitor and evaluate the results of implementation and to establish action plans and to take any necessary corrective actions.

GENERAL MEETING OF SHAREHOLDERS (GMS)

General Meeting of Shareholders was held for several times during 2014, which then mentioned in the following Deeds:

No.	Nomor Keputusan Deed Number	Tanggal Keputusan Deed Date	Ringkasan Keputusan Deed Summary
1	62	26 February 2014	Pengunduran diri Ibu Dhien Tjahajani sebagai Direktur Kepatuhan. Resignation of Mrs. Dhien Tjahajani as Compliance Director.
2	51	15 July 2014	Penunjukkan kembali Bpk. Antonio Da Silva Costa sebagai Presiden Direktur. Reappointment of Mr. Antonio Da Silva Costa as President Director. <ul style="list-style-type: none"> • Persetujuan laporan tahunan Bank dan ratifikasi laporan keuangan Bank untuk tahun buku yang berakhir 31 Desember; • Memberi wewenang kepada Direksi menunjuk auditor independen untuk mengaudit laporan keuangan tahun buku yang berakhir 31 Desember 2014; • Memberi wewenang kepada Direksi atas penggunaan laba bersih setelah pajak untuk tahun buku yang berakhir 31 Desember 2013.
3	52	15 July 2014	<ul style="list-style-type: none"> • Approval of the annual report of the Bank and the ratification of the Bank's financial statements for the fiscal year ended 31 December 2013; • Give authority to the Directors to appoint an independent auditor to audit the financial statements of the financial year ended 31 December 2014; • Give authority to the Board of Directors for the use of net profit after tax for the financial year ended 31 December 2013.
4	33	11 August 2014	Penunjukkan Ibu Angeline Nangoi sebagai Direktur Kepatuhan. Appointment of Mrs. Angeline Nangoi as Compliance Director.
5	79	18 November 2014	Pengunduran diri Bpk. Ian Phillip Whitehead sebagai Direktur. Resignation of Mr. Ian Phillip Whitehead as Director.

DEWAN KOMISARIS DAN KOMITE-KOMITE

Komposisi, Independensi dan Kepemilikan Saham oleh Komisaris per Desember 2014

Tata kelola Dewan Komisaris Commonwealth Bank Indonesia telah sesuai dengan ketentuan yang ditetapkan dalam Peraturan Bank Indonesia tentang *Good Corporate Governance*. Dewan Komisaris terdiri dari 4 (empat) orang anggota, 2 di antaranya adalah Komisaris Independen. Seluruh Komisaris Independen berdomisili di Indonesia.

Komisaris Independen menjaga independensi dalam melaksanakan tugas dan tanggung jawabnya sesuai dengan Peraturan Bank Indonesia tentang Pelaksanaan *Good Corporate Governance* bagi Bank.

BOARD OF COMMISSIONERS AND COMMITTEES

Composition, Independency and Share Ownership of Commissioners as of December 2014

Commonwealth Bank Indonesia's Board of Commissioners governance is in accordance with the provisions set-out in the Regulation of Bank Indonesia on *Good Corporate Governance*. The Board of Commissioners consists of 4 (four) members, 2 of which are Independent Commissioners. The Independent Commissioners reside in Indonesia.

The Independent Commissioners maintain its independency in discharging its duties and responsibilities in accordance with Bank Indonesia Regulation concerning Implementation of *Good Corporate Governance* for Banks.

Tidak terdapat anggota Dewan Komisaris yang memiliki 5% (lima persen) atau lebih dari modal disetor pada Commonwealth Bank Indonesia, lembaga bank, lembaga keuangan non-bank, dan perusahaan lainnya di dalam atau di luar Indonesia.

Komposisi anggota Dewan Komisaris per Desember 2014 adalah sebagai berikut:

No.	Komisaris Commissioners	Penunjukkan Appointment
1	Geoffrey David Coates	Presiden Komisaris President Commissioner
2	Guy Martin Harding	Wakil Presiden Komisaris Vice President Commissioner
3	Suwartini	Komisaris Independen Independent Commissioner
4	Khairil Anwar	Komisaris Independen Independent Commissioner

Tugas dan Tanggung Jawab Dewan Komisaris Commonwealth Bank Indonesia

- Dewan Komisaris memantau dan memastikan penerapan prinsip-prinsip *Good Corporate Governance* dalam semua aspek bisnis Commonwealth Bank Indonesia dan di semua level organisasi.
- Dewan Komisaris secara aktif memantau kinerja Direksi melaksanakan segala tugas dan tanggung jawab, memberikan rekomendasi dan saran, juga memantau dan mengevaluasi pelaksanaan kebijakan strategis Commonwealth Bank Indonesia.
- Dewan Komisaris memastikan Direksi membahas temuan audit dan rekomendasi Auditor Internal Commonwealth Bank Indonesia, Auditor Eksternal, serta hasil audit dan tinjauan Otoritas Jasa Keuangan (OJK) dan/atau otoritas pengawas lainnya.
- Dewan Komisaris tidak terlibat dalam proses perumusan keputusan operasional, dengan pengecualian persetujuan kredit kepada pihak terkait sebagaimana diatur dalam ketentuan Bank Indonesia tentang Batas Maksimum Pemberian Kredit Bank Umum atau peraturan dan perundangan yang berlaku lainnya.
- Sesuai Peraturan Bank Indonesia, Dewan Komisaris wajib membentuk Komite Audit, Komite Pemantau Risiko dan Komite Remunerasi dan Nominasi. Pengangkatan anggota Komite didasarkan pada keputusan yang dibuat dalam rapat Dewan Komisaris. Saat ini, ada 3 (tiga)

None of the Board of Commissioners members own 5% (five percent) or more of the paid up capital of Commonwealth Bank Indonesia, other Banks, Non-Bank Financial Institutions, and other companies located inside or outside Indonesia.

Compositions of the Board of Commissioners as of December 2014 are as follows:

Duties and Responsibilities of Commonwealth Bank Indonesia's Board of Commissioners

- The Board of Commissioners monitors and ensures the application of *Good Corporate Governance* principles in all aspects of the Commonwealth Bank Indonesia's business and across all levels of the Bank's hierarchy.
- The Board of Commissioners actively monitors the performance of duties and responsibilities by the Board of Directors, provides recommendations, and suggestion, monitors and evaluates the enforcement of Commonwealth Bank Indonesia's strategic policies.
- The Board of Commissioners assures that the Board of Directors addresses the audit findings and recommendations provided by the Commonwealth Bank Indonesia's Internal Auditor, External Auditor, as well as audit result of and review by Financial Service Authority (FSA) and/or other supervisory authorities.
- The Board of Commissioners does not engage in the process of formulating operational decisions, with the exception of approving credit to related parties as mandated in Bank Indonesia regulations on Legal Lending Limit for Commercial Banks or other prevailing rules and regulations.
- In accordance to Bank Indonesia Regulation, the Board of Commissioners is obliged to establish an Audit Committee, Risk Monitoring Committee and Remuneration and Nomination Committee. The appointment of these Committees members are based on the decisions made in the meeting

Komite yang telah dibentuk, yaitu Komite Audit, Komite Pemantau Risiko dan Komite Remunerasi dan Nominasi, dan penunjukan masing-masing anggota komite dilakukan sesuai dengan hukum dan peraturan yang berlaku.

Lebih lanjut, demi meningkatkan efektivitas tugas dan tanggung jawab sehari-hari Dewan Komisaris, Bank telah memiliki Pedoman Dewan Komisaris. Pedoman ini mengatur kegiatan Dewan Komisaris secara terstruktur, sistematis dan konsisten.

Rapat Dewan Komisaris

Selama periode 2014, Dewan Komisaris telah menyelenggarakan 6 (enam) kali rapat dan seluruh anggota hadir baik secara fisik dengan detail berikut:

No	Anggota Member	Penunjukannya Appointment	Periode Period					
			Feb	April	June	August	Oct	Dec
1	Geoffrey David Coates	Presiden Komisaris President Commissioner	✓	✓	✓	✓	✓	✓
2	Guy Martin Harding	Wakil Presiden Komisaris Vice President Commissioner	✓	✓	-	✓	✓	✓
3	Suwartini	Independen Komisaris Independent Commissioner	✓	✓	✓	✓	✓	✓
4	Khairil Anwar	Independen Komisaris Independent Commissioner	✓	✓	✓	✓	✓	✓

Dalam rapat tersebut, Direksi, Pejabat Eksekutif dan Audit Intern turut diundang, bila diperlukan, guna mendapatkan informasi terkait bisnis dan kegiatan operasional Commonwealth Bank Indonesia. Selama 2014, Dewan Komisaris bertanggung jawab atas beberapa aspek penting, termasuk:

1. Memberikan nasihat, saran dan rekomendasi kepada Direksi, dan bersama-sama dengan Direksi menyetujui Rencana Bisnis Commonwealth Bank Indonesia untuk 2014 dan revisi Rencana Bisnis tersebut pada April 2014;
2. Mengevaluasi kinerja keuangan Commonwealth Bank Indonesia sepanjang 2014, termasuk 4 pilar pertumbuhan terkait strategi prioritas Bank untuk masing-masing pilar, yaitu *Wealth Management*,

of the Board of Commissioners. Currently, there are 3 (three) Committees established, they are Audit Committee, Risk Oversight Committee and Remuneration and Nomination Committee, and the appointment of each committee members were made in accordance with the prevailing laws and regulations.

Further, to improve the effectiveness of daily duties and responsibilities of the Board of Commissioners' function, Bank already has the Board of Commissioners' Manual that provides guidelines for the Commissioner's activities in a structured, systematic and consistent manner.

Meeting of the Board of Commissioners

During 2014 period, the Board of Commissioners had conducted 6 (six) times and the members attended either physically with detail as follows:

During the meeting, Directors, Executive Officer and Internal Audit were invited, as necessary, in order to obtain information regarding Commonwealth Bank Indonesia business and operations, and during 2014, the Board of Commissioner supervised several important aspects including:

1. To provide advices, suggestions and recommendations to the Directors, and together with the Directors approving Commonwealth Bank Indonesia Business Plan 2014 and revised Business Plan in April 2014;
2. To evaluate Commonwealth Bank Indonesia financial performance during year 2014 including 4 pillars of growth-related to Bank's priority strategies for each of the pillars, namely Wealth

Usaha Kecil dan Menengah (UKM), Emerging Affluent dan Consumer Loan;

3. Memantau, mengkaji dan mengevaluasi tindakan yang disetujui dari hasil temuan audit internal, eksternal dan sesuai peraturan serta membahas rencana audit intern dan ekstern;
4. Pembahasan Laporan Tingkat Kesehatan Bank, Laporan Triwulanan Profil Risiko serta penerbitan peraturan baru yang mungkin berdampak bagi Commonwealth Bank Indonesia. Selain itu, Dewan Komisaris terus memantau perkembangan terkini dari Proyek COMPASS yang dilaksanakan demi meningkatkan kinerja Commonwealth Bank Indonesia.

Dewan Komisaris juga memberikan rekomendasi dan persetujuan sebagai berikut:

1. Memberi rekomendasi kepada RUPS perihal penunjukan Kantor Akuntan Publik (KAP) Tanudiredja, Wibisana & Rekan untuk melakukan audit independen tahun fiskal 2014 melalui Komite Audit.
2. Melalui Komite Remunerasi dan Nominasi, mengusulkan penunjukan Direktur Kepatuhan dan perpanjangan masa jabatan Presiden Direktur.
3. Melalui Komite Pemantau Risiko, persetujuan setiap kebijakan terkait manajemen risiko, antara lain Piagam Komite Kredit, Kebijakan Kredit UKM, Kebijakan Kredit Konsumen, Kebijakan Manajemen Risiko Fraud, Kebijakan *Whistleblower*, dll.

HUBUNGAN KEUANGAN DAN / ATAU IKATAN KELUARGA HINGGA GENERASI KE-DUA DENGAN ANGGOTA DEWAN KOMISARIS DAN / ATAU ANGGOTA DIREKSI ATAU HUBUNGAN LAINNYA

Komisaris Independen tidak memiliki hubungan keuangan dan/atau ikatan keluarga hingga generasi ke dua dengan anggota Dewan Komisaris dan / atau Direksi lain atau hubungan lainnya. Dengan demikian, Komisaris Independen dapat bertindak secara independen dalam melaksanakan tugas dan tanggung jawab mereka. Anggota Dewan Komisaris lainnya memiliki hubungan keuangan (yaitu, hubungan kerja) dengan Pemegang Saham Pengendali. Kondisi tersebut telah sesuai dengan persyaratan yang ditetapkan dalam Peraturan Bank Indonesia tentang Pelaksanaan *Good Corporate Governance* bagi Bank Umum.

Management, Small and Medium Enterprises (SME), Emerging Affluent and Consumer Loan;

3. To monitor, review and evaluate the agreed action items arising from internal, external and regulatory audit findings as well as discuss the internal and external audit plan;
4. Discussion on the Bank Soundness Report, Quarterly Risk Profile Report as well as issuance of new regulations that may have impacts to Commonwealth Bank Indonesia. Additionally the Board of Commissioners continuously monitors the updates of the COMPASS Project that were established to improve Commonwealth Bank Indonesia's performance.

The Board of Commissioners also provided recommendations and approval as follows:

1. Recommended to GMS the appointment of Public Accounting Firm (KAP) Tanudiredja, Wibisana & Rekan to conduct independent audit for fiscal year 2014 through the Audit Committee.
2. Through the Remuneration and Nomination Committee, proposed appointment of Compliance Director and proposed work extension of the term of office for President Director.
3. Through the Risk Oversight Committee, approval of any policies related to risk management, among others, Credit Committee Charter, SME Credit Policy, Consumer Credit Policy, Fraud Risk Management Policy, Whistleblower Policy, etc..

FINANCIAL RELATIONSHIP AND / OR FAMILY TIES TO THE SECOND DEGREE WITH A MEMBER OF THE BOARD OF COMMISSIONERS AND / OR THE MEMBERS OF THE BOARD OF DIRECTORS OR OTHER RELATIONSHIP

The Independent Commissioners do not have financial and/or family ties up to the second degree with other member of the Board of Commissioners and/or Directors or other relationships. Thus the Independent Commissioners can act independently in discharging their tasks and responsibilities. The remaining members of the Board of Commissioners have financial relationship (i.e., employment relationship) with the Controlling Shareholders. The foregoing conditions are in accordance with the requirements set out in the Bank Indonesia Regulation concerning the Implementation of Good Corporate Governance for Commercial Banks.

KOMITE-KOMITE

Komite-komite berikut ini telah memenuhi tugas dan tanggung jawab mereka:

KOMITE AUDIT

Komite Audit dibentuk guna mendukung pelaksanaan tugas dan tanggung jawab Dewan Komisaris secara efektif. Dalam melaksanakan tugasnya, Komite Audit didukung oleh Piagam Komite Audit yang memberikan kejelasan wewenang dan tanggung jawabnya.

Komposisi dan Keanggotaan

Komposisi, keanggotaan dan keahlian Komite Audit telah sesuai persyaratan dari peraturan yang berlaku. Komite Audit terdiri dari seorang Komisaris Independen yang menjabat sebagai Ketua Komite Audit dan 4 anggota yang berasal dari seorang Komisaris Independen, seorang Komisaris dan dua anggota yang mewakili Pihak Independen yang memiliki keahlian di bidang keuangan/akuntansi dan hukum/perbankan.

Keanggotaan Komite Audit per Desember 2014 adalah sebagai berikut:

No	Jabatan Position	Nama Name
1.	Ketua (Komisaris Independen) Chairman (Independent Commissioner)	Khairil Anwar
2.	Anggota (Komisaris Independen) Member (Independent Commissioner)	Suwartini
3.	Anggota (Wakil Presiden Komisaris Member (Vice President Commissioner)	Guy Martin Harding
4.	Anggota (Pihak Independen), yang memiliki keahlian pada bidang Keuangan dan Akunting Member (Independent Party) having expertise in Finance and Accounting	Teuku Radja Sjahnan
5.	Anggota (Pihak Independen), yang memiliki keahlian pada bidang Perbankan Member (Independent Party) having expertise in Banking	Jono Effendy

Peran dan Tanggung Jawab

Komite Audit secara independen mengkaji laporan keuangan Commonwealth Bank Indonesia dan pengungkapan informasi keuangan, berdasarkan informasi yang diberikan oleh Direksi dan Auditor Ekstern, serta meninjau kebijakan akuntansi untuk memastikan kepatuhan terhadap hukum, peraturan, dan standar akuntansi yang berlaku. Komite Audit mempertimbangkan dan membahas dengan Direksi dan Auditor Ekstern mengenai isu-isu dan

COMMITTEES

The following committees have been performing their duties and responsibilities:

AUDIT COMMITTEE

The Audit Committee is established in order to support effective implementation of the duties and responsibilities of the Board of Commissioners. In performing its duties, the Audit Committee is supported with an Audit Committee Charter that defines its authorities and responsibilities.

Composition and Membership

Composition, membership and expertise of the Audit Committee have met the prevailing regulatory requirements, and consist of an Independent Commissioner who serves as the Chairman of Audit Committee and 4 members consisting of an Independent Commissioner, a Commissioner and two members representing Independent Parties with expertise in finance/accounting and legal/banking.

The membership of the Audit Committee as of December 2014 is as follows:

Roles and Responsibilities

The Audit Committee independently reviews the Commonwealth Bank Indonesia's financial statements and financial disclosures, based on information provided by the Directors and External Auditors, as well as reviewing the accounting policy to ensure compliance with the prevailing laws, regulations, and accounting standards. The Audit Committee considers and discusses with the Directors and

penilaian pelaporan keuangan yang signifikan terkait penyusunan laporan keuangan. Selain itu, Komite Audit juga bertugas meninjau kepastian atas efektivitas sistem pengendalian intern; mengawasi dan mengevaluasi independensi, efektivitas, lingkup pekerjaan, rencana audit tahunan auditor intern dan ekstern; dan mengawasi dan mengevaluasi rencana aksi yang dibuat oleh Direksi terkait isu audit yang diangkat oleh audit intern, audit ekstern, dan regulator. Komite Audit secara berkala melaporkan kegiatannya, termasuk pemberian nasihat terkait hal-hal yang menjadi perhatian Dewan Komisaris, dan memberi rekomendasi dalam pencalonan Auditor Ekstern kepada Dewan Komisaris untuk persetujuan lebih lanjut dalam Rapat Umum Pemegang Saham.

Rapat

Sepanjang 2014, Komite Audit menyelenggarakan rapat resmi Komite Audit sebagai berikut:

No	Anggota Member	Penunjukkan Appointment	Periode Period					
			Feb	April	June	August	Oct	Dec
1	Khairil Anwar	Komisaris Independen Independent Commissioner	✓	✓	✓	✓	✓	✓
2	Guy Martin Harding	Wakil Presiden Komisaris Vice President Commissioner	✓	✓	-	✓	✓	✓
3	Suwartini	Komisaris Independen Independent Commissioner	✓	✓	✓	✓	✓	✓
4	Teuku Radja Sjahnan	Pihak Independen Independent Party	✓	✓	✓	-	✓	✓
5	Jono Effendy	Pihak Independen Independent Party	✓	✓	✓	✓	✓	✓

Dalam rapat-rapat ini, diskusi dilakukan dengan Audit Intern, Auditor Ekstern, dan Direksi:

Rapat dengan Audit Intern

Rapat dengan Audit Intern membahas rencana audit dan realisasinya, pendekatan audit berbasis risiko, lingkup audit, laporan audit yang diterbitkan selama periode pelaporan, temuan signifikan Audit Intern, termasuk temuan berulang yang terjadi di kantor cabang, tindak lanjut rencana korektif dari temuan audit intern, dan revisi Piagam Audit Intern. Selain itu, dilakukan pembahasan kecukupan anggota tim Audit

External Auditors on significant financial reporting issues and judgments made in connection with the preparation of the financial statements. Moreover, the Audit Committee also has the duty to review the assurance over effectiveness of internal control system, to oversee and evaluate independence, effectiveness, scope of work, annual audit plan of the internal and external auditors, to oversee and evaluate the action plans made by the Directors on outstanding audit issues raised by internal audit, external audit, and regulators. The Audit Committee regularly reports its activities including advice on matters of concern to the Board of Commissioners, and provides recommendations on the nomination of the External Auditor to the Board of Commissioners for further approval at the General Meeting of Shareholders.

Meetings

During 2014, the Audit Committee held formal meetings of the Audit Committee as follows:

In these meetings, the discussions were held with the Internal Audit, External Auditor, and Board of Directors:

Meeting with Internal Audit

Meetings with Internal Audit discussed the audit plan and its realization, risk-based audit approach, scope of audit, audit reports issued during the reporting period, significant Internal Audit findings including repeated findings that occurred at the branch offices, follow-up of corrective action plans from the internal audit findings, and revised Internal Audit Charter. In addition, discussions were also held

Intern secara jumlah, kompetensi dan keahlian, dan program pengembangan anggota tim Audit Intern.

Rapat dengan Auditor Eksternal

Rapat dengan Auditor Ekstern membahas laporan keuangan Commonwealth Bank Indonesia untuk tanggal yang berakhir pada 31 Desember 2013. Auditor Ekstern telah memberikan pendapat wajar tanpa pengecualian atas laporan keuangan Commonwealth Bank Indonesia. Selain itu, rapat membahas kepatuhan Commonwealth Bank Indonesia terhadap standar akuntansi yang berlaku dan temuan Auditor Ekstern terkait pengendalian intern, rencana audit, ruang lingkup audit, dan penerapan PSAK 50/55 oleh Commonwealth Bank Indonesia. Berdasarkan pembahasan, Komite Audit memberi rekomendasi kepada Dewan Komisaris untuk menyetujui laporan keuangan 2013 dan atas penunjukan KAP Tanudiredja, Wibisana & Rekan sebagai Auditor Ekstern Bank dan anak perusahaan tahun berikutnya.

Rapat dengan Direksi

Rapat dengan Direksi membahas Laporan Keuangan rancangan per Desember 2013, 31 Maret 2014, 30 Juni 2014, dan 30 September 2014, serta membahas tindak lanjut temuan Audit Internal dan Otoritas Jasa Keuangan terkait dengan KYC dan AML, Kredit, Risiko Operasional, *Good Corporate Governance*, Teknologi Informasi, Sumber Daya Manusia, dan Tresuri.

KOMITE PEMANTAU RISIKO

Komite Pemantau Risiko dibentuk guna mendukung pelaksanaan tugas dan tanggung jawab Dewan Komisaris secara efektif. Dalam melaksanakan tugasnya, Komite Pemantau Risiko didukung Piagam Komite Pemantau Risiko yang memberikan kejelasan tanggung jawabnya.

Komposisi dan Keanggotaan

Penyusunan komposisi Komite Pemantau Risiko telah sesuai dengan ketentuan yang berlaku. Komite Pemantau Risiko terdiri dari seorang komisaris independen sebagai ketua dan 4 (empat) anggota lainnya, yang terdiri dari satu komisaris, satu komisaris independen dan dua pihak independen yang memiliki keahlian di bidang perbankan dan manajemen risiko.

on the adequacy of the Internal Audit team members in terms of number, competence and expertise, as well as development program of Internal Audit team members.

Meeting with External Auditor

Meetings with the External Auditor discussed the Commonwealth Bank Indonesia’s financial statement for the date ended in 31 December 2013. The External Auditor has issued unqualified opinion to the Commonwealth Bank Indonesia’s Financial Statement. In addition the meeting also discussed Commonwealth Bank Indonesia’s adherence to the applicable accounting standards, the External Auditor’s findings related to internal controls, the audit plan, audit scope, and the application of PSAK 50/55 by Commonwealth Bank Indonesia. Based on these discussions, the Audit Committee recommended to the Board of Commissioners to approve the 2013 financial statements and recommended the appointment of KAP Tanudiredja, Wibisana & Rekan as the External Auditor of the Bank and its subsidiaries for the subsequent year.

Meeting with the Board of Directors

Meetings with the Board of Directors discussed the draft Financial Statements per December 2013, 31 March 2014, 30 June 2014, and 30 September 2014, as well as follow-up of Internal Audit’s and Financial Service Authority’s findings related to KYC and AML, Credit, Operational Risk, Good Corporate Governance, Information Technology, Human Resources, and Treasury.

RISK OVERSIGHT COMMITTEE

The Risk Oversight Committee is established in order to support effective implementation of the duties and responsibilities of the Board of Commissioners. In performing its duties, the Risk Oversight Committee is supported with Charter of Risk Oversight Committee that defines its responsibilities.

Composition and Membership

The compositions of the Risk Oversight Committee are in compliance with prevailing regulations. The composition of the Risk Oversight Committee consists of an independent commissioner as chairman and 4 (four) members consisting of one commissioner, one independent commissioner and two independent parties who have expertise in banking and risk management.

Para anggota Komite Pemantau Risiko per Desember 2014 adalah sebagai berikut:

The members of the Risk Oversight Committee as of December 2014 are as follows:

No	Jabatan Position	Nama Name
1.	Ketua (Komisaris Independen) Chairman (Independent Commissioner)	Suwartini
2.	Anggota (Komisaris Independen) Member (Independent Commissioner)	Khairil Anwar
3.	Anggota (Wakil Presiden Komisaris) Member (Vice President Commissioner)	Guy Martin Harding
4.	Anggota (Pihak Independen), yang memiliki keahlian di bidang perbankan Member (Independent Party) having expertise in banking	Teuku Radja Sjahnan
5.	Anggota (Pihak Independen), yang memiliki keahlian di bidang perbankan dan manajemen risiko Member (Independent Party) having expertise in banking and risk management	Jono Effendy

Peran dan Tanggung Jawab

Komite Pemantau Risiko bertanggung jawab memantau delapan area risiko yang harus Commonwealth Bank Indonesia kelola, yaitu Risiko Kredit, Pasar, Likuiditas, Operasional, Hukum, Reputasi, Kepatuhan dan Strategis, dan memastikan bahwa penerapan manajemen risiko telah sesuai dengan kebijakan manajemen risiko. Komite juga memantau dan menilai kinerja Executive Risk Committees dan unit kerja Manajemen Risiko dalam melaksanakan tugas mereka, juga memantau perkembangan kasus hukum yang melibatkan Bank dan menilai risiko terkait, seperti risiko regulasi, reputasi dan kepatuhan. Komite Pemantau Risiko secara berkala melaporkan kegiatannya, termasuk pemberian nasihat tentang hal-hal yang menjadi perhatian Dewan Komisaris.

Roles and Responsibilities

The Risk Oversight Committee has responsibility to monitor the eight risk areas that Commonwealth Bank Indonesia must manage namely Credit, Market, Liquidity, Operational, Legal, Reputation, Compliance and Strategic Risk, and ensure that the implementation of risk management are in accordance with risk management policies. The committee also monitors and assesses the performance of duties by the Executive Risk Committees and Risk Management working units, also monitors the development of litigation cases involving the Bank and assesses the risks involved, like the regulatory risk, reputation risk and compliance risk. The Risk Oversight Committee regularly reports its activities including advice on matters of concern to the Board of Commissioners.

Sepanjang 2014, Komite Pemantau Risiko menyelenggarakan rapat resmi sebagai berikut:

During 2014, the Risk Oversight Committee held formal meetings of the Risk Oversight Committee as follows:

No	Member	Appointment	Period					
			Feb	April	June	August	Oct	Dec
1	Khairil Anwar	Komisaris Independen Independent Commissioner	✓	✓	✓	✓	✓	✓
2	Guy Martin Harding	Wakil Presiden Komisaris Vice President Commissioner	✓	✓	-	✓	✓	✓
3	Suwartini	Komisaris Independen Independent Commissioner	✓	✓	✓	✓	✓	✓
4	Teuku Radja Sjahnan	Pihak Independen Independent Party	✓	✓	✓	-	✓	✓
5	Jono Effendy	Pihak Independen Independent Party	✓	✓	✓	✓	✓	✓

Melalui rapat-rapat ini, Komite membahas berbagai hal, termasuk hal-hal berikut:

1. Pembahasan Laporan Triwulanan Profil Risiko Commonwealth Bank Indonesia periode Desember 2013 hingga September 2014 dan Laporan Tingkat Kesehatan Bank periode Desember 2013 dan Juni 2014, serta laporan internal Ringkasan Risiko yang mencakup delapan risiko.
2. Pembahasan Internal Capital Adequacy Assessment Process (ICAAP) dan program dan desain *stress testing* untuk Risiko Kredit, Pasar dan Operasional
3. Membahas dan memberi rekomendasi atas beberapa kebijakan, seperti Pernyataan Toleransi Risiko, Kebijakan Manajemen Risiko, Piagam Komite Kredit, Pedoman Kebijakan Kredit, Kebijakan Kredit UKM, Kebijakan Kredit Konsumen, Kebijakan *Good Corporate Governance*, Piagam Komite Risiko Operasional, Piagam Komite Produk, Manajemen Likuiditas, dan sebagainya
4. Perkembangan Proyek COMPASS dan inisiatif strategis baru, seperti *Mobile Banking for Small Business* (MBSB)

KOMITE REMUNERASI DAN NOMINASI

Komposisi Komite Remunerasi dan Nominasi telah sesuai dengan peraturan yang berlaku. Susunan Komite Remunerasi dan Nominasi terdiri dari seorang Komisaris Independen sebagai Ketua dan dua anggota yang terdiri dari seorang Komisaris dan seorang perwakilan pejabat eksekutif dari Departemen Sumber Daya Manusia. Anggota Komite Remunerasi dan Nominasi per Desember 2014 adalah sebagai berikut:

No.	Komite Remunerasi dan Nominasi Remuneration and Nomination Committee	Penunjukkan Appointment
1	Suwartini	Ketua dan anggota (Komisaris Independen) Chairman and member (Independent Commissioner)
2	Geoffrey David Coates	Anggota (Presiden Komisaris) Member (President Commissioner)
3	Bagus Harimawan	Anggota (Pejabat Eksekutif SDM) Member (HR Executive Officer)

Tugas dan tanggung jawab Komite Remunerasi dan Nominasi adalah sebagai berikut:

Through these meetings, the Committee had a discussion among others as follows:

1. Discussion on Commonwealth Bank Indonesia Quarterly Risk Profile Report period December 2013 until September 2014 and Soundness Report period December 2013 and June 2014 as well as Risk Summary internal report covering eight risks.
2. Discussion on Internal Capital Adequacy Assessment Process (ICAAP) as well as stress testing program and design for Credit Risk, Market Risk and Operational Risk
3. Discussed and recommended several policies such as Risk Tolerance Statement, Risk Management Policy, Credit Committee Charter, Credit Policy Manual, SME Credit Policy, Consumer Credit Policy, Good Corporate Governance Policy, Operational Risk Committee Charter, Product Committee Charter, Liquidity Management, etc.
4. COMPASS Project progress update and new strategic initiative such as Mobile Banking for Small Business (MBSB).

REMUNERATION AND NOMINATION COMMITTEE

The compositions of the Remuneration and Nomination Committee are in compliance with prevailing regulations. The composition of Remuneration and Nomination Committee comprised of independent commissioner as chairman and two members consisting of one commissioner and one executive officer representative from Human Resource Dept. The members of the Remuneration and Nomination Committee as of December 2014 are as follows:

Duties and responsibilities of the Remuneration and Nomination Committee are as follows:

Komite melakukan evaluasi kebijakan remunerasi Commonwealth Bank Indonesia, termasuk peninjauan gaji tahunan dan manajemen bonus kinerja, dan memberi rekomendasi kepada Dewan Komisaris terkait program dan kebijakan remunerasi Commonwealth Bank Indonesia dengan mempertimbangkan beberapa faktor, sebagai berikut:

1. Kinerja keuangan dan reserve fulfillment sesuai peraturan yang berlaku
2. Pencapaian dan kontribusi kerja karyawan
3. Keadilan sesuai *peer group*
4. Pertimbangan target dan strategi jangka panjang PTBC.

Komite juga bertanggung jawab dalam:

1. Menyiapkan dan menyampaikan rekomendasi untuk mekanisme pemilihan dan/atau penggantian anggota Dewan Komisaris dan Direksi kepada Dewan Komisaris untuk disampaikan pada Rapat Umum Pemegang Saham.
2. Menyiapkan dan menyerahkan rekomendasi calon anggota Dewan Komisaris dan/atau Direksi kepada Dewan Komisaris untuk disampaikan pada Rapat Umum Pemegang Saham.
3. Meninjau rekomendasi dari Presiden Direktur dan akan menyusun rekomendasi lebih lanjut kepada Pemegang Saham untuk pengambilan keputusan akhir (jika diperlukan) terkait tinjauan Presiden Direktur atas Kinerja Direksi dan *Top Management*.
4. Menyiapkan dan menyerahkan rekomendasi pihak independen yang akan menjadi anggota Komite Audit dan/atau Komite Pemantau Risiko kepada Dewan Komisaris.

Sepanjang 2014, Komite menyelenggarakan beberapa rapat sebagai berikut:

No	Member	Appointment	Period					
			Feb	April	June	August	Oct	Dec
1	Suwartini	Komisaris Independen Independent Commissioner	✓	✓	✓	✓	✓	✓
2	Geoffrey David Coates	Anggota (Presiden Komisaris) Member (President Commissioner)	✓	✓	-	✓	✓	✓
3	Bagus Harimawan	Anggota (Pejabat Eksekutif SDM) Member (HR Executive Officer)	✓	✓	✓	✓	✓	✓

Committee had conducted an evaluation of the Commonwealth Bank Indonesia's remuneration policy including annual salary review and performance bonus management and provides recommendations to the Board of Commissioners concerning the Commonwealth Bank Indonesia's remuneration program and policy, taking into account several factors, as follows:

1. Financial performance and reserve fulfillment following the prevailing regulations
2. Employee's work achievement and contribution
3. Fairness to the peer group
4. Consideration of Commonwealth Bank Indonesia's long-term target and strategies.

Committee is also responsible for nomination, as follows:

1. Prepare and submit a recommendation on mechanism for selecting and/ or replacing members of the Board of Commissioners and the Board of Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholders.
2. Prepare and submit a recommendation on prospective members of the Board of Commissioners and/ or the Board of Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholders.
3. Review on the recommendation from President Director and will compose further recommendation to the Shareholders for final decision (as necessary) related to President Director review of Directors and Top Management Performance.
4. Prepare and submit a recommendation on independent parties who will become members of Audit Committee and/ or Risk Oversight Committee to the Board of Commissioners.

During year 2014, the Committee has meeting as follows:

Melalui rapat-rapat ini, Komite Remunerasi dan Nominasi mengadakan diskusi dan peninjauan serta memberikan rekomendasi atas hal-hal sebagai berikut:

1. Sehubungan dengan pengunduran diri Ibu Dhien Tjahjani sebagai Direktur Kepatuhan, Komite memberikan rekomendasi kepada Direksi untuk mencari pengganti yang sesuai dan untuk melakukan transisi peran sesuai peraturan yang berlaku.
2. Berdasarkan hasil Fit & Proper Test yang memuaskan, merekomendasikan Ibu Angeline Nangoi sebagai Direktur Kepatuhan kepada Dewan Komisaris untuk rekomendasi lebih lanjut pada RUPS.
3. Memberi rekomendasi kepada Dewan Komisaris terkait penunjukan kembali Bpk. Antonio Da Silva Costa sebagai Presiden Direktur Commonwealth Bank Indonesia untuk periode sebagaimana diatur dalam Anggaran Dasar Bank, yang akan diatur dalam RUPS.
4. Mendukung pelaksanaan usulan Direksi dalam penyesuaian periode penilaian kinerja Komisaris Independen Lokal agar selaras dengan tahun kalender Penilaian Kinerja Direksi dan karyawan Bank.
5. Memberi rekomendasi kepada Direksi untuk mempresentasikan dan mendiskusikan Rencana Penggantian Pejabat Eksekutif, satu tingkat di bawah Presiden Direktur, kepada Komite Remunerasi & Nominasi secara reguler.
6. Merekomendasikan penunjukan kembali Bpk. Teuku Radja Sjahnan sebagai anggota (Pihak Independen) Komite Audit dan Komite Pemantau Risiko.
7. Berkenaan informasi dari Direksi mengenai pengunduran diri Bpk. Ian Phillip Whitehead sebagai Direktur Retail & Wholesale Banking Service, Komite memberi rekomendasi Direksi untuk menunjuk Mr. Antonio Da Silva Costa sebagai Direktur Retail & Wholesale Banking Service dan untuk melakukan proses transisi sesuai peraturan yang berlaku.
8. Penilaian reguler atas Tinjauan Gaji Tahunan dan Rencana Penyesuaian tahun 2015 yang diajukan oleh Direksi.
9. Penilaian reguler atas rencana Bonus Kinerja Tahunan yang diajukan oleh Direksi untuk periode Juli 2013 hingga Juni 2014.

Through these meetings, the Remuneration and Nomination Committee has held discussion and review as well as provide recommendation as follows:

1. With regard to resignation of Mrs. Dhien Tjahjani as Director of Compliance, the Committee recommends the Board of Directors to seek for replacement as appropriate and to progress the role transition as per the applicable regulation.
2. Upon satisfactory result of Fit & Proper Test, recommends Mrs. Angeline Nangoi as Director of Compliance to Board of Commissioner for further recommendation to RUPS.
3. Recommends the Board of Commissioners regarding re-appointment of Mr. Antonio Da Silva Costa as President Director of Commonwealth Bank Indonesia for period as regulated in the Bank's Article of Association, to be stipulated in General Meeting of Stakeholders.
4. Support implementation of the Board of Director's proposal of performance review period adjustment for Local Independent Commissioner to align with the Calendar year of Performance Review for Board of Director and Employee of the Bank.
5. Provide recommendation for the Board of Directors to present and discuss on Succession Planning of Executive Officer-one down level from President Director to the Remuneration & Nomination Committee regularly.
6. Recommends re-appointment for Mr. Teuku Radja Sjahnan as a Member (Independent Party) of Audit and Risk Oversight Committee.
7. With regard to information from the Board of Directors regarding resignation of Mr. Ian Phillip Whitehead as Director of Retail & Wholesale Banking Service, the Committee recommends Board of Directors to appointed Mr. Antonio Da Silva Costa to assume the role as Director of Retail & Wholesale Banking Service and to progress the process of transition as per the applicable regulation.
8. Regular review on Annual Salary Review and Adjustment Plan for 2015 proposed by Board of Directors.
9. Regular review on Annual Performance Bonus plan purposed by the Board of Directors for period July 2013 to June 2014.

Keahlian Anggota Independen Komite

Bpk. Teuku Radja Sjahnan memiliki keahlian dan pengalaman di bidang keuangan dan akuntansi. Beliau juga berpengalaman sebagai anggota Komite Audit di beberapa lembaga bank, seperti PT Bank BNI Tbk, PT Bank Barclays Indonesia, dan PT Bank BNI Syariah. Selain menjabat sebagai anggota independen komite di Commonwealth Bank Indonesia, beliau saat ini menjabat sebagai anggota Komite Audit dan Komite Pemantau Risiko di PT Commonwealth Life. Beliau juga menjadi staf spesialis memberikan jasa konsultasi hasil audit Badan Pemeriksa Keuangan (BPK) atas keuangan negara.

Bpk. Jono Effendi memiliki keahlian di bidang perbankan dan manajemen risiko. Beliau juga memiliki pengalaman sebagai anggota Komite Audit dan Komite Pemantau Risiko selama beberapa tahun di berbagai perusahaan, seperti PT Bank Barclays Indonesia dan Badan Penyehatan Perbankan Indonesia (BPPN). Selain menjabat sebagai pihak independen komite Audit dan komite pemantau risiko di Commonwealth Bank Indonesia, beliau juga menjabat sebagai anggota Komite Audit dan Komite Pemantau Risiko di PT Bank BNP Paribas Indonesia dan juga menjabat sebagai anggota komite audit dan komite pemantau risiko di PT Commonwealth Life, dan juga menjabat sebagai Managing Director di PT Kiran Resources Indonesia.

DIREKSI

Komposisi, Independensi dan Kepemilikan Saham Direksi per Desember 2014

Keanggotaan Direksi Commonwealth Bank Indonesia telah sesuai dengan Peraturan Bank Indonesia terkait *Good Corporate Governance*, termasuk larangan penunjukkan beberapa posisi sekaligus, tidak adanya pemberian surat kuasa kepada pihak lain yang dapat menyebabkan pengalihan tugas dan fungsi Direksi. Seluruh anggota Direksi berdomisili di Indonesia.

Seluruh anggota Direksi tidak memiliki hubungan keuangan atau keluarga dengan anggota Dewan Komisaris, anggota Direksi lainnya dan/atau Pemegang Saham Pengendali Commonwealth Bank Indonesia, dengan demikian tidak mempengaruhi pengambilan keputusan oleh masing-masing Direktur.

Expertise Independent Member of Committee

Mr. Teuku Radja Sjahnan has expertise and experience in finance and accounting. He also has experience as member of Audit Committee in several banks such as PT Bank BNI Tbk, PT Bank Barclays Indonesia, and PT Bank BNI Syariah. While serving as independent member of committee in Commonwealth Bank Indonesia, he currently also works as Audit Committee and Risk Monitoring Committee in PT Commonwealth Life. In addition to that, he also works as staff specialist in providing advisory services in local councils for audit result from state auditing firms on state finance.

Mr. Jono Effendi has expertise in banking and risk management. He also has experience as member of Audit and Risk Oversight Committee for several years in several companies such as PT Bank Barclays Indonesia and Indonesian Bank Restructuring Agency (IBRA). While serving as independent member of Audit Committee and Risk Oversight Committee in PTBC, he also works as member of Audit Committee and Risk Monitoring Committee in PT Bank BNP Paribas Indonesia, also as member of Audit Committee and Risk Oversight Committee in PT Commonwealth Life, and works as Co-Founder Managing Director in PT Kiran Resources Indonesia.

BOARD OF DIRECTORS

Composition, Independency and Share Ownership of the the Board of Directors as of December 2014

The membership of Commonwealth Bank Indonesia Directors is in accordance to Bank Indonesia Regulation regarding Good Corporate Governance including prohibition of multiple appointments, non-existence of letter of authority to other party that may cause the transfer of duties and functions of the Board of Directors. All Directors are residing in Indonesia.

All Directors have no financial or family relationship with a member of the Board of Commissioners, Directors and/or Commonwealth Bank Indonesia's Controlling Shareholders, and thus does not affect the decision-making of each Director.

Tak satu pun dari anggota Direksi memiliki 5% (lima persen) atau lebih modal disetor Commonwealth Bank Indonesia, lembaga bank lain, lembaga keuangan non-bank, dan perusahaan lainnya di dalam atau di luar Indonesia.

Jumlah Direksi per Desember 2014 adalah 5 (lima) anggota, sebagai berikut:

None of the Board of Directors members own 5% (five percent) or more of the paid up capital of Commonwealth Bank Indonesia, other Banks, Non-Bank Financial Institutions, and other companies located inside or outside Indonesia.

The number of the Board of Directors as of December 2014 is 5 (five) members with details as follows:

No.	Nama Name	Penunjukkan Appointment
1	Antonio Da Silva Costa	Presiden Direktur President Director
2	Mia Patria Bernardhi	Direktur Sumber Daya Manusia Director of Human Resources
3	Paul Setiawan Hasjim	Direktur Operasional dan Teknologi Informasi Director of Operations and Information Technology
4	Adhiputra Tanoyo	Direktur Manajemen Risiko Director of Risk Management
5	Angeline Nangoi	Direktur Kepatuhan Director of Compliance

Catatan:

- Ibu Angeline Nangoi diangkat sebagai Direktur efektif per 22 Juli 2014 dan telah memperoleh persetujuan Otoritas Jasa Keuangan sebagaimana tercantum dalam Surat No. SR-114/D.03/2014 tanggal 7 Juli 2014.
- Bpk. Ian Phillip Whitehead telah mengundurkan diri dari jabatannya sebagai Direktur efektif per 30 November 2014 dan telah memperoleh persetujuan RUPS sebagaimana diatur dalam Akta No.79 tanggal 18 November 2014.

Note:

- Ms. Angeline Nangoi appointed as Director effective as of 22 July 2014 and has obtained Financial Service Authority approval as stated in its Letter No. SR-114/D.03/2014 dated 7 July 2014.
- Mr. Ian Phillip Whitehead has been effectively resigned from her position as Director effectively 30 November 2014 and has obtained GMS approval as stipulated in Deed No.79 dated 18 November 2014.

Tugas dan Tanggung Jawab Direksi

- Direksi bertanggung jawab penuh terhadap operasional manajemen Commonwealth Bank Indonesia dan mengelola bisnis sesuai wewenang dan tanggung jawab dalam Anggaran Dasar serta peraturan dan perundangan yang berlaku.
- Direksi bertanggung jawab memastikan penerapan prinsip-prinsip *Good Corporate Governance* dalam semua aspek bisnis Commonwealth Bank Indonesia dan di seluruh level organisasi Commonwealth Bank Indonesia.
- Direksi secara konsisten membahas temuan dan rekomendasi yang dilaporkan oleh Audit Intern, auditor ekstern, dan ulasan OJK dan/atau otoritas lain.
- Direksi mengembangkan dan memastikan pelaksanaan Manajemen Risiko di semua tingkat struktur organisasi Commonwealth Bank Indonesia dan memastikan bahwa fungsi Manajemen Risiko telah beroperasi secara independen.

Duties and Responsibilities of The Board of Directors

- The Directors is fully responsible for the operation of Commonwealth Bank Indonesia's management and manage the business in accordance to the authorities and responsibilities according to the Articles of Association and prevailing rules and regulations.
- The Directors are responsible to ensure that the application of Good Corporate Governance principles in all aspects of Commonwealth Bank Indonesia's business and across all levels of Commonwealth Bank Indonesia's hierarchy.
- The Directors consistently addresses the findings and recommendations reported by the Internal Audit, external auditor, and the reviews of FSA and/ or other authorities.
- The Directors builds and ensures the implementation of Risk Management across all levels of the Commonwealth Bank Indonesia's hierarchy and ensures that the Risk Management functions have operated independently.

e. Direksi melaporkan kinerja dalam menjalankan tugas dan tanggung jawabnya kepada Rapat Umum Pemegang Saham.

Guna meningkatkan efektivitas tugas dan tanggung jawab Direksi sehari-hari, sejak Maret 2012 Bank menetapkan Pedoman Direksi. Pedoman Direksi mengarahkan kegiatan Direksi secara terstruktur, sistematis dan konsisten

Rapat Direksi

Per 31 Desember 2014, Direksi menyelenggarakan total 36 kali rapat, dengan detail sebagai berikut:

No.	Nama Name	Jumlah Kehadiran Rapat Direksi Attendance of BOD Meeting
1	Antonio da Silva Costa	35
2	Ian Phillip Whitehead	20
3	Mia Patria	36
4	Dhien Tjahajani	5
5	Paul Setiawan Hasjim	36
6	Adhiputra Tanoyo	27
7	Angeline Nangoi*	25

Catatan:

* Ibu Angeline Nangoi diangkat sebagai Direktur efektif per 22 Juli 2014. Beliau menghadiri Rapat Direktur pada Maret-Juli 2014 sebagai Kepala Divisi Kepatuhan.

e. The Directors reports its performance in fulfilling its duties and responsibilities to the General Meeting of Shareholders.

To improve the effectiveness of daily duties and responsibilities of the Directors, starting in March 2012 the Board of Directors Manual has been established. The manual provides guidelines for Directors activities in a structured, systematic and consistent manner.

Meeting of the Board of Directors

As of 31 December 2014, the Board of Directors held a total of 36 meetings, with detail of attendance as follows:

Note:

* Ms. Angeline Nangoi appointed as Director effective as of 22 July 2014. He attended Directors Meeting in March – July 2014 as Chief of Compliance.

Sepanjang 2014, agenda rapat Direksi di antaranya membahas:

- Peraturan Baru dan dampak peraturan tersebut bagi Commonwealth Bank Indonesia
- Revisi Rencana Bisnis Bank 2014-2016 serta Rencana Bisnis 2015-2017
- Laporan Keuangan Audited tahun 2013
- Laporan Keuangan Publikasi 2014
- Peningkatan kualitas GCG dan perbaikan kualitas pemantauan risiko tertentu atas Risiko Kredit, Operasional dan Kepatuhan
- Kinerja Bisnis dan Keuangan pada 2014
- Relokasi cabang dan peningkatan proses
- Keluhan pelanggan terutama yang berpotensi meningkat menjadi kasus hukum
- Aktivitas untuk meningkatkan produktivitas dan efisiensi, antara lain terkait sistem *core banking* baru
- Tindak lanjut audit intern, ekstern, dan temuan auditor Otoritas Jasa Keuangan
- Hal-hal yang berkaitan dengan operasional, teknologi informasi, dan sumber daya manusia
- Laporan kunjungan ekspatriat

During 2014, the Board of Directors meeting agenda, among others covered discussion as follows:

- New Regulations and the impacts of the regulation to Commonwealth Bank Indonesia
- Bank Business Plan revision 2014-2016 as well as Business Plan 2015-2017
- Bank's Audited Financial Statement year 2013
- Bank's Published Financial Report year 2014
- Improvement GCG quality and improvement on the risk monitoring quality specific on Credit Risk, Operational Risk and Compliance Risk
- Business and Financial Performance year 2014
- Branch relocation and upgrading process
- Customer complaint especially that potentially increase become legal case
- Activities to improve productivity and efficiency among others related to new Core banking system
- Follow ups on internal audit, external, and Financial Service Authority's auditor's findings
- Matters related to operational, information technology, and human resources
- Expatriate visit report

KOMITE-KOMITE

Dalam pelaksanaan tugasnya, Direksi didukung oleh beberapa komite, sebagai berikut:

- a. *Executive Risk Committee*
- b. *Asset and Liability Committee*
- c. Komite Kredit
- d. Komite Pengarah Teknologi Informasi
- e. Komite Integritas
- f. Komite Produk
- g. Komite Risiko Operasional
- h. *People Committee*
- i. *Retail Network Review Committee (RNR)*

EXECUTIVE RISK COMMITTEE (ERC)

Tujuan ERC adalah untuk membantu Direksi dan Manajemen dalam memantau dan mengelola Risiko Kredit, Pasar, Hukum, Likuiditas, Reputasi, Strategis, Operasional dan Kepatuhan, guna memastikan kesesuaian dengan kebijakan internal dan persyaratan Bank Indonesia

Komposisi

Ketua: Direktur Manajemen Risiko

Anggota:

Direksi atau pemegang jabatan senior setara di Commonwealth Bank Indonesia,:

- Presiden Direktur
- Chief of Finance
- Audit (anggota non-voting)
- Kepatuhan dan Hukum
- Sumber Daya Manusia
- Operasional dan Teknologi
- Global Market

Tugas dan Tanggung Jawab

1. Menjamin pelaksanaan kerangka kerja manajemen risiko Bank secara efektif melalui:
 - Mengkaji dan mendukung kerangka kerja manajemen risiko Bank, yang termasuk namun tidak terbatas pada kerangka *Internal Capital Adequacy Assessment Process*, *Pernyataan Risk Appetite*, dokumen Risiko Material, dan *Key Risk Indicators (KRI)* Bank.
 - Memantau efektivitas fungsi masing-masing komite risiko, yang mencakup namun tidak terbatas pada aktivitas meninjau dan mendukung penerapan piagam masing-masing, secara berkala meninjau KRI masing-masing komite, meninjau dan mendukung dokumen kebijakan dan prosedur, meninjau

COMMITTEES

In the execution of its duties, the Board of Directors is supported by several committees as follows:

- a. Executive Risk Management Committee
- b. Asset and Liability Committee
- c. Credit Committee
- d. IT Steering Committee
- e. Integrity Committee
- f. Product Committee
- g. Operational Risk Committee
- h. People Committee
- i. Retail Network Review Committee (RNR)

EXECUTIVE RISK COMMITTEE (ERC)

Purpose of ERC is to assist the Board of Directors and Management in monitoring and managing Credit Risk, Market Risk, Legal Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Operational and Compliance Risk, to ensure consistency with internal policies and Bank Indonesia requirement.

Composition

Chairman: Director Risk Management

Member:

The Board of Directors or equivalent holder of these senior positions within Commonwealth Bank Indonesia:

- President Director
- Chief of Finance
- Audit (non-voting member)
- Compliance and Legal
- Human Resource
- Operations and Technology
- Global Market

Duties and Responsibilities

1. Ensure the effective implementation of the Bank's risk management frameworks by:
 - Reviewing and endorsing the Bank's risk management frameworks, which include but are not limited to the *Internal Capital Adequacy Assessment Process* framework, the *Risk Appetite Statement*, the *Material Risk* document, and the Bank's *Key Risk Indicators (KRI)*.
 - Monitoring the effectiveness of each risk committee's functions, which include but are not limited to reviewing and endorsing their respective charters, periodically reviewing each committee's KRIs, reviewing and endorsing policy and procedure documents, reviewing action plans proposed by committees and

rencana tindak yang diusulkan komite-komite tersebut dan memastikan pelaksanaannya sesuai standar yang telah disepakati.

2. Memberikan arahan tingkat tinggi dan panduan untuk setiap area risiko dengan:
 - Mengkaji dan mendukung laporan profil risiko masing-masing area risiko.
 - Mengkaji dan mendukung dokumen kebijakan dan prosedur.
 - Mengkaji setiap pelanggaran di ambang batas KRI dan temuan audit.
 - Menjadi titik eskalasi bagi komite atas semua hal yang terkait manajemen risiko, yang meliputi namun tidak terbatas pada insiden risiko yang signifikan dan penyimpangan ad-hoc dalam kebijakan dan prosedur (masukkan pengecualian – yang di luar lingkup – menggunakan contoh).
3. Memberikan dukungan atas dokumen yang perlu diajukan kepada Komite Pemantau Risiko, yang mungkin mencakup dokumen kebijakan dan prosedur dan penyimpangan dari kebijakan dan prosedur yang ada.

ASSET AND LIABILITY COMMITTEE (ALCO)

Tujuan pembentukan ALCO adalah untuk mengawasi risiko pasar, manajemen banking book, strategi pendanaan dan pinjaman, dan kebijakan dan metodologi manajemen modal yang digunakan oleh Commonwealth Bank Indonesia dan untuk memastikan konsistensi antara risiko dan tujuan modal Dewan Komisaris dengan risiko pasar dan prinsip-prinsip manajemen modal dan kebijakan Commonwealth Bank Indonesia.

Komposisi

Ketua: Chief of Global Market

Anggota:

- Presiden Direktur
- Chief Financial Officer
- Direktur Operasional & TI
- Direktur Perbankan Ritel dan Bisnis
- Direktur Manajemen Risiko
- Dua orang perwakilan Kepala Unit Bisnis di bawah Perbankan Ritel dan Bisnis

ensuring their implementation according to agreed standards.

2. Provide high-level direction and guidance for each risk area by:
 - Reviewing and endorsing each risk area's risk profile reports.
 - Reviewing and endorsing policy and procedure documents.
 - Reviewing any breaches in KRI thresholds and audit findings.
 - Becoming a point of escalation for committees on all matters related to risk management, which include but not limited to significant risk incidents and ad-hoc deviations on policy and procedures (insert exclusion – out of scope – use example).
3. Provide endorsements for documents that need to be tabled for the Risk Oversight Committee, which could include policy and procedure documents and deviations from existing policy and procedure documents.

ASSET AND LIABILITY COMMITTEE (ALCO)

The purpose of ALCO is to oversee the market risk, banking book management, funding and lending strategy, and capital management policies and methodologies used within Commonwealth Bank Indonesia and to ensure consistency between the risk and capital objectives of the Board of Commissioners and the market risk and capital management principles and policies of the Commonwealth Bank Indonesia.

Composition

Chairman: Chief of Global Market

Member:

- President Director
- Chief Financial Officer
- Director of Operations & IT
- Director of Retail and Wholesale Banking
- Director of Risk Management
- Two representative from Business Heads under Retail and Wholesale Banking (RBB)

ALCO memiliki standing attendee, yaitu Kepala Tresuri dan Kepala Risiko Pasar serta attendee lainnya dari unit bisnis yang diperlukan. Direktur Kepatuhan (atau pengganti yang ditunjuk) akan diundang ke rapat ALCO sebagai pengamat.

Tugas dan Tanggung Jawab

- Meninjau usulan kebijakan dan metodologi untuk persetujuan Komite Risiko. Tinjauan termasuk atas perubahan campuran atau sasaran modal, manajemen likuiditas, pembiayaan, penempatan/ investasi, transfer pricing, risiko pasar *traded* and *non-traded* ;
- Menyetujui sasaran dan strategi perubahan pengelolaan modal dan risiko pasar *non-traded* yang menjadi otoritas Presiden Direktur;
- Menyetujui investasi modal dan/ persyaratan dividen oleh/untuk pemegang saham;
- Mengawasi dan menjamin bahwa kualitas aset senantiasa baik;
- Mengawasi kepatuhan kebijakan, posisi modal, dan eksposur risiko;
- Mengawasi kinerja bisnis yang terkait arah dan penjelasan *net interest margin bank* dan *total banking margin*; dan
- Mengawasi kepatuhan akan persyaratan peraturan dan perundangan yang berlaku.

KOMITE KREDIT (KK)

Tujuan adanya Piagam Komite Kredit adalah untuk memastikan pengambilan dan pengawasan keputusan kredit yang prudent yang sesuai *risk appetite* Commonwealth Bank Indonesia. KK merupakan komite operasional yang membantu Direksi dalam evaluasi dan/atau pengambilan keputusan Aplikasi Kredit berdasarkan jumlah dan jenis kredit yang disetujui Direksi.

Komposisi

Anggota KK dengan hak voting:

- Presiden Direktur (Ketua)
- Kepala Wholesale Banking
- Kepala SME Banking

Anggota tanpa hak voting

- Direktur Manajemen Risiko
- Kepala Risiko Kredit atau Delegatesnya (Laporan Langsung)

ALCO has standing attendee for, namely, Head of Treasury and Head of Market Risk and other attendee from business as necessary. Compliance Director (or nominated alternative) will be invited to ALCO meeting as observer.

Duties and Responsibilities

- Review proposed policies and methodologies for Risk Committee approval. These include changes in capital mix or target, liquidity management, funding, placement/ investment, transfer pricing, traded and non-traded market risk;
- Approve target and strategy changes for capital management and non-traded market risk subject to the President Director’s delegated authority;
- Approve investment of capital and/ dividend requirements by/ for shareholders;
- Oversight and assurance that assets quality remains in good condition at all times;
- Oversight policy compliance, capital position and risk exposures;
- Oversight business performance addressing the direction and explanation of banking net interest margin and the total banking margin; and
- Oversight compliance with relevant regulatory and statutory requirements.

CREDIT COMMITTEE (CC)

The purpose of Credit Committee Charter is to ensure prudent credit decisionmaking and monitoring that in line with Commonwealth Bank Indonesia’s risk appetite. CC is an operational committee that assists Directors in evaluating and or decision making of Credit Application for the sums and type of credit approved by Directors.

Composition

Voting CC Members:

- President Director (Chairman)
- Head of Wholesale Banking
- Head of SME Banking

Non-Voting Members

- Director of Risk Management
- Head of Credit Risk or Delegate (Direct Report)

Turut bergabung

- Direktur Kepatuhan (Observer)
- Kehadiran dari tim Risiko Kredit oleh anggota tanpa hak voting menjadi hal perlu guna memberikan pandangan dan rekomendasi seimbang atas tiap proposal yang diserahkan dalam rapat KK,
- KK dapat mengundang Eksekutif lainnya menghadiri sebagian atau seluruh rapat.
- Jika Presiden Direktur tidak dapat memimpin komite, Kepala Wholesale Banking akan menjadi ketua rapat. Dalam kapasitasnya ini, Kepala Wholesale Banking tidak dapat mendelegasikan wewenangnya lebih lanjut.

Tugas dan Tanggung Jawab

- Menyetujui atau menolak aplikasi kredit sesuai dengan batas-batas yang telah ditentukan oleh Direksi.
- KK harus membentuk sub-komite untuk mendelegasikan wewenang dalam pengambilan keputusan kredit.
- Berkoordinasi dengan Assets and Liabilities Committee (ALCO) dalam pendanaan kredit.
- Mematuhi tingkat kecukupan ketentuan penghapusbukuan dan aturan klaim penghapusbukuan, kredit kepada pihak terkait. Pernyataan atas hal ini harus berasal dari Direksi.
- Menyusun Standar Operasional Prosedur untuk rincian tugas dan tanggung jawabnya.
- Meninjau dan mendukung semua kebijakan kredit terkait termasuk penyimpangan kebijakan
- Sekurang-kurangnya KK bertugas:
 - a. Menjalankan fungsinya dalam memberi persetujuan/penolakan kredit berdasarkan profesionalisme, kejujuran, objektivitas, dan akurasi.
 - b. Menolak permintaan dan atau pengaruh dari pihak-pihak terkait kepada pemohon kredit dalam proses pencairan kredit.

KOMITE PENGARAH TEKNOLOGI INFORMASI (KPTI)

Tujuan KPTI adalah untuk membantu Dewan Komisaris dan Direksi dalam memantau kegiatan terkait TI melalui penyelarasan Rencana Strategis Teknologi Informasi dengan strategi bisnis Commonwealth Bank Indonesia, pengoptimalan manajemen sumber daya, IT *value delivery*, pengukuran kinerja dan penerapan manajemen risiko yang efektif.

In Attendance

- Director of Compliance (Observer)
- Attendance by Credit Risk team as non-voting members is necessary to provide a balanced view and recommendation on each proposal submitted to CC meeting,
- The CC may invite other executives to attend for part or whole of the meeting.
- In an event where President Director is unable to chair the committee, Head of Wholesale Banking will chair the meeting. In this capacity, Head of Wholesale Banking cannot delegate further his authority.

Duties and Responsibilities

- Approve or disapprove credit applications in accordance to limits pre-determined by Directors.
- CC must define subcommittees to delegate its authorities in credit decision making.
- Coordinate with Assets and Liabilities Committee (ALCO) in credit funding.
- Comply with the adequate level of provision for write off and claim write off regulation, credit to related party. Acknowledgement for these matters must be obtained from Directors.
- Develop detailed Standard Operating Procedure for its duties and responsibilities.
- Review and support all related credit policy including any deviation to policies
- At the minimum CC is obliged to:
 - a. Perform its functions in credit approval/ disapproval based on professionalism, honesty, objectivity, and accuracy.
 - b. Refuse any request and or influence from related parties to credit applicant in credit disbursement process.

INFORMATION TECHNOLOGY STEERING COMMITTEE (ITSC)

The purpose of ITSC is to assist the Board of Commissioners and Directors in monitoring IT related activities through an alignment of Information Technology Strategic Plan with Commonwealth Bank Indonesia’s business strategy, optimization of resources management, IT value delivery, performance measurement and effective risk management implementation.

Komposisi

Ketua: Chief Technology Officer

Anggota:

- Direktur Operasional dan TI
- Direktur Perbankan Ritel dan Bisnis
- Direktur Manajemen Risiko
- Chief of Finance
- Chief Audit Executive
- Chief of Global Market
- Enterprise Project Management Office (EPMO)
- Kepala Unit dari Commonwealth Bank Indonesia (sesuai kebutuhan hadir dalam rapat)

Tugas dan Tanggung Jawab

- Memberikan rekomendasi Rencana Teknologi Informasi (TI) agar selaras dengan rencana strategis bisnis Commonwealth Bank Indonesia.
- Memberikan rekomendasi kesesuaian proyek TI yang disetujui dan atas rencana strategis TI dan menentukan status prioritas proyek TI
- Memberikan rekomendasi kesesuaian antara pelaksanaan proyek TI dan rencana proyek yang disepakati dalam perjanjian tingkat layanan
- Memberikan rekomendasi kesesuaian TI dengan kebutuhan Sistem Informasi Manajemen dan kegiatan usaha Commonwealth Bank Indonesia
- Direkomendasikan untuk melakukan pengawasan kinerja TI dan upaya-upaya perbaikan
- Memberikan rekomendasi pada upaya penyelesaian berbagai isu yang berkaitan dengan TI yang tidak dapat diselesaikan pengguna dan Unit TI secara efektif, efisien dan tepat waktu
- Memberikan rekomendasi terkait roadmap pencapaian kebutuhan TI untuk mendukung strategi bisnis Commonwealth Bank Indonesia
- Memberikan rekomendasi pada perumusan kebijakan dan prosedur TI dan manajemen risiko terkait IT
- Memberikan rekomendasi atas kecukupan dan alokasi sumber daya Commonwealth Bank Indonesia

KOMITE INTEGRITAS

Tujuan pembentukan Komite Integritas adalah untuk mengelola Strategi Anti Fraud Commonwealth Bank Indonesia, termasuk korupsi dan pelanggaran, melalui Integrity Programmed.

Composition

Chairman: Chief Technology Officer

Member:

- Director of Operations and IT
- Director of Retail and Wholesale Banking
- Director of Risk Management
- Chief of Finance
- Chief Audit Executive
- Chief of Global Market
- Enterprise Project Management Office (EPMO)
- Heads within Commonwealth Bank Indonesia (as required to present during the meeting)

Duties and Responsibilities

- Provide recommendation on Information Technology (IT) Plan to be in line with Commonwealth Bank Indonesia's business strategic plan.
- Provide recommendation on the suitability of the approved IT projects and IT strategic plan and determine the critical priority status of the IT project
- Provide recommendation on suitability between the implementation of IT projects and the project charter plan agreed upon in the service level agreement
- Provide recommendation on suitability of the IT with the need of Management Information System and Commonwealth Bank Indonesia's business activities
- Recommended on the monitoring of IT performance and efforts to improve
- Provide recommendation on the effort of various issues settlement related to IT that cannot settle by user and IT unit effectively, efficiently and timely basis
- Provide recommendation on the road map to achieve IT requirements to support Commonwealth Bank Indonesia's business strategy
- Provide recommendation on the formulation of IT policy and procedure and risk management related to IT
- Provide recommendation on the adequacy and allocation of Commonwealth Bank Indonesia's resource

INTEGRITY COMMITTEE

Purpose of Integrity Committee is to manage Commonwealth Bank Indonesia's Anti Fraud Strategy including corruption and misconduct through the Integrity Programmed.

Komposisi

Ketua: Presiden Direktur

Anggota:

- Direktur Operasional dan Teknologi Informasi
- Direktur Manajemen Risiko
- Direktur Kepatuhan
- Direktur Sumber Daya Manusia
- Direktur Perbankan Ritel dan Bisnis
- Kepala Risiko Operasional
- Manajer Kejahatan Keuangan
- Chief Audit Executive (Pemantau)

Tugas dan Tanggung Jawab

- Mengelola dan mengawasi pelaksanaan Strategi Anti Fraud Commonwealth Bank Indonesia dan semua kebijakan, prosedur dan praktik-praktik yang terkait
- Mengkaji laporan tindak penyimpangan, korupsi atau pelanggaran dalam tubuh Bank dan mengarahkan tindak lanjut yang sesuai
- Mempertimbangkan hasil penyelidikan tindak penyimpangan, korupsi atau pelanggaran dan menentukan tindakan disipliner atau tindakan lainnya yang harus diambil dan oleh siapa
- Memastikan bahwa setiap departemen yang memiliki kebijakan atau prosedur yang berhubungan langsung atau tidak langsung dengan pencegahan dan mitigasi tindak penyimpangan, korupsi atau pelanggaran telah secara aktif terlibat dalam pelaksanaan kebijakan dan prosedur tersebut
- Dengan sungguh-sungguh membuat keputusan atau rekomendasi sehubungan dengan hal-hal lain yang berdampak pada kemampuan Commonwealth Bank Indonesia dalam mencegah dan mengurangi tindak penyimpangan, korupsi dan kesalahan

KOMITE PRODUK

Tujuan pembentukan Komite Produk adalah:

- Meninjau dan menyetujui produk baru Commonwealth Bank Indonesia atau kegiatan sebelum peluncuran produk atau aktivitas baru; atau
- Meninjau dan menyetujui ulang produk atau kegiatan Commonwealth Bank Indonesia yang ada; atau
- Meninjau dan menyetujui penghentian atau pemberhentian sementara produk atau kegiatan Commonwealth Bank Indonesia yang ada.

Composition

Chairman: President Director

Member:

- Director, Operations and Information Technology
- Director of Risk Management
- Compliance Director
- Director, Human Resource
- Director, Retail and Wholesale Banking
- Head of Operational Risk
- Financial Crime Manager
- Chief Audit Executive (Observer)

Duties and Responsibilities

- Manage and oversight of the implementation of Commonwealth Bank Indonesia's Anti Fraud Strategy and all of the associated policies, procedures and practices
- Review report of fraud, corruption or misconduct within the Bank and direct the appropriate course of actions
- Consider the result of any investigation into fraud, corruption or misconduct and determine what disciplinary or other action should be taken and by whom
- Ensure that each department that has policy or procedure related directly or indirectly to the prevention and mitigation of fraud, corruption or misconduct are actively engaged in the execution of those policy and procedure
- Deliberate upon and made decision or recommendation in relation to, any other matters that impact upon the Commonwealth Bank Indonesia's ability to prevent and mitigate fraud, corruption and misconduct

PRODUCT COMMITTEE

The purposes of Product Committee are:

- To review and approve Commonwealth Bank Indonesia's new products or activities prior the launching of new products or activities; or
- To review and re-approve the Commonwealth Bank Indonesia's existing products or activities; or
- To review and approve termination or temporary cease of the Commonwealth Bank Indonesia's existing products or activities.

Komposisi

Ketua: Kepala Divisi *Wealth Management* and Business Strategy

Anggota dengan hak voting:

- Presiden Direktur
- Direktur/Chief of Risk Management
- Direktur/Chief of Operations and IT
- Direktur /Chief of Finance
- Kepala *Wealth Management* and Business Strategy

Anggota tanpa hak voting:

- Direktur Kepatuhan
- Chief of Global Market*
- Chief Technology Officer*
- Kepala Divisi Retail Banking Services*
- Kepala Divisi Wholesale Banking*
- Kepala Divisi Small Medium Enterprise*
- Kepala Divisi Digital Channels*
- Kepala Divisi Global Transaction Services*

Tamu anggota yang turut berkontribusi:

- Kepala Divisi Regulatory Affairs
- Kepala Divisi Legal
- Kepala Divisi Operation
- Kepala Divisi Finance
- Kepala Divisi Operational Risk
- Kepala Divisi Market Risk
- Kepala Divisi Applications Management (IT)
- Kepala Divisi Product for Asset / Liabilities / Investment / Bancassurance / Emerging Channel / Global Transaction Services*

Komite Produk dapat mengundang eksekutif lainnya untuk menghadiri sebagian atau seluruh pertemuan.
Note: *) Sesuai produk-produk atau kegiatan atau usaha terkait yang sedang dibahas dan diusulkan

Tugas dan Tanggung Jawab

- Melindungi Bank akan risiko reputasi.
- Melindungi kepentingan nasabah.
- Memastikan semua produk dan kegiatan sesuai *risk appetite* PTBC.
- Memastikan seluruh produk dan kegiatan sesuai peraturan dan kebijakan internal dan eksternal.
- Memastikan identifikasi dan mitigasi risiko yang memadai pada semua fitur produk dan proses, guna memastikan bahwa PTBC mampu mendukung pengoperasian produk atau kegiatan secara benar, yang termasuk namun tidak terbatas pada aspek TI, Operasional, Sistem, Akuntansi,

Composition

Chairman: Head of *Wealth Management* and Business Strategy

Voting Members:

- President Director
- Director/Chief of Risk Management
- Director/Chief of Operations and IT
- Director/Chief of Finance
- Head of *Wealth Management* and Business Strategy

Non-voting members:

- Director of Compliance
- Chief of Global Market*
- Chief of Technology Officer *
- Head of Retail Banking Services*
- Head of Wholesale Banking*
- Head of Small Medium Enterprise*
- Head of Digital Channels*
- Head of Global Transaction Services*

Guests as contributing members:

- Head of Regulatory Affairs
- Head of Legal
- Head of Operation
- Head of Finance
- Head of Operational Risk
- Head of Market Risk
- Head of Applications Management (IT)
- Head of Product for Asset / Liabilities / Investment/ Bancassurance / Emerging Channel / Global Transaction Services*

The Product Committee may invite other executives to attend for part or whole of the meeting.
Note: *) Subject to related products or activities or business that being discussed and proposed

Duties and Responsibilities

- ProteProtect reputation risk of the Bank.
- Protect the customers' interest.
- Ensure all products and activities are within the PTBC's risk appetite.
- Ensure all products and activities meet internal and external regulations and policies.
- Ensure adequate risk identification and mitigation of all product features and process, to ensure that the PTBC is able to properly support the operation of the products or activities including but not limited with IT, Operation, System, Accounting, Tax, Legal, Compliance, and take

Pajak, Hukum, Kepatuhan, dan melakukan perubahan produk atau kegiatan yang dapat berdampak pada salah satu aspek tersebut.

- Mengkaji dan menyetujui produk dan aktivitas baru
- Memutuskan dan/atau menyetujui fitur-fitur dan komisi produk.
- Mengkaji dan menyetujui kembali produk atau kegiatan dalam:
 - a. Rapat semi tahunan yang dilakukan oleh Product Manager, atau
 - b. Rapat adhoc untuk produk atau kegiatan yang memiliki perubahan dan dampak besar terhadap risiko Bank.
- Berdasarkan rapat-rapat tersebut, Komite Produk mengambil keputusan bila PTBC akan melanjutkan atau menghentikan atau memberhentikan sementara produk atau kegiatan yang ada.
- Memberikan rekomendasi perbaikan kebijakan dan prosedur produk.

KOMITE RISIKO OPERASIONAL (KRO)

Tujuan pembentukan KRO adalah untuk mendukung ERC dalam mengevaluasi dan memantau efektivitas pelaksanaan manajemen risiko operasional meminimalkan dan mengurangi risiko dalam kegiatan operasional

Komposisi

Ketua: Direktur Operasional dan Teknologi Informasi

Anggota

- Direktur Manajemen Risiko (1st Vice Chairman)
- Direktur Perbankan Ritel dan Bisnis (2nd Vice Chairman)
- Chief of Finance
- Direktur Sumber Daya Manusia
- Chief Technology Officer
- Chief of Global Markets
- Chief Audit Executive (anggota tanpa hak voting)
- Direktur Kepatuhan (anggota tanpa hak voting)
 - Kepala Divisi di Commonwealth Bank Indonesia yang bertanggung jawab atas:
 - Risiko Operasional (Sekretaris)
 - Teknologi Informasi
 - Operasional
 - Operasional Sumber Daya Manusia
 - Perbankan Ritel Bisnis

particulate of changes in products or activities which may impact any of the items above.

- Review and approve new products and activities
- Decide and/or approve on the product features and commission.
- Review and re-approve existing products or activities in:
 1. Semi-annual meeting conducted by Product Manager, or
 2. Ad hoc meeting for products or activities, which have substantial changes and impact to the risk of the Bank.
- Based on these meeting, Product Committee decides whether the Bank will continue or terminate or temporary cease existing products or activities.
- Provide recommendation to improve the product policy and procedures..

OPERATIONAL RISK COMMITTEE (ORC)

The purpose ORC is to support ERC in evaluating and monitoring effectiveness of the implementation of operational risk management in regards to minimize and mitigate risk in operational activities.

Composition

Chairman: Director of Operations and Information Technology

Member

- Director of Risk Management (1st Vice Chairman)
- Director of Retail and Wholesale Banking (2nd Vice Chairman)
- Chief of Finance
- Director of Human Resources
- Chief of Technology Officer
- Chief of Global Markets
- Chief of Audit Executive (non-voting member)
- Compliance Director (non-voting member)
 - Heads within Commonwealth Bank Indonesia who are responsible for:
 - Operational Risk (Secretary)
 - Information Technology
 - Operations
 - Human Resource Operations
 - Retail Wholesale Banking

Tugas dan Tanggung Jawab

- Meninjau dan menyetujui seluruh kebijakan dan prosedur terkait risiko operasional
- Mengevaluasi dan menyetujui ambang dan batas risiko operasional
- Mengkaji dan mengkinikan isu dan masalah risiko operasional, yang meliputi *control weaknesses* dan akar masalah insiden penyimpangan. Sebagai bagian dari pengkinian, lakukan pemantauan progress tindakan.
- Mengevaluasi dan mengkaji efektivitas pengendalian
- Membuat kebijakan guna mengatasi situasi khusus yang berhubungan dengan risiko operasional sedemikian rupa agar sesuai dengan Pernyataan *Risk Appetite*.
- Mengkaji Indikator Risiko Utama; *Control Self-Assessment* Risiko; Pengujian Kontrol dan laporan *Loss Event Data*.
- Mengkaji temuan kunci yang dilaporkan oleh auditor intern, auditor ekstern dan unit pengendali yang berdampak pada risiko operasional dan memastikan ada tindakan korektif yang diambil
- Memantau dan melaporkan risiko operasional yang signifikan kepada Executive Risk Committee (ERC)
- Melaporkan dan menginformasikan efektivitas penerapan manajemen risiko operasional kepada ERC
- Hal-hal mendesak atau penting lainnya harus diputuskan oleh ORC
- Mengembangkan dan menjaga budaya risiko PTBC

PEOPLE COMMITTEE

Komite ini bertanggung jawab membantu Dewan Komisaris / Komite Remunerasi & Nominasi memenuhi tanggung jawab pengawasan atas Direksi dan Pejabat Eksekutif untuk hal-hal seperti:

- Pengangkatan (Rekrutmen, Rotasi, Promosi)
- Penilaian Kinerja
- Talent Management terkait dengan pengembangan karir, Retention Strategies, dan Perencanaan *Succession Management*.

Ketua:
Direktur SDM

- Anggota:
- Presiden Direktur
 - Direktur Operasional dan TI
 - Direktur Perbankan Ritel dan Bisnis

Duties and Responsibilities

- Review and approve of all operational risk related policies and procedures
- Evaluate and approve of operational risk threshold and limit
- To review and update operational risk issues and problems, which includes control weaknesses and root causes on fraud incidents. As part of the update, conduct monitoring of the progress on action.
- Evaluate and review effectiveness of control
- To make policy decisions to address specific situations related to operational risk such that it is in accordance to Risk Appetite Statement.
- To review the Key Risk Indicators; Risk Control Self-Assessment; Control Testing and Loss Event Data report.
- To review key findings reported by internal auditors, external auditors and control unit which have an operational risk impact and ensure that corrective action are taken
- Monitor and report to the Executive Risk Committee (ERC) on significant operational risk
- Report and update to the ERC on effectiveness of operational risk management implementation
- Any other urgent or critical matters that should be decided by ORC
- Develop and maintain the PTBC's risk culture.

PEOPLE COMMITTEE

The Committee is responsible to assist Board of Commissioner / Remuneration & Nomination Committee to fulfill the supervision responsible for Board of Director and Executive Officer such as:

- Appointment (Recruitment, Rotation, Promotion)
- Performance Evaluation
- Talent Management related to Career development, Retention Strategies, and Succession Management planning.

Chairman:
HRD Director

- Member:
- President Director
 - Director of IT and Operations
 - Director of RBB

- Direktur Manajemen Risiko
- Direktur Kepatuhan
- Chief of Financial
- HR Senior Officer (bertindak sebagai sekretaris)

Deskripsi Pekerjaan dan Tanggung Jawab

- People Committee akan terus mengawasi rencana Manajemen Bank mencetak penerus (termasuk mengkaji kebijakan yang ada) untuk posisi Presiden Direktur / Direksi / Pejabat Eksekutif dan pengganti Presiden Direktur / Direksi / Pejabat Eksekutif dalam disfungsi jabatan atau pensiun, dan melakukan evaluasi terkait dengan perluasan rencana pengganti Presiden Direktur / Direksi / Pejabat Eksekutif.
- People Committee akan terus mengkaji praktik-praktik umum Bank mendukung keragaman di tempat kerja.
- People Committee akan mengkaji visi / misi / nilai-nilai Bank dan program yang mendorong motivasi dan kepuasan karyawan

RETAIL NETWORK REVIEW COMMITTEE (RNR)

Komite ini dibentuk untuk membuat keputusan strategis dari kantor bank yang ada, kantor bank baru, dan renovasi kantor bank. Keputusan dari Retail Network Review Committee (RNR) akan didasarkan pada analisa yang disediakan oleh fungsi / unit terkait di PTBC sebagaimana ditentukan kemudian didalam peran dan tanggung jawab.

Komposisi

Ketua:
Kepala Divisi Retail Banking Services

Anggota dengan hak voting:

- Presiden Direktur
- Direktur / Director of Operations and IT
- Chief of Finance
- Kepala Divisi Retail Banking Services

Anggota tanpa hak voting:

- Finance Business Partner
- Kepala Divisi Security, BCM and PFM
- Kepala Wealth Management & Business Strategy
- Kepala Divisi Business Analytics and Strategy
- Kepala Divisi Procurement and Vendor Management

- Director of Risk Management
- Compliance Director
- Chief of Financial
- HR Senior Officer (acting like secretary)

Job Description and Responsible

- People Committee will continue to supervise the Company Management planning for creating a successor (including reviewing the existing policy) for the positions of President Director / Board of Directors / Executive Officer and successor in disfunction or retirement of President Director / Board of Directors / Executive Officer, and evaluation related to expansion planning successor for President Director / Board of Directors / Executive Officer.
- People Committee will continue to review the Company common practice due to support the diversity in the workplace.
- People Committee will review vision / mission / Company values and program to support the employee motivation and satisfaction.

RETAIL NETWORK REVIEW COMMITTEE (RNR)

The Committee is formed to make the strategic decisions of the existing bank office, new bank office, and renovation of the bank office. the decision of Retail Network Review (RNR) Committee will be based on the analysis provided by the function / unit in PTBC as determined later in the roles and responsibilities

Composition

Chairman:
Head of Retail banking Services

Voting member:

- President Director
- Director of Operations and IT
- Chief of Finance
- Head of Retail Banking Services

Non-voting member:

- Finance Business Partner
- Head of Security, BCM and PFM
- Head of Wealth Management & Business Strategy
- Head of Business Analytics and Strategy
- Head of Procurement and Vendor Management

Tugas dan Tanggung Jawab

Peran dan Tanggung Jawab berdasarkan fungsi didefinisikan atas dasar jenis kantor yang direview: pembaharuan kantor yang ada, kantor baru / penutupan, dan renovasi kantor/fit-out. Substansi peran dan fungsi terkait dengan tanggung jawab divisi terkait akan visible bagi team Retail Banking Services untuk menjalankan tugasnya sebagai Project Owner yang mengawasi, proses end-to-end Retail Network Review berdasarkan proses updatedan monitoring yang komprehensif yang dilakukan oleh PFM sebagai Project Coordinator. Apabila ada isu yang muncul di luar pertemuan RNR yang sudah dijadwalkan, Project Owner dan Project Coordinator bertanggung jawab untuk mengeksekalsikan secara tepat waktu.

HUBUNGAN KEUANGAN DAN / ATAU IKATAN KELUARGA HINGGA GENERASI KE-DUA DENGAN ANGGOTA DEWAN KOMISARIS DAN / ATAU ANGGOTA DIREKSI ATAU HUBUNGAN LAINNYA

Sesuai dengan Peraturan Bank Indonesia tentang Pelaksanaan *Good Corporate Governance*, bagi Commonwealth Bank Indonesia, anggota Direksi, dalam periode, tidak memiliki hubungan keuangan atau keluarga dengan anggota Dewan Komisaris, Direksi dan / atau Pemegang Saham Pengendali Commonwealth Bank Indonesia

PELAKSANAAN FUNGSI KEPATUHAN, AUDIT INTERNAL, DAN AUDIT EKSTERNAL

FUNGSI KEPATUHAN

Sepanjang tahun 2014, upaya lanjutan telah dilakukan guna meningkatkan efektivitas fungsi kepatuhan serta meningkatkan budaya kepatuhan dalam Bank.

Visi dan Misi Kepatuhan

Melalui perubahan peran dan fungsi Kepatuhan yang lebih ke depan dan lebih sensitif terhadap dinamika perubahan yang ada, hal ini membutuhkan komitmen arah dan tujuan fungsi kepatuhan yang jelas melalui penentuan visi dan misi, sebagai berikut:

Duties and Responsibilities

The Roles and Responsibilities by function is defined based on office type review : existing office renewal, new office, and office renovation/fit-out. Substance of roles and responsibility of individual related function will be visible for Retail Banking Services (RBS) that will carry forward main roles as the Project Owner to oversight the end-to-end process of Retail Network Review based on comprehensive progress, updates, and monitoring by Property and Facility Management (PFM) as the Project Coordinator. The work mechanism is supported by regular update by Project Coordinator to Project Owner. If there are issues that arise outside the scheduled RNR meeting, Project Owner and Project Coordinator are responsible for the timely escalation and action will be taken immediately.

FINANCIAL RELATIONSHIP AND / OR FAMILY TIES TO THE SECOND DEGREE WITH A MEMBER OF THE BOARD OF COMMISSIONERS AND / OR THE MEMBERS OF THE BOARD OF DIRECTORS OR OTHER RELATIONSHIP

In accordance with Bank Indonesia Regulation concerning Implementation of Good Corporate Governance, for Commonwealth Bank Indonesia the members of the Board of Directors, who are serving, have no financial or family relationship with a member of the Board of Commissioners, Board of Directors and / or Commonwealth Bank Indonesia's Controlling Shareholders.

IMPLEMENTATION OF THE COMPLIANCE FUNCTIONS, INTERNAL AUDIT, AND EXTERNAL AUDIT

COMPLIANCE FUNCTION

During year 2014, continue effort has been performed to improve compliance function's effectiveness as well as improving Compliance culture within the Bank.

Compliance Vision and Mission

Through the change in the role and function of Compliance that is more forward looking and more sensitive to the dynamic of change, it requires a commitment to a clear direction and purpose of the compliance function through a determination of the vision and mission as follows:

Visi

Menjadi mitra bagi seluruh pihak dalam harmoni dan ketaatan berbudaya demi mencapai visi dan misi Bank

Misi

Bertindak lebih strategis dalam mendukung kinerja bank yang lebih baik dengan menjaga keseimbangan antara kepentingan komersial Bank dan kepatuhan terhadap peraturan

Fungsi organisasi kepatuhan terbagi menjadi tiga unit sebagai berikut:

1. Unit Anti Pencucian Uang / Pencegahan Pendanaan Terorisme (APU/ APU) dan Sanction . Unit ini bertanggung jawab melaksanakan APU / PPT dan Sanctions di Bank dan memastikan bahwa setiap transaksi keuangan internasional dan perdagangan tidak melanggar Sanksi Internasional yang berlaku.
2. Unit Regulatory Affairs. Unit ini memiliki tanggung jawab komunikasi dengan regulator, memberi saran kepatuhan dan mengkaji setiap kebijakan dan prosedur internal Commonwealth Bank Indonesia.
3. Unit Pemantauan. Unit ini bertanggung jawab memantau kepatuhan Commonwealth Bank Indonesia terhadap ketentuan yang berlaku; melakukan penilaian pemantauan dan memberikan pelatihan yang diperlukan untuk meningkatkan budaya dan pengetahuan kepatuhan di Bank.

Vision

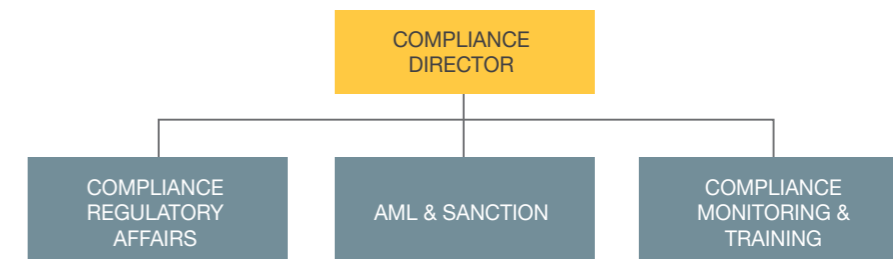
Become partners for all components in harmony and obedience cultured in achieving the vision and mission of the Bank

Mission

Act more strategic in supporting better bank performance with keeping harmony between the commercial interest of the Bank and regulatory compliance

The compliance organization function comprised of three units as follows:

1. Anti Money Laundering / Counter Terrorism Financing (AML/CFT) and Sanctions Unit. This unit is responsible to implement AML/CFT and Sanctions across the Bank and ensures that any international and trade finance transactions do not violate against prevailing International Sanctions.
2. Regulatory Affairs Unit. This unit has responsibility to communicates with regulators, provides compliance advisory and review for any Commonwealth Bank Indonesia's internal policy and procedure.
3. Monitoring Unit. This unit responsible for monitoring Commonwealth Bank Indonesia's compliance to prevailing regulations; conducts monitoring assessment and provides necessary training to improve compliance culture and knowledge across the Bank.



Agar dapat mengelola risiko kepatuhan secara benar, sepanjang 2014 Unit Kepatuhan melakukan beberapa kegiatan, yang meliputi:

1. Melakukan sosialisasi dan diskusi setiap adanya peraturan baru dengan departemen terkait.
2. Mengadakan pelatihan reguler terkait APU / PPT dan Sanctions kepada semua karyawan baru dan pelatihan penyegaran bagi karyawan lama.
3. Mengadakan pelatihan Kode Etik Kepatuhan bagi seluruh karyawan Bank.

To properly manage the compliance risk, during year 2014 Compliance unit conduct several activities, which include:

1. Conduct socialization and discussion for any new regulation with related department.
2. Conduct regular training related to AML/CFT and Sanctions to all new staff and training refresher for existing staff.
3. Conduct Training on Compliance Code of Conduct for all staffs across the Bank.

4. Melakukan penyegaran dalam peraturan yang ada sehubungan regulasi penting yang memberikan berdampak terhadap operasional bank sehari-hari.
5. Berpartisipasi pada setiap proyek yang disebabkan oleh keluarnya regulasi.
6. Melakukan kaji-ulang Kepatuhan melalui:
 - a. Tinjauan kepatuhan untuk setiap produk dan aktivitas baru
 - b. Meninjau setiap kebijakan baru dan perubahannya
7. Memantau komitmen terhadap audit regulator dengan memastikan batas waktu dan kualitas komitmen Commonwealth Bank Indonesia melalui sarana pengingat mingguan kepada pihak terkait termasuk Direktur yang bertanggung jawab.
8. Melakukan kajian kuartalan pada beberapa departemen guna memastikan kepatuhan mereka pada pelaksanaan kebijakan dan prosedur.

4. Provide regulatory refresher in relation to critical regulation that give impact to daily operational bank.
5. Participate on any project that involved regulatory issued.
6. Perform Compliance review through:
 - a. Compliance review for any new products and activities
 - b. Reviewing for any new and amendment policy
7. Monitor any commitment to regulator audit by ensuring the deadline and quality of Commonwealth Bank Indonesia's commitment delivery by providing weekly reminder to respective party including the Director in charge.
8. Conduct quarterly assessment on several departments to ensure their compliance with the implementation of such policy and procedure.

ANTI PENCUCIAN UANG / PENCEGAHAN PENDANAAN TERORISME (APU/PPT)

1. Pengawasan Aktif oleh Direksi dan Dewan Komisaris
Bank memberikan laporan kepada Direksi dan Dewan Komisaris secara berkala, baik setiap bulan atau triwulanan, yang berisi pelaksanaan APU / PPT di bank dan informasi lainnya terkait perkembangan terbaru APU / PPT, termasuk peristiwa penting yang dianggap penting untuk diketahui oleh Direksi dan Dewan Komisaris. Hal ini menjadi bagian dari pelaksanaan pengawasan aktif Direksi dan Komisaris.
2. Kebijakan dan Prosedur
Bank telah merevisi dan menyesuaikan Pedoman APU / PPT Bank sesuai Peraturan Bank Indonesia No.14 / 27 / PBI / 2012 tanggal 28 Desember 2012 dan SE No. 15/21 / DPNP tanggal 14 Juni 2013 tentang Pelaksanaan APU / PPT dan telah memperoleh persetujuan dari Direksi pada bulan November 2014. Selain itu, akan dimintakan persetujuan dari Dewan Komisaris pada rapat Dewan Komisaris yang direncanakan pada awal 2015.

Penyesuaian termasuk pada hal-hal berikut:

- a. Perubahan pada peraturan terkait.
- b. Penambahan tanggung jawab pada unit terkait.

ANTI MONEY LAUNDERING / COUNTER FINANCING TERRORISM (AML/CFT)

1. Active Supervision of Board of Directors and Board of Commissioners
Bank has submitted reports to the Board of Directors and Commissioners regularly either monthly or quarterly which contains about the implementation of AML/CFT held in banks and other information related to the latest developments AML/CFT including significant events that are considered to be known by the Board of Directors and Board of Commissioners. This is part of the implementation of active surveillance of Directors and Commissioners.
2. Policy and Procedure
Bank has revised and adjusted Guidelines AML/ CFT Bank in accordance with Bank Indonesia Regulation No.14 / 27 / PBI / 2012 dated December 28, 2012 and SE No. 15/21 / DPNP dated June 14, 2013 on the Implementation of AML/CFT and has obtained the approval of the Board of Directors in November 2014. Furthermore, we will seek approval from the Board of Commissioners at a meeting planned for early 2015.

Adjustment settings include the following:

- a. Related Regulations change.
- b. Addition Responsibility Related Units.

- c. Deskripsi Onboarding, Identifikasi dan Verifikasi nasabah yang lebih detail.
 - d. Penambahan Area Berisiko Tinggi.
 - e. Penambahan Process Bank sebagai Agen Penjual.
 - f. Penangguhan transaksi dan pemberhentian sementara transaksi.
 - g. Deskripsi Anti-Tipping Off yang lebih detail.
 - h. Perlindungan hukum untuk pelaporan dan pemberian kesaksian.
3. Pengendalian Internal
Dalam upaya menguji efektivitas program APU / PPT apakah pelaksanaan telah sesuai dengan peraturan yang berlaku, Audit Intern sebagai pihak independen terus memantau pelaksanaan APU / PPT, baik di kantor pusat maupun kantor cabang. Selain itu, unit kerja Branch Service Quality Assurance (BSQA) secara proaktif melakukan peninjauan proses pembukaan rekening, transaksi dan kegiatan lain yang mendukung pelaksanaan program APU / PPT di kantor cabang.

4. Sistem Informasi Manajemen
Sebagai dukungan atas Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme, Bank memiliki sistem pendukung, termasuk di antaranya:

1. Sistem Pemantauan Transaksi
 - Bank secara berkala mengevaluasi kinerja tiap parameter dalam sistem dan melakukan penyesuaian atas parameter dan nilai ambang batas guna memastikan efektivitas output sistem. Pada Oktober 2014, hasil evaluasi diserahkan kepada Manajemen.
 - Bank mempersiapkan proses UAT dalam kerangka kerja implementasi sistem *core banking* yang baru.
2. Penerapan profil nasabah berdasarkan Pendekatan Berbasis Risiko (RBA)
Mengevaluasi kriteria risiko tinggi dalam menilai efektivitas penerapan klasifikasi risiko. Salah satu kriteria risiko ditinjau secara berkala bila tingkat risiko mengalami perubahan dari medium menjadi tinggi atau sebaliknya.
3. Negative List Database
 - Melakukan tinjauan dan pengkinian database PEP dalam Negative List Tools berdasarkan informasi sumber yang dapat dipercaya (misalnya *World Check*).

- c. A more detailed description Customer Onboarding, Identification and Verification.
- d. Addition of High Risk Area.
- e. Addition Process Bank as Sales Agent.
- f. Delay Transaction and Transaction Temporary Cessation.
- g. A more detailed description of the Anti-Tipping Off.
- h. Legal Protection for Reporting and Witnesses.

3. Internal Control
In an effort to test the effectiveness of the program AML/CFT for the implementation in accordance with applicable regulations, the Internal Audit as an independent party continues to monitor the implementation AML/CFT both at head office and in the branches. In addition, work units Branch Service Quality Assurance (BSQA) proactively conduct a review of the account opening process, transactions and other activities that support the implementation of the program branch AML/CFT.

4. Management Information System
In support of the implementation of the Anti-Money Laundering and Prevention Financing of Terrorism (AML/CFT), the Bank has a support system implementation including:

1. Transaction Monitoring System
 - The Bank evaluates the performance of each of the parameters contained in the system and make adjustments to the parameters and threshold values to ensure the effectiveness of the output of the system periodically. In October 2014 the results of the evaluation shall be submitted to Management.
 - Bank is preparing for the UAT process in the framework of implementation of the core banking new system.
2. Application of customer profile with Risk based Approach (RBA)
To evaluate the high risk criteria for assessing the effectiveness of the use of risk classification. One of the risk criteria are reviewed from time to time that the level of risk that experienced a change of medium becomes high or vice versa.
3. Negative List Database
 - Conduct a review and update of the database PEP in the Negative List Tools based on information obtained from credible source (e.g. *World Check*).

- Memperbaharui daftar teroris secara berkala
- 4. Pengkinian Data Nasabah pada *Customer Onboarding System (COS)*
 - Bekerjasama dan berkoordinasi dengan Branch Service Quality Assurance Division (BSQA) untuk pemantauan pengkinian dan perapian data nasabah.
 - Banks melakukan penyesuaian terhadap sistem pendukung seperti di atas sehubungan adanya proses perubahan dalam sistem *core banking (COMPASS)* yang Bank sedang jalani.
- 5. Sumber Daya Manusia dan Pelatihan
Pelaksanaan pengembangan sumber daya manusia telah berjalan secara berkelanjutan dengan baik bagi karyawan baru dan karyawan lama. Setiap karyawan diwajibkan mengikuti program pelatihan APU / PPT saat awal bergabung dengan Bank melalui program Induction. Hal ini dilakukan dalam rangka memberikan pemahaman tentang prinsip-prinsip dan pelaksanaan APU / PPT di Bank.

Bank juga menyelenggarakan pelatihan khusus bagi karyawan yang berhubungan langsung dengan nasabah, dengan materi lebih mendalam dan contoh kasus yang terjadi dalam kegiatan sehari-hari.

Ruang lingkup materi pelatihan, termasuk:

- Penerapan undang-undang yang berkaitan dengan APU / PPT;
- Tipologi pencucian uang dan pendanaan terorisme; dan
- Pelaksanaan internal kebijakan dan prosedur program APU dan PPT serta peran dan tanggung jawab karyawan dalam memerangi pencucian uang dan pendanaan terorisme.
- Pemahaman mengenai Sanction (Sanksi Ekonomi & Perdagangan) yang ditetapkan suatu negara atau kelompok negara kepada pihak tertentu.
- Proses identifikasi dan pelaporan transaksi keuangan mencurigakan dan transaksi tunai dalam jumlah besar.
- Contoh-contoh kasus yang terjadi sehari-hari.

Laporan terkait kegiatan APU/PPT:

Laporan kepada PPATK

Laporan Transaksi Tunai Cash Transaction Report	1.596 report
Laporan Transaksi Mencurigakan Suspicious Transaction Report	88 report

- Updating the list of terrorists as amended from time to time.
- 4. Customer Data Update in Customer Onboarding System (COS)
 - Cooperate and coordinate with the Branch Service Quality Assurance Division (BSQA) for the monitoring of customer data updating and data clean up.
 - Banks are making adjustments to the support system as above in connection with the process of change in core banking system (COMPASS) is being conducted by the Bank.
- 5. Human Resources and Training
Implementation of human resource development has been going well for the new employees and existing employees on an ongoing basis. Every employee is required to attend a training program AML/CFT at the beginning joined the bank through Induction Training program. This is done in order to provide an understanding of the principles and implementation of AML/CFT in the Bank.

The Bank also organizes special training to employees who deal directly with the front liners customers, with more in-depth material and examples of cases that occur in daily activities.

The scope of training materials which are:

- Implementation of legislation related to the AML/ CFT;
- Typology of money laundering and financing of terrorism; and
- The internal implementation of policies and procedures AML and CFT program as well as the roles and responsibilities of employees in combating money laundering and terrorism financing.
- An understanding of Sanctions (Economic & Trade Sanctions) provided by the state or group of states to certain parties.
- The process of identification and reporting of suspicious financial transactions and cash transactions in large quantities.
- Examples of cases that occur in daily activities.

Report in relation to activity of AML/CFT:

Reporting to PPATK

Informasi pelatihan reguler kepada APU/PPT dan Sanksi kepada semua staff baru dan lama:

Cash Transaction Report	Semester 1 – 2014	Semester 2 – 2014
Jumlah Pelatihan APU/PPT	18	13
Total Training AML/CTF		

Information on regular training in relation to AML/CTF and Sanction for all new staff and existing staff:

REGULATORY CENTRAL DAN OBLIGATION REGISTER

Dalam upaya terus meningkatkan tingkat *Good Corporate Governance*, Manajemen Risiko dan Kepatuhan, dan sebagai komitmen mengembangkan budaya kepatuhan di Bank, Unit Kepatuhan melanjutkan sebuah inisiatif baru yang telah dilaksanakan sejak semester pertama 2014 guna menyediakan akses yang lebih mudah dan lebih cepat bagi karyawan (Bisnis dan *Support*) atas seluruh dokumen peraturan dan kewajiban Bank melalui file penyimpanan khusus dalam Commnet for Regulatory Central (“RC”) dan Obligations Registers (“OR”). Saat ini, RC tidak hanya mengandung peraturan dari regulator, tetapi juga slide presentasi, sirkulasi surat elektronik kepada tiap unit bisnis, dan petunjuk peraturan tersebut. Diharapkan dengan fitur tambahan di RC, unit bisnis terkait dapat berfungsi dengan lebih cepat, lebih mudah, dan dapat memahami peraturan sehingga dapat melakukan tindak lanjut sesuai dengan persyaratan peraturan.

KODE ETIK KEPATUHAN

Kode Etik Kepatuhan (COC) berisi pedoman perilaku karyawan dalam operasional sehari-hari. COC mengatur hubungan antara Bank, Karyawan, Nasabah dan Pemangku Kepentingan lainnya. Beberapa poin terkait dengan COC antara lain:

- Kerahasiaan**
Karyawan bertanggung jawab menjaga kerahasiaan informasi pribadi dan nasabah. Mengungkap informasi nasabah kepada pihak ketiga di luar Bank merupakan pelanggaran serius terhadap hukum dan peraturan
- Hadiah dan Hiburan**
Mengatur hadiah dan hiburan yang diterima oleh karyawan Commonwealth Bank Indonesia dan kewajiban untuk melaporkannya.
- Benturan Kepentingan**
Karyawan harus menghindari situasi yang mengarah pada benturan kepentingan. Dalam situasi bila benturan kepentingan tidak bisa

REGULATORY CENTRAL AND BUSINESS OBLIGATION REGISTER

In an effort to continuously improve the level of Good Corporate Governance, Risk Management and Compliance and commitment to develop a compliance culture in the bank, Compliance Unit continued new initiative that has been implemented in the first semester 2014 to provide easier and faster access to the staff (Business and Support) to all regulatory documents and liabilities of the Bank through a special storage file in Commnet for Regulatory Central (“RC”) and Obligations Registers (“OR”). As for today, the RC does not only contain regulations from regulator, but also contains the presentation slides, circulation electronic mail to the respective business units, and guidance on the regulation. Hopefully, by the additional features in the RC, related business units is faster, easier, and can understand the regulation so it can be followed up according to the requirements of the regulations.

COMPLIANCE CODE OF CONDUCT

The Compliance Code of Conduct (COC) contains the code of conducts for staffs on day to day operations. This COC governs the relationship between Company, Employees, Customers and other Stakeholders. Some of points related to COC among others are as follows:

- Confidentiality**
Staffs have responsibility to maintain confidentiality of their personal information and customers. Disclosing of customer information to third party outside Bank is a serious violation against law and regulation.
- Gift and Entertainment**
It's about governance of gift and entertainment received by Commonwealth Bank Indonesia's staff and obligation to report.
- Conflict of Interest**
Staffs must avoid any situation that leads to a conflict of interest. In the situation where a conflict of interest cannot be avoided then the staff must

- dihindari, maka karyawan harus melaporkannya kepada HRD atau Departemen Kepatuhan.
- d. Hubungan dengan Nasabah
Seluruh karyawan yang menangani nasabah harus membangun dan menjaga kejelasan hubungan dengan nasabah secara profesional
- e. Anti Pencucian Uang dan Prinsip Mengenal Nasabah
Seluruh karyawan harus waspada terhadap penyalahgunaan Bank oleh para pencuci uang, teroris, kriminal dan koruptor lainnya.

FUNGSI AUDIT INTERNAL

Fungsi Audit Internal melakukan penilaian independen dan obyektif atas kecukupan dan efektivitas pengendalian internal, manajemen risiko, dan desain operasional tata kelola Bank. Audit Internal melaksanakan tugasnya berdasarkan Standar Pelaksanaan Fungsi Audit Internal Bank (SPFAIB) yang diatur dalam Peraturan Bank Indonesia Nomor 1/6/PBI/1999 tentang Penugasan Direktur Kepatuhan (Compliance Director) dan Penerapan Standar Pelaksanaan Fungsi Audit Internal Bank Umum, Standar Praktik Profesional dari Institute of Internal Auditors (IIA), dan Piagam Audit Internal yang menjelaskan visi, misi, wewenang, dan tanggung jawab Audit Internal. Piagam Audit Internal ditinjau secara berkala, terakhir dilakukan pada Juni 2014 dan Piagam tersebut telah disetujui oleh Presiden Direktur dan Dewan Komisaris.

Visi dan Misi Audit Internal

Visi Audit Internal adalah: “Menjadi penyedia assurance yang konstruktif, profesional, berkualitas tinggi dan diakui sebagai tempat bekerja yang sangat baik” dengan Misi: “Untuk memberikan assurance yang independen dan obyektif kepada Direksi dan Dewan Komisaris melalui Komite Audit atas desain dan efektivitas operasional tata kelola, manajemen risiko dan sistem pengendalian internal Bank”.

Audit Internal mendapatkan akses penuh, bebas, dan tidak terbatas atas setiap dan seluruh catatan, properti fisik, dan personil yang relevan dengan fungsi yang sedang dikaji dari Commonwealth Bank Indonesia. Selain itu, untuk menjaga independensinya, Audit Internal tidak akan memiliki tanggung jawab atau wewenang operasional apapun pada salah satu kegiatan yang sedang dikaji. Audit Internal juga tidak akan mengembangkan atau menerapkan sistem atau

report it to HRD or Compliance Dept.

- d. Relationship with Customer
All staff that had dealing with customer must establish and maintain clarity of relationship with customer in a professional manner.
- e. Anti Money Laundering and Know Your Customer
All staff should be vigilant against the abuse of Bank by Money Launderer, Terrorist, Other Criminal and Corrupted Persons.

INTERNAL AUDIT FUNCTION

Internal Audit function performs an independent and objective assessment over the adequacy and effectiveness of Bank’s internal control, risk management, and governance operational design. Internal Audit carry out its duties based on the Standard Practices of Bank’s Internal Audit Function (SPFAIB) stipulated in Bank Indonesia Regulation No. 1/6/PBI/1999 regarding the Assignment of Director of Compliance and Standards Practices of Bank’s Internal Audit Function, Professional Practice Standard by the Institute of Internal Auditors (IIA), and the Internal Audit Charter which outlines the vision, mission, authority, and responsibility of Internal Audit. Internal Audit Charter is reviewed periodically, the last review was done in June 2014 and the Charter has been approved by the President Director and the Board of Commissioners.

Internal Audit’s Vision and Mission

Internal Audit’s Vision is: “To be a provider of constructive, professional, high quality assurance and be recognized as a great place to work” and its Mission is: “To provide independent and objective assurance to Board of Directors and the Board of Commissioners through the Audit Committee on the design and operational effectiveness of the Bank’s governance, risk management and internal control systems”.

Internal Audit is granted full, free, and unrestricted access to any and all of Commonwealth Bank Indonesia records, physical properties, and personnel relevant to any function under review. Moreover, to maintain its independence, Internal Audit will have no operational responsibility or authority over any of the activities reviewed. Internal Audit will also not develop nor install systems or procedures, prepare records, or engage in any other activity, which would normally

prosedur, menyusun catatan, atau terlibat dalam aktivitas lain yang biasanya akan diaudit; merupakan tanggung jawab masing-masing Unit Bisnis untuk mengelola efektivitas dan efisiensi pengendalian internal mereka.

Guna memastikan independensi dan obyektifitas, anggota tim Internal Audit menandatangani Pernyataan Independensi secara tahunan.

Struktur Organisasi dan Komposisi Audit Internal

Chief Audit Executive bertanggungjawab langsung kepada Presiden Direktur dan memiliki jalur komunikasi kepada Dewan Komisaris melalui Komite Audit. Fungsi Audit Intern terdiri dari anggota tim yang berasal dari latar belakang yang berbeda, seperti kantor akuntan atau bank lain, sebagian besar berpengalaman mengaudit, serta dari Unit Bisnis lain dalam Bank dengan keahlian khusus pada area tertentu. Pemilihan anggota tim Audit Intern dilakukan secara hati-hati agar dapat memilih tenaga terampil dan berkualitas.

Audit Intern terus mengembangkan kompetensi anggota tim melalui beberapa kegiatan di bawah ini:

- Partisipasi anggota tim Audit Intern pada pelatihan-pelatihan yang terkait keahlian khusus, seperti Tresuri, ICAAP, Kredit, serta program sertifikasi, termasuk *Certified Internal Auditor (CIA)*, *Certification in Control Self-Assessment (CCSA)*, *Certified Information System Auditor (CISA)*, dan *Risk Management Competency for Bankers (LSPP)*. Tahun ini, Audit Intern juga berpartisipasi dalam uji coba Sertifikasi Kompetensi Audit Intern yang diselenggarakan oleh LSPP.
- Audit Intern menjadwalkan program transfer pengetahuan terus-menerus bagi anggota tim dengan menyelenggarakan sesi berbagi internal mengundang pembicara dari departemen atau unit bisnis terkait untuk berbagi pengetahuan dan perkembangan terbaru kepada anggota tim Audit Intern.
- Audit Intern mengundang tamu auditor dari tim Audit & Assurance Commonwealth Bank of Australia terlibat dalam beberapa kegiatan audit yang dianggap perlu, guna mendapat transfer pengetahuan mengenai metodologi dan teknik audit dalam rangka meningkatkan pengetahuan tim Audit Intern.

be audited; it is the Business Unit’s responsibility to manage the effectiveness and efficiency of its own internal controls.

To ensure its independence and objectivity, on an annual basis the Internal Audit team members are signing the Certificate of Independence.

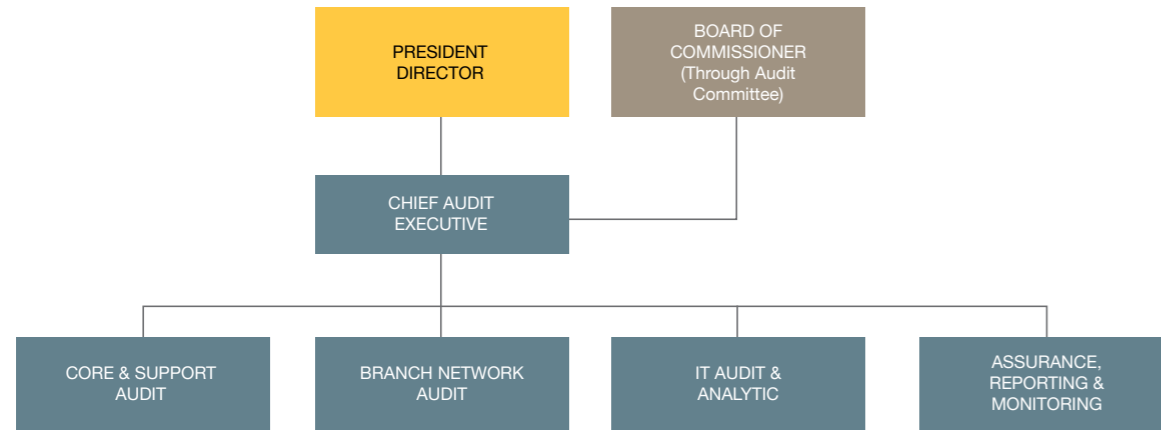
Internal Audit’s Organization Structure and Composition

The Chief Audit Executive is reporting directly to the President Director and has a communication line to the Board of Commissioners through Audit Committee. The Internal Audit function is composed with team members coming from different backgrounds such as from accounting firms or other banks with mostly audit experiences, as well as from other Business Units within the Bank with special expertise on certain areas. Selection of Internal Audit team members is done in a prudent manner to select skilled and qualified personnel.

On an ongoing basis Internal Audit develops the competency of its team members through several activities below:

- Participation of Internal Audit team members in trainings related to special skills such as Treasury, ICAAP, Credit, as well as certification programs such as *Certified Internal Auditor (CIA)*, *Certification in Control Self-Assessment (CCSA)*, *Certified Information System Auditor (CISA)*, and *Risk Management Competency for Bankers (LSPP)*. This year, Internal Audit also participated in the trial run of Internal Audit Competency Certification held by LSPP.
- Internal Audit schedules a continuous transfer knowledge program for the team members by internally holding sharing sessions by inviting speakers from related departments or business units to share knowledge and latest developments to the Internal Audit team members.
- Internal Audit invites guest auditor from Commonwealth Bank Australia Audit & Assurance to be involved in several audit activities as deemed necessary, to obtain knowledge transfer on methodology and audit technique in order to improve the Internal Audit team’s knowledge.

Per 31 Desember 2014, struktur organisasi Audit Intern Commonwealth Bank Indonesia adalah sebagai berikut:



Jabatan Chief Audit Executive saat ini dipegang Bpk. Reza HM Soemadipradja. Per 31 Desember 2014, jumlah anggota tim Audit Internal adalah 20 orang, termasuk Chief Audit Executive.

Pendekatan Audit

Audit Intern mengadopsi pendekatan berbasis risiko dalam melakukan perencanaan audit tahunan kedua dan kegiatan audit individu. Melalui pendekatan berbasis risiko, Bank akan mendapatkan nilai dengan memprioritaskan area-area dengan risiko yang lebih besar terhadap Bank. Perencanaan audit tahunan dengan pendekatan berbasis risiko dilakukan dengan menilai masing-masing potensial entitas audit terhadap beberapa parameter, seperti risiko strategis, risiko kredit, risiko pasar, risiko likuiditas, risiko operasional (termasuk insiden risiko operasional dan kasus penipuan, jika ada), risiko hukum, risiko kepatuhan, risiko reputasi, *Asset Under Management*, temuan regulator, dan peringkat audit intern terakhir. Rencana Audit juga dikembangkan mengingat jumlah sumber daya yang tersedia di Audit Intern. Rincian langkah-langkah audit diuraikan dalam Pedoman Audit Intern.

Metodologi dan pendekatan Audit Intern dikaji secara berkala agar sesuai dengan perkembangan terbaru dan praktik terbaik. Pada 2014, Audit Intern melaksanakan sebuah proyek untuk meninjau keseluruhan metodologi dan pendekatan dalam rangka meningkatkan produktivitas dan menemukan metode lain melakukan audit secara efisien dan efektif. Hasil proyek telah disampaikan kepada Komite Audit dan Presiden Direktur.

As of 31 December 2014, Commonwealth Bank Indonesia's Internal Audit organization structure is as below:

The current Chief Audit Executive is Reza HM Soemadipradja. As at 31 December 2014, the number of Internal Audit team members is 20 people, including the Chief Audit Executive.

Audit Approach

Internal Audit adopts a risk-based approach in performing both annual audit planning and the individual audit activity. With the risk-based approach, the Bank will gain value by prioritizing those areas with greater risks to the Bank. The annual audit planning's risk-based approach is performed by assessing each potential audit entities against several parameters such as strategic risk, credit risk, market risk, liquidity risk, operational risk (including operational risk incidents and fraud cases if any), legal risk, compliance risk, reputational risk, Assets Under Management, regulatory findings, and last internal audit rating. The Audit Plan is also developed considering the number of resources available in the Internal Audit. Detailed audit steps are elaborated in the Internal Audit Manual.

Internal Audit's methodology and approach are periodically reviewed to adjust with the latest development and best practices. In 2014, Internal Audit carried out a project to review the overall methodology and approach in order to increase productivity and to find other methods in performing audit efficiently and effectively. The project results have been presented to the Audit Committee and President Director.

Audit Intern terus memonitor jalannya rencana audit serta risiko yang muncul. Hal ini memungkinkan Audit Intern mengevaluasi rencana audit dan membuat penyesuaian yang diperlukan pada tahun tersebut, secara berkala.

Audit Intern juga secara rutin bertemu dengan Direksi dan Komite Audit untuk membahas kegiatan audit yang telah dilakukan, temuan audit yang harus diperhatikan Komite Audit, dan status pelaksanaan rencana tindakan korektif terhadap hasil temuan Audit Internal.

Realisasi Audit pada 2014

Audit Intern berencana mengaudit 49 area, terdiri dari 34 kantor cabang dan 15 fungsi kantor pusat / non-cabang. Per 31 Desember 2014, Audit Intern telah melakukan 56 audit, juga termasuk beberapa audit khusus yang dilakukan dalam merespon risiko yang muncul. Realisasi rencana audit 2014 juga telah disosialisasikan kepada Direksi dan Dewan Komisaris melalui rapat Komite Audit yang diselenggarakan setiap dua bulan.

FUNGSI AUDIT EKSTERNAL

Untuk tahun fiskal 2014, Commonwealth Bank Indonesia menunjuk Kantor Akuntan Publik (KAP) Tanudiredja, Wibisana & Rekan (PriceWaterhouseCoopers Indonesia), yang terdaftar di OJK, untuk mengaudit Laporan Keuangan Bank tahun yang berakhir 31 Desember 2014. Penunjukan KAP tidak melebihi batas waktu lima tahun dikarenakan perubahan mitra lokal. Berdasarkan Rapat Umum Pemegang Saham Tahunan yang mulai berlaku 1 Juli 2014, menjadi wewenang Direksi untuk menunjuk auditor independen untuk mengaudit Laporan Keuangan Bank untuk tahun yang berakhir 31 Desember 2014 dan memberi wewenang kepada Direksi untuk menentukan syarat dan ketentuan penunjukan tersebut dengan memperhatikan rekomendasi dari Komite Audit.

Keputusan pemegang saham adalah sebagai berikut:

- a. Bank menyampaikan surat penawaran tanggal 13 Agustus 2014 kepada KAP Tanudiredja, Wibisana & Rekan untuk mengaudit laporan keuangan untuk tahun yang berakhir 31 Desember 2014.
- b. Pertemuan antara Komite Audit dengan PwC-Tanudiredja, Wibisana & Rekan pada 16 September 2014, untuk membahas proposal yang diajukan oleh KAP Tanudiredja, Wibisana & Rekan.

Internal Audit continuously monitors the audit plan progress as well as emerging risks. This enables Internal Audit to evaluate the audit plan and to make necessary adjustments within the year, from time to time.

Internal Audit also regularly meets with the Board of Directors and the Audit Committee to discuss audit activities that have been carried out, the audit findings of which should be a concern of the Audit Committee, and the status of corrective action plan implementation over Internal Audit findings.

2014 Audit Realization

Internal Audit planned to audit 49 areas consisting of 34 branches and 15 head office function / non-branches. As at 31 December 2014, Internal Audit has carried out 56 audits, which also included some special audits performed in respond to emerging risks. Realization of 2014's audit plan has also been socialized to the Board of Directors and Commissioners through the Audit Committee meetings which are held bi-monthly.

EXTERNAL AUDIT FUNCTION

For fiscal year 2014, Commonwealth Bank Indonesia appointed Public Accounting Firm (KAP) Tanudiredja, Wibisana & Rekan (PriceWaterhouseCoopers Indonesia), which is registered with FSA to audit the Bank's Financial Statement of the year ended 31 December 2014. The appointment of KAP do not exceeding five years' time limit due to change in local partners. Based on Annual General Meeting of Shareholder which come into effect on 01 July 2014, authority has been given to the Directors to appoint an independent auditor to audit the Financial Statements of the Bank for the year ended December 31, 2014 and to give authorization to the Board of Directors to determine the terms and conditions of such appointment by considering the recommendation of the Audit Committee.

Decision of shareholder is as follow:

- a. Bank submits a letter of offer dated August 13, 2014 to KAP Tanudiredja, Wibisana & Rekan to audit the financial statements for the year ended 31 December 2014.
- b. A meeting between the Audit Committee with PwC-Tanudiredja, Wibisana & Rekan on September 16, 2014, to discuss proposals submitted by KAP Tanudiredja, Wibisana & Rekan.

c. Penyampaian surat dari KAP Tanudiredja, Wibisana & Rekan kepada Bank (surat perikatan audit) dengan OL.2014091801/LLS/ANG/FAB/gy tertanggal 26 September 2014.

Agar sejalan dengan praktik umum Bank memastikan independensi proses audit, KAP telah merotasi keterlibatan mitra dan tidak memiliki potensi konflik kepentingan. Penunjukkan KAP untuk menyediakan jasa non-audit kepada Bank harus mendapat persetujuan dari Komite Audit guna memastikan KAP tidak memiliki potensi benturan kepentingan.

Kantor Akuntan Publik dan Akuntan Publik yang memberikan jasa audit keuangan dan biaya jasa audit yang dikeluarkan dapat dilihat dalam tabel di bawah ini:

Tahun Year	Kantor Akuntan Publik (KAP) Public Accounting Firm	Nama Akuntan (Perorangan) Accountant Name (Individual)	Biaya Audit Audit Fee
2014	Tanudiredja, Wibisana & Rekan (anggota PWC Global Network)	Angelique Dewi Daryanto, S.E., CPA	USD 180,000
2013	Tanudiredja, Wibisana & Rekan (anggota PWC Global Network)	Angelique Dewi Daryanto, S.E., CPA	USD 180,000

PELAKSANAAN MANAJEMEN RISIKO

Manajemen risiko telah menjadi bagian integral dari bisnis, pengambilan keputusan dan proses budaya yang menekankan kesadaran risiko karyawan. Kerangka kerja manajemen risiko Bank berfokus pada pengawasan aktif dari Dewan Komisaris dan Direksi, pengembangan kebijakan dan prosedur, proses identifikasi risiko yang memadai, pengukuran dan pengawasan. Selama pelaksanaan, manajemen risiko sebagai suatu proses menyeluruh yang komprehensif menjadi tanggung jawab semua karyawan di setiap tingkatan organisasi melalui kerangka “3 Lines of Defense”.

Kebijakan dan prosedur manajemen risiko Commonwealth Bank Indonesia menetapkan identifikasi, penilaian, pemantauan dan pengendalian atas risiko lingkungan Bank. Kebijakan manajemen risiko dan *risk appetite* Commonwealth Bank Indonesia disusun sesuai dengan misi, strategi bisnis. Kebijakan dan prosedur ini dikaji dan disetujui oleh pihak-pihak terkait sesuai prinsip-prinsip *Good Corporate Governance* Bank.

Dewan Komisaris dan Direksi memahami risiko-risiko yang dihadapi Commonwealth Bank Indonesia dan menganggap ini sebagai syarat mempertahankan

c. Submission of a letter from KAP Tanudiredja, Wibisana & Rekan to the bank (the audit engagement letter) with OL.2014091801/LLS/ANG/FAB/gy dated September 26, 2014.

To be in line with the Bank’s general practice to ensure the independence of audit process, KAP has rotated the partner engagement and does not have any potential conflict of interest. KAP appointment to provide non-audit services to the Bank must obtain the approval of the Audit Committee to ensure KAP does not have a potential conflict of interest.

The Public Accountant Firm and the Public Accountant that rendered services for financial audit and the fee of audit services can be viewed in below table:

RISK MANAGEMENT IMPLEMENTATION

Risk management has become an integral part of business, decision making and cultural processes that emphasizes on risk awareness of its employees. The Bank’s risk management framework focuses on active monitoring from the Board of Commissioners and Directors, development of policies and procedures, adequate process of risk identification, measurement and supervision. During implementation, overall risk management as a whole comprehensive process becomes the responsibility of all employees at every level of the organization through the “3 Lines of Defense” framework.

Commonwealth Bank Indonesia’s risk management policies and procedures set out the identification, assessment, monitoring and control on Bank’s environmental risks. Commonwealth Bank Indonesia’s risk management policy and risk appetite are prepared in accordance with its mission, business strategy. These policies and procedures are reviewed and approved by appropriate parties as according to the Bank’s Good Corporate Governance Principles.

The Board of Commissioners and Directors understand Commonwealth Bank Indonesia’s risks and considers this a prerequisite in maintaining a

bisnis yang berkelanjutan. Divisi Manajemen Risiko memantau eksposur risiko Commonwealth Bank Indonesia dan menyusun laporan analisis secara rutin. Laporan-laporan ini disampaikan kepada Manajemen, Direksi dan Dewan Komisaris dan menjadi bagian komite yang relevan, agar risiko menjadi bagian diskusi manajemen saat pembuatan keputusan. Manajemen risiko telah tertanam pada semua pengambilan keputusan penting manajemen, seperti rencana modal Commonwealth Bank Indonesia dan pemilihan inisiatif strategis.

Guna memastikan kemampuan manajemen risiko Commonwealth Bank Indonesia yang memadai, Commonwealth Bank Indonesia secara sadar berinvestasi dalam sumber daya manusia dan sistem yang mendukung Manajemen Risiko, memungkinkan perbaikan terus-menerus sesuai kerangka manajemen risiko. Hal ini dianggap sebagai elemen bisnis penting, seiring kompleksitas Commonwealth Bank Indonesia yang semakin luas dan meningkat.

PENYEDIAAN DANA UNTUK PIHAK TERKAIT DAN PENYEDIAAN DANA BESAR

Dalam pelaksanaan usaha, Commonwealth Bank Indonesia secara konsisten menjunjung tinggi prinsip kehati-hatian dalam pemberian dana mengacu pada Peraturan Bank Indonesia tentang Batas Maksimum Pemberian Kredit serta peraturan dan perundangan yang berlaku lainnya.

Data di bawah adalah 50 debitur inti dan debitur grup selain pihak terafiliasi yang merupakan eksposur besar.

Sepanjang 2014, Commonwealth Bank Indonesia telah bertindak sesuai dengan peraturan dan melaporkan transaksi kepada Bank Indonesia secara tepat waktu.

Rincian penyediaan dana kepada pihak terkait dan penyediaan dana besar per 31 Desember 2014 adalah sebagai berikut:

Pemberian Dana Provision of Fund	Jumlah Debitur Number of Debtor	Jumlah (dalam Juta Rupiah) Nominal (in million Rupiah)
Kepada Pihak Terkait To Related Party	24	17,783.91
Penyediaan Dana Besar Provision of Large Exposure	50	5,429,224.01
a. Debitur Individu Individual Debtor	37	3,876,870.69
b. Debitur Grup Group Debtor	13	1,552,353.32

sustainable business. The Risk Management division monitors Commonwealth Bank Indonesia’s risk exposure and produces analytical reports on regular basis. These reports are distributed to management, directors and commissioners and are tabled in the relevant committees, allowing risk to be an element of management’s discussions when making decision. Risk management is in fact embedded in all critical management decisions, such as the Commonwealth Bank Indonesia’s capital planning, and selection of strategic initiatives.

To ensure that the Commonwealth Bank Indonesia’s risk management capabilities are adequate, Commonwealth Bank Indonesia consciously invests in Risk Management’s human resources and systems, allowing continuous improvement in its risk management frameworks. This is considered to be a critical business element, as Commonwealth Bank Indonesia expands and increases in complexity.

PROVISION OF FUNDS TO RELATED PARTY AND LARGE EXPOSURES

In its conduct, Commonwealth Bank Indonesia consistently upholds the prudential principles in provision of funds by referring to Bank Indonesia Regulation concerning the Legal Lending Limit and other prevailing rules and regulations.

For the large exposures, the below are top 50 core debtors and group debtors other than affiliated parties.

Throughout 2014, Commonwealth Bank Indonesia has performed in accordance to the regulations and reported the transactions to Bank Indonesia in timely manner.

The details of provision of funds to related party and large exposures as of December 31, 2014 is as follows:

Dalam rangka menerapkan prinsip kehati-hatian dan manajemen risiko, Bank memiliki kebijakan/pedoman dan prosedur tertulis tentang penyediaan dana kepada Pihak Terkait, penyediaan dana besar, dan atau penyediaan dana kepada pihak lain yang memiliki kepentingan di Bank. Seperti disebutkan, pedoman ditinjau secara berkala. Selain itu, eksposur besar, dan atau penyediaan dana kepada pihak lain yang memiliki kepentingan di Bank dilakukan berdasarkan kewajaran dan kelaziman usaha, sesuai kemampuan modal bank, dan tanpa konsentrasi signifikan dari peminjam atau peminjam kelompok tertentu.

RENCANA STRATEGIS BANK

Guna mendukung pencapaian target bisnis Bank, yang didasarkan pada visi “menjadi yang terbaik dalam memberikan dukungan finansial bagi perorangan, pelaku usaha, dan masyarakat luas”, Commonwealth Bank Indonesia mendasarkan proses dan operasionalnya sesuai Kerangka Kerja Manajemen Risiko dan menerapkan prinsip-prinsip GCG.

Penerapan manajemen risiko serta kinerja Bank saat ini adalah sebagai berikut:

1. Profil Risiko – Risiko Operasional, Kepatuhan dan Kredit telah menjadi fokus utama profil risiko tanpa mengabaikan pentingnya kategori risiko lainnya. Penggantian sistem *core banking* diharapkan dapat membangun kerangka kerja manajemen risiko yang baik guna mengurangi risiko, menentukan tingkat risiko yang akan diambil (*risk appetite*) dan toleransi risiko, agar konsisten dan sesuai dengan strategi Bank.
2. *Good Corporate Governance* – Fokus pada akuntabilitas dan tanggungjawab, dengan memberikan pemahaman *Good Corporate Governance* ke seluruh karyawan dan dengan menanamkan budaya ini dalam Bank.
3. Profitabilitas – Terus berfokus memaksimalkan Return on Asset dengan melakukan diversifikasi pinjaman yang berfokus pada pertumbuhan pinjaman UKM, Consumer dan Commercial.
4. Modal – Mempertahankan kecukupan modal di atas ketentuan minimum Bank Indonesia dengan mengoptimalkan pengelolaan modal.

Commonwealth Bank Indonesia akan berfokus pada upaya mempertahankan dan meningkatkan tingkat kesehatan Bank Peringkat 2 (dua) yang akan didukung melalui sinkronisasi KPI manajemen dan

In order to apply the prudential principle and risk management, the bank has had a written policy/guidelines and procedures on the provision of funds to the Related Parties, large exposures, and or provision of funds to other parties who have an interest in the Bank. As mentioned, guidelines are reviewed periodically. In addition, large exposures, and or provision of funds to other parties who have an interest in the Bank implemented appropriately (arm’s length basis), adjusted by the capability of bank’s capital, and no significant concentrations of the borrower or specific group borrower.

BANK’S STRATEGIC PLAN

To support in achieving the Bank’s business target, which is based on the vision “To excel at securing and enhancing the financial wellbeing of people, businesses and communities”, Commonwealth Bank Indonesia based its process and operations in Risk Management Framework and implement the GCG principles.

The implementation of risk management and current performance of the Bank as follows:

1. Risk Profiles - Operational Risk, Compliance Risk and Credit Risk has been the main focus of risk profile without disregarding the importance of other risk categories. The replacement of core banking system is expected to build a good risk management framework in order to reduce the risks, determine the level of risk will be taken (*risk appetite*) and risk tolerance, to be consistent and in accordance with the Bank strategy.
2. *Good Corporate Governance* - Focus on accountability and responsibility, by providing the understanding of *Good Corporate Governance* to all employees and by embedding this culture to the Bank.
3. Profitability - Continue to focus on maximizing Return on Asset by diversifying lending which focus on growing SME, Consumer and Commercial loans.
4. Capital – Maintaining the capital adequacy above the Bank Indonesia minimum requirement by optimising the capital management.

Commonwealth Bank Indonesia will focus on maintaining and improving the Bank’s soundness rating 2 (two) which will be supported by synchronized KPI for management and all employees

seluruh karyawan dengan strategi Bank, prioritas proyek yang akan berdampak positif terhadap penilaian Peringkat Bank Berbasis Risiko secara keseluruhan, pelaksanaan manajemen biaya disiplin, memperkuat budaya risiko di Bank.

Secara keseluruhan, pelaksanaan *Good Corporate Governance* (GCG) memperoleh peringkat komposit yang baik (“2”) yang didasarkan pada beberapa aspek, misalnya hasil analisis yang dilakukan menunjukkan komitmen kuat dalam mencapai standar GCG tinggi. Commonwealth Bank Indonesia telah memperbaharui kebijakan internal yang mengatur penanganan benturan kepentingan yang mengikat manajemen dan karyawan bank, termasuk prosedur pengambilan keputusan dan pencatatan administrasi, dokumentasi, dan pengungkapan konflik kepentingan. Pelaksanaan kebijakan GCG telah dilakukan sebagai pedoman pengendalian Bank agar sesuai dengan kepentingan pemangku kepentingan dan peraturan dan prinsip GCG, dengan memperkuat struktur tata kelola terkait efektivitas Dewan Komisaris, Dewan Direksi, dan Komite lainnya dalam mensosialisasikan prinsip GCG.

Di tengah melambatnya pertumbuhan ekonomi di Indonesia, Commonwealth Bank Indonesia berhasil mempertahankan laba bersih setelah pajak (NPAT) sebesar Rp 207,85 miliar untuk periode yang berakhir 31 Desember 2014. Suku bunga BI yang tinggi memberi dampak negatif pada pendapatan bunga bersih Commonwealth Bank Indonesia, ditambah dengan ketidakpastian pasar yang juga mempengaruhi laba perbankan lainnya, telah membuat pendapatan operasional Commonwealth Bank Indonesia menjadi lebih rendah

with the Bank’s strategy, project prioritization which will have positive impact to the Risk Based Bank Rating as a whole, implementation of discipline cost management, strengthening the risk culture across the Bank.

Overall, the implementation of *Good Corporate Governance* (GCG) gained a good composite rating (“2”) based on some considerations, such as the analysis that has been conducted shown strong commitment to achieve high GCG standard. Commonwealth Bank Indonesia had updated internal policies governing the handling of conflicts of interest that binds the management and employees of the bank, including the procedures for decision-making and administrative record keeping, documentation, and the disclosure of conflicts of interest. Implementation of GCG policy has been completed as a guideline to control the Bank in order to be in line with the stakeholder’s interest and in accordance with the regulation and GCG principle, by strengthening governance structure regarding the effectiveness of Board of Commissioner, Board of Director, and other Committees to promote GCG principle.

Amidst the slowing economic growth in Indonesia, Commonwealth Bank Indonesia succeed to maintain the net profit after tax (NPAT) at IDR 207.85 billion for the period ended 31 December 2014. High BI rates had negative impact on Commonwealth Bank Indonesia’s net interest income, coupled with the market uncertainty which also impacted other banking income, have made lower operational income for Commonwealth Bank Indonesia compared to 2013. To compensate this, Commonwealth Bank Indonesia has implemented stringent control of



dibandingkan 2013. Untuk mengkompensasi hal ini, Commonwealth Bank Indonesia telah menerapkan kendali biaya operasional yang ketat, dengan menerapkan beberapa inisiatif terkait produktivitas guna mengelola biaya operasional Commonwealth Bank Indonesia. Di antara tindakan-tindakan ini, termasuk di antaranya pengendalian manajemen kegiatan sumber daya manusia yang lebih baik, memperketat pengendalian biaya atas investasi dan biaya sesuai pertumbuhan pinjaman dan dana pihak ketiga, sambil terus mencari inisiatif penghematan biaya atas seluruh pengeluaran Bank, menunda ekspansi fisik dan berfokus pada peningkatan status kantor kas menjadi kantor cabang pembantu guna mendukung peningkatan produktivitas dan profitabilitas Bank, serta mengidentifikasi inisiatif produktivitas lainnya yang akan diterapkan di seluruh unit di Bank.

Commonwealth Bank Indonesia secara aktif memantau dan mengarahkan perbaikan dalam peningkatan produktivitas frontline dan fungsi support. Salah satu upaya yang dilakukan adalah tinjauan rutin jaringan kantor cabang dan kantor kas PTBC. Per akhir 2014, jumlah kantor yang memberi kontribusi positif adalah 90, dari total 91 kantor. Sejalan dengan rencana bisnisnya, Commonwealth Bank Indonesia telah merealisasikan peningkatan status 24 kantor kas, dari 47 kantor kas menjadi kantor cabang pembantu, konsisten dengan usulan peningkatan status yang telah disetujui oleh OJK.

Per Desember 2014, rasio CAR Bank Commonwealth Indonesia mencapai 24,05%, lebih tinggi dari rata-rata industri sebesar 19,77% per Desember 2014, dan masih lebih tinggi dari persyaratan minimum. Hal ini menunjukkan bahwa Commonwealth Bank Indonesia memiliki pengelolaan modal yang sehat, yang sesuai dengan karakteristik, skala, serta kompleksitas usaha Bank.

Selain itu, dalam rangka mendukung target pertumbuhan bisnis dan guna memperkuat tata kelola dan kontrol, Commonwealth Bank Indonesia telah dan terus menerapkan langkah-langkah strategis sebagai berikut:

a. Kerangka Kerja Manajemen Risiko.

Kerangka Kerja Manajemen Risiko akan terus ditingkatkan dan disesuaikan demi meningkatkan daya saing sesuai dengan model bisnis dan strategi Bank. Penjelasan lebih lanjut tentang Pelaksanaan Manajemen Risiko dapat ditemukan di Bagian F (Pelaksanaan Manajemen Risiko).

operational expenses, by applying some initiatives related to productivity to manage Commonwealth Bank Indonesia's operational expenses. Among those actions included better management control on human resource activities, tighten cost control for its investments and expenses in line with lending and third party fund growth, while continuously looking for cost saving initiatives throughout the Bank's overall spending, postponed physical expansion and focus on the status upgrade of cash offices to sub branch offices to support the increase of productivity and profitability of the Bank, as well as identifying other productivity initiatives to be applied across all units in the Bank.

Commonwealth Bank Indonesia is actively monitoring and driving improvements in its productivity across both frontline and support functions. One of the efforts is through conducting routine reviews of the PTBC's branch and cash office network. By the end of 2014, the number of offices that generated a positive contribution was 90 offices, out of the total of 91 offices. In line with the business plan, Commonwealth Bank Indonesia had realized the status upgrade of 24 cash offices out of 47 cash offices to sub-branch offices, consistent with the status upgrade proposal that has been approved by OJK.

As of December 2014, Commonwealth Bank Indonesia's CAR was 24.05%, higher than industry average of 19.77% as of December 2014, and still higher than the minimum requirement. This shows that Commonwealth Bank Indonesia has healthy capital management, which is align with Bank's characteristic, scale, as well as business complexity.

Moreover, In order to support business growth targets and to strengthen governance and controls, Commonwealth Bank Indonesia had and continuously implements the following strategic measures:

a. Risk Management Framework.

Risk Management Framework will be continuously enhanced and adapted to improve competitiveness in line with the Bank's business model and strategies. Further explanation on Risk Management Implementation can be found in Section F (Risk Management Implementation).

b. Commonwealth Bank Indonesia terus mengembangkan bisnis melalui empat (4) segmen usaha yang ada dengan menawarkan peningkatan kemampuan dan tambahan fitur.

Commonwealth Bank Indonesia terus membangun kekuatan dan pengalaman dalam segmen *Wealth Management*, melakukan *leverage* mitra yang ada & mengeksplorasi kesempatan kerjasama dengan mitra potensial, serta melakukan *cross-sell* dan diversifikasi produk. Pada 2014, Commonwealth Bank Indonesia menjadi sub-agen penjualan surat berharga pemerintah di pasar primer dalam penerbitan *retail saving bond*.

Per Desember 2014, jumlah kredit Commonwealth Bank Indonesia tumbuh 16% sejak Desember 2013, dan lebih tinggi dari rata-rata industri sebesar 10% per November 2014. Commonwealth Bank Indonesia berhasil menumbuhkan jumlah kredit UKM, Komersial, dan *Consumer* masing-masing sebesar 21%, 25%, dan 24%. Sementara itu, pinjaman *Multifinance* turun sebesar 19% dibandingkan Desember 2013. Pertumbuhan kredit UKM didukung oleh beberapa inisiatif seperti kerjasama dengan divisi lain untuk mengadakan acara pemasaran (*customer gathering*, promosi penjualan, dan kampanye pemasaran), meningkatkan produktivitas Relationship Manager juga efisiensi unit Deal Underwriter. Sementara pertumbuhan kredit komersial didorong oleh booking baru yang mendukung pertumbuhan portofolio Komersial, utilization rate yang lebih tinggi dari nasabah lama, juga peningkatan perputaran waktu proses persetujuan antara divisi Perbankan Bisnis dan Risiko Kredit sebagaimana tercantum dalam SCM (*Standard Credit Memo*) baru. Pertumbuhan kredit consumer didukung oleh produk baru (KPR Bebas) dan komitmen Commonwealth Bank Indonesia untuk meningkatkan penetrasi di pasar sekunder, sedangkan kredit *Multifinance* yang lebih rendah dibandingkan per Desember 2013 adalah sejalan dengan komitmen Commonwealth Bank Indonesia mengurangi konsentrasi pada portofolio *Multifinance*.

Dana Pihak Ketiga per Desember 2014 meningkat sebesar 7% dibandingkan tahun 2013. Pertumbuhan Dana Pihak Ketiga disesuaikan dengan kebutuhan pendanaan dan pertumbuhan ini terutama didorong oleh peningkatan Giro yang didukung oleh program Giro premium, seperti Giro High Yield. Hal ini sejalan dengan

b. Commonwealth Bank Indonesia continuously develops the business through four (4) existing business segments by providing enhanced capability and additional offering.

Commonwealth Bank Indonesia is continuously building the strength and experience in Wealth Management segment, leverage existing partners & explore the opportunity for cooperation with potential partners, as well as cross-sell and product diversification. In 2014, Commonwealth Bank Indonesia realized the activity as sub-selling agent of government securities in the primary market in the retail saving bond issuance.

As of December 2014, Commonwealth Bank Indonesia lending grew by 16% from December 2013, and higher than industry average of 10% as per November 2014. Commonwealth Bank Indonesia successfully grew SME, Commercial, and Consumer lending by 21%, 25%, and 24%, respectively. Meanwhile, Multifinance lending declined by 19% compared to December 2013. SME lending growth was supported by some initiatives such as collaboration with other divisions to hold marketing events (customer gatherings, sales promotion, and marketing campaigns), increase the productivity of Relationship Manager also the efficiency of the Deal Underwriter unit. While Commercial lending growth was driven by new bookings to support the Commercial portfolio growth, higher utilization rates from existing customers, also improvement of turnaround time in the approval process between Wholesale Banking and Credit Risk division as stated in the new SCM (Standard Credit Memo) agreement. Consumer lending growth was supported by a new product (KPR Bebas) and Commonwealth Bank Indonesia's commitment to increase penetration in the secondary market, while lower Multifinance lending compared to December 2013 was in line with Commonwealth Bank Indonesia's commitment to reduce concentration on Multifinance portfolio.

Third Party Fund as of December 2014 has increased by 7% compared to 2013. Third Party Fund growth was adjusted to funding need and the growth was mainly driven by higher Current Accounts which were supported by premium Current Account program such as Giro High Yield. This was in line with Commonwealth Bank

strategi Commonwealth Bank Indonesia untuk memperkuat likuiditas di tengah-tengah kondisi likuiditas ketat, melalui fokus pada peningkatan dana pihak ketiga yang stabil dan berbiaya rendah seperti Tabungan dan Giro, sementara mengelola pertumbuhan Deposito selaras pertumbuhan kredit.

Selain itu, untuk meningkatkan transparansi rencana strategis Bank, Commonwealth Bank Indonesia telah menyosialisasikan, melalui "strategic day" 2 (dua) kali setahun, di mana manajemen memberikan informasi tentang rencana strategis dan kinerja bank kepada seluruh karyawan. Para pemegang saham bank mendukung rencana strategis ini dengan tidak melakukan intervensi atas bank dengan menginvestasikan kembali keuntungan untuk mendukung strategi bank yang lebih jauh.

Indonesia strategy to strengthen liquidity amidst tight liquidity condition by focus on raising the third party funds that are stable and low cost such as Savings and Current Account products, while also managing Time Deposit growth aligned with the credit growth.

In addition, to promote transparency of the Bank strategic plan, Commonwealth Bank Indonesia has socialized through the "strategic day" which is done in 2 (two) times a year where the management provides information on strategic plans and performance of the bank to all employees. The shareholders of the bank support the strategic plan by not intervening with the banks by reinvesting profits to support further bank's strategy.

c. Peningkatan Kepuasan Layanan Nasabah.

Pada 2014, Commonwealth Bank Indonesia menduduki peringkat ke-7 dari 21 bank (termasuk BUMN, bank komersial dan bank asing) berdasarkan penilaian MRI (Marketing Research Indonesia) yang menjadi standar industri di Indonesia untuk penilaian kualitas layanan. Commonwealth Bank Indonesia juga menduduki peringkat 10 pada Penghargaan *Contact Center Service Excellence* (CCSE) 2014 dari majalah *Carre* dan *Service Excellence*. Hasil ini konsisten dengan komitmen Commonwealth Bank Indonesia untuk terus meningkatkan pelayanan kepada nasabah dan meningkatkan kepuasan nasabah melalui keunggulan layanan.

c. Improvement of Customer Service Satisfaction.

In 2014, Commonwealth Bank Indonesia was ranked 7th from 21 banks (including state, commercial and foreign banks) based on MRI (Marketing Research Indonesia) which is the industry standard in Indonesia for Service Quality assessment. Commonwealth Bank Indonesia also ranked 10 on Contact Center Service Excellence (CCSE) Award 2014, from *Carre* and *Service Excellence* magazine. The result is consistent with Commonwealth Bank Indonesia's commitment to continuously improve service to customers and increase customers' satisfaction through service excellence.

d. Melanjutkan strategi Bank untuk penggantian sistem *Core Banking*.

Berdasarkan persetujuan Bank Indonesia, Bank melanjutkan proyek *Core Banking* (COMPASS) pada Juli 2013 untuk menggantikan sistem *Core Banking* yang lama (*Thaler*) dengan Oracle FLEXCUBE. Proyek COMPASS adalah proyek strategis utama yang akan meningkatkan stabilitas operasional *platform core banking*, mengotomatisasi banyak proses manual, dan memberikan peningkatan kemampuan karyawan melayani pelanggan. Data Warehouse Bank juga akan dipengaruhi oleh penggantian sistem *Core Banking*, dan sedang diperbarui bersamaan proyek *Core Banking*. Sistem *Core Banking* baru diharapkan dapat digunakan pada Semester 1 2015.

d. Continue the Bank's strategy for Core Banking system replacement.

Based on Bank Indonesia's approval, the Bank continued its *Core Banking* project (COMPASS) in July 2013 to replace the existing and ageing *Core Banking System* (*Thaler*) with Oracle FlexCube. The COMPASS project is a key strategic project that will improve the operational stability of its core banking platform, automate many manual processes, and provide an enhanced ability for our employees to service customers. The Bank's Data Warehouse will also be impacted by the replacement of the *Core Banking System*, and is being updated together with the *Core Banking* project. The new *Core Banking System* is expected to be implemented by the 1st Semester of 2015.

TRANSPARANSI KONDISI KEUANGAN DAN NON-KEUANGAN BANK

Informasi dalam laporan keuangan telah disusun dan disajikan menurut prosedur, jenis dan cakupan sebagaimana diatur dalam Peraturan Bank Indonesia dan Surat Edaran tentang Transparansi Kondisi Keuangan Bank dan disampaikan kepada Bank Indonesia dan instansi terkait lainnya secara tepat waktu.

Informasi di atas juga tersedia secara online di situs Commonwealth Bank Indonesia (www.commbank.co.id) sehingga dapat diakses dengan mudah oleh seluruh pemangku kepentingan Commonwealth Bank Indonesia.

TRANSPARENCY OF BANK'S FINANCIAL AND NON-FINANCIAL CONDITIONS

Information in financial reports has been prepared and presented in such procedures, type and scope as regulated by Bank Indonesia Regulation and Circular Letter concerning Transparency of Bank's Financial Condition and submitted to Bank Indonesia and other related institutions in a timely manner.

The above information also available online at Commonwealth Bank Indonesia homepage (www.commbank.co.id) so that it can be easily access by all Commonwealth Bank Indonesia's stakeholders.

KEBIJAKAN REMUNERASI DAN FASILITAS LAINNYA UNTUK DEWAN KOMISARIS DAN DIREKSI

- a. Jenis remunerasi dan fasilitas lain yang diterima oleh anggota Dewan Komisaris dan Direksi Commonwealth Bank Indonesia tahun 2014: Berdasarkan keputusan bulat Pemegang Saham Commonwealth Bank Indonesia Pegganti Rapat Umum Pemegang Saham Luar Biasa tanggal 15 Mei 2012 sebagaimana telah diubah dengan Akta No.45 tanggal 10 April 2013, telah diputuskan untuk menyetujui penetapan remunerasi, gaji, tunjangan, dan honorarium untuk Komisaris Lokal Bank yang mengacu pada Kebijakan Remunerasi untuk Komisaris Lokal. Komisaris lokal menerima kompensasi dalam bentuk Honorarium, Tunjangan Hari Raya Keagamaan (THRK) dan Gaji ke-14 dan manfaat dalam bentuk Tunjangan Medis Rawat Inap/Jalan dan Mobil Perusahaan.

RUPS juga telah menyetujui pendelegasian wewenang Rapat Umum Pemegang Saham kepada Dewan Komisaris dalam menentukan gaji dan tunjangan anggota Direksi ke dalam kebijakan Bank. Berdasarkan kebijakan tersebut, anggota Direksi menerima kompensasi dalam bentuk gaji, THRK, Tunjangan Akhir Tahun, bonus kinerja, dan sign-on bonus (sesuai kesepakatan kedua pihak). Selain itu, Direksi menerima manfaat dalam bentuk Dana Pensiun, program jaminan

REMUNERATION AND OTHER FACILITIES POLICY FOR BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

- a. Types of remuneration and other facilities received by member of Commonwealth Bank Indonesia's Board of Commissioners and Board of Directors in 2014: Pursuant to Unanimous Written Resolution of the Shareholder of Commonwealth Bank Indonesia in Lieu of the Extraordinary General Meeting of Shareholder dated 15 May 2012 as amended by Deed No.45 dated 10 April 2013, it resolved to approve the determination of remuneration, salaries, allowances, and emoluments for Local Commissioners of Bank, which refers to Remuneration Policy for Local Commissioners. The local commissioners received compensation in the form of Honorarium, Religious (THRK) Allowance and 14th Honorarium and benefit in the form of Inpatient/Outpatient Medical Benefit and Company Car.

GMS also has approved the delegation of authority General Meeting of Shareholders to the Board of Commissioners in determining the salaries and allowances of members of the Board of Director derived into Bank policy. Based on the policy the members of Board of Director receive compensation in the form of salaries, THRK, Year-End Allowance, performance-based bonuses, and sign-on bonuses (as agreed on both party). Additionally Directors receive benefits in the form

sosial, Asuransi Jiwa, Tunjangan Medis, cuti tahunan, mobil perusahaan dan biaya perawatan mobil. Anggota Direksi berkewarganegaraan asing menerima tunjangan tambahan berupa Tunjangan Perumahan dan Kebutuhan Rumah bagian dari kebijakan Bank.

of Pension Fund, social security program, Life Insurance, Medical Benefit, annual leave, company car and car running cost. Foreign member of Director receive additional benefits in the form of Host Country Housing Allowance and Household utilities allowance as Bank policy.

Jenis Remunerasi dan Fasilitas Lain Type of Remuneration and Other Facilities	Jumlah Diterima Tahun 2014 Amount Received in 2014			
	Dewan Komisaris Board of Commissioners		Direksi Board of Directors	
	Jumlah SDM Number of people	Dalam Juta Rupiah In Million Rupiah	Jumlah SDM Number of people	Dalam Juta Rupiah In Million Rupiah
1. Remunerasi (gaji, bonus, tunjangan rutin, tantiem dan fasilitas lain) Remuneration (salaries, bonus, routine benefits, tantiem and other intangible facilities)	2*	3,110	6	26,839
2. Fasilitas-fasilitas lain Other tangible facilities	2*	480	6	4,630
• Dapat dimiliki Can be owned	-	-	-	-
• Tidak dapat dimiliki Cannot be owned	-	-	-	-
Total		3,590		31,469

b. Rincian remunerasi per individu (diterima secara tunai sebelum pajak penghasilan) adalah data jumlah remunerasi dalam setahun yang meliputi THR, TAT, Bonus, DPLK, BPJS-TK, termasuk perhitungan pro-rata untuk Direktur yang saat ini bekerja kurang dari satu tahun, yang diterima oleh Dewan Komisaris dan Direksi Commonwealth Bank Indonesia pada 2014 adalah sebagai berikut:

b. The detail on the remuneration per person (received in cash before income tax) is the total remuneration data within a year which are THR, TAT, Bonus, DPLK, BPJS-TK, including pro-rate calculation for Directors currently working under one year that is received by PTBC's Board of Commissioners and Board of Directors in 2014 is as follows:

Remunerasi per orang dalam 1 (satu) tahun di 2014 Remuneration per person in 1 (one) year in 2014	Jumlah Direktur Number of Directors	Jumlah Komisaris Number of Commissioners
Di atas Rp 3 miliar Above Rp 3 billion	5	-
Di atas Rp 2 miliar dan sampai dengan Rp 3 miliar Above Rp 2 billion and up to Rp 3 billion	-	-
Di atas Rp 1 miliar dan sampai dengan Rp 2 miliar Above Rp 1 billion and up to Rp 2 billion	-	-
Di atas Rp 500 juta dan sampai dengan Rp 1 miliar Above Rp 500 million and up to Rp 1 billion	1	2*
Below Rp 500 million Below Rp 500 million	-	-

* Seluruh Remunerasi dan Fasilitas lain yang diterima oleh 2 (dua) anggota Komisaris Non-Lokal ditanggung oleh Commonwealth Bank of Australia (CBA)

* All Remuneration and other Facilities received by 2 (two) Non-Local Commissioners were borne by Commonwealth Bank of Australia (CBA)

RASIO ANTARA GAJI TERTINGGI DAN TERENDAH

Rasio gaji tertinggi dan terendah (berdasarkan gaji dasar saja) yang diterima oleh anggota Dewan Komisaris, Direksi dan karyawan per bulan adalah sebagai berikut:

Keterangan Description	Rasio Ratio
Karyawan dengan gaji tertinggi dan terendah Highest and lowest salary of employees	74.9 : 1
Direktur dengan gaji tertinggi dan terendah Highest and lowest salary of Directors	2.3 : 1
Komisaris dengan gaji tertinggi dan terendah Highest and lowest salary of Commissioners	1 : 1
Karyawan dan Direktur dengan gaji tertinggi Highest salary of Directors and employees	1.6 : 1

OPSI SAHAM

Selama 2014, Commonwealth Bank Indonesia tidak memberikan opsi saham kepada anggota Dewan Komisaris, Direksi, Pejabat Eksekutif, dan Kepala Unit Bisnis lainnya.

RATIOS OF HIGHEST AND LOWEST SALARIES

Ratios of highest and lowest salaries (based on basic salary only) received by the member of the Board of Commissioners, Board of Directors and employee per month were as follows:

SHARES OPTION

During the year of 2014, Commonwealth Bank Indonesia does not provide any shares option for members of the Board of Commissioners, Board of Directors, Executive Officers, and other Head of Business Units.

PENYIMPANGAN INTERNAL

Berikut ini adalah rincian dari tindak penyimpangan yang dilakukan oleh manajemen, karyawan tetap dan karyawan sementara, termasuk karyawan dalam masa percobaan dan/atau karyawan alih daya:

INTERNAL FRAUD

The following is detail of frauds committed by the management, permanent employee and temporary employee including workers under probation and/or outsourced workers:

Penipuan Internal Internal Fraud 2014	Jumlah Kasus yang Dilakukan Number of Cases Committed by					
	Manajemen Management		Karyawan Tetap Permanent Employee		Karyawan Temporer Temporary Employee	
	Tahun sebelumnya Previous Year	Tahun Buku Current Year	Tahun sebelumnya Previous Year	Tahun Buku Current Year	Tahun sebelumnya Previous Year	Tahun Buku Current Year
Jumlah Penipuan Internal Total Internal Fraud	0	0	1	0	0	0
Telah selesai Resolved	0	0	1	0	0	0
Dalam proses penyelesaian internal Under process of settlement internally	0	0	0	0	0	0
Dalam proses penyelesaian internal dan dengan nasabah Under process of settlement internally and with customer	0	0	0	0	0	0

Penipuan Internal Internal Fraud 2014	Jumlah Kasus yang Dilakukan Number of Cases Committed by					
	Manajemen Management		Karyawan Tetap Permanent Employee		Karyawan Temporer Temporary Employee	
	Tahun sebelumnya Previous Year	Tahun Buku Current Year	Tahun sebelumnya Previous Year	Tahun Buku Current Year	Tahun sebelumnya Previous Year	Tahun Buku Current Year
Saat ini tidak terdapat upaya penyelesaian Currently no settlement efforts	0	0	0	0	0	0
Diproses secara legal Followed up through legal process	0	0	0	0	0	0

KEBIJAKAN PERLINDUNGAN WHISTLEBLOWER

Bank berkomitmen menjaga lingkungan kerja dan budaya organisasi yang tidak mentolerir tindak penyimpangan, korupsi dan perilaku yang tidak pantas sesuai dengan standar perusahaan yang dituangkan dalam Kebijakan Perlindungan *Whistleblower*. Kebijakan ini mendorong karyawan untuk melaporkan indikasi tindak penyimpangan, penyuapan dan korupsi, kegiatan ilegal, tidak etis, atau pelanggaran hukum dan peraturan.

Mekanisme pelaporan ini untuk melindungi kerahasiaan identitas pelapor dan memastikan pelaporan anonim.

Program Perlindungan Whistleblower

Dalam mendeteksi tindak penyimpangan atau perilaku lain yang dianggap tidak benar, Program Perlindungan *Whistleblower* menjadi jalur pelaporan yang disediakan oleh Bank sehingga pelaporan melalui jalur komunikasi dapat dilakukan oleh pihak internal dan eksternal, yaitu antara lain melalui:

- Email: integrity@commbank.co.id
- *Hotline Whistleblower*: 08071919191
- Telepon Internal call: 8800
- Surat: *Whistleblower*, FCU, WTC 6 Lantai 16, Jl. Jend. Sudirman Kav. 29-31, Jakarta 12920.

Pelaporan dapat didasarkan pada bukti dan dasar pemikiran melakukan pelaporan. Bank melindungi identitas pelapor dan menjamin kerahasiaannya pada saat laporan ditindaklanjuti oleh unit terkait.

WHISTLEBLOWER PROTECTION POLICY

The Bank is committed to maintaining a work environment and organizational culture that does not tolerate any act of fraud, corruption and inappropriate behavior in accordance with company standards as outlined in the Whistleblower Protection Policy. This policy encourages employees to report for an indication of the incidence of fraud, bribery and corruption, illegal activities, unethical, or violations of laws and regulations.

This reporting mechanism to protect the confidentiality of the complainant's identity and ensure reporting anonymously (anonymous).

Whistleblower Protection Program

In detecting the fraud action or other behavior that is held to be invalid, the Whistleblower Protection Program is a reporting line provided by the Bank to make a report via the communication line can be performed by internal and external parties among others:

- Email: integrity@commbank.co.id
- Whistleblower Hotline: 08071919191
- Extension Internal call: 8800
- Post: Whistleblower, FCU, WTC 6 Lantai 16, Jl. Jend. Sudirman Kav. 29-31, Jakarta 12920.

Reporting can be based with the evidence and rationale in doing the reporting. Bank to protect the identity of the complainant and ensure its confidentiality at the time of the report followed up by the related units.

Seluruh laporan yang diterima dikelola oleh Unit Kejahatan Keuangan sebagai pihak yang ditunjuk mengelola pelaporan yang masuk sesuai dengan standar operasi terkait *whistleblower*. Laporan akan ditindaklanjuti oleh *Whistleblower Investigation Officer* (WIO) yang akan menghubungi pelapor untuk meminta bukti atau informasi tambahan jika perlu. *Whistleblower Protection Officer* (WPO) akan memastikan dengan baik bahwa *whistleblower* diberikan perlindungan.

Jika informasi yang diberikan tidak cukup, atau tidak relevan untuk dilanjutkan proses penyidikan, pelapor akan diinformasikan bahwa penyelidikan dihentikan.

Demi meningkatkan efektivitas Program Perlindungan *Whistleblower*, Bank melakukan beberapa kegiatan:

- Sosialisasi dilakukan melalui desktop wallpaper, poster, atau sesi pelatihan guna mendorong pelaporan atau sebagai *whistleblower*.
- *Anti-Fraud Awareness* melalui surel kepada seluruh karyawan, secara berkala.

Laporan Whistleblowing 2014

Jenis Pelaporan Type of Reporting	Jumlah Laporan Number of Report
Jumlah Laporan Total Number of Report	6
Yang sudah selesai Completed	2
Yang ditutup dan tidak ada investigasi lagi Closed and no further investigation	4

PROSES HUKUM

Jumlah kasus perdata dan pidana yang dihadapi oleh Commonwealth Bank Indonesia, baik diselesaikan dengan kekuatan hukum final maupun dalam proses penyelesaian, per 31 Desember 2014, adalah sebagai berikut:

All reports received are managed by the Financial Crime Unit as a party designated in managing incoming reporting in accordance with the standards of operation associated with the whistleblower. The report be referred will be followed by Whistleblower Investigation Officer (WIO) who will contact the complainant to request additional evidence or information if needed. Whistleblower Protection Officer (WPO) will ensure well that protection is given to whistleblower.

If the information provided is not enough, or irrelevant to proceed investigation process, the complainant will be informed to notify that the investigation is discontinued.

In improving the effectiveness of the Whistleblower Protection Program Bank do some activities such as:

- Socialization is done through the desktop wallpaper, posters, or training sessions to encourage reporting or as a whistleblower.
- Anti-Fraud Awareness via email blast to employees on a regular basis.

Whistleblowing Report for 2014

LEGAL PROCEEDING

Numbers of civil and criminal cases faced by Commonwealth Bank Indonesia, both resolved with final legal binding power and in the process of settlement, as of December 31, 2014, were as follows:

a. Commonwealth Bank Indonesia sebagai Penggugat:

Proses Hukum Legal Proceedings	Jumlah Proses Hukum Number of Legal Proceedings			
	Pidana Criminal		Perdata Civil	
	2013	2014	2013	2014
Sudah selesai (dengan finalisasi hukum dan kekuatan mengikat) Resolved (with final legal binding power)				
• Rp 101 juta s/d Rp 500 juta Rp 101 million to Rp 500 million	-	-	-	-
• Di atas Rp 500 juta Above Rp 500 million	-	1	-	-
Dalam proses penyelesaian In the process of settlement				
• Rp 101 juta s/d Rp 500 juta Rp 101 million to Rp 500 million	2	3	-	-
• Di atas Rp 500 juta Above Rp 500 million	6	1	2	-
Total	8	5	2	-

b. Commonwealth Bank Indonesia sebagai Tergugat

Proses Hukum Legal Proceedings	Jumlah Proses Hukum Number of Legal Proceedings			
	Pidana Criminal		Perdata Civil	
	2013	2014	2013	2014
Sudah selesai (dengan finalisasi hukum dan kekuatan mengikat) Resolved (with final legal binding power)				
• Rp 101 juta s/d Rp 500 juta Rp 101 million to Rp 500 million	-	-	-	-
• Di atas Rp 500 juta Above Rp 500 million	-	-	1	-
Dalam proses penyelesaian In the process of settlement				
• Rp 101 juta s/d Rp 500 juta Rp 101 million to Rp 500 million	-	-	-	-
• Di atas Rp 500 juta Above Rp 500 million	1	-	4	1
Total	1	-	5	1

Informasi di bawah ini terkait persidangan hukum yang masih dalam proses:

Kasus Hukum Kebon Jeruk

Kasus penipuan yang melibatkan mantan karyawan Bank di Cabang Kebun Jeruk bernama AN, yang membuat transfer dari rekening nasabah ke rekening suaminya dengan total Rp1.488.000.000 (satu miliar empat ratus delapan puluh delapan juta Rupiah). Bank telah membayar kerugian kepada para nasabah tersebut, AN juga telah melunasi jumlah kerugian tersebut kepada Bank.

Below information's concerning Legal proceeding that still in the process of settlements:

Kebon Jeruk Legal Case

The fraud case involving a former employee of the Bank at Kebun Jeruk Branch named AN, which made transfers from the customer's account to the account of her husband with a total of Rp1.488.000.000 (one billion four hundred eighty eight million Rupiah). The Bank has pay for losses to these customers, otherwise AN also has repaid the amount of such losses to the Bank.

Pada 9 September 2014, telah dibacakan putusan oleh hakim di Pengadilan Negeri Jakarta Barat. Keputusan hakim:

1. AN dihukum penjara selama 5 (lima) tahun; dan
2. AN dihukum membayar denda Rp 3 miliar, dikurangi 3 (tiga) bulan penjara.

Posisi Bank hanya sebagai saksi, sehingga kasus telah dinyatakan selesai.

Kasus Hukum Palembang

1. Kasus Perdata

Penggugat (VA – Nasabah, SR dan FA – Mantan Karyawan Bank) sampai batas waktu yang ditentukan oleh hukum yang berlaku tidak mengajukan Kasasi ke Mahkamah Agung; hal ini didasarkan pada surat Pengadilan Negeri Palembang No. W6.U1/102/Pdt.02/1/2015 tanggal 9 Januari 2015, sehingga keputusan hakim telah mengikat secara hukum.

Keputusan hakim:

- Bank terbukti tidak melanggar hukum dan tidak terikat untuk bertanggung jawab membayar kerugian kepada VA;
- VA dinyatakan bersalah dan dihukum membayar kerugian nasabah sebesar Rp5,000,000,000 (lima milyar rupiah)

2. Kasus pidana

Berdasarkan Keputusan Majelis Hakim No. 317/Pid.B/2014/PN Plg tanggal 24 April 2014, keputusan ini diterima dan tidak ada tindakan hukum lebih lanjut diajukan, yaitu Banding.

Keputusan hakim:

- FA dijatuhi hukuman penjara selama 3 (tiga) tahun.
- Putusan atas kasus ini telah memiliki kekuatan hukum tetap, karena itu kasus perdata dan pidana telah dinyatakan selesai.

Bank akan selalu memastikan bahwa penyelesaian kasus hukum lain yang dihadapi oleh Bank adalah sesuai dengan hukum dan peraturan yang berlaku di Indonesia, meskipun kasus ini tidak memiliki dampak material terhadap risiko Bank.

On 9 September 2014, it has been read out the verdict by the judges in West Jakarta District Court. Decision of the judges:

1. AN sentenced to imprisonment for 5 (five) years; and
2. AN sentenced to pay a fine of Rp 3 billion, a subsidiary of 3 (three) months in prison.

The position of the Bank only as a witness, so that we have stated this case is complete.

Palembang Legal Case

1. Civil Case

The Plaintiff (VA - Customer, SR and FA - Former Employees of Bank) until the time limit specified by the applicable law did not file an Appeal to the Supreme Court; it is based on a letter from the District Court Palembang No. W6.U1/102/Pdt.02/1/2015 dated January 9, 2015, so that the decisions of the judges have legally binding.

Decision of the judges:

- The Bank is proven not violating any law and not bound to responsible to repay VA's losses;
- VA found guilty and sentenced to pay a customer losses of Rp5,000,000,000 (five billion rupiah)

2. Criminal case

Based on the Panel of Judges Decision No. 317/Pid.B/2014/PN Plg dated April 24, 2014, this decision is accepted by and no further legal action is filed, that is Appeal.

Decision of the judges:

- FA sentenced to imprisonment for 3 (three) years.
- Court decision on this case has had a permanent legal force, therefore the civil and criminal cases have been declared completed.

Banks will always ensure that the settlement of other legal cases faced by the Bank is in accordance with the laws and regulations in force in Indonesia, though these cases do not have a material impact on the Bank's risk.

TRANSAKSI YANG MENGANDUNG BENTURAN KEPENTINGAN

Guna mendukung *risk awareness* dan pengetahuan akan Benturan Kepentingan, seiring pembaruan Peraturan Commonwealth Bank Indonesia periode 2014-2016, telah diatur dalam pasal 63 dalam Peraturan Perusahaan bahwa Karyawan wajib membaca, memahami, mematuhi dan menerapkan Peraturan Perusahaan dan Peraturan Pelaksana. Karyawan baru dan lama juga diwajibkan untuk menandatangani Pernyataan *Professional Practice* dan berpartisipasi dalam Pelatihan wajib Kode Etik, yang salah satu modulnya adalah tentang Benturan Kepentingan.

Selain itu, Commonwealth Bank Indonesia telah melakukan survei tahunan atas seluruh Komisaris, Direksi, dan Pejabat Eksekutif mengenai informasi terkini pengecekan pihak-pihak terkait.

PEMBELIAN KEMBALI SAHAM DAN OBLIGASI BANK

Pada 2014, tidak ada transaksi pembelian kembali obligasi atau saham.

DANA UNTUK KEGIATAN SOSIAL DAN POLITIK

a. Kegiatan Sosial

Dalam melaksanakan tanggung jawab sosial perusahaan, Commonwealth Bank Indonesia secara aktif berpartisipasi dalam meningkatkan kesejahteraan masyarakat, dengan fokus pada pendidikan dan olahraga. Pada 2014, Commonwealth Bank Indonesia melakukan kegiatan sosial sebagai berikut:

No	Jenis dan Tujuan Program Type of Program and Its Purpose	Penerima Beneficiary	Total
1	CommCare untuk Karyawan – Program penggalangan dana untuk korban bencana banjir CommCare for Staff – Fundraising program for flood disaster victims	Karyawan Commonwealth Bank Support staff Commonwealth Bank	IDR 42,420,000
2	Proyek Konstruksi Rumah di Gunung Sari – Tangerang, Desa Babakan Madang-Sentul, Bogor – 2 kali Build Home Project at Gunung Sari –Tangerang, Desa Babakan Madang- Sentul, Bogor) – 2 times	Habitat Bagi Kemanusiaan Habitat For Humanity www.habitatindonesia.org/	IDR 79,786,250

TRANSACTIONS CONTAINING CONFLICT OF INTEREST

To support the risk awareness and knowledge regarding Conflict of Interest, along with the renewal of Commonwealth Bank Indonesia Company Regulation period 2014-2016, it is regulated in section 63 in Company Regulation that the Employees shall be obliged to read, understand, comply with and implement the Company Regulation and its Implementing Regulation. Also new and existing employees are obliged to sign a Statement of Professional Practice and to participate in mandatory Code of Conduct Training, which one of its modules is about Conflict of Interest.

Additionally, Commonwealth Bank Indonesia has done yearly survey for all Commissioners, Directors, and Executive Officers regarding updated information of their related parties to be checked.

BUY BACK SHARES AND BUY BACK BONDS

In 2014, there were no bonds buy back or shares buy back transaction.

FUNDS FOR SOCIAL AND POLITICAL ACTIVITIES

a. Social Activities

In performing the Bank's corporate social responsibility, Commonwealth Bank Indonesia actively participated in improving public welfare, focusing on education and sport. Commonwealth Bank Indonesia performed the following social activities in 2014:

No	Jenis dan Tujuan Program Type of Program and Its Purpose	Penerima Beneficiary	Total
3	Hari Donor Darah – Program donor darah regular bekerja sama dengan Palang Merah Indonesia (PMI) –2 kali Blood Drive Day – Regular blood drive program in collaboration with Indonesian Red Cross (PMI) – 2 times	Palang Merah Indonesia (PMI) Indonesian Red Cross (PMI)	+/- 200 blood packs
4	Donasi dan kunjungan ke Yayasan Kasih Anak Kanker Indonesia (YKAKI) / yayasan anak kanker Donation and visit to Yayasan Kasih Anak Kanker Indonesia (YKAKI) /children with cancer foundation	Yayasan Kasih Anak Kanker Indonesia	IDR 29,066,000
5	Sunat Masal – program sunat masal gratis untuk anak-anak Mass Circumcision – free circumcision program for children	Karyawan Commonwealth Bank Support Staff Commonwealth Bank	IDR 7,309,000
6	Donasi dan kunjungan ke Rumah Rawat Lansia Donation and visit to Elderly Nursing Home	Panti Wreda Waluyo Sejati Abadi – Jalan Kramat V No. 1 C, Jakarta	IDR 9,702,011
7	Geber Yatimers 2014 – Buka Puasa Bersama dengan anak-anak yatim piatu di bulan Ramadhan Geber Yatimers 2014 – Fasting Break with orphanage kids in conjunction with Ramadhan Season	Berkah Community & Market Plus Magazine	IDR 25.000.000
8	Donasi dan kunjungan ke Yayasan Anyo Indonesia Donation and visit to Yayasan Anyo Indonesia (children with cancer foundation)	Yayasan Anyo Indonesia	IDR 90,000,000
9	Buka Puasa dengan anak-anak Sekolah Bisa Fasting break with children at Sekolah Bisa	Sekolah Bisa – Bintaro, Jakarta	IDR 5,473,200
10	Bromo Marathon Charity Drive – program penggalangan dana internal untuk mendukung CommCare Club Bromo Marathon Charity Drive – internal fund raising program to support CommCare Club	CommCare Club	IDR 10.000.000
11	Kurban Idul Adha – sapi kurban untuk masyarakat kurang mampu Qurban for Eid Adha – Qurban cows for people in need	Yayasan Karya Insan Teladan (Setiabudi) dan Masjid Graha Inti Fauzi	IDR 55,132,000
12	Donasi dan kunjungan ke rumah penampungan St. Antonius Padua Donation and visit to St. Antonius Padua shelter home	St. Antonius Padua Shelter home	IDR 12,740,600
13	Charity Bazaar – acara penggalangan dana untuk Rainbow Reading Gardens Charity Bazaar – fundraising event for Rainbow Reading Gardens	Rainbow Reading Gardens – facebook.com/pelangibook	IDR 33,268,180
14	Program Charity dengan Australian & New Zealand Association (ANZA) untuk memberdayakan masyarakat Charity program with Australian & New Zealand Association (ANZA) to empower communities	ANZA (Australian & New Zealand Association)	IDR 80,000,000
15	Acara charity anak-anak di Jakarta Highland Gathering Kids charity event in Jakarta Highland Gathering	Jakarta Highland Gathering	IDR10,000,000

No	Jenis dan Tujuan Program Type of Program and Its Purpose	Penerima Beneficiary	Total
16	Acara charity turnamen golf dengan Kedutaan Australia Charity golf tournament with Australian Embassy	Platypus Club, Australian Embassy Social Club, Jakarta	IDR35,000,000
17	Bowling Fun Games dengan PIISEI – Acara penggalangan dana melalui kompetisi bowling, yang hasilnya akan disumbangkan ke rumah yatim piatu Bowling Fun Games with PIISEI –Fundraising event through bowling competition to be given to orphanage house	PIISEI (Persatuan Istri Ikatan Sarjana Ekonomi Indonesia)	IDR 10,000,000
18	Program Literasi Keuangan – Program edukasi dengan topik Perencanaan dan Pengelolaan Keuangan Financial Literacy Program - Educational program with topic about Financial Planning and Management	Publik (program partisipasi) – 24 sesi Public (program participants) – 24 sessions	IDR 95,580,001
19	Program WISE (Women Investment Series) – program edukasi keuangan untuk wanita, yang terdiri dari: Riset, pengembangan infrastruktur, pembangunan masyarakat, dll. WISE Program (Women Investment Series) – financial education program targeted to women, consists of some elements: Research, Infrastructure development, Community building, etc	Publik Public	IDR 554,695,800

b. Kegiatan Politik

Pada 2014, Bank tidak mendanai kegiatan politik.

b. Political Activities

In 2014, the Bank did not fund any political activity.

TINJAUAN SELF ASSESSMENT AKAN PELAKSANAAN GOOD CORPORATE GOVERNANCE

Dalam visi untuk meningkatkan kinerja Bank, melindungi kepentingan para *stakeholder*, dan meningkatkan kepatuhan terhadap peraturan serta etika yang berlaku, Commonwealth Bank Indonesia telah melaksanakan Self-assessment GCG pada tahun 2014, yang dilaksanakan dalam kepatuhan terhadap persyaratan Bank Indonesia tentang Implementasi *Good Corporate Governance* (GCG) bagi Bank Umum sesuai PBI No. 8/4/PBI/2006, PBI No. 8/14/PBI/2006 and SEBI No.15/15/DPNP.

Penilaian tentang kinerja dari prinsip-prinsip *Good Corporate Governance* dilaksanakan secara berkala oleh Commonwealth Bank Indonesia dan fokus pada 11 (sebelas) Faktor Penilaian dalam Implementasi *Good Corporate Governance* serta informasi lain yang berhubungan dengan implementasi GCG Bank, yang terdiri dari:

Nilai komposit *Self Assessment* atas *Good Corporate Governance* dihitung per 31 Desember 2014, tersaji dalam tabel berikut:

SELF ASSESSMENT REVIEW ON THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

In the vision of improving the Bank’s performance, protecting the interests of the stakeholders, and improving compliance to prevailing regulations and ethics, in 2014 Commonwealth Bank Indonesia had conducted GCG Self-assessment in complying to the Bank Indonesia requirements on the Implementation of Good Corporate Governance (GCG) for Commercial Banks as regulated under PBI No. 8/4/PBI/2006, PBI No. 8/14/PBI/2006 and SEBI No.15/15/DPNP.

The assessment towards the performance of Good Corporate Governance principles by Commonwealth Bank Indonesia was performed periodically and realized and focused in 11 (eleven) Assessment Factors in the Implementation of Good Corporate Governance and other information related to the Bank’s GCG implementation, which consisted of:

The composite score in the Self Assessment of Good Corporate Governance was calculated as of December 31, 2014, and provided in the following table:

No	Aspek Penilaian Aspects for Assessment	Catatan Notes
1	Kinerja Dewan Komisaris dalam Melaksanakan Tugas dan Tanggung Jawab Performance of Duties and Responsibilities by the Board of Commissioners	Jumlah orang dan komposisi anggota Dewan sesuai ketentuan PBI. Dewan mampu membuat keputusan yang independen dan melakukan tugasnya sesuai dengan prinsip-prinsip GCG. Rapat diselenggarakan secara efektif dan efisien. The number of people and composition of Board members and composition were in adherence to PBI provisions. The Board was capable of making independent decisions and performed their duties in accordance to GCG principles. Meetings were conducted effectively and efficiently.
2	Kinerja Direksi dalam Melaksanakan Tugas dan Tanggung Jawab Performance of Duties and Responsibilities by the Board of Directors	Kompetensi, integritas dan susunan anggota Direksi telah sesuai dengan kapasitas dan kompleksitas usaha saat ini. Anggota Direksi mampu bertindak dan mengambil keputusan secara internal. Dalam melaksanakan tugasnya, Direksi memenuhi prinsip kepatuhan dan GCG. Rapat diselenggarakan secara efektif dan efisien. The competence, integrity and composition of the members of the Board of Directors were in line with the capacity and complexity of the business today although Bank noted on the composition between local and foreign nationality. Members of the Board of Directors were able to take action and make decisions internally. In performing their duties, the Board of Directors meets the principle of compliance and GCG. Meetings were conducted effectively and efficiently.
3	Kecukupan dan Kinerja Komite dalam Melaksanakan Tugas Adequacy and Performance of Duties by the Committees	Komposisi dan kompetensi anggota Komite telah sesuai dengan ketentuan PBI. Rapat komite telah diselenggarakan dan dihadiri oleh para anggota. The composition and competence of the members of the Committees were in adherence to PBI provisions. Committee meetings have been run and attended by members.
4	Mengelola Konflik Kepentingan Managing Conflict of Interest	Segala potensi benturan kepentingan dimitigasi dengan pelaksanaan kebijakan Bank yang tegas, mengikat seluruh karyawan Commonwealth Bank Indonesia dan pihak lainnya yang bekerja sama dengan Bank. Any potential conflict of interest was mitigated by enforcing strict company policies, binding all Commonwealth Bank Indonesia employees and other parties that cooperate with the Bank.
5	Pelaksanaan Fungsi Kepatuhan Bank Implementation of Bank Compliance Function	Dewan Komisaris dan Direksi berkomitmen untuk meningkatkan dan menjaga kepatuhan Bank pada peraturan dan perundangan yang berlaku. PTBC menunjuk Direktur Kepatuhan yang lulus Tes Fit and Proper yang diselenggarakan OJK. Fungsi kepatuhan telah ditingkatkan selama tahun ini. The Board of Commissioners and Directors committed to improve and uphold company’s compliance to the prevailing rules and regulations. PTBC appointed the Compliance Director who passed the Fit and Proper Test held by Bank Indonesia. Compliance functions has been improved during the year
6	Pelaksanaan Fungsi Audit Internal Implementation of Internal Audit Function	Pelaksanaan Fungsi Audit Intern dilaksanakan dengan baik sesuai Standar Minimum yang ditegaskan SPFAIB. The implementation of Internal Audit Function was well-conducted in accordance to Standard Minimum established by SPFAIB.
7	Pelaksanaan Fungsi Audit Eksternal Implementation of External Audit Function	Pelaksanaan Fungsi Audit Ekstern dilaksanakan dengan baik oleh Akuntan Publik independen yang memenuhi syarat. The implementation of External Audit Function was well-conducted by qualified independent Public Accountant.

No	Aspek Penilaian Aspects for Assessment	Catatan Notes
8	Pelaksanaan Fungsi Manajemen Risiko dan Pengendalian Internal Implementation of Risk Management and Internal Control Functions	Manajemen Risiko akan terus dan tetap mengidentifikasi dan mengelola risiko Bank. Manajemen secara aktif memonitor dan mengendalikan risiko Bank dan mengawasi kebijakan dan prosedur demi menjaga kesehatan kondisi internal Bank. Risk Management will still and identify continuously and control Bank's risk. The management actively monitors and controls Bank's risks and management actively supervises policy, procedure to keep Bank's internal condition sound.
9	Penyediaan Dana pada Pihak Terkait dan Eksposur Besar Provision of Funds to Related Party and Large Exposures	Pelaksanaan penyediaan dana kepada pihak terkait dan penyediaan dana besar, termasuk di antaranya proses pengambilan keputusan, dilakukan sesuai kepatuhan terhadap Peraturan Bank Indonesia tentang Batas Maksimum Pemberian Kredit. The implementation of provision of funds to related party and large exposures, including the decision making process, were conducted in adherence to Bank Indonesia Regulation on Legal Limit Lending
10	Transparansi Kondisi Keuangan dan Non-Keuangan Bank, Laporan Pelaksanaan Good Corporate Governance dan Laporan Internal Transparency of Bank's Financial and Non-Financial Conditions, Good Corporate Governance Implementation Report and Internal Report	Laporan keuangan dan non-keuangan Bank disampaikan kepada publik secara transparan dan dapat diakses dengan mudah oleh para pemangku kepentingan melalui berbagai media dan situs Bank. Laporan pelaksanaan Good Corporate Governance dilaporkan secara tepat waktu dan sesuai dengan ketentuan PBI. Sistem Manajemen Informasi terkait Laporan internal dilaksanakan terus-menerus dan diperbaiki secara bertahap guna memberikan informasi yang tepat waktu, akurat dan lengkap. The Bank's financial and non-financial reports were informed to the public with transparency and easily accessed by stakeholders through various media outlets and the Bank's homepage. The Good Corporate Governance implementation report was reported in a timely and in accordance to PBI provisions. The Information Management System regarding Internal Report was continually in process and gradually improved to provide timely, accurate and complete information.
11	Rencana Strategis Bank Bank Strategic Plan	Rencana strategis Bank telah disusun dan disetujui oleh Dewan Komisaris dan disampaikan kepada OJK. Rencana ini menjadi pedoman dalam melaksanakan bisnis perbankan. Bank's strategic plan has been prepared and approved by BOC and submitted to Bank Indonesia. The plan is as a guidance in carrying out banking business
Nilai Komposit Composite Score		2 (BAIK GOOD)

Ringkasan Umum Hasil *Self Assessment* Implementasi *Good Corporate Governance* Commonwealth Bank Indonesia pada umumnya adalah Baik. Hal ini mencerminkan pemenuhan yang cukup atas prinsip-prinsip GCG, yang terdiri dari 11 (sebelas) prinsip yang komprehensif. *Self assessment* ini dilaksanakan secara komprehensif dan terstruktur, yang terintegrasi dalam 3 (tiga) aspek tata kelola, yaitu struktur tata kelola, proses tata kelola, dan hasil tata kelola, yang kesemuanya menjadi proses berkelanjutan.

A. Struktur Tata Kelola

Berikut adalah faktor positif dari aspek struktur tata kelola:

The General Conclusion on the *Self-Assessment* Results on the Implementation of *Good Corporate Governance* of Commonwealth Bank Indonesia in general is Good. This is reflected in an adequate fulfillment of the GCG principles, comprising 11 (eleven) comprehensive. The *self-assessment* was carried out comprehensively and structured, integrated into 3 (three) aspects of governance which are governance structure, governance process and governance outcome, as a continuous process.

A. Governance Structure

Positive factors aspects of governance structure of the bank is as follows:

- Mengenai Dewan Komisaris, komposisi Bank telah mematuhi persyaratan yang berlaku.
- Mengenai komposisi Direksi telah memenuhi persyaratan yang berlaku dan per Desember 2014, tercatat komposisi direktur lokal lebih dari 50% dibandingkan direktur warga negara asing.
- Mengenai Komite di bawah Dewan Komisaris, dengan penunjukkan dua (2) anggota komite dari pihak independen, yang memiliki pengetahuan dan pengalaman di bidang akunting, perbankan dan manajemen risiko guna memperkuat fungsi komite.
- Terdapat kebijakan Benturan Kepentingan bagi semua karyawan guna melindungi potensi benturan kepentingan, dan kebijakan ini telah dikaji pada bulan Juli 2014.
- Terdapat Fungsi Kepatuhan yang independen dari fungsi-fungsi operasional dibawah kepemimpinan Direktur Kepatuhan.
- Fungsi Audit Intern sesuai peraturan yang berlaku, termasuk penyusunan piagam dan rencana kerja audit intern.
- Kecukupan struktur organisasi guna mendukung implementasi manajemen risiko dan pengawasan internal. Kebijakan-kebijakan, prosedur-prosedur dan batas-batas risiko telah terpenuhi dan dikaji secara berkala, termasuk kebijakan-kebijakan dan prosedur-prosedur yang berhubungan dengan penyediaan dana untuk pihak yang berhubungan serta dana besar.
- Rencana bisnis Bank disusun berdasarkan visi dan misi, serta didukung oleh pemegang saham utama Bank.
- To the Board of Commissioners, the composition of the Bank has complied with the applicable requirements.
- For the composition of the Board of Directors has met the applicable requirements and by December 2014 the composition of the local director is more than 50% compared to the director of foreign nationals.
- To the Committee under the Board of Commissioners, with the appointment of two (2) members of the committee of independent parties who have knowledge and experience in accounting, banking and risk management to further strengthen the functions of the committee itself.
- There is a Conflict of Interest policy that applies to all employees in order to prevent potential conflicts of interest and this time the policy has been reviewed by July 2014.
- There are independent Compliance Function from operational functions under the leadership of the Director of Compliance.
- Internal Audit Function in compliance with applicable regulations, including the preparation of the charter and the work plan of the internal audit.
- Adequate organizational structure to support the implementation of risk management and internal control. The policies, procedures and risk limits are adequate and updated regularly, including policies and procedures related to the provision of funds to related parties and large exposures.
- The Bank's business plan is based on the vision and mission and supported by the controlling shareholder of the Bank.

Faktor-faktor negatif dari struktur tata kelola Bank meliputi:

Hal yang berhubungan dengan sistem informasi yang handal, diantaranya proses pembaharuan *core banking* yang telah disetujui oleh Bank Indonesia pada bulan Mei 2013, yang telah dimulai sejak bulan Juli 2013. Sistem baru ini diharapkan akan menghasilkan pelaporan yang handal, lengkap dan akurat, serta dapat mendukung pengembangan usaha Bank di masa depan. Namun, proyek ini mundur, dan akan efektif pada awal Mei 2015. Hal ini telah dikomunikasikan kepada OJK.

Negative factors aspects of governance structure of the bank is:

Related with a reliable information system, such as the Bank is in the process of core banking replacement which has been approved by Bank Indonesia in May 2013, and the kick-off was started since the month of July 2013 in which the new system is expected to produce a more reliable reporting, complete and accurate and support the future development of the Bank's business. However, the project suffered a setback to become effective in early May 2015 and this has been communicated to OJK.

B. Proses Tata Kelola

Berikut adalah faktor positif dari proses tata kelola:

- Peningkatan frekuensi rapat Dewan Komisaris dari 3 (tiga) bulan menjadi 2 (dua) bulan guna memperkuat fungsi pengawasan dan kehadiran Komisaris Independen Bank sedikitnya sekali seminggu, sebagai bagian dari fungsi pengawasan dan pemberian saran kepada Direksi.
- Pengawasan atas temuan audit oleh Dewan Komisaris melalui Komite Audit dan Direksi melalui rapat Direksi dan Tim Manajemen guna memastikan tindak lanjut dan komitmen Bank sesuai dengan temuan tersebut. Fungsi-fungsi Kepatuhan dan Audit Internal yang menggunakan mekanisme email setiap minggu kepada divisi terkait, termasuk direktur guna memberikan peringatan atas jatuh temponya temuan audit internal, eksternal dan Bank Indonesia. Selama tahun 2014 tidak terdapat audit dari OJK yang memerlukan *grace period*.
- Fungsi kepatuhan telah menjalankan tugas dan tanggung jawab guna mendukung budaya kepatuhan melalui partisipasi aktif dalam proses produk dan aktivitas baru, serta melaksanakan pengkajian atas kebijakan-kebijakan dan prosedur-prosedur dari departemen lain telah sesuai dengan peraturan yang berlaku.
- Fungsi Audit Internal telah secara efektif dan independen memberikan fungsi pengawasan dengan menggunakan pendekatan berbasis risiko. Realisasi audit telah dilakukan sesuai dengan Rencana Kerja Audit dan telah dilaporkan secara berkala kepada Direksi dan Dewan Komisaris melalui Komite Audit.
- Proses penunjukkan audit ekstern telah mempertimbangkan peraturan yang berlaku serta rekomendasi dari Komite Audit dan telah disetujui oleh Rapat Umum Pemegang Saham.
- Dewan Komisaris telah memenuhi tugas dan tanggung jawab secara aktif dan telah memiliki pengertian yang baik mengenai manajemen risiko Bank. Direksi telah memenuhi tugas dan memiliki pengetahuan yang baik atas manajemen risiko, antara lain kebijakan-kebijakan, strategi-strategi

B. Governance Process

Positives factors aspects of governance process of the bank is

- Increased frequency from Board of Commissioners meetings from 3 (three) months into 2 (two) months to further strengthen the supervisory function and the presence of an Independent Commissioner of Bank office at least once a week as part from the oversight function by providing guidance to the Board of Directors.
- Supervision of audit results by the Board of Commissioners through the Audit Committee and by the Board of Directors through the Board of Directors and Management Team meetings to ensure follow-up and commitment of the Bank in accordance with the findings. Compliance and Internal Audit functions using the mechanism of e-mails every week to remind the maturity from the findings of internal audit, external and Bank Indonesia to the related divisions, including directors. During the period of 2014 there were no audit from the OJK which require the extension of the grace period.
- The compliance function has been doing duties and responsibilities in order to support a culture of compliance through active participation in the process of new products and activities and conduct a review of the policies and procedures from other departments to ensure that policies and procedures are in compliance with applicable regulations.
- Internal Audit function has conducted oversight function effectively and independently with the scope of the task made using a risk-based approach. Realization of the audit work in accordance with the Audit Work Plan and reported regularly to the Board of Directors and Board of Commissioners through the Audit Committee.
- The process of appointment of the external audit has been considering the existing regulations as well as getting a recommendation from the Audit Committee and approved by the General Meeting of Shareholders.
- Board of Commissioners has run its duties and responsibilities adequately and actively and has a good understanding of the Bank's Risk Management. The Board of Directors has been carrying out its duties adequately and have a good grasp on Risk Management, among

dan kerangka kerja manajemen risiko yang disiapkan tertulis, termasuk batas-batas risiko dan jenis-jenis risiko secara keseluruhan yang selaras dengan tingkat risiko dan toleransi risiko dari kecukupan modal.

- Implementasi komprehensif sistem pengawasan internal secara efektif dalam mendukung penerapan manajemen risiko dan telah disusun berdasarkan tujuan usaha. Pengawasan risiko Bank dikelola melalui model *Three Lines of Defense*. Model ini memiliki struktur dimana kerangka kerja manajemen risiko dapat dilaksanakan secara bersamaan, termasuk meningkatkan pengelolaan kewajiban risiko yang telah didefinisikan dan dilaksanakan secara efektif oleh semua unit bisnis, termasuk pengawasan.
- Bank telah menciptakan sistem pengelolaan keluhan yang baru (dinamai *CHS-Complaint Handling System*) menggantikan sistem sebelumnya yaitu *CommVoice*, guna melaksanakan proses pencatatan dan administrasi atas keluhan nasabah secara efisien dan terintegrasi.
- Proses penyusunan Rencana Bisnis telah mempertimbangkan beberapa faktor seperti Peraturan Bank Indonesia, kondisi-kondisi eksternal, serta kondisi-kondisi internal perusahaan, termasuk input dari Tim Pengawas OJK. Selain itu, proses penyusunan adalah kolaborasi antara unit bisnis dan unit pendukung termasuk manajemen risiko yang memberikan parameter-parameter risiko, dimana unit bisnis dapat bekerja sesuai dengan target-target yang telah ditetapkan, sehingga rencana bisnis Bank disusun secara realistis, komprehensif, mempertimbangkan semua prinsip kehati-hatian. Rencana Bisnis dan revisinya telah disusun oleh Direksi dan disetujui oleh Dewan Komisaris.

Faktor-faktor negatif dari aspek proses tata kelola, meliputi:

Adanya proses manual dalam penyusunan laporan keuangan dikarenakan sistem yang digunakan saat ini belum dapat mengakomodasi penyusunan laporan keuangan, namun Bank berkomitmen untuk menyampaikan rencana yang berhubungan dengan sistem.

others, policies, strategies and risk management framework formulated in writing, including the overall risk limits and per type of risk in line with the level of risk taken and risk tolerance of the capital adequacy.

- Implementation of a comprehensive internal control system has been implemented and effectively in supporting the implementation of risk management and organized in accordance with business objectives. Bank risk control is managed by the Model Three Lines of Defense. This model provides a structure in which risk management framework can be implemented simultaneously and in terms of helping to build confidence that the liability risk management has been defined and carried out effectively by all business units, including for control.
- The Bank has made a new complaint management system (called *CHS-Complaint Handling System*) to replace the system that has been used previously (called *CommVoice*) in order to make the process of recording and administration of customer complaints become more efficient and integrated.
- Business Plan preparation process consider several factors such as Bank Indonesia Regulation, external conditions, internal conditions of the company, as well as input from OJK Supervisory Team. In addition, the preparation process is a collaboration from business units and support units such as risk management that provides risk parameters in which business units can work in accordance with the targets set so PTBC structured business plan realistically, comprehensively, taking into account the precautionary principle. Business plan and its revision prepared by the Board of Directors and obtain approval from the Board of Commissioners.

Negative factors aspects of governance process of the Bank is:

There is still a manual process in the preparation of the financial statements due to the current system is not yet fully able to accommodate the preparation of the financial statements, but the Bank has committed to submit a plan for corrective action associated with this system.

C. Hasil Tata Kelola

Faktor-faktor positif dari aspek hasil tata kelola:

- Sehubungan dengan hasil-hasil tata kelola, pada semester kedua, Bank mampu memenuhi target rasio AL / NCD sesuai dengan komitmen waktu dan proses penyusunan untuk kepatuhan pengawasan dengan rasio-rasio.
- Selain itu, laporan implementasi GCG dan laporan tahunan telah diserahkan secara lengkap dan tepat waktu kepada para pemegang saham serta pihak-pihak yang disebutkan dalam peraturan dan telah dipasang dalam website Bank.

Faktor-faktor negatif dari aspek hasil tata kelola adalah:

Terdapat denda yang berhubungan dengan pelaporan kepada regulator disebabkan ketidaksengajaan antara sistem dan kesalahan manusia. Sebab akibat dari masalah ini telah didiskusikan dan disertakan dalam proyek COMPASS serta Pelaporan Regulatori termasuk solusi sementara menunggu implementasi proyek.

Kelemahan dan Penyebab

Hasil self-assessment GCG tahun 2014 menunjukkan bahwa terdapat sedikit kelemahan berkaitan dengan pelaksanaan GCG di Commonwealth Bank Indonesia, namun tidak memiliki dampak material dan akan segera diperbaiki.

Kekuatan Pelaksanaan GCG

Good Corporate Governance dilaksanakan dengan baik dan didukung oleh pelaksanaan tugas dan tanggung jawab Dewan Komisaris, Direksi, dan berbagai Komite di bawah Dewan Komisaris dan Direksi yang efektif, independen dan sesuai peraturan. Pelaksanaan kebijakan benturan kepentingan tersebut telah sesuai dengan peraturan yang berlaku. Tata kelola yang baik juga diperkuat dengan pelaksanaan Fungsi Kepatuhan, Audit Intern dan Audit Ekstern yang independen dan efektif. Commonwealth Bank Indonesia memiliki kebijakan dan prosedur, sistem informasi manajemen serta tugas pokok dan fungsi masing-masing struktur organisasi. Pengungkapan benturan kepentingan pada pengambilan keputusan telah diadministrasikan dengan baik dan didokumentasikan dengan sesuai. Pelaksanaan Manajemen Risiko sesuai dengan kompleksitas usaha Bank, termasuk pengawasan

C. Governance Outcome

Positive factors aspect of governance outcome is:

- In relation to governance outcomes, during the second half, the Bank has completed the commitment to achieve the target ratio AL / NCD in accordance with a time commitment as well as the preparation process for monitoring compliance with these ratios.
- In addition, GCG implementation report and the annual report has been submitted in a complete and timely manner to shareholders and parties as mentioned in the regulations and has been incorporated into the Bank's homepage.

Negative factors aspect of governance outcome is:

There are penalties related to reporting to regulators even though it was done by accident but rather the combination of system and human error. The cause from this problem has been discussed and included in the COMPASS project and Regulatory Reporting including a temporary solution until the project is implemented.

Weakness and Causes

The results of the GCG self-assessment for 2014 indicate that there were minor weaknesses with regard to GCG implementation within Commonwealth Bank Indonesia, however it has no material impacts and would be corrected immediately.

GCG Implementation Strength

Good Corporate Governance is implemented properly and supported by the implementation of the duties and responsibilities of the Board of Commissioners, Board of Directors, and the Committees under the Board of Commissioners and Board of Directors which are effective, independent and complied with regulations. Implementation of any conflict of interest has been in accordance with existing regulations. Good Governance is also strengthened by the implementation of Compliance Function, Internal Audit and External Audit which are independent and effective. Commonwealth Bank Indonesia has policies and procedures, information management system as well as main duties and functions of each organizational structure. Disclosure of conflicts of interest upon decision making is well administered and documented properly. Implementation of Risk Management is in accordance with the Bank's

aktif Dewan Komisaris dan Peningkatan Pengawasan Internal. Pemberian dana kepada pihak terkait dan penyediaan untuk eksposur besar juga telah diatur dalam Kebijakan dan Prosedur dan dilaksanakan dengan baik. Transparansi kondisi keuangan dan non-keuangan juga telah cukup dan akurat, dan dilaporkan secara tepat waktu. Rencana Bisnis Bank telah disusun sesuai dengan visi dan misi bank dan pelaksanaannya dipantau secara berkala.

Secara keseluruhan, pelaksanaan prinsip-prinsip GCG sangat didukung melalui komitmen serius seluruh karyawan, Direksi dan Komisaris serta komitmen pemegang saham pengendali untuk secara konsisten mendukung pelaksanaan *good corporate governance* dalam rangka mencapai visi dan misi Bank yang telah ditentukan.

PENUTUP

Sejauh ini, Bank telah membangun fondasi yang kuat untuk melaksanakan GCG, dengan memenuhi semua ketentuan yang ditetapkan oleh Bank Indonesia dan OJK, sehingga menunjukkan komitmen bank dalam menerapkan semua prinsip dan peraturan GCG.

Bank menyadari bahwa penerapan GCG tidaklah hanya untuk memenuhi ketentuan Bank Indonesia, tetapi juga untuk mendukung operasional Bank dalam mencapai visi dan misi Bank demi mendapatkan hasil terbaik bagi seluruh nasabah, karyawan, regulator, dan masyarakat tempat Bank beroperasi dan juga pemegang saham.

Selain itu, kami berharap pembinaan dan instruksi berkesinambungan OJK bagi kemajuan dan perkembangan Bank, pada khususnya, dan dunia perbankan, pada umumnya.

business complexity including active supervision of the Board of Commissioners and Improvement of Internal Controls. Funds provision to related parties and provision for large exposures has also been governed in the Policies and Procedures and well implemented. Transparency of financial and non-financial conditions is also sufficient, accurate, and timely reporting. Bank's Business Plan has been prepared in accordance with the bank's vision and mission and its implementation is monitored regularly.

Overall, the implementation of GCG principles is strongly supported by the serious commitment of all employees, Directors and Commissioners as well as the commitment of the controlling shareholders to consistently support the implementation of good corporate governance in order to achieve the mission and vision of the Bank as it has been determined.

CLOSING

So far, Bank has placed a strong foundation to implement GCG, by fulfilling all regulations defined by Bank Indonesia and FSA, which shows bank's commitment in implementing all principles and regulation of GCG.

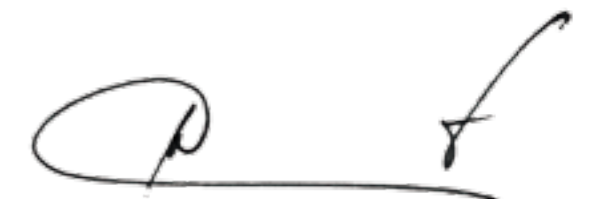
Bank realizes that GCG implementation is not only to fulfill Bank Indonesia regulations, but also to support Bank's operations in reaching Bank's vision and mission to obtain best results for all customers, employees, regulators, and the community where the Bank operates and also shareholders.

Furthermore, we expect OJK's continuous guidance and instruction for the betterment and development of our bank in particular and the banking world in general.

PT Bank Commonwealth,



Geoffrey David Coates
Presiden Komisaris
President Commissioner



Antonio Da Silva Costa
Presiden Direktur
President Director