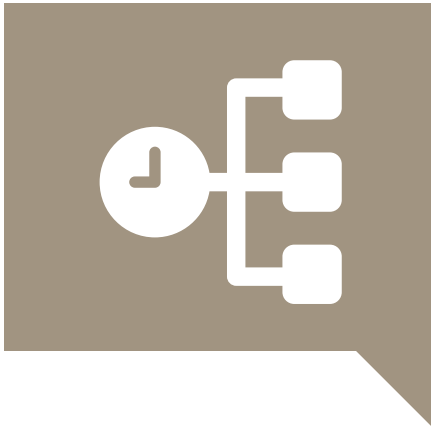


> TATA KELOLA PERUSAHAAN CORPORATE GOVERNANCE



Penerapan tata kelola Dewan Komisaris di Commonwealth Bank telah sesuai dengan ketentuan seperti tercantum 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.

The implementation of the governance of the Board of Commissioners in Commonwealth Bank has already been in accordance with the provisions as contained in Bank Indonesia Regulation regarding Good Corporate Governance. The Board of Commissioners consists of 4 (four) members, two of whom are Independent Commissioners. All Independent Commissioners are domiciled in Indonesia.

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”) 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 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.

RAPAT UMUM PEMEGANG SAHAM (RUPS)

Rapat Umum Pemegang Saham diadakan beberapa kali selama 2015, seperti tercantum dalam Akta Notaris berikut:

OVERVIEW

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

In its effort to maintain, rectify, and improve the quality of Good Corporate Governance implementation, Commonwealth Bank regularly conducts comprehensive Self Assessment on Good Corporate Governance implementation in accordance with 11 (eleven) evaluation aspects in monitoring and evaluating the implementation results, establish action plans, and take necessary corrective actions.

GENERAL MEETING OF SHAREHOLDERS (GMS)

General Meeting of Shareholders is held for several times during 2015, which then contained in the following Deeds:

No.	Nomor Keputusan Deed Number	Tanggal Keputusan Deed Date	Ringkasan Keputusan Deed Summary
1.	111	30 April 2015	Penunjukkan kembali Bpk. Paul Setiawan Hasjim sebagai Direktur. Reappointment of Mr. Paul Setiawan Hasjim as Director.
2.	1	1 June 2015	Berakhirnya masa jabatan Ibu Mia Patria Bernardhi sebagai Direktur. End of duty Mrs. Mia Patria Bernardhi as Director.
3.	16	23 July 2015	<ul style="list-style-type: none"> Persetujuan laporan tahunan Bank dan ratifikasi laporan keuangan Bank untuk tahun buku yang berakhir 31 Desember 2014; Approval of the annual report of the Bank and the ratification of the Bank's financial statements for the fiscal year ended 31 December 2014; Menunjuk auditor independen untuk mengaudit laporan keuangan tahun buku yang berakhir 31 Desember 2015. To appoint an independent auditor to audit the financial statements of the financial year ended 31 Desember 2015 Memberi wewenang kepada Direksi atas penggunaan laba bersih setelah pajak untuk tahun buku yang berakhir 31 Desember 2014. Give authority to the Board of Directors for the use of net profit after tax for the financial year ended 31 December 2014.
4.	16	24 November 2015	Penunjukkan kembali Ibu Suwartini sebagai Komisaris Independen. Reappointment of Mrs. Suwartini as Independent Commissioner.

DEWAN KOMISARIS DAN KOMITE-KOMITE

Komposisi, Independensi dan Kepemilikan Saham oleh Komisaris per Desember 2015

Penerapan tata kelola Dewan Komisaris di Commonwealth Bank telah sesuai dengan ketentuan seperti tercantum 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.

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

THE BOARD OF COMMISSIONERS AND COMMITTEES

Composition, Independency, and Shareholdings of The Board of Commissioner per December 2015

The implementation of the governance of the Board of Commissioners in Commonwealth Bank has already been in accordance with the provisions as contained in Bank Indonesia Regulation regarding *Good Corporate Governance*. The Board of Commissioners consists of 4 (four) members, two of whom are Independent Commissioners. All Independent Commissioners are domiciled in Indonesia.

The Independent Commissioners maintain independence in carrying out their duties and responsibilities in accordance with Bank Indonesia Regulation regarding the Implementation of *Good Corporate Governance* by Banks.

There is no member of the Board of Commissioners who has 5% (five percent) or more of the paid up capital of Commonwealth Bank, bank institutions, non-bank financial institutions, and other companies inside or outside Indonesia.

Komposisi anggota Dewan Komisaris per Desember 2015 adalah sebagai berikut:

The composition of the Board of Commissioners per December 2015 is as follows:

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

- Dewan Komisaris memantau dan memastikan penerapan prinsip-prinsip *Good Corporate Governance* dalam semua aspek bisnis Commonwealth Bank 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.
- Dewan Komisaris memastikan Direksi membahas temuan audit dan rekomendasi Auditor Internal Commonwealth Bank, 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) 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 serta telah dikinikani per Agustus 2015

RAPAT DEWAN KOMISARIS

Selama periode 2015, Dewan Komisaris telah menyelenggarakan 6 (enam) kali rapat dan hampir seluruh anggota hadir secara fisik dengan rincian berikut:

DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS OF COMMONWEALTH BANK

- The Board of Commissioners monitor and ensure the implementation of good corporate governance principles in all aspects of Commonwealth Bank's business and at all levels of organization.
- The Board of Commissioners actively monitor the performance of the Board of Directors in carrying out all their duties and responsibilities, provide recommendations and suggestions, as well as monitor and evaluate the implementation of strategic policies of Commonwealth Bank.
- The Board of Commissioners ensure that the Board of Directors review audit findings and recommendations of Commonwealth Bank's Internal Auditor, the External Auditor, and the results of audit and review of the Financial Services Authority (OJK) and/or other supervisory authorities.
- The Board of Commissioners are not involved in the process of formulating operational decisions, with the exception of credit approval to related parties as provisioned by Bank Indonesia Regulation regarding Commercial Banks' Legal Lending Limit or other applicable laws and regulations.
- In accordance with Bank Indonesia Regulation, the Board of Commissioners should establish Audit Committee, Risk Oversight Committee, and Remuneration and Nomination Committee. The appointments of members of the Committees are based on resolutions made in the meetings of the Board of Commissioners. Currently, the 3 (three) Committees have been established, namely the Audit Committee, Risk Oversight Committee, and Remuneration and Nomination Committee, and the appointment of each member of the committees has been done in accordance with the applicable laws and regulations.

Furthermore, in order to enhance the effectiveness of daily duties and responsibilities of the Board of Commissioners, the Bank has set up Guidelines for the Board of Commissioners. These guidelines provision the activities of the Board of Commissioners in a structured, systematic, and consistent manner and have been updated per August 2015.

MEETING OF THE BOARD OF COMMISSIONERS'

During 2015 period, the Board of Commissioners had conducted 6 (six) times and the members attended either physically with detail as follows:

No	Anggota Member	Penunjukkan 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	Komisaris Independen Independent Commissioner	✓	✓	✓	✓		✓
4	Khairil Anwar	Komisaris Independen 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. Selama 2015, 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 untuk 2014/5 dan revisi Rencana Bisnis tersebut pada Juni 2015.
2. Mengevaluasi kinerja keuangan Commonwealth Bank sepanjang 2015, termasuk 4 pilar pertumbuhan terkait strategi prioritas Bank untuk masing-masing pilar, yaitu *Wealth Management*, *Usaha Kecil dan Menengah (UKM)*, *Emerging Affluent* dan *Wholesale Banking*.
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. Selain itu, Dewan Komisaris terus memantau hasil implementasi dari Proyek COMPASS yang telah selesai dilaksanakan pada bulan Mei 2015

Dewan Komisaris juga memberikan rekomendasi dan persetujuan sebagai berikut:

1. Memberi rekomendasi kepada RUPS perihal penunjukan Kantor Akuntan Publik (KAP) Tanudiredja, Wibisana, Rintis & Rekan untuk melakukan audit independen tahun fiskal 2015 melalui Komite Audit.
2. Melalui Komite Remunerasi & Nominasi, mengusulkan perpanjangan masa jabatan Direktur Operasional & teknologi Informasi, berakhirnya masa jabatan Direktur Sumber Daya Manusia serta perpanjangan masa jabatan Komisaris Independen.

During the meetings, the Board of Directors, Executive Officers, and Internal Audit are also invited, if necessary, to obtain information related to the business and operations of Commonwealth Bank. During 2015, the Board of Commissioners are responsible for several important aspects, including:

1. Providing advices, suggestions, and recommendations to the Board of Directors, and together with the Board of Directors approve the Commonwealth Bank's Business Plan for 2015 and the revision of the Business Plan in June 2015;
2. Evaluating the financial performance of Commonwealth Bank throughout 2015, including the 4 pillars of growth related to the Bank's strategic priorities of each pillar, namely *Wealth Management*, *Small and Medium Enterprises (SME)*, *Emerging Affluent*, and *Wholesale Banking*;
3. Monitoring, assessing, and evaluating the approved actions on the findings of internal and external audits according to the prevailing regulations, and discussing internal and external audit plans;
4. Discussing the Bank's Soundness Rating Report, Risk Profile Quarterly Report, and the issuance of new regulations which may have implications to Commonwealth Bank. In addition, the Board of Commissioners continue monitoring implementation results of COMPASS project which is completed in May 2015.

The Board of Commissioners also provide recommendations and approvals as follows:

1. Recommending to the General Meeting of Shareholders regarding the appointment of the Public Accounting Firm (PAF) Tanudiredja, Wibisana, Rintis & Partners to conduct independent audit for 2015 financial year through Audit Committee.
2. Through the Remuneration & Nomination Committee, propose extension of the term of office of the Director of Operations and Information Technology, termination of the term of office of the Director of Human Resources, and extension of the term of office of Independent Commissioners.

1. Melalui Komite Pemantau Risiko, persetujuan setiap kebijakan terkait manajemen risiko, antara lain Kebijakan Tata Kelola Perusahaan, Kebijakan Kredit, Kebijakan Likuiditas dan Pendanaan, 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 tidak 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.

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 seorang di antaranya adalah 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 2015 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 Akuntansi Member (Independent Party) having expertise in Finance and Accounting	Teuku Radja Sjahn
5	Anggota (Pihak Independen), yang memiliki keahlian pada bidang Perbankan dan Manajemen Risiko Member (Independent Party) having expertise in Banking and Risk Management	Jono Effendy

1. Through the Risk Oversight Committee, approve risk management policies, among others, Corporate Governance Policy, Credit Policy, Liquidity and Funding Policies, etc.

FINANCIAL AND/OR FAMILY RELATIONSHIPS UP TO THE SECOND GENERATION OF THE BOARD OF COMMISSIONERS AND/OR MEMBERS OF THE BOARD OF DIRECTORS OR OTHER RELATIONSHIPS

Independent Commissioners have no financial and/or family relationship up to second generation with members of the Board of Commissioners and/or the Board of Directors or other relationships. Thus, the Independent Commissioners can act independently in carrying out their duties and responsibilities. Other members of the Board of Commissioners have no financial relationship (only, work relationship) with the Controlling Shareholders. These conditions are in accordance with the requirements stated in Bank Indonesia Regulation regarding the Implementation of *Good Corporate Governance* by Commercial Banks.

COMMITTEES

The following committees have fulfilled their duties and responsibilities:

AUDIT COMMITTEE

The Audit Committee is set up to support the performance of duties and responsibilities of the Board of Commissioners effectively. In performing its duties, the Audit Committee is supported by the Audit Committee Charter which provides clarity of its authorities and responsibilities.

COMPOSITION AND MEMBERSHIP

Composition, membership, and expertise of Audit Committee have been in accordance with the requirements of the regulations. The Audit Committee consists of an independent commissioner who serves as the Chairman of the Audit Committee and four members consisting of an Independent Commissioner, a Commissioner, and two members representing Independent Parties having the expertise in finance/accounting and legal/banking.

The Audit Committee Members as per December 2015 are as follows:

PERAN DAN TANGGUNG JAWAB

Komite Audit secara independen mengkaji laporan keuangan Commonwealth Bank 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 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 2015, Komite Audit menyelenggarakan rapat resmi Komite Audit sebagai berikut:

No	Anggota Member	Penunjukkan 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	✓	✓	✓	✓	✓	✓

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,

ROLES AND RESPONSIBILITIES

Audit Committee independently reviews Commonwealth Bank's financial statements and the disclosure of financial information, based on information provided by the Board of Directors and External Auditor, as well as accounting policies to ensure compliance with applicable laws, regulations, and accounting standards. The Committee considers and discusses with the Board of Directors and the External Auditors issues and assessments of significant financial reporting related to the preparation of financial statements. In addition, the Audit Committee is also assigned to review the assurance on the effectiveness of internal control systems; monitor and evaluate the independence, effectiveness, scope of work, annual audit plans of internal and external auditors; and monitor and evaluate the action plans prepared by the Board of Directors related to audit issues raised by internal audit, external audit, and the regulators. The Audit Committee regularly reports its activities, including the provision of advices on matters related to the attention of the Board of Commissioners, and provides recommendations on the nomination of the External Auditor to the Board of Commissioners for further approval by the General Meeting of Shareholders.

MEETINGS

Throughout 2015, the Audit Committee holds formal Audit Committee meetings as follows

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

MEETINGS WITH INTERNAL AUDIT

Meetings with Internal Audit discuss the audit plan and its realization, risk-based audit approach, audit scope, audit reports issued during the reporting period, significant Internal

temuan signifikan Audit Intern, termasuk temuan berulang yang terjadi di kantor cabang dan, tindak lanjut rencana korektif dari temuan audit intern. Selain itu, dilakukan pembahasan kecukupan anggota tim Audit 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 untuk tanggal yang berakhir pada 31 Desember 2014. Auditor Ekstern telah memberikan pendapat wajar tanpa pengecualian atas laporan keuangan Commonwealth Bank. Selain itu, rapat membahas kepatuhan Commonwealth Bank 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. Berdasarkan pembahasan, Komite Audit memberi rekomendasi kepada Dewan Komisaris untuk menyetujui laporan keuangan 2014 dan atas penunjukan KAP Tanudiredja, Wibisana, Rintis & Rekan sebagai Auditor Ekstern Bank.

RAPAT DENGAN DIREKSI

Rapat dengan Direksi membahas Laporan Keuangan rancangan per Desember 2014, 31 Maret 2015, 30 Juni 2015, dan 30 September 2015, serta membahas tindak lanjut temuan Audit Internal dan untuk Otoritas Jasa Keuangan terkait dengan Aktivitas Fungsional Kredit, Aktivitas Fungsional Teknologi Informasi, dan Penerapan Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme

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.

Para anggota Komite Pemantau Risiko per Desember 2015 adalah sebagai berikut:

Jabatan Position	Nama Name
Ketua (Komisaris Independen) Chairman (Independent Commissioner)	Suwartini
Anggota (Komisaris Independen) Member (Independent Commissioner)	Khairil Anwar
Anggota (Wakil Presiden Komisaris) Member (Vice President Commissioner)	Guy Martin Harding
Anggota (Pihak Independen), yang memiliki keahlian pada bidang Keuangan dan Akunting Member (Independent Party) having expertise in Finance and Accounting	Teuku Radja Sjahnan
Anggota (Pihak Independen), yang memiliki keahlian pada bidang Perbankan Member (Independent Party) Having expertise in Banking and Risk Management	Jono Effendy

Audit findings including repeated findings that occurred at the branch offices, and follow-ups of the corrective action plans on the internal audit findings. In addition, discussions are also done on the adequacy of members of the Internal Audit in terms of number, competency, and expertise, as well as the Internal Audit team member development programs.

MEETINGS WITH EXTERNAL AUDITOR

Meetings with External Auditor discuss Commonwealth Bank's financial statements for the year ended on 31 December 2014. The External Auditor has issued unqualified opinion to the Commonwealth Bank's Financial Statements. In addition, the meetings also discuss Commonwealth Bank's adherence to the applicable accounting standards, the External Auditor's findings related to internal controls, the audit plan, the audit scope, and the application of FASS 50/55 by Commonwealth Bank. Based on these discussions, the Audit Committee recommends to the Board of Commissioners to approve the 2014 financial statements and recommends the appointment of PAF Tanudiredja, Wibisana, Rintis & Rekan as the External Auditor of the Bank and its subsidiaries for the subsequent year.

MEETINGS WITH THE BOARD OF DIRECTORS

Meetings with the Board of Directors discuss the draft of Financial Statements per December 2014, 31 March 2015, 30 June 2015, and 30 September 2015, as well as the follow-ups of Internal Audit and the Financial Services Authority's findings related to Credit Functional Activities, Information Technology Functional Activities, and the implementation of Anti Money Laundering and Combating the Financing of Terrorism

RISK OVERSIGHT COMMITTEE MEETING

The Risk Oversight Committee is established 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 Risk Oversight Committee Charter that defines its responsibilities clearly.

COMPOSITION AND MEMBERSHIP

The composition of the Risk Oversight Committee has been in compliance with the prevailing regulations. The Risk Oversight Committee consists of an independent commissioner as the Chairman and 4 (four) members consisting of a commissioner, an independent commissioner and two independent parties who have the expertise in Banking and Risk Management.

The members of the Risk Oversight Committee as per December 2015 are as follows:

PERAN DAN TANGGUNG JAWAB

Komite Pemantau Risiko bertanggung jawab memantau delapan area risiko yang harus Commonwealth Bank 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 hukum, 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 is responsible to monitor the eight risk areas that Commonwealth Bank must manage namely Credit, Market, Liquidity, Operational, Legal, Reputation, Compliance, and Strategic Risks, and ensure that the implementation of risk management is in accordance with risk management policies. The committee also monitors and assesses the performance of duties of the Executive Risk Committee and Risk Management work unit, the development of litigation cases involving the Bank, and assesses the risks involved, such as legal risk, reputation risk, and compliance risk. The Risk Oversight Committee regularly reports its activities including provision of advices on matters of concern to the Board of Commissioners.

No	Anggota Member	Penunjuk 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	✓	✓	✓	✓	✓	✓

Melalui rapat-rapat ini, Komite membahas berbagai hal, antara lain:

1. Pembahasan Laporan Triwulanan Profil Risiko Commonwealth Bank periode Desember 2014 hingga September 2015 dan Laporan Tingkat Kesehatan Bank periode Desember 2014 dan Juni 2015, 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, Kebijakan Kredit, Kebijakan Likuiditas dan Pendanaan, dan sebagainya.
4. Perkembangan Proyek Produktifitas dan inisiatif strategis baru, seperti Synchronize.

Through these meetings, the Committee discuss various matters, among others are as follows:

1. Discussions on Commonwealth Bank's Quarterly Risk Profile Report for the period of December 2014 until September 2015 and Soundness Rating Report for the period of December 2014 and June 2015 as well as Risk Summary internal report covering the eight risks.
2. Discussions on Internal Capital Adequacy Assessment Process (ICAAP) as well as stress testing program and design for Credit Risk, Market Risk, and Operational Risk.
3. Discussions and recommendations on several policies such as Risk Tolerance Statement, Risk Management Policy, Credit Policy, Liquidity and Funding Policy, etc.
4. Productivity projects development and new strategic initiatives such as Synchronize.

KOMITE REMUNERASI DAN NOMINASI

Seperti halnya Komite lain di bawah Dewan Komisaris, Komite Remunerasi dan Nominasi juga dibentuk untuk membantu pelaksanaan tugas Dewan Komisaris agar lebih efektif. 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 2015 adalah sebagai berikut:

No.	Komite Remunerasi dan Nominasi Remuneration and Nomination Committee	Penunjuk 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:

Komite melakukan evaluasi kebijakan remunerasi Commonwealth Bank, termasuk peninjauan gaji tahunan dan manajemen bonus kinerja, dan memberi rekomendasi kepada Dewan Komisaris terkait program dan kebijakan remunerasi Commonwealth Bank 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 Commonwealth Bank.

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.

REMUNERATION AND NOMINATION COMMITTEE

As like other Committees under the Board of Commissioners, the Remuneration and Nomination Committee is also established to support more effective performance of the Board of Commissioners' duties. The composition of the Remuneration and Nomination Committee has been in compliance with the prevailing regulations. The composition of Remuneration and Nomination Committee comprises of an Independent Commissioner as the Chairman and two members consisting of a Commissioner and an Executive Officer representing Human Resources Department. The members of the Remuneration and Nomination Committee as per December 2015 areas follows:

Duties and Responsibilities of Remuneration and Nomination Committee are as follows:

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

1. Financial performance and reserve fulfillment in accordance with the prevailing regulations.
2. Employee's work achievement and contribution.
3. Fairness in accordance with the peer group.
4. Considerations on Commonwealth Bank's long-term targets and strategies.

The Committee is also responsible for:

1. Preparing and submitting recommendations on the 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. Preparing and submitting recommendations 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. Reviewing the recommendations of the President Director and composing further recommendations to the Shareholders for final decisions (as necessary) related to the President Director's review on the Board of Directors' and Top Management's Performance.
4. Preparing and submitting recommendations on independent parties nominated as members of Audit Committee and/or Risk Oversight Committee to the Board of Commissioners.

Sepanjang 2015, Komite telah menyelenggarakan beberapa rapat sebagai berikut:

During 2015, the Committee holds the meetings as follows:

No	Anggota Member	Penunjukkan Appointment	Periode Period					
			Feb	April	June	August	Oct	Dec
1	Suwartini	Chairman (Independent Commissioner)	√	√	√	√	-	√
2	Geoffrey David Coates	Member (President Commissioner)	√	√	√	√	√	√
3	Bagus Harimawan	Member (HR Executive Officer)	√	√	√	√	√	√

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

Through these meetings, the Remuneration and Nomination Committee discusses, reviews, and provides recommendations as follows:

- | | |
|---|---|
| <p>1. Memberikan rekomendasi terkait penunjukkan kembali Sdr. Jono Effendy sebagai Anggota Independen untuk Komite Audit dan Komite Pemantau Risiko.</p> <p>2. Memberikan rekomendasi lebih lanjut perihal penunjukkan kembali Sdr. Teuku Radja Sjahnan sebagai Anggota Independen untuk Komite Audit dan Komite Pemantau Risiko.</p> <p>3. Memberi rekomendasi kepada Dewan Komisaris terkait penunjukan kembali Bpk. Paul Setiawan Hasjim sebagai Direktur Commonwealth Bank untuk periode sebagaimana diatur dalam Anggaran Dasar Bank, yang diatur dalam RUPS.</p> <p>4. Sehubungan dengan telah selesainya masa jabatan Ibu Mia Patria Bernardhi sebagai Direktur Commonwealth Bank, Komite memberikan rekomendasi kepada Dewan Komisaris untuk menunjuk Sdr. Angeline Nangoi sebagai Direktur Sumber Daya Manusia sementara.</p> <p>5. Memberikan rekomendasi kepada Dewan Komisaris untuk penunjukkan Sdr. Bagus Harimawan sebagai Chief of Human Resources.</p> <p>6. Memberikan rekomendasi untuk perpanjangan Sdr. Suwartini sebagai Komisaris Independen.</p> <p>7. Memberikan saran dan rekomendasi lebih lanjut terkait permintaan Sdr. Antonio Da Silva Costa untuk pensiun dari jabatan Presiden Direktur serta merekomendasikan penunjukan Sdr. Lauren Sulistiawati selaku Presiden Direktur berdasarkan keputusan Otoritas Jasa Keuangan terkait Uji Kelayakan dan Kebutuhan juga keputusan dari RUPS.</p> <p>8. Menerbitkan Kebijakan Komite Remunerasi dan Nominasi.</p> <p>9. Melakukan ulasan terkait presentasi annual salary untuk tahun 2016.</p> | <p>1. Providing recommendations related to the re-appointment, Mr Jono Effendy as an Independent Member of the Audit Committee and the Risk Oversight Committee.</p> <p>2. Providing further recommendations regarding the re-appointment, Mr Teuku Radja Sjahnan as an Independent Member of the Audit Committee and the Risk Oversight Committee.</p> <p>3. Providing recommendations to the Board of Commissioners related to the re-appointment of Mr. Paul Setiawan Hasjim as Director of Commonwealth Bank for the period as stipulated by the Bank's Articles of Association, which is set out by the GMS.</p> <p>4. In connection with the completion of the term of office of Mrs Mia Patria Bernardhi as Director of Commonwealth Bank, the Committee provides recommendations to the Board of Commissioners to appoint Ms Angeline Nangoi as interim Human Resources Director.</p> <p>5. Providing recommendations to the Board of Commissioners for the appointment of Mr Bagus Harimawan as Chief of Human Resources.</p> <p>6. Providing recommendations for extension of Ms Suwartini as Independent Commissioner.</p> <p>7. Providing further advices and recommendations related to the request of Mr Antonio Da Silva Costa to retire from his position as President Director and recommend the appointment of Ms. Lauren Sulistiawati as President Director based on the Financial Services Authority's decision related to Fit and Proper Test and the resolution of the AGMS.</p> <p>8. Issuing Remuneration and Nomination Committee Policies.</p> <p>9. Reviewing the 2016 annual salary presentation.</p> |
|---|---|

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. Beliau juga menjadi konsultan bagi parlemen dalam bidang hasil audit Badan Pemeriksa Keuangan (BPK).

Bpk. Jono Effendy 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 serta Komite Audit BII Finance. Selain itu, beliau juga pernah menduduki jabatan sebagai Head of Research Banking Landscape, Group Head Consultant Management Unit dan Coordinator of IBRA Chairman Special Staff di Badan Penyehatan Perbankan Indonesia (BPPN). Selain menjabat sebagai pihak independen komite Audit dan komite pemantau risiko di Commonwealth Bank, 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, juga menjabat sebagai Managing Director di PT Kiran Resources Indonesia, serta menjabat sebagai Komisaris Independen di PT Commonwealth Life. Dan saat ini, beliau juga menjabat sebagai anggota *Risk Oversight Committee* di BFI Finance.

DIREKSI

Komposisi, Independensi dan Kepemilikan Saham Direksi per Desember 2015

Keanggotaan Direksi Commonwealth Bank telah sesuai dengan Peraturan Bank Indonesia terkait *Good Corporate Governance*. Misalnya, tidak ada penunjukkan beberapa posisi sekaligus, serta 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, dengan demikian tidak mempengaruhi pengambilan keputusan oleh masing-masing Direktur.

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

Jumlah Direksi per Desember 2015 adalah 4 (empat) anggota, sebagai berikut:

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

THE COMMITTEE'S INDEPENDENT MEMBERS EXPERTISE

Mr. Teuku Radja Sjahnan has the expertise and experience in finance and accounting. He also has the experiences as member of Audit Committee with several banks such as PT Bank BNI Tbk, PT Bank Barclays Indonesia, and PT Bank BNI Syariah. In addition, he also serves as consultant for parliamentary for audit results of Financial Audit Board (FAB).

Mr. Jono Effendy has the expertise in banking and risk management. He also has the experience as member of Audit and Risk Oversight Committee for several years in PT Bank Barclays Indonesia as well as Audit Committee in BII Finance. In addition to that, he previously served as Head of Research Banking Landscape, Group Head Consultant Management Unit dan Coordinator of IBRA Chairman Special Staff in Indonesian Bank Restructuring Agency (IBRA). Other than serving as independent member of Audit and Risk Oversight Committee with PT Commonwealth Bank, he also serves as member of Audit and Risk Oversight Committee of PT Bank BNP Paribas Indonesia, member of Audit and Risk Oversight Committee of PT Commonwealth Life, as Managing Director of PT Kiran Resources Indonesia, and as Independent Commissioner of PT Commonwealth Life. And currently, he also serves as member of Risk Oversight Committee in BFI Finance.

BOARD OF DIRECTORS

Composition, Independency, and Stock Ownership of the Board of Directors as per December 2015

The membership of Commonwealth Bank's Board of Directors is in accordance with Bank Indonesia Regulation regarding Good Corporate Governance. For examples, no concurrent positions, and non existence of power of attorney to other parties that may cause the transfer of duties and functions of the Board of Directors. All Directors are domiciled in Indonesia.

All members of the Board of Directors have no financial or family relationships with members of the Board of Commissioners, other members of the Board of Directors and/ or Commonwealth Bank's Controlling Shareholders, and thus does not affect the decision making of each Director.

None of the members of the Board of Directors has 5% (five percent) or more of the paid-up capital of Commonwealth Bank, other bank institutions, non-bank financial institutions, and other companies inside or outside Indonesia.

Number of members of the Board of Directors as per December 2015 is 4 (four) members, as follows:

Catatan :

- Ibu Mia Patria Bernardhi telah mengundurkan diri dari jabatannya sebagai Direktur efektif per 09 Juni 2015 dan telah memperoleh persetujuan RUPS sebagaimana diatur dalam Akta No.71 tanggal 01 Juni 2015.
- Sdr Antonio Da Silva Costa efektif mengundurkan diri dari jabatannya sebagai Presiden Direktur per 14 Februari 2016 dan telah memperoleh persetujuan RUPS sebagaimana diatur dalam Akta No.2 tanggal 4 Februari 2016.

TUGAS DAN TANGGUNG JAWAB DIREKSI

- Direksi bertanggung jawab penuh terhadap operasional manajemen Commonwealth Bank dan mengelola bisnis sesuai wewenang dan tanggung jawab dalam Anggaran Dasar serta peraturan dan perundangan yang berlaku.
- Direksi bertanggung jawab untuk menerapkan prinsip-prinsip *Good Corporate Governance* dalam semua aspek bisnis Commonwealth Bank dan di seluruh level organisasi Commonwealth Bank.
- 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 dan memastikan bahwa fungsi Manajemen Risiko telah beroperasi secara independen.
- 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 yang telah diperbaharui terakhir pada bulan Oktober 2015 mengarahkan kegiatan Direksi secara terstruktur, sistematis dan konsisten

RAPAT DIREKSI

Per 31 Desember 2015, 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	22
2	Mia Patria Bernardhi	8
3	Paul Setiawan Hasjim	20
4	Adhiputra Tanoyo	23
5	Angeline Nangoi	21

Catatan :

- Ibu Mia Patria Bernardhi telah mengundurkan diri dari jabatannya sebagai Direktur efektif per 9 Juni 2015 dan telah memperoleh persetujuan RUPS sebagaimana diatur dalam Akta No.71 tanggal 1 Juni 2015.

Note:

- Ms Mia Patria Bernardhi has resigned from her position as Director effective as per 9 June 2015 and is approved by the AGMS as set out in the Deed No.71 dated 1 June 2015.
- Mr Antonio Da Silva Costa effectively resigned from his position as President Director per 14 February 2016 and is approved by the AGMS as set out in Deed No. 2 dated 4 February 2016.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- The Board of Directors are fully responsible for the operational management of Commonwealth Bank and managing the business in accordance with the authorities and responsibilities set out by the Articles of Association and the prevailing laws and regulations.
- The Board of Directors are responsible to implement Good Corporate Governance principles in all Commonwealth Bank's business aspects and all organization levels.
- The Board of Directors consistently respond the findings and recommendations of Internal Audit, external auditor, and the reviews of OJK and/or other authorities.
- The Board of Directors develop and ensure the implementation of Risk Management at all levels of Commonwealth Bank's organization structure and that the Risk Management functions have operated independently.
- The Board of Directors report the performance of their duties and responsibilities to the General Meeting of Shareholders.

In order to improve the effectiveness of daily performance of the Board of Directors' duties and responsibilities, in March 2012 the Bank set out the Board of Directors Guidelines. The updated guidelines lastly in October 2015 direct the activities of the Board of Directors in structured, systematic, and consistent manners.

BOARD OF DIRECTORS MEETINGS

As per 31 December 2015, the Board of Directors have held the total of 36 meetings, with details as follows:

Note:

- Ms Mia Patria Bernardhi has resigned from her position as Director effective as per 9 June 2015 and is approved by the AGMS as set out in the Deed No.71 dated 1 June 2015.

Sepanjang 2015, agenda rapat Direksi di antaranya membahas:

- Peraturan Baru dan dampak peraturan tersebut bagi Commonwealth Bank
- Revisi Rencana Bisnis Bank 2015-2017 serta Rencana Bisnis 2016-2018
- Laporan Keuangan Audited tahun 2014
- Laporan Keuangan Publikasi 2015
- Peningkatan kualitas GCG dan perbaikan kualitas pemantauan risiko tertentu atas Risiko Kredit, Operasional dan Kepatuhan
- Kinerja Bisnis dan Keuangan pada 2015
- 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

KOMITE-KOMITE

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

- Executive Risk Committee*
- Asset and Liability Committee*
- Komite Kredit
- Komite Pengarah Teknologi Informasi
- Komite Integritas
- Komite Produk
- Komite Risiko Operasional
- People Committee*

EXECUTIVE RISK COMMITTEE (ERC)

Pembentukan ERC bertujuan 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 Otoritas Jasa Keuangan

During 2015, the Board of Directors meeting agendas, among others cover the discussions as follows:

- New Regulations and the impacts of the regulations to Commonwealth Bank.
- Revisions of The Bank's Business Plan 2015-2017 as well as Business Plan 2016-2018.
- 2014 Audited Financial Statements
- 2015 Published Financial Reports.
- Improvement of GCG quality and monitoring quality of specific risks on Credit Risk, Operational Risk, and Compliance Risk.
- 2015 Business and Financial Performances.
- Branch relocations and process improvements.
- Customer complaints especially those potentially raised into legal cases.
- Activities to improve productivity and efficiency among others related to new core banking system.
- Follow ups of internal audit, external audit, and the Financial Services Authority's findings.
- Those matters related to operational, information technology, and human resources.
- Expatriates visit report.

COMMITTEES

In performing their duties, the Board of Directors are supported by several committees as follows:

- Executive Risk Committee
- Asset and Liability Committee
- Credit Committee
- IT Steering Committee
- Integrity Committee
- Product Committee
- Operational Risk Committee
- People Committee

EXECUTIVE RISK COMMITTEE (ERC)

The purpose of the ERC's formation 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 Risk, and Compliance Risk, as well as ensuring their consistency with internal policies and the Financial Services Authority requirements.

Komposisi

Ketua: Direktur Manajemen Risiko

Anggota:

Direksi atau pemegang jabatan senior setara di Commonwealth Bank,:

- Presiden Direktur
- *Chief Financial Officer*
- 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 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
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.

Composition

Chairman: Director of Risk Management

Members:

The Board of Directors or equivalent senior position holders within Commonwealth Bank:

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

DUTIES AND RESPONSIBILITIES

1. Ensuring the effective implementation of the Bank's risk management frameworks through:
 - Reviewing and supporting 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 supporting the implementation of their respective charters, periodically reviewing each committee's KRI, reviewing and supporting policy and procedure documents, reviewing action plans proposed by committees and ensuring their implementation according to agreed standards.
2. Providing high-level directions and guidances for each risk area by:
 - Reviewing and supporting each risk area's risk profile report.
 - Reviewing and supporting 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
3. Providing supports for documents that need to be submitted to the Risk Oversight Committee, which could include policy and procedure documents and deviations from the existing policies and procedures.

ASSET AND LIABILITY COMMITTEE (ALCO)

Tujuan pembentukan ALCO adalah untuk memantau risiko pasar, manajemen banking book, strategi pendanaan dan pinjaman, serta kebijakan dan metodologi manajemen modal yang digunakan oleh Commonwealth Bank. Selain itu, pembentukannya untuk memastikan konsistensi antara risiko dan tujuan modal dengan risiko pasar dan prinsip-prinsip manajemen modal dan kebijakan Commonwealth Bank.

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

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

- Menyetujui perubahan komposisi Aktiva dan Pasiva dan perubahan aturan dan/atau pengaturan Fund Transfer Pricing dan suku bunga
- Memberikan saran dalam rangka pengawasan Capital Adequacy Ratio (CAR) dan permintaan untuk penambahan modal
- Sebagai sarana dalam penetapan atau perubahan asumsi name Crisis Run-Off serta kebijakan likuiditas dan pendanaan
- Melakukan pengawasan dalam penetapan atau perubahan untuk batas risiko pasar dan kebijakan risiko pasar
- Memberikan saran dalam perubahan metodologi pengukuran risiko.

KOMITE KREDIT (KK)

Tujuan dibentuknya Komite Kredit adalah untuk memastikan pengambilan dan pengawasan keputusan kredit yang prudent yang sesuai risk appetite Commonwealth Bank. Komite ini bersifat operasional yang membantu Direksi dalam mengevaluasi dan/atau mengambil keputusan Aplikasi Kredit berdasarkan jumlah dan jenis kredit yang disetujui Direksi.

ASSET AND LIABILITY COMMITTEE (ALCO)

The purpose of ALCO's formation is to monitor the market risk, banking book management, funding and lending strategy, and capital management policies and methodologies used within Commonwealth Bank. Other than that, the formation is intended to ensure consistency between the risk and capital objectives, and the market risk, the capital management principles and policies of the Commonwealth Bank.

Composition

Chairman: Chief of Global Market

Members:

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

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

DUTIES AND RESPONSIBILITIES

- Approving changes in the composition of Assets and Liabilities, the rules and/or, the arrangements of Fund Transfer Pricing and interest rates.
- Providing advices in the context of supervision of Capital Adequacy Ratio (CAR) and demand for capital additions.
- As a means in the determination or change of the Crisis Run-Off assumed name as well as liquidity and funding policies.
- Supervising the establishment of or changes to market risk limits and market risk policies.
- Providing advices in risk measurement methodology changes.

CREDIT COMMITTEE (CC)

The purpose of Credit Committee's formation is to ensure prudent credit decision making and monitoring that are in line with Commonwealth Bank's risk appetite. This is an operational committee that assists the Board of Directors in Credit Application decision evaluating and/or making for the amounts and types of credit under the approval of the Board of Directors.

Komposisi	Composition
Anggota dengan hak voting:	Members with voting rights:
<ul style="list-style-type: none"> • Presiden Direktur (Ketua) • Kepala Wholesale Banking • Kepala SME Banking 	<ul style="list-style-type: none"> • President Director (Chairman) • Head of Wholesale Banking • Head of SME Banking
Anggota tanpa hak voting	Members without voting rights
<ul style="list-style-type: none"> • Direktur Manajemen Risiko • Kepala Risiko Kredit atau Delegasinya (Laporan Langsung) 	<ul style="list-style-type: none"> • Director of Risk Management • Head of Credit Risk or his/her Delegate (Direct Report)

TURUT BERGABUNG

Direktur Kepatuhan (Observer)	Director of Compliance (Observer)
<ul style="list-style-type: none"> • 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 atau Ad Interim Head of Wholesale Banking akan menjadi ketua rapat. Dalam kapasitasnya ini, Kepala Wholesale Banking atau Ad Interim Head of Wholesale Banking tidak dapat mendelegasikan wewenangnya lebih lanjut. 	<ul style="list-style-type: none"> • Attendance by Credit Risk team as non-voting members is necessary to provide a balanced views and recommendations on each proposal submitted to CC meeting, • The CC may invite other executives to attend for part or whole of the meeting. • In the event where President Director is unable to chair the committee, Head of Wholesale Banking or Ad Interim Head of Wholesale Banking will chair the meeting. In this capacity, Head of Wholesale Banking or Ad Interim Head of Wholesale Banking cannot delegate his authority further.

TUGAS DAN TANGGUNG JAWAB

<ul style="list-style-type: none"> • 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 termasuk penyimpangan kebijakan • Sekurang-kurangnya KK bertugas: • Menjalankan fungsinya dalam memberi persetujuan/ penolakan kredit berdasarkan profesionalisme, kejujuran, objektivitas, dan akurasi. • Menolak permintaan dan atau pengaruh dari pihak-pihak terkait kepada pemohon kredit dalam proses pencairan kredit. 	<ul style="list-style-type: none"> • Approving or disapproving credit applications in accordance with limits pre-determined by the Board of Directors. • CC must sets up subcommittees to delegate its authorities in credit decision making. • Coordinating with Assets and Liabilities Committee (ALCO) in credit funding. • Compliance with adequate level of provision for write-off and write-off claim regulations, and credit to related parties. The acknowledgement for these matters must be obtained from the Board of Directors. • Preparing detailed Standard Operating Procedures for its duties and responsibilities. • Reviewing and supporting all related credit policies including any deviation to policies. • At least CC is obliged to: • Perform its functions in credit approval/disapproval based on professionalism, honesty, objectivity, and accuracy. • Refuse any request and or influence of credit applicants' related parties in credit disbursement process.
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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, pengoptimalan manajemen sumber daya, IT value delivery, pengukuran kinerja dan penerapan manajemen risiko yang efektif.

Komposisi	Composition
Ketua: Direktur Operasional dan Teknologi Informasi	Chairman: Director of Operations and Information Technology
Anggota:	Members:
<ul style="list-style-type: none"> • Presiden Direktur • <i>Chief of Human Resources</i> • Direktur Kepatuhan • Direktur Manajemen Risiko • <i>Chief Financial Officer</i> (CFO) • <i>Chief Audit Executive</i> (CAE) • <i>Chief of Global Markets</i> • <i>Head of Wealth Management and Business Strategy</i> • <i>Head of Retail Banking & Services</i> • <i>Head of Wholesale Banking</i> • <i>Head of SME Banking</i> • <i>Head of Digital Channels Business</i> • <i>Head of Information Technology</i> 	<ul style="list-style-type: none"> • President Director • Chief of Human Resources • Director of Compliance • Director of Risk Management • Chief Financial Officer (CFO) • Chief Audit Executive (CAE) • Chief of Global Markets • Head of Wealth Management and Business Strategy • Head of Retail Banking and Services • Head of Wholesale Banking • Head of SME Banking • Head of Digital Channels Business • Head of Information Technology

Sekretaris: Head of IT Governance & Risk Management

Undangan Reguler: IT Leadership Team

TUGAS DAN TANGGUNG JAWAB

<ul style="list-style-type: none"> • Rencana Strategis Teknologi Informasi sejalan dengan rencana strategi bisnis Bank serta pemantauan keseluruhan kinerja Teknologi Informasi dan upaya untuk meningkatkannya. • Roadmap untuk mencapai rencana TI untuk mendukung rencana dan strategi bisnis Bank. Road map terdiri dari kondisi saat ini, keadaan masa depan dan tindakan yang harus dilakukan untuk mencapai keadaan masa depan. • Kesesuaian dan prioritas proyek Teknologi Informasi dan Rencana Strategis Teknologi Informasi. • Kemajuan dan status dari portfolio proyek yang melibatkan Teknologi Informasi termasuk kesesuaian jadwal, finansial, ruang lingkup, sumber daya masalah dan risiko, dan rekomendasi untuk mengatasi masalah atau risiko tersebut. • Kinerja dari system TI dan SLA layanan, setiap insiden kunci, dan kemajuan dari perbaikan yang berkelanjutan. 	<ul style="list-style-type: none"> • Information Technology Strategic Plan is in line with the Bank's business strategy plan as well as the monitoring of the overall performance of information technology and the efforts to improve it. • Roadmap to realize IT plan to support the Bank's business strategy and plan. The roadmap consists of current conditions, future circumstances, and actions that should be taken to achieve the future conditions. • Suitability and priority of Information Technology projects and Information Technology Strategic Plan. • The progress and status of projects portfolio involving information technology including the matching of schedules, financials, scopes, resources, problems and risks, and recommendations to address the problems or risks. • Performance of IT systems and SLA services, each key incident, and the progress of continuous improvements.
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INFORMATION TECHNOLOGY STEERING COMMITTEE (ITSC)

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

Komposisi	Composition
Ketua: Direktur Operasional dan Teknologi Informasi	Chairman: Director of Operations and Information Technology
Anggota:	Members:
<ul style="list-style-type: none"> • Presiden Direktur • <i>Chief of Human Resources</i> • Direktur Kepatuhan • Direktur Manajemen Risiko • <i>Chief Financial Officer</i> (CFO) • <i>Chief Audit Executive</i> (CAE) • <i>Chief of Global Markets</i> • <i>Head of Wealth Management and Business Strategy</i> • <i>Head of Retail Banking & Services</i> • <i>Head of Wholesale Banking</i> • <i>Head of SME Banking</i> • <i>Head of Digital Channels Business</i> • <i>Head of Information Technology</i> 	<ul style="list-style-type: none"> • President Director • Chief of Human Resources • Director of Compliance • Director of Risk Management • Chief Financial Officer (CFO) • Chief Audit Executive (CAE) • Chief of Global Markets • Head of Wealth Management and Business Strategy • Head of Retail Banking and Services • Head of Wholesale Banking • Head of SME Banking • Head of Digital Channels Business • Head of Information Technology

Sekretaris: Head of IT Governance & Risk Management

Regular Invitee: IT Leadership Team

DUTIES AND RESPONSIBILITIES

<ul style="list-style-type: none"> • Rencana Strategis Teknologi Informasi sejalan dengan rencana strategi bisnis Bank serta pemantauan keseluruhan kinerja Teknologi Informasi dan upaya untuk meningkatkannya. • Roadmap untuk mencapai rencana TI untuk mendukung rencana dan strategi bisnis Bank. Road map terdiri dari kondisi saat ini, keadaan masa depan dan tindakan yang harus dilakukan untuk mencapai keadaan masa depan. • Kesesuaian dan prioritas proyek Teknologi Informasi dan Rencana Strategis Teknologi Informasi. • Kemajuan dan status dari portfolio proyek yang melibatkan Teknologi Informasi termasuk kesesuaian jadwal, finansial, ruang lingkup, sumber daya masalah dan risiko, dan rekomendasi untuk mengatasi masalah atau risiko tersebut. • Kinerja dari system TI dan SLA layanan, setiap insiden kunci, dan kemajuan dari perbaikan yang berkelanjutan. 	<ul style="list-style-type: none"> • Information Technology Strategic Plan is in line with the Bank's business strategy plan as well as the monitoring of the overall performance of information technology and the efforts to improve it. • Roadmap to realize IT plan to support the Bank's business strategy and plan. The roadmap consists of current conditions, future circumstances, and actions that should be taken to achieve the future conditions. • Suitability and priority of Information Technology projects and Information Technology Strategic Plan. • The progress and status of projects portfolio involving information technology including the matching of schedules, financials, scopes, resources, problems and risks, and recommendations to address the problems or risks. • Performance of IT systems and SLA services, each key incident, and the progress of continuous improvements.
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- Status biaya Teknologi Informasi dan investasi dibandingkan dengan anggaran.
- Status keamanan Teknologi Informasi, Insiden yang terjadi, dan kemajuan perbaikan yang berkelanjutan.
- Status risiko utama yang dihadapi Teknologi Informasi dan kemampuan untuk mendukung operasional bisnis Bank, rencana, dan strategi jangka panjang, dan efektivitas tindakan mitigasi serta rencana untuk menghadapi risiko tersebut.
- Kinerja vendor utama dan isu utama atau risiko yang terkait dengan pengiriman produk atau jasa dari vendor TI.
- Setiap hal penting terkait dengan sumber daya manusia atau proses yang terkait dengan pemberian layanan Teknologi Informasi bagi organisasi.
- Penyelesaian berbagai isu atau risiko yang berkaitan dengan Teknologi Informasi yang tidak dapat diselesaikan oleh unit pengguna dan unit TI secara efektif, efisien dan tepat waktu.
- Penyusunan kebijakan TI yang utama dan prosedur dan manajemen risiko terkait dengan penggunaan Teknologi Informasi dalam organisasi.
- Efektivitas pelaksanaan kebijakan keamanan informasi.

KOMITE INTEGRITAS

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

Komposisi

Ketua: Presiden Direktur

Anggota:

- Direktur Operasional dan Teknologi Informasi
- Direktur Manajemen Risiko
- Direktur Kepatuhan
- *Chief of Human Resources*
- 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 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

- Information Technology costs and investment status compared to the budget.
- Information Technology security status, occurred incident, and the progress of continuous improvements.
- The status of the main risks faced by Information Technology and the ability to support the Bank's business operations, plans, long-term strategy, and the effectiveness of mitigation measures and the plan to address the risks.
- The main vendors' performance and the main issues or risks associated with the delivery of products or services from IT vendors.
- Every important aspect related to human resources or processes associated with the provision of information technology services to the organization.
- Completion of the issues or risks associated with Information Technology that can not be resolved by user units and IT units in an effective, efficient, and timely manner.
- Preparation of the main IT policies and procedures and risk management related to the use of Information Technology in the organization.
- The effectiveness of information security policy implementation.

INTEGRITY COMMITTEE

The purpose of Integrity Committee's formation is to manage Commonwealth Bank's Anti Fraud Strategy including corruptions and violations through Integrity Programme.

Composition

Chairman: President Director

Members:

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

DUTIES AND RESPONSIBILITIES

- Managing and supervising the implementation of Commonwealth Bank's Anti Fraud Strategy and all of the associated policies, procedures, and practices.
- Reviewing reports of fraud, corruption, or violation within the Bank and direct the appropriate course of actions.

- 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 dalam mencegah dan mengurangi tindak penyimpangan, korupsi dan kesalahan.

KOMITE PRODUK

Tujuan pembentukan Komite Produk adalah:

- Meninjau dan menyetujui produk baru Commonwealth Bank atau kegiatan sebelum peluncuran produk atau aktivitas baru; atau
- Meninjau dan menyetujui ulang produk atau kegiatan Commonwealth Bank yang ada; atau
- Meninjau dan menyetujui penghentian atau pemberhentian sementara produk atau kegiatan Commonwealth Bank yang ada.
- Meninjau dan menyetujui kajian berkala terkadap setiap produk dan kegiatan yang sudah ada minimal 2 tahun satu kali
- Meninjau dan menyetujui tarif produk dan layanan sebelum efektif berlaku

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 Unit Bisnis terkait dengan produk/aktivitas yang diajukan

Anggota tanpa hak voting:

- Direktur Kepatuhan
- *Chief of Global Market**
- *Chief Technology Officer**
- Kepala Divisi Retail Banking Services*
- Kepala Divisi Wholesale Banking*

- Considering investigation results of fraud, corruption, or violation and determining what disciplinary or other actions should be taken and by whom.
- Ensuring that each department that has policies or procedures related directly or indirectly to the prevention and mitigation of fraud, corruption, or violation is actively engaged in the execution of those policies and procedures.
- Deliberately making decisions or recommendations in relation to any other matters that impact upon the Commonwealth Bank's ability to prevent and mitigate fraud, corruption, and violation.

PRODUCT COMMITTEE

The purposes of Product Committee's formation are:

- To review and approve Commonwealth Bank's new products or activities prior to the launching of the new products or activities; or
- To review and re-approve Commonwealth Bank's existing products or activities; or
- To review and approve termination or temporary termination of Commonwealth Bank's existing products or activities.
- To review and approve periodical reviews of each existing product and activity at least once in 2 years.
- To review and approve product and service rates before their effectiveness.

COMPOSITION

Chairman: Head of Wealth Management and Business Strategy

Voting right Members:

- President Director
- Director/Chief of Risk Management
- Director/Chief of Operations and IT
- Director/Chief of Finance
- Related Business Unit Head of products/activities being proposed

Non-voting right members:

- Director of Compliance
- Chief of Global Market*
- Chief of Technology Officer*
- Head of Retail Banking Services*
- Head of 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, 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:
1. Rapat semi tahunan yang dilakukan oleh Product Manager, atau
 2. Rapat adhoc untuk produk atau kegiatan yang memiliki perubahan dan dampak besar terhadap risiko Bank.

- 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 Products 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 meetings.

Note: *) Subject to the related products or activities or businesses being discussed and proposed.

DUTIES AND RESPONSIBILITIES

- Protecting Bank from reputation risk.
 - Protecting customers' interest.
 - Ensuring that all products and activities are within PTBC's risk appetite.
 - Ensuring that all products and activities meet internal and external regulations and policies.
 - Ensuring that adequate risk identification and mitigation for all product features and processes are in place to identify that PTBC is able to properly support the operation of the products or activities including but not limited to IT, Operation, System, Accounting, Tax, Legal, and Compliance aspects, and make necessary products or activities changes which may impact on one of the aspects above.
 - Reviewing and approving new products and activities.
 - Deciding and/or approving product features and commissions.
 - Reviewing and re-approving products or activities in:
1. Semi-annual meetings held by Product Manager, or
 2. Ad hoc meetings for products or activities, which have substantial changes and impact on the Bank's risk.

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 dalam 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 atau Kepala yang bertanggung jawab atas Perbankan Ritel Bisnis (2nd Vice Chairman)
- *Chief Financial Officer*
- Direktur atau Pejabat Eksekutif yang bertanggung jawab atas 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 yang bertanggung jawab atas:
 - o Risiko Operasional (Sekretaris)
 - o Teknologi Informasi
 - o Operasional
 - o Operasional Sumber Daya Manusia
 - o Perbankan Ritel Bisnis
 - o BCPM

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

Based on these meetings, Product Committee decides whether the PTBC will continue or terminate or temporary terminate the existing products or activities.

- Providing recommendations to improve product policies and procedures.

OPERATIONAL RISK COMMITTEE (ORC)

The purpose of ORC's formation is to support ERC in evaluating and monitoring the effectiveness of the implementation of operational risk management in minimizing and mitigating risk in operational activities.

COMPOSITION

Chairman: Director of Operations and Information Technology

Members:

- Director of Risk Management (1st Vice Chairman).
- Director of Retail and Wholesale Banking (2nd Vice Chairman).
- Chief Financial officer.
- Director or Executive Officer responsible for Human Resources.
- Chief Technology Officer.
- Chief of Global Markets.
- Chief Audit Executive (non-voting member)
- Compliance Director (non-voting member).
- Heads within Commonwealth Bank responsible for:
 - o Operational Risk (Secretary)
 - o Information Technology
 - o Operations
 - o Human Resources Operations
 - o Retail and Business Banking
 - o BCPM

DUTIES AND RESPONSIBILITIES

- Reviewing and approving all operational risk related policies and procedures.
- Evaluating and approving operational risk thresholds and limits.
- Reviewing and updating operational risk issues and problems, covering control weaknesses and fraud incident root causes. As part of the updating, monitor progress of actions.
- Evaluating and reviewing the effectiveness of control.

- Memutuskan kebijakan guna mengatasi situasi khusus yang berhubungan dengan risiko operasional sedemikian rupa agar sesuai dengan Pernyataan Risiko yang dapat Diterima.
- 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

Pembentukan Komite ini untuk 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:

Presiden Direktur

Anggota:

- Direktur Operasional dan TI
- Direktur Manajemen Risiko
- Direktur Kepatuhan
- *Chief of Human Resources*
- *HR Senior Officer* (bertindak sebagai sekretaris)

Deskripsi Pekerjaan dan Tanggung Jawab

Komite bertanggung jawab untuk:

1. Membantu Dewan Direksi dan/atau Komite Remunerasi dan Nominasi untuk memenuhi kewajiban pemantauannya untuk Dewan Direksi dan pejabat Eksekutif, antara lain:

- Deciding policies to address specific situations related to operational risk such that it is in accordance with Risk Appetite Statement.
- Reviewing Key Risk Indicators; Risk Control Self-Assessment; Control Testing; and Loss Event Data report.
- Reviewing key findings reported by internal auditor, external auditor, and control unit which have operational risk impacts and ensuring that corrective actions are taken.
- Monitoring and reporting significant operational risks to Executive Risk Committee (ERC).
- Reporting and updating the effectiveness of operational risk management implementation to the ERC.
- Deciding any other urgent or critical matters that should be done by ORC.
- Developing and maintaining the PTBC's risk culture.

PEOPLE COMMITTEE

This Committee is responsible to assist the Board of Commissioner/Remuneration & Nomination Committee to fulfill the supervision responsibility on the Board of Directors and Executive Officers such as:

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

Chairman:

President Director

Members:

- Director of Operations and IT
- Director of Risk Management
- Director of Compliance
- Chief of Human Resources
- HR Senior Officer (acting as secretary)

Job Descriptions and Responsibilities

The Committee is responsible for:

1. To assist the Board of Directors and/or the Remuneration and Nomination Committee to fulfill its monitoring obligations for the Board of Directors and Executive Officers, amongst others:

- Penunjukan (Rekrutmen, Rotasi, Promosi)
 - Evaluasi Kinerja
 - Pengelolaan Bakat:
 - a) Pengembangan
 - b) Strategi Retensi Karyawan
 - c) Pengelolaan Perencanaan Suksesi
 - Strategi remunerasi
2. Mengkaji proposal penyesuaian Gaji Tahunan dan proposal bonus kinerja sebelum HR menyajikan kepada Komite Remunerasi dan Nominasi.
 3. Mengkaji perubahan/pengkinian (maupun baru) atas kebijakan, program dan/atau petunjuk yang memberi dampak kepada karyawan.
 4. Mengkaji penilaian bank-wide gate opener dan mengkaji masalah etikal dan/atau kasus fraud yang dilakukan oleh Manajemen Senior (Tim Manajemen, Dewan Direksi).

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 Financial Officer*
- 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

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*

- Designation (Recruitment, Rotation, Promotion)
 - Performance Evaluation
 - Talent Management:
 - a) Development
 - b) Employee Retention Strategy
 - c) Succession PlanningManagement
 - Remuneration Strategy
2. To review annual salary adjustment and performance bonus proposals before HR's presentation to Remuneration and Nomination Committee.
 3. To assess the change/update (or new) on policies, programs and/or guidelines that have an impact to employees.
 4. To review bank-wide gate open erassessment, ethical issues, and/or fraud cases committed by Senior Management (Management Team, the Board of Directors).

RETAIL NETWORK REVIEW COMMITTEE (RNR)

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

Composition

Chairman:

Head of Retail Banking Services

Voting Members:

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

Non-voting Members:

- 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

DUTIES AND RESPONSIBILITIES

The Roles and Responsibilities by function is defined based on reviewed office types: existing office renewals, new/closed offices, and office renovations/fit-outs. The substances of the roles and responsibilities of the related divisions will be visible by Retail Banking Services (RBS) that will carry out their main

Services untuk menjalankan tugasnya sebagai Project Owner yang mengawasi, proses *end-to-end Retail Network Review* berdasarkan proses update dan 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 mengekskalasikan 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, anggota Direksi, dalam periode, tidak memiliki hubungan keuangan atau keluarga dengan anggota Dewan Komisaris, Direksi dan / atau Pemegang Saham Pengendali Commonwealth Bank.

PELAKSANAAN FUNGSI KEPATUHAN, AUDIT INTERNAL, DAN AUDIT EKSTERNAL

FUNGSI KEPATUHAN

Sepanjang tahun 2015, 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:

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.

Per 1 Oktober 2015, fungsi organisasi kepatuhan terbagi menjadi dua unit sebagai berikut:

- 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.
- Unit Kepatuhan. Unit ini memiliki tanggung jawab komunikasi dengan regulator, memberi saran kepatuhan dan mengkaji setiap kebijakan dan prosedur internal Commonwealth Bank, serta bertanggung jawab memantau kepatuhan Commonwealth Bank terhadap ketentuan yang berlaku; melakukan penilaian pemantauan dan memberikan pelatihan yang diperlukan untuk meningkatkan budaya dan pengetahuan kepatuhan di Bank.

roles as the Project Owner who supervises the end-to-end process of Retail Network Review based on comprehensive process, update, and monitoring by Property and Facility Management (PFM) as Project Coordinator. If there are issues that arise outside the scheduled RNR meetings, the Project Owner and Project Coordinator are responsible for the timely escalation.

FINANCIAL AND /OR FAMILY RELATIONSHIPS UP TO SECOND DEGREE WITH MEMBERS OF THE BOARD OF COMMISSIONERS AND/OR MEMBERS OF THE BOARD OF DIRECTORS OR OTHER RELATIONSHIPS

In accordance with Bank Indonesia Regulation concerning the Implementation of Good Corporate Governance, for the period under review, Commonwealth Bank's members of the Board of Directors, have no financial and/or family relationship with members of the Board of Commissioners, other members of the Board of Directors, and/or Commonwealth Bank's Controlling Shareholders.

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

COMPLIANCE FUNCTIONS

During 2015, further efforts have been performed to improve compliance function's effectiveness as well as compliance culture within the Bank.

Compliance's Vision and Mission

Changes in Compliance's roles and functions that are more forward looking and more sensitive to the dynamic of change, require a commitment to clear direction and purpose of the compliance functions through determination of the vision and mission as follows:

Vision

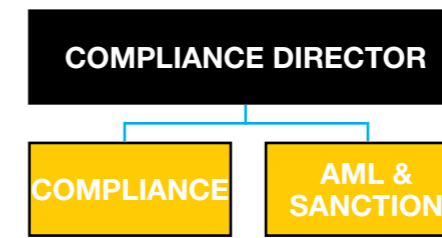
Becoming the partner for all components in cultured harmony and obedience in achieving the Bank's vision and mission.

Mission

Acting more strategically in supporting the Bank's better performance by keeping the harmony between the Bank's commercial interests and regulatory compliance.

Per 1 October 2015, the compliance organization's functions comprise of two units as follows:

- Anti Money Laundering/Combating the Financing of Terrorism (AML/CFT) and Sanction Unit. This unit is responsible to implement AML/CFT and Sanctions across the Bank and ensure that all international finance and trade transactions do not violate the prevailing International Sanctions.
- Compliance Unit. This unit has the responsibilities to communicate with regulators, provide compliance advisories, review internal policies and procedures, monitor compliance with the prevailing regulations, assess the compliance monitoring, and provide necessary trainings to improve compliance culture and knowledge within The Bank.



Agar dapat mengelola risiko kepatuhan secara benar, sepanjang 2015 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.
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 kebutuhan dari 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 melalui sarana pengingat mingguan kepada pihak terkait termasuk Direktur yang bertanggung jawab.
8. Melakukan kajian minimal semesteran pada beberapa departemen guna memastikan kepatuhan mereka pada pelaksanaan kebijakan dan prosedur.

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 dua bulanan, yang berisi pelaksanaan APU/PPT di bank dan informasi lainnya terkait perkembangan terbaru APU/PPT, termasuk peristiwa yang dianggap penting untuk diketahui oleh Direksi dan Dewan Komisaris. Hal ini menjadi bagian dari pelaksanaan pengawasan aktif Direksi dan Komisaris.

To properly manage the compliance risk, during 2015 the Compliance Unit performs several activities, which include:

1. Socialization and discussion of new regulations with the related departments.
2. Organizing regular trainings related to AML/CFT and Sanctions for all new new employees and refreshing trainings for the existing employees.
3. Organizing Compliance Codes of Conduct trainings for all the Bank's employees.
4. Providing regulatory refreshers in relation to critical regulations impacting the Bank's daily operations.
5. Participating in any project that involves regulatory requirements.
6. Performing Compliance reviews through:
 - a. New products and activities compliance reviews.
 - b. New policies and their amendment reviews.
7. Monitoring commitments to audit regulators by ensuring the deadline and quality of Commonwealth Bank's commitments through weekly reminder tools to the respective parties including the Director in charge.
8. Assessing several departments at least semi-annually to ensure their compliance with the implementation of policies and procedures.

ANTI MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM (AML/CFT)

1. Active Supervision of the Board of Board of Directors and the Board of Commissioners.

Bank submits reports to the Board of Directors and the Board of Commissioners regularly either monthly or bi-monthly regarding the implementation of AML/CFT within the Bank and other information related to the latest development of AML/CFT including significant events considered should be known by the Board of Directors and the Board of Commissioners. This is part of the implementation of active supervision of the Board of Directors and the Board of Commissioners.

2. Kebijakan dan Prosedur

Bank secara berkesinambungan melakukan kaji ulang terhadap kebijakan dan prosedur yang berlaku, agar sejalan dengan regulasi yang berlaku, perkembangan bisnis bank dan sesuai dengan implementasi sistem core banking yang baru.

Beberapa kebijakan yang telah dikinikan antara lain:

- Kebijakan Pedoman APU/PPT.
- Prosedur Penetapan Kriteria Risiko Nasabah
- Kebijakan Ekonomi dan Sanksi Perdagangan

3. Pengendalian Internal

Dalam rangka menjaga efektifitas pelaksanaan program APU/PPT di unit bisnis pemantauan oleh pihak independen dari unit bisnis dianggap perlu dan untuk itu Bank telah menunjuk unit kerja untuk menjalankan fungsi pengawasan, diantaranya Branch Service Quality Assurance (BSQA) selain fungsi Internal Audit. Pengawasan dilakukan secara berkala dan juga mempertimbangkan tingkat risiko cabang. Hasil penilaian kaji ulang dijadikan sebagai bahan evaluasi dan usaha perbaikan dari waktu ke waktu.

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

- Sejalan dengan implementasi sistem Flexcube pada bulan Mei 2015, bank secara berkelanjutan melakukan penyesuaian antara sistem *Transaction Monitoring System* dengan sistem yang baru, yang antara lain: memaksimalkan fungsi kode produk dan kode transaksi, sehingga parameter yang ada dapat berjalan lebih optimal

2. *Negative List Database*

- Di sistem Flexcube, screening nasabah baru atas daftar negatif (Negative List) dilakukan secara otomatis oleh sistem, dimana sebelumnya dilakukan secara manual
- Melakukan review dan pengkinian database PEP di dalam Negative List Tools berdasarkan informasi yang diperoleh sumber yang layak dipercaya (misalnya World Check) secara *periodic* (bulanan).
- Melakukan pengkinian daftar teroris secara berkala (mingguan).

3. Pengkinian Data Nasabah pada *Customer Onboarding System* (COS)

- Field data nasabah pada sistem baru yang lebih rinci dan disesuaikan dengan perkembangan produk Bank yang ada. Pengkinian data dilakukan secara berkesinambungan oleh cabang pemilik CIF.

2. Policy and Procedure

The Bank continuously reviews policies and procedures to be in line with the applicable regulations, the bank's business development, and in accordance with the implementation of the new core banking system.

Some of the policies that have been updated include:

- AML/CFT Policy Guidelines.
- Customer Risk Criteria Determination Procedures
- Economic Policy and Trade Sanctions

3. Internal Control

To maintain the effectiveness of AML/CFT program implementation in the monitoring business unit by an independent party of the business units is deemed necessary and for that the Bank has appointed a working unit to perform supervisory functions, including Branch Service Quality Assurance (BSQA) in addition to Internal Audit function. Supervision is conducted periodically and also considering the risk levels of branch offices. The results of the review serve as evaluation and business improvement materials from time to time.

4. Management Information System

In support of the implementation of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), the Bank has support systems namely amongst other:

1. Transaction Monitoring System

- In line with the implementation of Flexcube system in May 2015, the bank on an ongoing basis makes adjustments between Transaction Monitoring System and the new system, which among other things: maximizing product code function and transaction code so that the existing parameters can run more optimally.

2. Negative List Database

- In Flexcube system, screening of new customers on the negative list is done automatically by the system, which is previously done manually.
- Reviewing and updating the PEP database in the Negative List Tools based on information obtained from credible sources (for examples World Check, periodically or monthly).
- Updating terrorist list periodically or weekly.

3. Customer Data Update on Customer Onboarding System (COS)

- Customer data field on the new system is more detailed and customized with the Bank's existing product development. Data update is done by the CIF owning branch.

- Satuan Kerja APU/PPT dan Sanction bekerjasama dan berkoordinasi dengan divisi *Customer Document Management* dan *Branch Service Quality Assurance* (BSQA) melakukan pemantauan terhadap proses pengkinian data nasabah dan data clean up.

4. 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 kegiatan APU/PPT:

Laporan kepada PPAK sepanjang tahun 2015/Reporting to PPAK year round 2015:	
Laporan Transaksi Tunai Cash Transaction Report	1.640 laporan report
Laporan Transaksi Mencurigakan Suspicious Transaction Report	63 laporan report

Informasi pelatihan reguler kepada APU/PPT dan Sanksi kepada semua staff baru dan lama:
Information on regular training in relation to AML/CTF and Sanction for all new staff and existing staff:

	Semester 1 – 2015	Semester 2 – 2015
Jumlah Pelatihan APU/PPT Total Training AML/CTF	11	12

- AML/CFT and Sanction Work Unit cooperates and coordinates with Customer Document Management division and Branch Customer Service Quality Assurance (BSQA) to monitor customer data updating process and data clean up.

4. Human Resources and Training

The development of human resources has been performed an ongoing basis both for new and old employees. Every employee is required to attend AML/CFT training program when initially joining the Bank through Induction program. This is done to provide an understanding of the AML/CFT principles and implementation in the Bank.

The Bank also organizes special trainings for employees who deal directly with customers, with more in-depth materials and case examples that occur in daily activities.

The scope of training materials, including:

- The implementation of laws relating to AML/CFT;
- Typologies of money laundering and terrorist financing; and
- Internal implementation of policies and procedures for AML and CFT program as well as the roles and responsibilities of employees in the fight against money laundering and terrorist financing.
- An understanding of the Sanction (Economic & Trade Sanctions) imposed by a country or group of countries to certain parties.
- The identification process and reporting of suspicious financial transactions and cash transactions in large amounts.
- Examples of cases that occur daily.

AML/CFT activities report:

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, Satuan Kerja Kepatuhan secara berkesinambungan melanjutkan inisiatif dalam memberikan akses lebih mudah dan cepat untuk para staff (Business dan Support) terhadap seluruh dokumen peraturan dan kewajiban Bank melalui file penyimpanan khusus di CommNet untuk *Regulatory Central* (“RC”) dan Obligations Register (“OR”). Adapun saat ini, Satuan Kerja Kepatuhan telah mengkinikan RC dengan peraturan-peraturan regulator, slides presentasi peraturan, sirkulasi surat elektronik mengenai ringkasan ketentuan ke unit bisnis terkait, dan petunjuk kepatuhan atas ketentuan regulator. 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 kegiatan operasional sehari-hari. COC mengatur hubungan antara Bank, Karyawan, Nasabah dan Pemangku Kepentingan lainnya. Beberapa poin terkait dengan COC antara lain:

a. 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.

b. Hadiah dan Hiburan

Mengatur hadiah dan hiburan yang diterima oleh karyawan Commonwealth Bank dan kewajiban untuk melaporkannya.

c. Benturan Kepentingan

Karyawan harus menghindari situasi yang mengarah pada benturan kepentingan. Dalam situasi bila benturan kepentingan tidak bisa 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.

REGULATORY CENTRAL AND OBLIGATION REGISTER

In an effort to continuously improve the level of Good Corporate Governance, Risk Management, and Compliance and as a commitment to develop a compliance culture in the Bank, Compliance Unit continues new initiatives to provide easier and faster access to the staff (Business and Support) to all Bank’s regulatory documents and obligations through a special storage file in Commnet for Regulatory Central (“RC”) and Obligations Registers (“OR”). As of today, the Compliance Business Unit has updated the RC with regulations of the regulators, regulation presentation slides, regulation summary electronic mail circulation to the respective business units, and compliance guidance on the regulators’ provisions. Hopefully, by the RC’s additional features, the related business units may function faster, easier, and understand the regulations so that they can do the follow-ups according to the regulations requirements.

COMPLIANCE CODES OF CONDUCT

The Compliance Codes of Conduct (COC) contain codes of conduct for employees on day to day operations. This COC governs the relationships between the Bank, the Employees, the Customers and the other Stakeholders. Some points related to the COC amongst others are as follows:

a. Confidentiality

Employees are responsible to maintain the confidentiality of their and customers’ personal information. Disclosing the customers’ information to third parties outside the Bank shall be a serious violation against laws and regulations.

b. Gifts and Entertainments

It’s about the governance of gifts and entertainments received by Commonwealth Bank’s employees and the obligation to report them.

c. Conflicts of Interest

Employees must avoid any situation that leads to conflicts of interest. In the situation where conflicts of interest cannot be avoided then the employees must report them to HRD or Compliance Department.

d. Relationship with the Customers

All employees who have dealing with the customers must establish and maintain clarity of the relationships with the customers in a professional manner.

e. Anti Money Laundering and Know Your Customer

Principle

All employees should be vigilant against the abuse of the Bank by Money Launderers, Terrorists, Criminals, and other Corruptors.

FUNGSI AUDIT INTERNAL

Satuan Kerja Audit Intern (SKAI) merupakan fungsi yang melakukan penilaian secara independen dan obyektif terhadap kecukupan dan efektifitas desain operasional sistem pengendalian internal, manajemen risiko, dan tata kelola Bank. Dalam menjalankan tugasnya, SKAI berpedoman pada Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB) yang ditetapkan dalam Peraturan Bank Indonesia No. 1/6/PBI/1999 tentang Penugasan Direktur Kepatuhan dan Penerapan Standar Pelaksanaan Fungsi Audit Intern Bank Umum, Standard Praktik Profesional dari the Institute of Internal Auditors (IIA), dan Piagam Audit Intern yang menjabarkan visi, misi, wewenang, dan tanggung jawab SKAI. Piagam Audit Intern dikaji secara berkala yang mana kaji ulang terakhir telah dilakukan pada bulan Juni 2014 dan telah disetujui oleh Direktur Utama dan Dewan Komisaris.

Visi dan Misi Audit Internal

Visi SKAI adalah: “Untuk menjadi penyedia jasa assurance yang konstruktif, profesional, berkualitas tinggi dan dikenal sebagai tempat yang nyaman untuk bekerja” dan misi SKAI adalah: “Untuk memberikan assurance yang independen dan obyektif kepada Dewan Direksi dan Dewan Komisaris melalui Komite Audit terhadap efektivitas desain dan efektivitas operasional tata kelola, manajemen risiko, dan sistem pengendalian internal Bank”.

SKAI memiliki wewenang secara menyeluruh, bebas, dan tidak terbatas untuk mengakses setiap dan semua catatan, properti fisik maupun personil yang relevan dengan fungsi yang sedang dikaji. SKAI tidak boleh memiliki tanggung jawab operasional atau kewenangan atas aktivitas dari area yang dikaji untuk menjaga independensinya. SKAI juga tidak boleh menyusun atau menginstal sistem atau prosedur, membuat dokumentasi, atau terlibat dalam aktivitas yang biasanya diaudit; Unit Kerja terkaitlah yang memiliki tanggung jawab atas efektivitas dan efisiensi atas pengendalian internal mereka. Wewenang dan tanggung jawab SKAI tersebut telah tercantum dalam Piagam Audit Intern.

Untuk memastikan independensi dan obyektifitas, setiap tahun anggota SKAI menandatangani Sertifikat Independensi.

Struktur Organisasi dan Komposisi Audit Internal

Kepala SKAI melapor langsung kepada Presiden Direktur dan memiliki jalur komunikasi dengan Dewan Komisaris melalui Komite Audit. SKAI memiliki anggota tim yang berasal dari berbagai latar belakang seperti firma akuntansi atau bank lain dengan mayoritas pengalaman audit, dan juga dari Unit Kerja lain dalam Bank dengan keahlian dan pengetahuan di area tertentu. Seleksi anggota tim SKAI dilakukan dengan cara yang hati-hati untuk memilih personil yang terampil dan berkualitas.

SKAI melakukan pelatihan dan pengembangan anggotanya secara berkesinambungan melalui beberapa aktivitas berikut:

- Pengikutsertaan anggota SKAI dalam pelatihan-pelatihan, terkait keahlian khusus seperti *Treasury*, *Trade Finance*, Kredit, serta program sertifikasi seperti *Certified Internal Auditor* (CIA), *Certification in Control Self Assessment* (CCSA), *Certified Information System Auditor* (CISA), dan Manajemen Risiko Perbankan (LSPP).

INTERNAL AUDIT FUNCTION

Internal Audit function performs independent and objective assessments over the adequacy and effectiveness of the operational design of the Bank’s internal control, risk management, and governance. The Internal Audit carries out its duties based on Banks Internal Audit Function Practice Standards (BIAFPS) provisioned by Bank Indonesia Regulation No. 1/6/PBI/1999 regarding the Assignment of Director of Compliance and Banks Internal Audit Function Practice Standards, Professional Practice Standards of the Institute of Internal Auditors (IIA), and the Internal Audit Charter which outlines the vision, mission, authorities, and responsibilities of the Internal Audit. The Internal Audit Charter is reviewed periodically, the last review is 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

The 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 assurances to the Board of Directors and the Board of Commissioners through Audit Committee on the design and operational effectiveness of the Bank’s governance, risk management, and internal control systems”.

The Internal Audit is granted full, free, and unrestricted accesses to any and all of Commonwealth Bank’s records, physical properties, and personnels relevant to any function under review. Moreover, to maintain its independence, the Internal Audit has no operational responsibility or authority over any of the activities reviewed. The Internal Audit is also not allowed to develop or install systems or procedures, prepare records, or engage in any other activities, which would normally be audited; it is the Business Unit’s responsibility to manage the effectiveness and efficiency of its own internal control. The authorities and responsibilities of the Internal Audit have been contained in the Internal Audit Charter.

To ensure his/her independence and objectivity, on an annual basis the Internal Audit team members sign the Certificates of Independence.

Internal Audit Composition and Organization Structure

The Chief Audit Executive reports directly to the President Director and has a communication line to the Board of Commissioners through Audit Committee. The Internal Audit function is composed of team members coming from different backgrounds such as accounting firms or other banks mostly with 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 personnels.

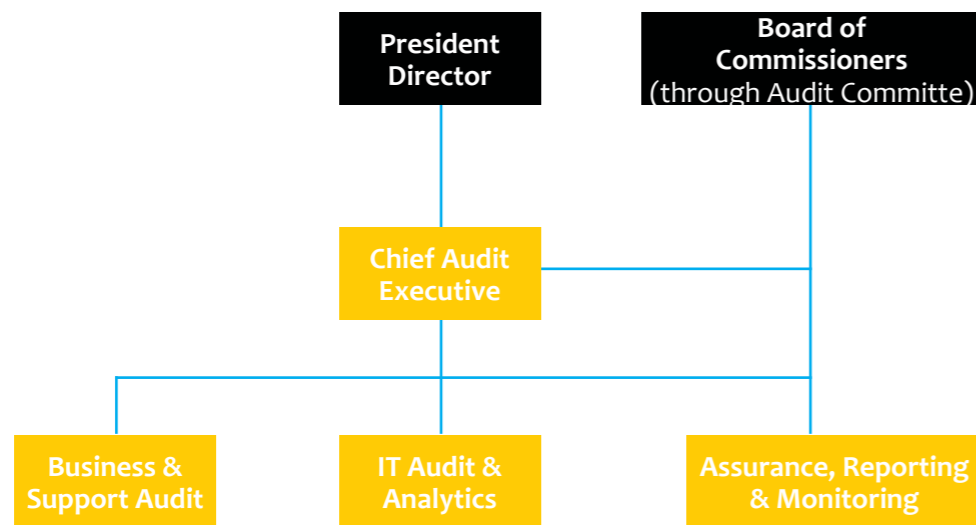
On an ongoing basis Internal Audit develops the competency of its team members through several activities below:

- Participation of Internal Audit team members in trainings related to special skills such as Treasury, Trade Finance, 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 (RMCB).

- SKAI menjadwalkan program alih pengetahuan secara terus menerus untuk para anggotanya secara internal dengan mengadakan sharing session yaitu mengundang pembicara dari departemen atau unit kerja terkait untuk menjelaskan proses, produk, dan lain sebagainya kepada anggota SKAI.
- SKAI bekerjasama dengan Commonwealth Bank Australia Audit & Assurance terkait program alih pengetahuan (*Capability Exchange Program / Secondment*) dimana anggota SKAI dapat mengikuti penugasan audit di CBA Australia dengan tujuan mendapatkan pengetahuan atas praktik terbaik mengenai pendekatan dan program audit tertentu.
- Internal Audit schedules a continuous transfer of knowledge programs for its team members by internally holding sharing sessions by inviting speakers from related departments or business units to share knowledge on processes, products, and othersto the Internal Audit team members.
- Internal Audit collaborates with Commonwealth Bank of Australia Audit & Assurance related to transfer of knowledge programs (*Capability Exchange Program/ Secondment*) whereby Internal Audit team members may participate in audit assignments with CBA to gain the knowledge on the best practices for certain audit programs and approaches.

Per 31 Desember 2015, struktur organisasi SKAI di Commonwealth Bank adalah sebagai berikut:

As per 31 December 2015, Commonwealth Bank's Internal Audit organization structure is as follows:



Saat ini Kepala SKAI dijabat oleh Reza HM Soemadipradja. Sampai dengan 31 Desember 2015, jumlah anggota SKAI adalah 19 orang, termasuk Kepala SKAI.

The current Chief Audit Executive is Reza HM Soemadipradja. As per 31 December 2015, the number of Internal Audit team members is 19 persons, including the Chief Audit Executive.

Pendekatan Audit

Dalam melakukan perencanaan audit tahunan maupun penugasan audit, SKAI menggunakan pendekatan berbasis risiko (risk-based). Dengan pendekatan berbasis risiko tersebut, Bank akan mendapatkan nilai tambah berupa area-area prioritas dengan risiko yang lebih besar di Bank. Pendekatan berbasis risiko untuk perencanaan audit tahunan dilakukan dengan menilai setiap entitas yang berpotensi untuk diaudit, terhadap beberapa parameter seperti risiko strategik, risiko kredit, risiko pasar, risiko likuiditas, risiko operasional (termasuk insiden risiko operasional dan kasus fraud – apabila ada), risiko hukum, risiko kepatuhan, risiko reputasi, Assets Under Management, temuan dari Otoritas Jasa Keuangan, dan rating laporan audit terakhir. Rencana Audit juga disusun dengan mempertimbangkan jumlah sumber daya manusia yang ada di SKAI. Penjelasan secara rinci atas langkah-langkah audit dijabarkan dalam Panduan Audit Intern.

Audit Approach

Internal Audit adopts risk-based approaching performing both annual audit planning and audit activities. With the risk-based approach, the Bank will gain added values 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, the Financial Services Authority's findings, and the last internal audit report rating. The Audit Plan is also developed by considering the number of human resources available in the Internal Audit. Detailed audit steps are elaborated in the Internal Audit Manual.

Metodologi dan pendekatan audit secara berkala dikaji ulang agar sesuai dengan perkembangan terkini dan praktik terbaik.

Internal Audit's methodology and approach are periodically reviewed to adjust to the latest development and best practices.

Secara berkesinambungan, SKAI melakukan pemantauan atas pencapaian rencana audit serta risiko-risiko yang muncul (emerging risks). Hal ini dilakukan sehingga dari waktu ke waktu, SKAI dapat mengevaluasi rencana audit di tahun berjalan dan melakukan perubahan jika diperlukan.

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

SKAI juga secara berkala bertemu dengan Direksi dan Komite Audit untuk membahas aktivitas audit yang telah dilaksanakan, temuan-temuan yang perlu menjadi perhatian Komite Audit, serta status pelaksanaan rencana perbaikan atas temuan-temuan SKAI tersebut.

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 which should be of concern to the Audit Committee, and the status of corrective actions plan implementation over the Internal Audit's findings.

Realisasi Audit pada 2015

SKAI merencanakan 50 audit di tahun 2015. Per tanggal 31 Desember 2015, telah terealisasi 55 audit yang juga tercakup di dalamnya beberapa audit khusus yang dilakukan untuk menanggapi *emerging risk*. Realisasi Audit tahun 2015 telah disosialisasikan kepada Direksi dan Dewan Komisaris melalui Rapat Komite Audit yang diadakan setiap 2 bulan sekali.

2015 Audit Realization

Internal Audit plans to audit 50 areas in 2015. As per 31 December 2015, Internal Audit has carried out 55 audits, which also includes some special audits performed in response to emerging risks. Realization of 2015 audit plans has also been socialized to the Board of Directors and the Board of Commissioners through the Audit Committee meetings held bi-monthly.

FUNGSI AUDIT EKSTERNAL

Berdasarkan Rapat Umum Pemegang Saham Tahunan tertanggal 25 Juni 2015, Commonwealth Bank menunjuk KAP Tanudiredja, Wibisana, Rintis dan Rekan (a member firm of PWC Global Network), yang terdaftar di OJK, sebagai auditor independen untuk melakukan audit atas Laporan Keuangan Bank untuk tahun yang berakhir 31 Desember 2015.

EXTERNAL AUDIT FUNCTION

Based on Annual General Meeting of Shareholder on 25 June 2015, Commonwealth Bank appoints Accounting Firm (PAF) Tanudiredja, Wibisana, Rintis, & Rekan (a member firm of PWC Global Network), which is registered with the OJK as an independent auditor to audit the Bank's Financial Statement for the year ended 31 December 2015. The appointment of PAF does not exceed five years time limit due to change in local partners.

Penunjukan tersebut telah sesuai dengan syarat dan ketentuan yang direkomendasikan oleh Komite Audit.

The appointment has been in accordance with the terms and conditions recommended by the Audit Committee.

Berikut ini adalah tahapan pemilihan KAP Tanudiredja, Wibisana, Rintis dan Rekan sebagai auditor eksternal Bank untuk melakukan audit atas laporan keuangan Bank yang berakhir 31 Desember 2015:

The following are the stages of the selection of PAF Tanudiredja, Wibisana, Rintis, and Partners as the Bank's external auditor to audit the Bank's financial statements ended 31 December 2015:

- Bank melakukan tender untuk menunjuk auditor eksternal dengan metode penilaian (*scoring process*). Tender dimulai sejak 13 Maret 2015 dan diikuti oleh 5 peserta.
- Pada 5 Juni 2015, berdasarkan penilaian final, Manajemen Tim merekomendasikan KAP Tanudiredja, Wibisana, Rintis dan Rekan sebagai auditor eksternal Bank.
- Komite Audit menyampaikan surat rekomendasi penunjukan KAP Tanudiredja, Wibisana, Rintis dan Rekan sebagai auditor eksternal Bank kepada Komisaris pada 12 Juni 2015.
- Rapat Umum Pemegang Saham Tahunan tanggal 25 Juni 2015 memutuskan penunjukan KAP Tanudiredja, Wibisana, Rintis dan Rekan sebagai auditor eksternal Bank.
- Bank menyampaikan surat kepada KAP Tanudiredja, Wibisana, Rintis dan Rekan pada 29 Juni 2015 sebagai auditor eksternal Bank.
- Penyampaian surat dari KAP Tanudiredja, Wibisana, Rintis dan Rekan kepada Bank (surat perikatan audit) dengan No. EL2015082615/MJW/FAB/gy tertanggal 26 Agustus 2015.

- The Bank holds a tender to appoint external auditor through scoring process. Tender starts on 13 March 2015 and participates by 5 (five) participants
- On 5 June 2015, based on the final assessment, Management Team recommends PAF Tanudiredja, Wibisana, Rintis, & Partners as the Bank's external auditor.
- The audit committee delivers letter of appointment recommendations of PAF Tanudiredja, Wibisana, Rintis, and Partners to the Board of Commissioners on 12 June 2015.
- The General Meeting of Shareholders dated 25 June 2015 decides the appointment of PAF Tanudiredja, Wibisana, Rintis, and Partners as the Bank's external auditor.
- The Bank sends a letter to PAF Tanudiredja, Wibisana, Rintis, and Partners on 29 June 2015 appointing them as the Bank's external auditor.
- Submission of a letter from PAF Tanudiredja, Wibisana, Rintis, and Partners to the Bank (audit engagement letter) No. EL2015082615/MJW/FAB/gy dated 26 August 2015.

Agar sejalan dengan praktik GCG, Bank memastikan independensi proses audit, dimana 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:

To be in line with the GCG practices, the Bank ensures the independence of audit process, where by the PAF has rotated the partner's engagement and does not have any potential conflicts of interest. The PAF's appointment to provide non-audit services to the Bank must obtain the Audit Committee's approval to ensure that the PAF does not have any potential conflicts of interest. The Public Accountants Firm and the Public Accountants that provide financial audit services and the audit services Fee incurred can be seen in the table below:

Tahun/Year	Kantor Akuntan Publik (KAP)/ Public Accountant Firm	Nama Akuntan (Perorangan)/ Accountant Name (Individual)	Biaya Audit / Audit Fee
2014	Tanudiredja, Wibisana, Rintis & Rekan (anggota PwC Global Network)	Angelique Dewi Daryanto, S.E, CPA	USD 180,000,-
2015	Tanudiredja, Wibisana, Rintis & Rekan (anggota PwC Global Network)	Drs. M. Jusuf Wibisana, M.Ec, CPA	IDR 2.210.000.000,-

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 menetapkan identifikasi, penilaian, pemantauan dan pengendalian atas risiko lingkungan Bank. Kebijakan manajemen risiko dan risk appetite Commonwealth Bank 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 dan menganggap ini sebagai syarat mempertahankan bisnis yang berkelanjutan. Divisi Manajemen Risiko memantau eksposur risiko Commonwealth Bank 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 dan pemilihan inisiatif strategis.

Guna memastikan kemampuan manajemen risiko Commonwealth Bank yang memadai, Commonwealth Bank 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 yang semakin luas dan meningkat.

RISK MANAGEMENT IMPLEMENTATION

Risk management has become an integral part of business, decision-making, and cultural process that emphasizes employees risk awareness. The Bank's risk management framework focuses on active supervision of the Board of Commissioners and the Board of Directors, the development of policies and procedures, adequate risk identification process, measurement and control. During the implementation, risk management as a whole comprehensive process is the responsibility of all employees at every organization level through the "3 Lines of Defense" framework.

Commonwealth Bank's Risk management policies and procedures determine the identification, assessment, monitoring, and control of the Bank's environmental risks. Commonwealth Bank's risk management and risk appetite policies are prepared in accordance with the mission and business strategy. These policies and procedures are reviewed and approved by the related parties according to the Bank's Good Corporate Governance principles.

The Board of Commissioners and the Board of Directors understand the risks faced by Commonwealth Bank and regard this as a condition to maintain sustainable business. Risk Management Division monitors Commonwealth Bank's risk exposures and prepares analysis reports on regular basis. These reports are submitted to the Management, the Board of Directors, the Board of Commissioners, and the relevant committees, so that the risk exposures shall become part of discussion when the management makes decision. Risk management has been embedded in all important management decisions, such as in Commonwealth Bank's capital plan and the selection of strategic initiatives.

To ensure that Commonwealth Bank's risk management capacity is adequate, the Bank consciously invests in human resources and systems that support risk management, and allowing continuous improvements of appropriate risk management framework. It is considered as an important business element, as Commonwealth Bank's business complexity is getting widespread and increasing.

PENYEDIAAN DANA UNTUK PIHAK TERKAIT DAN PENYEDIAAN DANA BESAR

Dalam pelaksanaan usaha, Commonwealth Bank 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 2015, Commonwealth Bank 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 2015 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	29	15,710.81
Penyediaan Dana Besar Provision of Large Exposure	50	4,398,245.62
• Debitur Individu Individual Debtor	36	3,176,038.45
• Debitur Grup Group Debtor	14	1,222,207.17

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

Untuk mendukung pencapaian target bisnis Bank, yang didasari oleh visi "Menjadi yang terbaik dalam memberikan dukungan finansial bagi perorangan, pelaku usaha dan masyarakat luas", PTBC menerapkan proses dan kegiatan operasionalnya berdasarkan kerangka manajemen risiko dan melaksanakan prinsip-prinsip GCG (Tata Kelola Perusahaan yang baik).

Berikut adalah penerapan manajemen risiko dan kinerja Bank saat ini:

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. Tata Kelola Perusahaan – Fokus terhadap transparansi dan independensi, dengan cara memberikan pemahaman mengenai Tata Kelola Perusahaan dan menanamkan budaya ini kepada semua karyawan.

PROVISION OF FUNDS TO RELATED PARTIES AND IN LARGE EXPOSURES

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

Below are top 50 core debtors and group debtors other than affiliated parties for large exposures.

Throughout 2015, Commonwealth Bank has performed in accordance with the regulations and reported the transactions to Bank Indonesia in timely manner.

The details of provision of funds in large exposures and to related parties as per 31 December 2015 are as follows:

In order to implement the prudential principles and risk management, the bank has had written policies/guidelines and procedures for the provision of funds to the Related Parties, in large exposures, and/or provision of funds to other parties who have interests in the Bank. The policies/guidelines are reviewed periodically. In addition, large exposures, and or provision of funds to other parties who have interests in the Bank are provided on arm's length basis, adjusted by the Bank's capital capacity, and no significant concentrations of the borrowers or specific group of borrowers.

BANK'S STRATEGIC PLAN

To support the achievement of the Bank's business targets, which is based on the vision of "To excel at securing and enhancing the financial wellbeing of people, business and communities", Commonwealth Bank implements its processes and operations based on Risk Management Framework and GCG principles.

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

1. Risk Profiles - Operational Risk, Compliance Risk, and Credit Risk have been the main focus of risk profile without disregarding the importance of other risk categories. The change of core banking system is expected to build a good risk management framework in order to reduce the risks, determine risk appetite and risk tolerance, to be consistent and in accordance with the Bank's strategy.
2. Good Corporate Governance - Focus on transparency and independency, by providing the understanding of Good Corporate Governance and embedding this culture to all the Bank's employees.

- Rentabilitas - Bank menetapkan ulang 4 segmen pasar utama yang akan dituju untuk memberikan kekokohan dan fleksibilitas yang berfokus pada pertumbuhan di sektor SME/UKM dan Konsumer.
- Permodalan - Mempertahankan tingkat kecukupan modal diatas persyaratan minimum Bank Indonesia dengan cara memaksimalkan manajemen permodalan.

Commonwealth Bank terus berupaya untuk mempertahankan tingkat kesehatan Bank pada rating 2 (dua) ditengah kondisi perekonomian nasional yang mengalami perlambatan, salah satunya dengan pergantian sistem *core banking* COMPASS yang mampu meningkatkan produktivitas dan meminimalkan risiko operasional, penerapan Manajemen Risiko Terintegrasi dan Tata Kelola Terintegrasi serta pengelolaan modal yang sehat.

Secara keseluruhan penerapan dari aspek-aspek Good Corporate Governance (GCG) tetap mendapatkan peringkat komposit baik ("2") berdasarkan beberapa pertimbangan, diantaranya analisa yang dilakukan telah menunjukkan komitmen yang kuat untuk mencapai standar GCG yang tinggi. PTBC secara proaktif melakukan kaji ulang terhadap kebijakan dan proses serta melakukan perubahan secara mendasar sesuai dengan kerangka tata kelola agar isu atau kejadian dimasa lalu tidak terjadi lagi. PTBC juga telah memperkuat fungsi pengawasan dengan meningkatkan frekuensi rapat Dewan Komisaris, Pembaruan kebijakan GCG, Komitmen yang kuat untuk menyelesaikan audit regulator, serta Implementasi inisiatif *Authority Grid* yang berfungsi untuk memberikan kejelasan terhadap fungsi atau jabatan yang melakukan tanda-tangan pada dokumen yang dikeluarkan oleh perusahaan baik untuk pihak internal maupun eksternal termasuk kepada regulator.

Kondisi perekonomian nasional yang mengalami perlambatannya sejak akhir tahun 2014 hingga 2015 terutama dipengaruhi oleh pelemahan nilai tukar rupiah terhadap dollar Amerika (USD) dan penurunan harga komoditas global, serta ketidakseimbangan sektor keuangan dan sektor ekonomi global yang berpotensi mendorong terjadinya pembalikan arus modal asing secara tiba-tiba. Kondisi perekonomian saat ini dapat memberikan dampak terhadap industri perbankan terhadap pencapaian bisnis perbankan, melambatnya pertumbuhan kredit dan menurunnya kualitas kredit. Imbas dari perlambatan pertumbuhan ekonomi Indonesia terhadap industri perbankan, terutama dikarenakan oleh meningkatnya rasio NPL mengakibatkan realisasi laba bersih PTBC pada periode yang berakhir 31 Desember 2015 mencapai rugi bersih sebesar Rp 59,99 milyar. Untuk mengkompensasi hal ini, PTBC telah menerapkan pengendalian beban operasional yang lebih ketat, dengan mengimplementasikan beberapa inisiatif terkait dengan produktivitas untuk menjaga beban operasional PTBC. Beberapa inisiatif tersebut antara lain pengendalian manajemen sumber daya manusia (SDM) yang lebih baik, kontrol yang ketat atas beban dan investasi yang dilakukan, seiring dengan pertumbuhan kredit dan dana pihak ketiga, dengan terus mencari kemungkinan cost saving atas seluruh pengeluaran transaksi bank. PTBC juga melakukan eksplorasi model bisnis dan layanan untuk edukasi financial dengan memanfaatkan teknologi digital. Bank juga akan mengembangkan kemitraan strategis untuk layanan dan akuisisi nasabah baru. Kedua hal ini diharapkan dapat mengembangkan model akuisisi secara berkesinambungan dan efisien. Bank juga akan mengarahkan modelnya untuk lebih menjadi customer centric dan secara aktif melakukan inisiatif untuk meningkatkan dana murah dan penyaluran kredit.

- Profitability - Refocus on 4 segments of the targeted main market to provide strength and flexibility focusing on the growth in SME and Consumers sectors.
- Capital - Maintaining capital adequacy above Bank Indonesia minimum requirement by maximizing the capital management.

Commonwealth Bank will focus on maintaining the Bank's soundness rating 2 (two) amidst the slowdown national economy, one of them is by changing the core banking system into COMPASS to increase productivity and minimize operational risk, implementing Integrated Risk Management and Governance, and managing sound capital.

Overall, the implementation of Good Corporate Governance (GCG) aspects remain gaining good composite rating ("2") based on some considerations, such as that the analysis conducted shows strong commitment to achieve high GCG standards. PTBC proactively reviews policies and processes as well as carries out fundamental changes in accordance with its governance framework so that unexpected past issues or events do not happen again. PTBC has also strengthened the monitoring function by increasing the frequency of the Board of Commissioners meetings, GCG policy reform, strong commitment to settle the regulators' audit findings, as well as the implementation of Authority Grid initiatives that serve to provide clarity to the functions or positions that sign company documents issued both to internal and external parties, including the regulators.

The slowdown national economic condition since the end of 2014 up to 2015 is mainly influenced by the weakening of rupiah against US dollar (USD), the decline in global commodity prices, and the imbalance between financial sector and global economic sector that have the potential to encourage the sudden capital flight. The economic conditions may have negative impacts on the banking industry in the forms of banking business achievement, slowing credit growth, and declining credit quality. The impact of the slowdown economic growth on the banking industry in Indonesia is mainly the increase in NPL ratio, and for PTBC, this situation results in actual net loss of Rp 59.99 billion for the period ended 31 December 2015. To compensate for this, PTBC has implemented more stringent operating expense controls, by implementing several initiatives related to productivity to keep operating expenses at manageable level. Some of these initiatives include better human resources (HR) management controls, strict expenses and investments controls along with the growth of credit and third party funds, and exploring for possible cost savings over the entire bank transaction expenses. PTBC also explores business models and services for financial education by utilizing digital technology. The Bank will also develop strategic partnerships for services and new customer acquisitions. All of these are expected to develop an efficient and sustainable acquisition model. The Bank will also direct its model to become more customer centric and actively take the initiatives to increase low cost funds and credit exposures.

Commonwealth Bank terus memonitor dan meningkatkan produktivitas baik pada front line maupun unit pendukung dimana salah satunya dengan melakukan telaah rutin terhadap kinerja jaringan kantor PTBC (Kantor Cabang dan Kantor Kas). Sampai dengan akhir 2015, jumlah jaringan kantor yang memberikan kontribusi positif adalah 80 kantor dari total 91 jaringan kantor PTBC.

Per Desember 2015, PTBC memiliki Rasio Kecukupan Modal (CAR) sebesar 22,90% lebih tinggi dari ketentuan minimum yang ditetapkan. Hal ini menandakan bahwa Bank memiliki pengelolaan modal yang sehat yang sesuai dengan karakteristik, skala, maupun kompleksitas bisnis Bank, serta mencukupi dalam mengakomodir pertumbuhan bisnis dan investasi masa depan.

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

- Kerangka Kerja Manajemen Risiko.

Kerangka Manajemen Risiko akan secara terus menerus ditingkatkan dan disesuaikan untuk dapat meningkatkan daya saing yang sejalan dengan bisnis model dan strategi Bank. Berfokus pada penyaluran kredit dalam jumlah yang lebih kecil dan melakukan konversi kredit dalam valuta asing ke mata uang local, Memperketat pemantauan kinerja portofolio kredit pada tahap lebih awal untuk memitigasi risiko yang mungkin meningkat, Mengimplementasikan penanganan kredit bermasalah secara lebih aktif.

- Fokus Ulang Segmen Pasar Utama

Commonwealth Bank melakukan fokus ulang segmen pasar utama yang akan dituju yaitu individual (consumer) dan UKM (SME) dimana Bank tetap fokus melayani nasabah *Established Affluent* dan *Established SME*, juga di saat yang sama melakukan eksplorasi untuk segmen *Emerging Affluent* ("eAffluent") dan *Emerging SME* ("eSME"). Bank juga meninjau kembali strategi Bank untuk segmen Komersial, di mana Bank memutuskan untuk tidak lagi melayani segmen komersial yang disebabkan oleh Bank tidak memiliki keuntungan komparatif untuk bersaing pada segmen ini.

Hingga akhir tahun 2015, saldo kredit PTBC lebih rendah 12,1% dibandingkan akhir tahun 2014. Lebih rendahnya penyaluran kredit PTBC dibandingkan dengan Desember 2014 disebabkan oleh menurunnya saldo kredit segmen Komersial dan multifinance yang sebagian di-offset oleh kenaikan penyaluran dana untuk segmen UKM/SME dan Konsumer. Penurunan saldo kredit pada segmen Komersial sejalan dengan keputusan strategis yang dibuat oleh tim manajemen Bank, sementara penurunan saldo kredit multifinance disebabkan oleh penurunan kinerja pasar otomotif dan tersedianya sumber dana alternatif untuk perusahaan pembiayaan.

Saldo dana pihak ketiga PTBC hingga akhir Desember 2015 mencapai Rp 15,3 triliun sama dengan Desember 2014 dengan peningkatan rasio CASA/TD dari sebelumnya 54% menjadi 55%. Tetap dijaganya tingkat dana pihak ketiga walaupun terjadinya penurunan saldo kredit merupakan refleksi dari keputusan tim manajemen PTBC untuk menjaga tingkat likuiditas yang lebih berhati-hati.

Commonwealth Bank actively monitors and drives improvements in its productivity both on front line and support functions, one of the efforts is through routine reviews of PTBC's branch offices and cash offices network performance. By the end of 2015, the number of offices that generates positive contributions is 80 offices, out of the total of 91 offices.

As per December 2015, PTBC's Capital Adequacy Ratio (CAR) is 22.90%, higher than the minimum requirement. This shows that the Bank has healthy capital management, which is aligned with the Bank's characteristics, scale, business complexity, as well as adequate to accommodate future investment and business' growth.

Moreover, In order to support business growth targets and strengthen governance and controls, Commonwealth Bank has been and continuously implementing the following strategic measures:

- Risk Management Framework

Risk Management Framework will be continuously enhanced and adapted to improve competitiveness in line with the Bank's business models and strategies. Focusing on lending in smaller amounts and converting credit in foreign currency into local currency, tightening the loan portfolio performance monitoring at the early stage to mitigate increased risk, and implementing more actively problem loans handling.

- Main Market Segments Refocus

Commonwealth Bank refocuses the main targeted market segments, namely individual and SME customers whereby the Bank remains focusing on serving Established Affluent and Established SME customers, and at the same time also explores Emerging Affluent ("eAffluent") and Emerging SME ("Esme") segments. The Bank also reviews its strategy for Commercial segment, for which the bank has decided to no longer serve the commercial segment as the Bank has no comparative advantage to compete in this segment

By the end of 2015, PTBC's loan portfolio is lower by 12.1% compared to that of the end of 2014. PTBC's lower loan portfolio position compared to that of December 2014 is caused by the declining loan positions to Commercial and multifinance segments which are partially offset by the increase in loan portfolio to consumers and SME segments. The decline in loan portfolio to Commercial segment is in line with the strategic decisions made by the Bank's management team, while the decline in loan portfolio to multifinance is due to the slowdown performance of automotive market and the availability of alternative funding sources for multifinance companies.

PTBC's third party funds position at the end of December 2015 reaches Rp 15.3 trillion, about the same as that of December 2014 by the increasing in CASA/TD ratio from previously 54% to 55%. The relatively constant position of third party funds level despite the decline in loan portfolio is the reflection of the management team's decision to maintain more cautious liquidity position.

3. Peningkatan tingkat kepuasan nasabah.

Pada tahun 2015, PTBC menduduki peringkat ke-3 dari 21 bank (termasuk BUMN, bank-bank komersial dan bank asing) berdasarkan MRI (Marketing Research Indonesia) yang merupakan standar industri di Indonesia untuk penilaian kualitas layanan. Hal ini konsisten dengan komitmen PTBC untuk terus meningkatkan pelayanan terhadap nasabah serta meningkatkan kepuasan nasabah melalui layanan yang unggul.

Bank telah menerapkan pergantian sistem core banking COMPASS untuk mendukung tercapainya tujuan bisnis dengan cara meningkatkan pelayanan terhadap nasabah, peningkatan produktifitas dan meminimalkan risiko operasional.

TRANSPARANSI KONDISI KEUANGAN DAN NON-KEUANGAN BANK

Informasi dalam laporan keuangan telah disusun dan disajikan menurut prosedur, jenis dan cakupan sebagaimana diatur dalam Peraturan Otoritas Jasa Keuangan dan Surat Edaran tentang Transparansi dan Publikasi Laporan Bank Umum Konvensional dan disampaikan kepada Otoritas Jasa Keuangan dan instansi terkait lainnya secara tepat waktu.

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

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 tahun 2015:

Berdasarkan keputusan bulat Pemegang Saham Commonwealth Bank Pengganti 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 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.

3. Increased level of customers satisfaction

In 2015, PTBC is ranked third out of 21 banks (including state banks, private banks, and foreign banks) by MRI (Marketing Research Indonesia) which is the industry standard in Indonesia for quality of service assessment. This is consistent with PTBC's commitment to continuously improve customer services and satisfaction through excellence services.

The Bank has implemented COMPASS, the new core banking system, to support the achievement of business goals by improving services to the customers, increasing productivity, and minimizing operational risk.

TRANSPARENCY OF BANK'S FINANCIAL AND NON-FINANCIAL CONDITIONS

Information in financial reports has been prepared and presented in such procedure, type, and scope as regulated by the Financial Services Authority Regulation and Circular concerning Transparency and Publication of Conventional Commercial Bank's Financial Reports and submitted to the Financial Services Authority and other related institutions timely.

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

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

a. Types of remuneration and other facilities received by members of Commonwealth Bank's Board of Commissioners and Board of Directors in 2015:

Pursuant to unanimous resolution of the Shareholders of Commonwealth Bank in exchange of the Extraordinary General Meeting of Shareholder dated 15 May 2012 as amended by Deed No.45 dated 10 April 2013, it is resolved to approve the determination of remunerations, salaries, allowances, and emoluments for Local Commissioners of the Bank, which refers to Remuneration Policy for Local Commissioners. The local commissioners receive compensations in the forms of Honorarium, Religious (THRK) Allowance, 14th Honorarium, Inpatient/Outpatient Medical Benefits, and Company Car.

The GMS has also approved the delegation of authority of the General Meeting of Shareholders to the Board of Commissioners in determining the salaries and allowances of members of the Board of Directors and deriving them into the Bank's policy. Based on the policy the members of the Board of Directors receive compensations in the forms of salaries, Religious (THRK) Allowance, Year-End Allowance, performance-based bonuses, and sign-on bonuses (as agreed on both parties). Additionally, the Board of Directors receives benefits in the forms of Pension Fund, social security program, Life Insurance, Medical Benefits, annual leave, company car, and car maintenance cost. Expatriate members of the Board of Directors receive additional benefits in the forms of Host Country Housing Allowance and Household utilities allowance as part of the Bank's policy.

Jenis Remunerasi dan Fasilitas Lain Type of Remuneration and Other Facilities	Jumlah Diterima Tahun 2015 Amount Received in 2015			
	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*	3,120	4	17,754
2. Fasilitas-fasilitas lain Other tangible facilities	2*	501	4	1,358
Dapat dimiliki Can be owned Tidak dapat dimiliki Cannot be owned	-	-	-	-
Total		3,621		19,112

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 pada 2015 adalah sebagai berikut:

b. The details of the remuneration per person (received in cash before income tax) are total remuneration data within a year covering THR, TAT, Bonus, DPLK, BPJS-TK, including pro-rate calculation for the Board of Directors currently less than one year of service, received by PTBC's Board of Commissioners and Board of Directors in 2015 areas 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	4	-
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	--	2*
Di atas Rp 500 juta dan sampai dengan Rp 1 miliar Above Rp 500 million and up to Rp 1 billion	-	-
Di bawah Rp 500 juta 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) yang diterima oleh anggota Dewan Komisaris, Direksi dan karyawan per bulan adalah sebagai berikut:

RATIOS OF HIGHEST AND LOWEST SALARIES

The ratios of the highest and the lowest salaries (based on basic salary only) received by the members of the Board of Commissioners, the Board of Directors, and the employees per month are as follows:

Keterangan Description	Rasio Ratio
Karyawan dengan gaji tertinggi dan terendah Highest and lowest salary of employees	69.23 : 1
Direktur dengan gaji tertinggi dan terendah Highest and lowest salary of Directors	1.95 : 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	1.73 : 1

OPSI SAHAM

Selama 2015, Commonwealth Bank tidak memberikan opsi saham kepada anggota Dewan Komisaris, Direksi, Pejabat Eksekutif, dan Kepala Unit Bisnis lainnya.

PENYIMPANGAN INTERNAL

Penyimpangan internal dalam bagian ini, tidak berkonotasi kejahatan yang memiliki unsur pidana, karena bisa bermakna etika maupun administrasi. Pada intinya, tindakan yang tidak sesuai dengan norma yang telah ditetapkan Bank secara internal maupun norma lain yang ditetapkan oleh regulator. Sepanjang tahun 2015, berikut ini rinciannya:

Penyimpangan Internal Internal Fraud 2015	Jumlah Kasus yang Dilakukan Number of Cases Committed by					
	Manajemen Management		Karyawan Tetap Permanent Employee		Karyawan Temporari 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 Total	0	0	0	1	0	0
Telah selesai Resolved	0	0	0	1	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
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

STOCK OPTION

During 2015, Commonwealth Bank does not provide any stock option to members of the Board of Commissioners, the Board of Directors, Executive Officers, and other Head of Business Units.

INTERNAL FRAUDS

Internal frauds in this section, do not connote those having criminal elements, because they could mean ethical and administrative. In essence, they are those actions that are not in accordance with the norms that have been established by the Bank internally and other norms set by the regulators. Throughout 2015, the following are the details

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.

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.

WHISTLEBLOWER PROTECTION POLICY

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

This reporting mechanism is intended to protect the confidentiality of the reporter's identity and ensure anonymous reporting.

Whistleblower Protection Program

In detecting the acts of fraud or other inappropriate behaviors, the Whistleblower Protection Program constitutes a reporting line provided by the Bank so that reporting via communication lines can be done by internal and external parties, namely amongst others through:

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

Reporting can be based on evidences and rationale in doing the reporting. The Bank protects the identity of the reporters and ensures their confidentiality at the time the reports are followed up by the related units.

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

If the information provided is not adequate, or irrelevant to be proceeded into investigation process, the reporters will be informed that the investigation is discontinued.

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

- Socialization which is done through desktop wallpapers, posters, or training sessions to encourage reporting or taking the position as whistleblowers.
- Anti-Fraud Awareness via email to all employees on regular basis.

Laporan Whistleblowing 2015

2015 Whistleblowing Reporting

Jenis Pelaporan Type of Reporting	Jumlah Laporan Number of Report
Jumlah Laporan Total Number of Report	8
Yang sudah selesai Completed	7
Yang ditutup dan tidak ada investigasi lagi Closed and no further investigation	7

PROSES HUKUM

Jumlah kasus perdata dan pidana yang dihadapi oleh Commonwealth Bank, baik diselesaikan dengan kekuatan hukum final maupun dalam proses penyelesaian, per 31 Desember 2015, adalah sebagai berikut:

a. Commonwealth Bank sebagai Penggugat:

Proses Hukum Legal Proceedings	Jumlah Proses Hukum Number of Legal Proceedings			
	Kriminal Criminal		Perdata Civil	
	2014	2015	2014	2015
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	3	1	-	-
• Di atas Rp 500 juta Above Rp 500 million	1	1	-	-
Total	5	2	-	-

b. Commonwealth Bank sebagai Tergugat

Proses Hukum Legal Proceedings	Jumlah Proses Hukum Number of Legal Proceedings			
	Kriminal Criminal		Perdata Civil	
	2014	2015	2014	2015
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	-	-	-	-
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	-
Total	-	-	1	-

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

Kasus Dugaan Tindak Pidana Penggelapan oleh Nasabah

Pada tanggal 22 September 2015, Commonwealth Bank mendapatkan temuan adanya klaim dari Mastercard atas transaksi nasabah dengan konversi mata uang yang salah via ATM di Malaysia, yang salah satu diantaranya transaksi nasabah Commonwealth Bank. Adapun periode transaksi yang dilakukan oleh Nasabah pada tanggal 6 Juli 2015 - 19 Juli 2015. Klaim tersebut diajukan oleh pemilik mesin ATM melalui jaringan Mastercard pada tanggal 24, 25, 26 dan 28 Juli 2015 menggunakan kode 10 yang artinya CORRECT AN ATM TERMINAL MALFUNCTION

Berdasarkan fakta, dokumen hukum dan investigasi lanjutan oleh Commonwealth Bank maka kesimpulan awal sebagai berikut :

- Bahwa telah terjadi kesalahan di mesin ATM di Malaysia yang menyebabkan nilai konversi atas penarikan bank note mata uang Ringgit di Malaysia menjadi sangat kecil sehingga Nasabah didebit dengan nilai konversi ke Rupiah yang sangat kecil (selanjutnya disebut Kesalahan Sistem).
- Bahwa Nasabah mempunyai itikad tidak baik dengan melakukan ratusan Transaksi setelah mengetahui adanya Kesalahan Sistem di mesin ATM.

Akibat kesalahan sistem tersebut, Commonwealth Bank mengalami kerugian finansial sebesar Rp. 2,759,537,866.50 (dua milyar tujuh ratus lima puluh sembilan juta lima ratus tiga puluh tujuh ribu delapan ratus enam puluh enam lima puluh rupiah).

Mengacu pada hasil investigasi yang telah dilakukan, Bank telah mengambil langkah hukum yaitu melaporkan dugaan tindak pidana penggelapan yang diduga dilakukan nasabah ke Badan Reserse Kriminal Mabes Polri (selanjutnya disebut Bareskrim Mabes Polri) pada tanggal 2 November 2015, dengan dasar hukum Pasal 372 Kitab Undang-Undang Hukum Pidana (KUHP) Pasal 372 tentang Penggelapan.

Commonwealth Bank sebagai pelapor dalam kasus dugaan tindak pidana penggelapan akan menindaklanjuti dan terus memantau perkembangan proses hukum yang saat ini dalam tahap penyelidikan hingga penyidikan di kepolisian, serta akan memberikan dukungan berupa informasi dan/atau dokumen jika dibutuhkan oleh kepolisian maupun pihak berwenang lainnya.

Kasus Pemalsuan dan Penipuan atas Bilyet Giro

Kasus ini bermula dari datangnya keluhan nasabah mengenai Bilyet Giro (BG) miliknya yang ditolak pada saat pencairan dengan alasan bahwa BG tersebut telah dicairkan pada cabang Jembatan Lima. BG tersebut ditujukan kepada rekan bisnis nasabah dan transaksi yang dimaksud pada Jembatan Lima tersebut dilaksanakan pula oleh seseorang yang bernama sama dengan rekan bisnis nasabah. Setelah diperiksa melalui rekaman CCTV, ternyata pencairan dilakukan oleh orang yang berbeda dengan yang dimaksud sebagai rekan bisnis nasabah.

The following information is related to the legal proceedings which are still in process:

Alleged Embezzlement by the Customer

On 22 September 2015, Commonwealth Bank is claimed by Mastercard on customer transactions in the form of wrong currency conversions via ATM in Malaysia. Period of transactions by the Customer is 6 July 2015 - 19 July 2015. The claim is filed by the ATM machine owner through the Mastercard network on 24, 25, 26, and 28 July 2015 using the code of 10, which means CORRECT AN ATM TERMINAL MALFUNCTION.

Based on the facts, legal documents, and further investigations by Commonwealth Bank, the initial conclusions are as follows:

- Whereas there has been an error in the ATM machine in Malaysia that leads to the conversion value over the withdrawal of bank notes in Malaysian Ringgit currency becomes so small that the Customer is debited with the value of the conversion in a very small amount (here in after referred to as System Errors).
- That the customer has a bad faith by doing hundreds of transactions after discovering the System Errors in the ATM machine.

As the result of the system errors, Commonwealth Bank suffers financial loss of Rp. 2,759,537,866.50 (two billion seven hundred fifty nine million five hundred thirty seven thousand eight hundred sixty six rupiah and fifty cent).

Referring to the results of investigations carried out, the Bank has taken legal measures namely to report suspected criminal offenses of embezzlement allegedly committed by the customer to the Criminal Investigation Department of Police Headquarter (here in after referred to as Criminal Police Headquarter) on 2 November 2015, by the legal basis of Article 372 of the Criminal Codes regarding Embezzlement.

Commonwealth Bank as the complainant in this alleged embezzlement criminal offense case will follow up and continue monitoring the legal proceedings progress currently under investigation until prosecution by the police, and will provide supports in the forms of information and/or documents if required by the police.

Checkbook Counterfeiting and Fraud Case

The case stems from complaints from a customer about her check which is rejected at the time of encashment on the ground that the check has been encashed at Jembatan Lima branch office. The check is addressed to the customer's business partner and the transaction referred to at Jembatan Lima branch office is done by a person of the same name as that of the customer's business partner. Having examined through CCTV records, the encashment is actually done by a different person from the one referred to as the customer's business partner.

Setelah diinvestigasi lebih lanjut, maka diketahui bahwa terdapat 2 (dua) BG dengan nominal Rp482,848,993, nomor seri dan tandatangan yang sama, namun BG yang telah dicairkan pada cabang Jembatan Lima tersebut adalah palsu dan dilakukan oleh seorang penipu.

Commonwealth Bank pada akhirnya berkeputusan untuk melaporkan Kasus Pemalsuan BG ke Kepolisian. Pelaporan dilaksanakan pada tanggal 11 Agustus 2015 di kantor Polisi Resor Jakarta Barat. Dasar dari pelaporan ini adalah KUHP pasal 263 (pemalsuan dokumen) dan pasal 378 (penipuan).

Commonwealth Bank sebagai pelapor dalam kasus dugaan tindak pidana pemalsuan dan penipuan BG akan menindaklanjuti dan terus memantau perkembangan proses hukum yang saat ini dalam tahap penyelidikan hingga penyidikan di kepolisian, serta akan memberikan dukungan berupa informasi dan/atau dokumen jika dibutuhkan oleh kepolisian dan pihak berwenang lainnya.

TRANSAKSI YANG MENGANDUNG BENTURAN KEPENTINGAN

Guna mendukung risk awareness dan pengetahuan akan Benturan Kepentingan, seiring pembaruan Peraturan Commonwealth Bank 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 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 2015, 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 secara aktif berpartisipasi dalam meningkatkan kesejahteraan masyarakat, dengan fokus pada bidang edukasi literasi keuangan dan sosial. Pada 2015, Commonwealth Bank melakukan kegiatan sosial sebagai berikut:

Upon further investigation, it is known that there are 2 (two) checks with nominal of Rp482,848,993, under the same serial number and signature, but those checks encashed at Jembatan Lima branch office are faked and done by an impostor.

Commonwealth Bank at the end decides to report the check Fraud case to the Police. Reporting is done on 11 August 2015 in West Jakarta Police Resort office. The basis of this report is the Criminal Codes article 263 (falsification of documents) and Article 378 (frauds).

Commonwealth Bank as the complainant in this check forgery and fraud criminal act case will follow up and continue monitoring the legal process that is currently under investigation until prosecution by the police, and will provide supports in the forms of information and/or documents if required by the police.

TRANSACTIONS CONTAINING CONFLICT OF INTEREST

To support risk awareness and knowledge regarding Conflicts of Interest, along with the renewal of Commonwealth Bank's Company Rules for 2014-2016 period, it is provisioned in section 63 that the Employees shall be obliged to read, understand, comply with, and implement the Company Rules and their Implementation Provisions. New and existing employees are also obliged to sign Statement of Professional Practice and participate in mandatory Codes of Conduct Trainings, which one of its modules is regarding Conflicts of Interest.

Other than that, Commonwealth Bank has done annual survey for all Commissioners, Directors, and Executive Officers regarding updated information on the checking of their related parties.

BANKSTOCKS AND BONDS BUY BACK

In 2015, there are no stocks or bonds buy back transactions.

SOCIAL AND POLITICAL ACTIVITIES FUNDS

a. Social Activities

In performing the Bank's corporate social responsibility, Commonwealth Bank actively participates in improving public welfares, by focusing on financial literacy and social education. In 2015 Commonwealth Bank performs the following social activities:

No.	Jenis dan Tujuan Program Type of Program and Its Purpose	Penerima Beneficiary	Total Total
1	Pembangunan 2 kelas untuk Sekolah Aluna, sekolah untuk anak penderita tuna rungu serta 3 kali kunjungan sekolah untuk kegiatan bersama anak-anak. Donation for building two classrooms at Sekolah Aluna, school for hearing impaired children and 3 visits to conduct activities with the kids.	Sekolah Aluna, Jakarta Jalan Kebagusan Dalam IV No. 34A Pasar Minggu Jakarta Selatan	IDR 113,050,000
2	Pembangunan 2 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 45,240,000
3	Hari Donor Darah – Program donor darah reguler bekerja sama dengan Palang Merah Indonesia (PMI) –3 kali. Blood Drive Day – Regular blood drive program in collaboration with Indonesian Red Cross (PMI) – 3 times	Palang Merah Indonesia (PMI) Indonesian Red Cross (PMI)	+/- 300 blood packs
4	Donasi untuk pembangunan dapur sekolah 2 Taman Kanak-kanak di Bandung dan kunjungan ke sekolah untuk kegiatan masak bersama Donation for help rebuilding school facilities: kitchens for two kindergartens in Bandung area and visit to conduct cooking activities together with the kids.	TK An-Nur & TK Ade Irma Desa Cikembang, Kec Kertasari, Pangalengan Bandung	IDR 40,000,000
5	Donasi dan partisipasi staff dalam Shave for Hope – program cukur massal untuk penggalangan dana bagi anak penderita kanker Donation and staff participation in Shave for Hope – mass shaving event for fundraising to kids with cancer.	Yayasan Pita Kuning Anak Indonesia, Rumah Sakit Kanker Dharmais Jakarta	IDR 300,000,000
6	Nonton Bareng dan Buka Puasa Bersama dengan anak-anak yatim piatu di bulan Ramadhan Watching movie together and fasting break with orphanage kids in conjunction with Ramadhan Season	Panti Asuhan Muslimin Jaya	IDR 56,340,000
7	Belajar Menabung Bersama Sjors dan Commonwealth Bank, kegiatan simulasi aktivitas di Bank dan belajar menabung untuk anak-anak di bawah jembatan Pluit “Belajar Menabung Bersama Sjors dan Commonwealth Bank”, activities with kids who lived under Pluit highway by doing banking simulation and learn to save.	Sjors Foundation, Pluit Highway	IDR 46,475,000
8	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
9	Acara charity turnamen dengan Kedutaan Australia Charity golf tournament with Australian Embassy	Platypus Club, Australian Emba- sy Social Club, Jakarta	IDR30,000,000
10	Acara charity turnamen golf dengan Habitat for Humanity Charity golf tournament with Habitat for Humanity	Habitat Bagi Kemanusiaan Habitat For Humanity www.habitatindonesia.org/	IDR 36,000,000
11	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 15,000,000
12	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)– 5 sesi Public (program participants)– 5 sessions	IDR 60,000,000
13	Program WISE (Women Investment Series) – program edukasi keuangan untuk wanita, yang terdiri dari: Riset, Aplikasi Seluler WISE, kelas-kelas edukasi bersama komunitas perempuan, dll WISE Program (Women Investment Series) – financial education program targeted to women, consists of some elements: Research, WISE Mobile Application, education class and community building, etc.	Publik Public	IDR 1,000,000,000

b. Kegiatan Politik

Pada 2015, Bank tidak mendanai kegiatan politik.

b. Political Activities

In 2015, the Bank does not fund any political activity.

TINJAUAN SELF ASSESSMENT ATAS PELAKSANAAN GOOD CORPORATE GOVERNANCE

Melalui visi untuk meningkatkan kinerja Bank, melindungi kepentingan para stakeholder, dan meningkatkan kepatuhan terhadap peraturan serta etika yang berlaku, Commonwealth Bank telah melaksanakan Self-assessment GCG pada tahun 2015, 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 dan fokus pada 11 (sebelas) Faktor Penilaian dalam Implementasi *Good Corporate Governance* serta informasi lain yang berhubungan dengan implementasi GCG Bak, yang terdiri dari:

Nilai komposit *Self Assessment* atas *Good Corporate Governance* dihitung per 31 Desember 2015, 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 the prevailing regulations and ethics, in 2015 Commonwealth Bank has conducted GCG Self-assessment in compliance with Bank Indonesia requirements on the Implementation of Good Corporate Governance (GCG) by Commercial Banks as regulated by BIR No. 8/4/PBI/2006, BIR No. 8/14/PBI/2006 and BIC No.15/15/DPNP.

The assessment on the performance of Good Corporate Governance principles by Commonwealth Bank is performed periodically and focused on 11 (eleven) Assessment Factors and other related information to the Bank's GCG implementation, consisting of:

The composite score of Good Corporate Governance Self Assessment calculated as per 31 December 2015, is 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 the 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. 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 dan pihak lainnya yang bekerja sama dengan Bank. Any potential conflict of interest was mitigated by enforcing strict company policies, binding all Commonwealth Bank 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 OJK. 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 ditegakkan 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.
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	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.
	Provision of Funds to Related Party and Large Exposures	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
	Transparansi Kondisi Keuangan dan Non-Keuangan Bank, Laporan Pelaksanaan	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.
	Good Corporate Governance dan Laporan Internal	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.
	Transparency of Bank's Financial and Non-Financial Conditions,	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.
	Good Corporate Governance Implementation Report and Internal Report	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.
	Rencana Strategis Bank	Rencana strategis Bank telah disusun dan disetujui oleh Dewan Komisaris dan disampaikan kepada OJK. Rencana ini menjadi pedoman dalam melaksanakan bisnis perbankan.
	Bank Strategic Plan	Bank's strategic plan has been prepared and approved by BOC and submitted to OJK. 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 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.

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

A. Struktur Tata Kelola

Berikut adalah faktor-faktor kekuatan pelaksanaan GCG dari aspek struktur tata kelola:

- Struktur dan komposisi Dewan Komisaris yang telah sesuai dengan peraturan yang berlaku.
- Selain kecukupan struktur dan komposisi Dewan Komisaris, kecukupan lain meliputi jumlah anggota, domisili, rangkap jabatan, independensi, terutama terkait hubungan keuangan dan keluarga, serta integritas dan kompetensi yang sesuai dengan kompleksitas usaha perbankan PTBC
- Pelaksanaan tugas dan tanggung jawab Dewan Komisaris telah memenuhi prinsip-prinsip GCG, termasuk dalam setiap pengambilan keputusan, seluruh anggota Dewan Komisaris mampu bertindak secara independen.
- Direksi terdiri dari empat anggota yang telah lulus dari Uji Kemampuan dan Kepatutan Bank Indonesia ("BI") atau Otoritas Jasa Keuangan ("OJK") dan semua Direksi berdomisili di Indonesia.
- Selain kecukupan struktur dan komposisi Direksi, kecukupan lain meliputi jumlah anggota, domisili, rangkap jabatan, independensi, terutama terkait hubungan keuangan dan keluarga, serta integritas dan kompetensi yang sesuai dengan kompleksitas usaha perbankan PTBC
- Struktur dan komposisi Komite dibawah Dewan Komisaris yang telah sesuai dengan peraturan yang berlaku, 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.
- Secara infrastruktur, pelaksanaan tugas dan tanggung jawab Dewan Komisaris, Direksi, Komite-Komite serta Satuan Kerja Bank telah difasilitasi dan didukung dengan kecukupan kebijakan, sistem dan prosedur, pedoman, tata tertib kerja serta piagam-piagam internal Komite
- Bank telah mengkinikan kebijakan internal benturan kepentingan yang mengatur mengenai penanganan benturan kepentingan yang mengikat setiap pengurus dan pegawai bank, termasuk tata cara pengambilan keputusan, dan administrasi pencatatan, dokumentasi dan pengungkapan benturan kepentingan dimaksud dalam risalah rapat.
- Bank juga telah mengkinikan kebijakan Tata Kelola Perusahaan sebagai payung dari implementasi Tata Kelola Perusahaan di Bank.
- Fungsi Kepatuhan yang independen dari fungsi operasional dan sumber daya manusia yang memadai pada satuan kerja Kepatuhan untuk menyelesaikan tugas secara efektif.
- Fungsi Internal Audit yang telah sesuai dengan peraturan yang berlaku termasuk dengan penyusunan piagam dan rencana kerja dari audit intern yang dikinikan setiap tahun dan Pelaksanaan Fungsi Audit Eksternal oleh Akuntan Publik telah memenuhi persyaratan independen dan peraturan yang berlaku.

A. Governance Structure

The positive factors of the GCG implementation from governance structure aspects are as follows:

- Structure and composition of the Board of Commissioners have been in accordance with the applicable provisions.
- Other than the adequacy of the structure and composition of the Board of Commissioners, the other adequacies cover the number of members, domiciles, concurrent positions, independency particularly in terms of financial and family relationships, as well as integrity and competency which are in accordance with PTBC's banking business complexity.
- Implementation of duties and responsibilities of the Board of Commissioners has met good corporate governance principles, including in decision making process, whereby the Board of Commissioners are able to act independently.
- The Board of Directors compose of four members who have been passed Fit and Proper Test of Bank Indonesia ("BI") or the Financial Services Authority ("OJK") and all are domiciled in Indonesia.
- Other than the adequacy of the structure and composition of the Board of Directors, the other adequacies cover the number of members, domiciles, concurrent positions, independency particularly in terms of financial and family relationships, as well as integrity and competency which are in accordance with PTBC's banking business complexity.
- Structure and composition of the Committees under the Board of Commissioners have been in accordance with the prevailing provisions, by the appointment of 2 (two) members of the committees from independent parties who have the knowledge and experience in accounting, banking, and risk management to further strengthen the functions of the committees.
- In terms of infrastructures, the performance of duties and responsibilities of the Board of Commissioners, the Board of Directors, the Committees and the Bank's Working Units has been facilitated and supported by adequate policies, systems and procedures, guidelines, work rules, and internal Committees charters.
- The Bank has updated the internal conflicts of interest policy concerning the handling of conflicts of interest that binds the bank's management and employees, including the procedures for decision making, records administration, documentation, and disclosure of conflicts of interest in minutes of meetings.
- The Bank has also updated the Corporate Governance policy as the umbrella for the implementation of Corporate Governance in the Bank.
- Independent Compliance Function of operational functions and adequate human resources on the Compliance work unit to perform their duties effectively.
- Internal Audit function has been in accordance with the applicable provisions, including the preparation of internal audit charter and work plan which are updated every year, and the Implementation of External Audit Function by Public Accountant has met the independence requirements and the applicable provisions.

- Bank telah melakukan penyempurnaan atas proses penunjukan auditor eksternal melalui penyusunan prosedur penunjukan auditor eksternal
- Struktur organisasi yang memadai untuk mendukung penerapan manajemen risiko dan pengendalian intern yang baik serta terdapat kebijakan, prosedur dan penetapan limit risiko yang memadai dan dikinakan secara berkala termasuk kebijakan dan prosedur terkait penyediaan dana terhadap pihak terkait dan penyediaan dana besar
- Penyusunan Rencana Bisnis Bank yang sesuai dengan visi dan misi Bank serta mendapatkan persetujuan dari Dewan Komisaris
- Implementasi inisiatif Authority Grid yang berfungsi untuk memberikan kejelasan terhadap fungsi atau jabatan yang melakukan tanda-tangan pada dokumen yang dikeluarkan oleh perusahaan baik untuk pihak internal maupun eksternal termasuk kepada regulator.

B. Proses Tata Kelola

Berikut adalah faktor-faktor kekuatan pelaksanaan GCG dari aspek proses tata kelola:

- Dewan Komisaris telah melaksanakan tugas dan tanggung jawabnya secara independen yang senantiasa berpedoman pada prinsip-prinsip GCG. Tugas pengawasan dan pemberian nasihat dilakukan oleh Dewan Komisaris semata-mata untuk kepentingan Bank.
- Peningkatan frekuensi rapat Dewan Komisaris 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 OJK.
- Pelaksanaan tugas dan tanggung jawab Direksi Bank telah memenuhi prinsip-prinsip GCG, dan telah berjalan efektif, serta seluruh Direksi mampu bertindak dan mengambil keputusan secara independen
- Pelaksanaan rapat Komite-komite telah sesuai dengan pedoman internal Bank dan telah terlaksana secara efektif dan efisien
- Komite-komite telah berjalan efektif untuk membantu pelaksanaan tugas dan tanggung jawab Dewan Komisaris dan Direksi
- Fungsi kepatuhan telah menjalankan tugas dan tanggung jawab guna mendukung budaya kepatuhan melalui

- The Bank has improved external auditor appointment process through the preparation of external auditor appointment procedures.
- Adequate organizational structure to support the implementation of good risk management and internal control and there are adequate and regularly updated policies, procedures, and risk limits, including policies and procedures related to the provision of funds to related parties and in large exposures.
- The Bank's business plan is based on the vision and mission of the Bank and approved by the Board of Commissioners.
- Implementation of Authority Grid initiatives that serve to provide clarity to the functions or positions that sign documents issued by the Bank either to internal or external parties including to the regulators.

3. Governance Process

The positive factors of the GCG implementation from governance process aspects are as follows:

- The Board of Commissioners has performed their duties and responsibilities independently by consistently referring to GCG principles. Supervisory and advisory provision duties are performed by the Board of Commissioners merely for the Bank's interests.
- Increased frequency of the Board of Commissioners meetings into once in 2 (two) months to strengthen supervisory function and the presence of the Bank's Independent Commissioners at least once a week as part of the supervisory function and providing advices to the Board of Directors.
- Supervision of audit findings by the Board of Commissioners through Audit Committee and the Board of Directors through the Board of Directors and Management Team meetings to ensure follow-ups and the Bank's commitments in accordance with the findings. Compliance and Internal Audit functions using e-mails mechanism every week to the related divisions including directors to remind the maturity of internal audit, external audit, and the OJK's findings.
- The Board of Directors have performed their duties and responsibilities effectively in accordance with GCG principles, and all members of the Board of Directors are able to act and make decisions independently.
- Organization of Committees meetings has been in accordance with the Bank's internal guidelines and done effectively and efficiently.
- Committees have functioned effectively to assist the performance of duties and responsibilities of the Board of Commissioners and the Board of Directors.
- Compliance function has been performing its duties and responsibilities to support compliance culture through

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 penunjukan audit ekstern telah mempertimbangkan peraturan yang berlaku serta rekomendasi dari Komite Audit dan telah disetujui oleh Rapat Umum Pemegang Saham.
- Terkait dengan penerapan manajemen risiko, 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 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.
- 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 Rencana Bisnis 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.

C. Hasil Tata Kelola

Berikut adalah faktor-faktor kekuatan pelaksanaan GCG dari aspek hasil tata kelola:

- Hasil kinerja Dewan Komisaris berupa hasil rapat Dewan Komisaris telah didokumentasikan dengan baik dan merupakan rekomendasi dan arahan yang dapat diimplementasikan oleh RUPS dan Direksi
- Aspek transparansi seluruh anggota Dewan Komisaris telah dilaksanakan dengan baik sesuai dengan ketentuan yang berlaku
- Rapat Direksi telah terselenggara secara efektif dan efisien, dan hasil hasil rapat Direksi telah didokumentasikan dengan baik.

active participations in new products and activities process and reviewing other departments policies and procedures to ensure compliance with the applicable provisions.

- Internal Audit function has conducted supervisory functions effectively and independently by using risk-based approach. Audit work has been realized in accordance with the Audit Work Plan and reported regularly to the Board of Directors and the Board of Commissioners through Audit Committee.
- External audit appointment process has been considering the applicable provisions as well as recommendations of Audit Committee and approved by the General Meeting of Shareholders.
- In conjunction with the implementation of risk management, the Board of Commissioners have fulfilled their duties and responsibilities actively and had good understanding of the Bank's risk management. The Board of Directors have fulfilled their duties and responsibilities and had good knowledge on risk management, amongst other reflected by written risk management policies, strategies, and framework, including overall risk limits and types that are consistent with risk level and tolerance of capital adequacy.
- Internal control system comprehensive implementation is effective in supporting the implementation of risk management and organized in accordance with business objectives. The Bank's risk control is managed by Three Lines of Defense model. This model has the structure in which risk management framework can be implemented simultaneously, including enhancing risk liability management which has been defined and carried out effectively by all business units, including control unit.
- Business Plan preparation process has considered several factors such as Bank Indonesia Regulation, external conditions, internal conditions of the Bank, as well as inputs of OJK Supervisory Team. In addition, the Business Plan preparation process is collaboration between business units and supporting units such as risk management that provides risk parameters in which business units can work in accordance with the targets set, so that the Bank's business plan is prepared realistically, comprehensively, and taking into account all prudential principles. Business plan and its revisions have been prepared by the Board of Directors and approved by the Board of Commissioners.

C. Governance Outcome

The positive factors of the GCG implementation from governance outcome aspects are as follows:

- The performance of the Board of Commissioners in the form of the Board of Commissioners meeting results have been well-documented and constitute recommendations and guidelines that can be implemented by the AGMS and the Board of Directors.
- Transparency aspects of all members of the Board of Commissioners have been implemented properly in accordance with the applicable provisions.
- The Board of Directors meetings have been held effectively and efficiently, and the meeting results have been well-documented.

- Pertanggungjawaban pelaksanaan tugas Direksi telah disampaikan ke dan diterima oleh pemegang saham melalui RUPS. Dengan demikian, pelaksanaan tugas dan tanggung jawab Direksi telah mengacu pada anggaran dasar bank dan peraturan perundang-undangan yang berlaku
- Masing-masing Komite Bank telah melaksanakan fungsinya sesuai ketentuan yang berlaku dan hasil Rapat Komite telah dituangkan dalam risalah rapat dan didokumentasikan dengan baik oleh masing-masing Komite.
- Penyampaian Laporan Pelaksanaan Direktur Kepatuhan dan Laporan Pihak Terkait kepada OJK secara tepat waktu dan cakupan pelaporan yang telah sesuai dengan ketentuan yang berlaku
- Bank terus menerus melakukan sosialisasi peraturan-peraturan baik yang baru maupun yang signifikan bagi bank dan Bank juga terus membangun budaya kepatuhan dalam pengambilan keputusan dan dalam kegiatan operasional
- Peningkatan kesadaran kepatuhan di setiap lini organisasi perusahaan sebagai hasil dari pembangunan berkelanjutan atas budaya kepatuhan.
- Direksi telah memastikan tersedianya laporan kegiatan pelaksanaan fungsi audit intern Bank yang dituangkan dalam Laporan Tahunan Bank
- SKAI Bank telah bertindak obyektif dalam melakukan audit, dan fungsi audit intern telah dilaksanakan sesuai dengan kebijakan dan prosedur audit yang berbasis risiko
- Fungsi Audit internal telah dilaksanakan secara memadai dimana program kerja dan pelaksanaannya telah mencakup seluruh unit kerja, mempertimbangkan tingkat risiko pada masing-masing unit kerja, berpedoman pada prinsip-prinsip SPFAIB
- Dalam penerapan fungsi audit eksternal, auditor bank telah bertindak obyektif dan hasil audit telah sesuai dengan ruang lingkup audit, serta menggambarkan kondisi Bank dan hasil tersebut telah disampaikan kepada Otoritas Jasa Keuangan secara tepat waktu
- Penyediaan Dana besar (*large exposures*) dan/atau Penyediaan Dana kepada pihak lain yang memiliki kepentingan terhadap Bank dilaksanakan secara wajar (*arm's length basis*), disesuaikan dengan kemampuan permodalan Bank dan tidak terkonsentrasi secara signifikan kepada Peminjam atau kelompok Peminjam tertentu
- Kerangka kerja manajemen risiko dan proses manajemen risiko telah dilaksanakan sesuai dengan tujuan bisnis, kebijakan, ukuran, kompleksitas bisnis dan kemampuan Bank
- Rencana Bisnis telah disusun oleh Direksi dan telah disetujui oleh Dewan Komisaris.
- Rencana Bisnis beserta realisasinya telah dikomunikasikan Direksi kepada Pemegang Saham Pengendali dan ke seluruh manajemen yang ada dalam organisasi Bank
- Accountability reports for the performance of the Board of Directors duties have been submitted to and accepted by the shareholders through the AGMS. Thus, the performance of the Board of Directors duties and responsibilities has referred to the Bank's statutes and the applicable provisions.
- Each of the Bank's Committee has carried out its functions according to the applicable provisions and the Committee Meetings results have been contained in minutes of meetings and well-documented by the respective Committee.
- Submission of Director of Compliance Implementation Report and Related Parties Reports to the OJK is timely and the scope of reporting is in compliance with the applicable provisions.
- The Bank continuously socializes regulations either new or significant for the Bank and the Bank also continues building compliance culture in decision making and operational activities.
- Increased compliance awareness in each line of the company's organization as a result of compliance culture's sustainable development.
- The Board of Directors has confirmed the availability of internal audit function activity report as contained in the Bank's Annual Report.
- The Bank's AIWU has acted objectively in conducting the audit, and internal audit function has been implemented in accordance with risk-based audit policies and procedures.
- Internal audit function has been implemented adequately in which the work program and its implementation have covered the entire work units, considering level of risk in each work unit, based on SPFAIB principles.
- In external audit function implementation, the Bank's auditor has acted objectively and the audit results have been in accordance with the audit scope, as well as describing the Bank's conditions and the results have been submitted to the Financial Services Authority timely.
- Provision of large exposures and/or provision of funds to related parties are performed on arm's length basis, adjusted to the Bank's capital capacity, and not concentrated significantly to a particular borrower or group borrower.
- Risk management framework and process have been carried out in accordance with business objectives, policies, sizes, complexities, and the Bank's capacity.
- The Business Plan has been prepared by the Board of Directors and approved by the Board of Commissioners.
- The Business Plan and its realization have been communicated by the Board of Directors to the Controlling Shareholders and the Bank's organization management.

Kelemahan pelaksanaan GCG dan penyebabnya

Hasil self-assessment GCG tahun 2015 menunjukkan bahwa terdapat sedikit kelemahan berkaitan dengan pelaksanaan GCG di Commonwealth Bank, namun secara umum kelemahan tersebut tidak memiliki dampak material dan dapat diselesaikan dengan tindakan normal oleh manajemen bank.

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 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 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 dan OJK, 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.

GCG's Weakness and Causes

The results of the 2015 GCG self-assessment indicate that there are minor weaknesses with regard to GCG implementation within Commonwealth Bank, however in general the weaknesses have no material impacts and can be improved through normal measures by the Bank's management.

GCG's Implementation Strengths

Good Corporate Governance is implemented properly and supported by the performance of duties and responsibilities of the Board of Commissioners, the Board of Directors, and the Committees under the Board of Commissioners and the Board of Directors which are effective, independent, and complied with the prevailing provisions.

The implementation of conflicts of interest policy has been in accordance with the prevailing provisions. Good corporate Governance is also strengthened by the implementation of independent and effective Compliance Function, Internal Audit, and External Audit. Commonwealth Bank has policies, procedures, information management system, as well as main duties and functions of each organizational structure. Disclosure of conflicts of interest on decision making is well-administered and documented properly.

The implementation of Risk Management is in accordance with the Bank's business complexity including active supervision of the Board of Commissioners and Improvement of Internal Controls. Funds provision to related parties and 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 reported. The 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 commitments of all employees, the Board of Directors, and the Board of Commissioners, as well as the commitment of the controlling shareholders to consistently support the implementation of good corporate governance in order to achieve the determined mission and vision of the Bank.

CLOSING

So far, the Bank has placed a strong foundation to implement GCG, by fulfilling all provisions defined by Bank Indonesia and the OJK, which shows the Bank's commitments in implementing all GCG principles and provisions.

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

Selain itu, sejalan dengan pengembangan usahanya, bank akan tetap berkomitmen dalam penerapan Tata Kelola Perusahaan yang Baik serta melakukan penyempurnaan yang berkesinambungan atas pelaksanaan setiap aspek Tata Kelola Perusahaan yang Baik.

Other than that, in line with the development of its business, the bank will remain committed to the implementation of Good Corporate Governance and perform continuous improvements on every aspect of Good Corporate Governance implementation.

PT Bank Commonwealth,



Geoffrey David Coates
President Commissioner



Antonio Da Silva Costa
President Director