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**TATA KELOLA
PERUSAHAAN
CORPORATE GOVERNANCE**



Dasar Penerapan Tata Kelola Perusahaan Implementation Basis of Corporate Governance



Penerapan GCG senantiasa ditingkatkan dari tahun ke tahun. Bank memiliki organ-organ yang mendukung penerapan praktik tata kelola yang baik di seluruh jenjang organisasi, yang senantiasa mengacu pada prinsip-prinsip GCG dalam pelaksanaan tugasnya di Bank.

Bank Commonwealth menerapkan prinsip-prinsip dasar GCG secara konsisten dalam setiap proses bisnis dan kegiatan Bank. Prinsip-prinsip tersebut meliputi *transparency*, *accountability*, *responsibility*, *independency* dan *fairness* (TARIF). Prinsip-prinsip ini menjadi landasan yang kuat dalam proses pengambilan keputusan dan pengembangan usaha untuk menciptakan keseimbangan antara efektivitas operasional, peningkatan kinerja keuangan dan kontribusi positif Bank di masyarakat.

Dalam pelaksanaan tata kelola perusahaan yang baik, Bank Commonwealth juga mengacu pada peraturan perundang-undangan berikut ini sebagai landasan:

1. Undang-undang Republik Indonesia No.10 tahun 1998 tentang perubahan atas Undang-undang No. 7 tahun 1992 tentang Perbankan;
2. Undang-undang Republik Indonesia No. 40 tahun 2007 tentang Perseroan Terbatas;

The implementation of GCG is always improved from year to year. The Bank has organs that support the implementation of good governance practices throughout the organization. These organs always refer to the principles of GCG in the performance of their duties at the Bank.

Commonwealth Bank applies the principles of GCG consistently in each and every one of its business process and activities of the Bank. These principles include transparency, accountability, responsibility, independency and fairness (TARIF). These principles provide a strong foundation in the decision-making and business development processes that create a balance between operational effectiveness, improved financial performance and the Bank's positive contribution to society.

In the implementation of good corporate governance, Commonwealth Bank also refers to the following pieces of legislation as its basis:

1. *Law of the Republic of Indonesia No. 10 of 1998 on Amendment to Law No. 7 of 1992 on Banking;*
2. *Law of the Republic of Indonesia No. 40 of 2007 on Limited Liability Companies;*

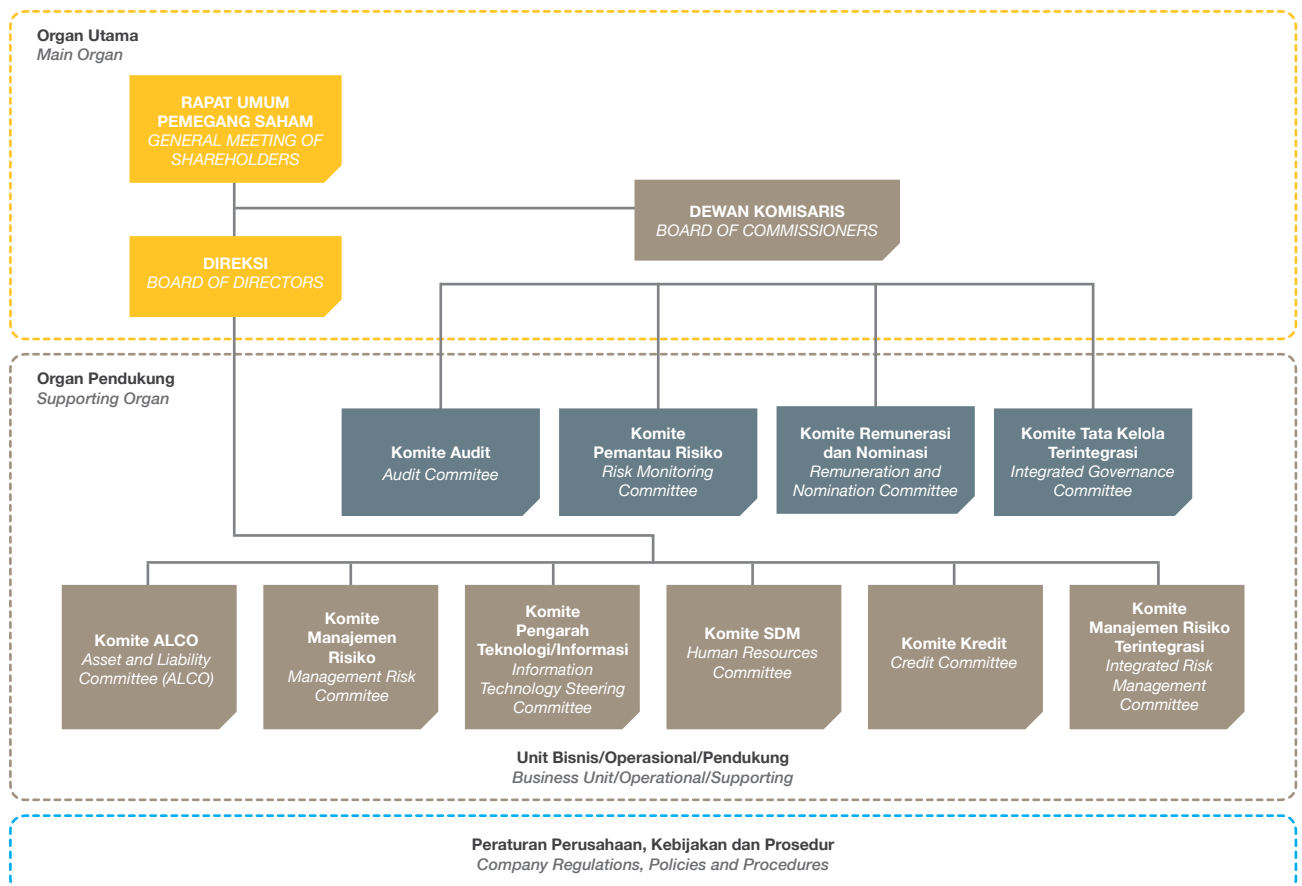
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| <ol style="list-style-type: none"> 3. Peraturan Otoritas Jasa Keuangan (POJK) No. 55/POJK.03/2016 tentang Penerapan Tata Kelola bagi Bank Umum; 4. Surat Edaran OJK (SEOJK) No. 13/SEOJK.03/2017 tentang Penerapan Tata Kelola bagi Bank Umum; 5. POJK No. 45/POJK.03/2015 tentang Penerapan Tata Kelola dalam Pemberian Remunerasi bagi Bank Umum; 6. SEOJK No. 40/SEOJK.03/2016 tentang Penerapan Tata Kelola dalam Pemberian Remunerasi bagi Bank Umum; 7. Peraturan Otoritas Jasa Keuangan No. 6/POJK.03/2015 dan No.32/POJK.03/2016 tentang Perubahan atas Peraturan Otoritas Jasa Keuangan No. 6/POJK.03/2015 tentang Transparansi dan Publikasi Laporan Bank; 8. Pedoman Umum GCG Indonesia dan GCG Perbankan Indonesia oleh Komite Nasional Kebijakan Governance (KNKG); 9. Anggaran Dasar Bank; dan 10. Kebijakan internal Bank (Peraturan Perusahaan, Kebijakan dan Prosedur). | <ol style="list-style-type: none"> 3. <i>Financial Services Authority (OJK) Regulation (POJK) No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks;</i> 4. <i>OJK Circular Letter (SEOJK) No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks;</i> 5. <i>POJK No. 45/POJK.03/2015 on the Application of Good Corporate Governance in the Provision of Remuneration for Commercial Banks;</i> 6. <i>SEOJK No. 40/SEOJK.03/2016 on the Implementation of Good Corporate Governance in the Provision of Remuneration for Commercial Banks;</i> 7. <i>POJK No. 6/POJK.03/2015 and No.32/POJK.03/2016 on the Amendment to POJK No. 6/POJK.03/2015 on Transparency and Publication of Bank Reports;</i> 8. <i>GCG Indonesia General Guidelines and Indonesian Banking GCG by the National Committee on Governance Policy (KNKG);</i> 9. <i>Articles of Association of the Bank; and</i> 10. <i>Internal Bank Policies (Company Regulations, Policies and Procedures).</i> |
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STRUKTUR DAN MEKANISME GCG

Mekanisme GCG dilaksanakan melalui penyusunan dan penerapan kebijakan, kode etik dan *standard operating procedure* (SOP) yang harus dipatuhi oleh seluruh karyawan di semua tingkat organisasi dalam menjalankan kegiatan operasional Bank.

GCG STRUCTURE AND MECHANISM

GCG mechanisms are implemented through the formulation and application of policies, code of ethics and *standard operating procedures* (SOPs) that all employees must meet at all levels of the organization in carrying out the Bank's operational activities.



Implementasi GCG di Bank dilaksanakan melalui 3 (tiga) organ utama Bank yang terdiri dari Rapat Umum Pemegang Saham (RUPS), Dewan Komisaris, dan Direksi, sebagaimana diatur dalam Undang-undang No. 40 tahun 2007 tentang Perseroan Terbatas. Dalam praktiknya, Dewan Komisaris dan Direksi dibantu oleh organ-organ pendukung yaitu komite-komite di tingkat Dewan Komisaris dan Direksi, satuan kerja independen dan sekretaris perusahaan untuk mengoptimalkan fungsi organ utama dalam struktur tata kelola Bank.

Dewan Komisaris dibantu oleh Komite Audit, Komite Pemantau Risiko dan Komite Remunerasi dan Nominasi. Selain itu, sebagai Entitas Utama, Bank juga memiliki Komite Tata Kelola Terintegrasi untuk membantu pelaksanaan tugas dan tanggung jawab Dewan Komisaris terkait pengawasan pelaksanaan tata kelola terintegrasi dalam konglomerasi keuangan. Direksi dibantu oleh Komite Manajemen Risiko, Komite Asset and Liability (ALCO), Komite Kredit, Komite Pengarah Teknologi Informasi, Komite SDM dan Komite Manajemen Risiko Terintegrasi. Semua organ dan komite saling bersinergi dalam pemenuhan kewajibannya pada Bank.

Penerapan GCG

Bank Commonwealth sebagai bank yang menjunjung tinggi integritas dan profesionalisme, telah melakukan penyempurnaan kebijakan yang mendukung penerapan GCG, yaitu Kebijakan Whistleblower, Kebijakan Anti Suap dan Korupsi, Kebijakan Benturan Kepentingan dan Kebijakan Hadiah dan Hiburan.

Penilaian Penerapan GCG

Sesuai Surat Edaran OJK (SEOJK) No. 13/SEOJK.03/2017 tentang Penerapan Tata Kelola bagi Bank Umum, Bank Commonwealth melakukan penilaian sendiri atas penerapan tata kelola setiap semester. Penilaian dilakukan terhadap 3 (tiga) aspek *governance* yaitu struktur, proses dan hasil terhadap 11 (sebelas) faktor penilaian pelaksanaan GCG yaitu:

1. Pelaksanaan tugas dan tanggung jawab Direksi;
2. Pelaksanaan tugas dan tanggung jawab Dewan Komisaris;
3. Kelengkapan dan pelaksanaan tugas Komite;
4. Penanganan Benturan Kepentingan;
5. Penerapan Fungsi Kepatuhan Bank;
6. Penerapan Fungsi Audit Intern;
7. Penerapan Fungsi Audit Ekstern;
8. Penerapan Manajemen Risiko termasuk Sistem Pengendalian Intern;
9. Penyediaan dana kepada pihak terkait (*related party*) dan penyediaan dana besar (*large exposures*);
10. Transparansi kondisi keuangan dan non keuangan, laporan pelaksanaan GCG dan pelaporan internal;
11. Rencana Strategis Bank.

Melalui mekanisme *self-assessment*, hasil penilaian GCG Bank Commonwealth selama tahun 2017 adalah sebagai berikut:

Implementation of GCG at the Bank is conducted through 3 (three) major Bank's organs consisting of General Meeting of Shareholders (AGMS), the Board of Commissioners, and the Board of Directors, as regulated in Law No. 40 of 2007 on Limited Liability Companies. In practice, the Board of Commissioners and the Board of Directors are assisted by supporting organs, i.e., the committees at the Board of Commissioners and Board of Directors, by independent working units and by corporate secretaries to optimize the functioning of major organs in the Bank's governance structure.

The Board of Commissioners assisted by the Audit Committee, Risk Monitoring Committee and Remuneration and Nomination Committee. In addition, as a Principal Entity, the Bank also has an Integrated Governance Committee to assist in the implementation of the duties and responsibilities of the Board of Commissioners regarding the supervision of integrated governance implementation in financial conglomerates. The Board of Directors assisted by the Risk Management Committee, Asset and Liability Committee (ALCO), Credit Committee, Information Technology Steering Committee, Human Resources Committee and Integrated Risk Management Committee. All organs and committees synergize in fulfillment of their obligations to the Bank.

Application of GCG

As a bank that upholds integrity and professionalism, Commonwealth Bank has worked to strengthen its infrastructure, among others, through the improvement of policies that support its implementation of GCG, its Whistleblower Policy, its Anti Bribery and Corruption Policy, its Conflict of Interest Policy, and its Rewards and Entertainment Policy.

Self-Assessment Results of GCG Implementation

In accordance to SEOJK No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks, Commonwealth Bank conducts its own personal assessment of its implementation of good corporate governance every semester. This assessment is conducted on 3 (three) aspects of governance – structure, process, and the results of 11 (eleven) different factors of GCG implementation:

1. *Implementation of duties and responsibilities of the Board of Directors;*
2. *Implementation of duties and responsibilities of the Board of Commissioners;*
3. *Completeness and performance of the Committee's duties;*
4. *Handling of Conflict of Interest;*
5. *Implementation of the Bank Compliance Function;*
6. *Implementation of the Internal Audit Function;*
7. *Implementation of the External Audit Function;*
8. *Implementation of Risk Management, including Internal Control Systems;*
9. *Provision of funds to related parties and large exposures;*
10. *Transparency of financial and non-financial conditions, GCG implementation reports and internal reporting;*
11. *Bank's Strategic Plan.*

Through its self-assessment mechanisms, Commonwealth Bank's GCG assessment results for 2017 are as follows:

Hasil Penilaian Sendiri (Self-Assessment) Pelaksanaan GCG Posisi: Desember 2017 <i>Self-Assessment Results of GCG Implementation</i> <i>Position: December 2017</i>		
Entitas <i>Entity</i>	Peringkat <i>Rating</i>	Definisi Peringkat <i>Definition of Ranking</i>
Bank	2 (Baik)	Manajemen Bank telah melakukan penerapan GCG yang secara umum baik dan pemenuhan atas prinsip-prinsip GCG sudah memadai. Kelemahan penerapan prinsip GCG secara umum kurang signifikan dalam kegiatan operasional dan dapat diselesaikan dengan baik oleh manajemen Bank. <i>The Bank's management has conducted generally good GCG implementation and its compliance with GCG principles is sufficient. Its weaknesses in applying GCG principles are generally less significant in its effect on operational activities and can be well resolved by the Bank's management.</i>
Bank	2 (Good)	

Analysis Analysis

a. Governance Structure

Bank Commonwealth memiliki *governance structure* yang mendukung proses penerapan prinsip-prinsip GCG, antara lain:

- Bank memiliki susunan dan komposisi Direksi sesuai dengan kompleksitas usaha dan seluruh anggota Direksi berdomisili di Indonesia.
- Pengangkatan anggota Direksi telah melalui proses seleksi dan telah memenuhi persyaratan yang ditetapkan regulator antara lain integritas dan kompetensi, independensi, reputasi keuangan, rangkap jabatan, hubungan keuangan dan keluarga.
- Direksi memiliki manual (pedoman dan tata tertib) Direksi yang mengatur etika kerja, tugas dan tanggung jawab, waktu kerja dan penyelenggaraan rapat. Direksi memiliki komite-komite yang membantu pelaksanaan tugas dan tanggung jawabnya.
- Segala keputusan Direksi dilakukan berdasarkan musyawarah untuk mufakat dan menjadi tanggung jawab seluruh anggota Direksi.
- Dewan Komisaris Bank terdiri dari 4 orang dengan jumlah Komisaris Independen sebanyak 50% dari jumlah anggota Dewan Komisaris sesuai dengan persyaratan yang ditetapkan dalam peraturan GCG.
- Anggota Dewan Komisaris telah memenuhi persyaratan sebagaimana yang ditetapkan ketentuan antara lain persyaratan domisili, rangkap jabatan, independensi, hubungan keuangan dan keluarga, integritas dan kompetensi yang sesuai dengan kompleksitas usaha Bank.
- Dewan Komisaris memiliki manual (pedoman dan tata tertib kerja) yang mengatur antara lain persyaratan, etika, tugas tanggung jawab, kewenangan, dan rapat.
- Dewan Komisaris memiliki komite-komite dengan struktur dan komposisi yang dipersyaratkan dalam peraturan serta menjalankan tugas dan tanggungjawabnya.
- Secara infrastruktur, pelaksanaan tugas dan tanggung jawab Dewan Komisaris, Direksi, Komite-Komite serta Satuan Kerja Bank telah dijalankan dan didukung dengan kebijakan, sistem dan prosedur, pedoman serta piagam-piagam Komite.
- Bank mengkinikan kebijakan internal benturan kepentingan yang mengatur mengenai penanganan benturan kepentingan yang mengikat seluruh karyawan, Direksi dan Dewan Komisaris yang mengatur antara lain pencegahan, pengendalian dan pengungkapan benturan kepentingan, dan transaksi dengan pihak terkait serta pihak afiliasi.
- Satuan Kerja Kepatuhan independen dari fungsi operasional yang didukung dengan sumber daya manusia yang memadai.
- Fungsi Internal Audit 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.
- 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 dikinikan secara berkala termasuk kebijakan dan prosedur terkait penyediaan dana terhadap pihak terkait dan penyediaan dana besar.
- Pelaporan yang sesuai dengan regulasi terkait transparansi kondisi keuangan dan non keuangan Bank serta pelaporan internal yang didukung sistem *core banking* yang dilakukan pemeliharaan secara berkala.
- Komunikasi strategi dan arah bisnis Bank oleh Direksi kepada karyawan untuk mendukung kinerja Bank.

b. Governance Process

- Untuk melakukan pengawasan terhadap tugas dan tanggung jawab Direksi dari Dewan Komisaris, rapat Dewan Komisaris serta rapat Komite diadakan setiap dua bulan sekali. Untuk melakukan fungsi pengawasan yang kuat, Komisaris Independen 1 (satu) kali seminggu secara *on site* ke Bank.
- Direksi bertanggung jawab penuh atas pengurusan dan pengelolaan Bank dengan menerapkan prinsip-prinsip GCG dalam setiap kegiatan usaha Bank.
- Komite-komite telah menjalankan fungsinya sesuai dengan tugas dan tanggung jawab masing-masing komite dan ketentuan.
- Terdapat proses dari Bank untuk memastikan bahwa benturan kepentingan yang dapat merugikan atau mengurangi keuntungan Bank dapat dihindari pada kondisi awal.
- Terdapat rencana kerja tahunan fungsi Kepatuhan dan laporan dari Direktur Kepatuhan mengenai tugas dan tanggung jawabnya kepada Direktur Utama dengan tembusan Dewan Komisaris.
- Pemberitahuan peraturan-peraturan yang baru diterbitkan oleh Divisi Kepatuhan kepada unit-unit terkait yang dilengkapi

a. Governance Structure

Commonwealth Bank has a *governance structure* to support the implementation process of GCG principles, such as:

- Bank has the composition and composition of the Board of Directors in accordance with business complexity and all members of the Board of Directors who are based in Indonesia.
- The appointment of members of the Board of Directors who have been through the selection process and have met the requirements set by the regulator such as integrity and competence, independence, financial reputation, multiple positions, financial and family relationships.
- Board of Directors has a manual (guideline and discipline) that governs work ethics, duties and responsibilities, work hours and meeting arrangements. The Board of Directors has committees that assist in the implementation of its duties and responsibilities.
- All Board of Directors decisions shall be made by deliberations for consensus and shall become the responsibility of all members of Board of Directors.
- The Board of Commissioners of the Bank consists of 4 people with Independent Commissioners amounting to 50% of the total members, this is based on requirement written in the GCG regulation.
- Members of Board of Commissioners have met the requirements as stipulated by the regulations, such as location, dual positions, independence, financial and family relationships, integrity and competence in accordance with the complexity of the Bank's business.
- The Board of Commissioners has manual (guideline and work rules) that governs among others, requirements, ethics, duties of responsibilities, authorities, and meetings.
- The Board of Commissioners has committees with the structure and composition that are required in the regulation and performs its duties and responsibilities.
- When it comes to infrastructure, the duties and responsibilities of Board of Commissioners, Board of Directors, Committees and Work Units of the Bank been implemented and supported by policies, systems and procedures, guidelines and Committee charters.
- Bank updates internal conflict of interest policies on the handling of conflict of interest for all employees, Board of Directors and Board of Commissioners which regulate among others the prevention, control and disclosure of conflict of interest and transactions with related parties and affiliates.
- The Compliance Unit is independent from operational functions supported by adequate human resources.
- The Internal Audit function complies with applicable regulations including the preparation of the charter and work plan of internal audit which are updated annually and the External Audit Function Implementation by the Public Accountant that shall meet with independent requirements and prevailing regulations.
- Sufficient organizational structure to support the implementation of risk management and good internal control as well as policies, procedures and the establishment of adequate risk limits and updated regularly including policies and procedures related to the provision of fund to related parties and the provision of large fund.
- Report in accordance with regulations relating to transparency of financial and non financial condition of the Bank and internal reporting supported by core banking system which maintenance is carried out periodically.
- Strategic communication and business direction of the Bank by Board of Directors to employees to support the Bank's performance.

b. Governance Process

- To supervise the duties and responsibilities of the Board of Directors from Board of Commissioners, Board of Commissioners meetings and Committees meetings held every two months. To perform a strong supervisory function, Independent Commissioner goes to the Bank once a week.
- Board of Directors is fully responsible for the management of the Bank by applying GCG principles in every Bank's business activities.
- The committees have performed their functions in accordance with the duties and responsibilities of each committee.
- There is a process from the Bank to ensure that conflict of interest that could harm or reduce the Bank's profits can be avoided from the early stage.
- There is an annual Compliance function work plan and a report from the Compliance Director regarding his duties and responsibilities to the President Director and Board of Commissioners.
- Announcement on newly issued regulations by the Compliance Division to relevant units includes a summary of regulations. The

Analysis
Analysis

dengan ringkasan peraturan. Divisi Kepatuhan melakukan pemeliharaan *data base* peraturan yang dikinikani secara berkala sesuai dengan perkembangan peraturan.

- Terdapat fungsi audit internal yang melakukan pengawasan secara independen dengan cakupan tugas yang memadai dan sesuai dengan rencana, pelaksanaan dan pemantauan hasil audit.
- Penunjukan auditor eksternal yang terdaftar di regulator sesuai peraturan OJK dan kebijakan internal Bank, penunjukan auditor telah dilakukan sesuai ketentuan.
- Pengendalian risiko Bank yang dikelola melalui Model Tiga Lini Pertahanan.
- Penerapan sistem pengendalian intern yang menyeluruh dan efektif telah dilaksanakan dalam mendukung pelaksanaan manajemen risiko dan ditata sesuai tujuan bisnis.
- Evaluasi dan pengkinian kebijakan, sistem dan prosedur dan terdapat proses yang memadai untuk memastikan penyediaan dana kepada pihak terkait dan penyediaan dana dalam jumlah besar dengan tetap menerapkan prinsip kehati-hatian.
- Informasi yang tercantum di dalam laporan keuangan disusun dan disajikan secara transparan sesuai dengan prosedur, jenis dan cakupan serta telah disampaikan kepada Bank Indonesia dan instansi terkait lainnya secara tepat waktu. Transparansi informasi produk bank beserta perubahan-perubahannya disampaikan kepada nasabah dengan jelas dan mudah dimengerti. Terdapat transparansi tata cara pengaduan nasabah dan penyelesaian sengketa kepada nasabah sesuai ketentuan dan telah ditempatkan dalam situs web Bank.
- Penyusunan dan penyampaian revisi Rencana Bisnis berpedoman pada ketentuan yang berlaku dengan memperhatikan faktor eksternal dan internal yang dapat mempengaruhi kelangsungan usaha Bank, prinsip kehati-hatian, penerapan manajemen risiko, dan azas perbankan yang sehat.

c. **Governance Outcome**

Dengan adanya *governance structure* dan *governance process* yang memadai akan mendukung *governance outcome* yang sesuai dengan kepentingan *stakeholder* Bank.

- Pelaksanaan tugas dan tanggung jawab Direksi telah mengacu pada Anggaran Dasar Bank dan peraturan perundang-undangan yang berlaku.
- Penyampaian Laporan Kepatuhan dan Laporan Pihak Terkait kepada OJK secara tepat waktu dan cakupan pelaporan yang telah sesuai dengan ketentuan yang berlaku.
- Kaji ulang oleh pihak ketiga terhadap kinerja dan kepatuhan SKAI telah dilakukan di tahun 2015 oleh RSM AAJ Associates dengan hasil "Generally Conform" dan hasil kaji ulang tersebut telah disampaikan kepada OJK.
- Kebijakan dan prosedur manajemen risiko bank telah menjabarkan cara Bank mengidentifikasi, mengkaji, mengendalikan dan memonitor risiko-risikonya, sesuai dengan visi, misi, kompleksitas, kemampuan Bank dan strategi yang telah ditetapkan. Diharapkan, kemampuan manajemen risiko bank mencukupi, masukan berkesinambungan terus dilakukan terhadap sistem dan sumber daya manusia sehingga pola perbaikan akan terus dilakukan secara berkesinambungan terhadap kerangka manajemen risiko sejalan pertumbuhan dan meningkatnya kompleksitas bisnis Bank.
- Tidak terdapat Penyediaan Dana besar (*large exposures*) dan 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.
- Laporan bulanan, triwulanan dan pelaksanaan GCG telah dipublikasikan sesuai dengan peraturan dan dimuat dalam situs web Bank. Selain itu, publikasi triwulanan juga dimuat dalam surat kabar nasional sesuai ketentuan.

Compliance Division maintains a regular database of regulations that are updated regularly in accordance with regulatory developments.

- *There is an internal audit function that carries out independent supervision with adequate tasks and in accordance with the plan, implementation and monitoring of audit results.*
- *The appointment of an external auditor registered in regulator that's in accordance with FSA rules and internal Bank policies, the appointment of the auditor has been made in accordance with the regulations.*
- *Bank risk controls managed through the Three Lines of Defense Model.*
- *Implementation of a comprehensive and effective internal control system has been implemented in support of risk management implementation and arranged in line with business objectives.*
- *Evaluation and updating of policies, systems and procedures and there is an adequate process to ensure the provision of fund to related parties and the provision of large amount of fund while maintaining prudential principles.*
- *The information contained in the financial statement is prepared and presented in a transparent manner according to procedures, types and scopes and has been submitted to Bank Indonesia and other relevant agencies in a timely manner. The transparency of the bank's product information along with the changes made is clearly presented to customers. There is a transparency of customer's complaint procedure and dispute resolution to the customer in accordance with the provisions and has been published on the Bank's website.*
- *The preparation and submission of the revised Business Plan shall be guided by the prevailing regulations with due regard to external and internal factors that may affect the Bank's business continuity, prudential principles, the application of risk management, and healthy banking principles.*

c. **Governance Outcome**

Adequate governance structure and governance process will support the governance outcome in accordance with the interest of the Bank's stakeholders.

- *The implementation of the duties and responsibilities of the Board of Directors has been based on the Bank's status and prevailing laws and regulations.*
- *Submission of Compliance Report and Related Party Reports to FSA on a timely basis and reporting coverage in accordance with applicable provisions.*
- *Third party review of SKAI performance and compliance has been undertaken in 2015 by RSM AAJ Associates with "Generally Conform" result and it been submitted to FSA.*
- *The bank's risk management policies and procedures have outlined the way banks identify, review, control and monitor their risks, in accordance with the vision, mission, complexity, capability of banks and established strategies. It is expected that the Bank's risk management capability will be sufficient, provides constant input and continuously conducted on the system and human resources so that the improvement pattern will continue to be sustainable for the risk management framework and in line with the growth and the increasing complexity of the Bank's business.*
- *There are no large exposure and the provision of fund to other parties that are associated with the Bank is carried on an arm's length basis, adjusted to the Bank's capital capability and not significantly concentrated to the Borrower or certain Borrower groups.*
- *Monthly, quarterly and GCG reports have been published in accordance with the rules and posted on the Bank's website. In addition, quarterly publication is also published in national newspapers as required.*

Keterangan Description	2017	2016	2015	Tren Trend
Peringkat Rating	2	2	2	Stabil Stable

Rapat Umum Pemegang Saham General Meeting of Shareholders

Rapat Umum Pemegang Saham (RUPS) adalah organ tertinggi dalam struktur tata kelola perusahaan di Bank yang memiliki wewenang yang tidak diberikan kepada Direksi atau Dewan Komisaris dalam batas wajar yang ditetapkan dalam peraturan perundang-undangan dan Anggaran Dasar Bank. RUPS berfungsi sebagai forum pengambilan keputusan penting bagi kepentingan Bank, seperti pengangkatan atau pemberhentian serta penentuan nominasi dan remunerasi anggota Direksi atau Dewan Komisaris serta persetujuan atau pengesahan laporan tahunan dan keuangan Bank.

Sesuai dengan ketentuan Undang-Undang (UU) No. 40 tahun 2007 tentang Perseroan Terbatas, Bank Commonwealth melaksanakan RUPS Tahunan (RUPST) yang diselenggarakan 1 (satu) kali dalam setahun. Selain itu, Bank juga dapat menyelenggarakan RUPS Luar Biasa (RUPSLB) di luar pelaksanaan RUPST sesuai kebutuhan.

RUPS TAHUN 2017

Di tahun 2017, Bank Commonwealth telah mengadakan 4 (empat) kali Rapat Umum Pemegang Saham (RUPS) yang terdiri dari 1 (satu) Rapat Umum Pemegang Saham Tahunan (RUPST) dan 3 (tiga) Rapat Umum Pemegang Saham Luar Biasa (RUPSLB), sebagai berikut:

The General Meeting of Shareholders (GMS) is the highest organ in the corporate governance structure of a Bank. It has authority not granted to the Board of Directors or Board of Commissioners within reasonable limits set forth in the laws and regulations of the Bank. The GMS serves as an important decision-making forum for the Bank's interests, such as for the appointment or dismissal of, and the determination of nomination and remuneration of, members of the Board of Directors or Board of Commissioners as well as approval of the Bank's annual and financial reports.

In accordance with the provisions of Law No. 40/2007 on Limited Liability Companies, Commonwealth Bank conducts Annual General Meetings (AGMS) 1 (one) time per year. In addition, the Bank may also hold an Extraordinary GMS (RUPSLB) outside the carrying out of the AGMS, as required.

GMS IN 2017

Throughout 2017, Commonwealth Bank has held 4 (four) General Meetings of the Shareholders (GMS) consisting of 1 (one) Annual General Meeting of Shareholders (AGMS) and 3 (three) Extraordinary General Meetings of the Shareholders (RUPSLB), with the following details:

No.	Tanggal Keputusan Date of Resolution	Nomor Akta Keputusan Resolution Deed Number	Ringkasan Keputusan Summary of Resolution	Pelaksanaan Implementation
RUPS Tahunan Annual GMS				
1	24 Mei 2017 May 24, 2017	SHR/RES/2017/V/002	<ul style="list-style-type: none"> a. Menyetujui Laporan Tahunan Perseroan dan mengesahkan Laporan Keuangan Perseroan untuk tahun buku yang berakhir pada tanggal 31 Desember 2016; b. Memberikan pembebasan dan pelunasan secara penuh kepada Direksi dan Dewan Komisaris atas pelaksanaan tugas dan tanggung jawabnya dalam pengurusan dan pengawasan Perseroan yang dilakukan dalam tahun buku tersebut; c. Memberikan kewenangan kepada Dewan Komisaris untuk menunjuk dan/atau mengganti auditor independen untuk mengaudit Laporan Keuangan Perseroan untuk tahun buku yang berakhir pada tanggal 31 Desember 2017. 	Telah direalisasikan pada tahun 2017. Has already been carried out in 2017.
RUPS Luar Biasa Extraordinary GMS				
1	31 Maret 2017 March 31, 2017	SHS/RES/2017/III/001	Menyetujui pengunduran diri Bpk. Adhiputra Tanoyo sebagai Direktur Bank efektif sejak 31 Maret 2017 Approved the resignation of Mr. Adhiputra Tanoyo as Director of Bank, effective since March 31, 2017	Telah direalisasikan pada tahun 2017. Has already been carried out in 2017.
2	14 Juli 2017 July 14, 2017	SHS/RES/2017/III/001	<ul style="list-style-type: none"> a. Menyetujui pengunduran diri Bpk. Robert Dharsan Jesudason sebagai Presiden Komisaris Perseroan, efektif sejak 20 Juni 2017; b. Menyetujui pengangkatan Bpk. Coenraad Johannes Jonker sebagai Presiden Komisaris Perseroan, efektif sejak diperolehnya persetujuan Otoritas Jasa Keuangan (OJK); 	Telah direalisasikan pada tahun 2017. Has already been carried out in 2017.

No.	Tanggal Keputusan Date of Resolution	Nomor Akta Keputusan Resolution Deed Number	Ringkasan Keputusan Summary of Resolution	Pelaksanaan Implementation
RUPS Luar Biasa <i>Extraordinary GMS</i>				
			<p>c. Sejak tanggal efektif pengunduran diri dan pengangkatan tersebut, komposisi Dewan Komisaris dan Direksi Perseroan menjadi sebagai berikut: Presiden Komisaris: Coenraad Johannes Jonker Wakil Presiden Komisaris: Andrew Farmer Komisaris Independen: Suwartini Komisaris Independen: Khairil Anwar</p> <p>Direktur Utama: Lauren Sulistiawati Direktur: Ida Apulia Simatupang Direktur: Mei Tjue Tjioe Direktur: Rustini Dewi Direktur: Stephen Vile Direktur Kepatuhan: Angeline Nangoi</p> <p>a. <i>To approve the resignation of Mr. Robert Dharsan Jesudason as President Commissioner of the Company, effective since June 20, 2017;</i></p> <p>b. <i>To approve the appointment of Mr. Coenraad Johannes Jonker as President Commissioner of the Company, effective since the approval of the Financial Services Authority (OJK);</i></p> <p>c. <i>Since the effective date of the above-mentioned resignation and appointment, the composition of the Company's Board of Commissioners and Board of Directors has become as follows:</i> <i>President Commissioner: Coenraad Johannes Jonker</i> <i>Vice President Commissioner: Andrew Farmer</i> <i>Independent Commissioner: Suwartini</i> <i>Independent Commissioner: Khairil Anwar</i></p> <p><i>President Director: Lauren Sulistiawati</i> <i>Director: Ida Apulia Simatupang</i> <i>Director: Mei Tjue Tjioe</i> <i>Director: Rustini Dewi</i> <i>Director: Stephen Vile</i> <i>Compliance Director: Angeline Nangoi</i></p>	
3	17 Juli 2017 <i>July 17, 2017</i>	SHR/RES/2017/VII/004	<p>a. Menyetujui pengakhiran masa kerja dari Ibu Angeline Nangoi sebagai Direktur Kepatuhan Perseroan efektif sejak 22 Juli 2017;</p> <p>b. Menyetujui pengangkatan Ibu Mutia Nilawati Dewi sebagai Direktur Kepatuhan Perseroan terhitung efektif sejak diperolehnya persetujuan Otoritas Jasa Keuangan (OJK);</p> <p>c. Sejak tanggal efektif pengunduran diri dan pengangkatan tersebut, komposisi Dewan Komisaris dan Direksi Perseroan menjadi sebagai berikut: Presiden Komisaris: Coenraad Johannes Jonker Wakil Presiden Komisaris: Andrew Farmer Komisaris Independen: Suwartini Komisaris Independen: Khairil Anwar</p> <p>Direktur Utama: Lauren Sulistiawati Direktur: Ida Apulia Simatupang Direktur: Mei Tjue Tjioe Direktur: Rustini Dewi Direktur: Stephen Vile Direktur Kepatuhan: Mutia Nilawati Dewi*)</p> <p>a. <i>To approve the termination of the term of employment by Ms. Angeline Nangoi as the Company's Compliance Director, effective since July 22, 2017;</i></p> <p>b. <i>To approve the appointment of Ms. Mutia Nilawati Dewi as Compliance Director of the Company, effective since the approval of the Financial Services Authority (OJK);</i></p> <p>c. <i>Since the effective date of the above-mentioned resignation and appointment, the composition of the Company's Board of Commissioners and Board of Directors has become as follows:</i> <i>President Commissioner: Coenraad Johannes Jonker</i></p> <p><i>Vice President Commissioner: Andrew Farmer</i> <i>Independent Commissioner: Suwartini</i> <i>Independent Commissioner: Khairil Anwar</i> <i>President Director: Lauren Sulistiawati</i> <i>Director: Ida Apulia Simatupang</i> <i>Director: Mei Tjue Tjioe</i> <i>Director: Rustini Dewi</i> <i>Director: Stephen Vile</i> <i>Director of Compliance: Mutia Nilawati Dewi *)</i></p>	Telah direalisasikan pada tahun 2017. <i>Has already been carried out in 2017.</i>

*) Efektif setelah mendapat persetujuan Otoritas Jasa Keuangan (*Fit and Proper Test*).
Effective as per the Financial Services Authority's approval (Fit and Proper Test).

RUPS TAHUN 2016

Di tahun sebelumnya, Bank telah mengadakan 7 (tujuh) RUPS yang terdiri dari 1 (satu) RUPST dan 6 (enam) RUPSLB dengan ringkasan realisasi keputusan sebagai berikut:

GMS IN 2016

In the previous year, the Bank held 7 (seven) GMS consisting of 1 (one) AGM and 6 (six) EGMS with the following summary of the realization of resolutions:

No.	Tanggal Keputusan Date of Resolution	Nomor Akta Keputusan Resolution Deed Number	Ringkasan Keputusan Summary of Resolution	Pelaksanaan Implementation
RUPS Tahunan Annual GMS				
1	28 Juni 2016 June 28, 2016	No. 3 tanggal 21 Juli 2016 No. 3 dated July 21, 2016	<ul style="list-style-type: none"> a. Persetujuan dan ratifikasi laporan tahunan perusahaan untuk tahun yang berakhir pada 31 Desember 2015 b. Penunjukan auditor independen oleh Dewan Komisaris untuk mengaudit laporan keuangan perseroan untuk tahun buku yang berakhir pada tanggal 31 Desember 2016. <p>a. Approval and ratification of the Company's annual report for the year that ended on December 31, 2015</p> <p>b. Appointment of an independent auditor by the Board of Commissioners to audit the financial statements of the company for the financial year that ended on December 31, 2016.</p>	Telah direalisasikan pada tahun 2016. Has already been carried out in 2016.
RUPS Luar Biasa Extraordinary GMS				
1	20 Januari 2016 January 20, 2016	No. 2 tanggal 4 Februari 2016 No. 2 dated February 4, 2016	<ul style="list-style-type: none"> a. Berakhirnya jabatan Antonio Da Silva Costa sebagai Presiden Direktur. b. Pengangkatan Lauren Sulistiawati sebagai Presiden Direktur. <p>a. Ending of office of Antonio Da Silva Costa as President Director.</p> <p>b. Appointment of Lauren Sulistiawati as President Director.</p>	Telah direalisasikan pada tahun 2016. Has already been carried out in 2016.
2	19 Mei 2016 May 19, 2016	No. 6 tanggal 15 Juni 2016 No. 6 dated June 15, 2016	<ul style="list-style-type: none"> a. Pengangkatan Rustini Dewi sebagai Direktur. b. Pengangkatan Ida Apulia Simatupang sebagai Direktur. <p>a. Appointment of Rustini Dewi as Director.</p> <p>b. Appointment of Ida Apulia Simatupang as Director.</p>	Telah direalisasikan pada tahun 2016. Has already been carried out in 2016.
3	24 Juni 2016 June 24, 2016	No. 4 tanggal 21 Juli 2016 No. 4 dated July 21, 2016	<ul style="list-style-type: none"> a. Persetujuan pengunduran diri Setiawan Hasjim (Paul Setiawan Hasjim) sebagai Direktur yang bertanggung jawab di bidang Operasional dan Teknologi Informasi. b. Pengangkatan Tjioe Mei Tjue (Mei Tjue Tjioe) sebagai Direktur. c. Pengangkatan kembali Khairil Anwar sebagai Komisaris Independen. <p>a. Approval of the resignation of Setiawan Hasjim (Paul Setiawan Hasjim) as Director in charge of Operations and Information Technology.</p> <p>b. Appointment of Tjioe Mei Tjue (Mei Tjue Tjioe) as Director.</p> <p>c. The reappointment of Khairil Anwar as Independent Commissioner.</p>	Telah direalisasikan pada tahun 2016. Has already been carried out in 2016.
4	31 Oktober 2016 October 31, 2016	No. 7 tanggal 10 November 2016 No. 7 dated November 10, 2016	<ul style="list-style-type: none"> a. Persetujuan pengunduran diri Geoffrey David Coates sebagai Presiden Komisaris. b. Persetujuan pengunduran diri Guy Martin Harding sebagai Wakil Presiden Komisaris. c. Pengangkatan Andrew Farmer sebagai Wakil Presiden Komisaris. <p>a. Approval of the resignation of Geoffrey David Coates as President Commissioner.</p> <p>b. Approval of Guy Martin Harding's resignation as Vice President Commissioner.</p> <p>c. Appointment of Andrew Farmer as Vice President Commissioner.</p>	Telah direalisasikan pada tahun 2016. Has already been carried out in 2016.
5	2 Desember 2016 December 2, 2016	No. 10 tanggal 23 Desember 2016 No. 10 dated December 23, 2016	Pengangkatan kembali Adhiputra Tanoyo sebagai Direktur. Adhiputra Tanoyo's reappointment as Director.	Telah direalisasikan pada tahun 2016. Has already been carried out in 2016.
6	30 Desember 2016 December 30, 2016	No. 6 tanggal 24 Januari 2017 No. 6 dated January 24, 2017	Pengangkatan Robert Dharshan Jesudason sebagai Presiden Komisaris. Appointment of Robert Dharshan Jesudason as President Commissioner.	Telah direalisasikan pada tahun 2016. Has already been carried out in 2016.

Dewan Komisaris Board of Commissioners

Dewan Komisaris mengemban fungsi pengawasan dan memberikan nasihat kepada Direksi. Dewan Komisaris tidak berwenang untuk terlibat dalam pengambilan keputusan yang berkaitan dengan kegiatan operasional sehari-hari. Pelaksanaan tugas Dewan Komisaris di Bank Commonwealth diselenggarakan sesuai dengan ketentuan UU No. 40 Tahun 2007 tentang Perseroan Terbatas, POJK No. 55/POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum dan SEOJK No. 13/SEOJK.03/2017 tentang Penerapan Tata Kelola Bagi Bank Umum.

KOMPOSISI, KRITERIA DAN INDEPENDENSI DEWAN KOMISARIS

Susunan keanggotaan Dewan Komisaris mengacu pada ketentuan OJK yang mensyaratkan bahwa Dewan Komisaris terdiri dari minimum 3 (tiga) orang dan paling banyak sama dengan jumlah anggota Direksi. Jumlah anggota Komisaris Independen paling sedikit berjumlah 50% dari jumlah anggota Dewan Komisaris.

Per 31 Desember 2017, komposisi Dewan Komisaris Bank Commonwealth terdiri dari 4 (empat) anggota, 2 (dua) di antaranya adalah Komisaris Independen. Susunan Dewan Komisaris diuraikan dalam tabel berikut:

No.	Nama Name	Jabatan Position	Tanggal Efektif Pengangkatan Berdasarkan Persetujuan OJK Effective Date of Appointment Based on OJK Approval	Periode Jabatan Period of Office
1	Coenraad Johannes Jonker	Presiden Komisaris President Commissioner	22 Desember 2017 December 22, 2017	2017-2020
2	Andrew Farmer	Wakil Presiden Komisaris Vice President Commissioner	23 Desember 2016 December 23, 2016	2016-2019
3	Suwartini	Komisaris Independen Independent Commissioner	7 November 2012 November 7, 2012	2015-2018
4	Khairil Anwar	Komisaris Independen Independent Commissioner	6 Mei 2013 May 6, 2013	2015-2018

UJI KEMAMPUAN DAN KEPATUTAN

Seluruh anggota Dewan Komisaris telah lulus Uji Kemampuan dan Kepatutan (*Fit and Proper Test*) serta memenuhi persyaratan Otoritas Jasa Keuangan.

Seluruh anggota Dewan Komisaris Bank memiliki integritas, kompetensi dan reputasi keuangan yang baik. Seluruh anggota Dewan Komisaris bukan merupakan mantan anggota Direksi dan/atau Pejabat Eksekutif Bank atau pihak-pihak yang memiliki hubungan dengan Bank untuk memastikan objektivitas dalam pelaksanaan fungsinya.

INDEPENDENSI ANGGOTA DEWAN KOMISARIS

Seluruh anggota Dewan Komisaris telah memenuhi persyaratan independensi, sebagaimana yang ditunjukkan dalam tabel di bawah ini.

Aspek Independensi Independence Aspect	Komisaris Commissioner			
	Coenraad Johannes Jonker	Andrew Farmer	Suwartini	Khairil Anwar
Tidak memiliki hubungan keluarga, hubungan keuangan dengan sesama anggota Dewan Komisaris, Direksi maupun pemegang saham pengendali. <i>Has no family relationship, financial relationship with fellow members of the Board of Commissioners, Board of Directors or controlling shareholder.</i>	√	√	√	√
Tidak terdapat kepemilikan saham mencapai 5% (lima persen) atau lebih dari modal disetor pada Bank Commonwealth, bank lain, lembaga keuangan non-bank, dan perusahaan lainnya di dalam atau di luar Indonesia. <i>There is no ownership interest of 5% (five percent) or more of paid-in capital at Commonwealth Bank, other banks, non-banks financial institutions, and other companies inside or outside Indonesia.</i>	√	√	√	√

The Board of Commissioners assumes supervisory functions and advises the Board of Directors. The Board of Commissioners is not authorized to engage in decision-making relating to day-to-day operations. The execution of the duties of the Board of Commissioners at Commonwealth Bank is held in accordance with the provisions of Law No. 40/2007 on Limited Liability Companies, POJK No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, and SEOJK No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.

COMPOSITION, CRITERIA AND INDEPENDENCE OF BOARD OF COMMISSIONERS

The members of the Board of Commissioners shall refer to OJK stipulations that require that the BOC consists of a minimum of 3 (three) persons and is at most equal to the number of members of the Board of Directors. The number of Independent Commissioners shall be at least 50% of the total members of the Board of Commissioners.

As of December 31, 2017, the composition of the Commonwealth Bank Board of Commissioners consists of 4 (four) members, 2 (two) of whom are Independent Commissioners. The composition of the Board of Commissioners is described in the following table:

FIT AND PROPER TEST

All members of the Board of Commissioners have passed the Fit and Proper Test and meet the requirements of the OJK.

All members of the Board of Commissioners of the Bank have good integrity, competence and financial reputation. All members of the Board of Commissioners are not former members of the Board of Directors and/or Executive Officers of the Bank or parties affiliated with the Bank to ensure objectivity in the performance of their functions.

INDEPENDENCE BOARD OF COMMISSIONERS

All members of the Board of Commissioners have fulfilled the independence requirements, as outlined in the table below.

PROGRAM ORIENTASI BAGI KOMISARIS BARU

Bank Commonwealth memberikan program orientasi bagi anggota Komisaris yang baru diangkat sebagai bentuk pengenalan terhadap Bank. Orientasi ini dilakukan melalui sesi pertemuan yang disertai dengan presentasi dari Dewan Komisaris maupun Direksi, kunjungan ke kantor-kantor Bank, perkenalan dengan pejabat eksekutif atau kepala cabang, serta pengenalan program-program lain.

Pada tahun 2017, program orientasi telah diberikan kepada Coenraad Johannes Jonker sebagai Presiden Komisaris menggantikan Robert Jesudason.

KOMISARIS INDEPENDEN

Komisaris Independen tidak memiliki hubungan keuangan, kepengurusan, kepemilikan saham dan/atau hubungan keluarga dengan anggota Dewan Komisaris lainnya dan/atau dengan pemegang saham mayoritas atau hubungan lainnya dengan Bank yang dapat mempengaruhi pengambilan keputusan dan tindakan secara independen.

Komisaris Independen Bank Commonwealth terdiri dari 2 (dua) orang yaitu Suwartini dan Khairil Anwar yang telah memenuhi persyaratan independensi sebagai Komisaris Independen.

TUGAS DAN TANGGUNG JAWAB

Tugas utama Dewan Komisaris adalah melakukan pengawasan atas pengurusan dan pengelolaan usaha oleh Direksi, serta memberikan arahan kepada Direksi mengenai hal-hal yang berkaitan dengan kepentingan dan kelanjutan usaha Bank. Pelaksanaan fungsi pengawasan salah satunya dilakukan melalui rapat Dewan Komisaris dan rapat gabungan dengan Direksi maupun komite-komite.

Tugas pokok, fungsi dan tanggung jawab Dewan Komisaris diatur secara rinci dalam Pedoman Kerja Dewan Komisaris (*Board Manual*). Secara singkat, tugas dan tanggung jawab Dewan Komisaris Bank Commonwealth adalah sebagai berikut:

- a. Dewan Komisaris memantau dan memastikan penerapan prinsip-prinsip *Good Corporate Governance* dalam semua aspek bisnis Bank Commonwealth dan di semua level organisasi.
- b. Dewan Komisaris secara aktif memantau kinerja Direksi melaksanakan segala tugas dan tanggung jawab, memberikan rekomendasi dan saran, juga memantau dan mengevaluasi pelaksanaan kebijakan strategis Bank Commonwealth.
- c. Dewan Komisaris memastikan Direksi telah menindaklanjuti temuan audit dan rekomendasi Auditor Internal, Auditor Eksternal, serta Otoritas Jasa Keuangan (OJK) dan/atau otoritas pengawas lainnya.
- d. 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.
- e. Dewan Komisaris membentuk Komite Audit, Komite Pemantau Risiko dan Komite Remunerasi dan Nominasi.
- f. Dewan Komisaris melakukan pengawasan atas penerapan tata kelola terintegrasi pada konglomerasi keuangan.

ORIENTATION PROGRAM FOR NEW COMMISSIONERS

As stated in the Board Manual, Commonwealth Bank provides an orientation program for newly-appointed Commissioners as a form of introduction to the Bank. This orientation is conducted through a meeting session accompanied by presentations from the Board of Commissioners and the Board of Directors, visits to the Bank's office, introductions with executive officers or branch heads, and introduction of other programs

In 2017, the orientation program has been handed over to Robert Jesudason as President Commissioner and Coenraad Johannes Jonker as a substitute for Robert Jesudason.

INDEPENDENT COMMISSIONER

Independent Commissioner shall not have any financial relationship, stewardship, share ownership and/or family relationships with members of the Board of Commissioners, the Board of Directors and/or the controlling shareholder or any relationship with the Bank that may affect its ability to act independently.

Commonwealth Bank has 2 (two) Independent Commissioners, namely Suwartini and Khairil Anwar, who have met the requirements as Independent Commissioner.

DUTIES AND RESPONSIBILITIES

The main duties of the Board of Commissioners are the direct supervision of the management and management policies of the Company by the Board of Directors, as well as the direction of the Board of Directors on matters relating to the Bank's interests and business continuity. The implementation of the supervisory function is conducted through a meeting of the Board of Commissioners and through joint meetings with the Board of Directors and the committees under it.

The main duties, functions and responsibilities of the Board of Commissioners are regulated in detail in the Board Manual's Work Manual. Briefly, the duties and responsibilities of the Commonwealth Bank Board of Commissioners are as follows:

- a. The Board of Commissioners monitors and ensures the implementation of Good Corporate Governance principles in all aspects of the Commonwealth Bank business and at all levels of the organization.
- b. The Board of Commissioners is actively monitoring the performance of the Board of Directors performing all duties and responsibilities, providing recommendations and advice, as well as monitoring and evaluating the implementation of Commonwealth Bank strategic policies.
- c. The Board of Commissioners ensures that the Board of Directors discusses the audit findings and recommendations of the Internal Auditor of the Commonwealth Bank, the External Auditor, as well as the audit results and reviews of the Financial Services Authority (FSA) and/or other regulatory authorities.
- d. The Board of Commissioners is not involved in the process of formulating operational decisions, with the exception of credit approvals to related parties as stipulated in the provisions of Bank Indonesia concerning the Legal Lending Limit for Commercial Banks or other prevailing laws and regulations.
- e. BOC is required to establish an Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee.
- f. The Board of Commissioners supervises the implementation of integrated governance in financial conglomeration.

RAPAT DEWAN KOMISARIS

Rapat Dewan Komisaris diselenggarakan sesuai dengan ketentuan Ayat 8 Pasal 3 SEOJK No. 13/SEOJK.03/2017 yang mengatur bahwa Dewan Komisaris wajib mengadakan rapat berkala minimal 4 (empat) kali dalam 1 (satu) tahun. Selain itu, SEOJK juga mensyaratkan paling tidak 2 (dua) kali rapat dalam 1 (satu) tahun dihadiri oleh seluruh anggota secara fisik.

Sepanjang tahun 2017, Dewan Komisaris telah mengadakan 6 (enam) kali rapat yang dihadiri secara fisik dengan detail sebagai berikut:

No.	Anggota Member	Jabatan Position	Jumlah Kehadiran Attendance	Persentase Kehadiran Attendance Rate
1	Coenraad Johannes Jonker*)	Presiden Komisaris President Commissioner	3	100%
2	Andrew Farmer	Wakil Presiden Komisaris Vice President Commissioner	6	100%
3	Suwartini	Komisaris Independen Independent Commissioner	6	100%
4	Khairil Anwar	Komisaris Independen Independent Commissioner	6	100%

*) Berdasarkan RUPS tanggal 14 Juli 2017, beliau ditunjuk sebagai Presiden Komisaris untuk menggantikan Robert D. Jesudason, dan efektif sejak diterbitkannya Salinan Keputusan Anggota Dewan Komisaris Otoritas Jasa Keuangan No. KEP-235/D.03/2017 tanggal 22 Desember 2017. Beliau menghadiri rapat Dewan Komisaris sebagai observer pada tanggal 24 Agustus 2017, 31 Oktober 2017 dan 14 Desember 2017.
Based on the GMS dated July 14, 2017, he was appointed as President Commissioner to replace Robert D. Jesudason. His appointment became effective from the issuance of the Decision Letter of the Board of Commissioners of the Financial Services Authority No. KEP-235/D.03/2017 dated December 22, 2017. In 2017, he attended the Board of Commissioners' meeting as an invitee on August 24, 2017, October 31, 2017 and December 14, 2017.

Selain itu, Bank Commonwealth juga mengadakan 6 kali rapat gabungan antara Dewan Komisaris dan Direksi. Tingkat kehadiran Dewan Komisaris dalam rapat gabungan tersebut adalah sebagai berikut:

No.	Anggota Member	Jabatan Position	Jumlah Kehadiran Attendance	Persentase Kehadiran Attendance Rate
1	Coenraad Johannes Jonker	Presiden Komisaris President Commissioner	3	100%
2	Andrew Farmer	Wakil Presiden Komisaris Vice President Commissioner	6	100%
3	Suwartini	Komisaris Independen Independent Commissioner	6	100%
4	Khairil Anwar	Komisaris Independen Independent Commissioner	6	100%

PEDOMAN ATAU PIAGAM DEWAN KOMISARIS

Board Manual atau pedoman Dewan Komisaris disusun secara sistematis, sebagai pedoman kerja atau petunjuk dalam melaksanakan tugas dan tanggung jawab Dewan Komisaris Bank Commonwealth. Sementara itu, landasan penyusunan *Board Manual* meliputi prinsip-prinsip hukum korporasi, Anggaran Dasar Bank Commonwealth dan peraturan perundang-undangan yang berlaku serta praktik-praktik terbaik (*best practices*) di industri keuangan.

Penyusunan *Board Manual* juga dimaksudkan agar setiap anggota Dewan Komisaris dapat menjalankan fungsinya secara efektif, profesional, dan optimal sehingga visi dan misi Bank dapat tercapai. Adapun hal-hal yang diuraikan dalam *Board Manual* Dewan Komisaris adalah tugas dan kewajiban, hak dan wewenang, fungsi, persyaratan, keanggotaan, masa jabatan, etika jabatan, serta rapat Dewan Komisaris.

PENGAWASAN DAN REKOMENDASI DEWAN KOMISARIS

Di tahun 2017, Dewan Komisaris telah melaksanakan fungsi pengawasannya melalui pemenuhan tugas-tugas berikut ini:

1. Merekomendasikan penyesuaian strategi bisnis apabila diperlukan dan mengawasi tingkat pertumbuhan kredit dan pendanaan.

MEETING OF THE BOARD OF COMMISSIONERS

The Meeting of the Board of Commissioners is to be held in accordance with the provisions of Clause 8 of Article 3 of SEOJK. 13/SEOJK.03/2017 stipulating that the Board of Commissioners shall hold periodic meetings at least 4 (four) times in 1 (one) year. In addition, SEOJK also requires at least 2 (two) meetings in 1 (one) year to be attended by all members physically.

Throughout the year 2017, the Board of Commissioners has held 6 (six) meetings which were physically attended with the following details:

In addition, Commonwealth Bank also held 6 joint meetings between the Board of Commissioners and the Board of Directors. The attendance levels of the Board of Commissioners in these joint meeting are as follows:

GUIDELINES OF THE BOARD OF COMMISSIONERS

The Board Manual or Board of Commissioners' guidelines is prepared systematically, as a work guide or a form of guidance in carrying out the duties and responsibilities of the Commonwealth Bank Board of Commissioners. Meanwhile, the foundation for drafting the Board Manual includes principles of corporate law, Commonwealth Bank Statutes, and prevailing laws and regulations, as well as best practices in the financial industry.

The preparation of the Board Manual is also intended for each member of the Board of Commissioners to perform its functions effectively, professionally and optimally so that the Bank's vision and mission can be achieved. The matters described in the Board Manual of the Board of Commissioners are duties and obligations, rights and authority, functions, requirements, membership, tenure, office ethics, and meetings of the Board of Commissioners.

BOARD OF COMMISSIONERS SUPERVISION AND RECOMMENDATIONS

In 2017, the Board of Commissioners has implemented its supervisory functions through the fulfillment of the following tasks:

1. *Recommending the adjustment of business strategies where necessary and overseeing credit growth and funding rates.*

2. Melaksanakan beberapa rapat kerja komite-komite yang mendukung tugas pengawasan Dewan Komisaris melalui Komite Audit, Komite Pemantau Risiko, Komite Remunerasi dan Nominasi serta Komite Tata Kelola Terintegrasi.
3. Mengevaluasi kinerja keuangan Bank sepanjang tahun 2017.
4. Mengevaluasi pelaksanaan Rencana Bisnis Bank.
5. Memantau dan mengevaluasi perkembangan bisnis/proyek yang sedang dikembangkan Bank, seperti Tyme Digital KIOSK dan *Data Center Transformation*.
6. Memantau, mengkaji dan mengevaluasi tindakan yang disetujui dari hasil temuan audit internal dan eksternal, serta membahas rencana audit internal dan eksternal.
7. Membahas Laporan Tingkat Kesehatan Bank dan Laporan Triwulanan Profil Risiko.
8. Melakukan pembahasan di bidang sumber daya manusia yang meliputi *update* terkait struktur organisasi dan proyek HR yang dikembangkan oleh Bank untuk memudahkan karyawan mengakses sistem HR (*Sidekick*).

Dewan Komisaris telah memberikan rekomendasi dan persetujuan terhadap hal-hal berikut:

1. Revisi rencana Bisnis Bank Tahun 2017-2019
2. Rencana Bisnis Bank Tahun 2018-2020
3. Pengangkatan, pemberhentian dan pengunduran diri anggota Direksi dan Dewan Komisaris
4. Penunjukkan Auditor Eksternal untuk melakukan audit Laporan Keuangan Bank Tahun 2017.

PELATIHAN DEWAN KOMISARIS

Sebagai upaya untuk mendukung pelaksanaan fungsinya, Dewan Komisaris telah berpartisipasi dalam berbagai pelatihan, *workshop*, seminar, dan program pengembangan dan pelatihan lain selama tahun 2017, dengan uraian sebagai berikut:

The Board of Commissioners has provided recommendations and approval on the following matters:

1. Revised Bank Business Plan 2017-2019
2. Bank Business Plan 2018-2020
3. Appointment, dismissal and resignation of members of the Board of Directors and Board of Commissioners
4. Appointment of External Auditor to audit the Bank's Financial Statement of Year 2017.

BOARD OF COMMISSIONERS TRAINING

In an effort to continuously improve competence and add insight to support its functional implementation, the Board of Commissioners has participated in various trainings, workshops, seminars and other development and training programs during 2017, with the following details:

No.	Nama Dewan Komisaris <i>Name of the Board of Commissioners</i>	Nama Pelatihan yang Diikuti <i>Training Activity</i>	Tanggal <i>Date</i>	Penyelenggara <i>Host</i>
1	Andrew Farmer	Benturan Kepentingan <i>Conflicts of Interest</i>	20 Juli 2017 <i>July 20, 2017</i>	Commonwealth Bank of Australia (CBA)
		Perilaku di Tempat Kerja <i>Workplace Conduct</i>	28 Juli 2017 <i>July 28, 2017</i>	CBA
		Penipuan <i>Fraud</i>	3 Agustus 2017 <i>August 3, 2017</i>	CBA
		Keamanan dan Privasi <i>Security and Privacy</i>	8 Agustus 2017 <i>August 8, 2017</i>	CBA
		Menyelesaikan Keluhan Pelanggan <i>Resolving Customer Complaints</i>	8 Agustus 2017 <i>August 8, 2017</i>	CBA
		Anti Suap dan Korupsi: Melakukan Hal yang Benar <i>Anti-Bribery and Corruption (ABC): Doing the Right thing</i>	21 November 2017 <i>November 21, 2017</i>	CBA
		San Francisco Conference <i>San Francisco Conference</i>	6-8 November 2017 <i>November 6-8, 2017</i>	Salesforce
		Konferensi Dreamforce Executive Summit, 6-8 Nov <i>Dreamforce Executive Summit Conference Nov, 6-8</i>		
2	Suwartini	Acara Makan Siang MegaTech 2050 dengan Daniel Franklin <i>Luncheon on MegaTech 2050 with Daniel Franklin</i>	1 Desember 2017 <i>December 1, 2017</i>	Accenture
		Workshop "Pengembangan SDM Sektor Jasa Keuangan" <i>Workshop on "Development of Human Resources in Financial Services"</i>	Desember 2017 <i>December 2017</i>	PERBANAS
		Seminar "Arah Kebijakan Anti Pencucian Uang & Pencegahan Pendanaan Terorisme (APU PPT) serta Perlindungan Konsumen di Sektor Perbankan" <i>Seminar on "The Direction of Anti Money Laundering & Counter-Terrorism Prevention Policy (APU PPT) and Consumer Protection in Banking Sector"</i>	Desember 2017 <i>December 2017</i>	FKDKP

No.	Nama Dewan Komisaris <i>Name of the Board of Commissioners</i>	Nama Pelatihan yang Diikuti <i>Training Activity</i>	Tanggal <i>Date</i>	Penyelenggara <i>Host</i>
		Seminar "Eco Outlook 2018 with Fintech Challenges" <i>Seminar on "Eco Outlook 2018 with Fintech Challenges"</i>	1 Desember 2017 <i>December 1, 2017</i>	IBI
		Seminar "Banking Cyber Security" <i>Seminar on "Banking Cyber Security"</i>	23 November 2017 <i>November 23, 2017</i>	LPPI
		Seminar "Political Economy Outlook 2018 "Masa Depan Consumer Banking di Era Disruption" <i>Seminar on "Political Economy Outlook 2018 on The Future of Consumer Banking in the Era of Disruption"</i>	22 November 2017 <i>November 22, 2017</i>	INDEEF
		Refreshment Methodology Assessment bagi Asesor <i>Refreshment Methodology of Assessment for Assessors</i>	1 November 2017 <i>November 1, 2017</i>	IBI
		Seminar "Penilaian Mutual Evaluation Review terhadap Indonesia oleh APG dan Penilaian Risiko Tindak PPA PPT di Indonesia" <i>Seminar on "Mutual Evaluation Review Assessment of Indonesia by APG and Risk Assessment of PPA PPT Actions in Indonesia"</i>	1 September 2017 <i>September 1, 2017</i>	LPPI
		Seminar Nasional "Mismatch antara Pendidikan dan Pekerjaan serta Dampaknya terhadap Pasar Kerja di Indonesia" <i>National Seminar on "Mismatch between Education and Employment and Its Impact on the Labor Market in Indonesia"</i>	Agustus 2017 <i>August 2017</i>	ISEI
		Seminar Nasional "Mendorong Peran Industri Hulu pada Perekonomian Indonesia" <i>National Seminar "Promoting the Role of the Upstream Industry in Indonesian Economy"</i>	Agustus 2017 <i>August 2017</i>	ISEI & BI
		Seminar Swiss National Day "Perkembangan Ekonomi Swiss" <i>Swiss National Day Seminar on "Swiss Economic Development"</i>	Agustus 2017 <i>August 2017</i>	Switzerland Embassy
3	Khairil Anwar	Seminar IBEX Perbanas "Visi Perbankan Nasional Menyongsong Digitalisasi Lembaga Keuangan" <i>IBEX Perbanas Seminar on "A Vision of National Banking Facing the Digitalization of Financial Institutions"</i>	19 September 2017 <i>September 19, 2017</i>	PERBANAS
		Seminar IBEX Perbanas "Pengembangan Manajemen Risiko dalam Rangka Menghadapi Era Digitalisasi" <i>IBEX Perbanas Seminar on "Development of Risk Management in Order to Face the Digitalization Era"</i>		

REMUNERASI DEWAN KOMISARIS

Uraian mengenai remunerasi Dewan Komisaris tercantum dalam bagian Pengungkapan Informasi Kebijakan Remunerasi dalam Laporan Tahunan Pelaksanaan Tata Kelola di bab ini.

BOARD OF COMMISSIONERS REMUNERATION

Description on the Board of Commissioners' remuneration is listed in the "Disclosure of Remuneration Policy Information" in the CGC Implementation chapter in this Annual Report.

Direksi Board of Directors

Direksi merupakan penanggung jawab atas pengelolaan kegiatan usaha Bank. Dalam pelaksanaan tugasnya, Direksi bertanggung jawab langsung kepada RUPS. Pelaksanaan tugas Direksi di Bank Commonwealth diselenggarakan sesuai dengan ketentuan UU No. 40 Tahun 2007 tentang Perseroan Terbatas, POJK No. 55/POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum, SEOJK No. 13/SEOJK.03/2017 tentang Penerapan Tata Kelola Bagi Bank Umum, ketentuan Bank Indonesia dan Anggaran Dasar Bank.

The Board of Directors is responsible for managing the Bank's business activities. In the performance of its duties, the Directors are directly responsible to the GMS. Implementation of the duties of the Board of Directors at Commonwealth Bank is conducted in accordance with the provisions of Law No. 40 Year 2007 on Limited Liability Companies, POJK No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, SEOJK No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks, Bank Indonesia's provisions, and the Bank's Articles of Association.

JUMLAH, KOMPOSISI DAN KRITERIA DIREKSI

Pada tahun 2017 telah terjadi perubahan komposisi anggota Direksi. RUPS menyetujui pengunduran diri Adhi Putra Tanoyo sebagai Direktur Manajemen Risiko dan Angeline Nangoi sebagai Direktur Kepatuhan. Jumlah anggota Direksi terdiri dari 6 (enam) orang, termasuk seorang Presiden Direktur.

Susunan Direksi pada tahun 2017 adalah sebagai berikut:

No.	Nama Name	Jabatan Position	Tanggal Efektif Pengangkatan Berdasarkan Persetujuan OJK Effective Date of Appointment Based on OJK Approval	Periode Jabatan Period of Office
1	Lauren Sulistiawati	Presiden Direktur President Director	15 Februari 2016 February 15, 2016	2016 - 2019
2	Rustini Dewi	Direktur Retail Banking Retail Banking Director	11 Juli 2016 February 15, 2016	2016 - 2019
3	Ida Apulia Simatupang	Direktur SME Banking SME Banking Director	16 Agustus 2016 August 16, 2016	2016 - 2019
4	Tjoe Mei Tjuen	Direktur Operations & IT Operations & IT Director	8 November 2016 November 8, 2016	2016 - 2019
5	Stephen Vile	Direktur Manajemen Risiko Risk Management Director	24 November 2016 November 24, 2016	2017 - 2018
6	Mutia Nilawati Dewi*	Direktur Kepatuhan Compliance Director	-	-

*) Efektif setelah memperoleh persetujuan OJK.
Effective as per OJK's approval.

UJI KEMAMPUAN DAN KEPATUTAN

Seluruh anggota Direksi Bank memiliki integritas, kompetensi dan reputasi keuangan yang baik antara lain memiliki akhlak dan moral yang baik, tidak pernah dinyatakan pailit, tidak pernah dihukum karena melakukan tindak pidana, serta memiliki pengetahuan, keahlian dan pengalaman di bidang operasional sebagai Pejabat Eksekutif Bank.

Mayoritas anggota Direksi Bank Commonwealth telah lulus uji kemampuan dan kepatutan oleh OJK.

PROGRAM ORIENTASI BAGI DIREKSI BARU

Sebagai bentuk pengenalan terhadap Bank, dan sebagaimana ditetapkan dalam *Board Manual*, Bank Commonwealth memberikan program orientasi bagi anggota Direksi yang baru diangkat melalui sesi pertemuan yang disertai dengan presentasi dari Dewan Komisaris maupun Direksi yang telah lebih lama menjabat, kunjungan ke kantor-kantor Bank, perkenalan dengan pejabat eksekutif atau kepala cabang, serta pengenalan program-program lain sesuai kebutuhan.

Di tahun 2017, dengan efektifnya jabatan Stephen Vile sebagai Direktur Manajemen Risiko pada tanggal 8 Mei 2017, maka program orientasi telah diberikan kepada yang bersangkutan.

INDEPENDENSI DIREKSI

Masing-masing anggota tidak memiliki hubungan keuangan, kepengurusan, kepemilikan saham dan/atau hubungan keluarga dengan anggota Dewan Komisaris, anggota Direksi lainnya dan/atau Pemegang Saham Pengendali Bank Commonwealth. Selain itu, tidak terdapat anggota Direksi yang memiliki saham mencapai 5% (lima persen) atau lebih dari modal disetor di Bank Commonwealth, bank lain, lembaga keuangan non-bank, dan perusahaan lainnya di dalam atau di luar Indonesia.

PEDOMAN ATAU PIAGAM DIREKSI

Dalam menjalankan tugasnya di Bank, Direksi dilengkapi dengan Pedoman dan Tata Tertib Direksi atau *Board Manual*, sebagai pedoman pelaksanaan tugas dan kewajiban Direksi. *Board Manual* berlaku dan mengikat bagi seluruh anggota Direksi. Penyusunan *Board Manual* mengacu pada peraturan perundang-undangan dan Anggaran Dasar Bank Commonwealth serta praktik-praktik terbaik (*best practices*) di industri keuangan.

NUMBER, COMPOSITION AND CRITERIA OF THE BOARD OF DIRECTORS

In 2017 there has been a change in the composition of the members of the Board of Directors. The AGM approved the resignation of Adhi Putra Tanoyo as Director of Risk Management and Angeline Nangoi as Compliance Director. The number of members of the Board of Directors consists of 6 (six) people, including a President Director.

The composition of the Board of Directors in 2017 is as follows:

FIT AND PROPER TEST

All members of the Bank's Board of Directors have the integrity, competence and reputation of finance, such as having good character and morals, never declared bankruptcy, never was punished for criminal acts, and having knowledge, expertise and experience in operations as Executive Officer of the Bank.

The majority of the members of the Commonwealth Bank Board have passed the fit and proper test by OJK.

ORIENTATION PROGRAMS FOR NEW DIRECTORS

As a form of recognition of the Bank, and as stipulated in the Board Manual, Commonwealth Bank provides orientation programs for newly-appointed members of the Board of Directors through a meeting session with and accompanied by a presentation of the Board of Commissioners and Board of Directors who have served longer, visits to Bank offices, with executive officers or branch heads, as well as the introduction of other programs as needed.

In 2017, effectively, Stephen Vile's position as Director of Risk Management on May 8, 2017, the orientation program was given to the person concerned.

INDEPENDENCE OF THE BOARD OF DIRECTORS

Each member has no financial, management, share ownership and/or family relationship with members of the Board of Commissioners, other members of the Board of Directors and/or Commonwealth Bank Controlling Shareholders. In addition, there is no member of the Board of Directors holding shares of 5% (five percent) or more in paid-in capital at Commonwealth Bank, other banks, non-bank financial institutions and other companies within or outside Indonesia.

GUIDELINES OF THE BOARD OF DIRECTORS

In performing its duties at the Bank, the Board of Directors is helped by the Director's Manual or Board Manual, as a guideline for the implementation of the duties and obligations of the Board of Directors. The Board Manual is valid and binding for all members of the Board of Directors. The drafting of the Board Manual refers to the principles of Commonwealth Bank legislation and Articles of Association and to best practices in the financial industry.

Adapun hal-hal yang diuraikan dalam *Board Manual* antara lain kriteria, etika profesional, tanggung jawab, hak dan kewajiban, wewenang, keanggotaan, masa jabatan, serta rapat Direksi. Melalui uraian yang komprehensif dan sistematis di dalam *Board Manual*, Direksi diharapkan mampu memenuhi tugas dan tanggung jawabnya secara efektif, efisien dan maksimal dengan dasar mengedepankan kepentingan Bank.

TUGAS DAN TANGGUNG JAWAB DIREKSI

Direksi merupakan penanggung jawab utama dalam hal pengelolaan seluruh kegiatan operasional Bank Commonwealth. Kewenangan, tugas dan tanggung jawab Direksi diatur dalam Anggaran Dasar Bank yang merujuk pada Undang-Undang Perseroan Terbatas, peraturan, Otoritas Jasa Keuangan (OJK) dan ketentuan terkait lainnya.

Secara umum, tugas dan tanggung jawab Direksi meliputi:

1. Direksi bertanggung jawab penuh terhadap operasional manajemen Bank Commonwealth dan mengelola bisnis sesuai wewenang dan tanggung jawab dalam Anggaran Dasar serta peraturan dan perundangan yang berlaku.
2. Direksi bertanggung jawab untuk menerapkan prinsip-prinsip *Good Corporate Governance* dalam semua aspek bisnis Bank Commonwealth dan di seluruh level organisasi Bank Commonwealth.
3. Direksi secara konsisten membahas temuan dan rekomendasi yang dilaporkan oleh Audit Internal, auditor ekstern, dan ulasan OJK dan/atau otoritas lain.
4. Direksi mengembangkan dan memastikan pelaksanaan Manajemen Risiko di semua tingkat struktur organisasi Bank Commonwealth dan memastikan bahwa fungsi Manajemen Risiko telah beroperasi secara independen.
5. Direksi melaporkan kinerja dalam menjalankan tugas dan tanggung jawabnya kepada Rapat Umum Pemegang Saham.
6. Sebagai entitas utama, Direksi memastikan penerapan tata kelola terintegrasi dalam konglomerasi keuangan.

RAPAT DIREKSI

Penyelenggaraan rapat Direksi mengacu pada Pedoman Kerja Direksi (*Board Manual*). Sepanjang tahun 2017, Direksi telah menyelenggarakan 40 kali rapat, yang terdiri 34 rapat Direksi dan 6 rapat gabungan dengan Manajemen yang dihadiri secara fisik, dengan perincian sebagai berikut:

The matters described in the Board Manual include criteria, professional ethics, responsibilities, rights and obligations, authority, membership, term of office, and meetings of the Board of Directors. Through a comprehensive and systematic description of the Board Manual, the Board of Directors is expected to be able to fulfill its duties and responsibilities effectively, efficiently and maximally on the basis of prioritizing the interests of the Bank.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors shall be the primary party responsible for the management of all Commonwealth Bank operations. The authority, duties and responsibilities of the Board of Directors are stipulated in the Bank's Articles of Association and make reference to the Law of Limited Liability Companies, Bank Indonesia, OJK and other related provisions.

In general, the duties and responsibilities of the Board of Directors include:

1. *The Board of Directors shall be fully responsible for the Commonwealth Bank's management operations and to manage the business in accordance with the powers and responsibilities in the Articles of Association and prevailing laws and regulations.*
2. *The Board of Directors shall be fully responsible for the Commonwealth Bank's management operations and to manage the business in accordance with the powers and responsibilities in the Articles of Association and prevailing laws and regulations.*
3. *The Board of Directors shall consistently discuss the findings and recommendations reported by the Internal Audit, external auditors, and OJK reviews and/or other authorities.*
4. *The Board of Directors develops and ensures the implementation of Risk Management at all levels of the Commonwealth Bank organizational structure and ensures that the Risk Management function has operated independently.*
5. *The Board of Directors shall report its performance of its duties and responsibilities to the General Meeting of Shareholders.*
6. *As the main entity, Board of Directors ensures the implementation of integrated governance in financial conglomeration.*

MEETINGS OF THE BOARD OF DIRECTORS

The meetings of the Board of Directors make reference to the Board of Directors Work Manual. Throughout the year 2017, the Board of Directors has held 40 meetings, consisting of 34 Board of Directors meetings and 6 joint meetings with Management that were physically attended, with details as follows:

No.	Nama Name	Jabatan Position	Jumlah Kehadiran Attendance	Presentase Kehadiran Attendance Rate
1	Lauren Sulistiawati	Presiden Direktur President Director	34	100%
2	Ida Apulia Simatupang	Direktur SME Banking SME Banking Director	32	94%
3	Rustini Dewi	Direktur Retail Banking Retail Banking Director	30	88%
4	Tjioe Mei Tjuen	Direktur Operations & IT Operations & IT Director	30	88%
5	Stephen Vile*)	Direktur Manajemen Risiko Risk Management Director	18	100%
6	Mutia Nilawati Dewi**)	Direktur Kepatuhan Compliance Director	-	-

*) Stephen Vile resmi menjabat per 8 Mei 2017 menggantikan Adhiputra Tanoyo sebagai Direktur Manajemen Risiko.

***) Mutia Nilawati Dewi akan efektif menjabat sebagai Direktur Kepatuhan setelah memperoleh persetujuan OJK
Stephen Vile officially took office as of May 8, 2017, replacing Adhiputra Tanoyo as Director of Risk Management.
Mutia Nilawati Dewi will be effective as Director of Compliance after obtaining OJK approval.

Sementara itu, tingkat kehadiran Direksi dalam rapat gabungan Dewan Komisaris dan Direksi yang diadakan sebanyak 6 kali selama tahun 2017 adalah sebagai berikut:

Meanwhile, the attendance of the Board of Directors in the 6 (six) joint meetings of the Board of Commissioners and Board of Directors throughout 2017 are as follows:

No.	Anggota Member	Jabatan Position	Jumlah Kehadiran Attendance	Presentase Kehadiran Attendance Rate
1	Lauren Sulistiawati	Presiden Direktur President Director	6	100%
2	Rustini Dewi	Direktur Retail Banking Retail Banking Director	6	100%
3	Ida Apulia Simatupang	Direktur SME Banking SME Banking Director	5	83%
4	Tjioe Mei Tjuen	Direktur Operations & IT Operations & IT Director	6	100%
5	Stephen Vile	Direktur Manajemen Risiko Risk Management Director	4	66%
6	Mutia Nilawati Dewi*	Direktur Kepatuhan Compliance Director	-	-

*) Efektif setelah memperoleh persetujuan OJK.
Effective after obtaining OJK approval.

REMUNERASI DIREKSI

Uraian mengenai remunerasi Direksi dijelaskan pada bagian Pengungkapan Informasi Kebijakan Remunerasi dalam Laporan Tahunan Pelaksanaan Tata Kelola.

REMUNERATION OF THE BOARD OF DIRECTORS

The description on the Board of Directors' remuneration policy is contained in the Remuneration Policy Information Disclosure section of the Annual Report on Governance Implementation in this chapter.

PELATIHAN DIREKSI

Bank Commonwealth senantiasa memberikan kesempatan kepada anggota Direksi untuk mengikuti pelatihan, *workshop*, seminar dan program pengembangan lainnya. Di tahun 2017, pelatihan yang telah diikuti anggota Direksi antara lain sebagai berikut:

TRAINING OF THE BOARD OF DIRECTORS

Members of the Commonwealth Bank Board of Directors continue to attend various training activities, workshops, seminars and other development programs to hone skills and expand knowledge related to Bank matters. In 2017, the list of training activities that have been followed by members of the Board of Directors goes as follows:

No.	Nama Direksi Name of the Board of Directors	Nama Pelatihan yang Diikuti	Training Activity	Tanggal Date
1	Lauren Sulistiawati	Managemen Keadaan Darurat	Emergency Management	16 Mei 2017 May 16, 2017
		ABC Higher Risk Role Training	ABC Higher Risk Role Training	17 Mei 2017 May 17, 2017
		IFS (International Financial Services) Leadership Team Offsite	IFS (International Financial Services) Leadership Team Offsite	25 – 26 Juli 2017 July 25-26, 2017
		Commonwealth Bank Australia Senior Leadership Forum	Commonwealth Bank Australia Senior Leadership Forum	25 Oktober 2017 October 25, 2017
2	Rustini Dewi	Leadership Forum	Leadership Forum	30 Mei 2017 May 30, 2017
		E-Learning: Compliance	E-Learning: Compliance	28 Februari 2017 February 28, 2017
		E-Learning: Fraud Awareness	E-Learning: Fraud Awareness	28 Februari 2017 February 28, 2017
		ABC Higher Risk Role Training	ABC Higher Risk Role Training	17 Mei 2017 May 17, 2017
3	Stephen Vile	ABC Higher Risk Role Training	ABC Higher Risk Role Training	17 Mei 2017 May 17, 2017
		IFS (International Financial Services) Risk Leader Team Offsite	IFS (International Financial Services) Risk Leader Team Offsite	31 Agustus 2017 August 31, 2017
4	Tjioe Mei Tjuen	Risk Management Certification Refreshment	Risk Management Certification Refreshment	19 Mei 2017 May 19, 2017
		ABC Higher Risk Role Training	ABC Higher Risk Role Training	17 Mei 2017 May 17, 2017
		Indonesia Change Management Forum (ICMF)–Managing Disruption: Change or Die	Indonesia Change Management Forum(ICMF) – Managing Disruption: Change or Die	
		BSMR Refreshment “Memahami Analisis Kredit Komersial Secara Komprehensif dan Bagaimana Memitigasi Risikonya”	BSMR Refreshment "Understanding Comprehensive Commercial Credit Analysis and How to Mitigate the Risks"	16 Mei 2017 May 16, 2017

No.	Nama Direksi Board of Directors Member	Nama Pelatihan yang Diikuti	Training Activity	Tanggal Date
		TELKOMTELSTRA Digital Transformation Workshop - Executing The CIOS Role In Digital Transformation	TELKOMTELSTRA Digital Transformation Workshop - Executing The CIOS Role In Digital Transformation	19 Mei 2017 May 19, 2017
		ICIO Exchange - Direktorat Jenderal Pajak	ICIO Exchange - Directorate General of Taxes	8 Agustus 2017 August 8, 2017
		Seminar "Enhancing Growth in the Financial Services by Managing Mobility"	Seminar "Enhancing Growth In The Financial Services By Managing Mobility"	26 September 2017 September 26, 2017
		Senior Leadership Forum	Senior Leadership Forum	17 Oktober 2017 October 17, 2017
		IFS ES Offsite Training	IFS ES Offsite Training	24 - 25 Oktober 2017 October 24-25, 2017
		ABC for High Risk Role	ABC for High Risk Role	14- 15 November 2017 November 14-15, 2017
		Internal Audit and Cyber Risk Forum	Internal Audit and Cyber Risk Forum	30 November 2017 November 30, 2017

PENILAIAN TERHADAP KINERJA DIREKSI

Penilaian terhadap anggota Direksi Bank Commonwealth dilaksanakan oleh Dewan Komisaris secara periodik untuk mengetahui, mengukur dan menilai efektivitas kinerja Direksi. Adapun prosedur yang digunakan dalam penilaian kinerja adalah sebagai berikut:

- Setiap anggota Direksi menyusun rencana kerja pada awal tahun keuangan sesuai dengan fungsi, tugas dan tanggung jawab dalam mencapai rencana dan strategi bisnis bank yang telah ditentukan.
- Kriteria evaluasi formal disampaikan secara terbuka kepada Anggota Direksi yang bersangkutan sejak tanggal pengangkatannya.
- Kinerja Direksi akan dievaluasi oleh Dewan Komisaris secara berkala dua kali dalam satu tahun dan disampaikan kepada Pemegang Saham dalam RUPS.
- Hasil evaluasi terhadap kinerja Direksi akan digunakan sebagai dasar skema kompensasi dan remunerasi bagi Anggota Direksi.

Sementara itu, kriteria yang digunakan dalam penilaian kinerja antara lain:

- Empat kategori KPI yang dijadikan ukuran dalam penilaian kinerja Direksi, meliputi:
 - Business* – penilaian terkait dengan pencapaian dan strategi bisnis
 - Productivity* – penilaian terhadap produktivitas secara individu, tim, fungsional maupun direktorat
 - Customer* – penilaian terhadap proses yang dilakukan untuk meningkatkan pelayanan kita terhadap nasabah internal maupun eksternal
 - People* – penilaian terhadap pengembangan talenta individu maupun tim secara keseluruhan.
- KPI yang telah ditetapkan untuk masing-masing Direksi.

PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

Assessment of the members of the Commonwealth Bank Board of Directors is conducted by the Board of Commissioners periodically to determine, measure and assess the effectiveness of the Board of Directors' performance. The procedures used in the performance appraisal process are as follows:

- Each member of the Board of Directors prepares a work plan at the beginning of the financial year in accordance with their functions, duties and responsibilities in achieving the business plan and the business strategy of the bank.
- The formal evaluation criteria is to be submitted openly to the member of the Board of Directors concerned from the dates of their appointment.
- The performance of the Board of Directors shall be regularly reviewed by the Board of Commissioners twice a year and submitted to the Shareholders at the GMS.
- The results of the performance evaluation of the Board of Directors will be used as the basis of compensation and remuneration schemes for the members of the Board of Directors.

Meanwhile, the criteria used in performance appraisal are:

- The four categories of Key Performance Indicators (KPIs) that are used as measures in the performance assessment of the Board of Directors include:
 - Business* - assessment related to achievements and business strategies
 - Productivity* - assessment of productivity individually, as a team, in terms of function or as a director
 - Customer* - an assessment of the process undertaken to improve our services to internal and external customers
 - People* - assessment of the development of talent for individuals and team development as a whole.
- KPIs established for each of the Directors.

Hubungan Afiliasi Direksi, Dewan Komisaris, dan Pemegang Saham Utama/Pengendali

Affiliate Relationships of the Board of Directors (BOD), Board of Commissioners (BOC), and Major Shareholders/Controllers

Seluruh anggota Direksi dan Dewan Komisaris Bank Commonwealth tidak memiliki hubungan afiliasi dengan anggota Direksi lainnya, anggota Dewan Komisaris dan dengan pemegang saham utama/pengendali.

All members of the Board of Directors and Board of Commissioners of Bank Commonwealth have no affiliations with other members of Board of Directors, members of Board of Commissioners and with major shareholders/controllers.

Komite-Komite di Bawah Dewan Komisaris

Committees Under the Board of Commissioners

Dalam menjalankan tugas dan tanggungjawabnya, Dewan Komisaris dibantu oleh komite-komite:

1. Komite Audit
2. Komite Pemantau Risiko
3. Komite Remunerasi dan Nominasi
4. Komite Tata Kelola Terintegrasi

KOMITE AUDIT

Komite Audit Bank Commonwealth dibentuk untuk membantu tugas pengawasan Dewan Komisaris dengan mengacu pada POJK No. 55/POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum beserta peraturan perundang-undangan lainnya. Dalam pelaksanaan tugasnya, Komite Audit bertanggung jawab langsung kepada Dewan Komisaris.

Komposisi dan Keanggotaan

Anggota Komite Audit diangkat dan diberhentikan oleh Dewan Komisaris, komposisi Komite Audit minimal berjumlah 3 (tiga) orang yang terdiri dari 1 (satu) orang Komisaris Independen, 1 (satu) orang pihak independen yang memiliki keahlian di bidang keuangan/akutansi dan 1 (satu) orang Pihak Independen yang memiliki keahlian di bidang perbankan/manajemen risiko. Komite Audit diketuai oleh Komisaris Independen yang merangkap sebagai anggota komite.

Anggota Komite Audit telah memenuhi ketentuan terkait persyaratan keahlian, integritas, akhlak dan moral yang baik.

Per 31 Desember 2017, Komite Audit Bank terdiri dari 2 (dua) Komisaris Independen, 1 (satu) Komisaris dan 2 (dua) pihak Independen:

No.	Nama Name	Jabatan Position	Periode Period
1.	Khairil Anwar	Ketua/Komisaris Independen Chairman/Independent Commissioner	2013 – sekarang 2013 – Present
2.	Andrew Farmer	Anggota/Wakil Presiden Komisaris Member/Vice President Commissioner	2017 – sekarang 2017 – Present
3.	Suwartini	Anggota/Komisaris Independen Member/Independent Commissioner	2012 – sekarang 2012 – Present
4.	Teuku Radja Sjahnan	Anggota/Pihak Independen/ yang memiliki keahlian pada bidang Keuangan dan Akuntansi Member/Independent Party and expert in Finance and Accountancy	2017 – 2019
5.	Jono Effendy	Anggota/Pihak Independen, yang memiliki keahlian pada bidang Perbankan dan Manajemen Risiko Member/Independent Party and expert in Banking and Risk Management	2017 – 2019

PIAGAM KOMITE

Sebagai pedoman dan tata tertib kerja, Komite memiliki piagam (*charter*) yang mengatur tugas dan tanggung jawab, wewenang, larangan, keanggotaan, etika kerja, rapat dan lainnya.

PROFIL KOMITE AUDIT

Khairil Anwar

Ketua/Komisaris Independen

Profil beliau dapat dilihat di bagian Profil Dewan Komisaris.

Andrew Farmer

Anggota/Wakil Presiden Komisaris

Profil beliau dapat dilihat di bagian Profil Dewan Komisaris.

Suwartini

Anggota/Komisaris Independen

Profil beliau dapat dilihat di bagian Profil Dewan Komisaris.

In carrying out its duties and responsibilities, the Board of Commissioners is assisted by various committees:

1. Audit Committee
2. Risk Monitoring Committee
3. Remuneration and Nomination Committee
4. Integrated Governance Committee

AUDIT COMMITTEE

The Commonwealth Bank's Audit Committee was established to assist the oversight task of the Board of Commissioners with reference to POJK No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, as well as in reference to other laws and regulations. In performing its duties, the Audit Committee is directly responsible to the Board of Commissioners.

Composition and Membership

Members of the Audit Committee are appointed and dismissed by the Board of Commissioners. The composition of the Audit Committee is to consist of at least 3 (three) members consisting of 1 (one) Independent Commissioner, 1 (one) independent party having expertise in finance/accounting and 1 (one) Independent Party having expertise in banking/risk management. The Audit Committee is chaired by an Independent Commissioner who doubles as a committee member.

Each member of the Audit Committee has fulfilled the required provisions related to skill, integrity, character and good morals.

As of December 31, 2017, the Bank's Audit Committee consists of 2 (two) Independent Commissioners, 1 (one) Commissioner, and 2 (two) Independent Parties:

COMMITTEE CHARTER

As a guideline and work order, the Committee has a charter that governs duties and responsibilities, authorities, prohibitions, membership, work ethics, meetings and others.

AUDIT COMMITTEE MEMBER PROFILES

Khairil Anwar

Chairman/Independent Commissioner

His profile can be seen in the Board of Commissioners' Profile section.

Andrew Farmer

Member/Vice President Commissioner

His profile can be seen in the Board of Commissioners' Profile section.

Suwartini

Member/Independent Commissioner

Her profile can be seen in the Board of Commissioners' Profile section.

Teuku Radja Sjahnan
Anggota/Pihak Independen

Teuku Radja Sjahnan adalah warga negara Indonesia berusia 49 tahun dan memiliki dasar keahlian dan pengalaman di bidang keuangan dan akuntansi. Beliau ditunjuk dan diangkat kembali menjadi anggota Komite Audit Bank Commonwealth pada tanggal 3 Mei 2013 melalui Keputusan Direksi PT Bank Commonwealth No.BOD/RES/2017/III/001 tanggal 13 Maret 2017.

Menyelesaikan pendidikan terakhirnya di London Business School, Inggris Raya, dengan gelar Master in Finance pada tahun 2000, beliau memiliki berbagai pengalaman sebagai anggota Komite Audit di beberapa bank seperti PT Bank BNI Tbk (2001-2009), PT Bank Barclays Indonesia (2009-2010), dan PT Bank BNI Syariah (2012). Saat ini beliau juga memegang berbagai jabatan di luar Bank, seperti pendiri dan pengelola situs web JariUngu.com, konsultan DPD-RI dalam bidang hasil audit Badan Pemeriksa Keuangan (BPK), anggota komite audit independen PT Commonwealth Life, anggota komite audit independen PT Cardig Aero Services Tbk dan anggota Komite Standar Akuntansi Keuangan Bank Indonesia. Selain itu, beliau telah memperoleh beberapa sertifikasi di bidang audit, di antaranya sertifikasi CISA pada tahun 1994 dan sertifikasi BSMR (level 2) pada tahun 2011.

Jono Effendy
Anggota/Pihak Independen

Jono Effendy adalah warga negara Indonesia berusia 44 tahun dan memiliki dasar keahlian dan pengalaman di bidang perbankan dan manajemen risiko. Beliau ditunjuk dan diangkat kembali menjadi anggota Komite Audit Bank Commonwealth pada Maret 2013 melalui Keputusan Direksi PT Bank Commonwealth No.BOD/RES/2017/III/001 tanggal 13 Maret 2017.

Beliau meraih gelar Pendidikan terakhirnya yaitu Master in Finance dari Universitas Pelita Harapan Jakarta dengan predikat *cum laude* pada tahun 2001. Selain menjabat sebagai anggota Komite Audit dan Komite Pemantau Risiko di Bank Commonwealth, anggota Komite Audit dan Komite Pemantau Risiko di berbagai perusahaan lain, PT Bank Barclays Indonesia (2010-2011), PT BII Finance Center (2012-2014), PT Commonwealth Life (2014-2017), PT BFI Finance Indonesia Tbk (2015-sekarang), dan Bank BNP Paribas Indonesia (2007-sekarang). Selain itu beliau juga menduduki jabatan Komisaris Independen PT Commonwealth Life dan Staf Pengajar pada PT Kiran Resources Indonesia (2004-sekarang).

TUGAS DAN TANGGUNG JAWAB

Tugas dan tanggung jawab Komite Audit Bank Commonwealth sebagaimana ditetapkan dalam Anggaran Dasar Bank dan Piagam Komite Audit meliputi:

1. Meninjau laporan keuangan Bank dan transparansi keuangan dengan mengandalkan informasi yang diberikan oleh Direksi dan auditor eksternal.
2. Meninjau kebijakan akuntansi Bank untuk memastikan kepatuhan terhadap hukum dan peraturan yang berlaku sekaligus standar akuntansinya.
3. Meninjau, memeriksa dan membahas bersama dengan Direksi dan auditor eksternal mengenai masalah pelaporan keuangan yang signifikan dan penilaian yang dilakukan sehubungan dengan persiapan penyusunan laporan keuangan.
4. Meninjau adanya jaminan atas efektivitas sistem pengendalian internal.
5. Mengawasi dan mengevaluasi rencana perbaikan yang dibuat oleh Direksi pada masalah temuan audit yang dikemukakan oleh auditor internal, auditor eksternal, Otoritas Jasa Keuangan dan/atau regulator lain yang relevan.
6. Meninjau, mengawasi dan mengevaluasi kemandirian, efektivitas, lingkup pekerjaan, rencana audit tahunan dari auditor internal dan eksternal.
7. Diskusi dengan dan menerima jaminan dari auditor eksternal dalam kaitannya dengan kualitas sistem Bank, proses akuntansi dan hasil keuangan.
8. Menerima laporan dan meninjau hal-hal signifikan yang diajukan oleh auditor eksternal kepada Direksi atau senior manajemen.
9. Meninjau dan melaporkan semua hal penting mengenai materi akuntansi kepada Dewan Komisaris.

Teuku Radja Sjahnan
Member/Independent Party

Teuku Radja Sjahnan is a 49 year old Indonesian citizen and has basic expertise and experience in finance and accounting. He was appointed and reappointed as a member of the Commonwealth Bank Audit Committee on May 3, 2013 through the Decision of the Board of Directors of PT Bank Commonwealth No.BOD/RES/2017/III/001 dated March 13, 2017.

He graduated from London Business School in the UK with a Master's Degree in Finance in 2000. He has extensive experience as a member of the Audit Committee at several banks such as PT Bank BNI Tbk (2001-2009), PT Bank Barclays Indonesia (2009- 2010), and PT Bank BNI Syariah (2012). He currently holds various positions outside the Bank, such as the founder and manager of the JariUngu.com website, a DPD-RI consultant in the audit of the Supreme Audit Agency (BPK), an independent audit committee member of PT Commonwealth Life, an independent audit committee member of PT Cardig Aero Services Tbk and as member of the Committee on Financial Accounting Standards of Bank Indonesia. In addition, he has obtained several certifications in the audit field, including a CISA certification in 1994 and a BSMR certification (level 2) in 2011.

Jono Effendy
Member/Independent Party

Jono Effendy is a 44 year old Indonesian citizen and has basic expertise and experience in banking and risk management. He was appointed and reappointed as a member of the Commonwealth Bank Audit Committee in March 2013 through the Decision of the Board of Directors of PT Bank Commonwealth No.BOD/RES/2017/III/001 dated March 13, 2017.

He holds his last Master's Degree in Finance from Universitas Pelita Harapan Jakarta with a *cum laude* in 2001. Besides serving as a member of Audit Committee and Risk Monitoring Committee at Commonwealth Bank, he has also served as a member of the Audit Committees and Risk Monitoring Committees in other companies, such as PT Bank Barclays Indonesia (2010-2011), PT BII Finance Center (2012 -2014), PT Commonwealth Life (2014-2017), PT BFI Finance Indonesia Tbk (2015-present), and Bank BNP Paribas Indonesia (2007-present). In addition he also holds the position of Independent Commissioner of PT Commonwealth Life and as a lecturer at PT Kiran Resources Indonesia (2004-present).

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Commonwealth Bank Audit Committee as stipulated in the Bank's Articles of Association and the Charter of the Audit Committee include:

1. Review the Bank's financial statements and financial transparency by relying on information provided by the Board of Directors and external auditors.
2. Review the Bank's accounting policies to ensure compliance with applicable laws and regulations as well as to ensure its accounting standards.
3. Review, examine and discuss in conjunction with the Board of Directors and the external auditor on significant financial reporting issues and assessments made in connection with the preparation of the financial statements.
4. Reviewing the assurance of the effectiveness of the internal control system.
5. Supervise and evaluate the improvement plans made by the Board of Directors on the audit findings presented by internal auditors, external auditors, the Financial Services Authority and/ or other relevant regulators.
6. Review, monitor and evaluate the independence, effectiveness, scope of work, annual audit plan of internal and external auditors.
7. Discussions with and receiving guarantees from external auditors in relation to the quality of the Bank's system, accounting processes and financial results.
8. Receive reports and review significant matters submitted by external auditors to the Board of Directors or senior management.
9. Review and report all important matters concerning accounting materials to the Board of Commissioners.

10. Memberikan rekomendasi atas pencalonan auditor eksternal kepada Dewan Komisaris untuk disetujui oleh Rapat Umum Pemegang Saham.
11. Meninjau adanya layanan tambahan non-audit yang dilakukan oleh auditor keuangan eksternal yang sedang ditunjuk.
12. Melaporkan kepada Dewan Komisaris mengenai kegiatan mereka dan memelihara risalah rapat Komite Audit.

INDEPENDENSI KOMITE AUDIT

Anggota Komite Audit telah memenuhi kriteria independensi untuk menghindari kemungkinan terjadinya benturan kepentingan dengan Bank.

PENYELENGGARAAN RAPAT

Menurut kebijakan Bank dan mengacu pada peraturan yang berlaku, rapat Komite Audit secara rutin diselenggarakan 1 (satu) kali dalam 2 (dua) bulan dengan dihadiri lebih dari ½ (satu per dua) jumlah anggota.

Rapat Komite Audit

Sepanjang tahun 2017, Komite Audit mengadakan rapat resmi Komite Audit sebagai berikut:

No.	Anggota Member	Jabatan Position	Jumlah Kehadiran Number of Attendance	Persentase Kehadiran Attendance Percentage
1.	Khairil Anwar	Ketua/Komisaris Independen <i>Chairman/Independent Commissioner</i>	6	100%
2.	Andrew Farmer	Anggota/Wakil Presiden Komisaris <i>Member/Vice President Commissioner</i>	6	100%
3.	Suwartini	Anggota/Komisaris Independen <i>Member/Independent Commissioner</i>	6	100%
4.	Teuku Radja Sjahnan	Anggota/Pihak Independen <i>Member/Independent Party</i>	6	100%
5.	Jono Effendy	Anggota/Pihak Independen <i>Member/Independent Party</i>	6	100%

PELAKSANAAN KEGIATAN KOMITE AUDIT

Sepanjang tahun pelaporan, dalam melaksanakan tugas dan tanggung jawabnya, Komite Audit telah menyelenggarakan rapat rutin setiap 2 (dua) bulan, yang dihadiri oleh semua anggota komite dan pihak lain yang berkepentingan, untuk meninjau dan mendiskusikan topik/materi berikut:

- Presentasi mengenai perencanaan dan hasil audit,
- Presentasi mengenai audit internal dan laporan kepatuhan,
- Tindak lanjut dan pengawasan atas temuan audit Otoritas Jasa Keuangan (OJK) serta temuan signifikan dari auditor eksternal,
- Tindak lanjut atas temuan audit terkait Laporan Investigasi Penipuan Medis,
- Tindak lanjut atas pelaksanaan pemantauan peringatan dini,
- Persetujuan dari OJK untuk proyek KIOSK dan penugasan Rajesh sebagai penasihat Proyek KIOSK,
- Survei Budaya Risiko,
- Presentasi mengenai perencanaan dan hasil audit yang dilaksanakan oleh auditor internal maupun eksternal (yaitu PricewaterhouseCoopers Indonesia dan OJK),
- Tindak lanjut atas temuan audit yang mencakup *Cyber Security Group Audit*, dan
- Hasil penilaian atau evaluasi auditor eksternal, dan rekomendasi penunjukan auditor eksternal,
- Komite Audit melaksanakan rapat berkala dengan Akuntan Publik dan/atau Kantor Akuntan Publik untuk meninjau cakupan audit, rencana audit, hasil evaluasi pengendalian internal, temuan audit yang signifikan, akuntansi dan aspek audit lainnya.

Selain itu, anggota Komite Audit juga menggelar rapat berkala atau rapat *ad-hoc* dengan Audit Internal dan Audit Eksternal untuk membahas hal-hal penting.

KOMITE PEMANTAU RISIKO

Pembentukan Komite Pemantau Risiko dimaksudkan untuk membantu tugas Dewan Komisaris dalam mengelola risiko yang timbul dalam kegiatan operasional Bank.

10. Provide recommendations on the nomination of external auditors to the Board of Commissioners for approval by the General Meeting of Shareholders.
11. Review any non-audit additional services performed by the designated external financial auditors.
12. Report to the Board of Commissioners regarding their activities and maintain the minutes of the Audit Committee meetings.

INDEPENDENCE OF THE AUDIT COMMITTEE

The members of the Audit Committee are also free from any party intervention, and have met the following independence criteria to avoid possible conflicts or conflicts of interest with the Bank.

ORGANIZING MEETINGS

According to the Bank's policy and in reference to prevailing regulations, the Audit Committee's meetings are regularly held 1 (one) time in 2 (two) months with at least the attendance of more than ½ (half) the number of members.

Audit Committee Meetings

Throughout 2017, the Audit Committee has held the following official meetings:

IMPLEMENTATION OF THE AUDIT COMMITTEE'S ACTIVITIES

Throughout the reporting year, in carrying out its duties and responsibilities, the Audit Committee has held regular meetings every 2 (two) months, attended by all committee members and other interested parties, to review and discuss the following topics/materials:

- Presentations on planning and audit outcomes,
- Presentations on internal audits and compliance reports,
- Follow-ups and monitoring of audit findings from the Financial Services Authority (OJK) as well as significant findings from external auditors,
- Follow ups on audit findings related to Medical Fraud Investigation Reports,
- Follow-ups on the implementation of early warning monitoring,
- Approval from OJK for the KIOSK Project and Rajesh's assignment as a KIOSK Project advisor,
- Risk Culture Survey,
- Presentations on planning and audit results conducted by internal and external auditors (ie PricewaterhouseCoopers Indonesia and OJK),
- Follow-ups on audit findings that include Cyber Security Group Audits, and
- The results of the assessment or evaluation of external auditors, and recommendations of appointment of external auditors,
- Audit Committee conducted regular meeting with Public Accountant and/or Public Accounting Firm, to review the audit scope, audit plan, evaluation result of internal control significant audit finding, accounting and other audit aspect.

In addition, members of the Audit Committee also hold regular meetings or *ad-hoc* meetings with Internal Audit and External Audit to discuss important matters.

RISK MONITORING COMMITTEE

The establishment of the Risk Monitoring Committee is intended to assist the Board of Commissioners in managing the risks that arise in the Bank's operational activities.

KOMPOSISI DAN KEANGGOTAAN

Susunan keanggotaan Komite Pemantau Risiko telah mematuhi POJK No. 55/POJK.03/2016 tentang Penerapan Tata Kelola bagi Bank Umum yang mengatur bahwa Komite Pemantau Risiko paling kurang terdiri dari 1 (satu) Komisaris Independen; 1 (satu) Pihak Independen yang memiliki keahlian di bidang keuangan dan akuntansi; dan 1 (satu) Pihak Independen yang memiliki keahlian di bidang perbankan dan manajemen risiko. Komite Pemantau Risiko diketuai oleh Komisaris Independen.

Per 31 Desember 2017, keanggotaan Komite Pemantau Risiko terdiri dari 2 (dua) Komisaris Independen, 1 (satu) Komisaris, dan 2 (dua) pihak Independen:

No.	Nama Name	Jabatan Position	Periode Period
1.	Suwartini	Ketua (Komisaris Independen) Chief/Independent Commissioner	2012 – sekarang 2012 – Present
2.	Andrew Farmer	Anggota (Wakil Presiden Komisaris) Member/Vice President Commissioner	2017 – sekarang 2017 – Present
3.	Khairil Anwar	Anggota (Komisaris Independen) Member/Independent Commissioner	2013 – sekarang 2013 – Present
4.	Teuku Radja Sjahnan	Anggota (Pihak Independen), yang memiliki keahlian pada bidang Keuangan dan Akuntansi Member/Independent Commissioner with expertise in Finance and Accountancy	2017 – 2019
5.	Jono Effendy	Anggota (Pihak Independen), yang memiliki keahlian pada bidang Perbankan dan Manajemen Risiko Member/Independent Commissioner with expertise in Banking and Risk Management	2017 - 2019

PIAGAM KOMITE

Untuk mendukung pelaksanaan tugas Komite Pemantau Risiko, Piagam Komite disusun sebagai pedoman dan tata tertib kerja Komite yang berisikan hal-hal seperti uraian tugas dan tanggung jawab, wewenang, larangan, aturan keanggotaan, etika kerja, rapat dan lainnya.

PROFIL KOMITE PEMANTAU RISIKO

Suwartini

Ketua/Komisaris Independen

Profil beliau dapat dilihat di bagian Profil Dewan Komisaris

Andrew Farmer

Anggota/Wakil Presiden Komisaris

Profil beliau dapat dilihat di bagian Profil Dewan Komisaris

Khairil Anwar

Anggota/Komisaris Independen

Profil beliau dapat dilihat di bagian Profil Dewan Komisaris

Teuku Radja Sjahnan

Anggota/Pihak Independen

Profil beliau dapat dilihat di bagian Profil Komite Audit

Jono Effendy

Anggota/Pihak Independen

Profil beliau dapat dilihat di bagian Profil Komite Audit

TUGAS DAN TANGGUNG JAWAB

Tugas dan tanggung jawab Komite Pemantau Risiko Bank Commonwealth sebagaimana ditetapkan dalam Anggaran Dasar Bank dan Piagam Komite Audit meliputi:

1. Memantau delapan area risiko yang dikelola oleh Bank Commonwealth, yaitu Risiko Kredit, Pasar, Likuiditas, Operasional, Hukum, Reputasi, Kepatuhan dan Strategis, dan memastikan bahwa penerapan manajemen risiko telah sesuai dengan kebijakan manajemen risiko;
2. Memantau dan menilai kinerja Komite Manajemen Risiko dan Satuan Kerja Manajemen Risiko;
3. Memantau perkembangan kasus hukum yang melibatkan Bank dan menilai risiko terkait, seperti risiko hukum, reputasi dan kepatuhan;
4. Secara berkala melaporkan kegiatannya, termasuk pemberian nasihat tentang hal-hal yang menjadi perhatian Dewan Komisaris.

COMPOSITION AND MEMBERSHIP

The composition of the Risk Monitoring Committee is in compliance with POJK No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, which stipulates that the Risk Monitoring Committee shall at least consist of 1 (one) Independent Commissioner; 1 (one) Independent Party having expertise in finance and accounting; and 1 (one) Independent Party having expertise in banking and risk management. The Risk Monitoring Committee is chaired by an Independent Commissioner.

As of December 31, 2017, membership of the Risk Monitoring Committee consists of 2 (two) Independent Commissioner, 1 (one) Commissioner, and 2 (two) Independent parties:

COMMITTEE CHARTER

To support the implementation of the duties of the Risk Monitoring Committee, it has structured Committee Charter as a guideline and work order that contains items such as job descriptions and responsibilities, powers, restrictions, membership rules, work ethics, meetings and others.

RISK MONITORING COMMITTEE MEMBER PROFILES

Suwartini

Chairman/Independent Commissioner

Her profile can be seen in the Board of Commissioners' Profile section

Andrew Farmer

Member/Vice President Commissioner

His profile can be seen in the Board of Commissioners' Profile section

Khairil Anwar

Member/Independent Commissioner

His profile can be seen in the Board of Commissioners' Profile section

Teuku Radja Sjahnan

Member/Independent Party

His profile can be seen in the Audit Committee's Profile section

Jono Effendy

Member/Independent Party

His profile can be seen in the Audit Committee's Profile section

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Commonwealth Bank Risk Monitoring Committee as stipulated in the Bank's Articles of Association and the Charter of the Audit Committee include:

1. Monitor the eight risk areas managed by the Commonwealth Bank, which are Credit Risk, Market, Liquidity, Operational, Legal, Reputation, Compliance and Strategic, and ensure that the implementation of risk management is in compliance with risk management policies;
2. Monitor and assess the performance of the Risk Management Committee and Risk Management Work Unit;
3. Monitor the progress of legal cases involving the Bank and assess related risks, such as legal risk, reputation and compliance;
4. Periodically report on its activities, including providing advice on matters of concern to the Board of Commissioners.

INDEPENDENSI KOMITE PEMANTAU RISIKO

Anggota Komite Pemantau Risiko diangkat dengan mempertimbangkan aspek profesionalisme dan independensi. Seluruh anggota komite telah memenuhi kriteria independensi dan mampu menjalankan tugasnya secara independen.

RAPAT KOMITE PEMANTAU RISIKO

Komite Pemantau Risiko wajib mengadakan rapat 1 (satu) kali setiap 2 (dua) bulan. Sepanjang 2017, Komite Pemantau Risiko telah melaksanakan 6 (enam) kali rapat dengan rincian kehadiran sebagai berikut:

No.	Anggota Member	Jabatan Position	Jumlah Kehadiran Number of Attendance	Persentase Kehadiran Attendance Rate
1.	Suwartini	Ketua/Komisaris Independen Chief/Independent Commissioner	6	100%
2.	Andrew Farmer	Anggota/Wakil Presiden Komisaris Member/Vice President Commissioner	6	100%
3.	Khairil Anwar	Anggota/Komisaris Independen Member/Independent Commissioner	6	100%
4.	Teuku Radja Sjahnan	Anggota/Pihak Independen Member/Independent Commissioner	6	100%
5.	Jono Effendy	Anggota/Pihak Independen Member/Independent Commissioner	6	100%

PELAKSANAAN KEGIATAN KOMITE PEMANTAU RISIKO

Pelaksanaan tugas Komite Pemantau Risiko Tahun 2017 adalah sebagai berikut:

- Tinjauan atas Profil Risiko Bank yang mencakup 8 (delapan) jenis risiko yaitu risiko kredit, pasar, likuiditas, operasional, hukum, kepatuhan, strategi dan reputasi.
- Pemantauan terhadap *Risk Appetite*, toleransi dan limit risiko sesuai dengan metrik risiko yang telah ditetapkan untuk 8 (delapan) jenis risiko dan ketahanan modal ("capital resilience").
- Pemantauan terhadap permodalan Bank dengan mengaitkan tingkat risiko dengan kecukupan modal sesuai dengan ketentuan ICAAP (*Internal Capital Adequacy Assessment Process*) untuk mengantisipasi potensi kerugian yang dapat timbul dari aktivitas usaha Bank.
- Pembahasan terkait manajemen risiko antara lain pengkinian *Risk Appetite Statement*, penyempurnaan tata kelola komite manajemen risiko (*risk management governance committees*), manajemen kredit macet (*Non-Performing Loan*), insiden dan kerugian risiko operasional, implementasi perhitungan *Net Stable Funding Ratio* (NSFR), kepatuhan terhadap ketentuan regulasi, penanganan kasus hukum/ litigasi, publikasi media dan penanganan terhadap keluhan nasabah.

INDEPENDENCE OF THE RISK MONITORING COMMITTEE

Members of the Risk Monitoring Committee are appointed by taking into account the aspect of professionalism and independence. All members of the committee have fulfilled the criterion of independency and are able to carry out their duties independently.

MEETINGS OF THE RISK MONITORING COMMITTEE

The Risk Monitoring Committee is to convene a meeting once every 2 (two) months. Throughout 2017, the Risk Monitoring Committee has conducted 6 (six) meetings with the following attendance details:

IMPLEMENTATION OF THE RISK MONITORING COMMITTEE'S ACTIVITIES

The duties of the Risk Monitoring Committee of 2017 are as follows:

- Overview of Bank Risk Profiles covering 8 (eight) types of risks: credit risk, market, liquidity, operational, legal, compliance, strategy and reputation.
- Monitor Risk Appetite, tolerance and risk limits in accordance with predetermined risk metrics for 8 (eight) types of risk and capital resilience.
- Monitor Bank capital by linking risk level to capital adequacy in accordance with ICAAP (*Internal Capital Adequacy Assessment Process*) to anticipate potential losses that may arise from Bank's business activities.
- Discussion related to risk management include updating of Risk Appetite Statement, improvement on risk management governance committee, Non-Performing Loan management, incident and operational risk loss, Net Stable Funding Ratio (NSFR), compliance with regulatory requirements, handling of legal cases/litigation, media publications and handling of customer complaints.

Komite Remunerasi dan Nominasi

Remuneration and Nomination Committee

KOMITE REMUNERASI DAN NOMINASI

Pembentukan Komite Remunerasi dan Nominasi bertujuan untuk membantu tugas Dewan Komisaris dalam menjalankan fungsi remunerasi dan nominasi.

KOMPOSISI DAN KEANGGOTAAN

Susunan keanggotaan Komite Remunerasi dan Nominasi paling kurang terdiri dari 1 (satu) orang Komisaris Independen; 1 (satu) orang Komisaris dan 1 (satu) orang Pejabat Eksekutif yang membawahkan fungsi Sumber Daya Manusia.

Komite Remunerasi dan Nominasi Bank Commonwealth telah memenuhi persyaratan regulasi yaitu terdiri dari 2 (dua) Komisaris Independen dan 1 (satu) Pejabat Eksekutif yang membawahkan fungsi Sumber Daya Manusia.

REMUNERATION AND NOMINATION COMMITTEE

The establishment of Remuneration and Nomination Committee aims to assist the duties of Board of Commissioners in performing remuneration and nomination function.

COMPOSITION AND MEMBERSHIP

Membership composition of Remuneration and Nomination Committee should consist of at least 1 (one) Independent Commissioner; 1 (one) Commissioner and 1 (one) Executive Officer in charge of Human Resources.

Commonwealth Bank Remuneration and Nomination Committee has fulfilled the regulatory requirements of 2 (two) Independent Commissioners and 1 (one) Executive Officer in charge of Human Resources.

Berikut keanggotaan Komite Remunerasi dan Nominasi per Desember 2017.

Below are the Remuneration and Nomination Committee members as of December 2017.

No.	Nama Name	Jabatan Position	Periode Period
1.	Suwartini	Ketua/Komisaris Independen <i>Chairman/Independent Commissioner</i>	2012 – sekarang <i>2012-now</i>
2.	Khairil Anwar	Anggota/Komisaris Independen <i>Member/Independent Commissioner</i>	2013 – sekarang <i>2013-now</i>
3.	Bagus Harimawan	Anggota/Pejabat Eksekutif Membawahi SDM <i>Member/Executive Officer Supervising Human Resources</i>	2011 – sekarang <i>2011-now</i>

PIAGAM KOMITE

Sebagai pedoman dan tata tertib kerja, Komite memiliki piagam (*charter*) yang mengatur tugas dan tanggung jawab, wewenang, larangan, keanggotaan, etika kerja, rapat dan lainnya.

COMMITTEE CHARTER

As a guideline and code of conduct, the Committee has a charter that governs duties and responsibilities, authorities, prohibitions, membership, work ethics, meetings and others.

PROFIL KOMITE REMUNERASI DAN NOMINASI

Suwartini

Ketua/Komisaris Independen

Profil beliau dapat dilihat di bagian Profil Dewan Komisaris

REMUNERATION AND NOMINATION PROFILE

Suwartini

Chairman/Independent Commissioner

Her profile can be seen in Board of Commissioners Profile section

Khairil Anwar

Anggota/Komisaris Independen

Profil beliau dapat dilihat di bagian Profil Dewan Komisaris

Khairil Anwar

Member/Independent Commissioner

His profile can be seen in the Board of Commissioners Profile section

Bagus Harimawan

Anggota/Pejabat Eksekutif yang Membawahi Sumber Daya Manusia

Bagus Harimawan adalah warga negara Indonesia berusia 42 tahun. Beliau menjabat sebagai anggota Komite Remunerasi dan Nominasi sejak Maret 2011 melalui Surat Rekomendasi Komite Remunerasi dan Nominasi No. 002/RNC/III/2011. Beliau memperoleh gelar Sarjana di bidang Administrasi Bisnis dan Manajemen dari Universitas Brawijaya, Malang pada tahun 1998, dan memiliki pengalaman di bidang Sumber Daya Manusia.

Bagus Harimawan

Member/Executive Officer in charge of Human Resources

Bagus Harimawan is a 42 year old Indonesian citizen. He has been a member of the Remuneration and Nomination Committee since March 2011 through Letter of Recommendation of Remuneration and Nomination Committee No. 002/RNC/III/2011. He obtained his Bachelor's degree in Business Administration and Management from Brawijaya University, Malang in 1998, and has experience in the field of Human Resources.

Memulai kariernya di Philip Morris International sebagai HR Assistant (1999-2000) dan HR Compensation & Benefit Officer (2000-2001), beliau melanjutkan ke ExxonMobil dengan posisi HR Workforce Planning (2001-2004) dan HR Client Advisor (2005-2006), Citibank sebagai HR Outsourcing Management Head (2006-2007), HSBC sebagai Vice President Human Resources (2007-Juni 2008 & Juli 2008-2009), PT Bank Ekonomi Raharja Tbk (member of HSBC Group) (2009-2010) sebagai HR Business Partner, HSBC Indonesia sebagai Vice President, HR Resourcing (2010) dan Standard Chartered Bank sebagai Vice President, HR Business Partner for Consumer Banking (2010). Beliau memulai karir dengan PT Bank Commonwealth sebagai EVP, Head of HR Operations, Compensation Benefit & Industrial Relations (2010-2012), kemudian menjadi EVP, Head of HR Shared Services, Remuneration & Industrial Relations (2013-2015), dan pada November 2015 hingga saat ini beliau menjabat sebagai Chief of Human Resources di PT Bank Commonwealth.

Started his career at Philip Morris International as HR Assistant (1999-2000) and HR Compensation & Benefit Officer (2000-2001), he went to ExxonMobil and took up the position of HR Workforce Planning (2001-2004) and HR Client Advisor (2005-2006), moved to Citibank as HR Outsourcing Management Head (2006-2007), HSBC as Vice President Human Resources (2007-June 2008 & July 2008-2009), PT Bank Ekonomi Raharja Tbk (member of HSBC Group) (2009-2010) as HR Business Partner, HSBC Indonesia as Vice President, HR Resourcing (2010) and Standard Chartered Bank as Vice President, HR Business Partner for Consumer Banking (2010). He started his career with PT Bank Commonwealth as EVP, Head of HR Operations, Compensation Benefit & Industrial Relations (2010-2012), then became EVP, Head of HR Shared Services, Remuneration & Industrial Relations (2013-2015), and in November 2015 until now he served as Chief of Human Resources at PT Bank Commonwealth.

TUGAS DAN TANGGUNG JAWAB

Tugas dan tanggung jawab Komite Remunerasi dan Nominasi dibagi menurut fungsinya, yang meliputi:

Fungsi Remunerasi

1. Mengawasi penyusunan dan/atau pelaksanaan Program dan Kebijakan Remunerasi bagi anggota Dewan Komisaris, anggota Direksi, dan karyawan Bank yang diajukan oleh Direksi melalui Presiden Direktur dan/atau Direktur yang bertanggung jawab atas Direktorat/Fungsi Sumber Daya Manusia, yang memiliki dampak dan/atau perubahan signifikan pada kondisi finansial Bank dan/atau yang memiliki dampak signifikan pada Anggota Dewan Komisaris, Direksi dan Karyawan Bank yang didasarkan pada remunerasi berbasis kinerja dengan memperhatikan faktor-faktor risiko yang ada.
2. Dewan Komisaris melalui Komite Remunerasi dan Nominasi memberikan wewenang kepada Direksi melalui Presiden Direktur dan/atau Pimpinan yang bertanggung jawab atas

DUTIES AND RESPONSIBILITIES

Duties and responsibilities of Remuneration and Nomination Committee are divided based on its function are:

Remuneration Function

1. Supervise the preparation and/or implementation of the Program and Remuneration Policy for Board of Commissioners and Board of Directors members and Bank's employees submitted by Board of Directors via President Director and/or Director responsible for the Directorate/Function of Human Resources, the program should have significant impact and/or change in the financial condition of the Bank and/or which have a significant impact on members of Board of Commissioners, Board of Directors and Bank's employees and should be based on performance-based remuneration with due regard to risk factors.
2. Board of Commissioners through Remuneration and Nomination Committee authorizes Board of Directors through President Director and/or Chairman responsible for the Directorate/Human

Direktorat/Fungsi Sumber Daya Manusia untuk melakukan evaluasi, menyusun dan memastikan Program dan Kebijakan Remunerasi Bank memiliki daya saing dengan industri sejenis serta menerapkan asas kesetaraan dan keadilan dalam menerapkan Program Remunerasi di Bank berdasarkan kinerja, di antaranya dengan melakukan tinjauan terhadap program remunerasi secara berkala, menyesuaikan dan meningkatkan program-program remunerasi dan manfaat.

3. Memberikan rekomendasi kepada Dewan Komisaris mengenai:
 - a. Penyusunan dan/atau pelaksanaan Program dan Kebijakan Remunerasi bagi Direksi dan Dewan Komisaris untuk disampaikan kepada RUPS; dan
 - b. Penyusunan dan/atau pelaksanaan Program dan Kebijakan Remunerasi bagi pegawai secara keseluruhan untuk disampaikan kepada Direksi.

Fungsi Nominasi

1. Memberikan rekomendasi kepada Dewan Komisaris terkait dengan sistem, prosedur, pemilihan, pengangkatan, penggantian, dan pengangkatan kembali untuk anggota Dewan Komisaris dan anggota Direksi kepada Dewan Komisaris, termasuk calon anggota Dewan Komisaris dan/atau calon anggota Direksi untuk disampaikan kepada RUPS.
2. Memberikan rekomendasi kepada Dewan Komisaris terkait dengan pemilihan, pengangkatan, penggantian, dan pengangkatan kembali Pihak Independen untuk dilakukan tinjauan lebih lanjut, untuk ditetapkan dan diangkat oleh Direksi.
3. Dewan Komisaris melalui Komite Remunerasi dan Nominasi akan melakukan tinjauan lebih lanjut terhadap rekomendasi Presiden Direktur atas pemaparan mengenai tinjauan kinerja secara berkala dari Direktur-Direktur dan Manajemen Puncak (*Top Management*) yang berada pada 1 (satu) tingkat di bawah Presiden Direktur selama masa penugasan tiap-tiap individu tersebut di Bank dan akan menyusun rekomendasi lebih lanjut kepada Dewan Komisaris.

INDEPENDENSI KOMITE REMUNERASI DAN NOMINASI

Aspek independensi anggota komite sangat penting dalam menjalankan fungsi remunerasi dan nominasi. Seluruh anggota komite telah memenuhi kriteria independensi dan mampu menjalankan tugasnya secara independen.

RAPAT KOMITE REMUNERASI DAN NOMINASI

Komite Remunerasi dan Nominasi mengadakan rapat berkala 4 (empat) kali dalam 12 bulan dan/atau sesuai kebutuhan sebagaimana yang tercantum dalam Charter dan Kebijakan Komite Remunerasi dan Nominasi. Sepanjang 2017, Komite Remunerasi dan Nominasi melaksanakan 6 (enam) kali rapat dengan rincian kehadiran sebagai berikut:

No.	Anggota Member	Jabatan Position	Jumlah Kehadiran Total	Presentase Kehadiran Attendance Rate
1.	Suwartini	Ketua/Komisaris Independen <i>Chief/Independent Commissioner</i>	6	100%
2.	Khairil Anwar	Anggota/Komisaris Independen <i>Member/Independent Commissioner</i>	6	100%
3.	Bagus Harimawan	Anggota/Pejabat Eksekutif Membawahi SDM <i>Member/Executive Officer Supervising Human Resources</i>	6	100%

PELAKSANAAN KEGIATAN KOMITE REMUNERASI DAN NOMINASI

Selama tahun 2017, Komite Remunerasi dan Nominasi telah melaksanakan tugas dan tanggung jawabnya sebagai berikut:

1. Merekomendasikan pengangkatan Andrew Farmer, Wakil Presiden Komisaris, sebagai anggota Komite Audit, Komite Pemantau Risiko, dan Komite Remunerasi dan Nominasi;
2. Menerima surat pengunduran diri Adhiputra Tanoyo sebagai Direktur dan merekomendasikan Lauren Sulistiawati, Presiden Direktur, sebagai *acting Risk Director* sampai Steve Vile bergabung di Bank;

Resources Function to conduct evaluation, prepare and ensure the Bank Remuneration Program and Policy have competitive value with similar industries and apply the principle of equality and fairness in implementing the Bank's Remuneration Program based on performance, among others by conducting regular review of remuneration programs, adjusting and upgrading remuneration programs and benefits.

3. Give recommendations to Board of Commissioners on:

- a. Formulation and/or implementation of Remuneration Program and Policy for Board of Directors and Board of Commissioners to be submitted to the GMS; and
- b. Preparation and/or implementation of Remuneration Program and Policy for employees as a whole to be submitted to the Board of Directors.

Nomination Function

1. Provide recommendations to Board of Commissioners regarding the system, procedure, selection, appointment, reimbursement and reappointment for members of Board of Commissioners and members of the Board of Directors to the Board of Commissioners, including prospective members of Board of Commissioners and/or candidates for Board of Directors to be submitted to the GMS
2. Provide recommendations to Board of Commissioners regarding the election, appointment, replacement and re-appointment of Independent Parties for further review, to be determined and appointed by the Board of Directors.
3. Board of Commissioners through the Remuneration and Nomination Committee shall conduct a follow-up review on the President Director recommendation of the presentation of periodic performance reviews from the top Management Directors who are 1 (one) level under the President Director during the assignment of each individual in the Bank and will make more recommendations for Board of Commissioners.

REMUNERATION AND NOMINATION COMMITTEE INDEPENDENCY

The independence aspect of committee members is very important in carrying out the remuneration and nomination function. All members of the committee have fulfilled the criteria of independency and are able to carry out their duties independently.

REMUNERATION AND NOMINATION COMMITTEE MEETING

The Remuneration and Nomination Committee held 4 (four) periodic meetings within 12 months and/or as required in the Charter and Remuneration and Nomination Committee Policy. Throughout 2017, the Remuneration and Nomination Committee conducted 6 (six) meetings with the following attendance details:

IMPLEMENTATION OF THE REMUNERATION AND NOMINATION COMMITTEE ACTIVITIES

Throughout 2017, Remuneration and Nomination Committee performed its duties and responsibilities as follows:

1. Recommended the appointment of Andrew Farmer, Vice President Commissioner, as a member of the Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee;
2. Received Adhiputra Tanoyo's resignation letter as Director and recommended Lauren Sulistiawati, President Director, as acting Risk Director until Steve Vile joins the Bank;

3. Merekomendasikan pengangkatan Ida Apulia Simatupang, Direktur *Corporate Strategy, Digital Solutions, dan Customer Franchise*, untuk menjadi Direktur *SME & Corporate Strategy*;
4. Menerima Surat Pengunduran Diri dari Angeline Nangoi sebagai Direktur Kepatuhan, dan melakukan evaluasi terhadap kualifikasi, latar belakang, serta profil dan merekomendasikan Mutia Nilawati Dewi, S.H. sebagai Direktur Kepatuhan;
5. Menerima Surat Pengunduran Diri dari Rob Jesudason sebagai Presiden Komisaris, dan melakukan evaluasi terhadap kualifikasi, latar belakang, serta profil dan merekomendasikan Coenraad Jonker sebagai Presiden Komisaris;
6. Merekomendasikan Andrew Farmer, Wakil Presiden Komisaris, sebagai *acting* Presiden Komisaris sampai dengan Coenraad Johannes Jonker bergabung di Bank;
7. Menerima surat pengunduran diri dari Jonanda Yattha Saputra, *Chief of Finance and Treasury*. Sejalan dengan hal ini, melakukan evaluasi terhadap kualifikasi, latar belakang, serta profil berdasarkan pengajuan yang disampaikan oleh Direksi, dan kemudian merekomendasikan Benny Helman sebagai Direktur;
8. Menyetujui dan memberikan dukungan terhadap penilaian kinerja (*performance review*) tengah tahun terkait Direksi dan manajemen Bank yang dipaparkan oleh Presiden Direktur;
9. Menyetujui dan memberikan dukungan terhadap penilaian kinerja (*performance review*) akhir tahun terkait anggota Direksi dan manajemen Bank yang dipaparkan oleh Presiden Direktur.

Komite Tata Kelola Terintegrasi Integrated Governance Committee

Sesuai dengan Peraturan Otoritas Jasa Keuangan No.18/POJK.03/2014 tentang Penerapan Tata Kelola Terintegrasi Bagi Konglomerasi Keuangan, Bank Commonwealth sebagai Entitas Utama dalam konglomerasi keuangan membentuk Komite Tata Kelola Terintegrasi untuk mendukung tugas Dewan Komisaris Entitas Utama dalam melakukan pengawasan terhadap pelaksanaan tata kelola yang terintegrasi. Komite Tata Kelola Terintegrasi dibentuk oleh Dewan Komisaris dan ditetapkan melalui Surat Keputusan Direksi No. SK-DIR/001/CBA-EU/2015 tanggal 22 Desember 2015 mengenai Penetapan Anggota Komite Tata Kelola Terintegrasi.

KOMPOSISI DAN KEANGGOTAAN

Komite Tata Kelola Terintegrasi terdiri dari 1 (satu) orang Komisaris Independen yang berasal dari Entitas Utama (PT Bank Commonwealth), 1 (satu) orang Komisaris Independen berasal dari entitas konglomerasi keuangan (PT Commonwealth Life) dan 1 (satu) orang Pihak Independen.

PIAGAM ATAU PEDOMAN KERJA KOMITE

Komite Tata Kelola Terintegrasi memiliki piagam atau pedoman kerja sebagai panduan dalam pelaksanaan tugas dan tanggung jawab Komite. Piagam tersebut mengatur uraian tugas dan tanggung jawab, keanggotaan, dan penyelenggaraan rapat.

PERIODE DAN MASA JABATAN ANGGOTA KOMITE TATA KELOLA TERINTEGRASI

Periode jabatan anggota Komite Tata Kelola Terintegrasi ditunjukkan dalam tabel berikut:

No.	Nama Name	Jabatan Position	Periode Jabatan Period of Office
1.	Suwartini	Ketua/Komisaris Independen PT Bank Commonwealth <i>Chairman/Independent Commissioner of PT Bank Commonwealth</i>	2015 - sekarang 2015 - now
2.	Jono Effendy	Anggota/Komisaris Independen PT Commonwealth Life <i>Member/Independent Commissioner of PT Commonwealth Life</i>	2015 - sekarang 2015 - now
3.	Teuku Radja Sjahn	Anggota (Pihak Independen) <i>Member/Independent Party</i>	2015 - sekarang 2015 - now

In accordance with the Financial Services Authority Regulation No.18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerate, Commonwealth Bank as a Principal Entity in financial conglomerate established an Integrated Governance Committee to support the duties of Board of Commissioners of the Main Entity in exercising oversight of the implementation of integrated management. The Integrated Governance Committee was established by Board of Commissioners and authorized through Board of Directors Decision Letter No. SK-DIR/001/CBA-EU/2015 dated December 22, 2015 on the Confirmation of Members of the Integrated Governance Committee.

COMPOSITION AND MEMBERSHIP

The Integrated Governance Committee consists of 1 (one) Independent Commissioner from the Principal Entity (PT Bank Commonwealth), 1 (one) Independent Commissioner is from the financial conglomerate entity (PT Commonwealth Life) and 1 (one) Independent Party.

CHARTER OR GUIDELINE OF THE COMMITTEE

Integrated Governance Committee has a work chart or guideline to guide the implementation of the Committee's duties and responsibilities. The Charter sets out job descriptions and responsibilities, membership, and organizing meetings.

PERIOD AND TERM OF OFFICE OF INTEGRATED GOVERNANCE COMMITTEE MEMBERS

Details regarding the term of office of all Remuneration and Nomination Committee members are as follows:

PROFIL KOMITE TATA KELOLA TERINTEGRASI**Suwartini****Ketua/Komisaris Independen PT Bank Commonwealth**

Profil beliau dapat dilihat di bagian Profil Dewan Komisaris

Jono Effendy**Anggota/Komisaris Independen PT Commonwealth Life**

Profil beliau dapat dilihat di bagian Profil Komite Audit

Teuku Radja Sjahnan**Anggota/Pihak Independen**

Profil beliau dapat dilihat di bagian Profil Komite Audit

TUGAS DAN TANGGUNG JAWAB

Komite Tata Kelola Terintegrasi memiliki tanggung jawab sebagai berikut:

1. Mengevaluasi pelaksanaan Tata Kelola Terintegrasi oleh Direksi Entitas Utama paling sedikit melalui penilaian kecukupan pengendalian intern dan pelaksanaan fungsi kepatuhan secara terintegrasi.
2. Memberikan rekomendasi kepada Dewan Komisaris Entitas Utama untuk penyempurnaan Kebijakan Tata Kelola Terintegrasi.

INDEPENDENSI KOMITE TATA KELOLA TERINTEGRASI

Komite Tata Kelola Terintegrasi menjalankan tugas dan tanggung jawabnya secara profesional dan independen. Anggota komite tidak memiliki keterkaitan atau hubungan dengan Pemegang Saham, anggota Dewan Komisaris lain dan anggota Direksi.

RAPAT KOMITE TATA KELOLA TERINTEGRASI

Sebagaimana diatur dalam Piagam Kerja Komite, Komite Tata Kelola Terintegrasi wajib menyelenggarakan rapat paling sedikit 1 kali dalam setiap semester.

Sepanjang 2017, Komite Tata Kelola Terintegrasi telah melaksanakan 2 kali rapat dengan tingkat kehadiran sebagai berikut:

No.	Anggota Member	Jabatan Position	Jumlah Kehadiran Total	Persentase Kehadiran Attendance Rate
1.	Suwartini	Ketua/Komisaris Independen PT Bank Commonwealth <i>Chairman/Independent Commissioner of PT Commonwealth Bank</i>	2	100%
2.	Jono Effendy	Anggota/Komisaris Independen PT Commonwealth Life <i>PT Commonwealth Life Member/Independent Commissioner</i>	2	100%
3.	Teuku Radja Sjahnan	Anggota (Pihak Independen) <i>Member (Independent Party)</i>	2	100%

TERINTEGRASI

Pelaksanaan tugas komite Tata Kelola Terintegrasi selama tahun 2017, sebagai berikut:

- Mengkaji Laporan Penilaian Sendiri (*self-assessment*) Pelaksanaan Tata Kelola Terintegrasi.
- Memberikan saran terkait draf peraturan OJK mengenai kewajiban *holding company* bagi konglomerasi keuangan.

PROFILE OF INTEGRATED GOVERNANCE COMMITTEE**Suwartini****Chairman/Independent Commissioner of PT Bank Commonwealth***Her profile can be seen in the Board of Commissioners Profile section***Jono Effendy****Member/Independent Commissioner of PT Commonwealth Life***His profile can be seen in the Audit Committee Profile section***Teuku Radja Sjahnan****Member/Independent Party***His profile can be seen in the Audit Committee Profile section***DUTIES AND RESPONSIBILITIES***The Integrated Governance Committee has the following responsibilities:*

1. *Evaluate the implementation of Integrated Governance by the Board of Directors of Primary Entity at least through the assessment on the adequacy of internal control and the implementation of an integrated compliance function.*
2. *Provide recommendations to Board of Commissioners of the Main Entity for the improvement on Integrated Governance Policy.*

INDEPENDENCY OF INTEGRATED GOVERNANCE COMMITTEE*Integrated Governance Committee carries out its duties and responsibilities professionally and independently. Committee members have no relationship or relationship with Shareholders, other members of Board of Commissioners and members of Board of Directors.***MEETING OF INTEGRATED GOVERNANCE COMMITTEE***Regulated in the Committee Charter, the Integrated Governance Committee shall conduct meetings at least once in every semester.**Throughout 2017, Integrated Governance Committee conducted 2 meetings with the following attendance rates:***COMMITTEE ACTIVITIES***Task implementation of the Integrated Governance committee during 2017 is as follows:*

- *Review Self-Assessment Report on the Implementation of Integrated Governance.*
- *Provide advice regarding the draft of OJK regulation on holding company's obligations to financial conglomerates.*

**Komite-Komite di Bawah Direksi
Committees under Board of Directors**

Pelaksanaan tugas Direksi Bank Commonwealth dibantu oleh 8 (delapan) komite berikut:

1. Komite Manajemen Risiko
2. Komite *Asset and Liability Committee* (ALCO)
3. Komite Kredit
4. Komite Pengarah Teknologi Informasi
5. *People Committee*
6. Komite Manajemen Risiko Terintegrasi

The implementation of Commonwealth Bank Board of Directors' duties is assisted by the following 8 (eight) committees:

1. *Risk Management Committee*
2. *The Asset and Liability Committee (ALCO)*
3. *Credit Committee*
4. *Information Technology Steering Committee*
5. *People Committee*
6. *Integrated Risk Management Committee*

KOMITE MANAJEMEN RISIKO

Komite Manajemen Risiko membantu Direksi dalam pemantauan dan pengelolaan risiko-risiko yang mungkin dihadapi Bank, termasuk Risiko Kredit, Pasar, Likuiditas, Operasional, Hukum, Strategis, Kepatuhan dan Reputasi.

Komposisi dan Keanggotaan *Composition and Membership*

Ketua: <i>Chairman:</i>	Direktur Manajemen Risiko	<i>Risk Management Director</i>
Anggota: <i>Members:</i>	Presiden Direktur	<i>President Director</i>
	Direktur Operations & IT	<i>Director of Operations & IT</i>
	Kepala Satuan Audit Internal (anggota non-voting)	<i>Head of Internal Audit Unit (nonvoting member)</i>
	Direktur Retail Banking	<i>Director of Retail Banking</i>
	Direktur SME Banking	<i>Director of SME Banking</i>
	Direktur Kepatuhan	<i>Director of Compliance</i>
	Chief of Financial Officer	<i>Chief Financial Officer</i>
	Chief of Treasury & Markets	<i>Chief of Treasury & Markets</i>
	Chief of Human Resources	<i>Chief of Human Resources</i>

Tugas dan Tanggung Jawab

- Memberikan rekomendasi kepada Presiden Direktur terkait dengan:
 - Pembuatan kebijakan, strategi dan petunjuk terkait manajemen risiko.
 - Perbaikan terkait penerapan manajemen risiko berdasarkan hasil evaluasi yang telah dilakukan.
- 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.
- Memberikan arahan tingkat tinggi dan panduan untuk setiap area risiko dengan:
 - Mengkaji dan mengesahkan laporan profil risiko masing-masing area risiko.
 - Mengkaji dan mengesahkan 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.
- 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.

KOMITE ASSET AND LIABILITY (ALCO)

ALCO dibentuk oleh Direksi dengan tujuan utama untuk:

- Mengawasi risiko pasar, manajemen *banking book*, strategi pendanaan dan pinjaman, aktivitas *trading*, serta kebijakan dan metodologi manajemen modal yang digunakan oleh Bank Commonwealth;
- Memastikan konsistensi antara risiko dan tujuan permodalan Dewan Komisaris dengan risiko pasar dan prinsip-prinsip manajemen dan kebijakan permodalan Bank Commonwealth; dan

RISK MANAGEMENT COMMITTEE

The Risk Management Committee assists Board of Directors in monitoring and managing risks that may be encountered by the Bank, including Credit, Market, Liquidity, Operational, Legal, Strategic, Compliance and Reputation Risks.

Duties and Responsibilities

- Provide recommendations the President Director in relation to:
 - Policy-making, strategy and guidance related to risk management.
 - Improvements related to the implementation of risk management based on the results of the evaluation that has been conducted.
- Ensure effective implementation of the Bank's risk management framework through:
 - Review and support of Bank's risk management framework, including but not limited to the framework of *Internal Capital Adequacy Assessment Process*, *Risk Appetite Statement*, *Material Risk Document*, and *Key Risk Indicators* (KRI) of the Bank.
 - Monitor the effectiveness of functions of each risk committee, including but not limited to reviewing activities and supporting the implementation of individual charter, periodically reviewing the KRI of each committee, reviewing and supporting policy documents and procedures, reviewing the action plan proposed by the committees and ensuring its implementation according to agreed standards.
- Provide high level guidance for each risk area by:
 - Review and certify risk profile reports for each risk area.
 - Review and approve policy documents and procedures.
 - Review any violations within the KRI's threshold and audit findings.
 - Become an escalation point for the committee on all matters concerning risk management, including but not limited to significant risk incidents and *ad-hoc* deviations in policies and procedures.
- Provide support for documents that need to be submitted to Risk Monitoring Committee, which may include policy documents and procedures and deviations from existing policies and procedures.

ASSET AND LIABILITY COMMITTEE (ALCO)

ALCO was established by the Board of Directors with the primary objective to:

- Oversee market risk, banking book management, funding and lending strategies, trading activities, and capital management policies and methodologies used by Commonwealth Bank;
- Ensure consistency between risks and objectives of the Board of Commissioners' capital with the market risk and principles of management and capital policy of Commonwealth Bank; and

- Menyetujui hasil kajian produk yang telah dianalisis dan direkomendasikan oleh *Product Owner* dan pemangku kepentingan terkait untuk produk baru, produk yang sudah ada dan produk yang dihentikan berkenaan dengan risiko reputasi, kebutuhan nasabah, *risk appetite*, dan peraturan/kebijakan.
- Approve the results of product review that have been analyzed and recommended by *Product Owner* and relevant stakeholders for new products, existing products and discontinued products with respect to reputational risk, customer needs, risk appetite, and regulations/policies.

Komposisi dan Keanggotaan Composition and Membership

Ketua: <i>Chairman:</i>	Presiden Direktur	<i>President Director</i>
Anggota dengan Hak Suara <i>Members with Voting Rights</i>	Direktur Manajemen Risiko	<i>Risk Management Director</i>
	Chief of Treasury & Markets	<i>Chief of Treasury & Markets</i>
	Chief of Financial Officer	<i>Chief of Financial Officer</i>
	Direktur Retail Banking	<i>Director of Retail Banking</i>
	Direktur Strategi, Digital Solutions, and Customer Franchise	<i>Director of Strategy, Digital Solutions, and Customer Franchise</i>
Anggota tanpa Hak Suara <i>Members without Voting Rights</i>	Direktur Operations & IT	<i>Director of Operations & IT</i>
	Kepala Liquidity & Balance Sheet Management	<i>Chairman of Liquidity & Balance Sheet Management</i>
	Kepala <i>Market and Balance Sheet Risk Management</i>	<i>Head of Market and Balance Sheet Risk Management</i>
	Kepala Wholesale Banking	<i>Head of Wholesale Banking</i>
	Kepala SME Banking	<i>Head of SME Banking</i>
	Kepala Sales and Distribution	<i>Head of Sales and Distribution</i>
	Kepala Consumer Liabilities Products & Wealth Management	<i>Head of Consumer Liabilities Products & Wealth Management</i>
Kepala Consumer Lending Products	<i>Head of Consumer Lending Products</i>	
	Direktur Kepatuhan (atau pengganti yang ditunjuk) sebagai pengamat	<i>Director of Compliance (or appointed replacement) as observer</i>

Tugas dan Tanggung Jawab

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

Duties and Responsibilities

- Review the proposed policies and methodologies to gain approval from Board of Commissioners. Reviews include changes in capital mix or capital target, liquidity management, financing, placement/investment, fund transfer pricing, market risk both *traded* or *non-traded*.
- Approve the goals and strategies for changes in capital management and *non-traded* market risks that are part of President Director's authority.
- Approve investment on capital and/or dividend requirements by/for shareholders.
- Supervise and ensure that asset quality is always good.
- Supervise policy compliance, capital positioning, and risk exposure.
- Supervise business performance related to direction and explanation of *net interest margin of bank* and *total banking margin*.
- Supervise compliance with applicable laws and regulations.

KOMITE KREDIT (KK)

Komite Kredit merupakan komite operasional yang membantu Direksi dalam memastikan penerapan kehati-hatian dalam pengambilan dan pengawasan keputusan kredit sesuai dengan *risk appetite* Bank; dan mengevaluasi dan/atau mengambil keputusan Aplikasi Kredit berdasarkan jumlah dan jenis kredit yang disetujui Direksi.

CREDIT COMMITTEE (KK)

Credit Committee is an operational committee that assists Board of Directors in ensuring the prudent application of credit approval and supervision in accordance with the Bank's risk appetite; and evaluate and/or make a Credit decision based on the amount and type of credit approved by Board of Directors.

Komposisi dan Keanggotaan Composition and Membership

Ketua: <i>Chairman</i>	Presiden Direktur	<i>President Director</i>
Anggota dengan Hak Suara <i>Members with Voting Rights</i>	Direktur Retail Banking (Vice Chairperson)	<i>Director of SME Banking (Vice Chairperson)</i>
	Direktur SME Banking	<i>Director of Retail Banking</i>
Anggota tanpa Hak Suara <i>Members without Voting Rights</i>	Direktur Manajemen Risiko	<i>Director of Risk Management</i>
	Kepala Risiko Kredit atau Delegasinya (Laporan Langsung)	<i>Head of Credit Risk or Delegation (Direct Report)</i>

Pelaksanaan rapat KK wajib dihadiri oleh anggota tanpa hak suara guna memberikan pandangan dan rekomendasi yang seimbang atas setiap proposal yang diserahkan dalam rapat. Selain itu, KK dapat mengundang pejabat eksekutif lainnya untuk menghadiri sebagian atau seluruh rapat. Apabila Ketua Komite tidak dapat hadir dan memimpin jalannya rapat, Direktur *Retail Banking* akan secara otomatis ditunjuk sebagai pimpinan rapat namun mengesampingkan hak suara yang dimilikinya.

Tugas dan Tanggung Jawab

1. Menyetujui atau menolak aplikasi kredit sesuai dengan batas-batas yang telah ditentukan oleh Direksi.
2. Berkoordinasi dengan *Committee Assets and Liabilities (ALCO)* dalam pendanaan kredit.
3. Mematuhi aturan atas tingkat kecukupan penghapusan dan tagihan atas penghapusan piutang, serta pemberian pinjaman kepada pihak terkait. Hal ini harus dalam pengetahuan Dewan Komisaris melalui pertemuan Dewan Komisaris.
4. Meninjau dan mendukung semua kebijakan kredit terkait termasuk penyimpangan kebijakan:
 - a. Menjalankan fungsinya dalam memberi persetujuan/ penolakan kredit berdasarkan profesionalisme, kejujuran, objektivitas, dan akurasi.
 - b. Menolak permintaan dan atau pengaruh dari pihak-pihak terkait kepada pemohon kredit dalam proses pencairan kredit.

The KK meeting shall be attended by members without voting rights to provide balanced views and recommendations on each proposal submitted to the meeting. In addition, KK may invite other executive officers to attend some part or the entire meeting. If the Chairman of the Committee is unable to attend and lead the meeting, the Retail Banking Director shall automatically be appointed as head of the meeting but shall exclude his voting right.

Duties and responsibilities

1. Approve or reject credit application in accordance with the limits set by Board of Directors.
2. Coordinate with Assets and Liabilities Committee (ALCO) for credit funding.
3. Obey the rules on the level of adequacy of write-offs and invoices for the write-off of receivables, as well as providing loans to related parties. This should be acknowledged by Board of Commissioners through meeting with Board of Commissioners.
4. Review and support all related credit policies including policy irregularities:
 - a. Perform its function of approving/rejecting credit based on professionalism, honesty, objectivity, and accuracy.
 - b. Refuse requests and/or influence from related parties of credit applicants in the process of credit disbursement.

**Komposisi dan Keanggotaan
Composition and Membership**

Ketua: <i>Chairman:</i>	Direktur Operations & IT	<i>Director of Operations & IT</i>
Anggota dengan Hak Suara <i>Members with Voting Rights</i>	Presiden Direktur	<i>President Director</i>
	Direktur Operations & IT (Chairperson)	<i>Director of Operations & IT (Chairperson)</i>
	Direktur Retail Banking	<i>Director of Retail Banking</i>
	Direktur SME Banking (Vice Chairperson)	<i>Director of SME Banking (Vice Chairperson)</i>
	Direktur Manajemen Risiko	<i>Director of Risk Management</i>
Anggota tanpa Hak Suara <i>Members without Voting Rights</i>	Direktur Kepatuhan	<i>Director of Compliance Chief of Finance</i>
	Chief of Finance	<i>Chief of Finance</i>
	Chief of Internal Audit	<i>Chief of Internal Audit</i>
	Head of IT	<i>Head of IT</i>
	Kepala Divisi terkait atau satu level di bawah Direktur/Chief dapat diundang ke pertemuan ini sebagai tamu apabila terdapat agenda yang akan dibahas dalam pertemuan ini.	<i>Head of the relevant Division or one level under the Director/Chief may be invited to this meeting as a guest if there is an agenda to be discussed in this meeting.</i>

KOMITE PENGARAH TEKNOLOGI INFORMASI (KPTI)

KPTI dibentuk terutama untuk membantu Direktur Operations & IT dalam memantau kegiatan yang berhubungan dengan Teknologi Informasi melalui penyelarasan rencana strategis Teknologi Informasi dengan strategi bisnis Bank, optimalisasi pengelolaan sumber daya, nilai yang diberikan TI (*IT Value Delivery*), pengukuran kinerja dan efektivitas penerapan manajemen risiko.

INFORMATION TECHNOLOGY COMMITTEE COMMITTEE (KPTI)

KPTI was established primarily to assist the Director of Operations & IT in monitoring IT-related activities through alignment of Information Technology strategic plan with the Bank's business strategy, optimizing resource management, IT Value Delivery, performance measurement and effectiveness of risk management implementation.

Tugas dan Tanggung Jawab

Umum:

1. Memastikan keselarasan rencana serta implementasi strategis TI dengan strategi bisnis Bank.
2. Memastikan implementasi kebijakan pengamanan informasi Bank.
3. Memastikan efektivitas langkah-langkah mitigasi risiko yang dilakukan untuk meningkatkan pengamanan informasi Bank.

Duties and responsibilities

General:

1. Ensure alignment of plans and IT strategic implementation with the Bank's business strategy.
2. Ensure the implementation of Bank's information security policy.
3. Ensure the effectiveness of undertake risk mitigation steps to improve Bank's information security.

Khusus:

1. Memastikan keselarasan rencana strategis TI dengan rencana strategi bisnis Bank serta pemantauan keseluruhan kinerja TI dan upaya untuk meningkatkannya.
2. Menyusun *road map* 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.

Special:

1. Ensure alignment of the IT strategic plan with the Bank's business strategy plan and overall monitoring of IT performance and efforts to improve it.
2. Prepare road map to achieve IT plan to support Bank's business plan and strategy. The Road map consists of current conditions, future circumstances and actions to be taken to achieve future status.

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| <ol style="list-style-type: none"> 3. Memastikan kesesuaian dan prioritas proyek TI dan rencana strategis TI. 4. Memantau kemajuan dan status dari portofolio proyek yang melibatkan TI termasuk kesesuaian jadwal, finansial, ruang lingkup, sumber daya manusia dan risiko, dan rekomendasi untuk mengatasi masalah atau risiko tersebut. 5. Memantau kinerja dari sistem TI dan SLA (<i>Service Level Agreement</i>) layanan, setiap insiden kunci, dan kemajuan dari perbaikan yang berkelanjutan. 6. Melakukan perbandingan antara status biaya TI dan investasi dengan anggaran. 7. Memantau status keamanan TI, insiden yang terjadi, dan kemajuan perbaikan berkelanjutan. 8. Memantau status risiko utama yang dihadapi TI dan kemampuan untuk mendukung operasional bisnis Bank, rencana, dan strategi jangka panjang, dan efektivitas tindakan mitigasi serta rencana untuk menghadapi risiko tersebut. 9. Mengawasi kinerja vendor utama dan isu utama atau risiko yang terkait dengan pengiriman produk atau jasa dari vendor TI. 10. Mengawasi setiap hal penting terkait dengan sumber daya manusia atau proses yang terkait dengan pemberian layanan TI bagi organisasi. 11. Memastikan penyelesaian berbagai isu atau risiko yang berkaitan dengan TI yang tidak dapat diselesaikan oleh unit pengguna dan unit TI secara efektif, efisien dan tepat waktu. 12. Mengawasi penyusunan kebijakan TI yang utama dan prosedur dan manajemen risiko terkait dengan penggunaan TI dalam organisasi. 13. Memastikan efektivitas pelaksanaan kebijakan keamanan informasi. | <ol style="list-style-type: none"> 3. <i>Ensure the suitability and priorities of IT projects and IT strategic plans.</i> 4. <i>Monitor the progress and status of the project portfolio involving IT including schedule, financial, scope, human and risk appropriateness, and recommendations to resolve problems or risks.</i> 5. <i>Monitor the performance of IT systems and SLA (Service Level Agreement) services, key incidents, and the progress of that sustainable improvement.</i> 6. <i>Compare the status of IT cost and investment with budget.</i> 7. <i>Monitor IT security status, incidents occurring and progress on sustainable improvement.</i> 8. <i>Monitor the key risk status facing IT and the ability to support the Bank's business operation, long-term plans, and strategies, and the effectiveness of mitigation actions and plans to address those risks.</i> 9. <i>Supervise the performance of major vendors and key issues or risks associated with delivering products or services from IT vendors.</i> 10. <i>Supervise every important matter related to human resources or processes related to the provision of IT services for the organization.</i> 11. <i>Ensure the completion of various IT-related issues or risks that the can't be solved by user and IT units in efficient and timely manner.</i> 12. <i>Supervise the drafting of major IT policies and procedures and risk management related to IT utilization within the organization.</i> 13. <i>Ensure the effective implementation of information security policies.</i> |
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KOMITE SDM (PEOPLE COMMITTEE)

Tujuan utama pembentukan Komite ini adalah untuk mengawasi keselarasan antara perilaku dan pola pikir karyawan yang sejalan dengan nilai-nilai perusahaan, regulasi, ketentuan dan prosedur. *People Committee* juga akan mengkaji, berdiskusi dan memberikan keputusan atas nama Bank pada area-area sebagai berikut:

- a. Pengkajian terhadap remunerasi dan program kesejahteraan karyawan;
- b. Perubahan pada pengaturan kerja karyawan;
- c. Pengkajian peraturan perusahaan secara periodik;
- d. *Fraud* yang dilakukan oleh karyawan;
- e. Rekomendasi atas tindak lanjut dari *channel Whistleblower*;
- f. *Misconduct*;
- g. Perilaku tidak etik (*non-ethical behavior*); dan
- h. Pelanggaran lain terhadap peraturan perusahaan.

Sepanjang tahun 2017, *People Committee* mengadakan 3 (tiga) kali rapat yaitu pada bulan Maret, Oktober dan November.

PEOPLE COMMITTEE

The main purpose of establishing this Committee is to oversee the alignment between employee behavior and mindset that is in line with company values, regulations, rules and procedures. The People Committee will also review, discuss and provide decisions on behalf of the Bank in the following areas:

- a. *Assessment of remuneration and employee welfare programs;*
- b. *Changes to employee work arrangements;*
- c. *Periodic review of company regulations;*
- d. *Fraud committed by employees;*
- e. *Recommendations on follow-up of the Whistleblower channel;*
- f. *Misconduct;*
- g. *Non-ethical behavior; and*
- h. *Other violations of company regulations.*

Throughout the year 2017, the People Committee held 3 (three) meetings in March, October and November.

Komposisi dan Keanggotaan Composition and Membership

Ketua: <i>Chairman</i>	Chief of Human Resources	<i>Chief of Human Resources</i>
Anggota dengan Hak Suara <i>Member with Voting Rights</i>	Presiden Direktur	<i>President Director</i>
	Direktur Retail Banking	<i>Director of Retail Banking</i>
	Direktur Operations & IT	<i>Director of Operations & IT</i>
	Direktur SME Banking	<i>Director of SME Banking</i>
	Direktur Manajemen Risiko	<i>Director of Risk Management</i>
	Chief of Compliance and Legal	<i>Chief of Compliance and Legal</i>
	Chief of Finance and Treasury	<i>Chief of Finance and Treasury</i>

Tugas dan Tanggung Jawab

1. Mengawasi implementasi nilai-nilai Bank, regulasi, dan segala hal berkaitan dengan kepatuhan terhadap peraturan, prosedur, dan praktik bisnis.
2. Membantu Dewan Direksi dan/atau Komite Remunerasi dan Nominasi dalam memenuhi tanggung jawab pengawasan bagi Dewan Direksi dan Pejabat Eksekutif yang berkaitan dengan:

Duties and responsibilities

1. Supervise the implementation of Bank's values, regulations and all matters related to compliance with business rules, procedures and practices.
2. Assist Board of Directors and/or the Remuneration and Nomination Committee in fulfilling oversight responsibilities for Board of Directors and Executive Officers related to:

- a. Penunjukan (rekrutmen, rotasi, dan promosi)
 - b. Penilaian kinerja
 - c. *Talent Management* terkait dengan pengembangan, retention strategies, dan perencanaan *succession management*
 - d. Strategi remunerasi
3. Mengkaji perubahan/pembaruan (maupun baru) atas kebijakan, program dan/atau petunjuk yang memiliki dampak terhadap kesejahteraan karyawan.
 4. Mengkaji peraturan perusahaan setiap dua tahun sekali.
 5. Mengkaji laporan hasil investigasi terkait dengan *fraud*, *whistleblower*, dan pelanggaran yang dilakukan oleh karyawan dan menetapkan tindakan disipliner yang akan diambil.
 6. Komite ini juga dapat memberikan rekomendasi kepada *Risk Management Committee* (RMC) dalam usaha memperkuat fungsi kontrol terhadap *fraud* dan/atau kelalaian oleh karyawan.

KOMITE MANAJEMEN RISIKO TERINTEGRASI

Bank Commonwealth sebagai Entitas Utama memiliki Komite Manajemen Risiko Terintegrasi (KMRT) yang membantu pelaksanaan tugas dan tanggung jawab Direksi terkait manajemen risiko terintegrasi.

Komposisi dan Keanggotaan

Komposisi keanggotaan KMRT terdiri dari Direktur Entitas Utama yang membawahkan fungsi Manajemen Risiko sebagai ketua merangkap anggota KMRT, Direktur yang mewakili/ditunjuk dari LJK dalam Konglomerasi Keuangan dan pejabat eksekutif terkait yang merupakan pejabat satu tingkat di bawah Direksi, antara lain pejabat eksekutif yang memimpin satuan kerja operasional dan/atau fungsi/satuan kerja Manajemen Risiko. Jumlah dan komposisi anggota KMRT telah sesuai dengan ketentuan yang ditetapkan dengan memperhatikan keterwakilan masing-masing sektor jasa keuangan.

Tugas dan Tanggung Jawab

KMRT memiliki Piagam Komite yang mengatur tugas dan tanggung jawab komite, antara lain:

- a. Memberikan rekomendasi kepada Direktur Entitas Utama dalam penyusunan kebijakan manajemen risiko terintegrasi dan termasuk penyempurnaan kebijakannya.
- b. Mengevaluasi kesesuaian kebijakan Manajemen Risiko Terintegrasi dengan pelaksanaan kebijakan tersebut.
- c. Memantau dan mengevaluasi pelaksanaan tugas Satuan Kerja Manajemen Risiko Terintegrasi.
- d. Melakukan *review* pelaksanaan Manajemen Risiko Terintegrasi yang terdiri dari:
 1. Laporan Profil Risiko baik secara individu Lembaga Jasa Keuangan maupun profil risiko secara terintegrasi dengan perusahaan terelasi.
 2. Laporan lainnya terkait dengan pengelolaan 10 (sepuluh) jenis risiko yaitu risiko kredit, risiko pasar, risiko operasional, risiko likuiditas, risiko hukum, risiko kepatuhan, risiko reputasi, risiko strategik, risiko transaksi intra-group dan risiko asuransi.
- e. Memantau kecukupan proses identifikasi, pengukuran, pemantauan, pengendalian dan sistem informasi Manajemen Risiko Terintegrasi.
- f. Melaksanakan Rapat Komite Manajemen Risiko Terintegrasi sekurang-kurangnya sekali dalam 6 (enam) bulan.
- g. Membuat laporan berkala mengenai kegiatan Komite Manajemen Risiko Terintegrasi serta hal-hal yang diperlukan untuk menjadi perhatian Dewan Komisaris sekurang-kurangnya sekali dalam 6 (enam) bulan.

Komite Manajemen Risiko Terintegrasi telah menyelenggarakan 6 (enam) kali rapat selama tahun 2017. Rapat dihadiri secara fisik oleh semua anggota komite dan pihak terkait lainnya dengan pembahasan topik/materi sebagai berikut:

- Tinjauan atas Profil Risiko Terintegrasi Bank yang mencakup 10 (sepuluh) jenis risiko yaitu risiko kredit, pasar, likuiditas, operasional, hukum, kepatuhan, strategi, reputasi, transaksi intra-group dan asuransi.

- a. *Appointment (recruitment, rotation, and promotion)*
 - b. *Performance assessment*
 - c. *Talent Management related to development, retention strategies, and succession management planning*
 - d. *Remuneration strategy*
3. *Review on changes/updates (or new) of policies, programs and/or guidelines that have impact on employees welfare.*
 4. *Review company regulations every two years.*
 5. *Review reports of investigation results related to fraud, whistleblower, and violations committed by employees and establish disciplinary action to be taken.*
 6. *The Committee may also provide recommendations to the Risk Management Committee (RMC) in an effort to strengthen the control function of fraud and/or negligence by employees.*

INTEGRATED RISK MANAGEMENT COMMITTEE

Commonwealth Bank as a Primary Entity has an Integrated Risk Management Committee (KMRT) that assists the Directors' duties and responsibilities related to integrated risk management.

Composition and Membership

The membership composition of the KMRT consists of the Principal Entity Director who oversees the Risk Management function and serves as chairman as well as a member of KMRT, the Director representing/appointed from LJK in the Financial Conglomeration and relevant executive officer who are one-level under Board of Directors, including executive officer who leads the operational unit and/or function/work unit of Risk Management. The number and composition of KMRT members have been in accordance with the stipulated provisions by considering the representation of each sector of financial services.

Duties and Responsibilities

KMRT has a Committee Charter that governs the duties and responsibilities of the committee, such as:

- a. *Provide recommendations to the Director of the Main Entity in the drafting and finishing of integrated risk management policy.*
- b. *Evaluate the fitness of Integrated Risk Management policy with the implementation of the policy.*
- c. *Monitor and evaluate the implementation of duties of Integrated Risk Management Unit.*
- d. *Conduct a review of the implementation of Integrated Risk Management that consists of:*
 1. *Risk Profile Report both individually by a Financial Institution and integrated risk profile with related company.*
 2. *Other reports related to the management of 10 (ten) risky types such as credit risk, market risk, operational risk, liquidity risk, legal risk, compliance risk, reputation risk, strategic risk, intra-group transaction risk and insurance risk.*
- e. *Monitor the adequacy of the process of identification, measurement, monitoring, control and integrated Risk Management information system.*
- f. *Carry out Integrated Risk Management Committee Meeting at least once every 6 (six) months.*
- g. *Produce periodic report on the activities of Integrated Risk Management Committee as well as matters necessary for Board of Commissioners' attention at least once every 6 (six) months.*

Integrated Risk Management Committee held 6 (six) meetings throughout 2017. The meetings were physically attended by all committee members and other related parties with the topics/materials being discussed are as follows:

- *Overview of Bank's Integrated Risk Profile which covers 10 (ten) risk types: Credit risk, market, liquidity, operational, legal, compliance, strategy, reputation, intra-group transaction and insurance.*

- Pemantauan permodalan terintegrasi Konglomerasi Keuangan terhadap ketentuan penyediaan modal minimum Konglomerasi Keuangan (*regulatory capital*) yang dipersyaratkan oleh regulator untuk mengantisipasi potensi kerugian yang dapat timbul dari aktivitas usaha Konglomerasi Keuangan.
- *Integrated capital monitoring of Financial Conglomeration toward the minimum regulatory capital required by the regulator to anticipate potential losses that may arise from business activities of Financial Conglomeration.*

Sekretaris Perusahaan

Corporate Secretary

Dalam menjalankan tugasnya, Sekretaris Perusahaan bertanggung jawab langsung kepada Direksi dan melaporkan segala kegiatannya kepada Dewan Komisaris.

Seorang Sekretaris Perusahaan harus selalu peka terhadap setiap kejadian yang terjadi di lingkungan perusahaan agar mampu menyampaikan informasi yang jelas, akurat dan tepat waktu kepada pemangku kepentingan atau pihak yang membutuhkan.

TUGAS DAN TANGGUNG JAWAB

Sesuai dengan Kebijakan Sekretaris Perusahaan, tugas dan tanggung jawab Sekretaris Perusahaan adalah:

1. Memberikan masukan kepada Direksi dan Dewan Komisaris untuk mematuhi ketentuan peraturan perundang-undangan;
2. Menetapkan jadwal pertemuan Direksi dan Dewan Komisaris dengan memperhatikan masukan dari setiap anggota;
3. Mengatur dan mendokumentasikan rapat Dewan Komisaris, Komite Pengawas Risiko, Komite Tata Kelola Integritas, dan Komite Audit;
4. Menatausahakan dan menyimpan dokumen perusahaan dan dokumen Dewan Komisaris;
5. Komite Tata Kelola Integritas, Komite Pengawas Risiko, dan Komite Audit;
6. Menjadi penghubung dalam komunikasi formal antara Direksi dan Dewan Komisaris;
7. Menjadi penyelenggara dan mendokumentasi Rapat Umum Pemegang Saham;
8. Menjadi penyelenggara dan mendokumentasi rapat Direksi dan/atau Dewan Komisaris; dan
9. Sebagai penghubung antara Bank, pemegang saham, dan dengan pemangku kepentingan lainnya.

In performing its duties, the Corporate Secretary is directly responsible to Board of Directors and reports all of its activities to Board of Commissioners.

A Corporate Secretary should always be aware to any incidents occurring within the company's environment in order to be able to present clear, accurate and timely information to stakeholders or parties in need.

DUTIES AND RESPONSIBILITIES

In accordance with the Corporate Secretary Policy, duties and responsibilities of the Corporate Secretary are:

1. *Provide input to Board of Directors and Board of Commissioners to comply with the provisions of laws and regulations;*
2. *Set up meeting schedules of Board of Directors and Board of Commissioners by considering suggestions from every member;*
3. *Organize and document meetings of Board of Commissioners, Risk Monitoring Committee, Integrity Management Committee and Audit Committee;*
4. *Organize and keep company's documents and documents of Board of Commissioners;*
5. *Integrity Management Committee, Risk Monitoring Committee and Audit Committee;*
6. *Become a liaison in formal communication between Board of Directors and Board of Commissioners;*
7. *Become the organizer and document General Meetings of Shareholders;*
8. *Become the organizer and document the meetings of Board of Directors and/or Board of Commissioners; and*
9. *Become a liaison between Bank, shareholders and with other stakeholders.*

Satuan Kerja Audit Internal

Internal Audit Work Unit

Satuan Kerja Audit Internal (SKAI) adalah unit yang bertanggung jawab langsung kepada Direksi terkait tugas pemberian keyakinan (*assurance*) mengenai kesesuaian pelaksanaan kegiatan di Bank melalui penilaian yang independen dan objektif terhadap kecukupan dan efektivitas desain operasional sistem pengendalian internal, manajemen risiko, dan tata kelola Bank.

Selain mengacu kepada Piagam Audit Internal, SKAI menggunakan Standar Pelaksanaan Fungsi Audit Internal Bank (SPFAIB) yang ditetapkan dalam Peraturan Bank Indonesia No. 1/6/PBI/1999 tentang Penugasan Direktur Kepatuhan dan Penerapan Standar Pelaksanaan Fungsi Audit Internal Bank Umum dan Standar Praktik Profesional dari the Institute of Internal Auditors (IIA) sebagai panutan dalam pelaksanaan tugasnya di Bank.

VISI DAN MISI SATUAN KERJA AUDIT INTERNAL

Visi

Untuk menjadi penyedia jasa *assurance* yang independen, profesional, konstruktif, dan berkualitas.

Internal Audit Work Unit (SKAI) is the unit directly responsible to Board of Directors regarding the assurance on the suitability of Bank's activities through independent and objective assessment of the adequacy and effectiveness of operational design of internal control systems, risk management, and Bank governance.

Apart from referring to the Internal Audit Charter, SKAI uses the Standard of Implementation of Bank Internal Audit Function (SPFAIB) stipulated in Bank Indonesia Regulation no. 1/6/PBI/1999 on Assignment of Compliance Director and Application of Implementation Standard of Internal Audit Function of Commercial Bank and Professional Practice Standard from the Institute of Internal Auditors (IIA) as role model in the implementation of its duties at the Bank.

VISION AND MISSION OF INTERNAL AUDIT

Vision

To become an independent, professional, constructive, and qualified assurance provider.

Misi

Untuk memberikan *assurance* yang independen dan objektif kepada Direksi dan Dewan Komisaris melalui Komite Audit terhadap efektivitas desain dan efektivitas operasional tata kelola, manajemen risiko, dan sistem pengendalian internal Bank.

WEWENANG SKAI

1. SKAI memiliki wewenang secara menyeluruh, bebas, dan tidak terbatas untuk mengakses setiap dan semua catatan, properti fisik maupun personel yang relevan dengan fungsi yang sedang dikaji.
2. SKAI tidak memiliki tanggung jawab operasional atau kewenangan atas aktivitas dari area yang dikaji untuk menjaga independensinya.
3. SKAI tidak menyusun atau memasang 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.

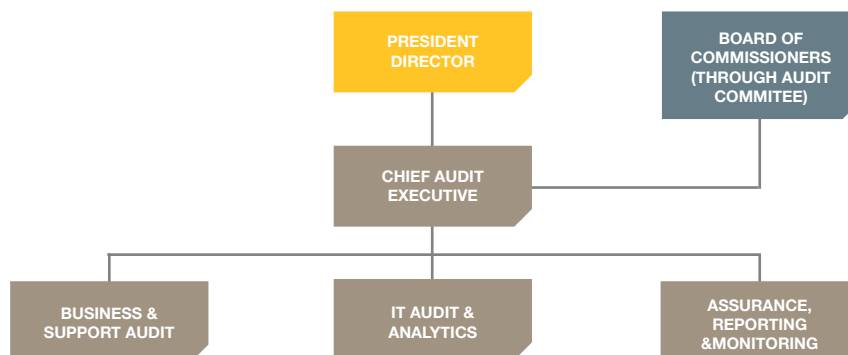
PROFIL KEPALA SKAI

Reza Soemadipradja
Kepala Satuan Kerja Audit Internal

Reza HM Soemadipradja telah menjabat sebagai *Chief of Audit* sejak Juli 2011 hingga sekarang melalui Surat Pengangkatan No. HRPA/8/194/2011. Beliau memasuki bidang auditor di tahun 1997 saat bekerja sebagai Senior Auditor di Kantor Akuntan Publik Sarwoko & Sandjaja (*member* Ernst & Young) Jakarta (1997-2001). Karier beliau berlanjut ke Citibank N.A. dengan posisi Senior Vice President, Kepala Satuan Kerja Audit Internal (2001-2011) sebelum bergabung dengan Bank Commonwealth.

STRUKTUR DAN KEDUDUKAN SKAI

Sampai dengan 31 Desember 2017, struktur organisasi SKAI di Bank Commonwealth adalah sebagai berikut:



SKAI dikepalai oleh seorang Chief of Audit/Kepala SKAI, yang saat ini dijabat oleh Reza HM Soemadipradja, dan didukung oleh 19 orang anggota.

Kepala SKAI diangkat dan diberhentikan oleh Presiden Direktur Bank dengan persetujuan Dewan Komisaris. 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 personel yang terampil dan berkualitas. Anggota SKAI diangkat dan diberhentikan oleh Kepala SKAI.

TUGAS DAN TANGGUNG JAWAB

Satuan Kerja Audit Intern (SKAI) merupakan fungsi yang melakukan penilaian secara independen dan objektif terhadap kecukupan dan efektivitas desain dan operasional sistem pengendalian internal,

Mission

To provide independent and objective assurance to Board of Directors and Board of Commissioners through the Audit Committee on the effectiveness of design and operational effectiveness of the Bank's governance, risk management, and internal control system.

SKAI AUTHORITY

1. *SKAI has the overall, independent, and unlimited authority to access any and all records, physical properties or private relevant to the function under review.*
2. *SKAI shall not have any operational responsibility or authority over the activities of the area under review to maintain its independence.*
3. *SKAI does not compile or install systems or procedures, documentation, or engage in activities normally audited; The associated Work Unit has the responsibility for effectiveness and efficiency of their internal control.*

SKAI CHAIRMAN PROFILE

Reza Soemadipradja
Head of Internal Audit Work Unit

Reza HM Soemadipradja has been the Chief of Audit since July 2011 through Letter of Appointment no. HRPA/8/194/2011. He entered the auditor field in 1997 while working as Senior Auditor at Sarwoko & Sandjaja Public Accounting Firm (Ernst & Young Member) Jakarta (1997-2001). His career continued at Citibank N.A. serving as Senior Vice President, Head of Internal Audit Working Unit (2001-2011) before joining Commonwealth Bank.

STRUCTURE AND POSITION OF INTERNAL AUDIT WORK UNIT

As of December 31, 2017, the organizational structure of the Internal Audit Unit at Commonwealth Bank is as follows:

SKAI is led by a Chief of Audit/Chairman of SKAI, currently held by Reza HM Soemadipradja, and supported by 19 members.

Chairman of SKAI is appointed and dismissed by President Director of the Bank with the approval from Board of Commissioners. Chairman of SKAI reports directly to the President Director and has communication channels with Board of Commissioners through the Audit Committee.

SKAI has team members from various backgrounds such as accounting firms or other banks with most of them have experience in audit, as well as from other Banking Units with expertise and knowledge in certain areas. The selection of SKAI team members is done in a careful way to select skilled and qualified personnel. Members of SKAI are appointed and dismissed by the Chairman of Internal Audit Unit.

DUTIES AND RESPONSIBILITIES

Internal Audit Work Unit (SKAI) is a function that conducts independent and objective assessments on the adequacy and effectiveness of the design and operation of Bank's internal control, risk management

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, Standar Praktik Profesional dari the Institute of Internal Auditors (IIA), dan Piagam Audit Intern yang menjabarkan visi, misi, wewenang, dan tanggung jawab SKAI.

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 strategis, risiko kredit, risiko pasar, risiko likuiditas, risiko operasional (termasuk insiden risiko operasional dan kasus *fraud* – apabila ada), risiko hukum, risiko kepatuhan, risiko reputasi, 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. Metodologi dan pendekatan audit secara berkala dikaji ulang agar sesuai dengan perkembangan terkini dan praktik terbaik.

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.

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.

PIAGAM DAN PANDUAN SKAI

Piagam Audit Internal (*Internal Audit Charter*) memuat visi, misi, wewenang, dan tanggung jawab SKAI, dan telah disahkan pada tanggal 17 Juni 2014. Piagam ini diharapkan dapat menjadi panduan yang menuntun SKAI dalam melaksanakan kewajibannya.

KUALIFIKASI/SERTIFIKASI SKAI

Selama tahun 2017, seluruh anggota SKAI telah tersertifikasi dalam bidang manajemen risiko perbankan sesuai dengan ketentuan Bank Indonesia.

PENDIDIKAN DAN PELATIHAN

Pelatihan dan pengembangan anggota SKAI dilakukan melalui beberapa kegiatan berikut:

1. Pengikutsertaan anggota SKAI dalam pelatihan-pelatihan, terkait keahlian khusus seperti, Teknologi Informasi, 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).
2. SKAI menjadwalkan program alih pengetahuan secara berkesinambungan 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.

SATUAN KERJA AUDIT INTERNAL TERINTEGRASI

Pelaksanaan fungsi Satuan Kerja Audit Intern Terintegrasi (SKAIT) dirangkap oleh Satuan Kerja Audit Intern Bank Commonwealth. Di tahun 2017, SKAIT telah melakukan pemantauan atas pelaksanaan audit dan temuan-temuan audit di Lembaga Jasa Keuangan (LJK) dalam Konglomerasi Keuangan. Hal ini telah dilaporkan dalam Rapat Komite Tata Kelola Terintegrasi Manajemen Risiko.

and governance systems. In performing its duties, SKAI is guided by the Standard of Implementation of Bank Internal Audit Function (SPFAIB) stipulated in Bank Indonesia Regulation no. 1/6/PBI/1999 on Assignment of Compliance Director and Implementation of Implementation Standard of Internal Audit Function of Commercial Bank, Professional Practice Standard from the Institute of Internal Auditors (IIA), and Internal Audit Charter which describes the vision, mission, authority and responsibilities of SKAI.

AUDIT APPROACH

In conducting annual audit planning as well as audit assignments, SKAI uses a risk-based approach. With the risk-based approach, the Bank will get added values in the form of priority areas with greater risk in the Bank.

A risk-based approach to annual audit planning is undertaken by assessing any entity that has the potential to be audited, against 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, reputation risk, findings from the Financial Services Authority, and rating of the latest audit report. The Audit Plan is also prepared by considering the number of human resources available in the SKAI. A detailed description of the audit steps is described in the Internal Audit Guidelines. Audit methodologies and approaches are periodically reviewed to suit with the latest development and best practices.

On an ongoing basis, SKAI monitors the achievement of the audit plan as well as emerging risks. This is done so that from time to time, SKAI may evaluate the audit plan in the current year and make changes where necessary.

SKAI also periodically meets with Board of Directors and Audit Committee to discuss audit activities that have been undertaken, findings that need to be paid attention to by Audit Committee, as well as the status of the implementation of improvement plan on the findings of Internal Audit Unit.

SKAI CHARTER AND GUIDE

Internal Audit Charter contains the vision, mission, authority and responsibilities of the SKAI, and had been legalized on June 17, 2014. The Charter is expected to be a guide that guides the SKAI in performing its obligations.

SKAI QUALIFICATION/CERTIFICATION

Throughout 2017, all members of the SKAI have been certified in the field of banking risk management in accordance with Bank Indonesia regulations.

EDUCATION AND TRAINING

The training and development of SKAI members are conducted through the following activities:

1. *Participation of SKAI members in special skills trainings, such as Information Technology, Credit and certification programs such as Certified Internal Auditor (CIA), Certification in Control Self Assessment (CCSA), Certified Information System Auditor (CISA), and Banking Risk Management (LSPP).*
2. *SKAI schedules a continuous knowledge-transfer program for its members internally by holding a sharing session that invites speakers from relevant departments or work units to explain processes, products, etc. to SKAI members.*

INTEGRATED INTERNAL AUDIT WORK UNIT

Implementation of the function of Integrated Internal Audit Work Unit (SKAIT) is captured by the Commonwealth Bank Internal Audit Work Unit. In 2017, SKAIT had conducted monitoring on audit implementation and audit findings at Financial Services Institution (LJK) in Financial Conglomeration. This had been reported in the Risk Management Integrated Management Committee Meeting.

PELAKSANAAN TUGAS SKAI

SKAI telah melaksanakan 39 audit di tahun 2017 yang juga tercakup di dalamnya beberapa audit khusus yang dilakukan untuk menanggapi *emerging risk*. Realisasi Audit tahun 2017 telah dilaporkan kepada Direksi dan Dewan Komisaris melalui Rapat Komite Audit yang diadakan pada bulan Desember 2017.

Penerapan Manajemen Risiko Risk Management Implementation

Untuk mendukung pelaksanaan fungsi manajemen risiko, Bank memiliki struktur organisasi yang memadai antara lain Satuan Kerja Manajemen Risiko (SKMR) dan Komite Manajemen Risiko (KMR). SKMR memiliki fungsi yang independen terhadap satuan kerja bisnis/operasional, Satuan Kerja Kepatuhan (SKK) dan Satuan Kerja Audit Internal (SKAI), di mana Direktur SKMR bertanggung jawab secara langsung kepada Presiden Direktur Bank.

SKMR sebagai lini pertahanan kedua, melakukan pemantauan risiko terhadap unit kerja bisnis/operasional yang menyampaikan laporan eksposur risiko yang dikelolanya kepada SKMR secara berkala. Penerapan manajemen risiko kredit dilakukan antara lain dengan memberikan rekomendasi terhadap pengambilan keputusan kredit oleh unit bisnis. Sedangkan, penerapan manajemen risiko operasional didukung oleh *operational risk champion* yang melakukan pengendalian risiko operasional pada unit kerjanya masing-masing. Manajemen risiko pasar dan likuiditas dilakukan melalui pemantauan secara independen terhadap aktivitas Bank yang terkait dengan risiko-risiko tersebut. SKMR dan KMR memiliki wewenang dan tanggung jawab yang jelas yang tercantum dalam kebijakan manajemen risiko maupun piagam Komite Manajemen Risiko. SKMR bekerja sama dengan SKAI dan SKK dalam melaksanakan pengendalian intern di mana fungsi tersebut terus dipantau dan dievaluasi oleh Komite Manajemen Risiko melalui rapat yang dilakukan secara berkala.

Bank memiliki kebijakan dan prosedur penerapan manajemen risiko yang memadai dan telah dikinikan secara berkala. Komisaris dan Direksi melakukan pengawasan secara aktif terhadap pelaksanaan kebijakan dan strategi manajemen risiko melalui rapat Komite Pemantau Risiko dan Komite Manajemen Risiko yang diadakan 1 (satu) kali setiap 2 (dua) bulan. Bank menetapkan limit risiko untuk setiap jenis risiko yang melekat dalam aktivitas Bank serta melakukan evaluasi dan pemantauan kepatuhan terhadap *Risk Appetite*, toleransi dan limit risiko yang telah ditetapkan. Hasil pemantauan terhadap *Risk Appetite*, toleransi dan limit risiko dilaporkan kepada Komite Manajemen Risiko dan Komite Pemantau Risiko secara berkala. Bank juga memperhitungkan dan menyelaraskan aktivitas bisnisnya dengan kemampuan permodalan untuk menyerap risiko kerugian. Kecukupan permodalan dipantau oleh Divisi *Finance* dan SKMR serta dilaporkan secara berkala kepada Direksi dan Dewan Komisaris dalam rapat-rapat komite.

Penerapan sistem pengendalian intern yang menyeluruh dan efektif sudah dilaksanakan dalam mendukung pelaksanaan manajemen risiko dan ditata sesuai dengan tujuan bisnis Bank. Pengendalian risiko Bank dikelola berdasarkan Model Tiga Lini Pertahanan. Model ini memberikan struktur di mana kerangka manajemen risiko dapat diimplementasikan dan dilakukan secara efektif oleh seluruh bisnis unit, termasuk untuk pengendalian. Pengendalian internal dirancang dan diadopsi melalui formalisasi dan pelaksanaan berbagai kebijakan dan prosedur Bank serta pemenuhan atas kewajiban peraturan atau regulasi. Lini Pertahanan Pertama bertanggung jawab untuk identifikasi, menilai, eskalasi, memantau dan melaporkan risiko serta kelemahan pengendalian atau proses selama kegiatan usaha. Lini Pertahanan Kedua menetapkan kerangka kerja dan kebijakan Manajemen

IMPLEMENTATION OF SKAI TASK

SKAI conducted 39 audits in 2017 which also included some special audits conducted to respond to emerging risk. The actual Audit of 2017 had been reported to Board of Directors and Board of Commissioners through the Audit Committee Meetings held in December 2017.

To support the implementation of risk management function, Bank has adequate organizational structure such as Risk Management Work Unit (SKMR) and Risk Management Committee (KMR). SKMR has a function that is independent of business/operational unit, Compliance Work Unit (SKK) and Internal Audit Work Unit (SKAI), in which the SKMR director is directly responsible to president director of the Bank.

SKMR as the second line of defense, monitors the risk to business/operational unit that prepares the risk exposure report to SKMR on a regular basis. The implementation of credit risk management is carried out, among others, by providing recommendation on credit decision making by business unit. Meanwhile, the implementation of operational risk management is supported by operational risk champion which performs operational risk control in their respective working units. Market risk and liquidity management are conducted through independent monitoring of the Bank's activities that are related to those risks. SKMR and KMR have clear power and responsibilities listed in the risk management policy and the Risk Management Committee Charter. SKMR cooperates with SKAI and SKK in implementing internal controls in which the function is continuously monitored and evaluated by Risk Management Committee through regular meetings.

Bank has adequate risk management policies and procedures that have been periodically updated. Board of Commissioners and Board of Directors exercise active supervision over the implementation of risk management policies and strategies through meetings with Risk Oversight Committee and Risk Management Committee held 1 (once) every 2 (two) months. The Bank imposes a risk limit for each type of risk inherent to Bank's activities and conducts evaluation and monitoring of compliance to Risk Appetite, tolerance and risk limit. Monitoring result of Risk Appetite, tolerance and risk limit are reported to the Risk Management Committee and Risk Monitoring Committee on a regular basis. The Bank also calculates and aligns its business activities with capital capability to absorb the risk of loss. The adequacy of capital is monitored by the Finance Division and SKMR and reported periodically to Board of Directors and Board of Commissioners in committee meetings.

A comprehensive and effective implementation of internal control system has been implemented to support the implementation of risk management and is structured according to the Bank's business objectives. Risk control is managed based on the Three Defense Line Model. This model provides a structure where the risk management framework can be implemented and effectively implemented by all business units, including for control. Internal control is designed and adopted through the formalization and implementation of various Bank policies and procedures and compliance with rules and regulations. The First Defense Line is responsible for identifying, assessing, escalating, monitoring and reporting control risks and weaknesses or process during business activities. The Second Defense Line establishes the Risk Management framework and policies and ensures that these policies are implemented properly.

Risiko dan memastikan kebijakan tersebut dilaksanakan dengan baik. Sebagai Lini Pertahanan ketiga, SKAI melakukan kajian audit secara reguler dan melapor kelemahan pengendalian yang memerlukan tindak lanjut kepada *auditee*, manajemen, Direksi dan Dewan Komisaris.

As a third line of Defense, SKAI conducts regular auditing review and reports on control weaknesses that require a follow-up to auditors, management, Board of Directors and Board of Commissioners.

Penanganan Benturan Kepentingan Conflict of Interest Handling

Sebagai bagian dari pelaksanaan tata kelola perusahaan yang baik (*Good Corporate Governance*) dan untuk menciptakan lingkungan kerja yang bebas dari korupsi, Bank Commonwealth berupaya untuk melakukan pencegahan dan penanganan terjadinya Benturan Kepentingan. Kebijakan Benturan Kepentingan merupakan acuan bagi karyawan, anggota Direksi dan Dewan Komisaris dalam hal terjadi Benturan Kepentingan.

As part of the implementation of Good Corporate Governance and to create a corruption-free work environment, Commonwealth Bank seeks to prevent and handle Conflict of Interest. Conflict of Interest Policy is a reference for employees, members of Board of Directors and Board of Commissioners in case a Conflict of Interest happens.

Pada tahun 2017, Bank Commonwealth telah melakukan pengkinian Kebijakan Benturan Kepentingan yang mengatur hal-hal antara lain pencegahan, pengendalian dan pengungkapan serta pelaporan Benturan Kepentingan. Seluruh karyawan, anggota Direksi dan Dewan Komisaris wajib memahami setiap situasi/kondisi yang dapat menimbulkan Benturan Kepentingan dan mampu mengidentifikasi kemungkinan terjadinya benturan kepentingan.

In 2017, Commonwealth Bank updated the Conflict of Interest Policy which regulates matters such as prevention, control and disclosure and reporting of Conflict of Interest. All employees, members of Board of Directors and Board of Commissioners shall be aware of any situation/condition that may create a Conflict of Interest and be able to identify potential conflict of interest.

Dalam hal terjadi Benturan Kepentingan atau potensi benturan kepentingan wajib diungkapkan dan dilakukan pencatatan pada form Registrasi Benturan Kepentingan yang telah ditetapkan untuk dilaporkan kepada Divisi Kepatuhan dan HRD.

In the event of a Conflict of Interest or potential conflict of interest, it shall be disclosed and recorded in the Conflicts of Interest Form form and should be reported to the Compliance and HRD Division.

Selama tahun 2017 tidak terdapat transaksi material yang memiliki benturan kepentingan.

Throughout 2017 there were no material transactions that had a conflict of interest.

Tabel Transaksi yang Memiliki Benturan Kepentingan

Table of Transactions with Conflict of Interest

No.	Nama dan Jabatan Pihak yang Memiliki Benturan Kepentingan <i>Name and Position of Party with Conflict of Interest</i>	Nama dan Jabatan Pengambilan Keputusan <i>Name and Position of Decision Making</i>	Jenis Transaksi <i>Type of Transaction</i>	Nilai Transaksi (jutaan Rupiah) <i>Transaction Value (millions of Rupiah)</i>	Daftar Hadir <i>List of Attendees</i>
1.	-	-	-	-	-
2.	-	-	-	-	-
3.	-	-	-	-	-

Fungsi Kepatuhan Compliance Function

Bank Commonwealth sebagai pelaku usaha di industri perbankan senantiasa memprioritaskan penerapan aspek kepatuhan dalam menjalankan kegiatan usahanya. Hal ini dipercaya dapat mendorong keberhasilan usaha dan menjamin keberlangsungan usaha, sekaligus menjaga reputasi Bank dan melindungi kepentingan para pemangku kepentingan. Pelaksanaan kepatuhan yang baik akan mendukung penerapan tata kelola yang baik.

Commonwealth Bank as business player in the banking industry always prioritizes the implementation of compliance aspect in running its business activities. This is believed as a way to drive business success and ensure business sustainability, while maintaining the Bank's reputation and protecting the interests of stakeholders. Implementation of good compliance will support the implementation of good governance, considering the compliance function is one aspect of GCG.

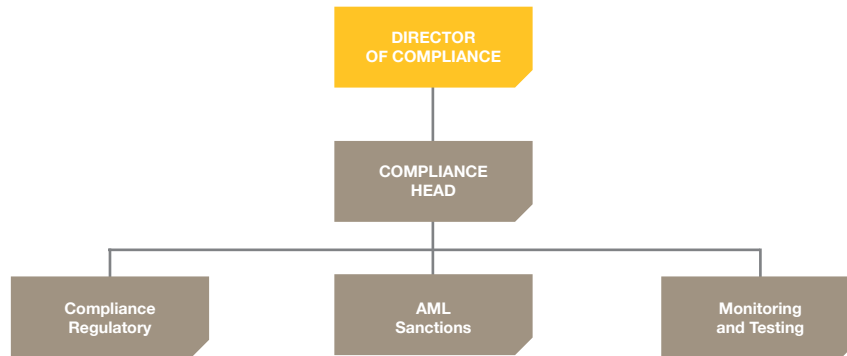
Bank Commonwealth akan berupaya untuk terus meningkatkan budaya kepatuhan dan memastikan pelaksanaan fungsi kepatuhan sesuai dengan Peraturan OJK No.46/POJK.03/2017 tentang Pelaksanaan Fungsi Kepatuhan Bank Umum. Fungsi kepatuhan terdiri dari langkah-langkah strategis guna memastikan kebijakan dan kegiatan usaha Bank telah sesuai dengan ketentuan dan peraturan perundang-undangan.

Commonwealth Bank will try to continuously improve the culture of compliance and ensure the implementation of compliance function in accordance with OJK Regulation No.46/POJK.03/2017 on the Implementation of Commercial Bank Compliance Function. The compliance function consists of strategic measures to ensure that the Bank's business policies and activities are in compliance with laws and regulations.

Struktur Organisasi Fungsi Kepatuhan

Fungsi kepatuhan dilakukan oleh Satuan Kerja Kepatuhan sebagai satuan kerja independen yang memiliki tanggung jawab langsung kepada Direktur yang membawahkan fungsi kepatuhan.

Pada Juli 2017, Bank telah mengangkat Ibu Mutia Nilawati Dewi sebagai Direktur yang membawahkan fungsi kepatuhan melalui Surat Keputusan Para Pemegang Saham di Luar Rapat Umum Pemegang Saham Luar Biasa PT Bank Commonwealth No. SHR/RES/2017/VII/004, tanggal 17 Juli 2017. Pengangkatan Direktur yang membawahkan fungsi kepatuhan telah sesuai dengan ketentuan.



Satuan Kerja Kepatuhan terdiri dari unit-unit yaitu:

1. Compliance Regulatory

Unit ini memiliki tanggung jawab untuk melakukan komunikasi dengan regulator, memberi saran/rekomendasi kepatuhan dan mengkaji produk/layanan, kebijakan dan prosedur guna memastikan produk/layanan, kebijakan Bank telah sesuai dengan peraturan dan perundang-undangan serta memantau kepatuhan komitmen Bank kepada regulator. Selain itu, *Compliance Regulatory* juga melakukan serta memberikan pelatihan kepada karyawan sebagai bagian dari upaya untuk meningkatkan budaya dan pengetahuan kepatuhan.

2. AML dan Sanction

Unit ini bertanggung jawab dalam pelaksanaan program Anti Pencucian Uang (APU) dan Pencegahan Pendanaan Terorisme (PPT) sesuai peraturan yang berlaku dan juga memastikan transaksi keuangan dan perdagangan internasional sesuai dengan ketentuan *Sanctions* yang berlaku serta memberikan pelatihan kepada karyawan terkait pelaksanaan APU dan PPT

3. Monitoring dan Testing

Unit Monitoring dan Testing memiliki tanggung jawab dalam melakukan identifikasi risiko kepatuhan berdasarkan peraturan-peraturan yang diterbitkan oleh regulator dan melakukan pemantauan dan pengujian terhadap efektivitas dari pengendalian risiko kepatuhan pada *Line 1*.

Kepatuhan Regulasi Utama

Pemenuhan atas regulasi parameter utama dapat dipenuhi Bank dengan baik termasuk pemenuhan komitmen terhadap tindak lanjut hasil pemeriksaan Otoritas Jasa Keuangan/Bank Indonesia.

1. Rasio Kewajiban Penyediaan Modal Minimum (KPMM) atau CAR (*Capital Adequacy Ratio*) atas risiko kredit, risiko operasional dan risiko pasar di atas persyaratan minimum yang ditetapkan.
2. Giro Wajib Minimum (GWM) Primer Rupiah dan Valuta Asing serta GWM Sekunder di atas ketentuan minimum yang ditetapkan.
3. *Net Non-Performing Loan* (NPL) di bawah batas maksimum yang diperkenankan.
4. Tidak terdapat pelanggaran maupun pelampauan Batas Maksimum Pemberian Kredit (BMPK).
5. Posisi Devisa Neto (PDN) on dan *off balance sheet*, di bawah batas maksimum yang diperkenankan (20%).

Organizational Structure of Compliance Function

The compliance function is performed by the Compliance Unit as an independent work unit having direct responsibility to the Director who oversees the compliance function.

In July 2017, the Bank appointed Mutia Nilawati Dewi as Director in charge of compliance function through Decision Letter Shareholders Outside Extraordinary General Meeting of Shareholders of PT Bank Commonwealth. SHR/RES/2017/VII/004, dated July 17, 2017. The appointment of the Director in charge of the compliance function was in accordance with the provisions.

The Compliance Unit consists of units, namely:

1. Compliance Regulatory

This unit has the responsibility to communicate with regulators, provide compliance advice/recommendation and review on products/services, policies and procedures to ensure products/services, policies are in accordance with laws and regulations and monitor compliance of Bank's commitment to regulators. In addition, the *Compliance Regulatory* also conducts and provides training to employees as part of the effort to improve the culture and knowledge of compliance.

2. AML and Sanction

This unit is responsible for the implementation of Anti Money Laundering (APU) and Terrorism Financing (PPT) programs in accordance with applicable regulations and also ensures international financial and trade transactions in accordance with prevailing *Sanctions* and provides training to employees regarding the implementation of APU and PPT

3. Monitoring dan Testing

The Monitoring and Testing Unit has the responsibility in identifying compliance risks under regulations issued by the regulator and monitor and test the effectiveness of compliance risk controls on *Line 1*.

Compliance with Main Regulations

The fulfillment of the main regulatory parameter can be fulfilled by the Bank, including the fulfillment of commitment to follow-up on examination results of Financial Services Authority/Bank Indonesia.

1. *Capital Adequacy Ratio* (KPMM) or CAR (*Capital Adequacy Ratio*) ratio of credit risk, operational risk and market risk is above the minimum requirement.
2. *Minimum Statutory Reserves* (GWM) and Exchange Rate as well as *Secondary GWM* above are the minimum requirements.
3. *Net Non-Performing Loan* (NPL) below the maximum allowed limit.
4. There is no violation or excess of the *Legal Lending Limit* (BMPK).
5. *Net Open Position* (NOP) on and *off balance sheet* below are the maximum allowed limit (20%).

Pelaksanaan Kegiatan Satuan Kerja Kepatuhan 2017

Sepanjang tahun 2017, Unit Kepatuhan melaksanakan beberapa kegiatan terkait pengelolaan risiko kepatuhan, yang mencakup:

1. Melakukan sosialisasi peraturan baru kepada unit-unit terkait.
2. Mengadakan pelatihan Kode Etik Kepatuhan bagi karyawan baru Bank melalui *basic induction program*.
3. Mengadakan pelatihan reguler terkait APU/PPT dan *Sanctions* kepada semua karyawan baru dan *regulatory refresher* kepada unit-unit terkait.
4. Memberikan masukan terhadap produk/layanan/proyek bank terkait penerapan regulasi.
5. Melakukan kajian Kepatuhan atas setiap produk dan aktivitas baru dan kebijakan baru dan perubahannya.
6. Melakukan pemantauan tindak lanjut hasil pemeriksaan OJK/BI, untuk memastikan *corrective action* dilakukan sesuai dengan komitmen Bank kepada regulator.
7. Mengembangkan *Compliance Risk Management Framework* (CRMF) yang merupakan salah satu *tools* untuk mengidentifikasi, menilai, mengelola risiko kepatuhan unit bisnis dalam melakukan aktivitasnya sesuai dengan peraturan perundang-undangan, yang akan diimplementasikan pada tahun 2018.
8. Melakukan Pengembangan dan peningkatan sistem APU/PPT untuk mendukung pemantauan Transaksi Keuangan Mencurigakan dan Transaksi Keuangan Tunai, Transfer Dana juga telah dilakukan termasuk sistem yang mendukung implementasi FATCA dan CRS.

Pelaksanaan Kegiatan SKKT

Di tahun 2017, SKKT telah menyampaikan laporan pelaksanaan tugas dan tanggung jawab atas hasil pemantauan dan evaluasi pelaksanaan fungsi kepatuhan pada masing-masing LJK dalam Konglomerasi Keuangan. Penyampaian laporan pelaksanaan tugas dan tanggung jawab sampai dengan 31 Desember 2017 kepada Direktur Kepatuhan Entitas Utama juga telah dilakukan.

Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme

Upaya Bank Commonwealth untuk mencegah tindakan pencucian uang/pendanaan terorisme dilakukan melalui:

Pengawasan Aktif Direksi dan Dewan Komisaris

Penerapan Pengawasan aktif dari Direksi dan Dewan Komisaris dilakukan melalui penyampaian laporan secara berkala baik secara dua bulanan maupun secara semester.

Informasi yang disampaikan meliputi kegiatan APU & PPT, laporan kepada regulator, perkembangan proyek baik yang telah direncanakan maupun yang sedang berjalan dan hal lain yang dianggap signifikan terkait dengan penerapan program APU & PPT

Kebijakan dan Prosedur

Dalam upaya mendukung perkembangan usaha dan kegiatan transaksi bank, penyempurnaan serta penyesuaian kebijakan dan prosedur terhadap ketentuan OJK tahun 2017 yang terkait dengan pelaksanaan APU & PPT, antara lain memperbaharui dan menyesuaikan:

- Kebijakan Penerapan Program Anti Pencucian Uang dan Pencegahan Terorisme (APU-PPT);
- Prosedur Pelaporan *Anti Money Laundering*;
- Prosedur Pengelolaan Daftar Penyaringan/*Screening*;
- Prosedur *AML Analyst*; dan
- Pedoman lainnya yang terkait dengan pelaksanaan program APU & PPT

Pengendalian Internal

Pengendalian intern terkait APU & PPT dilakukan oleh Lini 1 melalui pengawasan terhadap kegiatan unit terkait serta kantor-kantor cabang dan kemudian dikaji oleh Audit Internal. Audit Internal juga memastikan pelaksanaan program APU & PPT telah berjalan sesuai ketentuan dan peraturan yang berlaku.

Sistem Informasi Manajemen

Dalam upaya mendukung pelaksanaan program Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme (APU & PPT), bank telah melakukan peninjauan terhadap sistem yang menunjang program APU & PPT

Implementation of 2017 Compliance Work Activities

Throughout 2017, the Compliance Unit undertook several activities related to compliance risk management, such as:

1. Socialization of new regulations to related units.
2. Conducted Code of Ethics Compliance training for new employees of the Bank through basic induction program.
3. Conducted regular training related to APU/PPT and Sanctions to all new employees and regulatory refresher to related units.
4. Provided input on products/services/projects of banks related to the implementation of regulations.
5. Conducted a Compliance Review of any new products and activities and new policies and changes.
6. Conducted a follow-up monitoring of OJK/BI inspection results, to ensure corrective action was performed in accordance with the Bank's commitment to the regulator.
7. Developed a Compliance Risk Management Framework (CRMF), one of the tools to identify, assess, manage business unit compliance risk in conducting its activities in accordance with the laws and regulations, which will be implemented in 2018.
8. Developed and improved the APU/PPT system to support the monitoring of Suspicious Financial Transaction and Cash Financial Transaction, Fund Transfer had also been made including systems that supported the implementation of FATCA and CRS.

Implementation of the Compliance Unit's Activities

In 2017, SKKT has submitted a report on the execution of duties and responsibilities for the monitoring and evaluation results of the implementation of the compliance function in each LJK in the Financial Conglomerate. Submission of reports on the implementation of duties and responsibilities up to December 31, 2017 to the Director of Compliance of the Main Entity has also been made.

Anti Money Laundering/Counter Terrorism Financing

Commonwealth Bank's efforts to prevent money laundering/terrorism financing are conducted through:

Board of Directors and Board of Commissioners Active Supervision

Implementation of active supervision of Board of Directors and Board of Commissioners shall be conducted bi-monthly or every semester.

Information presented includes APU & PPT activities, reports to regulators, planned and ongoing project developments and other significant matters related to APU & PPT program implementation.

Policies and Procedures

In an effort to support business development and bank transaction activities, the improvement and adjustment of policies and procedures against OJK provision in 2017 related to the implementation of APU & PPT, updating and adjusting to:

- Implementation of Anti Money Laundering and Counter-Terrorism Prevention Program (APU-PPT) Policy;
- Anti Money Laundering Reporting Procedure;
- Screening List Management Procedure;
- AML Analyst Procedure; and
- Other guidelines related to APU & PPT program implementation.

Internal Control

Internal control related to APU & PPT are conducted by Line 1 through supervision of related unit activities as well as branch offices and subsequently reviewed by Internal Audit. Internal Audit also ensures the implementation of APU & PPT program has been running in accordance with prevailing rules and regulations.

Management Information System

In an effort to support the implementation of Anti Money Laundering and Counter-Terrorism Prevention (APU & PPT) program, the bank has reviewed the system supporting the APU & PPT program.

Bank telah melakukan perkembangan sistem pemantauan transaksi dan penyaringan nama nasabah, dengan sistem *Suspicious Activity Monitoring* dan *Watch List Filtering* antara lain melalui:

1. Pemisahan alur kerja pemantauan transaksi nasabah dan transaksi karyawan;
2. Pemisahan tipe nasabah berdasarkan pekerjaan/profil dan bidang usaha dengan *thresholds* pada masing masing jenis nasabah;
3. Penambahan daftar eksternal *database* untuk penyaringan nama nasabah.

Sumber Daya Manusia dan Pelatihan

Pengembangan berkelanjutan terhadap sumber daya manusia telah dilakukan secara berkesinambungan. Program pelatihan yang telah berjalan di antaranya *Basic Induction Program*, *Onboarding for Frontliner*, dan *e-learning*.

Basic Induction Training merupakan program yang wajib diikuti oleh karyawan baru sebelum diangkat sebagai karyawan tetap. Pelatihan terhadap karyawan *existing* juga diberikan secara berkala melalui *e-learning*.

Cakupan materi pelatihan mencakup:

1. Pelaksanaan peraturan perundang-undangan yang terkait dengan program APU/PPT;
2. Tipologi pencucian uang dan pendanaan terorisme; dan
3. Kebijakan dan prosedur internal penerapan program APU dan PPT serta peran dan tanggung jawab karyawan dalam memberantas pencucian uang dan pendanaan terorisme.
4. Proses identifikasi dan pelaporan transaksi keuangan mencurigakan dan transaksi tunai dalam jumlah besar.
5. Contoh kasus yang terjadi dalam aktivitas sehari-hari.

Pelatihan APU/PPT di Tahun 2017

Sepanjang tahun 2017, Bank telah melaksanakan pelatihan terkait APU/PPT berikut:

The Bank has developed a system of transaction monitoring and customer name screening, with Suspicious Activity Monitoring and Watch List Filtering system through:

1. *Workflow separation of customer transaction and employee transaction supervisions;*
2. *Separation of customer type based on work/profile and business field with thresholds on each customer type;*
3. *Added external list of database for filtering customer's name.*

Human Resources and Training

Sustainable development of human resources has been continuously implemented. Training programs that have been running include Basic Induction Program, Onboarding for Frontliner, and e-learning.

Basic Induction Training is a program that must be followed by new employees before being appointed as permanent employees. Training of existing employees is also provided on a regular basis through e-learning.

The range of training materials includes:

1. *Implementation of laws and regulations related to APU/PPT programs;*
2. *Money laundering and terrorism financing; and*
3. *Internal policies and procedures for the implementation of APU and PPT programs and the roles and responsibilities of employees in combating money laundering and terrorism financing.*
4. *The process of identifying and reporting suspicious financial transactions and cash transactions in large number.*
5. *Case examples that occur in daily activities.*

2017 APU/PPT Training

Throughout the year of 2017, the Bank has conducted the following APU/PPT related trainings:

Jenis Pelatihan <i>Type of training</i>	Keterangan <i>Description</i>	Jumlah Pelatihan <i>Number of Trainings</i>
Basic Induction	Pelatihan APU/PPT bagi karyawan baru. <i>APU/PPT Training for new employees.</i>	14
Compliance Regulatory and Risk Awareness	Pelatihan APU/PPT untuk meningkatkan pemahaman atas peraturan perundang-undangan terkait dan kewaspadaan akan risiko yang dihadapi dalam transaksi. Pelatihan diberikan kepada karyawan, terutama yang berhubungan langsung dengan nasabah dan transaksi nasabah. <i>APU/PPT training to improve understanding of relevant legislation and awareness of the risks faced in transactions. Training is provided to employees, especially those dealing directly with customers and customer transactions.</i>	1

Peran Satuan Kerja Kepatuhan Terintegrasi (SKKT)

Bank Commonwealth sebagai Entitas Utama dalam Konglomerasi Keuangan Commonwealth Bank of Australia memiliki fungsi Satuan Kerja Kepatuhan Terintegrasi (SKKT). SKKT berkoordinasi dengan entitas dalam konglomerasi keuangan yaitu PT First State Investments Indonesia dan PT Bank Commonwealth dalam melaksanakan fungsi kepatuhan terintegrasi.

Dalam pelaksanaan kegiatannya, SKKT bertanggung jawab langsung kepada Direktur yang membawahkan fungsi kepatuhan pada Entitas Utama. Tugas utama SKKT antara lain adalah:

1. Melakukan pemantauan dan evaluasi atas pelaksanaan fungsi kepatuhan pada masing-masing entitas dalam Konglomerasi Keuangan;
2. Menyampaikan laporan pelaksanaan tugas dan tanggung jawab kepada Direktur yang membawahkan fungsi kepatuhan Entitas Utama; dan
3. Membantu Direktur Kepatuhan dalam menyiapkan dan menyampaikan laporan tentang pelaksanaan tugas dan tanggung jawab kepatuhan terintegrasi kepada Direksi dan Dewan Komisaris Entitas Utama.

The role of the Integrated Compliance Work Unit (SKKT)

Commonwealth Bank as the Main Entity in the Financial Conglomeration of Commonwealth Bank of Australia has the function of Integrated Compliance Work Unit (SKKT). SKKT coordinates with entities in financial conglomeration namely PT First State Investments Indonesia and PT Commonwealth Bank in performing integrated compliance function.

In the implementation of its activities, SKKT is directly responsible to the Director in charge of the compliance function on the Primary Entity. The main tasks of SKKT are:

1. *Monitor and evaluate the implementation of compliance function for each entity in the Financial Conglomeration;*
2. *Deliver report on the execution of duties and responsibilities to the Director in charge of the compliance of the Main Entity; and*
3. *Assist the Compliance Director in preparing and delivering report on the implementation of integrated duties and responsibilities to Board of Directors and Board of Commissioners of the Primary Entity.*

Akuntan Publik/Auditor Eksternal

Public Accountant/External Auditor

Penunjukan Auditor Eksternal

Berdasarkan keputusan Para Pemegang Saham di Luar Rapat Umum Pemegang Saham Tahunan Bank tanggal No. SHR/RES/2017/V/002, Dewan Komisaris diberikan kewenangan untuk menunjuk auditor independen untuk mengaudit Laporan Keuangan Bank untuk tahun buku yang berakhir pada tanggal 31 Desember 2017 dan untuk menentukan syarat-syarat dan ketentuan-ketentuan penunjukan tersebut dengan tetap memperhatikan rekomendasi dari Komite Audit Perseroan. Dewan Komisaris menunjuk Kantor Akuntan Publik (KAP) Tanudiredja, Wibisana, Rintis & Rekan (PwC) sebagai auditor eksternal untuk tahun buku yang berakhir pada tanggal 31 Desember 2017 dengan biaya audit sebesar Rp2.520.000.000 (di luar VAT dan OPE). Penunjukan KAP Tanudiredja, Wibisana, Rintis & Rekan telah memenuhi ketentuan yang berlaku dan sesuai dengan syarat dan ketentuan yang direkomendasikan oleh Komite Audit. Kantor Akuntan Publik dan Akuntan Publik yang memberikan jasa audit adalah sebagai berikut:

Appointment of External Auditor

Based on Unanimous Written Resolutions of the Shareholders of the Bank in Lieu of the Annual General Meeting of Shareholders with the No. SHR/RES/2017/V/002, the Board of Commissioners is granted the authority to appoint an independent auditor to audit the Bank's Financial statements for the accounting year ended on December 31, 2017 and to determine terms and conditions for such appointment by observing the recommendation of the Company's Audit Committee. The Board of Commissioners appointed the Public Accounting Firm (KAP) of Tanudiredja, Wibisana, Rintis & Partners (PwC) as an external auditor for the accounting year ended on December 31, 2017 with audit fee of Rp2,520,000,000 (excluded VAT and OPE). The appointment of the Tanudiredja, Wibisana, Rintis & Partners KAP has fulfilled the applicable provision and in conformity with the terms and conditions recommended by the Audit Committee. Public Accounting Firms and Public Accountants that provided the audit services are as follows:

Nama KAP KAP Name	Nama Akuntan Publik Name of Public Accountant	Tahun Year
KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of PwC)	Drs. M. Jusuf Wibisana, M.Ec, CPA	2017
KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of PwC)	Drs. M. Jusuf Wibisana, M.Ec, CPA	2016
KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of PwC)	Drs. M. Jusuf Wibisana, M.Ec, CPA	2015

Pada tahun pelaporan, jasa lain yang diberikan oleh firma anggota jaringan Global PricewaterhouseCoopers adalah melakukan review atas perhitungan pajak penghasilan Bank.

In the reporting year, other service provided by PricewaterhouseCoopers Global Network is reviewing the Bank's corporate income tax computation.

Manajemen Risiko

Risk Management

Untuk mendukung pelaksanaan fungsi manajemen risiko, Bank memiliki struktur organisasi yang memadai antara lain Satuan Kerja Manajemen Risiko (SKMR) dan Komite Manajemen Risiko (KMR). SKMR memiliki fungsi yang independen terhadap satuan kerja bisnis/operasional, Satuan Kerja Kepatuhan (SKK) dan Satuan Kerja Audit Internal (SKAI), di mana direktur SKMR bertanggungjawab secara langsung kepada Presiden Direktur Bank.

To support the execution of the risk management function, the Bank has put in place an adequate structure which includes Risk Management Work Unit (SKMR) and Risk Management Committee (KMR). SKMR has is independent of the business/operational work units, Compliance Work Unit (SKK) and Internal Audit Work Unit (SKAI); the SKMR director answers directly to President Director.

SKMR sebagai lini pertahanan kedua, melakukan pemantauan risiko terhadap unit kerja bisnis/operasional yang menyampaikan laporan eksposur risiko yang dikelolanya kepada SKMR secara berkala. Penerapan manajemen risiko kredit dilakukan antara lain dengan memberikan rekomendasi terhadap pengambilan keputusan kredit oleh unit bisnis. Sedangkan, penerapan manajemen risiko operasional didukung oleh *operational risk champion* yang melakukan pengendalian risiko operasional pada unit kerjanya masing-masing. Manajemen risiko pasar dan likuiditas dilakukan melalui pemantauan secara independen terhadap aktivitas Bank yang terkait dengan risiko-risiko tersebut. SKMR dan KMR memiliki wewenang dan tanggung jawab yang jelas yang tercantum dalam kebijakan manajemen risiko maupun piagam Komite Manajemen Risiko. SKMR bekerja sama dengan SKAI dan SKK dalam melaksanakan pengendalian intern di mana fungsi tersebut terus dipantau dan dievaluasi oleh Komite Manajemen Risiko melalui rapat yang dilakukan secara berkala.

SKMR as the second line of defense, conducts risk monitoring of the business/operational work units that periodically submit the report on the risk exposure to their unit to SKMR. The execution of credit risk management is done by giving recommendation for the credit decision by the business units. The implementation of the operational risk management gets support from the operational risk champion tasked with operational risk control at their respective work unit. The market and liquidity risk management is performed by way of independent monitoring of each Bank activity which is related to these risks. SKMR and KMR have clear authority and responsibility set forth in the risk management policy and Risk Management Committee Charter. SKMR works with SKAI and SKK to perform internal control whose function is closely monitored and evaluated by Risk Management Committee in meetings they hold periodically.

Bank memiliki kebijakan dan prosedur penerapan manajemen risiko yang memadai dan telah dikiniakan secara berkala. Komisaris dan Direksi melakukan pengawasan secara aktif terhadap pelaksanaan kebijakan dan strategi manajemen risiko melalui rapat Komite Pemantau Risiko dan Komite Manajemen Risiko yang diadakan 1 (satu) kali setiap 2 (dua) bulan. Bank menetapkan limit risiko untuk setiap jenis risiko yang melekat dalam aktivitas Bank serta melakukan evaluasi dan pemantauan kepatuhan terhadap *Risk Appetite*, toleransi dan limit risiko yang telah ditetapkan. Hasil pemantauan terhadap *Risk Appetite*, toleransi dan limit risiko dilaporkan kepada Komite Manajemen Risiko dan Komite Pemantau Risiko secara berkala. Bank juga memperhitungkan dan menyelaraskan aktivitas bisnisnya dengan kemampuan permodalan untuk menyerap risiko kerugian. Kecukupan permodalan dipantau oleh Divisi Finance dan SKMR serta dilaporkan secara berkala kepada Direksi dan Dewan Komisaris dalam rapat-rapat komite.

Penerapan sistem pengendalian intern yang menyeluruh dan efektif sudah dilaksanakan untuk mendukung pelaksanaan manajemen risiko dan ditata sesuai dengan tujuan bisnis Bank. Pengendalian risiko Bank dikelola berdasarkan Model Tiga Lini Pertahanan. Model ini memberikan struktur di mana kerangka manajemen risiko dapat diimplementasikan dan dilakukan secara efektif oleh seluruh bisnis unit, termasuk untuk pengendalian. Pengendalian internal dirancang dan diadopsi melalui formalisasi dan pelaksanaan berbagai kebijakan dan prosedur Bank serta pemenuhan atas kewajiban peraturan atau regulasi. Lini Pertahanan Pertama bertanggung jawab untuk mengidentifikasi, menilai, eskalasi, memantau dan melaporkan risiko serta kelemahan pengendalian atau proses selama kegiatan usaha. Lini Pertahanan Kedua menetapkan kerangka kerja dan kebijakan Manajemen Risiko dan memastikan kebijakan tersebut dilaksanakan dengan baik. Sebagai Lini Pertahanan ketiga, SKAI melakukan kajian audit secara reguler dan melapor kelemahan pengendalian yang memerlukan tindak lanjut kepada audit, manajemen, Direksi dan Dewan Komisaris.

The Bank has adequate policy and procedure for the implementation of risk management and has them periodically updated. Commissioners and Directors actively monitor the execution of the risk management policy and strategies through Risk Oversight Committee and Risk Management Committee meetings held one (1) time every two (2) months. The Bank decides on the risk limit for each type of risk attached to the Bank's activities and perform the evaluation and monitoring of the compliance with the Risk Appetite, risk tolerance and risk limits. The result of the monitoring of the Risk Appetite, and risk tolerance and limits reported to Risk Management Committee and Risk Monitoring Committee periodically. The Bank also calculates and synchronizes its bank activities with its capital capability to absorb any risk of loss. The capital adequacy is monitored by the Finance Division and SKMR and is reported periodically to the Board of Directors and the Board of Commissioners in the committee meetings.

The Bank has performed thorough and effective internal control system to support the implementation of risk management. The Bank also governs the internal control system based on the Bank's business objective. The Bank's risk management uses the Three Lines of Defense Model. The model uses a structure in which the risk management framework can be implemented and performed effectively by all business units, including for control. The internal control is designed and adopted through formalization and execution of various Bank's policies and procedures and the fulfillment of the law and regulations. The First Line of Defense is responsible for identification, assessment, escalation, monitoring and reporting of risks and the weakness of control and process during the business activity. The Second Line of Defense lays the Risk Management framework and policy and ensures the policy is well implemented. As the Third Line of Defense, SKAI performs audit analysis regularly and reports any weakness in the control which requires a follow up to the auditee, the management, the Board of Directors and the Board of Commissioners.

Permasalahan Hukum Legal Issues

Sepanjang tahun 2017, Bank Commonwealth menghadapi sejumlah kasus gugatan perdata dan kasus penundaan kewajiban pembayaran utang (PKPU)/kepailitan, dengan uraian sebagai berikut:

In 2017, Commonwealth Bank faced several civil lawsuits and postponement of debt obligations (PKPU)/bankruptcy cases with details as follows:

Proses Hukum	Jumlah Perkara No. of Cases		Legal process
	Pidana Criminal Law Suit		
	2017	2016	
Sudah selesai (dengan finalisasi hukum dan kekuatan mengikat)	-	-	Completed (with finalization of law and binding force)
Dalam proses penyelesaian	-	2	In the process of completion
Total	-	2	Total

Proses Hukum	Jumlah Perkara No. of Cases		Legal process
	Perdata Civil suit		
	2017	2016	
Sudah selesai (dengan finalisasi hukum dan kekuatan mengikat)	1	-	Completed (with finalization of law and binding force)
Dalam proses penyelesaian	3	3	In the process of completion
Total	4	3	Total

Proses Hukum	Jumlah Perkara No. of Cases		Legal process
	PKPU/Kepailitan PKPU/Bankruptcy		
	2017	2016	
Sudah selesai (dengan finalisasi hukum dan kekuatan mengikat)	1	-	Completed (with finalization of law and binding force)
Dalam proses penyelesaian	7	5	In the process of completion
Total	8	5	Total

Berikut adalah informasi terkait persidangan hukum yang masih dalam proses:

1. Kasus Gugatan Perdata

- a. Penjamin mengajukan gugatan perdata dan gugatan perlawanan kepada Bank untuk menghentikan proses lelang eksekusi atas nama Penjamin dan menyatakan Penjamin tidak bertanggung jawab atas utang Debitur kepada Bank, yang mana Pengadilan Negeri memutuskan menolak gugatan perdata dimaksud.

Penjamin Debitur dan Bank sepakat menandatangani perjanjian perdamaian

- b. Bank dihadapkan dengan gugatan perdata yang diajukan salah satu Debitur yang bergerak di bidang perdagangan komoditas dengan tuduhan Bank melakukan wanprestasi atas perjanjian kredit, dalam hal ini Pengadilan Negeri memutuskan menolak gugatan perdata dimaksud.

Debitur dan Bank sepakat menandatangani perjanjian penyelesaian utang dengan penjualan secara sukarela atas jaminan Debitur pada Bank.

- c. Salah satu Debitur Bank yang bergerak di bidang air mineral telah gagal melakukan kewajiban berdasarkan perjanjian kredit, sehingga Bank melakukan proses lelang atas jaminan Debitur pada Bank.

Proses lelang masih berjalan di Pengadilan Negeri.

2. Kasus Penundaan Kewajiban Pembayaran Utang (PKPU)/Kepailitan

- a. Terdapat 1 (satu) Debitur yang menjalankan usahanya dalam bidang pertanian telah gagal bayar berdasarkan perjanjian kredit dan Bank mengajukan PKPU ke Pengadilan Niaga.

Debitur tidak dapat melaksanakan kewajibannya sebagaimana disepakati dalam perjanjian homologasi, saat ini, Bank melakukan proses lelang atas jaminan Debitur pada Bank.

- b. Terdapat 3 (tiga) kasus di mana Debitur mengajukan PKPU atas nama sendiri.

- 1) Debitur menjalankan usahanya di bidang *offset printing* dan *corrugated box* tidak dapat melaksanakan kewajibannya kepada Bank berdasarkan perjanjian kredit dan Debitur mengajukan proses PKPU atas nama sendiri ke Pengadilan Niaga.

PKPU yang diajukan Debitur tersebut mengalami kegagalan sehingga saat ini Debitur dinyatakan pailit oleh Pengadilan Niaga dan proses penjualan *boedel* pailit sedang berlangsung.

- 2) Debitur menjalankan usahanya di bidang batu *split* mengajukan PKPU ke Pengadilan Niaga.

PKPU yang diajukan oleh Debitur ditolak oleh para Kreditor, sehingga Debitur dinyatakan pailit oleh Pengadilan Niaga dan proses penjualan *boedel* pailit sedang berlangsung.

- 3) Debitur menjalankan usahanya di bidang *multifinance* tidak dapat melaksanakan kewajibannya kepada Bank berdasarkan perjanjian kredit dan Debitur mengajukan proses PKPU ke Pengadilan Niaga.

Below is information regarding the legal proceedings for cases still in process:

1. Civil Lawsuits

- a. Guarantor filed a civil lawsuit and counter-claim against the Bank to stop the process of auction execution on behalf of the guarantor and stated that the guarantor was free of responsibility of the debtor's debts to the Bank, which the District Court had rejected.

The debtor's guarantor and the Bank agreed to sign a settlement agreement

- b. The Bank faced a civil lawsuit from one of the debtors engaged in the commodity trading with the charges of the Bank performing a tort to a credit agreement, the lawsuit of which the District Court had rejected.

The debtor and the Bank agreed to sign a debt settlement agreement with voluntary sales of the debtor's collateral.

- c. One of the Bank's debtors working in a mineral water production failed to perform the obligations as per the credit agreement so that the Bank proceeded with a legal process on the debtor's collateral.

The auction process is still ongoing at the district court.

2. Postponement of Debt Obligations (PKPU)/Bankruptcy cases

- a. One (1) debtor engaged in an agricultural business failed to perform the obligations based on the credit agreement and the Bank filed for PKPU to the Commercial Court.

The debtor could not perform the obligations as per the homologation agreement. Currently, the Bank is in the process of auctioning the debtor's collateral.

- b. There were three (3) cases where debtors filed for PKPU on behalf of their own names.

- 1) A debtor engaged in an offset printing and corrugated box could not perform the obligations to the Bank as per the credit agreement, and the debtor filed for PKPU process under own name to the commercial court.

The PKPU request was rejected as the debtor was declared bankrupt by the commercial court and the process of selling the boedel pailit is ongoing.

- 2) A debtor engaged in split stone business filed for PKPU to the commercial court.

The creditor rejected the PKPU so that the debtor was declared bankrupt by the commercial court and the process of selling boedel pailit is ongoing.

- 3) A debtor engaged in a multi-finance business could not perform the obligations to the Bank as per the credit agreement and filed for PKPU to the commercial court.

PKPU yang diajukan diterima oleh hakim dengan disahkannya perjanjian perdamaian. Saat ini proses pembayaran utangnya telah dilaksanakan secara diangsur kepada Bank.

- c. Terdapat 4 (empat) kasus di mana Debitur diajukan proses PKPU oleh para Kreditornya, dan Bank termasuk salah satu Kreditornya.

- 1) Debitur menjalankan usahanya dalam bidang *paper packaging*. Dua pemasok Debitur mengajukan PKPU terhadap Debitur.

Debitur dinyatakan pailit oleh Pengadilan Niaga dan proses pencocokan tagihan akan dilaksanakan pada rapat Kreditor yang pertama.

- 2) Debitur menjalankan usahanya dalam bidang usaha makanan ternak. Kreditor mengajukan proses PKPU terhadap Debitur.

Pengadilan Niaga telah mengesahkan perjanjian perdamaian yang diajukan oleh Debitur serta telah berhasil menjual sebagian besar aset untuk membayar utang kepada Bank, selanjutnya saat ini dalam upaya penjualan aset lainnya.

- 3) Debitur menjalankan usahanya dalam bidang *oil & gas*. Pemasok Debitur mengajukan proses PKPU terhadap Debitur.

Pengadilan Niaga telah mengesahkan perjanjian perdamaian dan Debitur berkewajiban untuk mengangsur kewajibannya kepada Bank.

- 4) Debitur menjalankan usahanya di bidang asesoris pakaian. Pemasok Debitur mengajukan PKPU terhadap Debitur.

Bank telah menerima penyelesaian sebagian pinjaman sebagai tindak lanjut penyelesaian kewajibannya pada PKPU.

The court accepted the PKPU request with the approval of a settlement agreement. Currently, the debt payment process is done in installments.

- c. There were four (4) cases where debtors faced a PKPU process from the creditors, with the Bank as one of the creditors.

- 1) A debtor engaged in a paper packaging business had two of the suppliers filed for PKPU process against the debtor.

The debtor was declared bankrupt by the commercial court and the process of billing matching is scheduled at the first creditors meeting.

- 2) A debtor engaged in the animal feed business had the creditor file for a PKPU process.

The commercial court approved the settlement agreement filed by the debtor and the debtor has sold of the assets to pay the debt to the Bank, and is currently in the process of selling more assets.

- 3) A debtor engaged in an oil and gas business had the suppliers file for a PKPU process against the debtor.

The commercial court approved the settlement agreement and the debtor is required to pay installments the obligations to the Bank.

- 4) A debtor engaged in clothing accessories business had the suppliers file for a PKPU process against the debtor.

The Bank has received the settlement as loans as the follow up of performing the debtor's obligations.

PERKARA HUKUM YANG DIHADAPI DEWAN KOMISARIS DAN DIREKSI BANK COMMONWEALTH

Anggota Dewan Komisaris dan Direksi Bank Commonwealth tidak pernah terlibat dalam perkara dan/atau perselisihan perdata dan/atau pidana selama tahun 2017.

DAMPAK PERMASALAHAN HUKUM TERHADAP BANK COMMONWEALTH

Bank Commonwealth telah mengambil tindakan mitigasi atas segala permasalahan hukum yang dihadapi sehingga tidak memiliki pengaruh atau dampak yang signifikan terhadap operasional Bank di tahun 2017.

SANKSI ADMINISTRATIF

Di tahun 2017, tidak terdapat sanksi administratif yang material yang mempengaruhi kelangsungan usaha Bank maupun sanksi administratif yang dikenakan kepada anggota Dewan Komisaris, maupun anggota Direksi Bank Commonwealth. Sanksi administratif dalam bentuk penalti oleh Otoritas Jasa Keuangan (OJK) atau otoritas lain merupakan sanksi atas kesalahan pelaporan.

LEGAL CASES FACED BY BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

Members of the Board of Commissioners and the Board of Directors of Commonwealth Bank were not involved in any legal cases and/or civil and/or criminal disputes throughout 2017.

IMPACT OF LEGAL ISSUES TO COMMONWEALTH BANK

Commonwealth Bank mitigated all legal cases the Bank faces so that they don't impact or bring about significant impacts to the Bank's operations in 2017.

ADMINISTRATIVE SANCTIONS

In 2017, there were no material administrative sanctions which impact the Bank's business; nor were there any administrative sanctions imposed on any member of the Board of Commissioners or the Board of Directors of Commonwealth Bank. Any administrative sanction in the form of a penalty from the Financial Services Authority (OJK) or other authorities is a sanction for error in reporting.

Penyediaan Dana untuk Pihak Terkait dan Penyediaan Dana Besar Fund Provision for Related Parties and Provision of Funds in Considerable Amount

Penyediaan dana kepada pihak terkait dan penyediaan dana besar (individu atau grup) dilakukan secara wajar dan sesuai persyaratan komersial normal.

The provision of fund to related parties and the provision of considerable fund (individual or group) is carried out fairly and under normal commercial terms.

Transaksi penyediaan dana kepada pihak terkait mengacu pada peraturan Bank Indonesia tentang Batas Maksimum Pemberian Kredit (BMPK) Bank Umum dan kebijakan internal Bank.

Transaction of provision of funds to related parties refers to Bank Indonesia regulation concerning Legal Lending Limit (BMPK) of Commercial Bank and internal policy of Bank.

Selama tahun 2017 tidak terdapat pelanggaran maupun pelanggaran BMPK dalam penyediaan dana kepada pihak terkait.

During 2017 there was no exceedance or violation of BMPK in the provision of fund to related parties.

Penyediaan dana kepada pihak terkait dan penyediaan dana besar selama tahun 2017 adalah sebagai berikut:

The provision of fund to related parties and the provision of considerable fund during 2017 are as follows:

Pemberian dana	Jumlah Debitur No. of debtors	Jumlah (dalam juta Rupiah) Total (in Rupiah)	Fund Provision
Kepada Pihak Terkait	29	310.991	To related parties
Penyediaan Dana Besar			Big funds
<i>Debitur Individu</i>	18	183.230	Individual debtors
<i>Debitur Grup</i>	41	704.766	Group debtors

Rencana Strategis Bank Bank Strategic Plan

Rencana strategis Bank Commonwealth didasarkan pada visi dan misi Bank yang dirumuskan sebagai arah kebijakan utama dalam mencapai pertumbuhan bisnis yang sejalan dengan fokus bisnis Bank. Bank secara konsisten melaksanakan strateginya dengan fokus pada segmen Ritel dan SME (*Small, Medium Enterprise*) serta memanfaatkan teknologi digital dalam pelaksanaan strategi Bank.

PT Bank Commonwealth strategic plan is based on the Bank's vision and mission formulated as the main policy direction in achieving business growth that is in line with the Bank's business focus. The Bank consistently executes its strategy by focusing on Retail and SME segment (Small, Medium Enterprise) and utilizing digital technology for the implementation of the Bank's strategy.

RENCANA JANGKA PENDEK

Dengan memperhatikan asumsi pertumbuhan industri dan ekonomi mikro, PT Bank Commonwealth telah menetapkan langkah-langkah strategis yang akan diambil di tahun 2018. Bank akan mengembangkan teknologi digital yang berperan penting dalam memberikan pelayanan yang *cost efficient*, cepat, mudah dan *accessible* bagi nasabah yang akan mendorong terwujudnya inklusi keuangan. Pengembangan teknologi untuk mendukung digital *banking* merupakan prioritas Bank dalam memberikan pelayanan yang terbaik kepada seluruh nasabah Bank. Proses transformasi digital ini akan dilakukan dalam program Pryme Digital.

SHORT-TERM PLAN

By paying attention to assumption of industry growth and microeconomics, PT Bank Commonwealth has set out strategic measures to be taken in 2018. The Bank will develop digital technology that plays an important role in providing cost-effective, fast, easy and accessible services for customers who will encourage the realization of financial inclusion. The development of technology to support digital banking is a priority of the Bank in providing the best service to all Bank customers. This digital transformation process will be done in the Pryme Digital program.

Untuk segmen Retail, Bank akan menawarkan solusi keuangan (*funding, lending dan wealth management*) yang sesuai dengan kebutuhan nasabah. Layanan digital (KIOSK) yang telah dioperasikan di tahun sebelumnya akan terus dilanjutkan pada lokasi-lokasi pilihan Bank.

For the Retail segment, the Bank will offer financial solutions (funding, lending and wealth management) that suits customers' needs. Digital service (KIOSK) that was implemented in the previous year will be continued in select locations of the Bank.

Di segmen SME, Bank akan fokus pada peningkatan aktivasi transaksi bisnis nasabah yang akan membantu pertumbuhan pembiayaan. Pengembangan segmen pengusaha wanita bekerja sama dengan institusi/komunitas terkait dan program literasi keuangan, peningkatan produktivitas dengan berfokus pada perbaikan *Turn Around Time* khususnya bisnis SME dan Kredit Kepemilikan Rumah juga akan dilanjutkan di tahun 2018.

In the SME segment, the Bank will focus on increasing the activation of customers' business transaction that will help the growth of funding. The development of women entrepreneurs segment in cooperation with related institutions/communities and financial literacy programs, increased productivity by focusing on improvement to Turn Around Time, especially SME business and Home Ownership Credit will also be continued in 2018.

RENCANA JANGKA MENENGAH DAN PANJANG

Bank telah menerapkan *strategy framework* yang meliputi visi, misi, nilai-nilai perusahaan, target segmen dan tujuan jangka menengah dan jangka panjang. Bank menetapkan strategi sesuai dengan tujuan jangka menengah dan jangka panjang yaitu pencapaian target *profitable customers*, pengalihan akuisisi dan pelayanan nasabah ke *digital channel*, mencapai posisi sebagai *employer of choice* di *industry* dan mencapai *target net promoter score* sebagai ukuran kepuasan nasabah.

MEDIUM AND LONG-TERM PLAN

The Bank has implemented a strategy framework that includes vision, mission, values, target segment and medium and long term goals. The Bank establishes its strategy that is in line with the medium and long term objectives of achieving profitable customers targets, transferring of acquisition and customer services to digital channels, getting the honor of employer of choice in the industry and getting the net promoter score as a measure of customers' satisfaction.

Transparansi Kondisi Keuangan dan Non-Keuangan Transparency of Financial and Non-Financial Conditions

Dalam mewujudkan prinsip transparansi, Bank Commonwealth senantiasa menyusun dan menyajikan berbagai informasi terkait laporan keuangan dan laporan non keuangan kepada publik dan regulator. Penyusunan dan penyajian informasi kondisi keuangan dan non keuangan bank dilakukan sesuai dengan ketentuan terkait transparansi dan publikasi laporan bank umum konvensional.

In realizing the principle of transparency, Commonwealth Bank always prepares and presents various information related to financial statements and non-financial reports to the public and regulators. Preparation and presentation of financial and non financial information shall be conducted in accordance with provisions relating to transparency and publication of reports of conventional commercial banks.

Publik dan para pemangku kepentingan juga dapat dengan mudah mengakses informasi laporan keuangan dan laporan non keuangan Bank melalui situs web Bank Commonwealth di www.commbank.co.id.

Public and other stakeholders can also easily access the Bank's financial statement and non-financial reporting information through the Commonwealth Bank website at www.commbank.co.id.

Opsi Saham Stock Options

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

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

Pembelian Kembali Saham dan Obligasi Bank Buyback of the Bank's Shares and Bonds

Sampai dengan 31 Desember 2017, tidak terdapat transaksi pembelian kembali obligasi atau saham di Bank Commonwealth.

As of December 31, 2017, there were no repurchases of bonds or shares in Commonwealth Bank.

Dana untuk Kepentingan Sosial dan Politik Fund for Social and Political Interests

KEGIATAN SOSIAL

Bank Commonwealth secara aktif melakukan kegiatan sosial yang disalurkan melalui program dan kegiatan di bawah rangkaian tanggung jawab sosial perusahaan. Bank memfokuskan kegiatan sosialnya di bidang edukasi literasi keuangan dan pengembangan sosial.

SOCIAL ACTIVITIES

Bank Commonwealth actively conducts social activities through programs and activities under corporate social responsibility. The Bank focuses its social activities in the field of financial literacy education and social development.

Untuk program-program pelaksanaan tanggung jawab pengembangan sosial dan kemasyarakatan di tahun 2017, Bank mengalokasikan dana sebesar Rp500.000.000 dan telah digunakan untuk program WISE sebesar Rp420.000.000 dan biaya program *Corporate Philanthropy* sebesar Rp51.000.000.

For the implementation of social and community development responsibilities in 2017, the Bank allocated Rp500,000,000 consisting of cost for WISE program that amounted to Rp420,000,000 and Corporate Philanthropy Program cost of Rp51,000,000 with details as follows.

Detail pelaksanaan kegiatan sosial lainnya dapat dilihat di bab Tanggung Jawab Sosial Perusahaan.

Details of the implementation of other social activities can be seen in Corporate Social Responsibility chapter.

No	Kegiatan Activities	Penerima Beneficiary	Frekuensi Kegiatan Activity Frequency	Total Biaya Total Cost
1	WISE Program WISE (<i>Women Investment Series</i>) – program edukasi keuangan untuk wanita, yang terdiri dari: kelas-kelas edukasi bersama komunitas perempuan, Aplikasi Seluler WISE, edukasi di social media. <i>WISE Program (Women Investment Series) - a financial education program for women comprises of: educational classes with women's community, WISE Mobile Application, education on social media.</i>	Publik (peserta program WISE) <i>Public (WISE program participants)</i>	7 kali <i>7 times</i>	Rp420,000,000
2	Hari Donor Darah – Program donor darah regular bekerja sama dengan Palang Merah Indonesia (PMI) <i>Blood Donation Day - Regular blood donation program in collaboration with the Indonesian Red Cross (PMI)</i>	Palang Merah Indonesia (PMI) <i>Indonesian Red Cross</i>	2 kali <i>2 times</i>	+/- @150 blood packs

No	Kegiatan Activities	Penerima Beneficiary	Frekuensi Kegiatan Activity Frequency	Total Biaya Total Cost
3	Pelatihan Keterampilan – program pelatihan keterampilan (<i>Art&Craft</i> dan Hidroponik) untuk Ibu-ibu PKK dari berbagai RPTRA di Jakarta <i>Skills training - skills training program (Art & Craft and Hydroponics) for Family Welfare Movement (PKK) Mothers from various RPTRAs in Jakarta</i>	Peserta program (publik) <i>Program's participants (public)</i>	3 kali 2 times	Rp26,000,000
4	Program pengetikan 30 judul buku dan donasi untuk produksi buku Braille <i>Typing program for 30 book titles and donation for production of Braille books</i>	Yayasan Mitra Netra	1 kali 1 time	Rp25,000,000

KEGIATAN POLITIK

Bank Commonwealth tidak terlibat dalam kegiatan politik maupun memberikan donasi untuk kegiatan yang berhubungan dengan politik.

POLITICAL ACTIVITIES

The Commonwealth Bank is not involved in political activities nor provides donations for activities related to politics.

Kode Etik Code of Ethics

Kode etik merupakan pedoman etika atau tata tertib etika perusahaan dan aturan perilaku bagi seluruh karyawan dalam melakukan perannya. Pedoman etika mencerminkan nilai-nilai dasar Bank Commonwealth yaitu kejujuran, integritas dan kepercayaan.

Code of ethics is a guideline of ethics or code of conduct of corporate ethics and rules of conduct for all employees in performing its role. The ethics guideline reflects Commonwealth Bank basic values of honesty, integrity and trust.

Pernyataan Kode Etik

Pedoman etika harus dipahami dan dipatuhi oleh seluruh karyawan dan pihak-pihak yang terkait. Setiap pelanggaran terhadap pedoman etika memiliki konsekuensi sanksi sampai dengan pemutusan hubungan kerja.

Statement of Code of Ethics

Code of Ethics should be understood and adhered to by all employees and relevant parties. Any violation of ethical guideline has consequences ranging from sanction to termination of employment.

POKOK KODE ETIK

- Keadilan dan rasa hormat kepada pihak-pihak lain
 - Perilaku saling menghormati dan tidak ada perlakuan pilih kasih, terhadap sesama karyawan, nasabah dan orang-orang yang melakukan usaha dengan Bank;
 - Mendukung usaha memastikan keselamatan dan keamanan;
 - Menghindari perilaku buruk di dalam maupun di luar perusahaan;
 - Menghindari perbuatan yang mendorong karyawan atau pihak lain untuk melanggar instruksi resmi dan/atau peraturan perusahaan;
 - Menghindari diri dari perbuatan illegal dan tidak bermoral dan atau mendorong pihak lain untuk melakukan perbuatan semacam itu.
- Perlindungan terhadap reputasi dan integritas Perusahaan
 - Mempertahankan perilaku yang baik di dalam dan luar tempat kerja dan berusaha menghindari perbuatan yang dapat merugikan perusahaan;
 - Menjaga kerahasiaan dan dokumen serta informasi mengenai perusahaan dan/atau nasabah;
 - Menghindari penggunaan jabatan dan kekuasaan di perusahaan untuk kepentingan pribadi dan/atau kepentingan keluarga/kerabat;
 - Membantu memelihara barang dan bangunan perusahaan dari kerusakan, menjauhkan diri dari kelalaian dan melaporkannya jika terjadi sesuatu yang dapat membahayakan;

CODE OF ETHICS PRINCIPLES

- Justice and respect to others*
 - Mutual respect and no favoritism, respect to fellow employees, customers and people who do business with the Bank;*
 - Support efforts that ensure safety and security;*
 - Avoid bad behavior inside and outside the company;*
 - Avoid actions that encourage employees or other parties to violate official instructions and/or company regulations;*
 - Avoid illegal and immoral acts and or encourage others not to commit such act.*
- Protection on Company's reputation and integrity*
 - Maintain good behavior inside and outside the workplace and avoid committing acts that may harm the company;*
 - Maintain confidentiality and documents and information about the company and/or its customers;*
 - Avoid the use of position and power in the company for personal and/or family/family interests;*
 - Help to protect the company's physical assets from damage, avoid negligent act and file a report in case of a potential harmful situation;*

- Mematuhi etika perusahaan, menjaga dan meningkatkan nama baik perusahaan;
- Menjalankan seluruh ketentuan yang terdapat dalam Pernyataan Praktik Kerja Profesional.

- Obey the company's ethics, maintain and enhance the company's good name;
- Implement all the provisions contained in the Professional Practice Statement.

SOSIALISASI DAN PENEGAKKAN KODE ETIK

Sosialisasi Kode Etik dilakukan melalui program pengenalan karyawan (*Induction Program*) yang wajib diikuti oleh seluruh karyawan.

CODE OF ETHICS SOCIALIZATION AND ENFORCEMENT

The socialization of the Code of Ethics is conducted through the *Induction Program* which must be followed by all employees.

**Penyimpangan Internal
Internal Fraud**

Sebagai Bank yang berkomitmen untuk menjadi Bank dengan tata kelola yang baik, kepatuhan terhadap peraturan, kode etik dan perundang-undangan tentu menjadi prioritas utama bagi Bank. Akan tetapi, penyimpangan internal terkadang tetap tidak dapat dihindari. Bank senantiasa berupaya untuk meminimalikan kemungkinan terjadinya penyimpangan internal dalam bentuk kelalaian dalam beretika maupun administratif oleh anggota Direksi dan Dewan Komisaris maupun pejabat Bank dari waktu ke waktu. Selain itu, Bank juga memiliki kebijakan untuk tidak mentolerir tindakan kejahatan apa pun yang memiliki unsur pidana dan dapat membahayakan Bank.

As a Bank who is committed in implementing good governance; regulatory compliance, code of ethics and legislation certainly are the Bank's top priorities. However, internal fraud is sometimes unavoidable. The Bank shall always strive to minimize the possibility of internal fraud happens in the form ethical or administrative negligence by members of Board of Directors and Board of Commissioners or Bank officials from time to time. In addition, the Bank also has a policy of not tolerating any acts that have criminal elements and may harm the Bank.

Oleh karena itu, Bank berkomitmen untuk melakukan tindak lanjut untuk menyelesaikan setiap penyimpangan internal yang terjadi. Bank juga selalu mengkaji penyimpangan internal yang terjadi untuk mengidentifikasi langkah-langkah perbaikan yang dapat diambil untuk menghindari kejadian tersebut di masa yang akan datang.

Therefore, Bank is committed to do a follow-up on any internal fraud act that's happening. The Bank always reviews internal fraud acts that occur to identify any corrective steps that can be taken to avoid such acts from happening again in the future.

Sepanjang tahun 2017, penyimpangan internal yang terjadi dapat dilihat melalui tabel di bawah ini:

Throughout the year 2017, internal fraud acts that happened can be seen through the table below:

Tabel Jumlah Penyimpangan (Internal Fraud)
Table of Number of Internal Fraud

Nama Name	Jumlah Kasus yang Dilakukan oleh Number of Cases Performed by					
	Anggota Direksi dan Anggota Dewan Komisaris Board of Directors and Board of Commissioners Members		Pegawai Tetap Permanent Employees		Pegawai Tidak Tetap dan Tenaga Kerja Alih Daya Non-Permanent Employees and Outsourcing	
	2017	2016	2017	2016	2017	2016
Jumlah Total	-	-	1	3	-	-
Telah diselesaikan Completed	-	-	1	3	-	-
Dalam proses penyelesaian di internal Bank Completion Process in Bank's internal	-	-	-	-	-	-
Belum diupayakan penyelesaian Completion hasn't been attempted	-	-	-	-	-	-
Telah ditindaklanjuti melalui proses hukum Has been followed up through legal process	-	-	-	-	-	-

Jumlah penyimpangan internal di tahun ini menurun dibanding penyimpangan yang terjadi di tahun 2016.

The number of internal fraud for this year decreased compared to the frauds occurred in 2016.

Kasus penyimpangan tersebut telah diselesaikan oleh Bank secara internal, dan untuk karyawan yang terlibat sudah diberikan sanksi sesuai dengan penyimpangan yang dilakukannya.

Fraud cases has been resolved by the Bank internally, and for the employees involved have been given sanctions in accordance with the fraud they committed.

Sistem Pelaporan Pelanggaran Whistleblowing System

Partisipasi seluruh karyawan memainkan peran penting dalam menciptakan tempat kerja yang patuh, bebas dari pelanggaran, tindakan korupsi dan penyimpangan lainnya. Untuk itu, diperlukan wadah dan prosedur yang jelas bagi seluruh karyawan untuk melaporkan adanya dugaan atau indikasi tindak pelanggaran yang dilakukan oleh pihak-pihak internal Bank. Bank Commonwealth telah membangun sistem pelaporan pelanggaran (*whistleblowing system*) yang bersifat rahasia dan dapat digunakan oleh pihak dari dalam maupun luar lingkungan Bank.

Whistleblowing system yang dimiliki oleh Bank hanya dapat berjalan dengan kontribusi seluruh jajaran Bank. Oleh karena itu, Bank terus melakukan kegiatan sosialisasi dan peningkatan kesadaran berikut:

- Sosialisasi *whistleblowing system* melalui *desktop wallpaper*, poster atau sesi pelatihan guna mendorong pelaporan.
- *Anti Fraud Awareness* melalui *e-mail* yang dikirim kepada seluruh karyawan secara berkala.

PROSEDUR PENYAMPAIAN LAPORAN PELANGGARAN

Bank Commonwealth telah menyediakan berbagai jalur komunikasi untuk kepentingan sistem ini sehingga pelapor dapat dengan mudah menyampaikan laporan dugaan atau indikasi pelanggaran. Jalur komunikasi tersebut di antaranya:

- *E-mail*: integrity@commbank.co.id
- *Hotline Whistleblower*: 0807 1919 191
- Panggilan Telepon Internal: 8800
- Surat:
Perhatian kepada: Whistleblower, FCU
WTC 6 Lantai 16, Jl. Jend. Sudirman Kav. 29-31, Jakarta 12920.

Laporan yang disampaikan harus berdasarkan bukti dan dasar yang nyata dan valid tanpa ada niatan untuk memfitnah, mencemarkan nama baik, dan sebagainya.

PERLINDUNGAN BAGI PELAPOR

Menjaga kerahasiaan identitas pelapor dengan sebaik-baiknya merupakan komitmen Bank Commonwealth. Selain itu, Bank juga akan melindungi pelapor dari segala ancaman dan/atau tindakan apa pun yang dilakukan oleh pihak yang dilaporkan dan mendukung kemampuan pelapor untuk menjaga kerahasiaan kasus tersebut. Untuk memastikan bahwa perlindungan bagi pelapor telah diberikan dengan baik, Bank akan menunjuk seorang *Whistleblower Protection Officer* (WPO) untuk mengawasi langkah-langkah perlindungan yang diperlukan.

PENANGANAN PELAPORAN

Seluruh laporan yang masuk dikelola oleh *Fraud Control Unit* sesuai dengan standar operasi Bank terkait *whistleblower*. Setelah laporan diterima, seorang *Whistleblower Investigation Officer* (WIO) akan menghubungi pelapor untuk meminta bukti atau informasi tambahan jika diperlukan.

Jika informasi yang didapatkan dinilai tidak cukup atau tidak relevan, maka proses penyidikan tidak akan dilanjutkan. Keputusan ini akan diinformasikan kepada pelapor.

PENGADUAN YANG DITERIMA DI TAHUN BUKU

Jumlah dan status pengaduan yang diterima oleh Bank melalui *whistleblowing system* di tahun 2017 adalah sebagai berikut:

Status Pengaduan	Jumlah Pengaduan Number of Complaints		Complaint Status
	2017	2016	
Dalam proses tindak lanjut	-	-	Follow-up Process
Sudah selesai	7	3	Completed
<i>Information only/No Finding</i>	6	3	<i>Information only/No Finding</i>
<i>Misconduct</i>	1	-	<i>Misconduct</i>

The participation of all employees plays an important role in creating a healthy workplace, free violations, corruption and other deviations. Therefore, a clear procedure is required if an employee wants to report any allegation or indication of a violation committed by internal parties of the Bank. Commonwealth Bank has established whistleblowing system that can be used by both inside and outside parties.

Whistleblowing system owned by the Bank can only work with the contribution from all departments. Therefore, the Bank continues to do socialization through these methods:

- *Whistleblowing system socialization through desktop wallpapers, posters or training sessions to encourage reporting.*
- *Anti Fraud Awareness via e-mail sent to all employees on regular basis.*

VIOLATION REPORT SUBMISSION PROCEDURE

Commonwealth Bank has provided various communication channels for Whistleblowing System where informant can easily file an allegation or potential violation. The communication is done through:

- *E-mail*: integrity@commbank.co.id
- *Whistleblower Hotline*: 0807 1919 191
- *Internal Phone Call*: 8800
- *Mail*:
Perhatian kepada: Whistleblower, FCU WTC 6 Lantai 16, Jl. Jend. Sudirman Kav. 29-31, Jakarta 12920.

Report submitted must be based on evidence and clear and valid ground without any intention to slander, defame, etc.

PROTECTION FOR INFORMANT

Keeping the confidentiality of the informant is Commonwealth Bank's commitment. Additionally, the Bank will also protect the informant against any threats and/or actions performed by accused and encourage informant to maintain the confidentiality of the case. To ensure that the protection of the informant has been properly provided, the Bank will appoint a Whistleblower Protection Officer (WPO) to monitor the necessary protective steps.

REPORT HANDLING

All incoming reports are managed by the Fraud Control Unit in accordance with the Bank's standard of operation. After the report is received, a Whistleblower Investigation Officer (WIO) will contact the informant to request additional evidence or information if necessary.

If the information is deemed inadequate or irrelevant, the investigation process will not be continued. This decision shall be informed to the informant.

COMPLAINTS RECEIVED IN THE FISCAL YEAR

The number and status of the complaints received by the Bank through the whistleblowing system in 2017 are as follows:

Status Pengaduan	Jumlah Pengaduan Number of Complaints		Complaint Status
	2017	2016	
Fraud	-	-	Fraud
Jumlah Pengaduan	7	3	Number of Complaints

Jumlah laporan pada tahun 2017 menunjukkan peningkatan dibanding tahun 2016, dari total 3 (tiga) pada tahun 2016 menjadi 7 (tujuh) laporan di tahun 2017, di mana salah satunya terkait dengan kasus *misconduct*. Jika dilihat dari peningkatan jumlah laporan yang masuk, dapat disimpulkan bahwa sosialisasi terkait sistem *whistleblowing* ini sudah diterima oleh banyak orang/staf dan telah berhasil meningkatkan *awareness/kesadaran* bagi setiap staf untuk melaporkan setiap kendala/temuan yang menurut mereka melanggar aturan-aturan perusahaan tanpa adanya kekhawatiran bahwa laporan yang mereka sampaikan akan diketahui orang lain atau laporan tersebut akan merugikan mereka sendiri baik secara pribadi ataupun profesional. Namun demikian, Bank Commonwealth tetap mengambil kebijakan untuk terus melanjutkan sosialisasi dan program penyegaran secara periodik dan konsisten kepada seluruh staf terkait sistem ini.

TINDAK LANJUT PENGADUAN DI TAHUN BUKU

Terkait pengaduan yang diterima oleh Bank, sudah diproses dan diselesaikan secara internal oleh Bank, dan untuk kasus yang masuk sebagai kategori "Misconduct", Bank telah memberikan sanksi terhadap pihak yang terlibat.

The number of reports in 2017 shows an increase from 2016, from a total of 3 (three) in 2016 to 7 (seven) reports in 2017, one of which is related to the case of misconduct. From the higher number of reports received, it can be concluded that the socialization related to this whistleblowing system has been received by many people/staff and has succeeded in raising awareness for each staff to report any probes/findings that they think violate company rules without having to worry that the report will be exposed to others or that the report will harm them personally or professionally. However, Commonwealth Bank continues to adopt a policy of continuing to socialize periodically and consistently to all staff related to this system.

COMPLAINT FOLLOW UP IN THE FISCAL YEAR

In relation to the complaints received by the Bank, they have been processed and resolved internally by the Bank, and for the cases listed as "Misconduct", the Bank has given sanctions to the parties involved.

Pengungkapan Informasi Kebijakan Remunerasi Remuneration Policy Information Disclosure

Kebijakan Remunerasi Bank ditetapkan sebagai pedoman dan panduan mengenai remunerasi dan manfaat serta untuk memberikan pemahaman yang jelas mengenai kompensasi dan manfaat yang diterima oleh Karyawan. Dalam penyusunannya, Bank senantiasa memperhatikan penerapan prinsip kehati-hatian dan manajemen risiko sesuai dengan ketentuan OJK dan peraturan perundang-undangan yang berlaku.

Kebijakan ini berlaku atas seluruh Direksi dan karyawan Bank Commonwealth, baik karyawan dengan status Pegawai Tetap maupun Pegawai Kontrak, tanpa membedakan unit bisnis dan wilayah kerja.

Dalam menentukan struktur remunerasi yang diberikan kepada karyawan maupun Dewan Komisaris dan Direksi, dipertimbangkan faktor-faktor berikut:

1. Kinerja keuangan Bank beserta tata cara pembukuan sesuai dengan peraturan dan ketentuan yang berlaku.
2. Kinerja Bank secara keseluruhan dan kinerja masing-masing individu.
3. Risiko Bank.
4. Kewajaran dengan *peer group* di dalam industri perbankan.
5. Penerapan asas keadilan dan kesetaraan dalam pemberian remunerasi.
6. Perbandingan dan daya saing dengan industri yang sejenis.
7. Pertimbangan terhadap strategi dan rencana Bank dalam jangka menengah dan/atau panjang.
8. Pemenuhan cadangan sebagaimana diatur dalam peraturan perundang-undangan dan potensi pendapatan Bank pada masa yang akan datang.

KEBIJAKAN REMUNERASI DAN MANFAAT YANG BERLAKU

Kebijakan Remunerasi dan Manfaat untuk Karyawan terbaru yang berlaku mulai Desember 2016 merupakan hasil peninjauan ulang atas Kebijakan Remunerasi dan Manfaat untuk Karyawan sebelumnya yang diterbitkan pada bulan Desember 2014.

The Bank's Remuneration Policy is defined as guideline on remuneration and benefits and to provide a clear understanding of the compensation and benefits received by Employees. In its composition, the Bank has always paid attention to the implementation of prudential and risk management principles in accordance with FSA regulations and prevailing laws.

This policy applies to all Board of Directors and employees of Commonwealth Bank, both Permanent Employees or Contract-based Employees, regardless of business unit and work area.

In determining the remuneration structure provided to employees and Board of Commissioners and Board of Directors, the Bank considers these following factors:

1. Bank's financial performance along with the bookkeeping procedures in accordance with prevailing rules and regulations.
2. Overall performance of the Bank and the performance of each individual.
3. Bank Risk.
4. Fairness with others within the banking industry.
5. Implementation of fairness and equality principles for remuneration.
6. Comparison and competitiveness with similar industries.
7. Consideration on Bank's strategies and medium and/or long term plans.
8. Fulfillment of reserves as stipulated in the laws and potential revenue of the Bank in the future.

REMUNERATION POLICIES AND APPLICABLE BENEFITS

The latest Employee Remuneration and Benefit Policy valid from December 2016 is a result of a review on the Employee Remuneration and Benefit Policy issued in December 2014.

Kebijakan Remunerasi dan Manfaat untuk Direksi yang terbaru berlaku mulai Januari 2017 merupakan hasil peninjauan ulang atas Kebijakan Remunerasi dan Manfaat untuk Direksi sebelumnya yang diterbitkan pada bulan Desember 2013.

MEKANISME UNTUK MEMASTIKAN INDEPENDENSI KEBIJAKAN REMUNERASI KARYAWAN UNIT KONTROL

Remunerasi di setiap direktorat dan unit, termasuk unit kontrol, diberikan berdasarkan ketentuan yang ditetapkan oleh HRD dan ditinjau oleh atasan langsung dan atasan dari atasan langsung serta disetujui oleh Direksi. Untuk memastikan independensi, unit kerja yang diawasi oleh unit kontrol tidak terlibat dalam menentukan pemberian remunerasi atau meninjau remunerasi bagi pegawai di unit kontrol.

FAKTOR-FAKTOR PERTIMBANGAN DALAM KEBIJAKAN REMUNERASI

Perumusan dan pemberian remunerasi dilakukan dengan berlandaskan prinsip kehati-hatian sebagai bagian dari penerapan manajemen risiko sesuai dengan aturan dan kebijakan yang ditetapkan oleh regulator. Oleh karena itu, Bank telah menetapkan prosedur terkait penilaian aspek-aspek terkait dalam penentuan struktur remunerasi Bank.

FAKTOR RISIKO

Risiko merupakan salah satu bahan pertimbangan Bank Commonwealth dalam pemberian remunerasi bersifat variabel di samping kinerja. Oleh karena itu, Bank harus dengan cermat memperhatikan hasil evaluasi atas kinerja dan kejadian atas risiko.

Apabila terdapat anggota Direksi, Dewan Komisaris atau karyawan yang tidak memenuhi ekspektasi kinerja dan/atau tercatat melakukan suatu kejadian atas risiko selama periode penilaian, maka pembatalan atau penundaan pemberian remunerasi bagi yang bersangkutan dapat dilakukan.

FAKTOR KINERJA

Untuk menentukan remunerasi bagi karyawan, Bank melakukan peninjauan kinerja karyawan terlebih dahulu. Proses peninjauan kinerja karyawan terdiri dari 3 (tiga) faktor penilaian yang mencakup Hasil Kinerja, Nilai, dan Risiko. Dalam penilaian Hasil Kerja, Karyawan diukur dengan nilai (rendah-tinggi) *Below Expectation*, *Achieved Expectation* dan *Above Expectation*. Untuk penilaian Nilai, karyawan diukur dengan nilai (rendah-tinggi) *Inconsistently Demonstrated*, *Well Demonstrated*, dan *Exceptional Demonstrated*. Sementara itu, dalam penilaian Risiko, karyawan diukur dengan nilai (rendah-tinggi) *Not Met*, *Partially Met*, dan *Fully Met*.

Faktor penilaian Risiko kemudian dilanjutkan dengan proses evaluasi *Risk Insight* untuk menemukan apabila ada karyawan yang mempunyai kejadian atas suatu risiko, yang akan berakibat pada penundaan atau pembatalan peninjauan remunerasi yang bersangkutan.

KONSULTAN EKSTERNAL DAN TUGAS KONSULTAN TERKAIT KEBIJAKAN REMUNERASI

Bank Commonwealth tidak menggunakan jasa konsultan eksternal dalam membuat kebijakan remunerasi.

REMUNERASI DIREKSI DAN DEWAN KOMISARIS

Penetapan remunerasi bagi anggota Dewan Komisaris dan Direksi dilakukan melalui rekomendasi Komite Remunerasi dan Nominasi yang didasarkan pada kebijakan internal Bank Commonwealth yang tercantum di Anggaran Dasar Bank, peraturan perundang-undangan yang berlaku, serta pertimbangan atas kinerja Bank Commonwealth.

Proses selanjutnya adalah penyerahan rekomendasi tersebut kepada Dewan Komisaris untuk kemudian disampaikan dalam forum RUPS dan kemudian disepakati oleh para pemegang saham.

The latest Remuneration and Benefit Policy for Board of Directors that's valid from January 2017 is a result of a review of the previous Remuneration and Benefit Policy for Board of Directors issued in December 2013.

MECHANISM TO ENSURE INDEPENDENCE OF CONTROL UNIT EMPLOYEE REMUNERATION POLICY

Remuneration in each directorate and unit, including control unit is provided under the terms stipulated by the HRD and reviewed by the direct supervisor and approved by Board of Directors. To ensure independence, the work unit who is supervised by the control unit is not involved in determining remuneration or reviewing remuneration for employees in the control unit.

CONSIDERATION FACTORS IN REMUNERATION POLICY

The formulation and remuneration distribution are based on the principle of prudence as part of the implementation of risk management in accordance with the rules and policies set by the regulator. Therefore, the Bank has established procedures related to the evaluation of related aspects in determining the structure of Bank remuneration.

RISK FACTOR

Risk is one of Commonwealth Bank's consideration for variable remuneration distribution besides performance. Therefore, the Bank should carefully consider the results of the evaluation on performance and risk events.

If there are members of Board of Directors, Board of Commissioners or employees who do not meet the performance expectation and/or have a record of doing a risky act during the assessment period, the cancellation or postponement of remuneration may be made.

PERFORMANCE FACTOR

*To determine remuneration for employees, the Bank conducts an employee performance review in advance. An employee performance reviews process consists of 3 (three) assessment factors that include Performance, Value, and Risk Outcome. The indicators are ranging from (low-high) *Below Expectation*, *Achieved Expectation* and *Above Expectation*. For Value assessment, employees are measured with these indicators (low-high) *Inconsistently Demonstrated*, *Well Demonstrated*, and *Exceptionally Demonstrated* (inconsistently Demonstrated). Meanwhile, in Risk Assessment, employees are measured with these indicators (low-high) *Not Met*, *Partially Met*, and *Fully Met* values.*

Risk assessment factor is then followed up with the Risk Insight evaluation process to find out if any employee has an occurrence of a risk, which will result in the delay or cancellation of the relevant remuneration review.

EXTERNAL CONSULTANT AND DUTIES RELATED TO REMUNERATION POLICY

Commonwealth Bank does not use the service of external consultant in making remuneration policy.

BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS REMUNERATION

The determination of remuneration for members of Board of Commissioners and Board of Directors shall be made through the recommendation of the Remuneration and Nomination Committee based on Commonwealth Bank's internal policy included in the Bank's Articles of Association, prevailing laws and regulations and consideration over Commonwealth Bank's performance.

The next process is the submission of the recommendation to Board of Commissioners to be submitted in the GMS forum and then agreed by the shareholders.

Struktur remunerasi yang diberikan kepada Dewan Komisaris dan Direksi meliputi:

1. Remunerasi dalam bentuk non-natura, termasuk gaji dan penghasilan tetap lainnya antara lain tunjangan, kompensasi berbasis saham, dan bentuk remunerasi lainnya; dan
2. Fasilitas lain dalam bentuk natura/non-natura yaitu penghasilan tidak tetap lainnya, termasuk tunjangan perumahan, transportasi, asuransi kesehatan, dan fasilitas lainnya yang dapat dimiliki maupun tidak dapat dimiliki.

Sementara struktur remunerasi yang diungkapkan paling kurang meliputi:

1. Paket/kebijakan remunerasi dan fasilitas lain bagi anggota Dewan Komisaris dan Direksi yang ditetapkan Rapat Umum Pemegang Saham Bank; dan
2. Jenis remunerasi dan fasilitas lain bagi seluruh anggota Dewan Komisaris dan Direksi, paling kurang mencakup jumlah anggota Dewan Komisaris, jumlah anggota Direksi, dan jumlah seluruh paket/kebijakan remunerasi dan fasilitas lain sebagaimana dirincikan dalam tabel di bawah ini:

Remuneration structure granted to Board of Commissioners and Board of Directors include:

1. Intangible asset remuneration, including salaries and other fixed income, such as stock-based compensation and other form of remuneration; and
2. Other facilities in tangible/intangible forms are non-permanent income, including housing allowances, transportation, health insurance, and other facilities which may or may not be owned.

While the remuneration structures disclosed at least include:

1. Remuneration package/policy and other facilities for members of Board of Commissioners and Board of Directors as stipulated by the General Meeting of Shareholders of the Bank; and
2. Type of remuneration and other facilities for all members of Board of Commissioners and Board of Directors, at minimum it should include members of Board of Commissioners, Board of Directors and the total package/remuneration policy and other facilities is listed in the table below:

Jenis Remunerasi dan Fasilitas Lain Type of Remuneration and Other Facilities	Jumlah Diterima di Tahun 2017 Amount Received in 2017			
	Dewan Komisaris Board of Commissioners		Direksi Board of Directors	
	Jumlah SDM Number of Human Resources	Dalam Juta Rp (Bruto) In millions of Rupiah (gross)	Jumlah SDM Number of Human Resources	Dalam Juta Rp (Bruto) In millions of Rupiah (gross)
Remunerasi (gaji, bonus, tunjangan rutin, dan fasilitas lainnya dalam bentuk non-natura) Remuneration (salary, bonus, routine allowance, and other facilities in non-natura form)	2	3.695	5	32.748
Fasilitas lain dalam bentuk natura (perumahan, transportasi, asuransi kesehatan dan sebagainya) yang: a. Dapat dimiliki b. Tidak dapat dimiliki Other facilities in the form of natura (housing, transportation, health insurance and so on) are: a. Can be Owned b. Can't be Owned	2	619	5	1.380
Dalam proses penyelesaian di internal Bank Settlement Process in Bank's Internal	-	-	-	-
Belum diupayakan penyelesaian Settlement hasn't been made yet	-	-	-	-
Telah ditindaklanjuti melalui proses hukum Has been followed up through legal process	-	-	-	-

Menurut tingkat penghasilan, jumlah anggota Dewan Komisaris dan Direksi yang menerima paket remunerasi di tahun 2017 adalah sebagai berikut:

According to the income level, the number of members of the Board of Commissioners and Board of Directors receiving remuneration package in 2017 is as follows:

Remunerasi per orang dalam 1 (satu) tahun di 2017 Remuneration per person in 1 (one) year in 2017	Jumlah Komisaris Number of Board of Commissioners	Jumlah Direktur Number of Board of Directors
Di atas Rp3 miliar Above Rp3 billion	-	4
Di atas Rp2 miliar s/d Rp3 miliar Above Rp2 billion to Rp3 billion	-	1
Di atas Rp1 miliar s/d Rp2 miliar Above Rp1 billion to Rp2 billion	2	1
Di atas Rp500 juta s/d Rp 1 miliar Above Rp500 million to Rp1 billion	-	-
Di bawah Rp500 juta Below Rp500 million	-	-

REMUNERASI BERSIFAT VARIABEL

Bank Commonwealth memberikan remunerasi yang bersifat variabel dalam bentuk *Sign on Award* (untuk karyawan baru di tingkat jabatan atau pada kondisi tertentu), *Annual Performance Bonus*, *SIP Bonus* dan *Retention Scheme*.

REMUNERATION WITH VARIABLES

Commonwealth Bank provides remuneration with variables in the form of *Sign on Award* (for new employees or under certain conditions), *Annual Performance Bonus*, *SIP Bonus* and *Retention Scheme*.

Jumlah Direksi, Dewan Komisaris dan karyawan yang menerima remunerasi bersifat variabel selama satu tahun beserta nominalnya adalah sebagai berikut:

The number of Board of Directors, Board of Commissioners and employees receiving remuneration with variables for one year and their nominal value is as follows:

Remunerasi Bersifat Variabel Remuneration with Variables	Jumlah Diterima dalam 1 (satu) Tahun Amount Received in 1 (one) Year							
	Direksi Board of Directors		Dewan Komisaris Board of Commissioners		Karyawan Employees		Total Total	
	Orang People	Juta Rp Millions of Rupiah	Orang People	Juta Rp Millions of Rupiah	Orang People	Juta Rp Millions of Rupiah	Orang People	Juta Rp Millions of Rupiah
Total	5	11.760	2	840	2610	58.693	2618	72.132

REMUNERASI BERSIFAT VARIABEL REMUNERATION WITH VARIABLES

No.	Jabatan	Position
1.	President Director	President Director
2.	Director of Operations & IT	Director of Operations & IT
3.	Director of Risk Management	Director of Risk Management
4.	Director of Compliance	Director of Compliance
5.	Director of Retail Banking	Director of Retail Banking
6.	Director of SME Banking	Director of SME Banking
7.	Chief of Finance	Chief of Finance
8.	Chief of Human Resources	Chief of Human Resources

RASIO GAJI TERTINGGI DAN TERENDAH HIGHEST AND LOWEST SALARY RATIO

Keterangan	Rasio Ratio	Description
Karyawan dengan gaji tertinggi dan terendah	76.6 : 1	Employees with the highest and lowest salaries
Direktur dengan gaji tertinggi dan terendah	1.9 : 1	Directors with the highest and lowest salaries
Komisaris dengan gaji tertinggi dan terendah	1 : 1	Commissioners with the highest and lowest salaries
Karyawan dan Direktur dengan gaji tertinggi	2.4 : 1	Employee and Director with the highest salaries

INFORMASI PEMUTUSAN HUBUNGAN KERJA

Sepanjang tahun 2017, Bank Commonwealth melalui kesepakatan dengan karyawan yang bersangkutan melakukan Pemutusan Hubungan Kerja karena berbagai alasan dan salah satu satunya adalah kinerja yang rendah dan tindakan disipliner. Jumlah karyawan yang diputus hubungannya berjumlah 34 orang, dengan total kompensasi yang dibayarkan sebesar Rp3.403.551.754.

WORK TERMINATION INFORMATION

Throughout 2017, Commonwealth Bank through an agreement with the related employee conducted Termination of Employment for various reasons and one of them was low performance and disciplinary action. The number of employees who terminated their employment amounted to 34 people, with total compensation paid of Rp3,403,551,754.

Jumlah Nominal Kompensasi yang Dibayarkan per Orang dalam 1 (satu) Tahun	Rasio Ratio	Total Compensation Nominal paid per Person in 1 (one) Year
Di atas Rp1 miliar	1	Above Rp1 billion
Di atas Rp500 juta s/d Rp1 miliar	-	Above Rp500 million to Rp1 billion
Rp500 juta ke bawah	19	Below Rp500 million

REMUNERASI BERSIFAT VARIABEL YANG DITANGGUHKAN

Informasi kebijakan dan informasi jumlah total yang dibayarkan selama 1 tahun

REMUNERATION WITH VARIABLES REPRESENTED

Policy information and information on the total amount paid for 1 year

RINCIAN JUMLAH REMUNERASI DALAM SETAHUN DETAILS TOTAL REMUNERATION IN A YEAR

Remunerasi yang Bersifat Tetap*) Fixed Remuneration*)	
Tunai Cash	30.239
Saham/Instrumen yang berbasis saham yang diterbitkan Bank Shares/Instruments based on shares issued by Bank	-

Remunerasi yang Bersifat Variabel*) <i>Remuneration with Variables*)</i>	Tidak Ditangguhkan <i>Not Suspended</i>	Ditangguhkan <i>Suspended</i>
	Tunai <i>Cash</i>	5.854
Saham/Instrumen yang berbasis saham yang diterbitkan Bank <i>Shares/Instruments based on shares issued by Bank</i>	-	-

*) hanya untuk *Material Risk Taker* dan diungkap dalam jutaan Rupiah.
only for Material Risk Taker and disclosed in millions of Rupiah.

**INFORMASI KUANTITATIF
QUANTITATIVE INFORMATION**

Jenis Remunerasi yang bersifat Variabel <i>Type of Remuneration with Variables</i>	Sisa yang Masih Ditangguhkan <i>Remaining still Suspended</i>	Total Pengurangan Selama Periode Laporan <i>Total Reductions during the Reporting Period</i>		
		Disebabkan Penyesuaian Eksplicit (A) <i>Caused by Explicit Adjustment (A)</i>	Disebabkan Penyesuaian Implisit (B) <i>Caused by Implicit Adjustment (A)</i>	Total (A) + (B) <i>Total (A) + (B)</i>
Tunai (dalam juta Rupiah) <i>Cash (in millions of Rupiah)</i>	x	x	x	x
Saham/instrumen yang berbasis saham yang diterbitkan Bank (dalam lembar saham dan nominal juta Rupiah yang merupakan konversi dari lembar saham tersebut) <i>Shares/stock-based instruments issued by the Bank (in shares and nominal amounts of millions of rupiah converted from such shares)</i>	x	x	x	x

Laporan Tata Kelola Terintegrasi Integrated Governance Report

Laporan Tahunan Pelaksanaan Tata Kelola Terintegrasi Konglomerasi Keuangan Commonwealth Bank of Australia disusun berdasarkan Peraturan Otoritas Jasa Keuangan No. 18/POJK.03/2014 tentang Penerapan Tata Kelola Terintegrasi bagi Konglomerasi Keuangan dan Surat Edaran OJK No. 15/SEOJK.03/2015. Penerapan tata kelola terintegrasi bertujuan untuk meningkatkan kualitas penerapan tata kelola yang baik yang dapat menciptakan sektor jasa keuangan yang tumbuh secara berkelanjutan.

Berdasarkan surat penunjukan Commonwealth Bank of Australia (CBA) tanggal 30 Maret 2016, CBA telah menunjuk PT Bank Commonwealth sebagai Entitas Utama dalam konglomerasi keuangan yang wajib mengintegrasikan penerapan tata kelola yang baik pada Konglomerasi Keuangan CBA. Konglomerasi Keuangan CBA terdiri dari PT Bank Commonwealth, PT Commonwealth Life dan PT First State Investments Indonesia.

Commonwealth Bank of Australia Financial Conglomeration Integrated Corporate Governance Implementation Annual Report is prepared under the Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomeration and Circular Letter No. OJK. 15/SEOJK.03/2015. The implementation of integrated governance aims to improve the quality of the implementation of good governance that can create a sustainable financial services sector.

Based on the letter of appointment of Commonwealth Bank of Australia (CBA) dated March 30, 2016, CBA has appointed PT Bank Commonwealth as the Main Entity for financial conglomeration the Bank is required to integrate the implementation of good governance to the CBA Financial Conglomeration. CBA Financial Conglomeration consists of PT Bank Commonwealth, Commonwealth Life and PT First State Investments Indonesia.

I. Laporan Penilaian Pelaksanaan Tata Kelola Terintegrasi

Metode Penilaian Pelaksanaan Tata Kelola Terintegrasi

Penilaian sendiri (*self-assessment*) pelaksanaan tata kelola terintegrasi dilakukan setiap semester terhadap 3 aspek yaitu *governance structure*, *governance process*, dan *governance outcome* atas 7 komponen yaitu:

1. Pelaksanaan tugas dan tanggung jawab Direksi Entitas Utama;
2. Pelaksanaan tugas dan tanggung jawab Dewan Komisaris Entitas Utama;
3. Tugas dan tanggung jawab Komite Tata Kelola Terintegrasi;
4. Tugas dan tanggung jawab Satuan Kerja Kepatuhan Terintegrasi;
5. Tugas dan tanggung jawab Satuan Kerja Audit Internal Terintegrasi;

I. Integrated Corporate Governance Implementation Assessment Report

Assessment Method for the Implementation of Integrated Corporate Governance

Self-assessment on the implementation of integrated corporate governance is conducted every semester and based on 3 aspects, namely governance structure, governance process, and governance outcome from the 7 components, namely:

1. *Implementation of duties and responsibilities for Board of Directors of the Primary Entity;*
2. *Implementation of duties and responsibilities for Board of Commissioners of the Primary Entity;*
3. *Duties and responsibilities of Integrated Governance Committee;*
4. *Duties and responsibilities of Integrated Compliance Unit;*
5. *Duties and responsibilities of Integrated Internal Audit Unit;*

6. Tugas dan tanggung jawab Satuan Kerja Manajemen Risiko Terintegrasi, dan
7. Penyusunan dan pelaksanaan Pedoman Tata Kelola Terintegrasi.

Penilaian dilakukan oleh Komite Tata Kelola Terintegrasi dengan melakukan evaluasi terhadap struktur, proses dan hasil pelaksanaan tata kelola terintegrasi terhadap penilaian masing-masing komponen berdasarkan laporan yang disampaikan oleh Satuan Kerja Kepatuhan Terintegrasi, Satuan Kerja Audit Terintegrasi dan Satuan Kerja Manajemen Terintegrasi.

Hasil Penilaian Pelaksanaan Tata Kelola Terintegrasi

Peringkat pelaksanaan tata kelola terintegrasi periode Desember 2017 pada konglomerasi keuangan CBA adalah 2 (Baik). Secara umum, konglomerasi keuangan telah menerapkan tata kelola terintegrasi yang tercermin dari 7 aspek penilaian yang didukung dengan struktur dan infrastruktur yang memadai.

Berikut hasil laporan penilaian sendiri (*self-assessment*) pelaksanaan tata kelola terintegrasi pada konglomerasi keuangan Commonwealth Bank of Australia.

6. *Duties and responsibilities of Integrated Risk Management Unit, and*
7. *Preparation and implementation of the Code of Integrated Governance.*

The assessment is undertaken by the Integrated Governance Committee by evaluating the structure, process and result of the implementation of integrated governance on the assessment of each component based on reports submitted by Integrated Compliance Unit, Integrated Audit Work Unit and Integrated Management Unit.

Result of Integrated Corporate Governance Assessment

The ranking of the implementation of integrated corporate governance for the period of December 2017 on the CBA financial conglomerate is 2 (Good). In general, financial conglomerate has implemented integrated corporate governance as reflected in the seven aspects of assessment supported by adequate structure and infrastructure.

The following is the self-assessment report of the implementation of integrated corporate governance at the Commonwealth Bank of Australia financial conglomerate.

Hasil Penilaian Sendiri Pelaksanaan Tata Kelola Terintegrasi <i>Result of Integrated Corporate Governance Assessment</i>	
Entitas Utama <i>Main Entity</i>	: PT Bank Commonwealth
Posisi <i>Posisi</i>	: Desember 2017 December 2017
Peringkat <i>Ranking</i>	Definisi Peringkat <i>Definition of Ranking</i>
Entitas Utama <i>Main Entity</i>	Konglomerasi Keuangan dinilai telah melakukan penerapan Tata Kelola Terintegrasi yang secara umum baik. Hal ini tercermin dari pemenuhan yang memadai atas penerapan prinsip Tata Kelola Terintegrasi. Apabila terdapat kelemahan dalam penerapan Tata Kelola Terintegrasi, secara umum kelemahan tersebut kurang signifikan dan dapat diselesaikan dengan tindakan normal oleh Entitas Utama dan/atau LJK. <i>Financial Conglomerate is considered to have implemented a generally good implementation of Good Corporate Governance. This is reflected in the adequate fulfillment of the implementation of the principles of Integrated Governance. If there are weaknesses in the implementation of Integrated Governance, these weaknesses are generally less significant and can be solved by normal actions by the Main Entity and/or LJK.</i>
Analisis <i>Analysis</i>	
A. Governance Structure	A. Governance Structure
1. Dewan Komisaris dan mayoritas Direksi dari Entitas Utama telah memenuhi persyaratan integritas, kompetensi, reputasi keuangan, telah lulus <i>Fit and Proper Test</i> dan memperoleh persetujuan OJK.	1. <i>Board of Commissioners and the majority of Board of Directors of the Main Entity have met the requirement of integrity, competence, financial reputation, passed Fit and Proper Test and obtained FSA approval.</i>
2. Jumlah dan komposisi anggota Komite Tata Kelola Terintegrasi telah sesuai dengan ketentuan yang ditetapkan dengan memperhatikan keterwakilan masing-masing sektor jasa keuangan. Keanggotaan PTFSII diwakili oleh salah satu Direksi, dan saat ini sedang disiapkan Komisaris Independen dalam komposisi Dewan Komisaris PTFSII. Komite memiliki piagam (<i>charter</i>) yang mengatur tugas dan tanggung jawab komite.	2. <i>The number and composition of the members of Integrated Governance Committee are in accordance with the stipulated provisions by taking into account the representation of each sector of financial services. PTFSII membership is represented by one of the Board of Directors and currently an Independent Commissioner is being prepared for the composition of PTFSII Board of Commissioners. The Committee has a charter that governs the duties and responsibilities of the committee.</i>
3. Satuan Kerja Kepatuhan Terintegrasi, Satuan Kerja Audit Terintegrasi dan Satuan Kerja Manajemen Risiko Terintegrasi merupakan satuan kerja yang independen terhadap satuan kerja operasional yang didukung dengan sumber daya manusia yang memadai.	3. <i>Integrated Compliance Work Unit, Integrated Audit Work Unit and Integrated Risk Management Unit is an independent working unit for operational work units supported by adequate human resources.</i>
4. Bank sebagai Entitas Utama memiliki struktur organisasi yang memadai untuk mendukung penerapan manajemen risiko terintegrasi yang dilengkapi dengan kebijakan, prosedur dan penetapan limit risiko.	4. <i>The Bank as a Principal Entity shall have adequate organizational structure to support the implementation of integrated risk management equipped with policies, procedures and risk limit.</i>
5. Kebijakan Tata Kelola Terintegrasi telah dijadikan pedoman dalam penerapan tata kelola terintegrasi dalam konglomerasi keuangan.	5. <i>The Integrated Governance Policy has been made as a guidance in the implementation of integrated governance in financial conglomerate.</i>
B. Governance Process	B. Governance Process
1. Entitas dalam Konglomerasi Keuangan memiliki komitmen untuk patuh terhadap ketentuan Konglomerasi Keuangan.	1. <i>Entities in Financial Conglomerate have commitment to comply with the provisions of Financial Conglomerate.</i>
2. Kebijakan Tata Kelola Terintegrasi telah dikomunikasikan dan diterapkan oleh masing-masing entitas dalam Konglomerasi Keuangan.	2. <i>The Integrated Governance Policy has been communicated and implemented by each entity in the Financial Conglomerate.</i>
3. Direksi Entitas Utama mengarahkan, memantau, dan mengevaluasi pelaksanaan tata kelola terintegrasi pada entitas dalam Konglomerasi Keuangan dan menindaklanjuti arahan atau nasihat Dewan Komisaris Entitas Utama.	3. <i>Main Entity Board of Directors directs, monitors, and evaluates the implementation of integrated governance of entities in the Financial Conglomerate and follows up on guidance or advice from Main Entity Board of Commissioners.</i>

4. Dewan Komisaris Entitas Utama telah menyelenggarakan rapat dan melakukan pengawasan terhadap pelaksanaan tata kelola terintegrasi.
5. Masing-masing entitas dalam Konglomerasi Keuangan menyampaikan hasil pelaksanaan fungsi kepatuhan kepada Entitas Utama.
6. SKAIT memantau pelaksanaan audit intern pada konglomerasi keuangan melalui laporan yang diterima dari masing-masing entitas.

C. Governance Outcome

1. Pedoman Tata Kelola Terintegrasi disusun dengan cakupan sesuai ketentuan serta disetujui oleh Dewan Komisaris.
2. Dewan Komisaris Entitas Utama memberikan saran/rekomendasi atas pelaksanaan tata kelola terintegrasi kepada Direksi Entitas Utama melalui rapat-rapat Dewan Komisaris Entitas Utama dan Komite Tata Kelola Terintegrasi.
3. Hasil rapat Dewan Komisaris Entitas Utama dan Komite Tata Kelola Terintegrasi dituangkan dalam risalah rapat dan didokumentasikan dengan baik, termasuk (jika ada) *dissenting opinions*.
4. Satuan Kerja Kepatuhan Terintegrasi telah menyampaikan laporan pelaksanaan tugas dan tanggung jawabnya kepada Direktur Kepatuhan Entitas Utama.
5. SKAIT telah menyampaikan laporan pelaksanaan tugas dan tanggung jawabnya kepada pihak-pihak sesuai ketentuan.
6. Secara umum, Entitas Utama dan LJK dalam Konglomerasi Keuangan telah menerapkan prinsip-prinsip tata kelola yang baik sesuai dengan Kebijakan Tata Kelola Terintegrasi.

4. *Main Entity Board of Commissioners has conducted meetings and oversight of the implementation of integrated good governance.*
5. *Each entity in the Financial Conglomeration presents the result of implementation of compliance function to the Main Entity.*
6. *SKAIT monitors the implementation of internal audit on financial conglomerattion through reports received from each entity.*

C. Governance Outcome

1. *The Guideline for Integrated Governance shall be prepared in accordance with the provisions and approved by Board of Commissioners.*
2. *Main Entity Board of Commissioners provides advice on the implementation of integrated governance to Main Entity Board of Directors through meetings between Main Entity Board Commissioners and the Integrated Governance Committee.*
3. *The result of Main Entity Board Commissioners and the Integrated Governance Committee meetings shall be written in minutes of meeting and documented, including (if any) dissenting opinions.*
4. *The Integrated Compliance Unit has submitted a report on the execution of its duties and responsibilities to Main Entity Compliance Director.*
5. *SKAIT has submitted a report on the implementation of its duties and responsibilities to the parties in accordance with regulations.*
6. *Generally, the Main Entity and LJK in the Financial Conglomeration have applied the principles of good governance in accordance with the Integrated Governance Policy.*

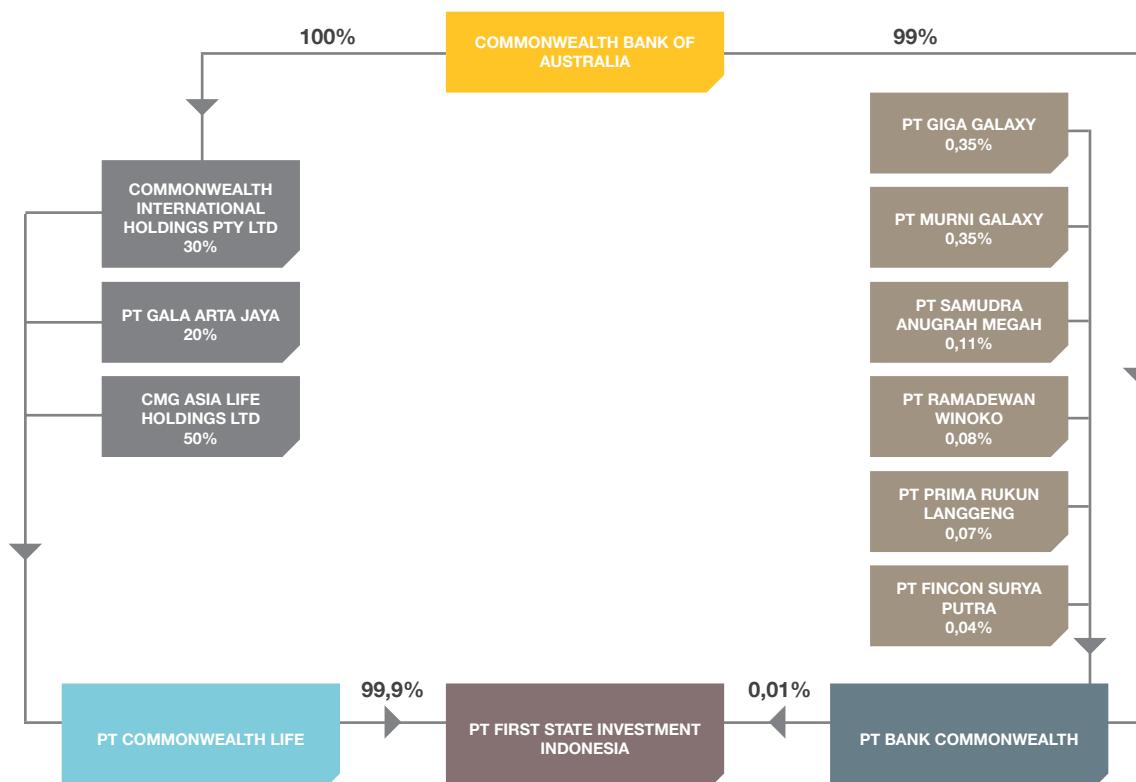
II. Struktur Konglomerasi Keuangan

Pada 2017, terdapat perubahan kepemilikan saham atas PT FSII sebagai salah satu entitas dalam konglomerasi keuangan, yang sebelumnya dimiliki oleh First State Investment Hongkong LTD sebesar 89,9% beralih kepada PT Commonwealth Life. Komposisi kepemilikan saham PT FSII per September 2017 menjadi 99,9% dimiliki PT Commonwealth Life dan 0,1% adalah PT Bank Commonwealth dengan struktur konglomerasi keuangan sebagai berikut:

II. Structure of Financial Conglomeration

In 2017, there was a change of ownership of PT FSII as one of the entities in the financial conglomeration, formerly owned by First State Investment Hongkong LTD for 89.9% then moved to PT Commonwealth Life. The share ownership composition of PT FSII as of September 2017 was 99.9% owned by PT Commonwealth Life and 0.1% owned PT Bank Commonwealth Bank with the following financial conglomerate structure:

**STRUKTUR KONGLOMERASI KEUANGAN - COMMONWEALTH BANK OF AUSTRALIA
FINANCIAL CONGLOMERATION STRUCTURE – COMMONWEALTH BANK OF AUSTRALIA**



III. Struktur Kepemilikan

Secara umum tidak terdapat perubahan kepemilikan saham PT Bank Commonwealth dan PT Common Life, perubahan kepemilikan saham terjadi pada salah satu entitas yaitu PT First State Indonesia (PTFSII). Per September 2017, kepemilikan saham mayoritas PTFSII yang sebelumnya FSII Hong Kong beralih kepada PTCL dengan kepemilikan saham sebesar 99,9%, sedangkan sisanya dimiliki oleh PT Bank Commonwealth.

III. Ownership Structure

In general, there were no changes of share ownership of PT Bank Commonwealth and PT Common Life, the change of share ownership occurred in one entity, PT First State Indonesia (PTFSII). As of September 2017, the majority shareholder of PTFSII who was previously held by FSII Hong Kong was handed over to PTCL with 99.9% ownership, while the rest was owned by PT Bank Commonwealth.

Struktur Kepemilikan Saham PT Bank Commonwealth per Desember 2017
PT Bank Commonwealth Ownership Structure as of December 2017

No.	Nama Name	Jumlah Saham Number of Shares	Prosentase Percentage
1	Commonwealth Bank of Australia	3.781.469	99,00%
2	PT Giga Galaxy	13.199	0,35%
3	PT Murni Galaxy	13.199	0,35%
4	PT Samudra Anugerah Megah	4.425	0,11%
5	PT Ramadewan Winoko	2.950	0,08%
6	PT Prima Rukun Langgeng	2.655	0,07%
7	PT Fincom Surya Putra	1.770	0,04%
Total		3.819.667	100%

Struktur Kepemilikan Saham PT Commonwealth Life per Desember 2017
PT Commonwealth Life Ownership Structure as of December 2017

No.	Nama Name	Jumlah Saham Number of Shares	Prosentase Percentage
1	CMG Asia Life Holdings Ltd	45.775	50%
2	Commonwealth International Holding Pty	27.465	30%
3	PT Gala Arta Jaya	18.310	20%
Total		91.550	100%

Struktur Kepemilikan Saham PT First State Indonesia per Desember 2017
PT First State Indonesia Ownership Structure as of December 2017

No.	Nama Name	Jumlah Saham Number of Shares	Prosentase Percentage
1	CMG Asia Life Holdings Ltd	374 Seri A 73.192 Seri B	99,9%
2	PT Bank Commonwealth	64 Seri A	0,01%
Total		73. 630	100%

IV. Struktur Kepengurusan

Anggota Direksi dan Dewan Komisaris Entitas Utama dan entitas dalam konglomerasi keuangan telah memenuhi persyaratan integritas, kompetensi dan reputasi keuangan sebagaimana yang ditetapkan oleh ketentuan. Berikut struktur kepengurusan anggota konglomerasi keuangan:

IV. Management Structure

Members of Board of Directors and Board of Commissioners of the Company and entities in the financial conglomerate have met the requirements of integrity, competence and financial reputation as stipulated in the regulations. Here's the management structure of members of the financial conglomerate:

Struktur Kepengurusan PT Bank Commonwealth
PT Bank Commonwealth Management Structure

Direksi Board of Directors		Dewan Komisaris Board of Commissioners	
1.	Lauren Sulistiawati (Presiden Direktur/ <i>President Director</i>)	1.	Coenraad Jonker (Presiden Komisaris/ <i>President Commissioner</i>)
2.	Mei Tjuen Tjioe (Direktur Operasional dan TI/ <i>Operational and IT Director</i>)	2.	Andrew Farmer (Wakil Presiden Komisaris/ <i>Vice President Commissioner</i>)
3.	Rustini Dewi (Direktur Retail Banking/ <i>Retail Banking Director</i>)	3.	Suwartini (Komisaris Independen/ <i>Independent Commissioner</i>)
4.	Ida Apulia Simatupang (Direktur SME Banking/ <i>SME Banking Director</i>)	4.	Khairil Anwar (Komisaris Independen/ <i>Independent Commissioner</i>)
5.	Stephen Vile (Direktur Manajemen Risiko/ <i>Risk Management Director</i>)		
6.	Mutia Nilawati Dewi* (Direktur Kepatuhan/ <i>Compliance Director</i>)		

*) Pemegang Saham telah menyetujui pengangkatan Mutia Nilawati Dewi sebagai Direktur Kepatuhan melalui Keputusan Para Pemegang Saham di Luar Rapat Umum Pemegang Saham Luar Biasa tanggal 17 Juli 2017 namun, Mutia Nilawati Dewi telah mengajukan surat pengunduran diri yang efektif sejak tanggal 1 Maret 2018. Shareholders have approved the appointment of Mutia Nilawati Dewi as Compliance Director through Shareholder Resolution Outside the Extraordinary General Meeting of Shareholders dated July 17, 2017 but Mutia Nilawati Dewi has submitted a resignation letter effective on March 1, 2018.

Struktur Kepengurusan PT Commonwealth Life
PT Commonwealth Life Management Structure

Direksi <i>Board of Directors</i>	Dewan Komisaris <i>Board of Commissioners</i>
<ol style="list-style-type: none"> 1. Elvis Liongosari (Presiden Direktur/<i>President Director</i>) 2. Agus Setiawan (Direktur/<i>Director</i>) 3. Edwin Prayitno (Direktur/<i>Director</i>) 4. Sastradinata (Direktur/<i>Director</i>) 	<ol style="list-style-type: none"> 1. Simon John Bennett (Presiden Komisaris/<i>President Commissioner</i>) 2. Helen Wijaya (Komisaris/<i>Commissioner</i>) 3. John Brian Arnold (Komisaris Independen/<i>Independent Commissioner</i>) 4. Jono Effendi (Komisaris Independen/<i>Independent Commissioner</i>)

*) John Brian Arnold sebagai Komisaris Independen mengundurkan diri per tanggal 31 Desember 2017 dan uji penilaian kemampuan dan kepatutan calon komisaris independen untuk menggantikan posisi beliau sedang dalam proses pengajuan ke OJK.
John Brian Arnold as Independent Commissioner resigned as of December 31, 2017 and the fit and proper test of independent candidate to replace his position is in the process of submission to FSA.

Struktur Kepengurusan PT First State Investments Indonesia
PT First State Investments Indonesia Management Structure

Direksi <i>Board of Directors</i>	Dewan Komisaris <i>Board of Commissioners</i>
<ol style="list-style-type: none"> 1. Hario Soeprbo (Presiden Direktur/<i>President Director</i>) 2. Handityo (Direktur/<i>Director</i>) 3. Hazrina Ratna Dewi (Direktur/<i>Director</i>) 4. Eli Djurfanto (Direktur/<i>Director</i>) 	<ol style="list-style-type: none"> 1. Michael David Stapleton (Presiden Komisaris/<i>President Commissioner</i>) 2. Jose Firmino Quintal Fernandes (Komisaris/<i>Commissioner</i>)

V. Organ Tata Kelola Terintegrasi

Direksi Entitas Utama

Tugas dan Tanggung Jawab Direksi Entitas Utama

- Memastikan penerapan Tata Kelola Terintegrasi dalam konglomerasi keuangan.
- Menyusun pedoman Tata Kelola Terintegrasi yang menjadi acuan bagi entitas utama dan entitas konglomerasi dalam menerapkan tata kelola terintegrasi.
- Mengarahkan, memantau dan mengevaluasi pelaksanaan Pedoman Tata Kelola Terintegrasi.
- Menindaklanjuti arahan atau nasihat Dewan Komisaris Entitas Utama dalam rangka penyempurnaan Pedoman Tata Kelola Terintegrasi.

Pelaksanaan Tugas dan Tanggung Jawab Direksi Entitas Utama Tahun 2017

Direksi Entitas Utama telah mengarahkan, memantau dan mengevaluasi pelaksanaan tata kelola terintegrasi melalui mekanisme rapat Direksi Entitas Utama. Selama tahun 2017 Direksi Entitas Utama telah menyelenggarakan 2 (dua) kali rapat dengan materi mencakup pelaksanaan tata kelola pada entitas konglomerasi keuangan, laporan Satuan Kerja Kepatuhan Terintegrasi dan Satuan Audit Intern Terintegrasi. Rekomendasi dan arahan Dewan Komisaris terkait pelaksanaan tata kelola terintegrasi telah ditindaklanjuti.

Dewan Komisaris Entitas Utama

Tugas dan Tanggung Jawab Dewan Komisaris Entitas Utama

- Mengawasi penerapan Tata Kelola pada masing-masing entitas agar sesuai dengan Pedoman Tata Kelola Terintegrasi.
- Mengawasi pelaksanaan tugas dan tanggung jawab Direksi Entitas Utama, serta memberikan arahan atau nasihat kepada Direksi Entitas Utama atas pelaksanaan Pedoman Tata Kelola Terintegrasi.
- Mengevaluasi Pedoman Tata Kelola Terintegrasi dan mengarahkan dalam rangka penyempurnaan.

Pelaksanaan Tugas dan Tanggung Jawab Dewan Komisaris Entitas Utama Tahun 2017

Dalam melaksanakan tugas dan tanggung jawabnya terkait pengawasan atas penerapan tata kelola terintegrasi, Dewan Komisaris Entitas Utama dibantu oleh Komite Tata Kelola Terintegrasi. Selama tahun 2017, Dewan Komisaris Entitas Utama telah menyelenggarakan rapat sebanyak 2 (dua) kali rapat dengan materi laporan Komite Tata Kelola Terintegrasi mengenai pelaksanaan tata kelola terintegrasi dan penerapan manajemen risiko terintegrasi.

V. Integrated Corporate Governance Organ

Main Entity Board of Directors

Duties and Responsibilities of Main Entity Board of Directors

- *Ensure the implementation of Integrated Corporate Governance in financial conglomeration.*
- *Prepare an Integrated Governance Guideline which is a benchmark for main entity and conglomeration entity in implementing integrated corporate governance.*
- *Direct, monitor and evaluate the implementation of the Integrated Corporate Governance Guideline.*
- *Follow up the direction or advice of Board of Commissioners in the framework of perfecting the Code of Integrated Corporate Governance.*

Implementation of Duties and Responsibilities of Main Entity Board of Directors in 2017

Main Entity Board of Directors has directed, monitored and evaluated the implementation of integrated corporate governance through the meeting mechanism of Main Entity Board of Directors. During 2017 Main Entity Board of Directors held 2 (two) meetings with materials covering the implementation of corporate governance financial conglomeration entity, report of the Integrated Compliance Unit and Internal Audit Unit. The recommendation and direction of Board of Commissioners regarding the implementation of integrated governance have been followed up.

Main Entity Board of Commissioners

Duties and Responsibilities of Main Entity Board of Commissioners

- *Supervise the implementation of Corporate Governance in each entity in accordance to the Integrated Corporate Governance Guideline.*
- *Supervise the implementation of duties and responsibilities of Main Entity Board of Directors and provide direction or advice to Main Entity Board of Directors for the implementation of the Integrated Corporate Governance Guideline.*
- *Evaluate the Integrated Corporate Governance Guideline and direct it in the context of improvement.*

Implementation of Duties and Responsibilities of Main Entity Board of Commissioners in 2017

In carrying out its duties and responsibilities related to the supervision of the implementation of integrated corporate governance, Main Entity Board of Commissioners is assisted by the Integrated Governance Committee. During 2017, Main Entity Board of Commissioners conducted 2 (two) meetings to discuss about Integrated Corporate Governance Committee report on the implementation of integrated corporate governance and implementation of integrated risk management.

Komite Tata Kelola Terintegrasi

Komite Tata Kelola Terintegrasi merupakan komite Dewan Komisaris yang membantu tugas dan tanggung jawab Dewan Komisaris Entitas Utama dalam penerapan tata kelola terintegrasi dalam konglomerasi keuangan. Komite Tata Kelola Terintegrasi dibentuk melalui Surat Keputusan Direksi Entitas Utama Grup Commonwealth di Indonesia No. SK-DIR/001/CBA-EU/2015 tanggal 22 Desember 2015 mengenai Penetapan Anggota Komite Tata Kelola Terintegrasi berdasarkan Keputusan Dewan Komisaris pada Rapat Dewan Komisaris Entitas Utama Grup CBA tanggal 29 Oktober 2015.

Piagam Komite Tata Kelola Terintegrasi

Komite Tata Kelola Terintegrasi memiliki piagam atau *charter* sebagai pedoman dan tata tertib kerja bagi anggotanya yang mengatur mengenai tujuan, komposisi, tugas dan tanggung jawab, dan rapat komite.

Komposisi dan Keanggotaan Komite Tata Kelola Terintegrasi

Anggota Komite Tata Kelola Terintegrasi terdiri dari 3 (tiga) orang, 2 (dua) di antaranya merupakan Komisaris Independen Entitas Utama dan entitas PT Commonwealth Life serta pihak independen dari Entitas Utama.

No.	Nama Name	Jabatan Position	Keterangan Description
1	Suwartini	Ketua Chairman	Komisaris Independen PT Bank Commonwealth PT Bank Commonwealth Independent Commissioner
2	Jono Effendy	Anggota Member	Komisaris Independen PT Commonwealth Life PT Commonwealth Life Independent Commissioner
3	Teuku Radja Sjahnar	Anggota Member	Pihak Independen Entitas Utama Main Entity Independent Party

Profil Anggota Komite Tata Kelola Terintegrasi

Profil Komite dapat dilihat pada bagian Komite Dewan Komisaris dalam laporan GCG Bank.

Tugas dan Tanggungjawab Komite Tata Kelola Terintegrasi

Adapun tugas dan tanggung jawab Komite Tata Kelola Terintegrasi adalah:

1. Mengevaluasi pelaksanaan Tata Kelola Terintegrasi melalui penilaian kecukupan pengendalian internal dan pelaksanaan fungsi kepatuhan secara terintegrasi.
2. Memberikan rekomendasi kepada Dewan Komisaris Entitas Utama untuk penyempurnaan Kebijakan Tata Kelola Terintegrasi yang disusun oleh Direksi Entitas Utama.

Pelaksanaan Tugas dan Tanggung Jawab Komite Tata Kelola Terintegrasi

Selama tahun 2017, Komite Tata Kelola Terintegrasi telah menyelenggarakan 2 (dua) kali rapat pada tanggal 7 Februari 2017 dan 7 Agustus 2017 yang dihadiri oleh seluruh anggota komite. Komite Tata Kelola Terintegrasi telah mengkaji dan mengevaluasi:

- Hasil penilaian sendiri (*self-assessment*) pelaksanaan tata kelola terintegrasi
- Laporan Satuan Kerja Kepatuhan Terintegrasi, Satuan Kerja Manajemen Risiko Terintegrasi dan Satuan Kerja Manajemen Risiko Terintegrasi.

Komite juga memberikan arahan dan rekomendasi terkait penyusunan *draft* peraturan OJK tentang pembentukan *Holding Company* bagi konglomerasi keuangan.

Komite Manajemen Risiko Terintegrasi

Komite Manajemen Risiko Terintegrasi (KMRT) membantu pelaksanaan tugas dan tanggung jawab Direksi Entitas Utama

Integrated Corporate Governance Committee

The Integrated Corporate Governance Committee is a committee of Board of Commissioners which assists the duties and responsibilities of Main Entity Board of Commissioners in the implementation of integrated corporate governance in financial conglomeration. The Integrated Corporate Governance Committee was established through the Indonesian Commonwealth Group Main Entity Board of Directors Decree No. SK-DIR/001/CBA-EU/2015 dated December 22, 2015 on the Stipulation of Members of Integrated Corporate Governance Committee ased on the decision of Board of Commissioners at CBA Group Main Entity Board of Commissioners Meeting dated October 29, 2015.

Integrated Corporate Governance Committee Charter

Integrated Corporate Governance Committee has a charter as guideline and work order for its members who govern the objectives, composition, duties and responsibilities and committee meetings.

Integrated Corporate Governance Committee Composition and Membership

Integrated Corporate Governance Committee members consist of 3 (three) people, 2 (two) of them are Main Entity Independent Commissioners and PT Commonwealth Life entity and independent parties of the Main Entity.

Integrated Corporate Governance Committee Members Profile

Profile of the Committee can be seen in the Board of Commissioners section in the GCG Bank report.

Integrated Corporate Governance Committee Duties and Responsibilities

Duties and Responsibilities of Integrated Corporate Governance Committee are as follows:

1. Evaluate the implementation of Integrated Corporate Governance through an assessment of the adequacy of internal control and the implementation of an integrated compliance function.
2. Provide recommendation to Main Entity Board of Commissioners on the improvement of Integrated Corporate Governance Policy developed by Main Entity Board of Directors.

Implementation of Duties and Responsibilities of Integrated Corporate Governance

Throughout 2017, Integrated Corporate Governance Committee held 2 (two) meetings on February 7 and August 7, attended by all members of the committee. The Integrated Corporate Governance Committee reviewed and evaluated:

- Self-assessment result of the implementation of integrated corporate governance
- Reports of Integrated Compliance Work Unit, Integrated Risk Management Work Unit and Integrated Risk Management Unit.

The Committee also provides guidance and recommendation regarding the drafting of FSA regulations on the establishment of *Holding Company* for financial conglomeration.

Integrated Risk Management Committee

Integrated Risk Management Committee (KMRT) assists the implementation of duties and responsibilities of the Main Entity

terkait dengan penerapan manajemen risiko terintegrasi dalam konglomerasi keuangan.

Keanggotaan, tugas dan tanggung jawab KMRT dijelaskan pada bagian Laporan Tata Kelola Bank.

Satuan Kerja Kepatuhan Terintegrasi (SKKT)

PT Bank Commonwealth sebagai Entitas Utama memiliki Satuan Kerja Kepatuhan Terintegrasi yang independen dari satuan kerja operasional lainnya dan bertanggungjawab langsung kepada Direktur yang membawahkan fungsi kepatuhan. Dalam melaksanakan tugasnya sebagai Satuan Kerja Kepatuhan Terintegrasi, SKKT melakukan koordinasi dengan unit-unit yang menjalankan fungsi kepatuhan di masing-masing entitas dalam konglomerasi keuangan.

Tugas dan Tanggung Jawab SKKT

- Memantau dan mengevaluasi pelaksanaan fungsi kepatuhan pada entitas dalam konglomerasi keuangan.
- Menyusun dan menyampaikan laporan pelaksanaan tugas dan tanggung jawabnya kepada Direktur yang membawahkan fungsi kepatuhan.

Berdasarkan laporan yang disampaikan SKKT, Direktur yang membawahkan fungsi kepatuhan Entitas Utama melaporkan pelaksanaan tugas dan tanggung jawab terhadap pelaksanaan kepatuhan terintegrasi kepada Direksi Entitas Utama dan Dewan Komisaris Entitas Utama.

Pelaksanaan Tugas dan Tanggung Jawab SKKT Tahun 2017

- Melakukan koordinasi dengan entitas dalam konglomerasi keuangan terkait pelaksanaan fungsi kepatuhan dan isu-isu penting.
- Melakukan penilaian risiko kepatuhan terintegrasi dan menyusun laporan profil risiko kepatuhan terintegrasi secara triwulanan.
- Mengkaji laporan pelaksanaan fungsi kepatuhan yang disampaikan oleh entitas dalam konglomerasi keuangan.
- Melakukan koordinasi dengan unit-unit terkait dan entitas dalam konglomerasi keuangan dalam penyusunan laporan penilaian sendiri (*self-assessment*) tata kelola terintegrasi dan laporan tata kelola tata kelola terintegrasi 2016.

Satuan Manajemen Risiko Terintegrasi

PT Bank Commonwealth sebagai Entitas Utama memiliki Satuan Kerja Manajemen Risiko Terintegrasi yang independen dari satuan kerja operasional lainnya dan bertanggungjawab langsung kepada Direktur yang membawahkan fungsi manajemen risiko. Dalam melaksanakan tugasnya sebagai Satuan Kerja Manajemen Risiko Terintegrasi, SKMRT melakukan koordinasi dengan unit-unit yang menjalankan fungsi manajemen risiko di masing-masing entitas dalam konglomerasi keuangan.

Tugas dan Tanggung Jawab SKMRT

- Memantau dan mengevaluasi pelaksanaan fungsi manajemen risiko pada entitas dalam konglomerasi keuangan.
- Memantau risiko pada konglomerasi keuangan berdasarkan hasil penilaian profil dan tingkat risiko baik pada masing-masing entitas maupun secara terintegrasi.
- Menyusun dan menyampaikan laporan profil risiko terintegrasi kepada Direktur Entitas Utama yang membawahkan fungsi manajemen risiko.

Berdasarkan laporan yang disampaikan SKMRT, Direktur yang membawahkan fungsi manajemen risiko Entitas Utama menyampaikan laporan profil risiko terintegrasi kepada Direksi Entitas Utama dan Dewan Komisaris Entitas Utama.

Board of Directors in relation to the implementation of integrated risk management in financial conglomeration.

KMRT membership, duties and responsibilities are described in the Bank's Governance Report section.

Integrated Compliance Work Unit (SKKT)

PT Bank Commonwealth as a Primary Entity has an Integrated Compliance Work Unit independent from other operational work units and is directly responsible to the Director in charge of compliance function. In performing its duties as an Integrated Compliance Work Unit, SKKT coordinates with units that perform compliance functions on each entity in financial conglomeration.

SKKT Duties and Responsibilities

- *Monitor and evaluate the implementation of compliance function on entities in financial conglomeration.*
- *Prepare and submit reports on the execution of duties and responsibilities to the Director in charge of compliance function.*

Based on the report submitted by SKKT, the Director with the compliance function of the Main Entity reports the execution of the duties and responsibilities for the implementation of the integrated compliance to Main Entity Board of Directors and Main Entity Board of Commissioners.

Implementation of Duties and Responsibilities of SKKT in 2017

- *Coordinate with internal entity in financial conglomeration related to the implementation of compliance function and important issues.*
- *Conduct integrated compliance risk assessment and prepare quarterly compliance risk profile report on quarterly basis.*
- *Review reports on the implementation of compliance function submitted by entities in financial conglomeration.*
- *Coordinate with related units and entities within financial conglomeration in the preparation of an integrated corporate governance self-assessment report and an 2016 integrated corporate governance report.*

Integrated Risk Management Unit

PT Bank Commonwealth as a Primary Entity has an Integrated Risk Management Unit independent from other operational work units and is directly responsible to the Director who oversees the risk management function. In performing its duties as an Integrated Risk Management Unit, SKMRT coordinates with units that perform risk management function in each entity within financial conglomeration.

SKMRT Duties and Responsibilities

- *Monitor and evaluate the implementation of risk management function of entities in financial conglomeration.*
- *Monitor risks to financial conglomeration based on the assessment of the profile and the level of risk both in each entity and integrated level.*
- *Prepare and submit an integrated risk profile report to the Main Entity Director who oversees the risk management function.*

Based on the report submitted by SKMRT, the Director who oversees the Risk Management function of the Primary Entity submits an integrated risk profile report to Main Entity Board of Directors and Main Entity Board of Commissioners.

Pelaksanaan Tugas dan Tanggung Jawab SKMRT Tahun 2017

- Melakukan koordinasi dengan entitas dalam konglomerasi keuangan terkait pelaksanaan fungsi manajemen risiko.
- Melakukan penilaian profil risiko dalam konglomerasi keuangan, tingkat risiko masing-masing risiko secara terintegrasi dan menyusun laporan profil risiko terintegrasi secara semesteran.
- Mengkaji laporan profil risiko yang disampaikan oleh entitas dalam konglomerasi keuangan.
- Memantau transaksi intra-grup dalam konglomerasi keuangan.

Satuan Kerja Audit Terintegrasi (SKAIT)

Pelaksanaan fungsi Satuan Kerja Audit Intern Terintegrasi (SKAIT) dirangkap oleh Satuan Kerja Audit Intern Bank Commonwealth yang merupakan satuan kerja yang independen. SKAIT telah melakukan pemantauan atas pelaksanaan audit dan temuan-temuan audit di Lembaga Jasa Keuangan (LJK) dalam Konglomerasi Keuangan dan melaporkan hasil pemantauannya kepada Komite Tata Kelola Terintegrasi.

Pelaksanaan Tugas dan Tanggung Jawab SKAIT Tahun 2017

- Melakukan koordinasi dengan Entitas Anggota/LJK secara berkala untuk mendapatkan informasi mengenai kemajuan pelaksanaan rencana audit, temuan-temuan utama, dan tindak lanjut rencana perbaikan atas hasil pemeriksaan.
- Mengadakan pertemuan dengan perwakilan dari LJK setiap triwulanan guna mendiskusikan hal-hal seperti perkembangan terakhir, temuan-temuan, topik terkini terkait dengan industri, dan lainnya.
- Melakukan audit di LJK baik secara individu atau melalui *joint audit*, bilamana diperlukan.

VI. KEBIJAKAN TRANSAKSI INTRA-GRUP

Risiko Transaksi Intra Grup merupakan salah satu risiko yang wajib dikelola dalam penerapan manajemen risiko terintegrasi. Risiko Transaksi Intra Grup adalah Risiko akibat ketergantungan suatu entitas baik secara langsung maupun tidak langsung terhadap entitas lainnya dalam satu Konglomerasi Keuangan dalam rangka pemenuhan kewajiban perjanjian tertulis maupun perjanjian tidak tertulis yang diikuti perpindahan dana dan/atau tidak diikuti perpindahan dana.

Transaksi Intra Grup dapat berupa transaksi finansial maupun non-finansial yang dilakukan antar perusahaan dalam satu Konglomerasi Keuangan. Dalam hal ini perusahaan yang dimaksud adalah PT Bank Commonwealth (PTBC), PT Commonwealth Life (PTCL) dan PT First State Investments Indonesia (FSII). Risiko Transaksi Intra Grup pada Konglomerasi Keuangan dapat timbul antara lain dari kepemilikan silang, *trading operations*, pengelolaan likuiditas jangka pendek, memberikan atau menerima jaminan (*guarantee*), pinjaman (*loan*) dan komitmen, eksposur kepada pemegang saham pengendali, pemberian jasa, pembelian atau penjualan aset, transfer risiko melalui re-asuransi, transaksi untuk memindahkan risiko pihak ketiga, serta menjadi agen penjual terhadap produk/jasa dari LJK lain kepada pihak ketiga.

Proses Manajemen Risiko Transaksi Intra Grup dimulai dengan mengidentifikasi komposisi transaksi intra grup dalam Konglomerasi Keuangan, dokumentasi dan kewajaran transaksi serta informasi lainnya. Selanjutnya, penilaian risiko transaksi intra grup dilakukan dengan mempertimbangkan kepatuhan transaksi intra grup yang dilakukan dengan prinsip-prinsip yang harus dipenuhi oleh setiap transaksi intra grup, risiko-risiko yang mungkin muncul dari transaksi

Implementation of Duties and Responsibilities of SKMRT in 2017

- Coordinate with internal entities in financial conglomeration about the implementation of risk management function.
- Conduct a risk profile assessment in the financial conglomeration, the risk level of each risk in an integrated manner and prepare an integrated risk profile report every semester.
- Review the risk profile report submitted by entities in financial conglomeration.
- Monitor intra-group transactions in financial conglomeration.

Integrated Audit Work Unit (SKAIT)

Implementation of the function of Integrated Audit Work Unit (SKAIT) is conducted by Commonwealth Bank Internal Audit Unit, which is an independent working unit. SKAIT has conducted monitoring on audit implementation and audit findings at the Financial Services Institution (LJK) in Financial Conglomeration and reported its monitoring results to the Integrated Corporate Governance Committee.

Implementation of Duties and Responsibilities of SKAIT in 2017

- Coordinate with Entity Members/LJK periodically to obtain information on the progress of the implementation of the audit plan, key findings and follow-up on improvement plan from the result of the examination.
- Hold meetings with representatives from LJK on quarterly basis to discuss topics such as recent development, findings, current topics related to industry, and more.
- Conduct an audit in LJK individually or through a joint audit, as necessary.

VI. INTRA-GROUP TRANSACTION POLICY

Intra Group Transaction Risk is one of the risks that must be managed in the implementation of integrated risk management. Intra Group Transaction Risk is the Risk due to the dependency of an entity, directly or indirectly, to another entity in Financial Conglomeration in the context of fulfilling the written agreement as well as an unwritten agreement followed by the transfer of fund and/or not following the transfer of fund.

Intra Group transaction can either be financial or non-financial transactions conducted between companies in Financial Conglomeration. In this case the companies in question are PT Bank Commonwealth (PTBC), PT Commonwealth Life (PTCL) and PT First State Investments Indonesia (FSII). The risk of Intra Group Transaction on Financial Conglomeration may arise, among others, from cross-ownership, trading operation, short-term liquidity management, delivering or accepting guarantees and commitment, exposure to controlling shareholders, providing services, buying or selling assets, risk transfer through reinsurance, transaction to move third party risk as well as being a selling agent of products/services from other LJKs to third parties.

The Intra Group Transaction Risk Management process begins by identifying the composition of intra group transaction in Financial Conglomeration, documentation and fairness of transaction as well as other information. Up next, intra group transaction risk assessment is conducted by taking into account the compliance of intra group transaction conducted with the principles that have to be met in any intra group transactions, risks that may arise from the transaction, possible impacts,

tersebut, dampak yang mungkin terjadi, mitigasi yang telah atau akan dilakukan serta bagaimana *arm's length principle* dipatuhi untuk transaksi intra grup bersangkutan.

Setiap transaksi intra grup yang teridentifikasi, dilaporkan kepada Komite Manajemen Risiko Terintegrasi (*Integrated Risk Management Committee*) sesegera mungkin. Pelaporan dilakukan melalui Satuan Kerja Manajemen Risiko Terintegrasi (SKMRT) Entitas Utama. Seluruh transaksi intra grup yang aktif dipantau oleh Satuan Kerja Manajemen Risiko di masing-masing LJK. Apabila ditemukan indikasi ketidaksesuaian dengan prinsip-prinsip transaksi intra grup atau terdapat potensi risiko untuk anggota Konglomerasi Keuangan, dilaporkan ke SKMRT entitas utama. Transaksi intra grup dilaporkan kepada Regulator sebagai bagian dari Laporan Profil Risiko Terintegrasi.

mitigation that has been or will be made and how the arm's length principle is adhered in related intra-group transactions.

Any identified intra-group transactions are reported to the Integrated Risk Management Committee as soon as possible. Reporting is done through the Main Entity Risk Management Work Unit (SKMRT). All active intra-group transactions are monitored by the Risk Management Unit in each LJK. If there is any indication of non-compliance with the principles of intra-group transactions or there is a potential risk to members of the Financial Conglomeration It then reported to the main entity SKMRT. Intra group transactions are reported to the Regulator as part of the Integrated Risk Profile Report LJK.

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