

**LAPORAN PELAKSANAAN  
GOOD CORPORATE GOVERNANCE  
2016**

**Bank of America, N.A.  
Jakarta, Indonesia**

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PELAKSANAAN GOOD CORPORATE  
GOVERNANCE  
BANK OF AMERICA N.A., JAKARTA  
Desember 2016**

**Bagian 1: Pendahuluan**

Tata Kelola Perusahaan adalah sistem yang digunakan untuk mengarahkan, mengawasi, memantau, dan mengendalikan bisnis perusahaan. Struktur tata kelola perusahaan menetapkan pembagian hak dan tanggung jawab di antara berbagai partisipan dalam organisasi – seperti dewan, manajer, pemegang saham, dan pemangku kepentingan lainnya – dan meletakkan aturan dan prosedur untuk pengambilan keputusan. Dengan melakukannya, tata kelola perusahaan juga memberikan struktur tempat tujuan perusahaan ditetapkan, dan sarana untuk mencapai tujuan tersebut serta memantau kinerja.

Di Bank of America, proses, struktur, dan kebijakan manajemen kami membantu memastikan kepatuhan terhadap hukum dan peraturan serta memberikan garis pandang yang jelas untuk pengambilan keputusan dan akuntabilitas. Disiplin ini merupakan aspek utama dari tata kelola. Menyokong ini semua merupakan budaya perusahaan kami - diperjuangkan oleh pimpinan dan dipertahankan oleh setiap karyawan di lingkungan perusahaan – sebagai pendorong utama etika perusahaan.

Bank of America N.A., cabang Jakarta (“BANA Jakarta”) mengikuti kerangka kerja Tata Kelola Perusahaan Bank of America, dan terutama kerangka kerja Tata Kelola Internasional kami yang berlaku untuk semua aktivitas Bank of America di luar Amerika Serikat. Kerangka kerja ini bergantung pada prinsip transparansi dan akuntabilitas, yang memberikan berbagai saluran komunikasi dan eskalasi agar dapat memastikan efektivitasnya. Oleh karena itu, struktur kami dirancang untuk memastikan adanya lini akuntabilitas yang jelas di tingkat lokal, regional, dan perusahaan.

**Bagian 2: Dewan Komisaris**

Sebagai cabang suatu bank asing, BANA Jakarta tidak memiliki Dewan Komisaris. Sebaliknya, di tingkat regional, pengawasan atas kegiatan Bank of America di Indonesia dilakukan oleh Tim Kepemimpinan Wilayah/Country Leadership Team Asia Tenggara (“SEA CLT”). SEA CLT melapor kepada Komite Eksekutif Asia Pasifik/Asia Pacific Executive Committee (“APAC ExCo”), yang pada gilirannya melapor kepada Direksi Bank of America Corporation melalui Komite Risiko regional dan global. Di bawah kerangka kerja tata kelola ini, masalah apa pun yang tidak dapat diselesaikan di satu tingkat tata kelola diangkat ke tingkat berikutnya, dan seterusnya sampai tercapai keputusan. Suatu fungsi yang

***THE REPORTS OF  
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**Section 1: Introduction**

Corporate Governance is the system by which business corporations are directed, supervised, monitored and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among the different participants in the organization – such as the board, managers, shareholders and other stakeholders – and lays down the rules and procedures for decision-making. By doing so, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance.

At Bank of America, our management processes, structures and policies help to ensure compliance with laws and regulations and provide visible lines of sight for decision-making and accountability. These disciplines represent a key aspect of governance. Underpinning this all is our corporate culture - championed by leadership and sustained by every employee within the company – as a key driver of corporate ethics.

Bank of America N.A., Jakarta branch (“BANA Jakarta”) follows Bank of America’s Corporate Governance framework, and specifically our International Governance framework which applies to all of Bank of America’s activities outside the United States. This framework relies upon the principles of transparency and accountability, providing for multiple channels of communication and escalation in order to ensure its effectiveness. Our structure is therefore designed to ensure that clear lines of accountability exist at the local, regional and enterprise levels.

**Section 2: Board of Commissioners**

As a branch of a foreign bank, BANA Jakarta does not have a Board of Commissioners. Instead, at a regional level, oversight over Bank of America’s activities in Indonesia is exercised by the South East Asia Country Leadership Team (“SEA CLT”). The SEA CLT reports into the Asia Pacific Executive Committee (“APAC ExCo”), which in turn reports up to the Bank of America Corporation Board of Directors via the regional and global Risk Committees. Under this governance framework, any issues that cannot be resolved at one governance level are escalated up to the next level, and so on until resolution. A function equivalent to that which a Board of Commissioners would perform for

setara dengan fungsi yang dijalankan oleh Dewan Komisaris untuk entitas yang beroperasi secara lokal dijalankan untuk BANA Jakarta oleh anggota terpilih dari SEA CLT (“kuasi-Komisaris”). Di tahun 2016, anggotanya terdiri dari:

1. Briski, Andrew / Chief Operating Officer for SEA region
2. Kong, Ho Loon / Chief Compliance Officer for SEA region
3. Chokhani, Nitin / Chief Risk Officer for SEA region.

Selain itu, pada bulan Juni 2015, Bank of America Group dibentuk, the Indonesia Integrated Governance Committee (“IIGC”), sesuai dengan Peraturan Otoritas Jasa Keuangan (“OJK”) No. 18/POJK.03/2014 tentang Penerapan Tata Kelola Terintegrasi Bagi Konglomerasi Keuangan. Lingkup dari komite meliputi aktivitas Bank of America Group di Indonesia, dimana BANA Jakarta ditunjuk sebagai “Entitas Utama”. Keanggotaan dari Komite ini terdiri dari Komisaris dan kuasi-Komisaris dari masing-masing entitas.

### **Bagian 3: Dewan Direksi**

Demikian halnya, sebagai cabang suatu bank asing, BANA Jakarta tidak memiliki Dewan Direksi. Di tingkat lokal, BANA Jakarta diatur oleh Tim Manajemen Lokal/Local Management Team (“LMT”) yang dipimpin oleh Country Manager dan terdiri dari perwakilan semua Lini Bisnis/Lines of Business (“LOB”) dan Fungsi Kontrol Perusahaan/Enterprise Control Function (“ECF”) lokal. Anggota senior LMT (“Tim Kepemimpinan Cabang/Branch Leadership Team” sebagaimana disebutkan berdasarkan Pasal 1 ayat 2.d Peraturan OJK No. 55/POJK.03/2016 mengenai Penerapan Tata Kelola bagi Bank Umum) menjalankan fungsi yang setara dengan fungsi yang dijalankan oleh Dewan Direksi untuk entitas yang beroperasi secara lokal, dan telah dinyatakan lulus dalam fit dan proper test oleh OJK. Taufiqurachman (Head of Services, Fulfilment and Operations yang saat itu juga merupakan Pejabat Sementara Direktur yang membawahi Fungsi Kepatuhan) telah mengundurkan diri efektif 9 Desember 2016 sehingga pada tanggal 31 Desember 2016, anggota Tim Kepemimpinan Cabang/Branch Leadership Team terdiri dari Mira Arifin (Country Manager) dan Honggo Karyono (Head of Global Trade Services for Financial Institutions, Director). Sebagai catatan, Jie Gunawan Pujiono (Head of Global Market Operation and Middle Office, Director of Operations) bergabung sebagai anggota Tim Kepemimpinan Cabang/Branch Leadership dengan Keputusan OJK tertanggal 17 Februari 2017 yang menyetujui pengangkatan beliau.

Sebagai ketua LMT, Country Manager dapat mengandalkan para pejabat senior cabang, melalui struktur LMT. Meski ia dapat mendelegasikan pengawasan langsung atas berbagai lini bisnis dan fungsi kontrol kepada perwakilan LOB dan ECF, namun ia tetap mengemban tanggung jawab secara keseluruhan atas urusan cabang.

a locally incorporated entity is performed for BANA Jakarta by selected members of the SEA CLT (“quasi-Commissioners”). During 2016, this was expanded to include the following members:

1. Briski, Andrew / Chief Operating Officer for SEA region
2. Kong, Ho Loon / Chief Compliance Officer for SEA region
3. Chokhani, Nitin / Chief Risk Officer for SEA region

In addition, in June 2015 the Bank of America Group established the Indonesia Integrated Governance Committee (“IIGC”), in accordance with Otoritas Jasa Keuangan (“OJK”) Regulation 18/POJK.03/2014 regarding Integrated Corporate Governance for Financial Conglomerates. The scope of the committee covers all Bank of America Group activities in Indonesia, where BANA Jakarta has been nominated as the “Main Entity”. Membership of this Committee is comprised of the Commissioners or quasi-Commissioners of each entity.

### **Section 3: Board of Directors**

Similarly, as a branch of a foreign bank, BANA Jakarta does not have a Board of Directors. At the local level, BANA Jakarta is governed by a Local Management Team (“LMT”) which is led by the Country Manager and comprises representatives of all local Lines of Business (“LOBs”) and Enterprise Control Function (“ECFs”). The senior members of the LMT (“Branch Leadership Team” as mentioned under Article 1 point 2.d of the OJK Regulation No. 55/POJK.03/2016 regarding the Implementation of Corporate Governance in Commercial Bank) perform a function equivalent to that which a Board of Directors would perform for a locally incorporated entity, and have been approved by Indonesia Financial Services Authority (“OJK”) as “fit and proper” to do so. Taufiqurachman (Head of Services, Fulfilment and Operations who also Acting Director that oversees Compliance Function) has resigned effective 9 December 2016 thus as of 31 December 2016, the Branch Leadership Team members were Mira Arifin (Country Manager) and Honggo Karyono (Head of Global Trade Services for Financial Institutions, Director). As additional information, Jie Gunawan Pujiono (Head of Global Market Operation and Middle Office, Director of Operations) joined the Branch Leadership Team after receipt of OJK approval dated 17 February 2017 on his appointment.

As the chair of the LMT, the Country Manager can rely on the branch’s senior officers, via the LMT structure. Whilst she can delegate direct oversight of the various lines of business and control functions to the LOB and ECF representatives, she nonetheless retains overall responsibility of the branch’s affairs.

LMT bertanggung jawab secara tanggung renteng atas semua aspek tata kelola dan pengawasan yang terlibat dengan manajemen risiko di negara/entitas. Ini berkaitan dengan memastikan bahwa ada struktur yang memadai untuk pengawasan, penyampaian, tinjauan, dan pemahaman yang tepat atas masalah risiko dan tata kelola di cabang. Dengan demikian, anggota LMT memiliki kewajiban untuk memahami profil risiko cabang dan memastikan bahwa prosedur manajemen risiko sudah tepat dalam kaitannya dengan profil ini.

Rapat LMT diselenggarakan setiap bulan kecuali pada bulan diadakan rapat IIGC, dimana rapat IIGC ini menggantikan rapat LMT. Sebagian besar anggota diperlukan untuk mencapai kuorum dan setiap keputusan harus mendapat persetujuan secara bulat dari semua anggota yang hadir. Jika keputusan bulat gagal diperoleh, masalah harus dibicarakan lebih lanjut dan (jika perlu) diangkat ke SEA CLT untuk diambil keputusan. Berita acara dibuat di tiap rapat LMT dan disebarkan ke semua anggota LMT serta ke anggota tertentu dari SEA CLT. Item tindak lanjut akan ditelusuri oleh Country Manager dengan menyebutkan pokok permasalahan dan individu yang ditunjuk untuk bertanggung jawab atas pengambilan keputusan.

Agar dapat memudahkan berbagai tata kelola yang efektif, LMT telah mendelegasikan tanggung jawab dan wewenang tertentu kepada Komite Aset dan Kewajiban/Asset and Liability Committee (“ALCO”). ALCO menggelar rapat setiap tiga bulan untuk mengawasi dan menyetujui kebijakan dan proses yang dirancang untuk memastikan manajemen risiko dan laporan neraca yang sehat. ALCO melakukan pengawasan atas manajemen risiko suku bunga, komposisi laporan neraca, likuiditas, kebijakan pendanaan, kecukupan modal, serta kebijakan investasi dan perdagangan.

Karena BANA Jakarta adalah sebuah cabang, maka tidak memiliki Komite Manajemen Risiko, Komite Audit, Komite Remunerasi, atau Komite Nominasi sendiri. Untuk pembahasan tentang struktur yang setara dengan komite-komite ini, periksa bagian berikut ini.

#### **Bagian 4: Fungsi Komite Lain**

##### **a. Komite Audit**

Sebagai cabang dari sebuah bank asing, BANA Jakarta tidak memiliki Komite Audit. Sebaliknya, terdapat Komite Audit Bank of America Corporation (BAC) di tingkat global. Komite Audit BAC terdiri dari paling sedikit tiga anggota Dewan BAC yang memenuhi kriteria independensi dan keahlian sesuai dengan standar yang tercatat pada New York Stock Exchange (“NYSE”).

Komite Audit BAC secara langsung mengawasi fungsi audit, termasuk melakukan proses pengkajian atas kinerja, memberikan persetujuan rencana kerja tahunan audit internal, melakukan pengkajian terhadap kompensasi, dan penunjukan Auditor Umum Perusahaan (*Corporate General Auditor*).

The LMT is jointly and severally accountable for all aspects of governance and oversight involved with the management of risk in the country/entity. This relates to ensuring that adequate structures are in place for proper oversight, communication, review and understanding of risk and governance issues in the branch. As such, members of the LMT have an obligation to understand the risk profile of the branch and to ensure that risk management procedures are appropriate in relation to this profile.

LMT meetings are held monthly, except in months when an IIGC meeting is held, where it is deemed as a substitute for the LMT meeting. A majority of members is required for a quorum and any decision requires unanimous consent of all members present. If a unanimous decision cannot be reached, the issue should be discussed further and (if necessary) escalated to SEA CLT for resolution. Minutes are taken at each LMT meeting and distributed to all LMT members as well as to select members of SEA CLT. Follow-up items are tracked by the Country Manager indicating the subject matter and the nominated individual responsible for resolution.

In order to facilitate a wide band of effective governance the LMT has delegated certain responsibilities and authorities to an Asset and Liability Committee (“ALCO”). ALCO meets on a quarterly basis, to oversee and approve the policies and processes designed to assure sound risk and balance sheet management. It provides oversight for interest rate risk management, balance sheet composition, liquidity, funding policy, capital adequacy and investment and trading policies.

As BANA Jakarta is a branch, it does not have its own Risk Management Committee, Audit Committee, Remuneration Committee or Nomination Committee. For a discussion on structures equivalent to these committees, please see the following section.

#### **Section 4: Other Committee functions**

##### **a. Audit Committee**

As a branch of a foreign bank, BANA Jakarta does not have an Audit Committee. Instead, there is a Bank of America Corporation (BAC) Audit Committee at the global level. The BAC Audit Committee consists of no fewer than three members of the BAC Board who meet the criteria for independence and expertise in accordance with the New York Stock Exchange (“NYSE”) listing standards.

The BAC Audit Committee has direct oversight of the audit function, including the review of the performance, approval of the annual internal audit plan, compensation, and appointment of the Corporate General Auditor. The BAC Audit Committee reviews and approves the Audit Plan

Komite Audit BAC meninjau dan mengesahkan Rencana Audit (“Rencana Kerja”) setiap tahun. Rencana Kerja tersebut juga termasuk rencana kerja audit yang akan dilakukan pada BANA Jakarta.

Dalam kaitannya dengan pemilihan tahunan Kantor Akuntan Publik (KAP) Terdaftar Independen bagi Perusahaan, Komite Audit BAC mengevaluasi kualifikasi, kinerja, dan independensi Kantor Akuntan Publik Terdaftar Independen tersebut, termasuk persyaratan rotasi *Partner* KAP yang bertugas.

#### **b. Komite Risiko**

Sebagai cabang suatu bank asing, BANA Jakarta tidak memiliki Komite Risiko. Sebaliknya, terdapat Komite Manajemen Risiko yang berkedudukan di AS di tingkat global. Namun, BANA Jakarta memiliki Unit Manajemen Risiko yang bertanggung jawab mengelola risiko di kantor cabang. Fungsi ini dilaksanakan oleh Pejabat Manajemen Risiko BANA Jakarta, bersama dengan manajer Risiko untuk tiap area risiko yang berada di kantor-kantor regional. Unit Manajemen Risiko mengevaluasi serta menerapkan kebijakan dan prosedur manajemen risiko bank. Pejabat Manajemen Risiko BANA Jakarta juga merupakan anggota LMT cabang, dan semua masalah risiko penting dieskalasikan dan didiskusikan dalam rapat LMT.

#### **c. Komite Kompensasi dan Nominasi**

##### **Struktur Tata Kelola Kompensasi**

Bank of America (“Bank”) berkantor pusat di A.S., yang juga menjadi tempat Chief Executive Officer (“CEO”) dan Dewan Direksi global berada. Bank ini adalah salah satu lembaga keuangan terbesar di dunia, yang melayani nasabah individu, bisnis pasar kecil dan menengah, serta perusahaan besar dengan beragam layanan perbankan, investasi, manajemen aset, dan layanan keuangan lainnya. Bank ini menjalankan bisnis di seluruh dunia, termasuk di Indonesia, melalui berbagai lini bisnis (“LOB”) global. Bank ini mengoperasikan delapan segmen bisnis utama secara global: Retail, Preferred and Small Business, Merrill Lynch Wealth Management, US Trust, Business Banking, Global Commercial Banking, Global Corporate and Investment Banking, dan Global Markets.

Bank ini merancang dan mengatur program kompensasinya secara global, sehingga program-programnya sesuai dengan Prinsip Kompensasi Global Bank sebagaimana diuraikan dalam Kebijakan Tata Kelola Kompensasi Bank (“CGP”) dan praktik manajemen risiko yang sehat serta sesuai dengan semua hukum dan peraturan yang berlaku. Sehubungan dengan program kompensasi insentif untuk karyawan, Bank:

- Merancang program kompensasi insentifnya untuk mendukung sasaran manajemen risiko dan juga untuk menjaga keberadaan karyawan, kesesuaian dengan kepentingan pemegang saham, serta pencapaian hasil

(“the Plan”) on an annual basis. The Plan includes audit reviews providing coverage of BANA Jakarta.

In connection with the annual selection of the Company’s Independent Registered Public Accounting Firm, the BAC Audit Committee shall evaluate the qualifications, performance and independence of the independent Registered Public Accounting Firm, including partner rotation requirements.

#### **b. Risk Committee**

As a branch of a foreign bank, BANA Jakarta does not have a Risk Committee. Instead, there is a Risk Management Committee which convenes in the US at a global level. However, BANA Jakarta has a Risk Management Unit responsible for management of risks in the branch. This function is carried out by the BANA Jakarta Risk Management Officer, together with Risk managers for each risk area located in the regional offices. The Risk Management Unit evaluates and implements the bank’s risk management policies and procedures. The BANA Jakarta Risk Management Officer is also a member of branch LMT and all material risk issues are escalated and debated at the LMT meetings.

#### **c. Compensation and Nomination Committee**

##### **Compensation Governance Structure**

Bank of America (the “Bank”) is headquartered in the U.S., where its global Chief Executive Officer (the “CEO”) and Board of Directors are also located. The Bank is one of the world’s largest financial institutions, serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial services. The Bank conducts business throughout the world, including Indonesia, through multiple global lines of business (“LOBs”). The Bank operates eight principal business segments globally: Retail, Preferred and Small Business, Merrill Lynch Wealth Management, US Trust, Business Banking, Global Commercial Banking, Global Corporate and Investment Banking, and Global Markets.

The Bank designs and governs its compensation programs on a global basis so that its programs are consistent with the Bank’s Global Compensation Principles as described in the Bank’s Compensation Governance Policy (the “CGP”) and sound risk management practices as well as compliant with all applicable laws and regulations. With respect to the incentive compensation programs for employees, the Bank:

- Designs its incentive compensation programs to support risk management goals and also to encourage staff retention, alignment with shareholder interests and



jangka panjang dan berkesinambungan dengan cara yang tepat; dan

- Mengatur program kompensasi insentifnya sedemikian rupa sehingga pengawasan, tinjauan, dan tanggung jawab atas pengambilan keputusan remunerasi dialokasikan ke tingkat struktur Bank yang sesuai, jadi, tingkat manajemen yang paling relevan atau Dewan Direksi global yang mengambil keputusan remunerasi berdasarkan pengawasan yang tepat dan masukan yang tepat dari Komite Kompensasi dan Tunjangan Dewan Direksi/Board of Directors Compensation and Benefits Committee (“DCBC”) Bank, yang berfungsi sebagai Komite Kompensasi global Bank, dan Fungsi Kontrol Independennya (yakni, Audit, Kepatuhan, SDM, Hukum, Keuangan, dan Risiko).

Bank menerapkan kebijakan remunerasinya secara global dan memiliki empat tingkat utama untuk tata kelola skema kompensasi insentif:

- (i) Dewan Direksi (“Dewan”),
- (ii) DCBC, yang secara keseluruhan terdiri atas direktur independen dan berfungsi sebagai Komite Remunerasi global Bank,
- (iii) Komite Kompensasi Manajemen/Management Compensation Committee (“MCC”), yang ditunjuk oleh DCBC, dan
- (iv) Komite Kompensasi Lini Bisnis/Line of Business Compensation Committee (“LOB CC”) untuk tiap lini bisnis Bank.

Di tingkat lokal di Asia Pasifik, keputusan remunerasi diambil oleh tingkat manajer yang sesuai sebelum ditinjau oleh manajer regional dan global dalam tiap LOB dan diserahkan untuk ditinjau secara global. Terutama untuk karyawan di LOB Global Banking dan Global Market, Eksekutif Wilayah Asia Tenggara/Southeast Asia Country Executive akan meninjau kompensasi untuk semua negara Asia Tenggara, termasuk BANA Jakarta, dengan Presiden Asia Pasifik.

Secara global, DCBC mengawasi pembentukan, pemeliharaan, dan administrasi program remunerasi Bank dan skema tunjangan karyawan, termasuk mengesahkan dan merekomendasikan remunerasi CEO-nya kepada Dewan untuk disahkan, serta mengesahkan remunerasi bawahan langsung CEO. Selain itu, DCBC juga merekomendasikan kompensasi untuk Kepala Audit kepada Komite Audit untuk disahkan. Di bawah pengawasan DCBC, pengawasan, tinjauan, dan tanggung jawab atas pengambilan keputusan remunerasi dialokasikan ke tingkat struktur Bank yang sesuai sedemikian rupa sehingga tingkat manajemen yang paling relevan mengambil keputusan remunerasi dengan masukan yang terdokumentasi dari Fungsi Kontrol Independen Bank.

DCBC telah menerapkan dan meninjau setidaknya setiap tahun CGP untuk mengatur keputusan kompensasi insentif dan menetapkan kerangka kerja untuk pengawasan rancangan program kompensasi insentif di seluruh lingkungan Bank. CGP dirancang agar sesuai dengan inisiatif peraturan global

the achievement of long-term, sustainable results in an appropriate manner; and

- Governs its incentive compensation programs such that oversight, review and responsibility for remuneration decision-making are allocated to the appropriate level of the Bank’s structure so the most relevant level of management or the global Board of Directors makes remuneration decisions on the basis of appropriate oversight and appropriate input from the Bank’s Board of Directors Compensation and Benefits Committee (the “DCBC”), which functions as the Bank’s global Compensation Committee, and its Independent Control Functions (i.e., Audit, Compliance, Human Resources, Legal, Finance, and Risk).

The Bank applies its remuneration policy on a global basis and has four primary levels for the governance of incentive compensation plans:

- (i) the Board of Directors (the “Board”),
- (ii) the DCBC, which is wholly made up of independent directors and functions as the Bank’s global Remuneration Committee,
- (iii) the Management Compensation Committee (the “MCC”), which is appointed by the DCBC, and
- (iv) a Line of Business Compensation Committee (an “LOB CC”) for each of the Bank’s lines of business.

At a local level within Asia Pacific, remuneration decisions are made by the appropriate level of managers prior to review by regional and global managers within each LOB and submission for global review. Specifically for employees in the Global Banking and Markets LOB, the Southeast Asia Country Executive will review compensation for all Southeast Asia countries, including BANA Jakarta, with the President of Asia Pacific.

Globally, the DCBC oversees the establishment, maintenance and administration of the Bank’s remuneration programs and employee benefit plans, including approving and recommending the remuneration of its CEO to the Board for its approval and approving the remuneration of the CEO’s direct reports. Additionally, the DCBC recommends the compensation for the Head of Audit to the Audit Committee for approval. Under the supervision of the DCBC, oversight, review and responsibility for remuneration decision-making is allocated to the appropriate level of the Bank’s structure so that the most relevant level of management makes remuneration decisions with documented input from the Bank’s Independent Control Functions.

The DCBC has adopted and reviews at least annually the CGP to govern incentive compensation decisions and define the framework for design oversight of incentive compensation programs across the Bank. The CGP is designed to be consistent with global regulatory initiatives

sedemikian rupa sehingga rencana kompensasi insentif Bank tidak mengakibatkan pengambilan risiko yang berlebihan.

Berbagai tingkat Komite Kompensasi, yang diuraikan dalam CGP, meninjau dan mengevaluasi program remunerasi karyawan secara berkala berdasarkan penilaian risiko yang ditimbulkan oleh program tersebut, sehingga tidak mendukung pengambilan risiko yang berlebihan. Selain itu, DCBC meninjau program remunerasi pejabat eksekutif senior (senior executive officer) sedemikian rupa sehingga tidak mendukung pengambilan risiko yang berlebihan dan tetap sesuai dengan CGP.

DCBC menerima, dari waktu ke waktu, umpan balik langsung dari Fungsi Kontrol Independen tentang program remunerasi. DCBC juga mengadakan rapat berkala dengan pejabat risiko senior, termasuk Kepala Pejabat Risiko, untuk meninjau dan mengevaluasi program remunerasi karyawan untuk menilai risiko yang ditimbulkan oleh program tersebut sedemikian rupa sehingga program tersebut menyeimbangkan risiko dan penghargaan sebagaimana mestinya dengan suatu cara yang tidak mengakibatkan pengambilan risiko yang berlebihan.

#### **Struktur Tata Kelola Nominasi**

BANA Jakarta tidak memiliki komite nominasi sendiri. Karyawan yang setara dengan dewan direksi BANA Jakarta ditunjuk berdasarkan sifat peran fungsionalnya masing-masing. Jika ia diangkat atau dipromosikan untuk mengisi peran-peran seperti Kepala Cabang, Kepala Bidang Kepatuhan, posisi kunci lainnya; mereka diharapkan menjadi direktur, dengan syarat memperoleh hasil memuaskan dalam uji kelayakan & kepatutan dan pengesahan dari Otoritas Jasa Keuangan (OJK).

#### **Bagian 5: Penanganan Konflik Kepentingan**

Bank of America telah sering menghadapi konflik kepentingan yang sebenarnya, potensi konflik kepentingan, serta persepsi konflik kepentingan selama menjalankan bisnis secara wajar. Pedoman Perilaku memberikan panduan dasar tentang praktik bisnis yang etis, manajemen konflik kepentingan, serta perilaku profesional dan pribadi, yang diharapkan dapat diterapkan dan ditegakkan oleh semua karyawan sebagai karyawan BANA Jakarta.

Selama tahun 2016, tidak terjadi insiden konflik kepentingan di BANA Jakarta

#### **Bagian 6: Kepatuhan**

Unit Kerja Kepatuhan Bank of America, Jakarta branch adalah unit kerja independen yang berada tanggung jawabnya dibawah Direktur Kepatuhan. Didalam melakukan kegiatan tugas dan tanggung jawabnya, Direktur Kepatuhan dan Unit Kerja Kepatuhan mendapat dukung penuh dari *Local Management Team (LMT)* and Regional Compliance Team.

so that the Bank's incentive compensation plans do not encourage excessive risk-taking.

The various levels of Compensation Committees, described in the CGP, review and evaluate employee remuneration programs periodically in light of an assessment of any risk posed by the programs and so that they do not encourage excessive risk-taking. In addition, the DCBC reviews senior executive officer remuneration programs so that they do not encourage excessive risk-taking and are otherwise consistent with the CGP.

The DCBC receives, from time to time, direct feedback from the Independent Control Functions on remuneration programs. The DCBC also holds periodic meetings with senior risk officers, including the Chief Risk Officer, to review and evaluate employee remuneration programs to assess any risk posed by the programs so that the programs appropriately balance risks and rewards in a manner that does not encourage excessive risk-taking.

#### **Nomination Governance Structure**

BANA Jakarta does not have its own nomination committee. The employees who are equivalent to the board of directors of BANA Jakarta are appointed because of the nature of their respective functional role. When he/she are hired or promoted to fill in the roles such as Country Manager, Head of Compliance, other key positions; they would be expected to be director, subject to obtaining satisfactory result of the mandatory fit & proper test and approval from the Indonesia Financial Services Authority (OJK).

#### **Section 5: Handling Conflicts of Interest**

Bank of America faces actual, potential and perceived conflicts of interest on a regular basis during the normal course of business. The Code of Conduct provides basic guidelines of ethical business practices, management of conflicts of interest, and professional and personal conduct, that all employees are expected to adopt and uphold as BANA Jakarta's employees.

During the year 2016, there were no conflict of interest incident occurred in BANA Jakarta

#### **Section 6: Compliance**

Compliance Work Unit of Bank of America, N.A. Jakarta Branch is an independent work unit under the responsibility of the Compliance Director. In conducting their day to day duties and responsibilities, the Compliance Director and the Compliance Work Unit have full support both from the *Local Management Team (LMT)* and Regional Compliance Team.

Selain itu, pelaksanaan fungsi kepatuhan di BANA Jakarta selaras dengan core value dari Bank of America global dan merupakan komponen kunci dari manajemen risiko secara keseluruhan. Unit Kerja Kepatuhan memitigasi risiko kepatuhan melalui menginventarisasi undang-undang, peraturan dan ketentuan-ketentuan perbankan (“LRR”) dan bersama-sama Front Line Unit (FLU), dan *control function* melakukan penilaian dampak dari LRR yang baru, melakukan penilai risiko, pemantauan aktivitas bisnis, melakukan review dan persetujuan untuk produk-produk dan/atau aktivitas baru, memberikan pendapat untuk penafsiran hukum dan ketentuan-ketentuan, dan melakukan pelatihan dan memastikan pelaksanaan kebijakan internal termasuk kebijakan *Anti Money Laundering*.

Program kepatuhan ini meliputi tetapi tidak terbatas pada pelaksanaan hal-hal berikut:

- Mendukung budaya kepatuhan di seluruh tingkat organisasi dan aktivitas bisnis BANA Jakarta dengan menyediakan pelatihan;
- Mengambil tindakan yang diperlukan untuk memastikan bahwa BANA Jakarta telah melaksanakan semua peraturan yang berlaku dengan:
  - (i) menyebarkan informasi ke seluruh staf atau pimpinan cabang terkait publikasi peraturan yang berlaku untuk BANA Jakarta;
  - (ii) membahas tindak lanjut yang harus dilakukan agar dapat melaksanakan aktivitas sesuai dengan peraturan yang berlaku;
- Membuat kebijakan kepatuhan dan prosedur.
- Melakukan penilaian terhadap risiko kepatuhan yang dihadapi BANA Jakarta.
- Melakukan revisi, rewiw terhadap kebijakan kepatuhan dan prosedur untuk memastikan semuanya sesuai dengan ketentuan BI, OJK dan hukum yang berlaku.
- Melakukan pemantauan dan pengujian kepatuhan dengan ketentuan yang dianggap berisiko tinggi.
- Melakukan pemantauan terhadap implementasi dari temuan audit BI/OJK/PPATK dan memastikan komitmen yang dilakukan di tindak lanjuti dan diserahkan oleh BANA Jakarta kepada BI/OJK/PPATK.

Direktur Kepatuhan menyampaikan laporan Fungsi Direktur Kepatuhan kepada OJK tiap semester. Ruang lingkup laporan Fungsi Direktur Kepatuhan sesuai dengan ketentuan yang berlaku dari Bank Indonesia. Per 31 Desember 2016, Bank tidak memiliki Direktur Kepatuhan. Namun demikian fungsi kepatuhan tetap dijalankan oleh Staf Kepatuhan.

Hasil pemantauan dan pengujian kepatuhan menunjukkan bahwa tidak ada faktor signifikan yang dapat memengaruhi kepatuhan BANA Jakarta terhadap peraturan OJK/BI dan undang-undang yang berlaku di Indonesia.

In addition, the implementation of compliance function of BANA Jakarta is in line with the core value of Bank of America globally and is a key component of a overall risk management. Compliance Work Unit mitigates compliance risk by maintaining an inventory of banking laws, rules and regulations (LRR) and assessing the impact of new LRR’s together with the front line units (FLU’s) and control functions (CF’s), performing a risk assessment, monitoring business activities, conducting review and approval towards new products and/or activities, providing opinions for interpreting laws and regulations, and conducting training and ensuring application of internal policies, including Anti Money Laundering policies.

The compliance program includes but not limited to the implementation of the following:

- Promoting a compliance culture at all levels of organization and business activities of BANA Jakarta by providing Compliance Training;
- Taking required measures to ensure that BANA Jakarta has implemented all applicable regulations by:
  - (i) disseminating information to all staffs or branch leaders on the publication of applicable regulations for BANA Jakarta;
  - (ii) discussing the follow-up that must be conducted in order to implement activities according to applicable regulations;
- Developing compliance policies and procedures;
- Assessing compliance risks faced by BANA Jakarta;
- Revising/reviewing compliance policies, and procedures to ensure that these are in conformity with the provisions of BI, OJK, and/or applicable laws,
- Monitoring and testing the compliance with regulations deemed high risk,
- Monitoring the implementation of audit findings raised by BI/OJK/PPATK and ensuring that the commitment made by BANA Jakarta to BI/OJK/PPATK is followed and submitting the follow-up result report to BI/OJK/PPATK.

The Compliance Director submits the Compliance Director Function report to OJK each semester. The scope of the Compliance Director Function report is in accordance with the applicable provisions of Bank Indonesia. As of 31 December 2016, Bank does not have a Compliance Director. Nonetheless, compliance function of the Bank was managed by Compliance Officers.

The results of the compliance monitoring and testing show that there are no significant factors which may affect the compliance of BANA Jakarta to OJK/BI regulations and applicable laws in Indonesia.



## **Bagian 7: Audit Internal**

Corporate Audit memberikan penilaian dan validasi secara independen melalui pengujian terhadap kontrol dan proses-proses kunci di seluruh bidang dalam Perusahaan. Corporate Audit juga termasuk Credit Review yang secara berkala menguji dan memeriksa portofolio dan proses kredit.

Piagam Audit Perusahaan menjabarkan tujuan, misi, independensi dan objektivitas, tata kelola, tanggung jawab, wewenang, serta standar praktik audit dari Corporate Audit. Semua pegawai dalam Corporate Audit wajib melakukan aktivitas sesuai dengan piagam ini.

Corporate Audit dan *General Corporate Auditor* selalu menjaga independensi dari Unit Kerja Bisnis dan Fungsi Kontrol Perusahaan dengan melapor langsung kepada Komite Audit. *Corporate General Auditor* secara administratif melapor kepada CEO Bank of America Corporation.

Rencana audit berbasis risiko ditetapkan oleh Corporate Audit Bank of America melalui proses perencanaan tahunan. Corporate Audit mengevaluasi risiko yang melekat dan efektivitas lingkungan kontrol masing-masing bisnis untuk menentukan tingkat risiko yang tersisa (*residual risk rating*), yang pada akhirnya akan menentukan frekuensi pelaksanaan audit. Rencana audit ditetapkan untuk memberikan penilaian independen atas efektivitas lingkungan kontrol entitas bisnis. Laporan audit dan temuan audit memiliki peringkat laporan (*Audit Rating*) dan peringkat masing-masing temuan. Apabila diperlukan, temuan audit yang penting akan dipantau dan dipastikan sampai temuan/masalah tersebut terselesaikan.

Auditor internal BANA Jakarta melapor langsung kepada tim manajemen Audit dan secara administratif kepada Country Manager BANA Jakarta. Auditor internal BANA Jakarta memiliki kualifikasi yang memadai untuk menjalankan tugasnya secara efektif. Auditor internal BANA Jakarta diharapkan dapat memenuhi persyaratan pembelajaran berkelanjutan tahunan dan pelatihan wajib tentang kepatuhan (*compliance training*) perusahaan yang telah diberikan.

Rencana Audit tahun 2016 untuk BANA Jakarta telah diselesaikan, dan auditor internal BANA Jakarta telah menyampaikan laporan tentang pelaksanaan dan hasil utama audit internal setiap 6 bulan, sesuai yang dipersyaratkan oleh peraturan perbankan. Tidak terdapat temuan berulang dari hasil audit Corporate Audit pada tahun 2016.

BANA Jakarta melibatkan pihak eksternal untuk melakukan tinjauan independen guna menilai kepatuhan Corporate Audit terhadap Standar Pelaksanaan Fungsi Audit Internal Bank (SPFAIB) setiap tiga tahun sekali. Tinjauan terakhir telah diselesaikan untuk periode tahun 2013 – 2015 dan Internal Audit memperoleh hasil memuaskan dengan rating “*Generally Conforms*” dan tidak terdapat temuan mengenai ketidakpatuhan terhadap SPFAIB.

## **Section 7: Internal Audit**

Corporate Audit provides independent assessment and validation through testing of key processes and controls across the Company. Corporate Audit includes Credit Review which periodically tests and examines credit portfolios and processes.

The Corporate Audit Charter outlines Corporate Audit's purpose, mission, independence and objectivity, governance, responsibilities, authority and standards of audit practice. All Corporate Audit associates are required to conduct activities in accordance with the charter.

Corporate Audit and the Corporate General Auditor maintain independence from the Company's Front Line Units and Control Functions by reporting directly to the Audit Committee of the Board. The Corporate General Auditor administratively reports to the CEO of Bank of America Corporation.

A risk based audit plan is established by Bank of America Corporate Audit through the annual planning process. Corporate Audit evaluates the inherent risk and the effectiveness of the control environment of each business to determine a calculated residual risk rating, which drives the frequency of coverage. Audit plans are established to provide independent assessments of the effectiveness of the business entity's control environment. Audit reports and issues have report ratings and issues ratings respectively. Where required, material issues are tracked until closure.

The BANA Jakarta internal auditor reports directly to the Audit management team and administratively to the Country Manager of BANA Jakarta. The on-site internal auditor has adequate qualifications to perform his duties effectively. BANA Jakarta's internal auditor is expected to meet annual continuing education requirements and assigned mandatory enterprise-wide compliance training.

The 2016 Audit Plan for BANA Jakarta was executed and the BANA Jakarta internal auditor submitted a report on the implementation and principal results of internal audit every 6 months, in accordance with regulatory requirement. There have been no repeated findings from Corporate Audit reviews in 2016.

BANA Jakarta engages an external party to perform an independent review to assess Corporate Audit's compliance with the Implementation of Standards Function of Bank's Internal Audit (ISFBIA) every three years. Latest review has been completed for the period of 2013-2015 and Internal Audit obtain rating of “*Generally Conform*” with no finding regarding non compliance based on ISFBIA.

### **Bagian 8: Audit Eksternal**

Komite Audit BAC bertanggung jawab untuk menyetujui Kantor Akuntan Publik Terdaftar Independen yang memenuhi syarat setiap tahunnya. Kantor Akuntan Publik Terdaftar yang Independen ini akan bertanggung jawab sepenuhnya kepada Komite. Komite Audit melakukan review ruang lingkup dan menyetujui fee yang akan dibayarkan kepada Kantor Akuntan Publik Terdaftar yang Independen ini untuk audit tahunan atas laporan keuangan konsolidasi Perusahaan, penilaian manajemen atas kontrol internal terhadap pelaporan keuangan dan atas efektivitas kontrol internal Perusahaan terhadap pelaporan keuangan. BANA Jakarta memastikan bahwa Kantor Akuntan Publik ini terdaftar di Bank Indonesia/OJK.

Mengacu pada pasal 16 ayat 2 dalam Peraturan BI No. 3/22/PBI/2001 yang diubah dengan No. 7/50/PBI/2005 tentang Transparansi Laporan Keuangan Bank yang menyatakan bahwa “Penunjukan Akuntan Publik dan/atau Kantor Akuntan Publik guna memberikan layanan untuk bank selama periode maksimum 5 tahun audit berturut-turut”, dan pada pasal 17 ayat 2 untuk peraturan yang sama menyatakan “kantor cabang bank asing atau bank yang sebagian sahamnya dimiliki oleh pihak asing dapat mengajukan permohonan kepada Bank Indonesia untuk dikecualikan dari prosedur sebagaimana dimaksud dalam Pasal 16 ayat 2”, BANA Jakarta telah menerima persetujuan OJK untuk menggunakan Akuntan Publik saat ini untuk mengaudit Laporan Keuangan Tahunan BANA Jakarta.

### **Bagian 9: Manajemen Risiko (termasuk Sistem Kontrol Internal)**

(1) Pengawasan aktif Dewan Komisaris dan Dewan Direksi

Manajemen Cabang di bawah pengawasan Tim Manajemen Risiko Regional/Kantor Pusat bertanggung jawab untuk menerapkan manajemen risiko dalam lingkungan cabang. Untuk mengelola pelaksanaan manajemen risiko, Manajemen Cabang didukung secara lokal oleh LMT cabang, Tim Manajemen Risiko (Regional dan Lokal), dan departemen yang bertindak sebagai Unit Pengambil Risiko. Sesuai dengan persyaratan OJK, Manajemen Cabang melaksanakan fungsi-fungsi dalam bidang manajemen risiko berikut:

- a) Dengan panduan Kantor Regional/Kantor Pusat, Manajemen Cabang dan LMT akan mengevaluasi dan menyetujui Panduan Manajemen Risiko (Risk Management Guidelines) cabang dan batas terkait risiko yang relevan setidaknya sekali setiap tahun (atau dengan frekuensi yang lebih tinggi jika terjadi perubahan faktor yang secara signifikan memengaruhi kegiatan bisnis cabang).

### **Section 8: External Audit**

The BAC Audit Committee is responsible to annually approve a qualified Independent Registered Public Accounting Firm. The Independent Registered Public Accounting Firm is to be ultimately accountable to the Committee. The Audit Committee reviews the scope and approves the fees to be paid to the Independent Registered Public Accounting Firm for the annual audit of the Corporation’s consolidated financial statements, of management’s assessment of the internal controls over financial reporting and of the effectiveness of the Corporation’s internal control over financial reporting. BANA Jakarta ensures that the Public Accounting Firm is registered with Bank Indonesia/OJK.

Referring to article 16 paragraph 2 in BI Regulation No. 3/22/PBI/2001 as amended by No. 7/50/PBI/2005 concerning Bank’s Financial Statement Transparency which states that “Appointing Public Accountant and/or Public Accountant Firm to provide service for a bank of maximum period 5 audit years in sequence”, and article 17 paragraph 2 for the same regulation stated “branch office of foreign bank or a bank whereas shareholders owned by foreign parties are able to request to Bank Indonesia for exception from the procedures mentioned in Article 16 paragraph 2, BANA Jakarta has received OJKs agreement to use current Public Accountant for auditing Annual Financial Statement of BANA Jakarta.

### **Section 9: Risk Management (including Internal Control System)**

(1) Active supervision of the Board of Commissioners and Directors

Branch Management under the supervision of Regional / Head Office Risk Management Team have a responsibility to implement risk management within branch environment. To manage the implementation of risk management, the Branch Management is supported locally by the branch LMT, Risk Management Team (Regional and Local), and operating department as Risk Taking Unit. In line with OJK requirements, Branch Management conducts the following functions in risk management area:

- a) With Regional / Head Office’s guidance, Branch Management and the LMT will evaluate and approve the branch’s Risk Management Guidelines and relevant risk related limits at least once each year (or at higher frequency in the event of any changes in factors significantly affecting the business activities of the branch).

- b) Mengembangkan budaya manajemen risiko yang sesuai dengan budaya risiko global Bank di semua tingkat dalam cabang.
  - c) Memastikan pengembangan sumber daya manusia yang kompeten untuk penerapan manajemen risiko yang efektif;
  - d) Memastikan bahwa fungsi manajemen risiko diterapkan secara independen, dibuktikan lewat pemisahan fungsi antara Unit Manajemen Risiko, yang melakukan identifikasi, pengukuran, pemantauan, dan kontrol risiko, dan unit yang melaksanakan serta menyelesaikan transaksi;
  - e) Melakukan tinjauan rutin dengan frekuensi yang ditetapkan menurut kebutuhan cabang.
  - f) Mengevaluasi dan menyetujui usulan untuk aktivitas dan/atau produk baru yang diajukan atau dikembangkan oleh unit khusus di dalam cabang. Fokus utamanya adalah kemampuan cabang untuk melaksanakan aktivitas dan/atau produk baru tersebut, termasuk sistem dan prosedur yang digunakan serta dampak yang dihasilkan terhadap paparan risiko cabang secara keseluruhan.
- (2) Kecukupan kebijakan, prosedur, dan penetapan batas

Sebagai bank yang beroperasi secara global, Bank of America berusaha memberikan pengawasan di tingkat lokal dan regional dalam hal praktik manajemen risiko untuk memastikan konsistensinya di berbagai negara, sekaligus menerapkan prosedur dan struktur tertentu yang diperlukan secara lokal di tiap negara. Untuk itu, kita menugaskan ahli manajemen risiko untuk tiap area risiko yang ada di berbagai negara di Asia. Para ahli Manajemen Risiko Regional ini berkoordinasi dengan kantor pusat kami dalam mendapatkan kebijakan dan arahan secara keseluruhan yang berlaku di tingkat regional, memberikan nasihat atau penjelasan khusus saat diperlukan oleh unit individu, dan juga memberikan dukungan serta pengawasan yang diperlukan oleh unit dalam hal kelangsungan bisnis. Mereka bekerja sama dengan unit lokal dan Tim Manajemen Lokal/*Local Management Team* untuk memastikan kepatuhan terhadap praktik global serta persyaratan lokal.

Batas Risiko ditetapkan oleh berbagai area risiko fungsional yang bertanggung jawab atas tiap jenis risiko sebagaimana yang berlaku (terutama Risiko Kredit dan Risiko Pasar). Pejabat Manajemen Risiko lokal memastikan bahwa LMT cabang selalu mengetahui Batas Risiko ini melalui pelaporan dan penyampaian rutin dalam rapat LMT bulanan.

Kebijakan dan prosedur global kami dapat ditemukan di Situs Web Manajemen Risiko dan dalam bentuk elektronik yang lain.

- b) Develop a risk management culture consistent with the Bank's global risk culture at all levels within the branch.
  - c) Ensure the development of competent human resources for the application of effective risk management;
  - d) Ensure that the risk management function is applied on an independent basis, reflected among others by segregation of functions between the Risk Management Unit, which conducts the identification, measurement, monitoring, and control of risks, and units that conduct and settle transactions;
  - e) Conduct regular reviews at a frequency determined according to the needs of the branch.
  - f) Evaluate and approve proposals for any new activity and/or product submitted or developed by a specific unit within the branch. This shall focus on the ability of the branch to implement the new activity and/or product, including the system and procedures used and the resultant impact on the overall risk exposure of the branch.
- (2) Adequacy of the policy, procedure and limit decision

As a bank operating globally, Bank of America is looking to provide local and regional level oversight in terms of risk management practices to ensure consistency in various countries, while simultaneously implementing specific procedures and structures required locally in each country. Along these lines, we have risk management experts assigned for each risk area located in various countries in Asia. These Regional Risk Management experts co-ordinate with our headquarters in getting overall policies and directions in place at the regional level, provide specific advice or clarification, when required by the individual units and also provide support and oversight required by the units in terms of ongoing business. They work closely with the local unit and Local Management Team to ensure compliance with global practices as well as local requirements.

Risk Limits are established by the various functional risk areas responsible for each type of risk as applicable (mainly Credit risk and Market risk). The onshore Risk Management Officer ensures that the branch's LMT is kept apprised of these Risk Limits via regular reporting and communication at the monthly LMT meetings.

Our global policies and procedures can be found in Risk Management Web Site and in other electronic forms.

- (3) Kecukupan proses identifikasi, pengukuran, pemantauan dan kontrol risiko serta sistem informasi manajemen risiko

Bank of America NA Cabang Jakarta menjaga eksposur risiko agar konsisten dengan kebijakan dan prosedur global bank. Kebijakan dan prosedur kami memberikan panduan yang jelas agar risiko teridentifikasi, ternilai, terukur, disetujui dan termonitor. Hal ini juga memastikan bahwa Bank of America NA Cabang Jakarta beroperasi dengan cara yang konsisten dengan budaya risiko global dan *risk appetite*. Dalam waktu yang bersamaan, Cabang patuh kepada kebijakan regulasi lokal / pedoman dan praktek pasar lokal (*local market practice*). Risiko bersangkutan dengan persetujuan kredit tetap rendah karena disiplin internal seperti proses persetujuan yang multi-level, pemantauan ketidakpatuhan / penyimpangan kredit, pemantauan kredit internal yang menerus, dan proses pemilihan klien (client selection) yang jelas. BANA Jakarta mempekerjakan Pejabat Manajemen Risiko lokal untuk memberikan pengawasan dan persetujuan tingkat lokal, yang didukung oleh *risk experts* untuk tiap area risiko yang berada di kantor Regional. Pejabat Risiko regional ini memberikan panduan dan dukungan terhadap Manajemen Cabang, Tim Manajemen Lokal dan Perjabat Manajemen Risiko Lokal.

LMT bekerja sama dengan tim Manajemen Risiko lokal dan regional dalam semua aspek fungsi manajemen risiko di BANA Jakarta.

- (3) Adequacy of the process of identification, measurement, risk monitoring and control as well as the risk management information system

Bank of America NA Jakarta Branch maintains risk exposure consistent with the policies and global procedures of the bank. Our global policies and procedures provide clear guidance to ensure that risks are identified, assessed, measured, approved and monitored. It also ensures that Bank of America NA Jakarta Branch operates in a manner consistent with our global risk culture and risk appetite. At the same time, the Branch complies with local regulatory policies / guidance and local market practices. Risks associated with granting credit remains low due to internal disciplines such as multi-level approval processes, monitoring of non-compliance / credit deviations, ongoing internal credit monitoring, and well defined client selection disciplines. BANA Jakarta employs an on-shore Risk Management Officer in order to provide local risk oversight and approval, supported by risk experts assigned for each risk area located in the Regional office. These regional functional risk management employees provide guidance and support for Branch Management, Local Management Team and the Local Risk Management Officer.

The LMT works closely with local and regional Risk Management teams on all aspects of risk management functions at BANA Jakarta.

**Bagian 10: Fasilitas Pihak Terkait/Penyediaan Dana Besar**

Fasilitas untuk pihak terkait dan penyediaan dana besar  
Posisi Desember 2016.

**Section 10: Related Party Facilities / Large Exposures**

Facilities to related parties and large exposures  
As of December 2016

Fasilitas ( <i>Facilities</i> )	Jumlah ( <i>Amount</i> )	
	Debitur ( <i>Debtors</i> )	Nominal (Nominal) (dalam Juta Rupiah/ <i>in million Rupiah</i> )
Kepada Pihak Terkait ( <i>To Related Parties</i> )	6	5.373
Kepada Debitur Inti ( <i>To Core Debtors</i> ):		
a) Individu	-	-
b) Grup	3	2.126.234

**Bagian 11: Transparansi Kondisi Keuangan dan Kondisi Non-Keuangan yang belum diungkap dalam laporan lain**

BANA Jakarta telah memenuhi kewajibannya untuk menyusun dan menyerahkan laporan Keuangan, sesuai dengan Peraturan OJK No. 6/POJK.03/2015 sebagaimana diubah

**Section 11: Transparency of Financial Conditions and Non Financial Conditions which have not been disclosed in other reports**

BANA Jakarta has fulfilled its obligation to prepare and submit Financial reports, in accordance with OJK Regulation No. 6/POJK.03/2015 as amended by No.

dengan No. 32/POJK.03/2016 perihal Transparansi dan Publikasi Laporan Bank. Oleh karenanya, tidak ada laporan lain yang belum diungkapkan oleh BANA Jakarta.

32/POJK.03/2016 concerning Transparency and Publication of Bank's Reports. Thus, there are no other reports which have not been disclosed by BANA Jakarta.

## **Bagian 12: Perencanaan Strategis**

### **a. Rencana Jangka Panjang (Rencana Perusahaan)**

Sebagai suatu cabang, rencana strategis BANA Jakarta diselaraskan dengan rencana regional dan global Bank of America. Sasaran dan tujuan strategis dikembangkan melalui kemitraan dengan pimpinan regional dan global dalam parameter strategi dari operasi internasional bank. Kemudian, sasaran dan tujuan ini disesuaikan dengan persyaratan pengembangan infrastruktur tertentu untuk BANA Jakarta, dengan pertimbangan yang diberikan pada persyaratan perundangan lokal dan efektivitas operasional global.

Visi Bank of America di Indonesia adalah agar BANA Jakarta menjadi mitra utama 'lintas batas' perbankan untuk perusahaan dan lembaga keuangan global yang beroperasi di Indonesia, serta untuk kebutuhan perbankan internasional bagi perusahaan dan lembaga keuangan kelas atas di Indonesia.

### **b. Rencana Jangka Pendek dan Menengah (Rencana Bisnis)**

#### **Tujuan jangka pendek BANA Jakarta antara lain:**

- Untuk terus memperluas portofolio klien Global MNC dan FI yang mana sejalan dengan fokus strategis cabang saat ini.
- Untuk meningkatkan tim Corporate Banking yang baru didirikan dalam rangka mempererat hubungan dengan klien Global MNC dan FI yang beroperasi di Indonesia termasuk perusahaan kelas atas yang memiliki rencana ekspansi ke luar negeri.
- Untuk terus memperkuat tim *support* dan kontrol di area tertentu.
- Meningkatkan efisiensi operasional melalui strategi pengembangan terintegrasi di seluruh lini bisnis yang beroperasi di Indonesia.

#### **Tujuan jangka menengah cabang antara lain:**

- Memperluas dasar jasa layanan perbankan inti kepada portofolio nasabah Global MNC yang lebih luas yang beroperasi di Indonesia, kepada FIG Indonesia dengan nasabah regional dan global serta korporasi *top tier* Indonesia dengan strategi perluasan global.
- Untuk membangun bisnis Global Market dengan menyertakan produk yang lebih canggih. Diharapkan

## **Section 12: Strategic Planning**

### **a. Long Term Plan (Corporate Plan)**

As a branch, BANA Jakarta's strategic plan is aligned to Bank of America's regional and global plans. Strategic goals and objectives are developed in partnership with regional and global leaders within the strategy parameters of the bank's international operations. These are then tailored to the specific infrastructure development requirements for BANA Jakarta, with consideration given to local regulatory requirements and global operational effectiveness.

Bank of America's vision in Indonesia is for BANA Jakarta to become the premier 'cross border' banking partner for Global MNCs / FI's operating in Indonesia as well as for the international banking needs of top tier Indonesia Financial Institutions and Corporations.

### **b. Short and Medium Term Plan (Business Plan)**

#### **BANA Jakarta's short-term objectives are:**

- To continue to expand the portfolio of Global MNC and FI clients in line with the branch's current strategic focus.
- To leverage the recently established Corporate Banking team in order to deepen our relationships with our target client base of Global MNCs and FIs operating in Indonesia, as well as top-tier local corporations who have cross-border expansion plans.
- To continue to strengthen the support and control teams in selected areas.
- To improve operational efficiency through integrated development strategies across the lines of business operating in Indonesia

#### **The medium-term objectives of the branch are:**

- To expand the foundation of core banking services to a wider client portfolio of Global MNC's operating in Indonesia, to Indonesian FI's with regional and global clients, and to the top tier of Indonesia Corporations with global expansion strategies.
- To build out the onshore Global Markets business to cover more sophisticated products. This will



memfasilitasi perkembangan skala laba dan kapabilitas untuk mendukung segment klien inti dan membangun BANA Jakarta sebagai bank asing terdepan di Indonesia.

- Memperluas kontribusi BANA Jakarta terhadap perekonomian Indonesia dengan melaksanakan peran perantara yang diperluas dalam pasar Indonesia dan dengan memfasilitasi arus investasi langsung luar negeri (“FDI”) yang meningkat.

facilitate the development of profitable scale and capabilities to support the core client segments and establish BANA Jakarta as a leading international bank in Indonesia in areas of the bank’s global strengths.

- To expand BANA Jakarta’s contribution to the Indonesia economy by performing an expanded intermediary role in the Indonesia market and by facilitating increased flows of Foreign Direct Investment (“FDI”).

### **Bagian 13: Pengungkapan Wajib Lainnya**

Lihat Lampiran untuk Pengungkapan Wajib lainnya.

### **Apendiks: Pengungkapan Wajib Lainnya**

- a. Kepemilikan saham anggota Dewan Komisaris dan Dewan Direksi yang mencapai 5% (lima persen) atau lebih dari modal yang disetor, termasuk jenis dan jumlah saham di:**

- 1) Bank of America: Tidak ada
- 2) Bank lain (dalam dan luar negeri): Tidak ada
- 3) Lembaga Keuangan Bukan Bank (dalam dan luar negeri): Tidak ada
- 4) Perusahaan lain (dalam dan luar negeri): Tidak ada

- b. Hubungan keuangan dan keluarga anggota Dewan Komisaris dan Dewan Direksi dengan anggota lain Dewan Komisaris, Dewan Direksi, dan/atau Pemegang Saham Pengendali Bank.**

Tidak ada hubungan keuangan dan keluarga di antara anggota manajemen BANA Jakarta dengan pemegang saham pengendali.

### **Section 13: Other Statutory Disclosures**

Please refer to the Appendix for other Statutory Disclosures.

### **Appendix: Other Statutory Disclosures**

- a. Share ownership of members of the Board of Commissioners and the Board of Directors reaching 5% (five percents) or more of paid-in capital, including type and number of shares at:**

- 1) Bank of America: Nil
- 2) Other banks (domestic and overseas): Nil
- 3) Non-bank Financial Institutions (domestic and overseas): Nil
- 4) Other companies (domestic and overseas): Nil

- b. Financial and family relationships of members of the Board of Commissioners and the Board of Directors with other members of the Board of Commissioners, the Board of Directors, and/or Bank Controlling Shareholders.**

There are no financial and family relationships among the members of the management of BANA Jakarta with the controlling shareholders.

**c. Total jumlah penipuan internal**

**c. Total numbers of Internal Fraud**

Penyimpangan dalam Setahun (( <i>internal Fraud in a Year</i> )	Jumlah kasus ( <i>Number of cases</i> )					
	Anggota Direksi dan Komisaris (Board of Director and Board of Commissioner)		Pegawai Tetap ( <i>Permanent Employees</i> )		Pegawai Tidak Tetap dan Alih Daya ( <i>Temporary Staffs and Outsourced</i> )	
	Tahun sebelumnya ( <i>Previous year</i> )	Tahun Berjalan ( <i>Current Year</i> )	Tahun sebelumnya ( <i>Previous year</i> )	Tahun Berjalan ( <i>Current Year</i> )	Tahun sebelumnya ( <i>Previous year</i> )	Tahun Berjalan ( <i>Current Year</i> )
Total Penipuan ( <i>Total Fraud</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )
Telah diselesaikan ( <i>settled</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )
Dalam proses penyelesaian (In the settlement process)	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )
Belum diupayakan penyelesaian ( <i>Has not been auctioned</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )
Telah ditindaklanjuti melalui proses hukum ( <i>Actioned through legal process</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )

**d. Masalah hukum**

**d. Legal Cases**

Permasalahan Hukum ( <i>Legal Cases</i> )	Jumlah Kasus ( <i>number</i> )	
	Perdata ( <i>Civil Claim</i> )	Pidana ( <i>Criminal Act</i> )
Telah mendapatkan putusan akhir yang mempunyai kekuatan hukum tetap ( <i>Completed with final and binding decision</i> )	Tidak ada ( <i>None</i> )	Tidak ada ( <i>None</i> )
Dalam proses penyelesaian ( <i>In the process</i> )	1	Tidak ada ( <i>None</i> )
Total	1	Tidak ada ( <i>None</i> )

Kasus di atas terkait eksekusi asset PT Kertas Bekasi Teguh sejak tahun 1996. BANA memutuskan untuk tidak mengejar pembayaran.

The above legal case related to the execution of PT Kertas Bekasi Teguh assets since year 1996. BANA decided not to pursue this withdrawal.

**e. Transaksi Konflik Kepentingan**

**e. Conflict of Interest Transaction**

No.	Nama dan jabatan pihak yang memiliki benturan kepentingan (Name and title of the person having conflict of interest)	Nama dan jabatan pengambil keputusan (Name and title of the decision maker)	Jenis transaksi (Type of transaction)	Jumlah transaksi (Amount of transaction)	Catatan (Note)
-	-	-	-	-	-

**f. Membeli kembali saham dan membeli kembali obligasi BANA Jakarta**

**f. Buy back shares and buy back bonds of BANA Jakarta**

Selama 2016, BANA Jakarta tidak membeli kembali saham/obligasi apa pun

During 2016, BANA Jakarta did not buy back any shares/ bonds

**g. Sumbangan dana untuk Aktivitas Politik dan Sumbangan dana untuk Aktivitas Sosial**

**g. Donation of fund to Political Activity and Donation of fund to Social Activity**

Tidak ada sumbangan dana untuk aktivitas politik selama 2016. Sumbangan dana untuk Aktivitas Sosial selama 2016 sebesar USD 65.000 (setara sekitar Rp 0.85 milyar) untuk “Yayasan Balita Sehat” di Jakarta Selatan. “Yayasan Balita Sehat” mendukung kesehatan ibu dan anak di Indonesia. Pendanaan kami telah memungkinkan organisasi tersebut membuka Pusat Anak Usia Dini (Early Childhood Center) - memberikan perawatan kesehatan dan gizi untuk anak-anak, dan pendidikan kesehatan dan pelatihan keterampilan untuk ibu-ibu, serta peluncuran proyek "Smart Car" yang membawa buku untuk anak-anak di pedesaan.

There was no donation of fund for political activity during 2016. Donation of fund for Social Activity during 2016 was USD 65,000 (around IDR 0.85 billion) to “Yayasan Balita Sehat” in South Jakarta. “Yayasan Balita Sehat” supports mother and child health in Indonesia. Our funding has allowed the organization to open an Early Childhood Center -providing health and nutrition care for children, and health education and skills training for mothers, as well as launch a "Smart Car" project that brings books to children in villages.

**h. Remunerasi**

**h. Remuneration**

**Bank of America, N.A. Jakarta Branch – Remuneration Disclosures for Performance Year 2016**

***Introduction***

The following information sets forth the remuneration disclosures required under Article 28 of the Regulation of the Financial Services Authority Number 45/POJK.03/2015 concerning Implementation of Governance in Remuneration for Commercial Banks (the “Regulation”) issued in December 2015. The qualitative remuneration disclosure presented below,<sup>1</sup> mandated by Article 28 paragraphs 2(a) through (g), and (i), relates to the compensation programs operated during performance year 2016 by Bank of America Corporation (“Bank of America” or “the Company”). The quantitative remuneration disclosures,<sup>2</sup> mandated by Article 28 paragraphs 2(h), and (j) to (s), with respect to Bank of America, N.A. Jakarta Branch (“BANA Jakarta Branch”) appear after the qualitative remuneration disclosures.

The Company applies prudent risk management practices to its incentive compensation programs across the enterprise and is committed to a compensation governance structure that effectively contributes to its overall risk management policies.

***Global Compensation Principles***

In order to provide an appropriate balance of risk and reward, incentive compensation plans are developed in accordance with the Company’s Global Compensation Principles:

Principle 1 Compensation should be comprised of an appropriate mix of salary, benefits and incentives paid over time that properly aligns employee and stockholder interests.

Principle 2 Criteria for payment of incentive compensation should take into account Bank-wide, business unit and individual factors.

Principle 3 Compensation should be determined on the basis of a combination of financial and non-financial factors that reflect both the current period and a longer period.

Principle 4 Compensation programs should incorporate appropriate governance processes and procedures.

These principles work in conjunction with broader compensation practices, including the Company’s overall commitment to pay for performance, remuneration policies and risk management processes set forth in the Company’s Risk Framework and Risk Appetite.

***Governance and the decision-making process for determining the remuneration policy***

The Company applies its compensation policy on a global basis and has four primary levels for the governance of incentive compensation plans:

- (i) the Board of Directors (the “Board”),
- (ii) the Board of Directors Compensation and Benefits Committee (the “Committee”), which is wholly made up of independent directors and functions as the Company’s global Remuneration Committee,
- (iii) the Management Compensation Committee, and
- (iv) governance by line of business Management and Independent Control Functions aligned to the line of business.

The Committee oversees the establishment, maintenance and administration of the Company’s compensation programs and employee benefit plans, including approving the compensation of the direct reports of the Chief Executive Officer (the “CEO”) and approving and recommending the compensation of the CEO to the Board for its further approval. Under supervision of the Committee, oversight, review and responsibility for remuneration decision-making is allocated to the appropriate level of the Company’s structure so that the most relevant level of management makes remuneration decisions with documented input from the Company’s Independent Control Functions.

The Committee has adopted and annually reviews the Bank of America Compensation Governance Policy, an enterprise policy which previously applied (and continues to apply) to BANA Jakarta Branch, to govern incentive compensation decisions and define the framework for design oversight of incentive compensation programs across the Company. The

<sup>1</sup> See the “Global Compensation Principles,” “Governance and the decision-making process for determining the remuneration policy,” “The link between pay and performance,” “Risk management and incentive plans,” and “Employee pay” sections below.

<sup>2</sup> See the “Quantitative disclosures and tables” section below.

Compensation Governance Policy is designed to be consistent with global regulatory initiatives so that the Company's incentive compensation plans do not encourage excessive risk-taking. A country-specific remuneration policy for BANA Jakarta Branch, which incorporated the Company's Compensation Governance Policy was implemented effective January 1, 2017.

The Committee receives, from time to time, direct feedback from the Independent Control Functions on compensation programs. For performance year 2016, in addition to reviewing the individual incentive compensation awards for executive officers and other senior executives who report directly to the CEO, the Committee also reviewed the outcomes of the Company's robust control function feedback process and individual incentive compensation awards for certain highly compensated employees. As part of its governance routine, the Committee met with the heads of the Company's Independent Control Functions (including the Chief Risk Officer) and business lines to discuss their feedback on the pay-for-performance process, including their experience managing risk and conduct matters. As a result of these processes and reviews, and in combination with the risk management and clawback.

features of the Company's compensation programs, Bank of America believes that its compensation policies and practices appropriately balance risks and rewards in a way that does not encourage excessive or imprudent risk-taking or create risks that are reasonably likely to have a material adverse effect on the Company. In addition, the Company's Chief Risk Officer also certifies all incentive plans across the Company as part of the Management Compensation Committee's governance process.

As authorized under its charter, the Committee has engaged Farient Advisors, LLC as its independent compensation consultant. The independent compensation consultant meets regularly with the Committee outside the presence of management and alone with the Committee chair, and also reviews management's incentive plan certifications with the Committee.

During performance year 2016, the Committee held seven (7) meetings. Additional information regarding the Committee, including names,<sup>3</sup> responsibilities,<sup>4</sup> and remuneration paid to Committee members during performance year 2016,<sup>5</sup> is included in the 2017 Proxy Statement available on Bank of America's Investor Relations website: <http://investor.bankofamerica.com>.

### *The link between pay and performance*

The cornerstone of Bank of America's compensation philosophy across all lines of business is to pay for performance – Company, line of business and individual performance. Through the Company's Performance Management process, employees understand performance expectations for their role through on-going dialogue with their manager. The Performance Management process is designed and monitored by the Leadership Development function in Human Resources. This process is reviewed periodically so that it meets the needs of managers to assess and communicate performance expectations. Throughout the year, employees receive coaching on their performance and ultimately receive a rating for their full year of performance based upon their achievement of goals for their job.

Each employee's performance is assessed on quantitative and qualitative metrics as well as specific behaviors, and performance is factored into each employee's incentive compensation award. Depending on the employee, quantitative performance metrics may be focused on corporate-wide, line of business, or product results. Qualitative performance metrics may include quality and sustainability of earnings, successful implementation of strategic initiatives, adoption of risk culture/adherence to risk framework and operating principles and other core values of the Company.

Employees receive two ratings – a Result rating (based on objective metrics such as business performance) and a Behavior rating (based on subjective metrics such as contributions to the Company, leadership, conduct, teamwork, etc.). The scale for both ratings is Exceeds Expectations, Meets Expectations, and Does Not Meet Expectations. Both the Result and Behavior ratings are used in determining employees' compensation. As a result, an employee's compensation can be influenced not only by what the employee achieves, but how the employee achieves it and the employee may receive no variable award if performance is not sufficiently strong.

The Company's pay-for-performance program also requires that all employees complete annual mandatory risk and compliance training.

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<sup>3</sup> See the Proxy's Compensation and Benefits Committee Report.

<sup>4</sup> See the section titled "Board Meetings, Committee Membership, and Attendance."

<sup>5</sup> See the section titled "Director Compensation."



### *Risk management and incentive plans*

Risk is inherent in every material business activity that the Company undertakes. The Company's business exposes it to strategic, credit, market, liquidity, compliance, operational and reputational risks. The Company must manage these risks to maximize its long-term results by ensuring the integrity of its assets and the quality of its earnings. To support the Company's corporate goals and objectives, risk appetite, and business and risk strategies, the Company maintains a governance structure that delineates the responsibilities for risk management activities, as well as governance and oversight of those activities, by management and the Company's Board.

Executive management develops for Board approval the Company's Risk Framework, which defines the accountability of the Company and its employees in managing risk; the Company's Risk Appetite Statement, which defines the parameters under which the Company will take risk; and the Company's strategic and financial operating plans. Management monitors, and the Board oversees directly and through its committees, the Company's financial performance, execution against the strategic and financial operating plans, compliance with the risk appetite metrics and the adequacy of internal controls.

The Company believes that prudent risk management practices are applied to its incentive remuneration programs across the enterprise. The Company continually evaluates the design of its remuneration programs in accordance with the risk framework. The Committee is committed to a compensation governance structure that effectively contributes to the Company's broader risk management policies.

The Company's incentive plans are designed to compensate employees based on their performance ratings for results against their individual performance plan and behaviors, as well as overall Company and line of business performance. Incentive plan bonus pools are based on profit measures, which inherently recognize certain underlying risk factors and are further adjusted to reflect the use of capital associated with individual lines of business or products and/or the quality and sustainability of earnings over time. The determination of incentive plan bonus pools is also subject to management discretion which operates so proper account is taken of the performance of the overall Company, individual lines of business, products and other factors including the achievement of strategic objectives.

Incentive plan bonus pools may be adjusted to reflect long-term risk arising through line of business and product performance. These pools are tied to the overall performance, inclusive of risk, of Bank of America and/or specific lines of business or products, creating for employees a vested interest in profitable performance across the Company and its businesses.

Long-term risk is also taken into account and managed in connection with the Company's incentive compensation programs through arrangements permitting performance adjustment of deferred variable compensation. Employees in positions where the greatest risk is being taken are subject to higher levels of deferral and potential performance adjustments.

The compensation of the Independent Control Functions is determined independently from the line of business supported. The funding of the incentive pool for these employees is based upon overall Company performance with the actual employee awards determined based upon individual performance against predetermined objectives.

### *Employee pay*

Bank of America compensates its employees using a balanced mix of fixed remuneration, annual cash incentives and deferred incentives (which are delivered in equity, equity-based instruments or cash). In general, the higher an employee's management level or amount of incentive compensation award, the greater the proportion of incentive compensation that should be (i) subject to deferral and (ii) delivered in the form of equity-based compensation. The Company believes equity-based awards are the simplest, most direct way to align employee interests with those of its stockholders. A significant portion of incentive awards is provided as a deferred incentive that generally becomes earned and payable over a period of three years after grant and will be cancelled in case of detrimental conduct or (for certain risk-takers) failure of the Company, line of business or business unit (as applicable) to remain profitable during the vesting period. For certain risk-takers, if risks taken as part of approved business strategies do not result in sustainable profits, or if the employee fails to behave according to Company standards, the value of the deferred equity award may be impacted. This approach of subjecting deferred awards to performance-based cancellation and detrimental conduct clawback provisions serves two key objectives, which are (1) to focus employees on long-term sustainable results and (2) to subject compensation awards to risk over an appropriate time horizon that can be easily communicated and understood.

**Quantitative disclosures and tables**

The following disclosures and tables provide information required under Article 28 paragraphs 2(h), (j) to (s) of the Regulation, relative to remuneration paid to BANA Jakarta Branch employees.

(h) The Remuneration package and facilities received by the Directors and Board of Commissioners encompassing the Remuneration structure and details of the total amount

The Directors did not receive additional fee on top of the compensation they received as employees of BANA Jakarta Branch.

(j) Number of Directors, Board of Commissioners, and Employees who receive Variable Remuneration during 1 (one) year, and the total amount

	2015 Variable Remuneration during 1 year		2016 Variable Remuneration during 1 year	
	No of Recipient	Million (IDR)	No of Recipient	Million (IDR)
Total	24	20,115	26	21,571

Remarks:

1. 2015 variable remuneration - paid in Feb 2016
2. 2016 variable remuneration - paid in Feb 2017

(k) Position and the number of parties identified as material risk takers

For performance year 2016, the Company operated an enterprise-wide approach in the identification of Material Risk Takers (“MRTs”), staff whose professional activities have a material impact on an institution’s risk profile, taking into consideration local regulatory requirements. MRTs are determined based on the role and activities of the employee taking into consideration the size, internal organization and nature, scope and complexity of the Company’s activities. For performance year 2016, there were four (4) MRTs, including the Country Executive and certain senior Traders, identified in the BANA Jakarta Branch.

(l) Share option owned by the Directors, Board of Commissioners, and Executive Officers

	2015	2016
No. of Share Option	-	-

(m) Ratio of the highest and lowest salaries

	2015	2016
All Employees	104.4	84.6

(n) Number of recipients and the total number of unconditional guaranteed Variable Remuneration to be granted by the Bank to the candidate Directors, candidate Board of Commissioners, and/or prospective Employees during the first 1 (one) year of employment

	2015 Guarantee		2016 Guarantee	
	No of Recipient	Million (IDR)	No of Recipient	Million (IDR)
Board of Commissioner	-	-	-	-
Director	-	-	-	-
Other Employees	1	2,671	-	-

(o) Number of Employees affected by layoffs and the total amount of severance paid

Total Severance Amount	2015		2016	
	No of Recipient	Million (IDR)	No of Recipient	Million (IDR)
	-	-	-	-

(p) Total number of deferred Variable Remuneration, comprising of cash and/or shares or share-linked instruments issued by the Bank

**Recipient Employees**

	2015 Million (IDR)	2016 Million (IDR)
Shares and share-linked instruments as of Dec 31	6,761	5,677
Deferred Cash as of Dec 31	0	0

(q) Total number of deferred Variable Remuneration paid during 1 (one) year

**Recipient Employees**

	2015 Million (IDR)	2016 Million (IDR)
Deferred variable remuneration paid during 1 (one) year	7,927	4,706

(r) Details of the number of Remuneration paid during one year comprising of:

- Fixed and Variable remuneration
- Deferred and non-deferred remuneration
- Remuneration paid out in cash and/or shares or share-linked instruments issued by the Bank

Total value of remuneration awards	2015		2016	
	Non-Deferred	Deferred	Non-Deferred	Deferred
	Million (IDR)	Million (IDR)	Million (IDR)	Million (IDR)
<b>Fixed Remuneration</b>				
1. Cash based	34,809	-	37,244	-
2. Equity and equity-based instruments	-	-	-	-
<b>Variable Remuneration</b>				
1. Cash based	14,145	-	15,173	-
2. Equity and equity-based instruments	-	5,970	-	6,398

(s) Quantitative information regarding:

- Total remaining deferred Remuneration either implicitly or explicitly exposed to adjustment

**Recipient Employees**

	2015 Million (IDR)	2016 Million (IDR)
Total amount as of Dec 31	13,135	19,091

-Total of Remuneration reduction caused by explicit adjustment during the reporting period

**Recipient Employees**

	<b>2015 Million (IDR)</b>	<b>2016 Million (IDR)</b>
Total amount during the reporting period	0	0

-Total of Remuneration reduction caused by implicit adjustment during the reporting period

**Recipient Employees**

	<b>2015 Million (IDR)</b>	<b>2016 Million (IDR)</b>
Total amount during the reporting period	400	0