



Penjual Canang di Pasar Badung

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Corporate Governance



Corporate Governance



Danamon considers corporate governance as the foundation to achieve long term economic values for the shareholders, stakeholders and society as a whole. Implementing high-standards of corporate governance, will enable Danamon to be as a fundamentally healthy bank, sustainable and able to manage challenges while remaining highly competitive.

COMMITMENT FOR GOOD CORPORATE GOVERNANCE IMPLEMENTATION

Applying good corporate governance (GCG) best practices has enabled Danamon to weather a challenging year with sound financial and non-financial performances. Danamon is committed to continuously improve the implementation of GCG in accordance with the ASEAN and international standards, so that the Bank is able to grow sustainably, remain stable, and highly competitive to become a well recognized Indonesian financial institution at the national as well as the ASEAN economic community level.

Danamon has a strong commitment to realize GCG, supported by the presence of:

- Clear and realistic Vision, Mission and Core Values, which are periodically evaluated by the Board of Commissioners and Directors;
- Danamon GCG Guidelines as a reference to GCG implementation;
- Guidelines and charters of the Boards of Commissioners and Directors, along with Committees;
- Determination of clear responsibilities and accountabilities of Danamon organs;
- Establishment of codes of ethic and rules of conduct consistently implemented in Danamon's corporate culture;
- Strong internal control system, including internal and external audit functions, as well as risk management and compliance functions independent of business units and operations;
- Implementation of a checks & balances mechanism;
- Guidelines for affiliated transactions and related parties' transaction including transaction with conflict of interest;
- Collective Labour Agreement (CLA) to assure the rights and obligations for Danamon corporate and its employees as conduit for a positive working environment;
- A whistleblowing system as a mechanism for reporting and lodging complaints, suggestions and critiques from employees and other stakeholders;
- Clear and implementable corporate social responsibility and environmental programs.

THE PURPOSE OF THE IMPLEMENTATION OF CORPORATE GOVERNANCE

In banking industry, the implementation of GCG is more than merely compliance, but is a necessity and essential factor for the sustainability of the company. Implementing GCG with consistently high standards will spur the Bank's performance, foster investor confidence, protecting the interests of stakeholders, as well as making positive contribution to social environment and national economy.

The GCG implementation in Danamon also aims to optimize the Bank's value for stakeholders, ensuring equal rights and treatment of all shareholders, and maintain professionalism in the management of the Bank. To that end, Danamon will continue to strengthen the implementation of good corporate governance practices in all aspects of its business activities.

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CORPORATE GOVERNANCE IMPLEMENTATION ROADMAP

Strengthening of GCG implementation is conducted through sustainable and consistent process from time to time. The following is Danamon GCG Roadmap from 2006 to 2015:

2006-2008

- Published GCG manual for employees at all levels as the practical guidelines for GCG principles implementation
- Provided confidential channel for employees and/or suppliers to report suspicious activities/occurrence of fraud, corruption and/or violation of Code of Conduct
- Applied investment policy that regulates employees' personal investment activities
- Applied policy regarding treatment for confidential information of Danamon, segregate the Risk and Audit Committee into Audit Committee and Risk Monitoring Committee, Established Nomination and Remuneration Committee and Corporate Governance Committee.
- Expand compliance function's coverage to subsidiaries PT Adira Dinamika Multi Finance, Tbk., PT Asuransi Adira Dinamika, and PT Adira Quantum Multifinance. Appointed Independent Commissioners as Chairman for Committees under BoC;
- Refine and update Corporate Governance Committee Charter

2009-2011

- Refine e-learning Compliance Module to further improve employees' compliance awareness.
- Refine and update the Audit Committee and Risk Monitoring Committee Charters
- Established Compliance Committee
- Updated Anti-Money Laundering/Combating Financing Terrorism Strengthened compliance risk management through Compliance Regulatory Self Assessment (CRSA)
- Refine and update Nomination and Remuneration Committee Charter
- Refined Whistleblower Policy
- Developed Risk Appetite Statement
- Analyzed and evaluated GCG implementation in subsidiaries (ADMF, AD, and AQMF)

2012-2013

- GCG alignment with subsidiaries
- Delegate Operational Risk Management function to Business Unit and Supporting Unit levels
- Implementation of Compliance Regulatory Self Assessment (CRSA) by sistem.
- E-Learning Compliance system & UKPN
- Established ORM Committee under BoD
- Analyzed Danamon's GCG implementation against ASEAN CG Scorecard
- Sustainability report following the Global Reporting Initiative (GRI) standard.

2014

- Harmonized and enhanced the implementation of good corporate governance practices with the rules and applied legislation primarily to the recommendations of the Financial Services Authority which is set out in the Corporate Governance Roadmap Indonesia.
- Harmonized and enhanced the implementation of good corporate governance practice with ASEAN CG Scorecard.
- Facilitated all members of the Board of Commissioners with refreshment risk management training course
- Broke down the Nomination and Remuneration Committee into two committees, namely the Nomination Committee and Remuneration Committee
- Referred to the applicable regulations, adjust the structure of the Audit Committee, Risk Monitoring Committee, Remuneration Committee, Nomination Committee
- Enhanced and updated Guidelines and Rules of the Board of Commissioners, Directors, Audit Committee, Risk Monitoring Committee, Nomination Committee, Remuneration Committee, and Corporate Governance Committee
- Issued improved policies which manage the implementation of affiliate transactions and conflict of interest
- Improved the performance of the Board of Directors by enhancing and updating policies of tasks division and to be responsible for each member of the Board of Directors.

2015

- Established Compliance, Risk Management as well as Integrated Internal Audit, Risk Management Committee and Corporate Governance Committee
- Conducted Integrated Governance Guidelines
- Implemented an integrated governance and risk management in accordance with applicable regulations

DANAMON'S GOOD CORPORATE GOVERNANCE FOCUS IN 2014

2014 was a year full of challenges in banking. Danamon is required to manage challenges and grow by carrying out its growth a healthy banking business, strong capital and risk management, and operate based on implementing consistent GCG principles.

Vision, Mission and Core Values

Danamon's strategic initiatives are conducted based on the vision, mission and core values of the Bank which are evaluated and reviewed periodically. Vision and Mission of Danamon, "We care and enable millions to prosper" and be "Leading Financial Institution in Indonesia" is Danamon's commitment to continue developing quality banking services serving all segments and supported by excellence in service and technology. Danamon's strategic measures and business plan are structured as such to be used as reference in meeting objectives in line with the vision, mission and Danamon's core values.

ASEAN CG Scorecard and FSA Roadmap

In order to continue the improvement process of implementing GCG, Danamon aligned its standard of corporate governance practices in line with the ASEAN CG Scorecard and FSA roadmap. The improvements made during year 2014, among others related to the mechanism around the announcement of GMS, closed voting, adding of an Independent Commissioner to the composition of the committee of the Board of Commissioners, improving Working Charter of the Board of Commissioners and Committees of the Board of Commissioners, separating Nomination and Remuneration committee, as well as enhancing remedial policies Affiliated Parties.

Corporate Governance and Integrated Risk Management

Implementation of corporate governance and risk management of Danamon and its subsidiaries is integrated and in general is implemented through aligning the policies of subsidiaries against the implementation of corporate governance and risk management at Danamon toward implementing processes as a consolidated group. Danamon regularly monitors and report the implementation of corporate governance, risk management and financial management consolidated manner between Danamon and its subsidiaries, including the implementation of audit and compliance functions by the Internal Audit and Compliance Unit.

In accordance with the issuance of the Financial Services Authority (OJK) Regulation at the end of 2014 regarding the Implementation of an Integrated Corporate Governance for Financial Conglomeration as well as Integrated Risk Management for Financial Conglomeration, adjustments to the integrated structure and infrastructure were required which among others include, membership and committee assignments, integrated policy and intra-group transactions policy.

Increase of Transparency Aspects

In an effort to increase the aspect of transparency, improvements were made in the disclosure of implementation on the GMS regarding the announcement and invitation of the GMS, detailed information related to the agenda of the GMS including explanation of each agenda, the disclosure of BOC/Directors candidates' profiles, the implementation of closed voting, as well as improvements in transparency of information on Danamon's website (www.danamon.co.id).

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Improvement Consumer Protection

In accordance with Danamon's commitment to continue creating a reliable system of consumer protection and to increase consumer empowerment, Danamon has completed the enhancement of policies, procedures, documents and infrastructure related to customer service. The enhancement supports consumer protection by promoting the principles of consumer protection; namely, transparency on products and services, fair treatment and non-discrimination, reliable systems and human resources, security and confidentiality of customer data and services and settlement of complaints and disputes.

Financial Literacy

As a commitment to support the national strategy on financial literacy aimed to equip society with sufficient understanding of finance, Danamon through its business units embeded financial literacy activities with meeting existing as well as prospective customers on a routine basis allocating time and providing education materials to the customers at each meeting. During 2014, the number of participants in sessions related to education on financial literacy reached over 350,107 consisting of housewives, micro-entrepreneurs and SMEs, students/university students, novice workers, young couples and communities in the markets throughout Indonesia. In addition, Danamon also provides educational information through Danamon's website and social media account.

AML Champion and Implementation of FATCA

As part of implementing the Anti-Money Laundering (AML) and Combating the Financing of Terrorism (PPT), Danamon has appointed AML Champion to ensure implementation of APU and PPT programs at the branch offices where the business complexity is considered high.

In relation to the implementation of the Foreign Account Tax Compliance Act (FATCA), Danamon has carried out the registration of FATCA, secured Global Intermediary Identification Number (GIIN) number, implemented the identification process and due diligences of individual customers identified as US (United State) indicia. At the same time, the process was also implemented on non-individual customers expected to be completed in 2015.

Improving Risk Management

Strengthening credit risk management was part of the strategy of Danamon in minimizing potential losses from credit risk. In order to strengthen the management of credit risk, during the year 2014, revalidation of risk rating models had been done for corporate credit and commercial customers as the basis for determining the Obligor Rate and Credit Risk Pricing. In addition, the risk rating models were prepared for when the Bank would apply the model Internal Ratings Based Approach (IRB) in calculating the risk weight of credit assets.

In preparation for implementing Basel II/III, Danamon actively participated in performing credit risk stress test bankwide along with the other 14 banks who were also conducting the test under the supervision of OJK.

In managing operational risk, Danamon transformed its approach of operational risk management to be risk based. This approach was carried out through changes on the tools Risk Loss Event database, Risk Control Self Assessment (RCSA) and Key Risk Indicators (KRI) for both Danamon and its subsidiaries.

Sustainability

2014 Danamon's sustainability program, conducted by Yayasan Danamon Peduli, remained focus on empowering the communities surrounding the locations where the Bank operates through revitalization of traditional markets. In addition, the Bank continued its sustainability related actions combining its operational initiatives such as the efficient use of electricity and paper.

CORPORATE GOVERNANCE POLICY, STRUCTURE AND IMPLEMENTATION

Danamon Governance Policy

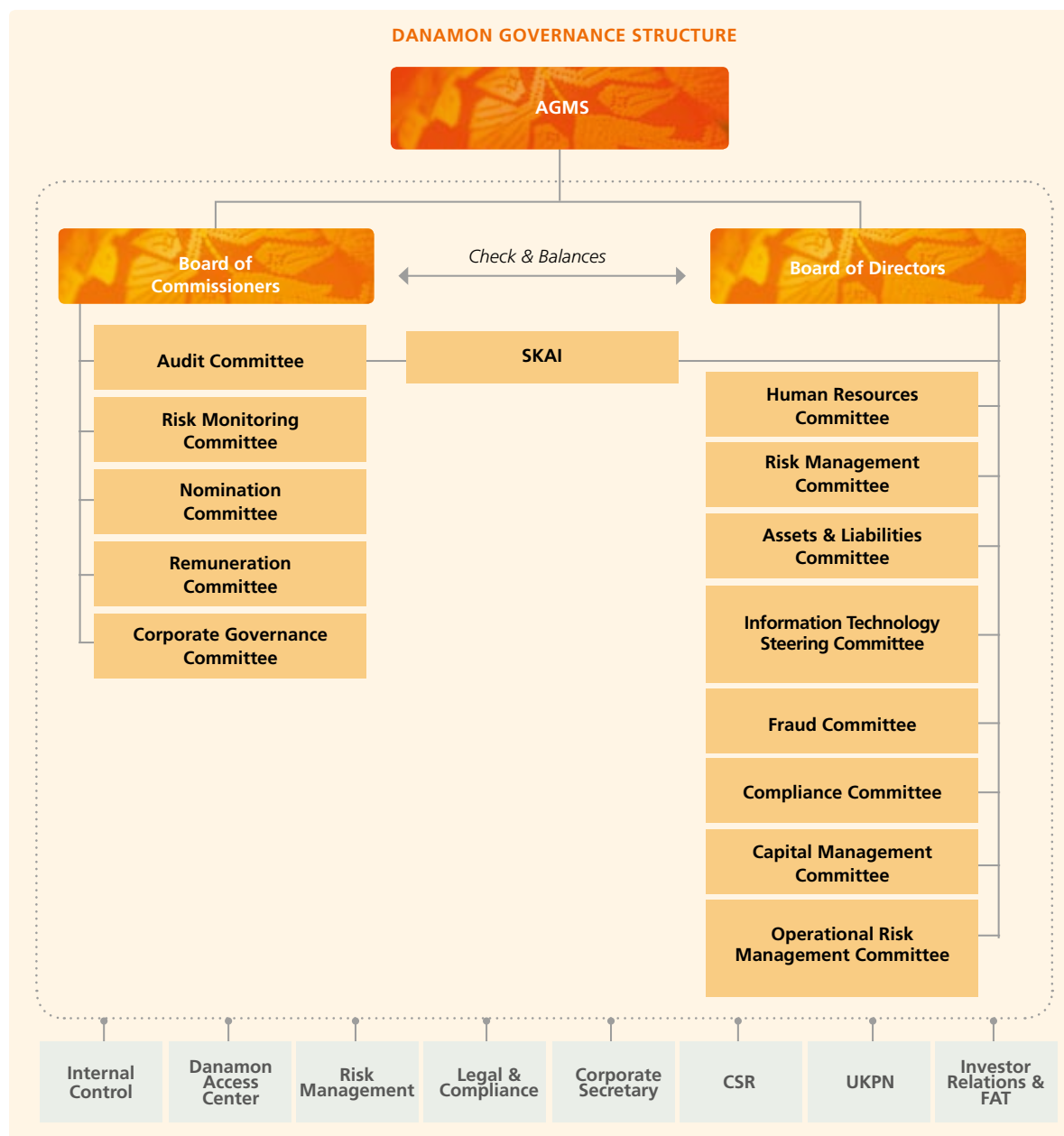
Danamon has prepared guidelines for GCG since 2006 which has been the reference for the implementation of GCG at all levels of the organization in Danamon. Danamon GCG guidelines are prepared in accordance with following principles:

1. Transparency: Commitment to provide adequate, clear, accurate and timely information disclosure as well as easily comparable and accessible to shareholders and stakeholders.
2. Accountability: Clear establishment of the functions, duties and powers and responsibilities within the organization which has been set in accordance with the guidelines and work rules of each function. Danamon as an institution can be accountably responsible for its performance.
3. Responsibility: Danamon is committed to comply with laws and regulations and established internal policies. In addition, Danamon also manifests its responsibility to society and the environment, to achieve long-term sustainability and to be recognized as a good corporate citizen.
4. Independency: The organs of Danamon perform its activities independently and objectively, as well as to avoid the influence of any dominant party. Danamon is committed to performing its businesses, with professionalism.
5. Fairness and equality: Danamon always ensures the rights and interests of all shareholders, both majority and minority, can be fulfilled. Danamon also always provide fair and equal treatment to all stakeholders.

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Danamon's Corporate Governance Structure

Danamon's corporate governance structure is built to ensure the implementation of corporate governance in Danamon is applied systematically, organs in the corporate governance structure have clear roles and responsibilities in order to support the implementation of the principles of good governance.



Corporate Governance Implementation

Danamon's Corporate Governance is integrated with 3 (three) aspects of Corporate governance, namely structure, process and outcome ensuring adequate governance structures and infrastructure, the effectiveness of the implementation process and the outcome quality which meet the expectations of stakeholders.

Governance Structure	Governance Process	Governance Outcome
<ul style="list-style-type: none"> • Adequacy of number, composition, criteria, and independence structure of the Board of Commissioners, Board of Directors, and Danamon committees in accordance with the regulation of Bank Indonesia. • In addition to the mandatory formation of committees in accordance to the regulation requirements, Danamon maintains Corporate Governance Committee, Compliance Committee, Operation Risk Management Committee, and Capital Management Committee which are part of Danamon GCG structure enhancement. • Adequacy of primary tasks, responsibilities, and functions of Danamon organs and set forth in the Policies, Guidance, Code of Conduct. Policies, procedures, and management information system of Danamon are already in place and support the operational activities of Danamon. • Framework of risk management, sufficient internal control, sufficient compliance functions, and internal audit functions and assignment of external audits which meet the requirements; • Availability of policies on the provision of fund supplies to relevant parties/provision of significant amount of funds, conflict of interests, and transparency aspects. • Strategic and business plans which is in line with the vision and mission of Danamon. 	<ul style="list-style-type: none"> • Sufficient implementation of functions, tasks, and responsibilities of Danamon organs thus enable the optimization of supervision and control functions. • Replacement and appointment process for the Board of Commissioners, Board of Directors, and Committee. • Improving the competencies of the Board of Commissioners and Board of Directors through ongoing education and training. • Disclosure of affiliate transactions, conflict of interests by the Board of Directors, and Board of Commissioners through a Letter of Declaration. • Provision of funds to the relevant parties and provision of significant amount of funds carried out through a process of credit approval in normal and armed-length methods. • Proper implementation of risk management so that potential risks may be well-managed. • Keep the financial and non-financial information, bank products, comprehensive, accurate, and proportional customers' complaints. • Compilation of strategic and business plans performed realistically, comprehensively, and measurably which has been approved by the Board of Commissioners and communicated to the shareholders and various levels within the organizations. 	<ul style="list-style-type: none"> • Positive Danamon's performance which covers the profitability, efficiency, and capital. • Bank activities are free from the intervention of the owner and other relevant parties which may lead to the conflict of interest. • Transparency of Danamon's GCG, financial and non-financial conditions supported by informative website of Danamon and ease of access by stakeholders. • Sufficient level of compliances and risk management as well as follow-up of audit results. • Business plan of the Bank which indicates sustainable growth of the Bank and provide economic and non-economic benefits for the stakeholders.

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DANAMON'S CORPORATE GOVERNANCE IMPLEMENTATION REPORT

The preparation of Danamon's Governance report is part of the responsibility and transparency in the application of corporate governance principles by Danamon during 2014. The preparation of this report has covered all the implementation aspects of corporate governance with reference to the provisions of Bank of Indonesia, the Financial Services Authority (OJK), the ASEAN CG Scorecard and universally applicable corporate governance Best Practices.

SHAREHOLDERS

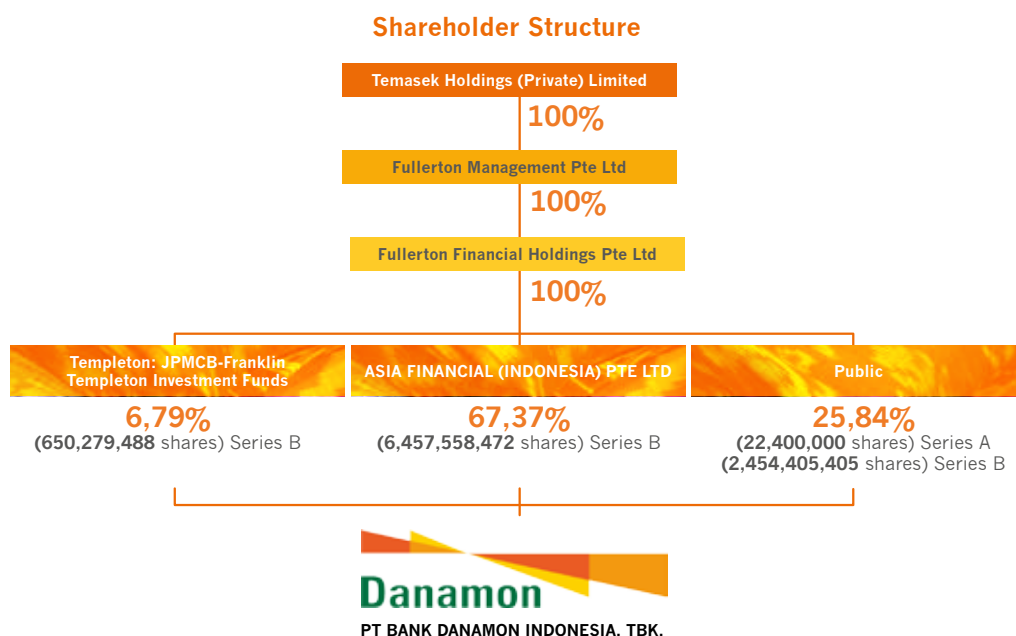
Shareholders are persons or legal entities whose names are recorded as shareholders in Danamon's register of shareholders. Shares of Danamon are shares in names, consisting of series A and series B. The number of series A shares issued is 22,400,000 and the number of series B shares is 9,562,243,365 with a total number of shares is 9,584,643,365.

Rights and Obligations of Shareholders

Series A as well as Series B shareholders have equal rights and obligations and the shares are not differentiated into preference or ordinary shares. The rights and obligations are stipulated in detail in Danamon's Articles of Association which can be accessed through the website of Danamon (www.danamon.co.id).

Danamon's Shareholder Structure

Shareholders of Danamon as of December 31, 2014 are as disclosed in the structure as follows:



Composition of Shareholders per December 31, 2014

Name		Persentase	Shares
Asia Financial (Indonesia) Pte, Ltd.		67.37%	6,457,558,472
JPMCB-Franklin Templeton Investment Funds		6.79%	650,279,488
Publik	Saham Seri A: 22,400,000	0.23%	25.84%
	Saham Seri B: 2,454,405,405	25.61%	2,476,805,405
Total		100%	9.584.643.365

Controlling and Majority Shareholders Information

Danamon's Majority Shareholder is Asia Financial (Indonesia) Pte Ltd ("AFI"). AFI is a legal entity based in Singapore, established on 10 November 1990 as ENV Corporation (Pte) Ltd and engaged in the investment holding business.

The ultimate controlling Shareholder of Danamon is Temasek Holdings Private Limited ("Temasek"), through Fullerton Management Private Limited dan Fullerton Financial Holdings Private Limited. Temasek is an investment company based in Singapore, owned by the Finance Ministry of Singapore.

Information on shareholdings above 5% as of 31 December 2014

Shareholders	Total Shares	%	Nominal per Shares (Rp)	Nominal value (Rp)
Asia Financial (Indonesia) Pte. Ltd.	6,457,558,472	67.37	500	3,228,779,236,000
JPMCB-Franklin Templeton Investment Funds	650,279,488	6.79	500	325,139,744,000

20 Largest Shareholders as of December 31, 2014

No.	Investor Name	Ownership	%
1	Asia Financial (Indonesia) Pte. Ltd	6,457,558,472	67.37%
2	JPMCB-Franklin Templeton Investment Funds	650,279,488	6.79%
3	Citibank Singapore S/A CBSG-Aranda Inv Pte Ltd	392,822,398	4.10%
4	JPMCB-Stichting Depositary APG EME MRKT EQ Pool	135,842,700	1.42%
5	JPMCB-Templeton Emerging Market Investment Trust Plc	134,932,433	1.41%
6	Singapex Investment Pte Ltd	130,414,740	1.36%
7	PT Guna Dharma	95,846,434	1.00%
8	BBH Boston S/A Vangrd EMG MKTS STK INFD	60,919,524	0.64%
9	GIC S/A Government Of Singapore	54,708,218	0.57%
10	BNYM SA/NV AS Cust Of Employees Provident Fund	51,656,546	0.54%
11	Citibank New York S/A Dimensional Emerging Markets Value Fund	36,234,654	0.38%
12	SSB OBIH S/A Ishares MSCI Emerging Markets ETF	33,193,916	0.35%
13	SSB HJT3 S/A HKJC Equity Trust Fund	32,446,000	0.34%
14	JPMCB-PFA KAPITALFORENING	26,808,900	0.28%
15	RBC IST S/A Canada Post Corporation Pension Plan	26,304,085	0.27%

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20 Largest Shareholders as of December 31, 2014

No.	Investor Name	Ownership	%
16	SSB 1BA9 ACF MSCI Equity Index Fund B-Indonesia	25,461,489	0.27%
17	Reksa Dana Schroder Dana Prestasi Dinamis	23,527,000	0.25%
18	Reksa Dana Kharisma Flexi Terbatas 3	22,619,000	0.24%
19	JPMCB-Templeton Asian Growth Fund	22,214,100	0.23%
20	Interventures Capital Pte. Ltd.	21,688,300	0.23%

GENERAL MEETING OF SHAREHOLDERS (GMS)

General Meeting of Shareholders (GMS) has the exclusive authority which is not owned by the Board of Commissioners and Board of Directors. In GMS, the shareholders may exercise their rights and vote in accordance with the Articles of Association. Shareholders are also authorized to appoint and dismiss members of the Board of Commissioners and Directors, approve the amendment to the articles of Association, approve the Annual Report, appoint external auditor, as well as determining the amount of compensation/remuneration for the Board of Commissioners and Directors.

Annual General Meeting of Shareholders (Annual GMS) 2014

The Annual GMS

Annual General Meeting of Danamon was held on May 7, 2014 at JW Marriot Hotel, South Jakarta. Annual GMS was done in a location easily accessible by the shareholders and at the domicile/ Head Office of the Bank. The materials and agenda of the Annual General Meeting including the explanation and rationales of each agenda including the profiles of Board of Directors and Board of Commissioners candidates were disclosed on Danamon's website on April 15, 2014 at the same time as the date of the invitation notice of Annual GMS. Copy and physical documents of the material and agenda of the Annual GMS were available at Danamon's Office.

Announcement of the Annual General Meeting plan was submitted on March 28, 2014, or 16 days before the GMS invitation without counting the date of announcement and date of invitation. GMS invitation was submitted on April 15, 2014, or 21 days before the date of the GMS without counting date of invitation and the GMS date. Announcement and invitation for the GMS were conducted through 3 (three) newspaper media both Indonesian and English as well as Indonesia Stock Exchange's website and Danamon's website.

GMS Announcement details the invitation date and the date of the GMS, and the criteria of the shareholders entitled to attend the meeting and propose agenda. The invitation of GMS contains the date, place, time, the criteria of shareholders entitled to attend and the agenda of the GMS. This is done as part of Danamon's efforts to fulfill the rights of shareholders in obtaining information related to the GMS as early as possible.

The Annual GMS was opened by Ng Kee Choe, President Commissioner, and further led by J.B. Kristiadi, Vice President Commissioner of Danamon, in accordance with Article 23, Clause 1 of Danamon's Articles of Association and Circular Resolutions of the Board of Commissioners, in lieu of the Decree of a Meeting of the Board of Commissioners of PT Bank Danamon Indonesia, Tbk. No.KSR-Kom.Corp.Sec.004 dated March 4, 2014.

Notices, Announcements, Invitations and Submission Results of Annual GMS

Notification to Regulators	GMS Plan Announcement	Listing Date	Invitation	GMS Results	
				Submission to Regulators	Publications
<ul style="list-style-type: none"> • Notice Letter to: the Financial Service Authority and Indonesia Stock Exchange (through E-Reporting) dated March 20, 2014 	<ul style="list-style-type: none"> • Announced at Bisnis Indonesia, Media Indonesia, dan Jakarta Post newspaper dated March 28, 2014 • E-Reporting Indonesia Stock Exchange dated March, 28 2014 • Website: www.danamon.co.id 	14 April 2014	<ul style="list-style-type: none"> • Bisnis Indonesia, Media Indonesia dan Jakarta Post newspaper dated April, 15 2014 • E-Reporting of Indonesia Stock Exchange dated April 15, 2014 • Website: www.danamon.co.id 	<ul style="list-style-type: none"> • Reporting Letter to the Financial Service Authority and Bank Indonesia dated May 09, 2014 • To Indonesia Stock Exchange (through E-Reporting) dated 09 May 2014 	<ul style="list-style-type: none"> • Bisnis Indonesia, Media Indonesia, and Jakarta Post newspaper dated May 03, 2014 • Website: www.danamon.co.id

Attendance of Shareholders, Board of Commissioners, Board of Directors, Audit Committee and Syariah Supervisory Board

Shareholders entitled to attend are the shareholders recorded in the Register of Danamon's Shareholders by 14 April 2014, namely 1 (one) working day prior to the date of the GMS invitation. Annual General Meeting was attended by shareholders or their proxies representing 8,702,145,895 shares or ±90.79% of 9,584,643,365 shares issued and paid by the shareholders. More than 50% or ½ of the total shares were present and met the requirements of the Annual GMS quorum.

The Annual GMS was attended by all members of the Board of Commissioners, the Syariah Supervisory Board, the Board of Directors and Audit Committee members. In addition, the Annual General Meeting was also attended by a Notary, representatives of the Administrative Bureau of Securities and Public Accountant.

Annual GMS Vote and Vote Count Mechanism

Decision-making mechanisms and procedures for voting and vote counting were arranged in the order of the Annual GMS and disclosed in Danamon's website and read by the chairman of the meeting at the beginning of Annual GMS. Each Shareholder or Shareholders proxies have the right to ask questions and/or submit opinions to the meeting leaders before voting for each agenda.

In calculating the vote, one share entitled the holder to 1 (one) vote. If one shareholder had more than 1 (one) share, he/she was asked to vote 1 (one) time only and that vote represented the total number of his/her shares. At the Annual GMS of Danamon, P. Soetrisno A. Tampubolon, SH, M.Kn as a Notary Public and PT Raya Saham Registra as the Registrar were appointed for calculating the quorum and votes.

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DECISIONS AND RESULTS OF AGMS 2014

AGMS of 2014 made decisions on the five (5) agenda items proposed through voting mechanism, wherein all decisions made in the meeting had been implemented in 2014 as outlined in table below:

Agenda, Decision, Vote Count and Actual Results of Annual General Meeting Shareholders 2014

Resolution

First Agenda

Total Agree Votes: 8,696,335,084 shares or 99.933%

Total No Votes: 5,810,811 share or 0.067%

1. To approve the Annual Report of the Company for the year ended December 31, 2013;
2. To ratify the Financial Statements of the year ended December 31, 2013 which was audited by the Public Accountants Office of Purwantono, Suherman dan Surja, a member of the Ernst & Young Global Limited as stipulated in the Independent Auditor's Report of February 5, 2014 Number RPC-4764/PSS/2014, with an unqualified opinion;
3. To ratify the annual Supervisory Report of the Board of Commissioners of the Company for the year ended December 31, 2013, and
4. To acquit and discharge (volledig acquit et decharge) the Board of Directors and the Board of Commissioners of the Company for their management and supervision in the year ended December 31, 2013, provided that the management and supervision are reflected in the Company's Annual Report for the year ended December 31, 2013.

Second Agenda

Total Agree Votes: 8,701,793,911 shares 99.996%

Total No Votes: 351,984 shares or 0.004%

To approve the appropriation of the Company's net profit for the year ended December 31, 2013 in total amount of IDR 4,041,684,000,000 detailed as follows:

1. 1% of the net profit or IDR 40,416,840,000 to be set aside for the reserve fund to comply with Article 70 of Law Number 40 of 2008 on Limited Liability Companies;
2. 30% of the net profit or approximately in total amount of IDR 1,212,505,200,000 or IDR 126.50 per share, with the assumption that total issued shares of the Company at the Recording Date is not more than 9,584,643,365 shares, to be distributed as dividend for the year 2013, with the following provisions:
 - a. The dividend shall be paid to the shareholders whose names are registered in the Shareholders' Registry on a date to be stipulated by the Board of Directors of the Company (further referred to as the "Recording Date");
 - b. The Board of Directors will deduct dividend tax for the year 2013 in accordance with the prevailing tax regulations to the shareholders
 - c. The Board of Directors is hereby authorized and empowered to stipulate all matters regarding or relating to the implementation of dividend payment for the year 2013, including (however without limitation) to:
 - (1) determine the Recording Date for the shareholders of the Company who are entitled to receive dividend payment for the year 2013; and
 - (2) determine the date of implementing payment of dividend for the year 2013, taking into consideration and without prejudice to the regulations of the Stock Exchange where the shares of the Company are listed;
3. The remaining amount of the Net Profit which is not determined shall be posted as retained earning of the Company.

Third Agenda

Total Agree Votes: 8,603,299,515 shares or 98.864%

Total No Votes: 1,307,974 shares or 0.015%

To appoint Purwantono, Suherman and Surja, a member of Ernst & Young Global Limited, as a public accountant office that listed in the Indonesia Financial Services Authority to audit the Company's financial statement for the Year 2014, in accordance with the Recommendation Memo of Audit Committee No.B.01-KA dated March 24, 2014.

	Voting Counts Table			Realization
	Abstain	Against	Agree	
	6,308,800 shares or 0.072%	naught	8,690,026,284 shares or 99.861%	Has been realized
	4,600,800 shares or 0.053%	naught	8,697,193,111 shares or 99.943%	<p>Reserve fund for financial year 2013 has been booked.</p> <p>The distribution of dividends for the fiscal year 2013 has been carried out on 18 June 2014, based on the Company's announcement via IDX E-Reporting dated 8 May 2014 and published in Media Indonesia, Bisnis Indonesia and the Jakarta Post on 8 May 2014, and the Listing Date (Recording date) on 4 June 2014.</p> <p>Retain earnings for financial year 2013 has been booked.</p>
	6,307,571 shares or 0.072%	97,538,406 shares or 1.121%	8,596,991,944 shares or 98.792%	Based on the Audit Committee Memo Recommendation No.B.001.-KA dated 24 March 2014, the Board of Commissioners agreed to appoint a Public Accountant Firm (KAP) Purwantono, Suherman & Surja (a member of Ernst & Young Global Limited) as a public accounting firm that will examine/audit the books and records of the Company for the 2104 fiscal year.

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Resolution

Fourth Agenda

Total Agree Votes: 8,132,697,512 shares or 93.456%

Total No Votes: 1,526,581 shares or 0.018%

1. a. To accept the resignation of Ali Rukmijah (Ali Yong) as a Director of the Company effectively since March, 7 2014, with the expression of thanks for the services given by him during his tenure;
- b. To approve to not reappoint Milan Robert Shuster, Harry Arief Soepardi Sukadis and Benedictus Raksaka Mahi respectively as commissioners of the Company due to the expiration of their tenure effectively since the adjournment of this Meeting, with the expression of thanks for the services given by them during their tenure;
- c. To approve to re-appoint all members of Board of Directors and several member of Board of Commissioners effectively since the adjournment of this Meeting; and
- d. To approve the appointments of:
 - 1) Andriaan Laoh as Commissioner (Independent) of the Company; and
 - 2) Made Sukada as Commissioner (Independent) of the Company;
 Effectively since they/he passes the Fit and Proper Test of OJK.

Therefore, the composition of the Board of Directors and the Board of Commissioners are as follows:

BOARD OF DIRECTORS

President Director	: Henry Ho Hon Cheong
Director	: Muliadi Rahardja
Director	: Vera Eve Lim
Director	: Herry Hykmanto
Director	: Kanchan Keshav Nijasure
Director (Independent)	: Fransiska Oei Lan Siem
Director	: Pradip Chhadva
Director	: Michellina Laksmi Triwardhany
Director	: Satinder Pal Singh Ahluwalia
Director	: Khoe Minhari Handikusuma

BOARD OF COMMISSIONERS

President Commissioner	: Ng Kee Choe
Vice President Commissioner (Independent)	: Prof. Dr. J.B. Kristiadi
Commissioner	: Gan Chee Yen
Komisaris (Independent)	: Manggi Taruna Habir
Commissioner	: Ernest Wong Yuen Weng
Commissioner (Independent)	: Laoh Andriaan *
Commissioner (Independent)	: Made Sukada*

Effective since the adjournment of this Meeting, with the exception of Laoh Andriaan and Made Sukada where upon will be effective on the date they/he passes the Fit and Proper Test of OJK, with the tenure ended at the adjournment of the third Annual General Meeting of the Shareholders for the Year ended at December 31, 2016, which will be convened at the latest in June 2017, without prejudice to the right of Annual General Meeting of Shareholder to dismiss him (them) at any time.

	Voting Counts Table			Realization
	Abstain	Against	Agree	
	24,361,746 shares or 0.280%	567,921,802 shares 6.526%	8,108,335,766 shares 93.176%	Has been realized

Corporate Governance

Resolution

2. To approve the reappointment of all members of Syariah Supervisory Board as follows:

SYARIAH SUPERVISORY BOARD

Chairman : Prof. DR. H.M. Din Syamsuddin

Member : Drs. H.Karnaen A

Perwataatmadja, MPA, FIS;

Member : Dr. Hasanudin M. Ag.

Effective since the adjournment of this Meeting, with the tenure ended at the adjournment of the third Annual General Meeting of the Shareholders for the Year ended at December 31, 2016, which will be convened at the latest in June 2017, without prejudice to the right of Annual General Meeting of Shareholder to dismiss him (them) at any time, and

3. To authorize the Board of Directors of the Company to sign any deeds which are required in connection with the resolutions of this Meeting and to submit a notice regarding the data changes to the Ministry of Law and Human Rights of Republic of Indonesia in order to obtain Receipt of notice on Company's data changes from the Ministry of Law and Human Rights of Republik of Indonesia.

Fifth Agenda

Total Agree Votes: 8,695,107,272 shares or 99.919%

Total No Votes: 6,296,217 shares or 0.072%

1. a. approve the payment of tantieme/bonus which will be distributed to the member of the Board of Commissioners of the Company for the year 2013 totally in the amount of Rp13,977,700,000 gross;
- b. approve the total amount of the remuneration and other allowances for members of the Board of Commissioners of the Company for the year 2014 to be estimated at Rp14,585,290,882 gross;
- c. approve the delegation of authority to the President Commissioner of the Company to determine portion of tantieme/bonus for the year 2013 and the remuneration/honorarium and any other allowance for the year 2014, for each member of the Board of Commissioners of the Company, based on the recommendation of Remuneration Committee No.B.02-KR dated April 30, 2014, and
2. a. approve the payment of tantieme which will be distributed to the member of the Syariah Supervisory Board of the Company for the year 2013 totally in the amount of Rp68,630,000 gross;
- b. approve the total amount of the remuneration and other allowances for members of the Sharia Supervisory Board of the Company for the year 2014 to be estimated at Rp671,488,006 gross;
- c. approve the delegation of authority to the Board of Commissioners of the Company to determine portion of tantieme/bonus for the year 2013 and the remuneration/honorarium and any other allowance for the year 2014, for each member of the Syariah Supervisory of the Company, based on the recommendation of Remuneration Committee No.B.03-KR dated April 30, 2014, and.
3. a. approve the payment of tantieme which will be distributed to the member of the Board of Directors of the Company for the year 2013 totally in the amount of Rp52,733,150,000 gross;
- b. approve the total amount of the remuneration and other allowances for members of the Board of Directors of the Company for the year 2014 to be estimated at Rp44,864,444,937 gross;
- c. To approve the implementation of Special Grants ("SG") and Long Term Incentive Plan ("LTI") for members of the Board of Directors and Senior Employees, and to determine the total allocation of SG and LTI funds up to a maximum of Rp404,809,767,150 gross and
- d. approve the delegation of authority to the Board of Commissioners of the Company to:
 - (i) determine portion of tantieme/bonus for the year 2013 and the remuneration/honorarium and any other allowance for the year 2014, for each member of the Board of Directors of the Company, based on the recommendation of Remuneration Committee No.B.01-KR dated April 30, 2014, and
 - (ii) Determine methode and procedure of LTI and SG distributions, as well as portion of for each member of the Board of Directors of the Company, based on the recommendation of Remuneration Committee.

Abstain	Voting Counts Table		Realization
	Against	Agree	

8,632,535 shares or 0.099%	742,406 shares or 0.009%	8,686,474,737 shares or 99.820%	Has been realized
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Corporate Governance

BOARD OF COMMISSIONERS

The Board of Commissioners of a company is responsible for the overall supervision and or specific supervision in accordance to the Articles of Association as well as advising the Board of Directors. The Board of Commissioners also ensures the implementation of Good Corporate Governance in the Bank. The Board of Commissioners carries out their duties and responsibilities independently.

The members of the Board of Commissioners are appointed by the GMS in accordance with the recommendations of Nomination Committee through the Board of Commissioners. Pursuant to Danamon's Articles of Association, the appointment is effective from the date specified in the GMS and will end at the conclusion of the third GMS after the date of appointment. The appointment of members of the Board of Commissioners is effective upon OJK's approval which is conditional on the passing of Fit and Proper test.

Board Charter of the Board of Commissioners

The charter of the Board of Commissioners details matters related to the organization, duties and responsibilities, authority, transparency, work ethics, establishment of committees and meeting arrangements. The charter is prepared based on the prevailing regulations of Bank Indonesia and OJK, as well as best practices, and reviewed periodically.

The Board of Commissioners Work Ethics

- a. The Board of Commissioners shall be subject to the Bank's Code of Conduct and other prevailing banking regulations.
- b. The majority of members of the Board of Commissioners are prohibited from having family relations up to the second degree with members of the Board of Commissioners and/or members of the Board of Directors.

- c. The Board of Commissioners is prohibited from taking advantage of the Bank for their personal benefits and/or benefits of their family, and/or other parties, that may lead to a loss or reduced profits or reputation of Danamon and the subsidiaries.
- d. Member of the Board of Commissioners are prohibited from taking and/or receiving benefits personal in nature from the Danamon, other than the remuneration and other facilities set by the General Meeting of Shareholders.
- e. Members of the Board of Commissioners are prohibited from directly or indirectly making incorrect statements about material facts or not disclosing material facts, so as to ensure the statements made are not misleading as to the state of Danamon at the time the statement was made.

Duties, Responsibilities and Authorities of the Board of Commissioners

Danamon's Board of Commissioners responsibilities and authorities are clearly defined in the Bank's Articles of Association, and have complied with prevailing laws and regulations.

Board of Commissioners Duties and Responsibilities

- a. The Board of Commissioners shall be subject to the Danamon's Code of Conduct, prevailing laws and regulations, and Danamon's internal policies.
- b. Board of Commissioners shall carry out their duties and responsibilities independently. In performing its duties, the Board shall provide sufficient time to carry out their duties and responsibilities optimally.
- c. The Board of Commissioners shall ensure the implementation of GCG in activities at all levels of the Danamon's businesses and corporate organizational hierarchy.
- d. The Board of Commissioners shall supervise the performance of duties and responsibilities of the Board of Directors, as well as providing recommendations/advices to the Board of Directors.

- e. In conducting supervision, the Board of Commissioners shall direct, monitor, and evaluate the implementation of Danamon's strategic policies.
 - f. The Board of Commissioners is prohibited from decision making related to the Bank's operational activities, except for the following:
 - 1) Provision of funds to related parties; and,
 - 2) Other matters stipulated in the Bank's Articles of Association or prevailing laws and regulations.
 - g. The Board of Commissioners shall re-evaluate and approve the Vision and Mission of the Bank periodically.
 - h. In order to support the effectiveness of the implementation of the tasks and responsibilities, the Board of Commissioners establish at least:
 - 1) Audit Committee
 - 2) Risk Monitoring Committee
 - 3) Remuneration Committee
 - 4) Nomination Committee
 - 5) Corporate Governance Committee
 - i. Members of the Board of Commissioners agreed to sit as a member or as Chairman of the above committees as recommended by the Nomination Committee. The Board of Commissioners shall ensure that the above committees carried out their duties effectively.
 - j. The Board of Commissioners shall ensure that the Board of Directors has followed up audit findings and recommendations from Danamon's Internal Audit Unit, external auditor, supervisory results of Bank Indonesia/Financial Services Authority and/or the results of other regulators.
 - k. The Board of Commissioners shall make recommendations regarding improvements or suggestions submitted by the Audit Committee and submit such recommendations to the Board of Directors.
 - l. The Board of Commissioners shall keep confidential all Danamon's documents, data, and information.
 - m. The Board of Commissioners shall inform Bank Indonesia/Financial Services Authority at the latest 7 working days from the detection of:
 - 1) any violation of laws and regulations in finance and banking; and,
 - 2) a state or supposition of circumstances that could jeopardize the Bank's business.
 - n. The Board of Commissioners shall submit the Supervision Report on Bank's Business to Bank Indonesia/Financial Services Authority and submit supervision duties report to the General Meeting of Shareholders.
 - o. The Board of Commissioners shall supervise and evaluate the Information Technology Strategic Plan, including reviewing policies and procedures of risk management in regard to the Bank's information technology, as proposed by the Board of Directors.
 - p. The Board of Commissioners shall prepare the charter of the Board of Commissioners, review and update it periodically.
 - q. The Board of Commissioners shall attend relevant training to continually enhance competency and skills.
- The Duties and Responsibilities of President Commissioner**
- a. Lead the Board of Commissioners in performing the duties of monitoring and assurance.
 - b. Lead the Board of Commissioners' meeting and determine the urgency in meeting invitation if the meeting of the Board of Commissioners is to be held in less than 5 (five) days.
 - c. To receive authorization from the General Meeting of Shareholders to distribute tantieme to members of the Board of Commissioners.
 - d. As the Chairman of the Meeting, the President Commissioner signs the Minutes of Meeting.
 - e. Receive reports from the Committees of the Board of Commissioners.

Corporate Governance

- f. To invite other members of the Board of Commissioners to attend Board of Commissioners meeting.

Authorities of Board of Commissioners

In undertaking its supervisory functions, the Board of Commissioners holds the following authorities:

- a. The Board of Commissioners is authorized to access the documents, data, and information about employees, funds, assets, and Danamon's resources.
- b. In carrying out its duties and responsibilities, the Board of Commissioners is authorized to communicate directly with employees, Directors and other parties.
- c. If necessary the Board of Commissioners has the authority to engage independent parties other than members of the Board of Commissioners to assist in carrying out their duties.
- d. The Board of Commissioners is authorized to carry out the other authorities granted by the Articles of Association of Danamon and prevailing laws and regulations.
- e. Conducting supervision of the management policy, management in general, in relation to Danamon as well as Danamon's businesses and to advise the Board of Directors;
- f. Based on the Board of Commissioners meeting, the Board of Commissioners may temporarily dismiss a member of the Board of Directors from his/her position by stating the reasons therefore, as stipulated in prevailing laws and regulations;
- g. Conduct a GMS at the latest 45 (forty-five) days after the temporary dismissal of the member of the Board of Directors, considering the announcement and invitation period, as defined in the prevailing laws and regulations and Danamon's Articles of Association;
- h. In the event all members of the Board of Directors are temporarily dismissed or due to any reason there is no member of the Board of Directors managing the office, the Board of Commissioners will manage Danamon temporarily and act on behalf of Danamon. The Board of Commissioners has the right to appoint one or more members to carry out this authority on behalf of the Board of Commissioners, by following prevailing laws and regulations;
- i. The Board of Commissioners has the authority to set limitations on management by the Board of Directors;
- j. The Board of Commissioners will provide prior approval to the Board of Directors or sign related documents for one or more actions/activities from time to time, without limiting the provisions of the prevailing laws and regulations regarding the following Board of Directors activities:
 - 1) Lending money or providing credit facilities or other banking facilities that represent or result in borrowing money:
 - i. To related parties as stipulated in Bank Indonesia regulations regarding Lending Limit of Commercial banks, or
 - ii. Exceeding the amount that from time to time will be determined by the Board of Commissioners, or
 - 2) Binding Danamon as a guarantor or debt underwriter (borgtocht), or in any other way encumbering it with payment obligations of another party:
 - i. As related parties as stipulated in the Bank Indonesia regulation regarding Lending Limits of Commercial banks, or

- ii. Exceeding the amount that from time to time will be determined by the Board of Commissioners, or;
- 3) Establishing a new entity, to form or increase ownership (except for the increase in ownership related to the issuance of stock dividends or bonus shares, or related to loan restructuring efforts), or reducing ownership in other entities, without prejudice to the approval of the authority;
- 4) Borrowing money from another party (not included in Article 3, clause 2 (a) Danamon's Articles of Association) or receiving a credit facility or other banking facilities which result in lending money that exceeds the amount determined from time to time by the Board of Commissioners to the other party;
- 5) Writing-off or charging off the Bank's receivables that exceed the amount determined from time to time by the Board of Commissioners from the books;
- 6) Changing/passing down or releasing Danamon's rights to collect Bank receivables that were written off and that exceeded the amount determined from time to time by the Board of Commissioners;
- 7) Selling/changing or releasing the rights, or collateralizing/offering, the Bank's property, either in a single transaction or in multiple transactions that stand alone or are related to one another, in an amount which is from time to time determined by the Board of Commissioners (without prejudice to the regulations in Danamon's Articles of Association).

Policy on Diversity in the Board of Commissioners composition

The composition of the Board of Commissioners is set considering the Bank's requirements and complexities. The composition of the Board of Commissioners is made on the basis of members' banking knowledge, expertise, professional experiences, background in order to support the effectiveness in carrying out the duties of the Board of Commissioners. Danamon provides equal opportunity to all, hence the nomination of the Board of Commissioners candidates are assessed and evaluated without regard to gender, racial, religion as well as the initial source of recommendation.

Total, Composition, Criteria, Independence and Concurrent Position of the Board of Commissioners Members

Total, Composition, and Criteria of the Board of Commissioners

As of 31 December 2014, members of Danamon's Board of Commissioners, including the President Commissioner, total 6 (enam) persons, as follows:

1. President Commissioner: Ng Kee Choe
2. Vice President Commissioner/Independent Commissioner: J.B. Kristiadi
3. Commissioner: Gan Chee Yen
4. Independent Commissioner: Manggi T. Habir
5. Commissioner: Ernest Wong Yuen Weng
6. Commissioner: Made Sukada

Note:

Andriaan Laoh submitted his resignation from the nomination as an Independent Commissioner on 13 August 2014.

The total does not exceed the total number of Board of Directors of 9 (nine) members, and is in compliance with Bank Indonesia regulations Financial Services Authority. 3 (three) or 50% (fifty percent) of the 6 (six) members of the Board of Commissioners are independent namely, J.B. Kristiadi, Manggi T. Habir, and

Corporate Governance

Made Sukada. A total of 3 (three) members, or 50% (fifty percent) of the members of Danamon's the Board of Commissioners are Indonesia citizens and domiciled in Indonesia.

Data/Information on the Appointment of the Board of Commissioners Member

Name	Position	MS Date	Effective Date (BI/FSA Approval)	Appointment	Appointment Period	Domicile
Ng Kee Choe	President Commissioner	22 May 2006	24 May 2006	2006 - 2008 2008 - 2011 2011 - 2014 2014 - 2017	4x	Singapore
J.B. Kristiadi	Vice President Commissioner (Independent)	9 May 2005	5 December 2005	2005 - 2008 2008 - 2011 2011 - 2014 2014 - 2017	4x	Indonesia
Gan Chee Yen	Commissioner	16 June 2003	21 October 2003	2003 - 2005 2005 - 2008 2008 - 2011 2011 - 2014 2014 - 2017	5x	Singapore
Manggi T. Habir	Commissioner (Independent)	9 May 2005	22 July 2005	2005 - 2008 2008 - 2011 2011 - 2014 2014 - 2017	4x	Indonesia
Ernest Wong Yuen Weng	Commissioner	29 April 2010	14 September 2010	2010 - 2011 2011 - 2014 2014 - 2017	3x	Singapore
Made Sukada	Commissioner (Independent)	7 May 2014	8 August 2014	2014 - 2017	1x	Indonesia

The reappointments of J.B. Kristiadi as Vice President Commissioner/Independent Commissioner and of Manggi T. Habir as Independent Commissioner of Danamon in 2014 Annual General Shareholders' Meeting are not in conflict with Decision of Board of Directors of Indonesia Stock Exchange no. KEP-00001/BEI/01-2014 that regulates Independent Commissioner Term to a maximum of 2 consecutive periods, since their reappointment during AGSM 2014.

J.B. Kristiadi's reappointment as Deputy Commissioner/Independent Commissioner and Manggi T. Habir as Independent Commissioner are required to provide continuity and ensure the process of supervision is carried out orderly given that the other independent commissioners was newly appointed at the GMS in 2014 and still required to undergo the fit and proper test by the FSA.

Independent Commissioners

Criteria for appointment of Independent Commissioner

a. Criteria of Independent Commissioner:

- 1) Member of the Board of Commissioners who does not have any financial, management, stock ownership, and/or family relationships with other members of the Board of Commissioners, the Board of Directors and/or controlling shareholders, or any relationship with Danamon which may affect his/her ability to act independently;

- 2) Originates from outside of Danamon;
 - 3) He/she is not a person who works or has the authority and responsibility for planning, directing, controlling, supervising Danamon's activities in the last 1 (one) year period;
 - 4) Does not own, either directly or indirectly, Danamon's shares;
 - 5) Does not have, either directly or indirectly, business relations associated with Danamon's business activities.
- b. The term of office is maximum up to 2 (two) times consecutively.
 - c. Former member of the Board of Directors or executive officers of the Bank or parties who have a relationship with Danamon, which could influence his/her ability to act independently, may not be an Independent Commissioner of Danamon, before under going cooling off for 1 (one) year. However, this provision does not apply to former Directors or executive officers whose job is supervisory function for at least 1 (one) year.
 - d. If the Independent Commissioner position becomes vacant and resulted in violations of laws and regulations in force, Danamon shall fill the vacancy at the latest next Annual General Meeting or within six (6) months after the vacancy occurs.

Independency Declaration by Independent Commissioner

Each Independent Commissioner declares his/her independency through a Declaration Statement on a periodic basis.

Requirements of Independent Commissioner	Danamon's Independent Commissioner		
	J.B. Kristiadi	Manggi T. Habir	Made Sukada
Do not have a financial, management, ownership and/or related to members of the Board of Commissioners, Directors and/or controlling shareholders or the relationship with Danamon, which could affect its ability to act independently	√	√	√
Originating from outside the Bank	√	√	√
Not the people who work or have authority and responsibility for planning, directing, controlling, or supervise the activities of the Bank in the period of 1 (one) year	√	√	√
Do not have a business relationship relating to the activities of Danamon directly or indirectly	√	√	√

Independence of Board of Commissioners Members

All members of the Board of Commissioners who currently serve have no family relationship to the second degree with members of the Board of Directors, as well as with controlling shareholders. The majority of members of the Board of Commissioners do not have any financial relationships with controlling shareholders and all Commissioners do not have financial relationship with other Commissioners or other Directors.

Corporate Governance

Family and Financial Relationship of Board of Commissioners

BOC	Family Relation With						Financial Relation With					
	BOC		BOD		Controlling Shareholders		BOC		BOD		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Ng Kee Choe President Commissioner	-	√	-	√	-	√	-	√	-	√	√	-
J.B. Kristiadi Vice President Commissioner (Independent)	-	√	-	√	-	√	-	√	-	√	-	√
Gan Chee Yen Commissioner	-	√	-	√	-	√	-	√	-	√	√	-
Manggi T. Habir Commissioner (Independent)	-	√	-	√	-	√	-	√	-	√	-	√
Ernest Wong Yuen Weng Commissioner	-	√	-	√	-	√	-	√	-	√	√	-
Made Sukada Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√

Board of Commissioners Members' Concurrent Positions

In accordance with Bank Indonesia regulations, members of the Board of Commissioners are allowed to have concurrent positions as members of the Board of Directors, or the Executive Officers at 1 (one) non-financial institution, or in order to carry out the supervisory function at one (1) non-bank subsidiary controlled by Danamon.

Not included as holding concurrent position when non-independent members of the Board of Commissioners conduct functional duties of legal entities shareholders in the group business, and/or members of the Board of Commissioners holding positions in non-profit organizations or institutions, as long as he/she does not neglect his/her duties and responsibilities as a member of Danamon's Board of Commissioners.

All Independent Commissioners have signed annual declaration stating that they do not hold any concurrent position prohibited by regulations.

Members of the Board of Commissioners of the Bank do not have concurrent positions outside that permitted by applicable regulations.

The following is a list of the Board of Commissioners' positions, as of 31 December 2014:

Name	Position in Bank Danamon	Position in Subsidiaries
Ng Kee Choe	President Commissioner	<ul style="list-style-type: none"> - Chairman, Nonexecutive AusNet Services.*) Singapore Power Group: <ul style="list-style-type: none"> o (SP Australia Networks (Transmission) Ltd, o SP Australia Networks (Distribution) Ltd, o SP Australia Networks (Finance) Trust through SP Australia Networks (RE) Ltd - Board of Directors Fullerton Financial Holdings Pte Ltd. - Chairman Capita Land Limited - Member of International Advisory Council China Development - Member of Temasek Advisory Panel Temasek Holdings (Private) Ltd - Chairman Tanah Merah Country Club <p>*) SP AusNet is dual listed company at Australian Securities Exchange and Singapore Exchange Securities Trading Limited.</p>
J.B. Kristiadi	Vice President Commissioner (Independent)	Member of the Board of Commissioners of PT Citra Tubindo
Gan Chee Yen	Commissioner	<ul style="list-style-type: none"> • Board Member CEI Contract Manufacturing Limited • Board Member ST Asset Management Ltd • Board Member Broad Peak Investment Ltd • Board Member Fullerton Financial Holdings Pte Ltd • Board Member ACR Capital Holdings Pte Ltd • Chairman Fullerton Investment & Credit Guarantee Co Ltd • Chairman Fullerton India Credit Co Ltd • Board Member Dunia Finance LLC Dubai Outsource Zone • Chairman Fullerton Credit (Sichuan) Ltd • Chairman Fullerton Credit (Hubei) Ltd • Chairman Fullerton Credit (Chongqing) Ltd • Vice Chairman Cambodia Post Bank PLC • Board Member Clifford Capital Pte Ltd Marina Bay Financial
Manggi T. Habir	Commissioner (Independent)	<ul style="list-style-type: none"> • President Commissioner PT Asuransi Adira Dinamika • Head of the Supervisory Board of Yayasan Danamon Peduli
Ernest Wong Yuen Weng	Commissioner	<ul style="list-style-type: none"> • Board Trustee Nanyang Technological University • Board Member Singapore Health Services Pte Ltd ("SingHealth") • Chairman Fullerton Financial Holdings Pte Ltd • Board Member Singbridge Holdings Pte. Ltd. • Board Member Pavilion Capital Holdings Pte. Ltd • Chairman A. Menarini Asia-Pacific Holdings Pte Ltd
Made Sukada	Commissioner (Independent)	-

Share Ownership of the Board of Commissioners Member

In accordance with the Personal Investment Policy No. Kep: DIR-CORP.SEC-014 dated 16 December 2013, members of the Board of Commissioners shall report any purchase or sale of securities to the Corporate Secretary on at a minimum of 1 (one) business day prior to the transaction and within 1 (one) business day before after the transaction is completed. Board of Commissioners Share ownership in Danamon and other companies is declared on a periodic basis.

Corporate Governance

Independent Commissioners are not allowed to directly or indirectly own shares as defined in the Danamon's Board of Commissioners charter.

The following is the share ownership of the Board of Commissioners, with both direct and indirect ownership:

Shareholders	Bank Danamon	Other Bank	Non Bank Financial Institution	Other Company	Description
Ng Kee Choe President Commissioner	94,275 Number of Ownership Shares	-	-	-	<ul style="list-style-type: none"> Percentage of shares: 0.00% Type of shares: shares of series B
J.B. Kristiadi Vice President Commissioner (Independent)	-	-	-	-	-
Gan Chee Yen Commissioner	-	-	-	-	-
Manggi T. Habir Commissioner (Independent)	-	-	-	-	-
Ernest Wong Yuen Weng Commissioner	-	-	-	Ewong Pte Ltd Number of shares owned/ Amount of shares owned 50,000	<ul style="list-style-type: none"> Corporate Domicile/Company Domicile: Singapore Percentage of shares/Percentage of ownership: 100% Noted/Registered Under the name: Ernest Wong Yuen Weng & Wong Paulina

Shareholders	Bank Danamon	Other Bank	Non Bank Financial Institution	Other Company	Description
Made Sukada Commissioner (Independent)	-	PT Bank Tabungan Negara Persero. Amount of shares owned 62,500	-	-	Percentage of shares: 0.0006% registered in the name of Made Sukada
	-	-	-	PT Ace Hardware Indonesia. Amount of shares owned 140,000	Percentage of shares: 0.0008% registered in the name of Made Sukada
	-	-	-	PT Ciputra Development. Amount of shares owned 75,000	Percentage of shares: 0.0005% registered in the name of Made Sukada
	-	-	-	PT Ciputra Property. Amount of shares owned 70,000	Percentage of shares: 0.0001% registered in the name of Made Sukada
	-	-	-	PT Waskita Karya. Amount of shares owned 100,000	Percentage of shares: 0.001% registered in the name of Made Sukada
	-	-	-	PT Sumarecon Agung. Amount of shares owned 100,000	Percentage of shares: 0.001% registered in the name of Made Sukada
	-	-	-	PT Perusahaan Gas Negara Persero. Amount of shares owned 20,000	Percentage of shares: 0.00006% registered in the name of Made Sukada
	-	-	-	PT Alam Sutra Realty. Amount of shares owned 100,000	Percentage of shares: 0.0005% registered in the name of Made Sukada
	-	-	-	PT Agung Podomoro Land. Amount of shares owned 150,000	Percentage of shares: 0.0007% registered in the name of Made Sukada

Corporate Governance

Board of Commissioners Meeting, frequency and attendance

Meeting Policy

- a. Board of Commissioners meeting is held in accordance with Danamon's needs and at a minimum six (6) times in a year.
- b. Members of the Board of Commissioners shall attend meetings of the Board of Commissioners at least 75% of the total board meetings in a year.
- c. The Board of Commissioners shall convene a minimum of two (2) meetings in a year and physically attended by all members.
- d. If the members of the Board of Commissioners cannot physically attend a meeting, they may participate in meetings through tele or videoconferencing. The minutes shall be signed by all participants who attend the meeting physically or by participants who participate through tele or videoconferencing supported by the record evidence.
- e. The Board of Commissioners meeting led by the President Commissioner with the level of attendance (quorum meeting) of at least 75% of the members of the Board of Commissioners.
- f. If the President Commissioner is absent, a present member of the Board of Commissioners at the meeting are appointed to chair the meeting.
- g. The decision is taken by the Board of Commissioners on a consensus basis.
- h. In case, when the consensus is not achieved, the decision must be determined by at least 2/3 (two thirds) of the members of the Board of Commissioners present or represented at the meeting. Decisions made by 2/3 (two thirds) is based on the principle of one person one vote.
- i. All decisions of the Board of Commissioners are binding to all members of the Board of Commissioners. Dissenting opinions which occurred in the meeting of the Board of Commissioners shall be clearly stated in the minutes of the meeting together with the reasons for such dissent.
- j. Decision of BoC meetings shall be recorded in the minutes of the meeting and well documented.
- k. Meeting minutes are kept and distributed to each member of the Board of Commissioners and Secretary of the Company.
- l. The Board of Commissioners may adopt lawful and binding decisions without conducting BoC meetings on condition that all the members of the Board of Commissioners approves the decision in writing.
- m. Meeting materials shall be distributed to the participants of the meeting at least 5 (five) working days prior to the meeting.
- n. Meeting invitation must be submitted to the meeting participants at least 5 (five) working days prior to the meeting.
- o. In a meeting of the Board of Commissioners, a member of the Board of Commissioners may be represented by another member of the Board of Commissioners with a power of attorney.
- p. Each member of the Board of Commissioners in any way, whether directly or indirectly, having a personal interest or conflict in a transaction, contract or a proposed contract in which the Bank is a party, shall declare the interest in BoC meetings and shall not be eligible to participate the vote on the transaction, contract or proposed contract mentioned above, unless the meeting of the Board of Commissioners decides otherwise.

Meeting Frequency of the Board of Commissioners

During 2014, the Board of Commissioners held 6 (six) meetings; namely, on 5 February 2014, 4 to 5 March 2014, 6 May 2014, 17 June 2014, 28 October 2014, and 27 November 2014. The meeting was attended physically or through teleconferencing technology by members of the Board of Commissioners to meet the requirements of meeting quorum.

The Meetings of the Board of Commissioners discussed the issues based on the agreed agenda and were scheduled regularly. The decision-making was done with deliberation and consensus, and there was no dissenting opinion. The implementation of the meetings, attendances, meeting agendas and discussions had been distributed and well documented.

Meeting Attendance

Following is the meeting attendance of the Board of Commissioners during 2014:

Name	Board of Commissioners/Joint Meeting with Board of Directors (6 meetings)	Attendance Level
Ng Kee Choe	5	83%
J.B. Kristiadi	5	83%
Gan Chee Yen	6	100%
Manggi T. Habir	6	100%
Ernest Wong Yuen Weng	6	100%
Made Sukada	3	100%

Note:

- Made Sukada appointed by the Annual GMS on 7 May 2014 and passed the fit and proper test on August 8, 2014
- Ernest Wong Yuen Weng one teleconference on June 17, 2014

Board of Commissioners Meeting Agenda in 2014

No	Date	Agenda
1.	05 February 2014	1. 2013 Financial Results 2. Dividend payment ratio 3. Risk Appetite Statement 4. Agenda for AGMS 5. Report of Committees
2.	04 - 05 March 2014	1. Project Dragonfly 2. Project Pegasus
3.	06 May 2014	1. YTD Financial Performance 2. BoC Charter and Charter of the Committees 3. Report of Committees
4.	17 June 2014	1. May 2014 Financial Results 2. Strategic Initiative Progress 3. Report of Committees
5.	28 October 2014	1. YTD Financial Results 2. Strategic Initiative Progress - Project Merdeka 3. Update HQ Building Project 4. Report of Committees
6.	27 November 2014	1. YTD Financial Performance - October 2014 2. Business plan 2015 3. Project Merdeka Update

Corporate Governance

Duties and Recommendation of the Board of Commissioners in 2014

In implementing its duties and responsibilities, Board of Commissioners provide recommendations which can be summarized as follow:

- 1) To increase productivity and efficiency through several initiatives, among others, business transformation models, business synergies and centralization of operational activities.
- 2) To optimize the funding management through increasing demand and savings accounts.
- 3) To balance the growth of loan portfolio with risk management at a reasonable level and maintaining good credit quality.
- 4) To manage the ratio of loans to deposits at optimal levels by taking into account the applicable provisions.
- 5) To implement the principles of good governance in all activities of the Bank and to continue alignment with ASEAN standards, the FSA and the International Roadmap as part of efforts to increase the value of the Bank.
- 6) To improve the quality and competence of human resources through continuous training.

Board of Commissioners Performance Assessment

Performance Assessment Procedure of Board of Commissioners

The Board of Commissioners Performance Assessment is administered based on assessment criteria related to implementation of Board of Commissioners duties and responsibilities covering structure and operational, direction and supervision as well as reporting. The Board of Commissioners submits their performance to the Shareholders through the GMS.

Performance Assessment Criteria of the Board of Commissioners

The following criterias served as the basis for assessment:

1. The effectiveness of the implementation of monitoring and provision of advices to the Board of Directors related to the Bank's performances.
2. The contribution and support of the Board of Commissioners for the implementation of GCG in Danamon's business activities.
3. Attendance of members of the Board of Commissioners in the Board of Commissioners meetings, joint meetings with the Board of Directors and committee meetings of the Board of Commissioners.
4. Implementation of the duties and responsibilities of committees under the Board of Commissioners.

Party Assessing the Board of Commissioners Performance

The Shareholders through the General Meeting of Shareholders assess the performance of the Board of Commissioners based on reports of the Board of Commissioners.

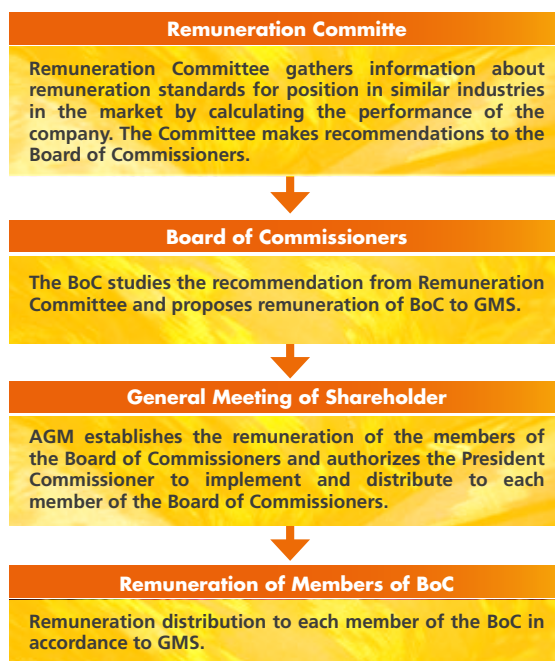
Board of Commissioners Remuneration Policy

Indicators for Determining Board of Commissioners Remuneration

Formulation of remuneration refers to Danamon's internal policies, applicable external regulations, industry comparison and taking into account the performance of Danamon. Recommendation of the Remuneration Committee is submitted to the Board of Commissioners and submitted to the General Meeting of Shareholders for approval. The amount of remuneration for member of the Board of Commissioners is determined based on the assessment of each member's performances by the President Commissioner.

Procedure for determination of Board of Commissioners' Remuneration

Remuneration of the Board of Commissioners setting process can be described as follows:



Board of Commissioners Remuneration Structure

Each member of the Board of Commissioners receives remuneration, which comprised of Salaries, Housing Allowances and Transportation Allowance, Holiday Allowances, Leave Allowances and Tantieme. The following table represents the type of remuneration and other facilities for the Board of Commissioners, the total members of the Board of Commissioners as well as total remuneration received in 1 year:

Board of Commissioners' Remuneration and Other Facilities (In Million Rupiah)

Remuneration	2014		2013		2012		2011		2010	
	Nominal	Person	Nominal	Person	Nominal	Person	Nominal	Person	Nominal	Person
1 Salary and Allowance	13,049	6	14,334	8	11,667	8	10,758	8	10,532	7
2 Tantiem	8,370	6	13,641	8	9,240	8	8,017	8	8,683	7
3 LTCP	NA		NA		NA		NA		NA	
4 Other Benefits in the form of in kind (housing, transportation, health insurance and etc)										
a. may be owned	382	6	495	8	495	8	495	8	495	7
b. may not be owned	1,696	6	931	8	672	8	672	8	672	7

Corporate Governance

Board of Commissioners Members Remuneration Based on Income Level and the number of members of the Board of Commissioners receiving remuneration in a year, as follows:

Remuneration amount per person in 1 year *	2014	2013	2012	2011	2010
Above 5 billion	-	-	-	-	-
Above 2 billion up to 5 billion	5	8	8	8	7
Below 2 billion	1	-	-	-	-

Notes:

1 new Commissioners joined in May 2014

Orientation Program for New Commissioner

The orientation program for a new Commissioner is made to provide an understanding of the vision, mission and values of Danamon, code of ethics, organizational structure, lines of business, a Board of Commissioners charter and banking regulations. The orientation program is conducted through the provision of On-Boarding Pack and briefing in persons by management, business unit and supporting unit to provide.

Training Program to Increase Competency of the Members of the Board of Commissioners

In order to improve the competence, the Bank provides the opportunity for members of the Board of Commissioners to attend training courses, seminars or workshops which are held internally and organized by external institutions. In 2014, the participation of members of the Board in various training programs is as follows:

Name	Training	Training Provider	Venue	Training Date
Ng Kee Choe	Risk Management Refreshment Course	The Risk Forum	Jakarta	28 October 2014
J.B. Kristiadi	Risk Management Refreshment Course	The Risk Forum	Jakarta	28 October 2014
Gan Chee Yen	Risk Management Refreshment Course	The Risk Forum	Jakarta	28 October 2014
Manggi T. Habir	Risk Management Refreshment Course	The Risk Forum	Jakarta	28 October 2014
Ernest Wong Yuen Weng	Risk Management Refreshment Course	The Risk Forum	Jakarta	28 October 2014
Made Sukada	Risk Management Refreshment Course	The Risk Forum	Jakarta	28 October 2014

COMMITTEES UNDER THE BOARD OF COMMISSIONERS

To support the effectiveness of its duties and responsibilities, the Board Commissioners of Danamon forms 5 (five) committees, namely:

- Audit Committee;
- Risk Monitoring Committee;
- Nomination Committee;
- Remuneration Committee;
- Corporate Governance Committee.

Committee members are appointed by the Board of Commissioners by Resolution of the Board of Commissioners and through the Board's decision letter. Committees are chaired by an Independent Commissioner. The duties and responsibilities of the Committees under the Board of Commissioners refer to the Charters of the various Committees which are reviewed periodically based on regulations in Indonesia.

The Audit Committee

The Audit Committee has the primary function to monitor and evaluate the planning and execution of audits as well as monitoring the follow-up results of the audit to assess the adequacy of internal controls, including the adequacy of the financial reporting process. Establishment of Audit Committee refers to the Decree of the Board of Commissioners No. KEP: Kom-Corp. Sec.070 21 November 2001 on the Establishment and Designation of the Audit Committee.

Audit Committee Charter

In performing its functions, the Committee refers to the Charter of the Audit Committee which details matters relating to the duties and responsibilities, organization, membership requirements, independence, authority, meetings, work ethics and term of office. Audit Committee Charter is reviewed periodically.

Duties, Responsibilities and Authorities of the Audit Committee

The Audit Committee is responsible as follows:

a. Financial Reporting

- 1) Assess the financial information that will be issued by Danamon to the public and/or to the authorities, among others: financial statements, projections, and other statements relating to the Bank's financial information.
- 2) To monitor and evaluate compliance of financial statements to the applicable accounting standards.
- 3) To assess the adequacy of the audit conducted by public accountants to ensure that all significant risks have been considered.
- 4) To examine complaints relating to accounting and financial reporting process of the Bank.

b. External Audit

- 1) To recommend to the Board the appointment, reappointment, dismissal or replacement, the terms of engagement and remuneration of public accountants to be proposed to the Annual General Meeting of Shareholders (AGMS).
- 2) To assess annually the scope of work and audit results, and independence, objectivity of the public accountant, to state in the Annual Report (a) the aggregate amount of fees paid to public accountants for the fiscal year, and (b) the details of the fees paid in total for audit and non-audit services, or appropriateness of negative statements (if any) and whether all significant risks have been considered.
- 3) To assess the financial audit report, significant findings and recommendations of public accountants and the corresponding responses of Directors.
- 4) Monitor and evaluate the planning and implementation of public accountants audit and the follow-up results of the audit in order to assess the adequacy of internal controls, including the adequacy of the financial reporting process.
- 5) Monitor and evaluate public accounting compliance with applicable auditing standards.

c. Internal Audit

- 1) To assess the adequacy and effectiveness of the functions of the Internal Audit Unit.
- 2) To assess the independence of the Head of Internal Audit Unit and ensure that the Head of Internal Audit Unit has direct and unrestricted access to the Audit Committee and Director of the Bank.

Corporate Governance

- 3) To assess the scope of work and audit plan of the Internal Audit Unit, including interaction with the Board of Directors and other matters relating to the audit.
 - 4) To assess the significant findings and recommendations of the Internal Audit Unit as well as the responses of Directors.
 - 5) Monitor and evaluate the implementation of the follow-up by the Board of Directors on the findings of the Internal Audit Unit, public accountants, and the findings of the audit of the Financial Services Authority and/or other regulators.
- d. Internal Controls
- To review and report to the Board on a regular basis, the adequacy and effectiveness of internal controls established by the Board of Directors, covering financial, operational, compliance and control of information technology.
- e. Compliance
- 1) To evaluate the compliance framework, and the scope of work and Compliance plan.
 - 2) To assess compliance with laws and regulations related to the activities of Danamon.
 - 3) To assess the legal issues that may have material impacts on the financial statements, related compliance policies, and reports received from regulators.
- f. Others
- 1) Examining the alleged errors on decisions made in the Board of Directors meeting or irregularities in implementing the decisions of the Board of Directors. The examination is carried out by the Audit Committee or by an independent party appointed by the Audit Committee at the cost of Danamon.
 - 2) To submit evaluation report to all members of the Board of Commissioners after the reports have been completed by the Audit Committee.
 - 3) To provide independent opinion on any disagreement between the Board of Directors and a public accountant for the services.
 - 4) To maintain the confidentiality of documents, data and information of the Bank.
 - 5) To review and advise the Board in relation to the potential conflict of interest of the Bank.
 - 6) To increase competence through education and continuous training.
- The Audit Committee has the authority as follows:
- a. To investigate any matter including the terms of reference, access and cooperation with the Board of Directors and the discretion to invite any director or executive officer to attend meetings of the Audit Committee, as well as to have reasonable resources in order to carry out their functions properly.
 - b. To assess affiliate transactions and conflict of interest after receiving the assessment report of the Director of Compliance, to ensure that the transactions are carried out by regarding to the interests of the Bank and the minority of shareholders as well as performed based on reasonable normal commercial terms.
 - c. To involve an independent party to assist the implementation of their duties if necessary.
 - d. To invite/appoint observers and the other authority granted by the Board of Commissioners.

Composition, Expertise and Legal Basis for appointing Audit Committee

Danamon's Audit Committee consists of 5 (five) persons, consisting of 3 (three) Independent Commissioners, and 2 (two) independent parties. The Audit Committee is chaired by an Independent Commissioner Manggi T. Habir.

Membership of the Audit Committee based on Circular Decision of the Board of Commissioners in lieu of the Decision taken in the meeting of the Board of Commissioners No. KSR-Kom. Corp.Sec - 015 dated 1 September 2014 and the Decree of the Board of Directors KEP.DIR-Corp.Sec. - 015 dated 1 September 2014.

Each member of the Audit Committee has met the applicable provisions relating to the requirements on expertise which includes finance and/or accounting, risk management, banking and/or law.

Independency of Audit Committee

All members of the Committee meet the applicable provisions relating to independency of the members of the Committee, which consideration to integrity, character and morals as declared in personal statements.

To maintain independence and objectivity, all members of Audit Committee are Independent Commissioners and Independent Parties. The Board of Directors are not allowed to sit in the membership of the Audit Committee.

Profile Members of the Audit Committee

Profile members of the Audit Committee describes the details of the name and position of the members of the Audit Committee, the term of office, skills, qualifications and education history, as well as work experience of each member of the Audit Committee including an independent parties, as follows:

Name	Position	Period	Expertise	Quality/Education Qualifications
Manggi T. Habir	Chairman/ Independent Commissioner	September 2014 - present	Finance/Risk Management	Master in Business Administration, University of Michigan, 1979 Master in Public Administration, Harvard University, 2002

Work Experience (Position, Institution and Term of office)

- Independent Commissioner Danamon 2005-present.
- Chairman of the Supervisory Board of Yayasan Danamon Peduli, 2006-present.
- President Commissioner of PT Asuransi Adira Dinamika, 2013-present.
- Director of Standard & Poor's, Singapore, 2002-2005.
- President Director of PT Pefindo 1998-2001.
- Research Director of PT Bahana Securities 1995-1998.
- Business and Economics Correspondent of Far Eastern Economic Review, 1982-1985.
- Held several key position of Citibank N.A. Jakarta, 1985-1991.

Corporate Governance

Name	Position	Period	Expertise	Quality/Education Qualifications
J.B. Kristiadi	Member/ Independent Commissioner	September 2014 - present	Finance and Risk Management	PhD (Public Administration), Sorbonne University, France, 1979.
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Vice President Commissioners of Danamon, 2005-present. - Member of Board of Commissioners of PT Citra Tubindo, 2009-present. - Member of National Task Force for Government Institutional Reform in the Ministry of Apparatus Reforms, 2011-present. - Secretary of Tax and Customs Reforms Team, 2010. - Special Staff to the Ministry of Finance, 2009. - Professor at State Padjajaran University Bandung, 2007-present. - Secretary General of The Ministry of Finance, 2005-2006 - Secretary General of The Ministry of Communication and Information, 2003-2005. - Deputy Minister of Apparatus Reforms, 2001-2003. - Assistant to the Coordinating Minister of Development Monitoring, 1999-2001. - Chairman of the National Institute of Administration (LAN), 1990-1998. - Director of Budget in the Ministry of Finance, 1987-1990. - Commissioners in several State-Owned Enterprises (PT Tambang Batu Bara Bukit Asam, 1980-1989, Bank Dagang Negara, 1982-1981, PT Aneka Tambang-1986, Bank BNI, 2005) - Director of State Property at Directorate General of Monetary Affairs, 1980-1987. 				
Made Sukada	Member/ Independent Commissioner	September 2014 - present	Finance and Risk Management	Master in Economics, University of Pittsburgh, USA 1984
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Member of the Supervisory Board of Yayasan Danamon Peduli, 2014-present. - Advisor to the Board of Governors of Bank Indonesia, 2010-2014. - Member of Risk Monitoring Committee at PT Bank Permata, Tbk, 2010- 2014. - Directors in various departments at Bank Indonesia, 1998-2010. 				
Angela Simatupang	Member/ Independent Party	September 2014 - present	Audit Internal, Risk Management and Corporate Governance	Master of Commerce in International Business and Management of Technology, University of Sydney
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Managing Partner for Governance Risk Control Practice at RSM AAJ, 2012-present. - Member of RSM International Network Limited in Indonesia. Within Global RSM Organization, 2009-2012. - Member of RSM Asia Pacific Risk Advisory Sub Committee and International Contact Partner for Indonesia, 2008-present. - Governor at Institute of Internal Auditors - Chapter Indonesia, 2014-2017. - Lecturer of Internal Audit and Risk Management in Accountant Professional Education Program at Accounting Graduate School, University of Indonesia, 2008-2010. - Author of various articles to socialize and increase public awareness on good corporate governance, 2007-2011. - Worked and assigned in RSM Bird Cameron Australia, 2005. 				
Yusuf Nawawi	Member/ Independent Party	September 2014 - present	Micro finance, corporate finance, derivative securities, credit management, risk management, investment management, training and development	BA in Economics, Sriwijaya University and Master of Business Administration, Weatherhead School of Management, Case Western Reserve University
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - President Director of BRI Pension Funds, 2010-2014. - Head of Training and Education of BRI, 2006-2010. - Head of Micro Banking Division of BRI, 2004-2006. - Director of International Visitors Program, 2001-2004. - Directorate General of Budget at the Ministry of Finance RI, 1978-1984. 				

Term of Office

Term of office of the Audit Committee members should not be longer than the term of office of the Board of Commissioners as regulated in the Articles of Association and may be reappointed for 1 (one) other period with the notation that the maximum term of office of an Independent Commissioner is 2 (two) consecutive terms.

Policy and Implementation of Audit Committee Meetings

Policy of Audit Committee Meeting

- Meetings are held at least once every 3 (three) months in accordance with requirements of the Bank.
- Meetings can only be held if attended by at least 51 % (fifty one percent) of the members including the Commissioner of the Independent and Independent Party.
- The decision at each meeting is taken based on consensus. In case consensus is not reached, the decision is taken by majority vote which is based on the principle of 1 (one) person 1 (one) vote.
- Each meeting is recorded in the minutes, well documented, signed by all members of the Committee present, and submitted to the Board of Commissioners.
- Dissenting opinion that occurs in the Committee meeting and the reasons thereof shall be clearly stated in the minutes of the meeting.

Frequencies and Attendance of Audit Committee Meetings

During 2014, the Audit Committee carried out the 9 (nine) meetings with the attendance as follows:

Name	Meetings Attendance	Attendance Level
Manggi T. Habir	9	100 %
J.B. Kristiadi	8	89 %
Made Sukada*)	5	100 %
Angela Simatupang*)	5	100 %
Yusuf Nawawi*)	5	100 %

Note:

*) Always attend meetings Risk Monitoring Committee since actively served

Corporate Governance

Main Agenda of Audit Committee Meetings in 2014

No.	Date	Main Agenda
1.	23 January 2014	1.Internal Audit Update 2.External Auditor Update - the Financial Statements 2013 3.Date of next meeting
2.	04 March 2014	1.Internal Audit Update 2.Reappointment of the External Auditor 3.Date of next meeting
3.	10 April 2014	1.Internal Audit Update 2.Date of next meeting
4.	6 May 2014	1.Internal Audit Update 2.Date of next meeting
5.	17 June 2014	1.Internal Audit Update 2.External Auditor Update 3.Date of next meeting
6.	07 August 2014	1.Internal Audit Update 2.Date of next meeting
7.	11 September 2014	1.Internal Audit Update 2.External Auditor Update 3.Tax Audit Update 4.Date of next meeting
8.	16 October 2014	1.Internal Audit Update 2.External Auditor Update 3.Date of next meeting
9.	27 November 2014	1.Internal Audit Update 2.External Auditor Update 3.Date of next meeting

Audit Committee Activities in 2014

Some of the important activities carried out by the Audit Committee are:

- a. Receive Internal Audit reports relating to:
 - Audit Plan 2014 and the Audit Committee submits approval for the plan.
 - Implementation of Internal Audit plan in 2014 with the number of audit objects totaling 744 entities.
 - Monthly internal audits results, as well as reports on follow-up on audit findings and the findings of fraud.
- b. Reviewing the external auditors and recommending PT Ernst & Young Indonesia (“E&Y”) as the External Auditor to be proposed to the GMS.
- c. Receiving Internal Audit reports related to audit plan 2015.
- d. Receiving PT E&Y report on the audit conducted on Danamon and its subsidiaries.

The Audit Committee submitted its activities report to the Board of Commissioners regularly.

Audit Committee Statement on the Effectiveness of Internal Control Systems

Internal control systems carried out by Danamon is considered to run effectively and adequately as reflected in the effectiveness of internal control functions, among others, the internal audit function, risk management, compliance, financial and operational controls.



Manggi T. Habir

Chairman, Independent Commissioner



J.B. Kristiadi

Member, Independent Commissioner



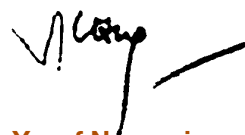
Made Sukada

Member, Independent Commissioner



Angela Simatupang

Member, Independent Party



Yusuf Nawawi

Member, Independent Party

Corporate Governance

Risk Monitoring Committee

Risk Monitoring Committee is responsible for the risk monitoring function and provision of independent professional recommendations or opinions relating to framework and policies of risk management consistent with risk appetite of Danamon. Establishment of Risk Monitoring Committee was based on Board of Commissioners Circular Decision No. KEP: Kom-Corp.Sec.026 dated 24 May 2006, concerning the Establishment of Risk Monitoring Committee.

Risk Monitoring Committee Charter

In conducting its functions, the Risk Monitoring Committee referred to Charter of Risk Monitoring Committee, which details the implementation of duties and responsibilities, organization, membership and work ethics, independence, term of office and meeting arrangements. The Charter of the Risk Monitoring Committee is reviewed regularly.

Duties, Responsibilities and Authorities of the Risk Monitoring Committee

Risk Monitoring Committee is responsible for:

- a. Providing independent professional opinion to the Board of Commissioners on reports or matters submitted by the Board of Directors to the Board of Commissioners as well as identifying issues that require the attention of the Board of Commissioners related to Danamon's risk management.
- b. Evaluating on an annual basis, Danamon's risk management policies and conformity of this policies with the implementation in order to provide recommendations to the Board.
- c. Monitoring and evaluating the Risk Management Unit and the committees' activities in order to provide recommendations to the Board of Commissioners.

- d. Reporting to the Board of Commissioners the various risks faced by Danamon and implementation of risk management by the Board of Directors.
- e. Evaluating the accountability of Directors for the implementation of risk management policies at least once in three months.
- f. Regulating or authorizing the conduct of investigations in its scope.
- g. Maintaining the confidentiality of documents, data and information of Danamon.
- h. Increasing competence through education and continuous training.

Risk Monitoring Committee has authority, as follows:

- a. Accessing documents, data and information if necessary.
- b. Communicating directly with employees, Directors and other parties related to the duties and responsibilities.
- c. Involving independent parties in order to help the performance of its duties if necessary.
- d. Performing other powers granted by the Board of Commissioners.

Composition, Expertise, and Legal Basis for appointing Risk Monitoring Committee

Danamon Risk Monitoring Committee consists of 5 (five) members with 2 (two) Independent Commissioners, a Commissioner, an Independent Party with expertise in Accounting and Risk Management, and one Independent Party with expertise in Legal/Finance.

All members of the Committee meet the applicable provisions related to the terms of expertise, integrity, character and moral as declared by members in their personal statements.

Danamon has made changes to the membership of the Risk Monitoring Committee based Decision Circular of the Board of Commissioners as Substitute Decisions taken in the meeting of the Board of Commissioners of PT Bank Danamon Indonesia, Tbk. No. KSR-Kom.Corp.Sec - 015 dated 1 September 2014 and the Decree of the Board of Directors KEP.DIR-Corp.Sec. - 015 dated 1 September 2014 that was effective since 1 September 2014.

Independency of Risk Monitoring Committee

To maintain independence and objectivity, majority (80%) of the Committee are Independent Commissioners and Independent

Parties. Board of Directors are prohibited from sitting in the Risk Monitoring Committee. Risk Monitoring Committee is chaired by an Independent Commissioner Manggi T. Habir.

Profile of Risk Monitoring Committee Members

Profile of the Risk Monitoring Committee details the name, position, term of office, expertise, qualifications and education history, as well as work experience of each member of the Risk Monitoring Committee including independent parties, as follows:

Name	Position	Period	Expertise	Quality/Education Qualifications
Manggi T. Habir	Chairman/ Independent Commissioner	September 2014-present	Finance/Risk Management	Master in Business Administration, University of Michigan, 1979 Master in Public Administration, Harvard University, 2002
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Independent Commissioner Danamon, 2005-present. - Chairman of Supervisory Board of Yayasan Danamon Peduli, 2006-present. - President Commissioner of PT Asuransi Adira Dinamika, 2013-present. - Director, Standard & Poors's, Singapore, 2002-2005. - President Director, PT Pefindo, 1998-2001. - Research Director, PT Bahana Securities, 1995-1998. - Economics and Business Correspondent, Far Eastern Economic Review, 1982-1985. - Held several key positions, Citibank N.A. Jakarta, 1985-1991. 				
Ernest Wong Yuen Weng	Member/ Commissioner	September 2014-present *)	Banking & Finance, General Management	First Class Honours Degree, Chemical Engineering, University of Surrey, UK 1967.
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - The Board of Commissioner, Danamon, 2010-present. - Board Trustee, Nanyang Technological University, 2006-present. - Board Member, Singapore Health Services Pte Ltd ("SingHealth"), 2006-present. - Chairman, Fullerton Financial Holdings Pte Ltd, 2011-present. - Board Member, Singbridge Holdings Pte. Ltd, 2011-present. - Board Member, Pavilion Capital Holdings Pte. Ltd, 2012-present. - Chairman, A. Menarini Asia-Pacific Holdings Pte Ltd, 2012-present. - Board Member, Economic Development Board and The Ministry of Finance, 1989-1993. - Group CEO, MediaCorp Pte Ltd, 2000-2005. - Board Member, United Overseas Bank Group, 1990-2005. - Chairman, the Association of Banks in Singapore, 1991-1993 dan 1999-2000. 				

Corporate Governance

Name	Position	Period	Expertise	Quality/Education Qualifications
Made Sukada	Member/ Independent Commissioner	September 2014-present	Finance and Risk Management	Master in Economics, University of Pittsburgh, USA 1984
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Member of Supervisory Board of Yayasan Danamon Peduli , 2014- present - Advisor to the Board of Governors of Bank Indonesia 2010-2014. - Member of Risk Monitoring Committee, PT Bank Permata, Tbk, 2010- 2014. - Directors in various departments at Bank Indonesia, 1998-2010. 				
Angela Simatupang	Member/ Independent Party	September 2014-present	Audit Internal, Risk Management and Corporate Governance	Master of Commerce in International Business and Management of Technology, University of Sydney
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Managing Partner for Governance Risk Control Practice at RSM AAJ, 2012-present. - Member of RSM International Network Limited in Indonesia. Within Global RSM Organization, 2009-2012. - Member of RSM Asia Pacific Risk Advisory Sub Committee and International Contact Partner for Indonesia, 2008-present. - Governor at Institute of Internal Auditors - Chapter Indonesia, 2014-2017. - Lecturer of Internal Audit and Risk Management in Accountant Professional Education Program at Accounting Graduate School, University of Indonesia, 2008-2010. - Author of various articles to socialize and increase public awareness on good corporate governance, 2007-2011. - Worked and assigned in RSM Bird Cameron Australia, 2005. 				
Yusuf Nawawi	Member/ Independent Party	September 2014-present	Micro finance, corporate finance, derivative securities, credit management, risk management, investment management, training and development	BA in Economics, Sriwijaya University and Master of Business Administration, Weatherhead School of Management, Case Western Reserve University
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - President Director of BRI Pension Funds, 2010-2014. - Head of Training and Education of BRI, 2006-2010. - Head of Micro Banking Division of BRI, 2004-2006. - Director of International Visitors Program, 2001-2004. - Directorate General of Budget at the Ministry of Finance RI, 1978-1984. 				

* Note: Per January 9, 2015, Ernest Wong Yuen Weng is observer in Risk Monitoring Committee according to Board of Commissioners' Circular Resolution Decision No. KSR-KOM.Corp.Sec.-001 on Change of Composition in Risk Monitoring Committee.

Term of Office

Term of office of the Risk Monitoring Committee members should not be longer than the term of office of the Board of Commissioners as regulated in the Articles of Association and may be reappointed for 1 (one) other period with the notation that the maximum term of office of an Independent Commissioner is 2 (two) consecutive terms.

Policy and Implementation of Risk Monitoring Committee Meetings

Risk Monitoring Committee Meeting Policy

- Meetings are held at least once every 3 (three) months in accordance with the needs of the Bank.
- Meetings can only be held if attended by at least 51% (fifty one percent) of the members including the Independent Commissioner and Independent Party.

- c) The decision at each meeting is taken based on consensus. In case consensus is not reached, the decision is taken by majority vote which is based on the principle of 1 (one) person 1 (one) vote.
- d) Each meeting is recorded in the minutes, well documented, signed by all members of the Committee present, and submitted to the Board of Commissioners.
- e) Dissenting opinion that occurs in the Committee meeting and the reasons thereof shall be clearly stated in the minutes of the meeting.

Frequency and Attendance of Risk Monitoring Committee Meetings

During 2014, Risk Monitoring Committee carried out the 9 (nine) meetings with the level of attendance as follows:

Name	Attendance	Attendance Level
Manggi T. Habir	9	100%
Ernest Wong Yuen Weng	8	89%
Made Sukada*)	5	100%
Angela Simatupang*)	5	100%
Yusuf Nawawi*)	5	100%

Note:

*) Always attend meetings Risk Monitoring Committee since actively served

Main Agenda of Risk Monitoring Committee in 2014

No.	Date	Agenda
1.	23 January 2014	1. Treasury & Capital Market 2. National Portfolio 3. Financial Institutions Portfolio 4. Solusi Emas Syariah Portfolio 5. Regulatory Parameters & Related Party Transactions and Compliance Update 6. Legal Cases Update 7. AML Update
2.	04 March 2014	1. Treasury & Capital Market 2. Subsidiary's Portfolio & Product Program (Adira Multifinance Dinamika) 3. National Portfolio 4. Syariah Portfolio 5. Regulatory Parameters & Related Party Transactions and Compliance Update 6. Legal Cases Update 7. AML Update
3.	10 April 2014	1. Treasury & Capital Market 2. National Portfolio 3. Regulatory Parameters & Related Party Transactions and Compliance Update 4. Legal Cases Update 5. AML Update
4.	6 May 2014	1. Treasury & Capital Market 2. National Portfolio 3. SEMM Portfolio & Product Program 4. Subsidiary's Portfolio (Adira Quantum) 5. Regulatory Parameters & Related Party Transactions and Compliance Update 6. Legal Cases Update 7. AML Update
5.	17 June 2014	1. Treasury & Capital Market 2. National Portfolio 3. Stress Test Update 4. Regulatory Parameters & Related Party Transactions and Compliance Update 5. Legal Cases Update 6. AML Update

Corporate Governance

No.	Date	Agenda
6.	07 August 2014	1.Treasury & Capital Market 2.National Portfolio 3.Corporate Banking Portfolio Update 4.Regulatory Parameters & Related Party Transactions and Compliance Update 5.Legal Cases Update 6.AML Update
7.	11 September 2014	1.Treasury & Capital Market 2.National Portfolio 3.SMEC Portfolio & Product Program 4.Subsidiary's Portfolio (Adira Insurance) 5.Regulatory Parameters & Related Party Transactions and Compliance Update 6.Legal Cases Update 7.AML Update
8.	16 October 2014	1.Treasury & Capital Market 2.Funding Impact from Deposit Rate Cap 3.National Portfolio 4.SEMM Portfolio Update 5.Regulatory Parameters & Related Party Transactions and Compliance Update 6.Legal Cases Update 7.AML Update
9.	27 November 2014	1.Treasury & Capital Market 2.National Portfolio 3.ABF Portfolio Update 4.Syariah Update 5.Regulatory Parameters & Related Party Transacton and Compliance Update 6.AML Update 7.Litigation Update

Risk Monitoring Committee Activities in 2014

During 2014, the following activities were carried out by the Risk Monitoring Committee:

- a. Receive Compliance Director report on compliance and Bank Indonesia's latest audit status.
- b. Review reports of Legal Unit and Litigation Unit on the development of legal and litigation cases.
- c. Review reports of the Integrated Risk Unit, Treasury Capital Market Unit (TCM), and Assets & Liabilities Committee (ALCO) regarding national portfolio risk management, risk analytics development, market and liquidity risks, loan-to-deposit ratio management, and assets & liabilities management.
- d. Received and reviewed the reports of Anti Money Laundering (AML)/Combating Financing of Terrorism (CFT) reporting uncovered suspicious transactions, e-learning implementation, technology system initiatives, SKAI audit results, and others.
- e. Evaluate new and revamp product program.

Activities and recommendations of the Risk Monitoring Committee are reported regularly to the Board of Commissioners.



Manggi T. Habir

Chairman, Independent Commissioner



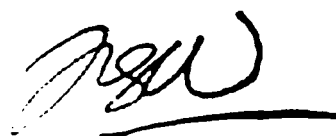
Ernest Wong Yuen Weng

Member, Commissioner



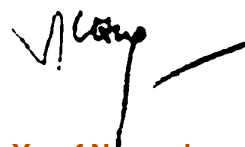
Made Sukada

Member, Independent Commissioner



Angela Simatupang

Member, Independent Party



Yusuf Nawawi

Member, Independent Party

Corporate Governance

Nomination Committee

Establishment of Nomination Committee is directed to assist in the effective implementation of the duties and responsibilities of the Board of Commissioners in monitoring the implementation of the policy function nomination, identification, recommendation and succession of the Board of Commissioners, Board of Directors including the Managing Director and Independent Party.

Decision of the Board of Commissioners Circular Resolution No. KSR-Kom.Corp.Sec-003 dated 5 March 2014 decided to carry out the dissolution of the Nomination and Remuneration Committee as well as forming the Nomination Committee and the Remuneration Committee. Ratification of the Nomination Committee forth in Decree No. KEP.DIR.Corp. Sec-004 dated 5 March 2014.

Nomination Committee Charter

In conducting its functions, the Nomination Committee refers to Committee Charter that regulates the implementation of duties and responsibilities, organization, independence, and meeting arrangements. The Nomination & Remuneration Committee Charter are reviewed regularly.

Duties, Responsibilities and Authorities of Nomination Committee

Following are the duties and responsibilities of the Nomination Committee:

- a. To assess, evaluate and provide recommendations on systems and procedures and/or replacement of members of the Board of Commissioners and Board of Directors.
- b. To identify, assess and recommend candidates for the Board of Commissioners and Directors including the President Director to the Board of Commissioners to be submitted to the General Meeting of Shareholders for approval.

- c. To recommend to the Board of Commissioners candidates for independent parties who will be members of the committees.
- d. To evaluate and recommend candidates proposed by 1 (one) or more shareholders who together represent 1/10 (one tenth) or more of the total shares with valid voting rights, with the provisions that the Nomination Committee has received the written proposal no later than seven (7) days prior to the invitation to the General Meeting of Shareholders.
- e. To review and evaluate the candidates on and equal opportunity basis, regardless of gender, race, religion or sources of the initial recommendation.
- f. To review and evaluate candidates based on the minimum requirements and other criteria by considering all the appropriate facts and circumstances, among others, banking knowledge and expertise of the proposed candidates, the depth and breadth of professional experience or other background characteristics, their independence, and requirements the Board of Commissioners/Directors.
- g. To increase competence through continuous education and training.
- h. To keep confidentiality of all Danamon's documents, data, and information.

Authority of Committee Nomination

- a. Using the services of one or more search companies to identify candidates (including to approve the costs and requirements of the search companies).
- b. Accessing documents, data, and information required from Danamon.

- c. Communicating directly with employees, directors, and other parties related to the duties and responsibilities.
- d. Involving an independent party to assist the implementation of their duties if necessary.
- e. Performing other powers granted by the Board of Commissioners.

Board of Directors Succession Policy

In accordance with the Nomination Committee charter, Nomination Committee is accountable for the succession planning of the Board of Directors to ensure the continued future leadership of Danamon. The succession planning is carried out based on identifying potential Executive Officers through Talent Management Program. Each member of the Board of Directors is required to submit minimal 2 (two) potential successors to be evaluated and their competencies and skill gaps are appropriately identified. The successor candidates are grouped in the talent inventory for recommendation to the Nomination Committee.

Composition, Expertise and Legal Basis for Nomination Committee Appointment

The Nomination Committee membership consists of 4 (four) members, with 2 (two) Independent Commissioners, 1 (one) Commissioner, and 1 (one) Executive Officer of Danamon responsible for the Human Resources Division.

The appointments were deliberated after all committee members were assessed to have fulfilled expertise requirements and taking into account individuals' integrity, character and morals, as set forth in the personal statements.

Nomination Committee members were appointed through the Circular Decision of the Board of Commissioners in lieu of the meeting of the Board of Commissioners of PT Bank Danamon Indonesia, Tbk. No. KSR-Kom.Corp. Sec - 015 dated 01 September 2014 and the Decree of the Board of Directors KEP.DIR-Corp.Sec. - 015 dated 01 September 2014 that effectively served since the date of 01 September 2014.

Independency of Nomination Committee

To uphold independence and objectivity, the Nomination Committee is chaired by an Independent Commissioner; J.B. Kristiadi with majority being Independent Commissioners. In addition Board of Directors is prohibited from being members of the Nomination Committee.

Profile of Nomination Committee Members

The profiles of Nomination Committee members detailing the name and position, term of office, expertise, qualifications and educational history, and work experience of each member, are as follows:

Corporate Governance

Name	Position	Period	Expertise	Quality/Education Qualifications
J.B. Kristiadi	Chairman/ Independent Commissioner	September 2014 - present	Finance, Risk Management	PhD (Public Administration), Sorbonne University, France, 1979.
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Vice President Commissioners of Danamon, 2005-present. - Member of Board of Commissioners of PT Citra Tubindo, 2009-present. - Member of National Task Force for Government Institutional Reform in the Ministry of Apparatus Reforms, 2011-present. - Secretary of Tax and Customs Reforms Team, 2010. - Special Staff to the Ministry of Finance, 2009. - Professor at State Padjajaran University Bandung, 2007-present. - Secretary General of The Ministry of Finance, 2005-2006 - Secretary General of The Ministry of Communication and Information, 2003-2005. - Deputy Minister of Apparatus Reforms, 2001-2003. - Assistant to the Coordinating Minister of Development Monitoring, 1999-2001. - Chairman of the National Institute of Administration (LAN), 1990-1998. - Director of Budget in the Ministry of Finance, 1987-1990. - Commissioners in several State-Owned Enterprises (PT Tambang Batu Bara Bukit Asam, 1980-1989, Bank Dagang Negara, 1982-1981, PT Aneka Tambang-1986, Bank BNI, 2005) - Director of State Property at Directorate General of Monetary Affairs, 1980-1987. 				
Ng Kee Choe	Member/ President Commissioner	September 2014 - present	Finance Risk Management	BSc in Chemistry, Singapore University 1967
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Board of Directors, Fullerton Financial Holdings Pte Ltd., 2008 - present - Chairman, Tanah Merah Country Club, 2008 - present - Member, Temasek Advisory Panel Temasek Holdings (Private) Ltd., - Chairman, NTUC Income, 2005-2013 - Vice Chairman, DBS Group Holdings, 1970-2003 - Director, Singapore Exchange Limited, 2003-2014 - Awarded Public Service Star in 2001 and Meritorious Service Medal in 2012 for his contribution to public service in Singapore 				
Made Sukada	Member/ Independent Commissioner	September 2014 - present	Finance and Risk Management	Master in Economics, University of Pittsburgh, USA 1984
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Member of Supervisory Board of Yayasan Danamon Peduli , 2014- present - Advisor to the Board of Governors of Bank Indonesia 2010-2014. - Member of Risk Monitoring Committee, PT Bank Permata, Tbk, 2010- 2014. - Directors in various departments at Bank Indonesia, 1998-2010. 				
Marta Jonatan	Member/ Executive Officer	September 2014 - present	Human Resources Management	BSc in Statistics, IPB Bogor
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Human Resources Director, Microsoft Indonesia, 2010- 2014 - Human Resources Director, Barclays Indonesia, 2008-2010 - Human Resources Head, Citibank Philippines, 2006-2008 - Head of Compensation & HR Services, Citibank Jakarta, 1998-2006 - Head of Reward, United Tractors, 1992-1998 				

Term of Office

Term of office of the Nomination Committee members should not be longer than the term of office of the Board of Commissioners as regulated in the Articles of Association and may be reappointed for 1 (one) other period with the notation that the maximum term of office of an Independent Commissioner is 2 (two) consecutive terms.

Policy and Implementation of Nomination Committee Meetings

Nomination Committee Meetings Policy

- Meetings are held in accordance with the needs of the Bank and at least two (2) times a year.
- Meetings can only be held if attended by at least 51% (fifty one percent) of the total members including Independent Commissioners and Executive Officer.
- The decision at each meeting is taken based on consensus. In case consensus is not reached, the decision is taken by majority vote which is based on the principle of 1 (one) person 1 (one) vote.
- Each meeting is recorded in the minutes, well documented, signed by all members of the Committee present, and submitted to the Board of Commissioners.
- Dissenting opinion that occurs in the Committee meeting and the reasons thereof shall be clearly stated in the minutes of the meeting.

Frequency and Attendance of Nomination Committee Meeting

During 2014 the Nomination Committee held 4 (four) meetings with 100% attendance of all members. This represents a high commitment of all members of the Nomination Committee.

The attendance of each Committee member in the Nomination Committee meeting is as follows:

Name	Meeting Attendance	Attendance Level
J.B. Kristiadi	4	100%
Ng Kee Choe	4	100%
Made Sukada*)	2	100%
Marta Jonatan*)	2 **)	100%

Note:

*) Always attended Nomination Committee Meetings since appointed.

**) The previous 2 Nomination Committee were attended by HR Executive Officer

Main Agenda of the Nomination Committee in 2014

No.	Date	Main Agenda
1.	05 February 2014	1. Tantieme 2. BoC/BoD Composition of the Bank's Subsidiaries
2.	21 April 2014	1. Tantieme 2. Implementation of SG and LTI
3.	17 June 2014	1. Recommendation on the appointment for PresComm & Director Adira Quantum
4.	28 October 2014	Organization structure

Note:

The Nomination Committee is part of the Remuneration Committee in this batch

Corporate Governance

Nomination Committee Activities in 2014

Important activities of the Nomination Committee, include among others:

- Evaluating the composition of the Committee
- Evaluating the composition of the Board of Commissioners and Directors of subsidiaries
- Reviewing the company's overall organizational structure
- Conduct talent market mapping
- Reviewing the overall human resources.

The activities of the Nomination Committee are regularly reported to the Board of Commissioners.



J.B. Kristiadi

Chairman, Independent Commissioner



Ng Kee Choe

Member, Commissioner



Made Sukada

Member, Independent Commissioner



Marta Jonatan

Member, Executive Officer

REMUNERATION COMMITTEE

Formation of the Remuneration Committee is directed to carry out the function of monitoring the effectiveness of the framework and the remuneration policy and the remuneration structure of the Board of Commissioners, Independent Party, certain Directors and Senior Management.

Decision of the Board of Commissioners of the Circular Resolution No. KSR-Kom.Corp. Sec-003 dated 5 March 2014 decided to carry out the dissolution of the Nomination and Remuneration Committee as well as forming the Nomination Committee and the Remuneration Committee separately. Ratification of the establishment of the Remuneration Committee is set forth in the Decree No. KEP.DIR.Corp. Sec-004 dated 5 March 2014.

Remuneration Committee Charter

The Remuneration Committee has charter that regulated that details purpose, accountability, structure and membership, term of office, duties and responsibilities, authorities, meeting and reporting. The Remuneration Committee Charter is reviewed regularly.

Duties, Responsibilities and Authorities of the Remuneration Committee

The following are duties of the Remuneration Committee:

- a. Evaluate and provide recommendations to the Board of Commissioners regarding:
 - 1) The structure and remuneration policy for the Board of Commissioners and Board of Directors and, if necessary, for Senior Management.
 - 2) Remuneration, including salaries, allowances, bonuses and incentives will be given based on the achievement of the objectives and targets set for the President Director and other members of the Board of Directors, members of the Board of Commissioners and the Syariah Supervisory Board.

- 3) Remuneration, including salaries and benefits for Independent Party.
- b. Evaluating the performance of the Board of Directors and propose an objective comparison of the performance of the Board of Directors with industry.
- c. Maintain confidentiality of all documents, data, and information of Danamon.

In carrying out its duties and responsibilities, the Remuneration Committee shall take into account of Danamon's financial performance, individual performance, the comparability with peer group, and consideration of Danamon long-term strategic objectives.

Authorities of Remuneration Committee

- a. Accessing documents, data, and information about employees, Senior Management, Board of Directors or Board of Commissioners.
- b. Communicating directly with employees, directors and other parties related to the duties and responsibilities.
- c. Involving independent parties to assist its work if necessary.
- d. Performing other authorities granted by the Board of Commissioners.

Arrangement, Skills and Legal Basis of Remuneration Committee Appointment

The Remuneration Committee consists of 4 (four) people, consisting of two (2) Independent Commissioners, a Commissioner, and an Executive Officer in charge of Human Resources Division.

The appointments were deliberated after all committee members were assessed to have fulfilled expertise requirements and taking into account individuals' integrity, character and morals, as set forth in the personal statements.

Corporate Governance

Remuneration Committee members were appointed through the Circular Decision of the Board of Commissioners in lieu of the meeting of the Board of Commissioners of PT Bank Danamon Indonesia, Tbk. No. KSR-Kom.Corp.Sec - 015 dated 01 September 2014 and the Decree of the Board of Directors KEP.DIR-Corp.Sec. - 015 dated 01 September 2014 and effective since 01 September 2014.

Remuneration Committee Independence

To uphold the independence and objectivity, the Remuneration Committee is chaired by an Independent Commissioner; J.B. Kristiadi with majority being Independent Commissioners. In addition, members of the Board of Directors are prohibited from being members of the Remuneration Committee.

Remuneration Committee Member Profile

Profiles of members of the Remuneration Committee outlining the details of the names and positions of members, term of office, expertise, qualifications and education history and work experience, are as follow:

Name	Position	Period	Expertise	Quality/Education Qualifications
J.B. Kristiadi	Chairman/ Independent Commissioner	September 2014 - present	Finance Risk Management	PhD (Public Administration), Sorbonne University, France, 1979.
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Vice President Commissioners of Danamon, 2005-present. - Member of Board of Commissioners of PT Citra Tubindo, 2009-present. - Member of National Task Force for Government Institutional Reform in the Ministry of Apparatus Reforms, 2011-present. - Secretary of Tax and Customs Reforms Team, 2010. - Special Staff to the Ministry of Finance, 2009. - Professor at State Padjajaran University Bandung, 2007-present. - Secretary General of The Ministry of Finance, 2005-2006 - Secretary General of The Ministry of Communication and Information, 2003-2005. - Deputy Minister of Apparatus Reforms, 2001-2003. - Assistant to the Coordinating Minister of Development Monitoring, 1999-2001. - Chairman of the National Institute of Administration (LAN), 1990-1998. - Director of Budget in the Ministry of Finance, 1987-1990. - Commissioners in several State-Owned Enterprises (PT Tambang Batu Bara Bukit Asam, 1980-1989, Bank Dagang Negara, 1982-1981, PT Aneka Tambang-1986, Bank BNI, 2005) - Director of State Property at Directorate General of Monetary Affairs, 1980-1987. 				
Ng Kee Choe	Member/ President Commissioner	September 2014 - present	Finance Risk Management	BSc in Chemistry, Singapore University 1967
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Board of Directors, Fullerton Financial Holdings Pte Ltd., 2008 - present - Chairman, Tanah Merah Country Club, 2008 - present - Member, Temasek Advisory Panel Temasek Holdings (Private) Ltd., - Chairman, NTUC Income, 2005-2013 - Vice Chairman, DBS Group Holdings, 1970-2003 - Director, Singapore Exchange Limited, 2003-2014 - Awarded Public Service Star in 2001 and Meritorious Service Medal in 2012 for his contribution to public service in Singapore 				

Name	Position	Period	Expertise	Quality/Education Qualifications
Made Sukada	Member/ Independent Commissioner	September 2014 - present	Finance Risk Management	Master in Economics, University of Pittsburgh, USA 1984
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Member of Supervisory Board of Yayasan Danamon Peduli , 2014- present - Advisor to the Board of Governors of Bank Indonesia 2010-2014. - Member of Risk Monitoring Committee, PT Bank Permata, Tbk, 2010- 2014. - Directors in various departments at Bank Indonesia, 1998-2010. 				
Marta Jonatan	Member/ Executive Officer	September 2014 - present	Human Resources Management	BSc in Statistics IPB Bogor
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Human Resources Director, Microsoft Indonesia, 2010- 2014 - Human Resources Director, Barclays Indonesia, 2008-2010 - Human Resources Head, Citibank Philippines, 2006-2008 - Head of Compensation & HR Services, Citibank Jakarta, 1998-2006 - Head of Reward, United Tractors, 1992-1998 				

Term of Office

Term of office of the Remuneration Committee members should not be longer than the term of office of the Board of Commissioners as regulated in the Articles of Association and may be reappointed for 1 (one) other period with the notation that the maximum term of office of an Independent Commissioner is 2 (two) consecutive terms.

Policy and Implementation of Remuneration Committee Meetings

Remuneration Committee Meetings Policy

- Meetings are held in accordance with the needs of the Bank and at least 2 (two) times a year.
- Meetings can only be held if attended by at least 51% (fifty one percent) of the total members including Independent Commissioners and Executive Officer.
- The decision at each meeting is taken based on consensus.
- In case consensus is not reached, the decision is taken by majority vote which is based on the principle of 1 (one) person 1 (one) vote.
- Dissenting opinion that occurs in the Committee meeting and the reasons thereof shall be clearly stated in the minutes of the meeting
- Each meeting is recorded in the minutes, well documented, signed by all members of the Committee present, and submitted to the Board of Commissioners.

Frequency and Attendance of Remuneration Committee Meeting

During 2014 the Remuneration Committee held 4 (four) meetings with 100% attendance of all members. This represents a high commitment of all members of the Remuneration Committee.

Corporate Governance

The attendance of each Committee member in the Remuneration Committee meeting is as follows:

Name	Meeting Attendance	Attendance Level
J.B. Kristiadi	4	100%
Ng Kee Choe	4	100%
Made Sukada*)	2	100%
Marta Jonatan*)	2**)	100%

Note:

*) Always attended Nomination Committee Meetings since appointed.

**) The previous 2 Nomination Committee Meetings were attended by HR Executive Officer

Main Agenda of Remuneration Committee Meeting in 2014

No.	Date	Main Agenda
1.	05 February 2014	1. Tantieme 2. BoC/BoD Composition of the Bank's Subsidiaries
2.	21 April 2014	1. Tantieme 2. Implementation of SG and LTI
3.	17 June 2014	1. Talent market mapping for BoD positions including appointment of Headhunter 2. LTI & SG 3. People dashboard for Bankwide and SEMM
4.	28 October 2014	Retention Program

Note:

The Remuneration Committee is part of the Nomination Committee in this batch

Remuneration Committee Activities in 2014

Main activities of the Remuneration Committee, include among others:

- Reviewing the grant of LTI & SG
- Providing recommendation on the remuneration of the Board of Commissioners/Directors/ Syariah Supervisory Board/Audit Committee
- Reviewing the company's overall organizational structure
- Conduct market talent mapping
- Reviewing the incentive scheme

The activities of the Remuneration Committees are regularly reported to the Board of Commissioners.



Ng Kee Choe
Member, Commissioner



J.B. Kristiadi
Chairman, Independent Commissioner



Made Sukada
Anggota, Komisaris Independen



Marta Jonatan
Anggota, Pejabat Eksekutif

Corporate Governance Committee

The Corporate Governance Committee assists the Board of Commissioners in monitoring the effectiveness of the structures, policies and governance resources in order to support the implementation of principles of good governance. The Committee was established pursuant to circular resolution of the Board of Commissioners No. KEP: KOM-Corp.Sec.021 dated August 12, 2005 on the Establishment of the Corporate Governance Committee.

Corporate Governance Committee Charter

The Corporate Governance Committee charter details the purpose, accountabilities, structure and membership, term of office, duties and responsibilities, authorities, meetings and reporting. The Governance Committee charter is reviewed regularly.

Duties, Responsibilities and Authorities of The Corporate Governance Committee

The following are duties of the Corporate Governance Committee:

- a. Evaluating the structure and governance framework as well as the appropriateness of the Bank governance policies.
- b. Reviewing the principles of governance and provide recommendations for improvements to the Board of Commissioners.
- c. Supervise the implementation of corporate governance and provide recommendations actions corrective plans.
- d. Assessing governance report issued by Danamon to ensure the transparency and accuracy of the report.
- e. Report the committee's activities to the Board of Commissioners.

Authorities of Corporate Governance Committee include:

- a. Accessing documents, data, and information related to the needs of the bank.

- b. Communicating directly with employees, directors and other parties related to the execution of duties and responsibilities
- c. Involve an independent party to assist in implementing their duties, if necessary.
- d. Perform other authorities given by the Board of Commissioners.

Composition, Expertise, Legal Basis for Appointment and Independence of Corporate Governance Committee

Corporate Governance Committee consists of 3 (three) members of which 2 (two) are Independent Commissioners and 1 (one) Commissioner. The Committee member composition meets the Committee charter as well as independence requirement.

Each member has the expertise required to carry out his/her Committee function, and each has the integrity, character and morals as declared in the personal statement.

The Corporate Governance Committee members are appointed through the Board of Commissioners Circular Resolution in lieu of the resolution of PT Bank Danamon Indonesia, Tbk. Board of Commissioners Meeting No.KSR-Kom.Corp.Sec-018 dated 30 March 2011 and the Board of Directors Decree No. KEP.DIR-Corp.Sec.-006 dated 30 March 2011 which have been adjusted to Board of Commissioners' decision No.KSR-Kom.Corp.Sec-015 dated September 1, 2014 and the Board of Directors Decree KEP.DIR-Corp.Sec.-015 dated September 1, 2014 which took effect since September 1, 2014.

To uphold the independence and objectivity, Corporate Governance Committee is chaired by an Independent Commissioner; Made Sukada, and members of the Board of Directors are prohibited from being a member of the Corporate Governance Committee.

Corporate Governance

Governance Committee Members Profile

The profiles of Committee members outlining the details of the names and positions of members, term of office, expertise, qualifications and education history and work experience, are as follow:

Name	Position	Period	Expertise	Quality/Education Qualifications
Made Sukada	Member/ Independent Commissioner	September 2014-present	Finance Risk Management	Master in Economics, University of Pittsburgh, USA 1984
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Member of Supervisory Board of Yayasan Danamon Peduli , 2014- present - Advisor to the Board of Governors of Bank Indonesia 2010-2014. - Member of Risk Monitoring Committee, PT Bank Permata, Tbk, 2010- 2014. - Directors in various departments at Bank Indonesia, 1998-2010. 				
Gan Chee Yen	Member/ Commissioner	September 2014-present	Finance Risk Management	Bachelor Degree in Accounting from National University in Singapura
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Board Member CEI Contract Manufacturing Limited - Board Member ST Asset Management Ltd - Board Member Broad Peak Investment Ltd - Board Member Fullerton Financial Holdings Pte Ltd - Board Member ACR Capital Holdings Pte Ltd - Chairman Fullerton Investment & Credit Guarantee Co Ltd - Chairman Fullerton India Credit Co Ltd - Board Member Dunia Finance LLC Dubai Outsource Zone - Chairman Fullerton Credit (Sichuan) Ltd - Chairman Fullerton Credit (Hubei) Ltd - Chairman Fullerton Credit (Chongqing) Ltd - Vice Chairman Cambodia Post Bank PLC - Board Member Clifford Capital Pte Ltd Marina Bay Financial Co-Chief Investment Officer and Senior Managing Director, Special Projects on Temasek International Pte. Ltd. from 2003 - 2011. - Director of Finance at Singapore Technologies Pte Ltd in 1996. - Senior Manager of Finance at Singapore Technologies Marine Ltd in 1988 for 8 years. - Joined Showa Leasing (S) Pte Ltd in September 1986. - Auditor at Pricewaterhouse Coopers in May 1984 				
Manggi T. Habir	Chairman/ Independent Commissioner	September 2014 - present	Finance Risk Management	Master in Business Administration, University of Michigan, 1979 Master in Public Administration, Harvard University, 2002
Work Experience (Position, Institution and Term of office) <ul style="list-style-type: none"> - Independent Commissioner Danamon, 2005-present. - Chairman of Supervisory Board of Yayasan Danamon Peduli, 2006-present. - President Commissioner of PT Asuransi Adira Dinamika, 2013-present. - Director, Standard & Poors's, Singapore, 2002-2005. - President Director, PT Pefindo, 1998-2001. - Research Director, PT Bahana Securities, 1995-1998. - Economics and Business Correspondent, Far Eastern Economic Review, 1982-1985. - Held several key positions,Citibank N.A. Jakarta, 1985-1991. 				

Term of Office

Term of office of the Corporate Governance Committee should not be longer than the term of office of the Board of Commissioners as regulated in the Articles of Association and may be reappointed for 1 (one) other period with the notation that the maximum term of office of an Independent Commissioner is 2 (two) consecutive terms.

Committee Meeting Policy

- a) The meetings held in accordance with Danamon's requirements at least 1 (one) time in 1 (one) semester.
- b) Meeting quorum is attendance by at least 51% (fifty one percent) of the members of committee.
- c) The decision in the meeting is taken based on consensus.
- d) In the event consensus is not reached, the decision is determined by majority vote and is based on the principle of 1 (one) person 1 (one) vote.
- e) Dissenting opinion and reasons expressed in the meeting must be clearly stated in the minutes of meeting.
- f) Each meeting is minuted in the minutes of meeting, is properly documented and signed by all attending members of the Corporate Governance Committee and submitted to the Board of Commissioners.

Corporate Governance Committee Meeting

Corporate Governance Committee held 4 (four) meetings during 2014, attendance level is as follows:

Name	Meeting Attendance	Attendance Level
Made Sukada*)	2	100%
Manggi T. Habir	4	100%
Gan Chee Yen*)	2	100%

Notes:

*) Always attending the Corporate Governance Committee meeting since active

Main Agenda of Corporate Governance Committee Meeting during 2014

No.	Date	Main Agenda
1.	03 February 2014	1. Self Assessment GCG Result 2. AGMS and AGMS Agenda
2.	06 May 2014	BOC Committees' Charters
3.	28 October 2014	GCG Regulation Update-FSA
4.	09 December 2014	1. EGMS 2. Schedule and CG Committee Meeting Agenda

Corporate Governance Committee Activities in 2014

During 2014, the activities of Governance Committee were as follow:

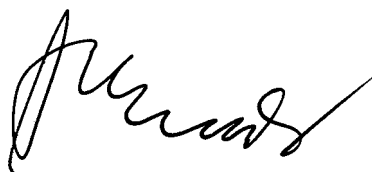
- a. Review the agenda and materials of Danamon's GMS 2014
- b. Review completeness of the Bank's Annual Report and Governance Implementation Report 2013 to ensure compliance and transparency are in accordance with prevailing regulations and corporate governance standards as well as discuss improvements on Danamon 2014 Annual Report.
- c. Receive and review Management Report regarding:
 - Implementation of the principles of the Bank's good corporate governance
 - Timeline for GMS and its agenda
 - Timeline for dividend payments
 - Timeline for Danamon Annual Report
 - Danamon Good Corporate Governance self assessment

Corporate Governance

- Compliance with the Annual Report Award (ARA) assessment criteria
- Alignment with ASEAN CG score card
- Enhancement of Danamon Sustainability Report in line with the Global Reporting Initiative standards
- Appointment an independent party to assess the implementation of Good Corporate Governance principles in Danamon
- Improving the Board of Commissioners training program

The Corporate Governance Committee activities and recommendations are periodically reported to the Board of Commissioners.

BOARD OF DIRECTORS



Made Sukada

Chairman, Independent Commissioner



Manggi T. Habir

Member, Independent Commissioner



Gan Chee Yen

Member, Commissioner

The Board of Directors is an authorized organ of the company and is fully responsible for managing the company for the benefit of the Bank as well as representing the company both inside and outside the court. The Board of Directors is accountable to the General Meeting of Shareholders for the implementation of its duties. The Board of Directors is authorized and have clear responsibilities in line with the Bank's Articles of Association whereby the latter is in accordance with prevailing laws and regulations.

Board of Directors Charter

The Board of Directors (BoD) charter is prepared based on prevailing regulations and details the organization, duties and responsibilities, independence of the President Director, transparency, work ethics, the establishment of units, and meetings. BoD charter is periodically reviewed.

Board of Directors Work Ethics

- a) Members of the Board of Directors (BoD) are prohibited from taking advantage of the Bank for their personal, family and or other party's gain that may be detrimental to the profit and reputation of Danamon and its subsidiaries.
- b) Members of the Board of Directors is prohibited from receiving personal gains from Danamon other than remuneration and facilities determined in the General Meeting of Shareholders.
- c) Members of the Board of Directors are prohibited from having concurrent positions as member of the Board of Commissioners, Board of Directors or executive officers of the banks, companies and/or other institutions.
- d) Excluded as concurrent position as outlined in point c above, if a Director is responsible for supervision or investment in the Bank's subsidiaries, or performing the functional duties as member of the Board of Commissioners of a non-bank subsidiaries

controlled by the Danamon, as long as concurrent position does not result in the Director concerned to neglect his/her duties and responsibility as a member of the Board of Directors.

- e) Each member of the Board of Directors, either individually or jointly, shall not hold stock ownership of more than 25% (twenty five percent) of the paid up capital of Danamon and/or other companies.
- f) Members of the Board of Directors are prohibited from giving general authority to another party which will result in the transfer of duties and functions of the Board of Directors.
- g) The Board of Directors is prohibited from using individual advisor and/or professional services as a consultant unless it meets the following requirement:
 - 1) The project is specific;
 - 2) Based on the clear contract, which shall include at least the scope of work, responsibilities and duration of employment as well as costs;
 - 3) Consultant is an independent party and have the qualifications to work on specific projects.
- h) Members of the Board of Directors shall be subject to the Bank's Code of Conduct, the prevailing laws and regulations, as well as the Bank's internal policies.
- i) Members of the Board of Directors are prohibited from directly or indirectly making incorrect statements about material facts or not disclosing material facts, so as to ensure that the statements made on the state of Danamon are not misleading.

Directors Transparency

- a. Related to report on the implementation of Corporate Governance and the Annual Report, the Board of Directors are required to disclose:
 - Shareholding in the Bank as well as in other banks and companies domiciled in the country and abroad;
 - Financial and family relationships with

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members of the Board of Commissioners, other Directors and/or the Bank's controlling shareholders;

- Remuneration and facilities received from the Bank;
 - Position in other companies.
- b. Disclose the Bank's strategic policy related to employment to the employees.

Board of Directors Duties, Responsibilities and Authorities

Board of Directors Duties and Responsibilities

- a. Fully responsible for the implementation of the management and managing the Bank in accordance with the authority and responsibilities as stipulated in the Articles of Association of the Bank and prevailing laws and regulations.
- b. Implement the principles of good corporate governance in business activities of the Bank at all levels of the organization.
- c. Take full responsibility for setting the short-term and long term strategies of and priority to the Bank.
- d. Following up on audit findings and recommendations of the internal audit unit of Danamon, external auditors, monitoring the results Financial Services Authority supervision and/or results of supervision of other authorities.
- e. Implementing Danamon social responsibility programs.
- f. Establish an Internal Audit, Risk Management Unit and Compliance Unit.
- g. Maintaining a healthy and open relationship with the Board of Commissioners and support the Board's supervisory function.
- h. Accountable for implementing its duties to shareholders through the General Meeting of Shareholders.
- i. Provide accurate, relevant and timely

data and information to the Board of Commissioners.

Board of Directors Authorities

- a) The Board of Directors represents the Bank in and out of court of law on all matters and in any event, binding the Bank with the other parties and other parties with the Bank and to execute all actions, both related to the management and ownership, but with restrictions and conditions as described in the Articles of Association of the Bank.
- b) The Board of Directors are authorized to perform other authorities granted in the the Articles of Association of the Bank and the prevailing rules and regulations with prior approval of the Board of Commissioners to do the following actions:
 1. Borrowing money or providing credit facilities or other similar banking facilities which induce lending money to related parties, or from time to time exceed the amount for which to be determined by the Board of Commissioners.
 2. Binding Danamon as a guarantor or debt underwriter or alternatively being responsible for the payment obligations of another party which is a related party or exceeding the amount which from time to time is set by the Board of Commissioners.
 3. Setting up a new company, creating or increasing the ownership (except for the increase in ownership related to the issuance of stock dividends or bonus shares or related to loan rescue efforts), or reducing the ownership in another company, without prejudice to the authority approval.
 4. Borrowing money from other parties

(which are not included in the provisions referred to in the Articles of Association Danamon) or receiving credit facilities or other banking facilities in an amount exceeding the amount determined from time to time by the Board of Commissioners.

5. Writing-off or removing the Bank's receivables from the books in an amount that exceeds the amount wherein from time to time determined by the Board of Commissioners.
6. Transferring or releasing the Bank's rights to collect receivables which had been written off exceeding the amount wherein from time to time set by the Board of Commissioners.
7. Selling or transferring or releasing the rights, or collateralizing/guaranting, Danamon's property, either in a single transaction or in multiple transactions that stand alone or are related to one another, in an amount that exceeds the amount wherein from time to time determined by the Board of Commissioners. The involvement of the BOC as intended does not negate the responsibility of the Board of Directors for managing the Bank.

Policy on Diversity in the Board of Directors Composition

The composition of the Board of Directors is set considering the Bank's requirements and complexities. The composition of the Board of Directors is made on the basis of members' banking knowledge, background in order to support the effectiveness in carrying out the duties of the Board of Directors. Danamon provides equal opportunity to all, hence the nomination of the Board of Directors candidates are assessed and evaluated without regard

to gender, racial, religion as well as the initial source of recommendation.

Number, Composition, Criteria, Independence and Board of Directors Concurrent Positions Number, Composition, and Criteria of Directors

Directors are appointed by the General Meeting of Shareholders (GMS) after considering the candidates proposed by the Board of Commissioners as recommended by the Nomination Committee. Appointment of Directors is effective on the date specified in the GMS and end at the closing of the third GMS after the date of appointment. Appointment of members of the Board of Directors is declared effective following the approval of the fit and proper test in accordance with applicable regulations.

Based on the 2014 Annual GMS, the appointment of members of the Board of Directors were confirmed where one Director was appointed as Independent Director for 2014-2017 period. The Bank's Board of Directors as of December 2014 consists of 9 (nine) persons, the majority of whom are Indonesian citizens and all are domiciled in Indonesia. The Board of Directors is led by a President Director coming from the professional circle and independent from the controlling Shareholders, has integrity and sound competency and had passed the fit and proper test in accordance to the prevailing regulations.

All members of the Board of Directors upon appointment have met the requirements as a member of the Board of Directors, among others, have good moral character and integrity, never been declared bankrupt, never been convicted of a criminal offense, and have the knowledge, expertise and experience in the field of operations as executive officer of the Bank.

Composition of Board of Directors of the Bank

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until December 31, 2014 is as follows:

No	Name	Position	GMS Date	Effective Date (BI Approval)	Appointment	Number of Appointment	Domicile
1	Henry Ho Hon Cheong	President Director	29 Apr 2010	24 July 2010	2010-2011 2011-2014 2014-2017	3 x	Indonesia
2	Muliadi Rahardja	Director	31 Aug 1999	21 Dec 1999	1999-2002 2002-2005 2005-2008 2008-2011 2011-2014 2014-2017	6 x	Indonesia
3	Vera Eve Lim	Director	22 May 2006	26 Jun 2006	2006-2008 2008-2011 2011-2014 2014-2017	4 x	Indonesia
4	Herry Hykmanto	Director	3 Apr 2008	13 May 2008	2008-2011 2011-2014 2014-2017	3 x	Indonesia
5	Kanchan Keshav Nijasure	Director	3 Apr 2008	19 Jun 2008	2008-2011 2011-2014 2014-2017	3 x	Indonesia
6	Fransiska Oei Lan Siem	Director	25 May 2009	11 Jun 2009	2009-2011 2011-2014 2014-2017	3 x	Indonesia
7	Pradip Chhadva	Director	29 Apr 2010	18 Mar 2010	2010-2011 2011-2014 2014-2017	3 x	Indonesia
8	Michellina Laksmi Triwardhany	Director	29 Apr 2010	27 May 2010	2010-2011 2011-2014 2014-2017	3 x	Indonesia
9	Satinder Pal Singh Ahluwalia	Director	29 Apr 2010	24 Jun 2010	2010-2011 2011-2014 2014-2017	3 x	Indonesia

Note:

- Khoe Minhari Handikusuma has resigned effective, 31 October 2014
- Regulation No. 1 A regarding share registration and Equity-like securities other than shares issued by listed company
- Fransiska Oei Lan Siem was appointed in the AGMS dated 07 May 2014 as an Independent Director

Plan to Change the Composition of Board of Directors

In early January 2015, Danamon has submitted notice to the Financial Services Authority (FSA) regarding the plan to hold Extraordinary General Meeting of the Shareholders (EGM) on February 27, 2015, with the agenda of the amendment of Articles of Association, on the change in the nomenclature of the post of Vice President Director and change in the composition of the Board of Directors relating to the nomination Sng Seow Wah as President Director replacing Henry Ho Hon Cheong Hon Cheong who will retire, and Muliadi Rahardja as Vice President Director. The nomination of Sng Seow Wah and Muliadi Rahardja have been approved received by the Financial Services Authority, respectively, on November 20 and December 12, 2014.

Conditional upon EGMS approval Danamon's Board of Directors composition will be as follows:

No	Name	Position
1	Sng Seow Wah	President Director
2	Muliadi Rahardja	Vice President Director
3	Vera Eve Lim	Director
4	Herry Hykmanto	Director
5	Kanchan Keshav Nijasure	Director
6	Fransiska Oei Lan Siem	Director
7	Pradip Chhadva	Director
8	Michellina Laksmi Triwardhany	Director
9	Satinder Pal Singh Ahluwalia	Director

Term of Office of Independent Director

The term of office of an Independent Director is at most 2 (two) consecutive terms. In the event an Independent Director's position is vacant, then the Bank must fill such vacant position at the latest by the next General Meeting of Shareholders or within 6 (six) months after such vacancy occurs.

An Independent Director is required to be:

- Not affiliated with the Bank's controlling Shareholders at least 6 (six) months prior to the appointment as Independent Director;
- Not affiliated with the Board of Commissioners or Directors of the Bank;
- Not having concurrent position as member of the Board of Directors in other companies;
- Not affiliated with institutions or professionals supporting the capital markets where its services are used by the Bank 6 (six) months prior to the appointment as Director.
- Appointed by the Board of Commissioners.

Duties and Responsibilities of Each Member of the Board of Directors

Each member of the Board of Directors has the role and authority set with reference to the Articles of Association and Decision of the Board of Directors Circular Resolution regarding the divisions of Duties and Authorities of the members of the Board of Directors, No. KSR-DIR.Corp.Sec 008 dated December 3, 2014, as follows:

BoD Member	Duties and Responsibilities
Henry Ho Hon Cheong President Director	President Director and Wholesale Banking Director, has overall responsibility for the duties and authorities of Danamon's Board of Directors, and also directly supervises the Bank's Internal Audit, Wholesale Banking, PT Adira Dinamika Multi Finance Tbk, PT Adira Quantum Multi Finance, and PT Asuransi Adira Dinamika.
Muliadi Rahardja Director	Operations, SME and Micro Business Director, supervising the activities of Operations; Corporate Real Estate Management; Regional Chief Officer, Small and Medium Enterprise (SME); and Micro Business Banking. His primary duties are to develop and supervise the Bank's operations at the branch and area level, as well as the operations of centralized processes at the Head Office. In addition, he is responsible for the activities of Regional Corporate Officer and Corporate Real Estate Management as well as business development of SME Banking and Micro Banking.

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BoD Member	Duties and Responsibilities
Vera Eve Lim Director	<p>Finance Director, supervising Financial Planning and Control as well as Management Transformation.</p> <p>Responsible for the direction and supervision of all financial issues at Danamon, as well as to monitor the presentation of financial reporting to ensure compliance with financial and accounting standards and applicable regulations. Functions as a business partner by generating added value through business reports and strategy and operational performance analyses of each respective business line. In addition, provides up-to-date information on business competition, direction of business strategy, and to coordinate the corporate actions of Danamon and Danamon Group.</p>
Herry Hykmanto Director	<p>Syariah Director, supervising Syariah Banking.</p> <p>Responsible for strategy development and execution of Danamon Syariah Business Unit.</p>
Kanchan Keshav Nijasure Director	<p>Information Technology Director, supervising Information Technology.</p> <p>Responsible for the alignment of Danamon's IT vision and strategy with the overall business strategy of the Bank, and for the development of the Banks' IT platform.</p>
Fransiska Oei Lan Siem Director	<p>Compliance Director, supervising Compliance, Corporate Secretary, UKPN, Legal, Litigation, and Public Affairs.</p> <p>Responsible to ensure compliance with all applicable laws and regulations, including regulations of Bank Indonesia/Financial Services Authority and the implementation of Anti Money Laundering and Counter Terrorism Financing. In addition, has responsibility over legal, litigation and public affairs issues as well as the corporate secretary office.</p>
Pradip Chhadva Director	<p>Treasury and Capital Markets Director, supervising Treasury, Capital Markets, Financial Institutions, and Transaction Banking.</p> <p>Responsible for strategy formulation and execution as well as achievement of business targets. In addition, has responsibility for the optimum and prudent management of Danamon's balance sheets and liquidity, the management of interest rate risks and foreign exchange risks, the planning and execution of funding activities, and strategy and product development related to cash management services, trade finance services, and bank custody services.</p>
Michellina Laksmi Triwardhany Director	<p>Consumer Banking Director, supervising Retail & Consumer Banking, Credit Card, and Consumer Mass Market.</p> <p>Responsible for strategy formulation and execution as well as achievement of business targets. In addition, also responsible for the optimum progress of Retail Banking business and branch office transformation process.</p>
Satinder Pal Singh Ahluwalia Director	<p>Integrated Risk Director, supervising Danamon's Integrated Risk function.</p> <p>Responsible to ensure proper understanding and management of risks at all business units. In addition, also responsible for the communication of risk strategy, risk measurement and underwriting standard across all business units.</p>

Independence of Member of the Board of Directors

All members of the Board of Directors have no family and financial relationship as stated in the statement letter signed by members of the Board of Directors and is updated yearly. Members of the Board of Directors are in compliance with requirement of independency in accordance with good Corporate Governance accommodated in the charter of the Board of Directors.

Financial and Family Relationship of Board of Directors

BoD	Family Relation with						Financial Relation with					
	BoC		BoD		Controlling Shareholders		BoC		BoD		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Henry Ho Hon Cheong President Director	-	√	-	√	-	√	-	√	-	√	-	√
Muliadi Rahardja Director	-	√	-	√	-	√	-	√	-	√	-	√
Vera Eve Lim Director	-	√	-	√	-	√	-	√	-	√	-	√
Herry Hykmanto Director	-	√	-	√	-	√	-	√	-	√	-	√
Kanchan Keshav Nijasure Director	-	√	-	√	-	√	-	√	-	√	-	√
Fransiska Oei Lan Siem Director	-	√	-	√	-	√	-	√	-	√	-	√
Pradip Chhadva Director	-	√	-	√	-	√	-	√	-	√	-	√
Michellina Laksmi Triwardhany Director	-	√	-	√	-	√	-	√	-	√	-	√
Satinder Pal Singh Ahluwalia Director	-	√	-	√	-	√	-	√	-	√	-	√

Board of Directors Concurrent Position

Directors are required to disclose positions or other positions as outlined in the statement letter and signed by members of the Board of Directors and renewed annually. This excludes concurrent position for Directors responsible for supervising subsidiaries, having functional tasks and serving in the Board of Commissioners of subsidiaries. All members of the Board of Directors have no concurrent position prohibited in accordance to Bank Indonesia Regulation No.8/4/PBI/2006 and No.8/14/PBI/2006 regarding the implementation of GCG in Commercial Banks.

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List of the Bank Board of Directors Member Position in Subsidiaries

Name	Position in Danamon	Position in Subsidiaries
Henry Ho Hon Cheong	President Director	President Commissioner PT Adira Dinamika Multi Finance Tbk
Muliadi Rahardja	Director	Commissioner PT Adira Dinamika Multi Finance Tbk
Vera Eve Lim	Director	Commissioner PT Adira Dinamika Multi Finance Tbk
Herry Hykmanto	Director	Nil
Kanchan Keshav Nijasure	Director	Nil
Fransiska Oei Lan Siem	Director	Nil
Pradip Chhadva	Director	Nil
Michellina Laksmi Triwardhany	Director	Vice President Commissioner PT Asuransi Adira Dinamika
Satinder Pal Singh Ahluwalia	Director	Commissioner PT Adira Quantum Multifinance

Shares Ownership of Directors

Share ownership of each member of the Board of Directors at Danamon, Other Banks, Non Banks Financial Institutions and Other Companies wherein majority does not own shares exceeding of 5% of the paid-up capital. Here is a list of share ownership, directly or indirectly, by members of the Board of Directors:

Shareholders	Bank Danamon	Other Bank	Non Bank Financial Institution	Other Company	Description
Henry Ho Hon Cheong President Director	- 2,161,500 shares	-	-	-	- Percentage of Ownership: 0,02% - Type of Shares: B Series
Muliadi Rahardja Director	- 6,405,515 shares	- Bank Central Asia,Tbk, 25,000 shares - Bank Rakyat Indonesia, 50,000 shares - Bank Mandiri, 25,000 shares	-	-	- Percentage of Danamon's Shares Ownership: 0,07% - Type of Shares: B Series
Vera Eve Lim Director	- 5,020,500 shares	-	-	-	- Percentage of Ownership: 0,05% - Type of Shares: B Series
Herry Hykmanto Director	- 502,256 shares	-	-	-	- Percentage of Ownership: 0,01% - Type of Shares: B Series

Shareholders	Bank Danamon	Other Bank	Non Bank Financial Institution	Other Company	Description
Kanchan Keshav Nijasure Director	- 1,187,866 shares	-	-	-	- Percentage of Ownership: 0,01% - Type of Shares: B Series
Fransiska Oei Lan Siem Director	- 1,234,730 shares	-	-	-	- Percentage of Ownership: 0,01% - Type of Shares: B Series
Pradip Chhadva Director	-	-	-	-	-
Michellina Laksmi Triwardhany Director	- 617,000 shares	-	-	-	- Percentage of Ownership: 0,01% - Shares type: B Series
Satinder Pal Singh Ahluwalia Director	-	-	-	-	-

Board of Directors Meeting

Policy on Board of Directors Meetings

- Board of Directors meetings are held periodically as required by the Bank.
- Every policy and strategic decision must be decided through the Board of Directors meeting and refer to the provisions set in the Articles of Association and other laws and regulations.
- Invitation and meeting materials are submitted to the meeting participants before the meeting is held.
- President Director chairs the Board of Directors meeting. In case the President Director position is vacant or the President Director is unable to attend the Board of Directors meeting, a member of the Board of Directors shall be elected by the attending Directors to chair the Board of Directors meeting.
- A member of the Board of Directors can be represented in the meeting by other Director only based on the power of attorney.
- The Board of Directors Meeting is valid and may undertake binding decisions if more than ½ (one half) of the members of the Board of Directors are present or represented at the meeting.
- Any decision of the Board of Directors meeting is made by consensus. In the event a consensus is not reached, decisions is made by a majority vote. Decisions made by a majority vote is on the basis of 1 (one) person 1 (one) vote.
- The results of the Board of Directors meeting shall be minuted in the minutes of meetings and appropriately documented.
- Dissenting opinions expressed in the Board of Directors meeting shall be clearly stated in the minutes of meeting with the reasons for the differences in opinions.
- The minutes are kept and distributed to each member of the Board of Directors and Corporate Secretary.

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- k) The Board of Directors may also take legal and binding decisions without convening a Board of Directors meeting provided all members of the Board of Directors approved in writing by signing a decree which contains the proposal in question. The decisions taken this way has the same legal basis and therefore regarded as legitimate decisions taken by the Board of Directors meeting.
- l) Each member of the Board of Directors, personally in any way, directly or indirectly has an interest in a transaction, contract or proposed contract, in which the Bank is a party, must state the nature of the interest in the meeting of the Board of Directors and is not eligible to participate in voting on matters relating to the transaction or proposed contract, unless the Board of Directors decides otherwise.

Frequency of Directors Meeting

In 2014, the Bank held 39 Board of Directors meetings. Decision-making in the entire Board of Directors meeting were conducted by deliberation and consensus, and there was no dissenting opinions. Board of Directors meeting held at least 2 (two) times in each month, thus has met the minimum requirement of the Board of Directors meeting. All decisions are documented in the minutes of meetings.

Attendance Level of Board of Directors Meeting

Name	Attendance on Board Of Directors Meeting (39 times)	
	Frequency of Attendance	Attendance Level
Henry Ho Hon Cheong	35	90%
Muliadi Rahardja	35	90%
Vera Eve Lim	34	87%
Herry Hykmanto	32	82%
Kanchan Keshav Nijasure	35	90%
Fransiska Oei Lan Siem	35	90%
Pradip Chhadva	27	69%
Michellina Laksmi Triwardhany	34	87%
Satinder Pal Singh Ahluwalia	34	87%

Frequency of Joint Meetings Directors and Board of Commissioners

Joint meetings between the Board of Directors and Board of Commissioners have conducted 6 (six) time during 2014. All decisions are documented in the minutes of relevant meetings.

Attendance Level of Board of Directors Members in Joint Meetings

Name	Joint Meeting Board of Directors with Board of Commissioners (6 times)	
	Frequency of Attendance	Attendance Level
Henry Ho Hon Cheong	6	100%
Muliadi Rahardja	6	100%
Vera Eve Lim	6	100%
Herry Hykmanto	6	100%
Kanchan Keshav Nijasure	6	100%
Fransiska Oei Lan Siem	6	100%
Pradip Chhadva	6	100%
Michellina Laksmi Triwardhany	6	100%
Satinder Pal Singh Ahluwalia	5	83%

Tabel Main Agenda and Results 2014 Board of Directors Meeting

No.	Date	Main Agenda
1.	8 January 2014	<ol style="list-style-type: none"> Indonesia Economic Outlook 2014 Loan to Deposit Ratio (LDR) & Funding Update Fiscal Year 2013 Financial Results - unaudited AGMS & Strategic Meeting with BoC Sub Registry License
2.	22 January 2014	<ol style="list-style-type: none"> Sub Registry License Update 2013 Audit Results - EY 2013 Key Performances Indicator (KPI) Measurements & Results Others <ul style="list-style-type: none"> Audit Committee composition AGMS - Long Term Compensation plan Resignation of Ali Yong as Danamon's Director
3.	29 January 2014	<ol style="list-style-type: none"> Dragonfly Project Update Risk Management update and Operational Risk Management update Update of BoC meeting AGMS update 2013 Dividend payout ratio Update on the new Indonesian Exchange regulation
4.	12 February 2014	<ol style="list-style-type: none"> Dragonfly project update January 2014 Financial Result Head Office Portfolio Strategy of Danamon Group - subsidiary
5.	19 February 2014	<ol style="list-style-type: none"> Implementation of effective sales incentive schemes CAR Regulation update BoC Strategic meeting
6.	26 February 2014	<ol style="list-style-type: none"> Risk Management Update Stress Test 2014 Proposed Risk Appetite Statement Revisions Job evaluation Committee's Final report Sub Registry update Dragonfly project update Litigation Case Update TD reward scheme
7.	12 March 2014	<ol style="list-style-type: none"> Internal Audit Update Februari 2014 Financial Results Danamon stock analysis 2013 Senior Management Promotion
8.	19 March 2014	<ol style="list-style-type: none"> SEMM Update - Credit Processing Improvement Subsidiary Review
9.	26 March 2014	<ol style="list-style-type: none"> Risk Management Update 2014 Opex Reduction Initiative Review on global market Appointment of Danamon's Head of HR
10	2 April 2014	<ol style="list-style-type: none"> Cost reduction Dragonfly project Pegasus Project Union negotiation - collective labour agreement
11	16 April 2014	<ol style="list-style-type: none"> Banks comparison analysis - full year 2013 results Capital Restructuring Cost reduction Litigation Case Update Risk profile update Property management, NPAT & BOPO
12	23 April 2014	<ol style="list-style-type: none"> Risk Management Update Operational Risk Management Update Itinerary and agenda for BoC meeting Cost update Asset securitization

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No.	Date	Main Agenda
13	29 April 2014	1. Briefing with CEO
14	30 April 2014	1. Strategic risk management - 1Q 2014 Assessment 2. Collective labour agreement 3. Internal Audit Update 4. FATCA update 5. Subsidiaries dividend payout ratio
15	06 May 2014	1. Risk Management Update 2. Operational Risk Management update 3. Litigation case update
16	13 May 2014	1. April 2014 Financial Performance 2. Appointment Danamon's health insurance provider
17	28 May 2014	1. Risk Management Update 2. Operational Risk Management Update 3. Litigation case update 4. AMEX 5. Appointment of Director of SEMC & Corporate Business - subsidiary
18	04 June 2014	1. Stress Test Result 2014 2. AMEX update 3. COP Insurance Premium 4. Agendas for BoC meeting 5. Project initiatives and evaluation of business 6. BoD duties and responsibilities
19	11 June 2014	1. May 2014 Financial Performance 2. Cost Review 3. Long term incentive (LTI)
20	18 June 2014	1. Banks comparison analysis - first quarter 2014 results 2. Impact of OJK New regulation on vehicle Insurance 3. IT Capex Budget
21	25 June 2014	1. Risk Management update 2. Revised 2014 business plan to OJK
22	18 July 2014	1. June 2014 Financial Performance 2. Internal Audit Update 3. Possible change on banking law governing foreign ownership of bank
23	23 July 2014	1. Risk Management update 2. Danamon's new head office building 3. Liquidity
24	13 August 2014	1. July 2014 financial results 2. Business transformation program (BTP) kick off 3. Subsidiaries' update
25	20 August 2014	1. Asset securitization 2. Communication strategic plan
26	27 August 2014	1. Operational Risk Management update 2. Risk Management Update 3. IT Strategic plan 2014 - 2018
27	10 September 2014	1. Bank comparison analysis 2. 2014 - 2015 financial direction 3. Mobile banking 4. Resignation of Minhari Handikusuma as a Director
28	17 September 2014	1. YTD Financial Performance - August 2014 2. Macro assumption and FTO - budget planning 3. Midyear 2014 Performance Appraisal Results and Promotion proposal
29	24 September 2014	1. Risk Management update 2. Litigation case update
30	1 October 2014	1. Preliminary review of IT and CREM 2015 budget 2. Project Merdeka update 3. Litigation Case settlement

No.	Date	Main Agenda
31	7 October 2014	1. Preliminary review budget 2. Property/Real estate management
32	15 October 2014	1. Islamic Trade Finance Corporation (ITFC) - Finance Cooperation Scheme 2. Preliminary review budget 3. Badan Penyelenggara Jaminan Sosial (BPJS)
33	22 October 2014	2015 Bank wide budget review
34	29 October 2014	1. Risk Management update 2. 2014 Opex outlook reduction 3. 2015 budget review
35	05 November 2014	1. October 2014 Financial results 2. Litigation case update
36	12 November 2014	1. Internal Audit Update 2. New LPS report requirement 3. Others : - XLBR and Syariah business unit reporting - Stress test - NPL
37	17 November 2014	1. 2015 Business Plan 2. Project merdeka 3. Asset securitization Update
38	26 November 2014	1. Risk Management Update and Operational Risk Management Update 2. Stress Test Update 3. 2015 Budget Final Update 4. Syariah Update
39	3 December 2014	1. Project Pegasus Update 2. SID Update
40	9 December 2014	1. November Financial Result 2. IT Project Cost for Business Transformation

Attendance of the Board of Directors at the Annual GMS

Accountability of Directors for the implementation of duties and responsibilities has been submitted to the shareholders through the Annual General Meeting 2014. All members of the Board of Directors were present at the Annual GMS held on May 7, 2014.

Duties and Responsibilities of the Board of Directors

The Board of Directors of the Bank has performed the duties and responsibilities focusing on the following:

- Operating business in line with Risk Appetite Statement and the agreed business strategies.
- Ensuring strong funding structure focusing on increasing Savings and Checking Accounts.
- Managing LDR in line with the business and market dynamics whilst remaining in compliance with the LDR limits set by the regulator.
- Operate the Bank's business with efficient operational costs.
- Implementing business transformation aimed to enhance business model and operations to be more efficient and effective.
- Ensuring the Bank is in compliance with the prevailing laws and regulations and follow up on external audit findings.
- Improving the implementation of governance based on evaluation toward Good Corporate Governance Self Assessment.
- Monitoring of Corporate Social Responsibility programs through Danamon Peduli Foundation.

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Board of Directors Performance Assessment Procedures, Criteria and Performance Assessor

a. Individual Assessment

Assessment of each member of the Board of Directors is carried out based on achievement of the target and KPI (Key Performance Indicator) agreed upon at the beginning of the year based on the duties and responsibilities of each member of the Board of Directors. KPI (Key Performance Indicator) of each member of the Board of Directors is based on 4 (four) criterias, namely: Financial, People, Process and Customer. The weights of assessment criteria differ from one director to another in accordance with the duties and functions of each. The assessment is conducted two (2) times a year by the President Director.

b. Collective assessment

Assessment of the Performance of Directors as a whole is performed by the Nomination Committee. Nomination Committee refers to the assessment criteria related to financial performance, the fulfillment of reserves, fairness, comparing with the peer group, the significance of the results of the audit, regulatory compliance, and consideration of long-term goals and strategies of the Bank.

The criterias used in assessing the performance of the Board of Directors are based on the following:

- Implementation of managing the Bank in accordance with the authority and responsibility as set forth in the prevailing statutes and regulations.
- Implementation of managing the Bank in the interests of the Bank and in accordance with the intent and objectives of the Bank.
- Implementation of the principles of corporate governance in all business activities of the Bank at all levels of the organization.
- Compliance with the prevailing regulation and legislation and commitment to the regulator.
- Business growth by considering the sustainability of the business, the principle of prudence and good risk management.
- Availability of data and information that is complete, accurate, current and timely to the Board of Commissioners and other stakeholders.

Opinion of the Board of Commissioners on the performance of the Board of Directors

2014 was a year full of challenges for the banking industry mainly caused by the slowing domestic economic growth, tight market liquidity, as well as the significant decreased in demand for Indonesia's main export commodities in the global market. In the midst of the negative sentiment caused by the global situation and the lack of domestic support, we appreciate and are satisfied with the performance of the Board of Directors who has continually applied prudent principles in all aspects of running the Bank's operations and business throughout the year 2014. The approach and measures taken by the Board of Directors will certainly strengthen the ability and readiness of the Bank in developing its business in a more appropriate time in the coming years.

The total loan portfolio grew to Rp139 trillion in which the Board of Directors prioritized credit quality as reflected in the ratio of non-performing loans that were relatively restrained and low. In terms of funding, the total deposits grew to Rp118 trillion with the ratio of savings and demand deposits to total deposits (CASA Ratio) improve at the level of 49%. Management also successfully manage the ratio of total debt to total funding (LDR) at an ideal and balanced in level 92.6% with reconsidering the dynamics of the markets and compliance with regulations.

Profit after tax in 2014 decreased compared to last year to Rp2.6 trillion. The Board of Commissioners realized the severity of the challenges faced, and we greatly appreciate the initiatives for a more efficient and rational cost management done by the Board of Directors amid declining margins experienced by the Bank. It reflects the wisdom and the rapid response of the Board of Directors in dealing with the situation. We also greatly appreciate the support and business model transformation initiatives being undertaken by the Board of Directors and believes that these initiative will be able to provide a significant contribution to the Bank. With regard to capital, we believe that the Bank's capital adequacy ratio is very adequate where it is not apart of the planning and management of capital which is excellent by the Board of Directors.

Corporate governance is an essential part in maintaining public trust and enhance shareholders value. In this regard, the Board gave a high appreciation and is very proud of the corporate governance practices implemented by the Board of Directors during the year 2014. This is reflected in the awards received by the Bank as the Best Company for Corporate Governance based on the assessment results of Indonesian Institute for Corporate Directorship (IICD) referring to the ASEAN Corporate Governance Scorecard. In addition, the Bank also won the Annual Report Award which is the most prestigious award Annual Report in Indonesia.

Corporate Governance

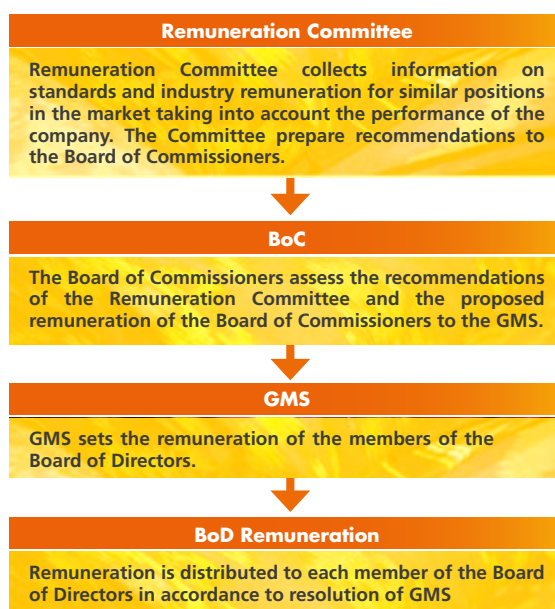
Board of Directors Remuneration Policy

Indicators for Determining Board of Directors Remuneration

The remuneration of the Board of Directors is recommended by the Remuneration Committee with reference to the remuneration principles of the Bank and assessment results of target (goal setting) achievement, prevailing regulations, industry comparison, and the performance of the Bank. Recommendations of the Committee is submitted to the Board of Commissioners for approval in the AGM.

Procedure for Determining Board of Directors Remuneration

Remuneration of Directors setting process can be described as follows:



Board of Directors Remuneration Structure

Each member of the Board of Directors receive remuneration package paid regularly, consisting of Salary, Housing Allowance and Vehicle Allowance Vehicle, Christmas/Lebaran allowances, Leave allowance, and performance bonus.

Remuneration and other facilities Members of Directors (in millions of Rupiah)

No	Type of Remuneration and Other Facilities	2014		2013		2012		2011		2010	
		Nominal	Person	Nominal	Person	Nominal	Person	Nominal	Person	Nominal	Person
1	Salary and Allowance	54,256	9	58,423	11	32,703	12	33,301	12	35,411	11
2	Tantieme *	33,481	9	54,563	11	36,960	12	32,066	12	34,731	11
3	LTCP *	-		18,800		29,498		28,005		22,838	
4	Other Benefits in the form of in kind (housing, transportation, health insurance and etc)										
	a. may be owned	3,315	9	3,587	11	3,664	12	3,739	12	3,600	11
	b. may not be owned	6,505	9	6,824	11	7,134	12	7,363	12	7,200	11

Note:

Since 1 January 2013 payroll system has been changed into gross basis

* accrual

Members Remuneration of Directors Based Income Levels

Remuneration amount per person in 1 year *	2014	2013	2012	2011	2010
Above 2 billion	9	11	11	12	11
Above 1 billion up to 2 billion	-	-	-	-	-
Above 500 million up to 1 billion	-	-	-	-	-
Below 500 million	-	-	-	-	-

Orientation Program for New Directors

Orientation program for new Directors is conducted to provide an understanding of the vision, mission and values of Danamon, code of ethics, organizational structure, lines of business, Board of Directors' charter as well as banking rules and regulations. The orientation program is implemented by providing an On-Boarding Pack and briefing in-person by the business units and other support units. During 2014, there was no new member of the Board of Directors.

Training programs to increase Competency of Members of Board of Directors

Danamon provides an opportunity for members of the Board of Directors to participate in various trainings, certifications, workshops, and conferences in enhancing competence, professionalism and knowledge on an ongoing basis.

During 2014, members of the Board of Directors have training, certification, workshops and conferences as follows

Name	Training/Conference/Seminar/Workshop	Organizer	Location	Date
Henry Ho Hon Cheong	RMB Future	ABC Bank China	China	25 Apr 2014
	Global Financial Services Investor Conference	DB	USA	27-29 May 2014
	Emerging Markets Institute Workshop	INSEAD	Jakarta	2 Dec 2014
Muliadi Rahardja	Executive Compensation Seminar	Tower Watson	Jakarta	19 Feb 2014
	IBM Leadership Forum Ind	IBM	Jakarta	24 Apr 2014
Herry Hykmanto	Basel 3 & The Basel Regulatory Framework	BSMR	Jakarta	10 & 11 Feb 2014
	4th Indonesia Trade & Commodity Finance Conference	GTR	Jakarta	24 Apr 2014
	Seminar Asbisindo - IBEX (Indonesia Banking Expo)2014	ASBISINDO	Jakarta	28 Aug 2014
	ICC Banking Commission; Trade Finance Growth Engine For smes	ICC	Istanbul, Turkey	3 - 6 Nov 2014
	The 3rd Islamic Banking Seminar	OJK-ASBISINDO	Bandung	2 Dec 2014

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Name	Training/Conference/Seminar/Workshop	Organizer	Location	Date
Vera Eve Lim	Bank Capital Under Basel Conference	Marcus Evans	Singapore	21 Jan 2014
	Asian Financial Congress (AFS) 2014	IDC Financial Insights	Singapore	27 Feb 2014
	17th Annual Credit Suisse Asian Investment Conference	Credit Suisse	Hong Kong	26-17 Mar 2014
	CLSA Asean Forum	CLSA	Bangkok	8 - 9 May 2014
	CEO/CFO Forum: Future of Finance Profession	ACCA & British Chamber of Commerce Indonesia	Jakarta	10 June 2014
	Refreshment of Certification in Banking Risk & Regulation	The Risk Forum School of Finance	Jakarta	15 Aug 14
	Investor Summit & Capital Market Expo 2014	OJK & IDX	Jakarta	17 Sep 14
	RiskMinds Asia 2014, Singapore	KPMG	Singapore	18-19 Nov 14
Satinder Ahluwalia	OJK - FKDKP Seminar Governance, Risk, Compliance Forum 2014	OJK - FKDKP	Jakarta	15 4 2014
	Integrated Risk Management Conference	FFH	Singapura	3-4 July 2014
	Refreshment of Certification in Banking Risk & Regulation	The Risk Forum School of Finance	Jakarta	15 Aug 2014
	International Seminar - "Befriending the Boom-Bust Cycle"	LPS	Jakarta	23 Sep 2014
Kanchan Keshav Nijasure	Refreshment of Certification in Banking Risk & Regulation	The Risk Forum School of Finance	Jakarta	15 Aug 2014
Fransiska Oei	Danamon Sustainability Workshop	Internal	Jakarta	13 Jan 2014
	OJK Launch of the Corporate Governance Roadmap Corporate Governance	OJK	Jakarta	4 Feb 2014
	FATCA Implementation Assistance	Internal	Jakarta	18 Feb 2014
	Legal Workshop	Internal	Jakarta	8 Apr 2014
	OJK - FKDKP Seminar Governance, Risk, Compliance Forum 2014	OJK - FKDKP	Jakarta	15 Apr 2014
	OJK - Forum Group Discussion, Kejahatan Perbankan Berbasis TI (Cyber Crime)	OJK	Jakarta	13 May 2014
	OJK - Forum Group Discussion, GCG Terintegrasi	OJK	Jakarta	20 May 2014
	BI - Signing & Sustainability Report Seminar	BI	Jakarta	26 May 2014
	Refreshment of Certification in Banking Risk & Regulation	The Risk Forum School of Finance	Jakarta	15 Aug 2014
	IDX, Halal Bihalal & Workshop "Economic Outlook Pasca Pemilu 2014"	IDX	Jakarta	18 Aug 2014
	PERBANAS, Moderator IBEX 2014	Perbanas	Jakarta	29 Aug 2014
	FKDKP, Seminar "OJK Rules-Consumer Protection in Financial Service Sector"	FKDKP	Jakarta	11 Sep 2014
	OJK, Risk Governance Summit 2014	OJK	Jakarta	18 Nov 2014
	OJK, Moderator & Seminar "Financial Literacy for Woman & SMEs"	OJK	Bali	25 Nov 2014

Name	Training/Conference/Seminar/Workshop	Organizer	Location	Date
Michellina Laksmi Triwardhany	Manchester United Partner Conference in Manchester	Manchester United	Manchester	13 - 17 Mar 2014
	BAIN Digital Leaders Summit	BAIN	Singapore	21 Mar 2014
	Refreshment of Certification in Banking Risk & Regulation	The Risk Forum School of Finance	Jakarta	15 Aug 2014
	Manulife IVEY Leadership Program	Manulife	Singapore	13 - 14 Oct 2014
Pradip Chhadva	Indonesia Macro Outlook 2014	Bank of America Merrill Lynch	Jakarta	24 Mar 2014
	Indonesia Trade & Commodity Finance Conference	ICC	Jakarta	24 Apr 2014
	FFH Treasury and Capital Markets Conference	Fullerton	Singapore	2 - 3 July 2014
	Sibos Conference	SWIFT	USA	29 Sep - 2 Oct 2014
	Barclays Asia Forum 2014	Barclays Hong Kong	Hong Kong	5 - 6 Nov 2014

Directors Succession

Succession of Directors is made through identifying potential executive officers through the Talent Review Program. Each member of the Board of Directors submits a minimum of 2 (two) candidate successors for evaluation, competency and skill gaps are identified and appropriate development programs are developed. Successor candidates are grouped in a talent inventory for recommendation to the Nomination Committee.

Committees under the Board of Directors are as follows:

1. Human Resources Committee
2. Risk Management Committee
3. Asset & Liabilities Committee
4. Information Technology Steering Committee
5. Fraud Committee
6. Compliance Committee
7. Operational Risk Management Committee
8. Capital Management Committee

COMMITTEES UNDER THE BOARD OF DIRECTORS

Danamon forms 8 (eight) Committees tasked to support the effectiveness of implementing the duties and responsibilities of the Board of Directors through the suggestions and recommendations used by the Board of Directors as reference in making decisions.

Human Resources Committee

Committee Structure and Membership

Chaired by the Director of Human Resources in which the members include:

1. President Director & Wholesale Banking
2. Director of Finance
3. Director of Operation, SME, and Microbusiness

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4. Consumer Banking Director
5. Head of Human Resources Division

Duties and Responsibilities of the Committee

1. The primary responsibilities of the Human Resources Committee to provide strategic direction on Human Resources, prepare general policies in Human Resources including their modifications, which among others include these aspects:
 - Manpower.
 - Employee compensation and allowance.
 - Job assessment management.
 - Talent management.
 - Organization structure and position levels.
 - Training and development.
 - Development of corporate culture.
 - Creating a conducive working environment.
 - Development of relationship between employees and Danamon.
 - Aligning policies and synergy between human resources and subsidiaries.
 - Appointment of executive officers and succession planning.
2. Perform duties and responsibilities assigned by the Board of Director.
3. Present minutes of meeting to the Board of Director.

Human Resources Committee Meeting

Members of the Board of Directors Attendance in Committee Meetings

Board of Director	Attendance at HR Committee Meetings (5 meetings)	Attendance Level
Henry Ho Hon Cheong	5	100%
Muliadi Rahardja	5	100%
Vera Eve Lim	5	100%
Michellina Laksmi Triwardhany	5	100%

Actions Implemented by the Human Resources Committee in 2014

During 2014, the Human Resources Committee has conducted meetings with discussion topics which cover:

1. Performance evaluation.
2. Direction for the performance assessment at the end of 2013, salary increase, and bonus.
3. Reviews on employee tax program.
4. Reviews on health insurance.
5. Program implementation on living allowance.
6. Reviews on joint annual leave in conjunction with Eid-al-Fitr festive season.
7. Reviews on Human Resources budget.

Risk Management Committee

Committee Structure and Membership

Chaired by the Director of Integrated Risks in which the members include:

1. President Director and Wholesale Banking.
2. Director of Compliance.
3. Director of Operation, SME, and Micro Business.
4. Director of Consumer Banking.
5. Director of Finance.
6. Director of Treasury and Capital Market.
7. Director of Information Technology.
8. Director of Human Resources.

Duties and Responsibilities of the Committee

1. Support the Board of Directors in performing their duties with regard to risk management.
2. Define the plan, direction, policies, strategies of Danamon and its subsidiaries risk management.
3. Ensure all Danamon activities are in line with the prevailing rules and regulations.
4. Decide aspects concerning business decisions which deviate from normal procedures.
5. Define the most suitable risk management methodologies for managing the risks, build up the reserve through policies to accommodate the inherent potential risks and ensure the availability of post-catastrophic restoration procedures.
6. Monitor the development of procedures and risk strategies and provide recommendations to the Board of Directors for approval over the entire strategies, key policies, process and system of risk management.
7. Review various credit portfolio, market liquidity, operational, and significant risks and report to the Board of Directors through risk profile and risk exposure of the Bank periodically.
8. Evaluate the implementation of risk management process and perform improvements which are in line with external and internal changes which may affect the level of Danamon's capital adequacy, capital level of its subsidiaries, as well as its risk profiles.
9. Evaluate the risks of organization structure in Danamon and its subsidiaries to ensure that the process of risk management in line with the organization development.

Risk Management Committee Meeting

Members of the Board of Directors Attendance in Committee Meetings

Board of Director	Attendance at Risk Management Committee Meetings (12 meetings)	Attendance Level
Henry Ho Hon Cheong	9	75%
Muliadi Rahardja	11	92%
Vera Eve Lim	8	67%
Herry Hykmanto	11	92%
Kanchan Keshav Nijasure	10	83%
Fransiska Oei Lan Siem	10	83%
Pradip Chhadva	9	75%
Michellina Laksmi Triwardhany	11	92%
Satinder Pal Singh Ahluwalia	10	83%

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Actions Implemented by the Risk Management Committee in 2014

During 2014, the Risk Management Committee has conducted meetings with discussion topics which cover:

1. Routine discussions:
 - Headlines.
 - Portfolio (bank level, wholesale, retail, and micro business).
 - Operational risks, market, and liquidity.
 - Portfolio per business unit.
 - Credit rating.
 - Concentration of business units and industry portfolio.
 - Securities.
 - Bonds.
 - Debtors on watchlist.
 - Risk dashboard.
2. Specific Discussions: Improvement on Danamon Saving and Loan documentation system to accelerate the improvement of credit quality.

Assets and Liabilities Committee Committee Structure and Membership

Chaired by the Director of Treasury and Capital Market in which the members include:

1. President Director and Wholesale Banking.
2. Director of Consumer Banking.
3. Director of Finance.
4. Director of Integrated Risk.
5. Director of Operation, SME, and Micro Business.

Duties and Responsibilities of the Committee

1. Define the scope of work of the Committee, meeting procedures, work process, and the formation of sub-committees to support the committee.
2. Decide on the policies and directions on liquidity, interest risks, and capital management at the Bank and its subsidiaries which reflect the adequacy of liquidity and capital, stable and diversified financing by complying to the prevailing regulations.

3. Perform evaluation on market conditions and their impacts on the conditions of Bank liquidity, Net Interest Income, and capital as well as approve the most appropriate actions.
4. Perform evaluation on the composition of financing and approve every modification on strategy and alternative financing including new institutional/structural financing.
5. Conduct reviews on liquidity strategy, interest rate, and capital as proposed by Treasury and Capital Market, and at the same time monitor the implementation, by performing evaluation on a monthly basis for the following aspects:
 - Early warning indicators.
 - Latest movement on key components of the balance sheet.
 - Position and projection of the liquidity.
 - Deposit analysis.
 - Monitoring on Contingency Funding Plan (CFP).
 - Updates on Professional Funding.
 - Discussions on Fund Transfer Pricing (FTP).
 - Evaluation on Available for Sale (AFS) equities.
 - Discussion on limits, targets, and indicators of market risks.
 - Other issues relevant with Assets and Liabilities Committees (ALCO).
6. Periodically, perform evaluations and approve the following aspects:
 - Policies on liquidity, interest rate risks on the balance sheet and Fund Transfer Pricing (FTP).
 - Policies on Contingency Funding Plan (CFP).
 - Assumptions and liquidity stress tests.
 - Provide recommendations to the Board of Commissioner all limits/targets/triggers including AFS equities related to the balance sheet. The Board of Commissioners is responsible to give approvals for limits set up by Assets-Liabilities Committee (ALCO).
 - Core calculation for interest rate and liquidity.

- Provide recommendations to the Board of Commissioners all corrective action plans in case of excess threshold/trigger related to the Balance Sheet.

Assets and Liabilities Committee Meeting

Members of the Board of Directors Attendance in Committee Meetings

Board of Director	Attendance at Assets-Liabilities Committee Meetings (11 meetings)	Attendance Level
Henry Ho Hon Cheong	8	73%
Muliadi Rahardja	9	82%
Vera Eve Lim	8	73%
Pradip Chhadva	10	91%
Michellina Laksmi Triwardhany	7	64%
Satinder Pal Singh Ahluwalia	8	73%

Actions Implemented by the Assets-Liabilities Committee in 2014

During 2014, the Assets-Liabilities Committee (ALCO) has conducted meetings which cover the following discussion topics:

1. Loan to Deposit Ratio (LDR) management.
2. Fund Transfer Pricing (FTP) management.
3. Reviews on the limit of market risks.
4. Liquidity management of USD/IDR.
5. Balance Sheet management.
6. Management of Professional Financing.
7. Reviews on Available for Sale (AFS) equities and Mark to Market (MTM).
8. Contingency Funding Plan (CFP) monitoring.
9. Economic market review.
10. Outlook review.

Information Technology Steering Committee Committee Structure and Membership

Chaired by the Director of Information Technology in which the members include:

1. President Director and Wholesale Banking.
2. Director of Finance.
3. Director of Operation, SME, and Micro Business.
4. Director of Consumer Banking.

Duties and Responsibilities of the Committee

1. In conjunction with the group business strategic plan, periodically review the strategy of group IT, including the roadmap

along with the prerequisite human resources and finance. Evaluate and approve the modifications in this department in line with the group requirements.

2. Prepare IT policies such as security policies and IT risks management policies.
3. Ensure that IT projects and IT strategic plans are in harmony and ensure the priorities.
4. Periodically review the indicators of group production system service level including the effectiveness of security policies, dealing with the issues, and recommend the improvements.
5. Review and approve CAPEX investments within the context of strategy, blueprint, priorities, and group IT roadmap. Define and implement the approval of CAPEX, PAM, and OPEX IT guidelines thus consistent with the procurement policies.
6. Monitor the development of core IT Group projects through the directions provided by each of the member of Information Technology Project Steering Committee, dealing with each issue, and recommend possible improvements. Such improvement will then be implemented by project teams.
7. Review the effectiveness of Risk Mitigation Plan over the implementation of IT investments in addition to ensure the contribution of the investment toward the group business.

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8. Ensure the allocation of appropriate and efficient IT resources. In case of requirements to use third party to support project implementation, Information Technology Steering Committee should ensure the availability of policies and procedures of selecting and appointing the third party in conjunction with project implementation.
9. Routinely review the benefits provided by IT Group projects to various business units and supporting functions.
10. Routinely review OPEX and CAPEX of IT Group.
11. Define and implement IT initiatives including the management of information system required in order to support group business.
12. Conduct self-assessment at the minimum on annual basis in order to determine the effective functions of Information Technology Steering Committee.
13. Perform other duties and responsibilities assigned by the Board of Directors from time to time.

Information Technology Steering Committee Meeting

Members of the Board of Directors Attendance in Committee Meetings

Board of Director	Attendance at Information Technology Steering Committee Meetings (3 meetings)	Attendance Level
Henry Ho Hon Cheong	3	100%
Muliadi Rahardja	3	100%
Vera Eve Lim	2	67%
Herry Hykmanto	2	67%
Kanchan Keshav Nijasure	3	100%
Fransiska Oei Lan Siem	1	33%
Pradip Chhadva	2	67%
Michellina Laksmi Triwardhany	2	67%
Satinder Pal Singh Ahluwalia	3	100%

Actions Implemented by the Information Technology Steering Committee in 2014

During 2014, the Information Technology Steering Committee has conducted meetings which cover the following discussion topics:

1. Approval for Project Rule Based Engine.
2. Approval for Project Wholesale Internet Banking.
3. Approval for Project Bankwide Middleware.

Fraud Committee

Danamon has established a Fraud Committee at the Head Office and Regional level. The Fraud Committee manages violations with a nominal over Rp 1,000,000,000 including material and operational risks. Meanwhile, the Fraud Committee on the regional level addresses frauds with a nominal value of Rp 10,000,000 and up to Rp 1,000,000,000. The Fraud Committee at the head office and regional levels are as follow:

Fraud Committee (Head Office)

The Fraud Committee at the Head Office is chaired by the Director of Compliance in which the members include:

1. Director of Integrated Risk.
2. Director of Operation, SME, and Micro Business.

3. Head of Internal Audit Unit.
4. Head of Human Resources Division.
5. Head of Fraud Investigation Unit.
6. Director/Head of Relevant Business Line.

Fraud Committee (Regional)

The Fraud Committee at the Regional Office is chaired by the Regional Corporate Officer in supported by a Secretary that is the Head of Regional Human Resources in which the members include:

1. Regional Transaction Service Head.
2. Regional Transaction Service Manager.
3. Relevant Regional Segment Head.

Duties and Responsibilities of the Committee

1. Decide the appropriate disciplinary action for each Danamon employee engaged in or involved in fraud activities by taking into account Danamon's regulations, Collective Labor Agreement (CLA), as well as Code of Ethics and Danamon's Cultural Values in performing their duties.
2. Decide the work process and existing control to take preventive as well as remedial actions necessary to avoid the potential fraud.

Fraud Committee Meeting

Members of the Board of Directors Attendance in Committee Meetings

Board of Director	Attendance at Fraud Committee Meetings (6 meetings)	Attendance Level
Muliadi Rahardja	6	100%
Herry Hykmanto	1	17%
Fransiska Oei Lan Siem	6	100%
Michellina Laksmi Triwardhany	3	50%
Satinder Pal Singh Ahluwalia	6	100%

Actions Implemented by the Fraud Committee in 2014

During 2014, the Fraud Committee has conducted meetings which cover the following discussion topics:

1. Making a decision on the appropriate disciplinary action toward fraud cases taking places during 2014.
2. Ensure that the disciplinary action imposed are in line with the existing regulations.

Compliance Committee

Committee Structure and Membership

Chaired by the Director of Compliance in which the members include:

1. Director of Integrated Risk.
2. Head of Internal Audit Unit.
3. Head of Compliance Unit.
4. Head of Know Your Customer Unit.

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5. Head of Credit Risk Management.
6. Head of Operational Risk Management and Fraud.

Duties and Responsibilities of the Committee

1. Review Danamon's compliances framework in order to monitor the level of compliances toward the prevailing laws and regulations.
2. Review and evaluate the audit results performed by external parties such as Bank Indonesia, Financial Services Authority, and other relevant parties.
3. Carry out monitoring toward the implementation of corrective steps and ensure Danamon's compliance toward the prevailing laws and regulations in the banking industries.

Compliance Committee Meeting

Members of the Board of Directors Attendance in Committee Meetings

Board of Director	Attendance at Compliance Committee Meetings (2 meetings)	Attendance Level
Fransiska Oei Lan Siem	2	100%
Satinder Pal Singh Ahluwalia	2	100%

Actions Implemented by the Compliance Committee in 2014

During 2014, the Compliance Committee has conducted meetings which cover the following discussion topics:

1. Reviews on the implementation of Consumer Protection.
2. Issues on Debtor Information System and follow-up actions.
3. Fulfillment of Foreign Account Tax Compliance Act (FATCA).
4. Refinement of internal control process.

Operational Risk Management Committee

Committee Structure and Membership

Chaired by the Director of Integrated Risk in which the members include:

1. President Director and Wholesale Banking.
2. Director of Operation, SME, and Micro Business.
3. Director of Finance.
4. Director of Treasury and Capital Market.
5. Director of Consumer Banking.
6. Director of Compliances.
7. Director of Syariah Banking.
8. Head of Human Resources Division.

Duties and Responsibilities of the Committee

1. Approve the framework, strategy, and methodology of Operation Risk Management (ORM) for operational risks.
2. Approve the tools and ORM operational techniques in general.
3. Approve the proposed action in order to restore the failures of significant operational system.
4. Monitor the development of ORM core project and issues related to incidents which carry a significant operational risks.

5. Provide feedback on the steps of managing an operational incident to the Board of Directors through Risk Management Committee.
6. Review the effectiveness of ORM framework implementation.
7. Assess the impacts which are relevant with the reputation and identified operational risks.
8. Review significant operational loss and trend analysis as well as causative factor in order to determine the potential of preventive action.
9. Renew/Update the rules/regulations of Bank Indonesia as well as other regulations relevant to Risk Management and their consequences.
10. Approve the decision which is bankwide in nature relevant to the operational risks issues/incidents.

Operational Risk Management Committee Meeting

Members of the Board of Directors Attendance in Committee Meetings

Board of Director	Attendance at Operational Risk Management Meetings (5 meetings)	Attendance Level
Henry Ho Hon Cheong	3	60%
Muliadi Rahardja	5	100%
Vera Eve Lim	4	80%
Herry Hykmanto	5	100%
Kanchan Keshav Nijasure	5	100%
Fransiska Oei Lan Siem	5	100%
Pradip Chhadva	4	80%
Michellina Laksmi Triwardhany	4	80%
Satinder Pal Singh Ahluwalia	5	100%

Actions Implemented by the Operational Risk Management Committee in 2014

During 2014, the Operational Risk Management Committee has conducted meetings which cover the following discussion topics:

- Policy Hierarchy Implementation.
- BDI Anti Fraud Video Show.
- Business Continuity Management (BCM) Attestation Report.
- Deviation Monitoring Report.
- Counterfeit Case ATM Debit Card.
- Restorative and Corrective Actions with regard to fraud case in BDI's Sultan Agung Branch, Semarang.
- CIMB Niaga Fraud Case.
- Data Leakage Prevention.

Capital Management Committee

Committee Structure and Membership

Chaired by the Director of Integrated Risk and Director of Finance supported by a Secretary which is the Head of Financial Planning and Project Division in which the members include:

1. President Director and Wholesale Banking.
2. Director of Treasury and Capital Market.
3. Director of Operation, SME, and Micro Business.
4. Head of Risk Modelling and Quantitative Techniques Department.

Corporate Governance

Duties and Responsibilities of the Committee

1. Responsible to ensure that the Bank complies to ICAAP conditions of Bank Indonesia. The committee is also responsible to encourage the Bank to implement relevant best practices.
2. Ensure that the policies of capital management are regularly updated and approved by the Board of Directors and Board of Commissioner.
3. Monitor the implementation of Risk Appetite Statement approved by the Board of Commissioner as well as monitor and report compliances toward the preset limit/threshold.
4. Ensure that the Bank keeps process and procedures to identify, measure, and report material risks and the implemented approach in order to determine the capital requirements, if any.
5. Ensure that the Bank holds not only adequate capital to fulfill the current conditions but also for the capital needs based on internal calculation in order to ensure the continuity of bank capital adequacy.
6. Ensure that the capital position is routinely reported to the Board of Directors and Board of Commissioners hence necessary actions may be proceeded when required.
7. Identify the necessary process to measure capital adequacy and to form and renew the plan for bank capital. The Committee shall also be able to identify the potential of capital shortage thus the capital planning may be activated in line with the approval of the Board of Commissioner.

Capital Management Committee Meeting

Members of the Board of Directors Attendance in Committee Meetings

Board of Director	Attendance at Capital Management Meetings (3 meetings)	Attendance Level
Henry Ho Hon Cheong	-	-
Muliadi Rahardja	2	67%
Vera Eve Lim	3	100%
Pradip Chhadva	3	100%
Satinder Pal Singh Ahluwalia	3	100%

Actions Implemented by the Capital Management Committee in 2014

During 2014, the Capital Management Committee has conducted meetings which cover the following discussion topics:

- Ensure that the Bank holds not only adequate capital to meet current conditions but also ensure the continuity of bank capital adequacy based on internal calculation.
- Monitor the implementation of Risk Appetite Statement.
- The impact on the latest issuance of Financial Services Authority regulations relevant to bank capital.

BOARD OF DIRECTORS, BOARD OF COMMISSIONERS AND MAJORITY SHAREHOLDER AFFILIATE TRANSACTION RELATIONS

Transactions with affiliated parties is based on the policy on affiliate relationships and affiliated party transactions. This policy ensures that the process of affiliate transactions are carried out by normal commercial terms and on arms length basis and not detrimental to the interests of the Bank and the minority shareholders.

Each member of the Board of Commissioners and Board of Directors are required to disclose any planned affiliated transactions both by themselves and their families to the Corporate Secretary. Planned material transactions will be assessed by the Director of Compliance and subsequently reported to the Audit Committee.

Member of the Board of Directors, member of the Board of Commissioners, and/or shareholders of the Bank who are involved in the Affiliated Party Transactions which have a potential conflict of interest with the specified amount must be reported to the Corporate Secretary with a copy to Director of Compliance. In the event of a Conflict of Interest, member of the Board of Directors and Commissioners concerned shall abstain from the review process and approval of the transaction.

Affiliate relationships between members of the Board of Directors with other members of the Board of Directors, members of the Board of Commissioners, Main Shareholders and/or Controller

All members of the Board of Directors of the Bank does not have an affiliate relationship with the Other Board members, members of the Board of Commissioners and the major shareholders and/or controllers.

Affiliate relationships between members of the Board of Commissioners with members of the Board of Commissioners and Majority Shareholder and/or Controlling Shareholder

All members of the Board of Commissioners has no affiliation with members of the Board of Commissioners. There are three (3) Non Independent Commissioner who has a financial relationship with a controlling shareholder, namely: Ng Kee Choe, Gan Chee Yen and Ernest Wong Yuen Weng.

Affiliate relationships between members of the Board of Directors, Board of Commissioners and the Controlling Shareholders are disclosed in the table on financial and family relations on the Board of Commissioners and Board of Directors in this corporate governance report.

CORPORATE SECRETARY

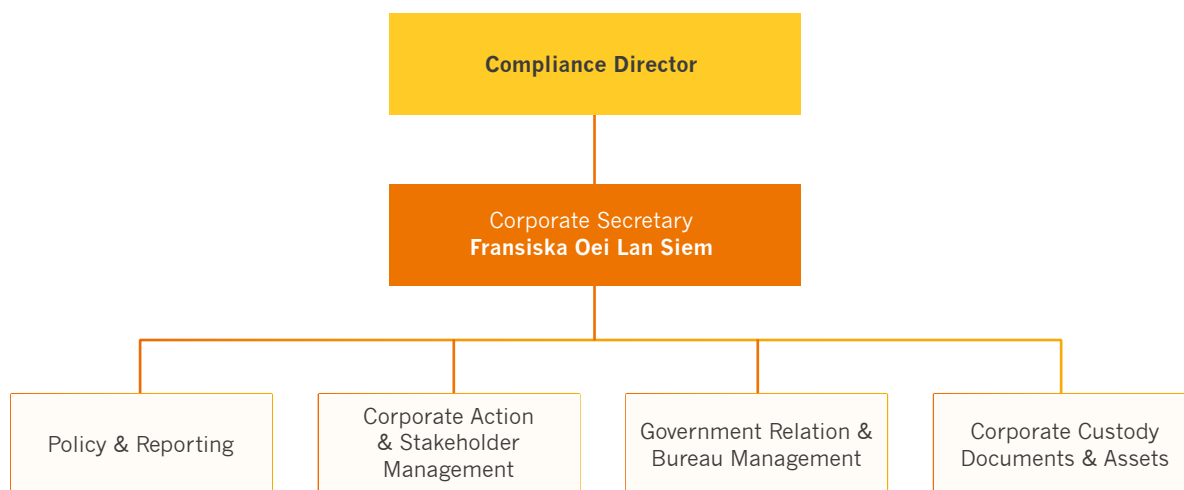
Corporate Secretary has an important role in nurturing good communication between the Bank and the Shareholders as well as other Stakeholders. The function of the Corporate Secretary is to ensure the dissemination of information of the Bank in timely and accurate manner to all Stakeholders.

Corporate Secretary is responsible to the Board of Directors on issues related to governance and the Bank's compliance on the prevailing regulations and legislations, in particular regulatios of capital market, banking and social activities.

Corporate Secretary of the Bank is responsible for matters relating to information transparency including availability of information on the website, reports submission to the FSA, organizing and documenting the General Shareholder meetings, Board of Commissioners and Directors meetings, monitoring and ensuring compliance of the prevailing capital market regulations.

Corporate Governance

Corporate Secretary Organizational Structure



Profile Corporate Secretary

Corporate Secretary of the Bank currently held by Fransiska Oei Lan Siem, a member of the Board of Directors of the Bank with the following profile:



Fransiska Oei Lan Siem. Indonesian Citizen. 57 years. Graduated Bachelor of Law from Trisakti University, Jakarta, was appointed as a Director of the Bank since May 2009 and reappointed as Director in the Annual General Meeting on May 7, 2014. Fransiska began her career in PT Ficorinvest as Head of Legal (1982-1984). Joined Citibank N.A. year 1984-1997 and 1998-2000 and held various positions. Her last position at Citibank N.A. was as Chief of Staff and Director of Compliance. Between February 2005 to 2009, Fransiska was appointed as Director of PT Bank Internasional Indonesia Tbk (BII) where previously she served as the Legal Advisor and Compliance of BII (2004-2005) and Managing Director/BII Management Team (2000-2001). She also served as Commissioner of PT Bank Mandiri Tbk (2004-2005) and as the Founder and Senior Partner at LBAF Law Firm (2002-2004).

Corporate Secretary Training Program

During 2014, the Corporate Secretary has attended training program as follows:

- Danamon Sustainability Workshop
- FSA Launch of the Corporate Governance Roadmap
- FATCA Implementation Assistance
- FSA - FKDKP Seminar on Governance, Risk, Compliance Forum 2014
- FSA - Group Discussion, IT-Based Banking Crime (Cyber Crime)
- FSA - Group Discussion, GCG Integrated
- BI - Signing & Sustainability Report Seminar
- BSMR, Refreshment
- PERBANAS, Moderator IBEX 2014
- FKDKP, Seminar "FSA Rules - Consumer Protection Financial Services Sector"
- FSA, Risk Governance Summit 2014
- FSA, Moderator & Seminar "Women's Financial Literacy and SMEs"

Task Implementation of Corporate Secretary

During 2014, the Bank's Corporate Secretary activities, among others:

- Attending a meeting of the Board of Commissioners and Board of Directors on a regular basis and prepare the minutes related meetings.
- Organizing the AGM and manage openness and manner of payment of dividends Danamon.
- Setting up a replacement policy related to the implementation of corporate governance included in this policy on affiliate transactions and related party list.
- Preparing recommendations on manual changes to work rules committee at the Board of Commissioners and Board of Directors relating to the implementation of corporate governance.

- Assessing the page (website) Danamon and provide input information that must be disclosed to the public.
- Following the development of the capital market in particular related to the regulation of capital markets and convey information about these developments to the Board of Commissioners, Directors and stakeholders Danamon.
- Implementing information disclosure in accordance with the prevailing rules and regulations.

List of Transparency of the Bank Information

Danamon periodically submit information or statements in an effort to meet the requirements of disclosure of information, among others:

Date	Subject	Reference	Addressed to
07 January 2014	Monthly Register of Securities Holders BDMN, by the end of December 2013	Item III.3.4 and III.3.5 Decision of the Board of Directors of PT Bursa Efek Jakarta, number : Kep 306/BEJ/07-2004, regarding Regulation Number IE of Information Disclosure Requirement.	BEI
07 January 2014	Debt Data/Reports Company obligations in foreign currency	Letter from FSA No.S-30/PM.2/2013 dated 7 February 2013 regarding Data Inquiry of Debt/Liabilities in Foreign Currency juncto Letter of Bapepam & LK No.S-13264/B/2012 dated 14 November 2012 juncto Circular Letter No.SE-02/BI/2009 dated 10 March 2009 regarding Data Report of Company's Debt/Liabilities in foreign currencies.	OJK
15 January 2014	Information Disclosure of Certain Shareholders- Mr.Ali Yong	Number 1 OJK Regulation Number X.M.1 about Information Disclosure for Specific Shareholder	OJK & BEI
27 January 2014	Changes in Composition of the Audit Committee BDMN	OJK regulations No. IX. 1.5 about the implementing Guidelines on the establishment and Work of the Audit Committee	OJK & BEI
29 January 2014	Changes in the Composition of the Audit Committee BDMN	Item V Decision Directors Jakarta Stock Exchange No. Kep-306/BEJ/07-2004 About Rule Number IE Delivery Information Obligations	BEI
07 February 2014	Debt Data/Reports Company obligations in foreign currency	OJK letter No. S-30/PM.2/2013 dated February 7, 2013 regarding the Request Data Debt/Liabilities in Foreign Currency Bapepam & LK jo Letter No. S-13 264/B/2012 dated 14 November 2012 in conjunction with Circular No.SE -02/BI/2009 dated March 10, 2009 regarding Report Data Debt/Liabilities in Foreign Currencies.	OJK

Corporate Governance

Date	Subject	Reference	Addressed to
07 February 2014	Submission Materials of Public Expose	Item V Decision Directors Jakarta Stock Exchange No. Kep-306/BEJ/07-2004 About Rule Number IE Delivery Information Obligations	BEI
10 February 2014	Monthly Report of Securities Holders BDMN Registration	Items III. 3.4 and 3.5 III. decision of the Board of Directors of PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of delivery Information	BEI
11 February 2014	Resignation of Directors Member- Bpk Ali Yong	OJK regulations No. IX. j. 1 about Staple Staple articles of Association	OJK
13 February 2014	Submission of Annual Report audited per 31 December 2013	OJK Regulation No. XK1 on Disclosure of Information that must be made Public and FSA Regulation No. XK2 on Submission of Periodic Financial Statements for Public Listed Company.	OJK
13 February 2014	Submission of Annual Report audited per 31 December 2013	Item III.1.1.1. Decision of the Board of Directors Jakarta Stock Exchange No. Kep-306/BEJ/07-2004 About Rule Number IE Delivery Information Obligations	BEI
14 February 2014	Material Submitted for Public Expose BDMN	Board of Directors ' Decision V PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of Delivery Information	BEI
19 February 2014	Information Disclosure Of Certain Shareholders - Mr Ali Yong	Number 1 OJK Regulation Number X.M.1 about Information Disclosure for Spesific Shareholder	OJK & BEI
25 February 2014	Information Disclosure Interest Payments Of Bonds Seri II-A to 13	Means of Electronic Reporting Issuer (E-Reporting) Form E029 - Coupon Payment	BEI
25 February 2014	Information Disclosure Of Certain Shareholders - Mr Ali Yong	Number 1 OJK Regulation Number X.M.1 about Information Disclosure for Spesific Shareholder	OJK & BEI
05 March 2014	Monthly Report Registration of Securities Holders BDMN, the end of Feruary 2014	Items III. 3.4 and 3.5 III. decision of the Board of Directors of PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of delivery Information	BEI
08 March 2014	Debt Data/Reports Company obligations in foreign currency	OJK Letter No. S-30/PM.2/2013 dated February 7, 2013 regarding the Request Data Debt/Liabilities in Foreign Currency Bapepam & LK jo Letter No. S-13 264/B/2012 dated 14 November 2012 in conjunction with Circular No.SE -02/BI/2009 dated March 10, 2009 regarding Report Data Debt/Liabilities in Foreign Currencies	OJK
10 March 2014	Effective Date of Resignation of Directors Member	OJK Regulation No. XK1 on Disclosure of Information that must be made Public and No.IX.J.1 FSA Regulations regarding Principal Articles of Association	OJK
20 March 2014	Implementation General Meeting of Shareholders ("AGM") BDMN	OJK Regulation No. XK1 on Disclosure of Information that must be made Public and No.IX.J.1 FSA Regulations regarding Principal Articles of Association	OJK

Date	Subject	Reference	Addressed to
28 March 2014	Submission of Adds Calling General Meetings Of Shareholders	Regulation No. I - E point IV.5 on Obligation of Information Submission as Attachment Decision Directors. Stock Exchange No. Kep - 306/BEJ/07-2004	BEI
		OJK Regulation No. IX.I.1 Implementation Plan and the General Meeting of Shareholders and the FSA Regulation No. XK1 on Disclosure of Information To Be Announced to Public	OJK
03 April 2014	Monthly Register of Securities Holders BDMN, by the end of March 2014 BDMN Report Monthly Register of Securities Holders, by the end of March 2014	Items III. 3.4 and 3.5 III. decision of the Board of Directors of PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of delivery Information	BEI
08 April 2014	Debt Data/Reports Company obligations in foreign currency	OJK Letter No. S-30/PM.2/2013 dated February 7, 2013 regarding the Request Data Debt/Liabilities in Foreign Currency Bapepam & LK jo Letter No. S-13 264/B/2012 dated 14 November 2012 in conjunction with Circular No.SE -02/BI/2009 dated March 10, 2009 regarding Debt Data Report/Liabilities in Foreign Currencies	OJK
14 April 2014	Submission of Adds Calling General Meetings Of Shareholders	Item VI.5 No.IE Regulations concerning the Obligation to Submit Information as Appendix Decision Directors Jakarta Stock Exchange No. Kep-306/BEJ/07-2004	BEI
		OJK Regulation No. IX.I.1 Implementation Plan and the General Meeting of Shareholders and the FSA Regulation No. XK1 on Disclosure of Information To Be Announced to Public	OJK
15 April 2014	Submission of Annual Report 2013	Item III.2. of the Annual Report (Annual Report) Decision of the Board of Directors JSX No. Kep-306/BEJ/07-2004 dated 19 July 2004 of Regulation No. IE-related Obligation to Submit Information	BEI
		OJK Regulation No. VIII.G. 2 about annual report.	OJK
15 April 2014	Add Submission of Financial Statements Asia Financial Pte, Ltd	Bank Indonesia Regulation ("PBI") 3/22/PBI/2001 dated December 13, 2001 on Transparency of Financial Condition as amended by Regulation 14/14/PBI/2012 dated October 18, 2012 on transparency and publication of Bank Statements.	BEI & OJK
17 April 2014	Submission of Quarterly Financial Statements Interim I (Unaudited) as at March 31, 2014 and Submission of Consolidated Financial Statements Ad BDMN and Subsidiaries for the period ended March 31, 2014	OJK Regulation No.XK1 on Disclosure of Information that must be made Public. OJK Regulation No. XK2 on Obligation to Submit Periodic Financial Statements.	OJK

Corporate Governance

Date	Subject	Reference	Addressed to
17 April 2014	Submission Checklist Interim Financial Statements are not audited by March 31, 2014 PT BDI	Circular Letter of the Chairman of Bapepam & LK No.SE-17/BL/2012 dated December 21, 2012 regarding use of the Checklist of Financial Statements for all types of industry in Indonesia and the Capital Market Regulation No. VIII.G.7 FSA, Presentation and Disclosure of Financial Statements or Public Company.	OJK
17 April 2014	Monthly Register of Securities Holders BDMN, unaudited by per March 2014	Figures III.1.6.3 Regulation No. IE on the Obligation to Submit Information Appendix Decision Directors Foam Jakarta No. Kep-306/BEJ/2007-2004 dated July 19, 2004.	BEI
05 May 2014	Monthly Register of Securities Holders BDMN, by the end of April 2014	Items III. 3.4 and 3.5 III. decision of the Board of Directors of PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of delivery Information	BEI
09 May 2014	Debt Data/Reports Company obligations in foreign currency	OJK letter No. S-30/PM 2/2013 on 7 February 2013 subject Request Data Debt/Liabilities in foreign currency jo a letter of Bapepam & LK No. S-13264/B/2012 on 14 November 2012 jo Circulars No.SE-02/BI/2009 dated March 10, 2009 regarding Report Debt/Liability the company Data In foreign exchange	OJK
2 June 2014	Information disclosure on Corporate Secretary PT Bank Danamon Indonesia, Tbk	Securities Listing Regulations Appendix Decision of the Board of Directors No.IA Jakarta Stock Exchange 305/BEJ/07-2004 dated 19 July 2004 on Registration of shares and Equity Securities other than shares issued by the Listed Company and Securities Listing Regulations Appendix Decision No.IE Dieksi JSX No. Kep-306/BEJ/07-2004 dated July 19, 2014 on the Obligation to Submit information.	BEI
		OJK regulations No. IX. I. 4. on the establishment of the Corporate Secretary and no. X.K. I about information disclosure that must be immediately Announced to the public.	OJK
02 June 2014	Information disclosure on Audit Committee PT Bank Danamon Indonesia, Tbk	Meet OJK Regulations No. IX. i. 5 about the establishment and implementation of the Employment Guidelines of the Audit Committee.	OJK BEI
02 June 2014	Submission Disclosure Public note.	As stipulated in the Regulation No.IX.E.1 Attachment Decision of the Chairman of Bapepam & LK No. Kep-412/BL/2009 dated 25 November 2009 on Affiliate Transactions and Conflicts of Interest in Certain Transactions.	OJK BEI
05 June 2014	Monthly Register of Securities Holders BDMN, at the end of May 2014	Items III. 3.4 and 3.5 III. decision of the Board of Directors of PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of delivery Information	BEI

Date	Subject	Reference	Addressed to
09 June 2014	Debt Data/Reports Company obligations in foreign currency	OJK letter No. S-30/PM.2/2013 dated February 7, 2013 regarding the Request Data Debt/Liabilities in Foreign Currency Bapepam & LK jo Letter No. S-13 264/B/2012 dated 14 November 2012 in conjunction with Circular No.SE -02/BI/2009 dated March 10, 2009 regarding Report Data Debt/Liabilities in Foreign Currencies	OJK
03 July 2014	Monthly Register of Securities Holders BDMN, at the end of June 2014	Items III. 3.4 and 3.5 III. decision of the Board of Directors of PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of delivery Information	BEI
07 July 2014	Debt Data/Reports Company obligations in foreign currency	OJK letter No. S-30/PM.2/2013 dated February 7, 2013 regarding the Request Data Debt/Liabilities in Foreign Currency Bapepam & LK jo Letter No. S-13 264/B/2012 dated 14 November 2012 in conjunction with Circular No.SE -02/BI/2009 dated March 10, 2009 regarding Report Data Debt/Liabilities in Foreign Currencies	OJK
18 July 2014	Submission of Interim Financial unaudited per June 30, 2014 PT BDI Tbk, and Submission of Consolidated Financial Statements Ad BDMN and Subsidiaries for the period ended June 30, 2014	OJK regulations No.XK1 on Disclosure of Information that must be made Public. OJK Regulation No. XK2 on Obligation to Submit Periodic Financial Statements.	OJK
18 July 2014	Submission of Interim Financial Statements BDMN and subsidiaries are not audited by June 30, 2014 and Submission of Consolidated Financial Statements Ad BDMN and Subsidiaries for the period ended June 30, 2014	Figures III.1.6.3 Regulation No. IE on the Obligation to Submit Information Appendix Decision Directors Foam Jakarta No. Kep-306/BEJ/2007-2004 dated July 19, 2004.	BEI
18 July 2014	Submission Checklist of disclosure of financial statements Unaudited Semiannual (Unaudited) 30 June 2014, BDI Tbk	Circular Letter of the Chairman of Bapepam & LK No.SE-17/BL/2012 dated December 21, 2012 regarding use of the Checklist of Financial Statements for all types of industry in Indonesia and the Capital Market Regulation No. VIII.G.7 FSA, Presentation and Disclosure of Financial Statements or Public Company.	OJK
11 August 2014	Monthly Register of Securities Holders BDMN, by the end of June 2014	Items III. 3.4 and 3.5 III. decision of the Board of Directors of PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of delivery Information	BEI

Corporate Governance

Date	Subject	Reference	Addressed to
11 August 2014	Reports on the rating of debt securities II series B bonds in 2010	OJK regulation (ex Bapepam & LK) IX.C.11 Number of Ratings on debt securities and Rule Number IE challenge obligation to deliver information that is attachment of directors decision JSX No. Kep-306/BEJ/07-2004 dated July 19, 2004	OJK BEI
15 August 2014	A decision on the appointment of members of the Board of Commissioners of PT Bank Danamon Indonesia, Tbk. ("the Company")	Rule Number XK1 attachment decision Bapepam chairman nomr kep 86/PM/1996 dated January 24, 1996 on the disclosure of information which must soon be made public.	BEI OJK
3 September 2014	Monthly Register of Securities Holders BDMN, by the end of June 2014	Items III. 3.4 and 3.5 III. decision of the Board of Directors of PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of delivery Information	BEI
3 September 2014	Changes in Composition of the Audit Committee of PT Bank Danamon Indonesia, Tbk. ("the Company")	Regulation of the Financial Services Authority No. IX.1.5 on the Formation and Implementation Guidance Committee	BEI OJK
9 September 2014	Debt Data/Reports Company obligations in foreign currency	OJK letter No. S-30/PM.2/2013 dated February 7, 2013 regarding the Request Data Debt/Liabilities in Foreign Currency Bapepam & LK Jo Letter No. S-13 264/B/2012 dated 14 November 2012 in conjunction with Circular No.SE -02/BI/2009 dated March 10, 2009 regarding Report Data Debt/Liabilities in Foreign Currencies	OJK
16 September 2014	Decision on the appointment of members of the Board of Commissioners of PT Bank Danamon Indonesia, Tbk. (the "company")	Regulation of the Financial Services Authority (ex-Bapepam & LK) Number IXJ1 Jo provisions of Articles of Association of the Company.	OJK
17 September 2014	The resignation of members of the Board of Directors of PT Bank Danamon Indonesia, Tbk. ("the Company") - Bp. Khoe Minhari Handikusuma	OJK Regulation No. X.K.1. on Disclosure of Information that must be made Public and No.IX.J.1 FSA Regulations regarding Principal Articles of Association.	OJK
30 September 2014	Disclosure of Temasek Review	Comply with Bank Indonesia No.14/14/PBI/2012, dated October 18, 2012 on transparency and publication of reports Bank of Article 22	OJK
02 October 2014	Monthly Register of Securities Holders BDMN, by the end of June 2014	Items III. 3.4 and 3.5 III. decision of the Board of Directors of PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of delivery Information	BEI

Date	Subject	Reference	Addressed to
08 October 2014	Debt Data/Reports Company obligations in foreign currency	OJK letter No. S-30/PM.2/2013 dated February 7, 2013 regarding the Request Data Debt/Liabilities in Foreign Currency Bapepam & LK jo Letter No. S-13 264/B/2012 dated 14 November 2012 in conjunction with Circular No.SE -02/BI/2009 dated March 10, 2009 regarding Report Data Debt/Liabilities in Foreign Currencies	OJK
17 October 2014	Submission of Interim Financial unaudited per 30 September 2014 PT BDI Tbk, and Submission of Consolidated Financial Statements Advertising BDMN and Subsidiaries for the period ended 30 September 2014	OJK Regulation No. X.K.1. regarding information transparency required for immediate disclosure to the public. OJK Regulation No. X.K.2. regarding obligation to report periodic financial statement.	OJK
17 October 2014	Submission of Interim Financial Report BDMN unaudited per September 30, 2014 and submission of advertising financial consolidated report Danamon and subsidiaries per September 30, 2014	Figures III.1.6.3 Regulation No. IE on the Obligation to Submit Information Appendix Decision Directors Foam Jakarta No. Kep-306/BEJ/2007-2004 dated July 19, 2004.	BEI
17 October 2014	Submission of Annual Financial Report unaudited per September 30, 2014	Circular Letter of the Chairman of Bapepam & LK No.SE-17/BL/2012 dated December 21, 2012 regarding use of the Checklist of Financial Statements for all types of industry in Indonesia and the Capital Market Regulation No. VIII.G.7 FSA, Presentation and Disclosure of Financial Statements or Public Company.	OJK
28 October 2014	Submission Disclosure Public note.	Meet the provisions in item I Rule Number XM1 attachment Decision of the Chairman of the Capital Market Supervisory Agency (Bapepam) No. Kep-82/PM/1996 dated 17 January 1996 regarding Disclosure Certain Shareholders.	OJK
30 October 2014	Submission Disclosure Public note.	Meet the provisions in item I Rule Number XM1 attachment Decision of the Chairman of the Capital Market Supervisory Agency (Bapepam) No. Kep-82/PM/1996 dated 17 January 1996 regarding Disclosure Certain Shareholders.	OJK
04 November 2014	Monthly Register of Securities Holders BDMN, by the end of October 2014	Items III. 3.4 and 3.5 III. decision of the Board of Directors of PT Jakarta Stock Exchange number: Kep-306/BEJ/07-2004 About rule number I-E About the obligation of delivery Information	OJK

Corporate Governance

Date	Subject	Reference	Addressed to
10 November 2014	Debt Data/Reports Company obligations in foreign currency	OJK letter No. S-30/PM.2/2013 dated February 7, 2013 regarding the Request Data Debt/Liabilities in Foreign Currency Bapepam & LK jo Letter No. S-13 264/B/2012 dated 14 November 2012 in conjunction with Circular No. SE -02/BI/2009 dated March 10, 2009 regarding Report Data Debt/Liabilities in Foreign Currencies	BEI
12 November 2014	Submission Disclosure Public note.	Meet the provisions in item I Rule Number XM1 attachment Decision of the Chairman of the Capital Market Supervisory Agency (Bapepam) No. Kep-82/PM/1996 dated 17 January 1996 regarding Disclosure Certain Shareholders.	OJK & BEI
14 November 2014	Reports on the rating of debt securities II series B bonds in 2010	OJK Regulations (ex Bapepam & LK) No. IX.C. 11 about top securities and rule number I-E obligation of delivery of information concerning the attachment of decision of Board of Directors of PT JSE Number Kep-306/BEJ/07-2004 dated 19 July 2004	OJK & BEI

COMPLIANCE FUNCTION

As a banking and financial service institution and being part of the financial services community, Danamon is committed to take an active role in creating, growing and maintaining a sustainable financial services sector. The Bank is also committed to comply with various banking rules, regulations and adhere to the prudent principles through continuous enhancement of its compliance function.

Compliance function is an important part of the corporate governance structure and Danamon's risk management framework. Implementation of the compliance function include actions in achieving compliance culture, managing compliance risk, ensuring policies and Danamon's business activities are in compliance with all regulations and ensuring the Danamon's commitment to regulators.

Danamon's compliance risk management in general is applied in accordance with the Bank's Enterprise Risk Management Policy embedding a "three lines of defense" scheme, which consists of:

- Business unit or operational as a first line of defense has an important role in the identification, control and mitigation of risks in its business activities/operations.

- Compliance Unit as the second line of defense is independent in monitoring and evaluating the compliance of the Bank as well as disseminating, coordinating and advising to enable first-line activities to operate in accordance with all regulations.
- Internal Audit Unit is the third line of defense tasked to monitor through the audit process, to ensure accuracy, compliance risk management undertaken by the first and second line.

Compliance Unit Organization

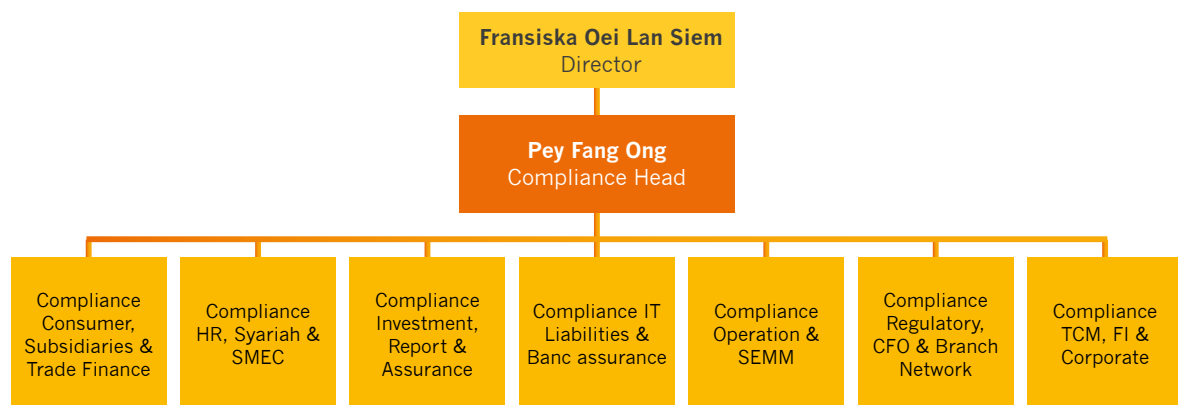
In implementating the compliance function and compliance risk management, Director of Compliance is assisted by the Compliance Unit.

Compliance Director has the authority to prevent the implementation of a policy and/or decisions set by the Board of Directors which deviate from the regulations. Preventive measures may be carried out by review process, discussion and compliance tests on policies and/or decision taken by Board of Directors.

The Compliance Unit was established as an independent working unit that is free from the influence of other working units. The Compliance Unit has clear duties and responsibilities and has free access to and is responsible directly to the Director of Compliance.

As per December 31, 2014, Compliance Unit is supported by 21 staff (including the Head of Compliance Unit) with the majority of having tenure in the banking sector for over 5 years. Compliance Unit staff are risk management certified in accordance with the positions held.

Compliance Unit Organization Structure



The Duties and Responsibilities of Compliance Unit 2014

Promoting Compliance Culture

Compliance culture is the basis for work ethic for all levels of organization at Danamon. Strengthening a compliance culture is conducted through continuous socialization and provision of information on regulations, availability of compliance training through e-learning, consultative functions related to Danamon's business activities and the implementation of compliance self-assessment (Regulatory Compliance Self Assessment).

Compliance Risk Management

Compliance risk management is carried out through a process of identifying, measuring, monitoring and controlling compliance risks by reviewing the funding policies and activities, the provision of funds and other services activities. The processes are applied in order to detect potential compliance risks. An assessment of the compliance risk and quality of risk management is conducted regularly as part of bank's risk assessment as outlined in the Bank's Risk Profile Report.

In an effort to mitigate and control potential and existing compliance risks, Compliance Unit Coordinate with related Operations Units, the Risk Management Unit and the Internal Audit Unit through discussions. Discussion related to compliance risk is also carried out through the Compliance Committee meetings.

Corporate Governance

Ensuring Compliance and Maintain Commitments

As a preventive measure, reviews or assessments of policies/programs are conducted before the implementation of such policies and product programs to ensure the policies or Danamon's business activities that do not deviate from the regulations. Socialization and follow-up on the policy update and update of internal regulations including changes in the regulations of related units are carried out accordingly to ensure the Bank's compliance is maintained.

In 2014, in regards to the consumer protection regulation, Compliance Unit has supported the implementation and alignment of policies, procedures, marketing documents, agreements and other documents so as to be in line with the provisions established by Otoritas Jasa Keuangan (OJK) and Bank Indonesia.

In addition, as an effort in monitoring of compliance to certain regulations in the field/work unit, a sample pick is conducted to assess the implementation of these regulations. Periodic monitoring is also carried out to meet compliance on main regulatory parameters both at the Bank level (CAR, LLL, GWM, NPL, PDN and participation limit) and subsidiaries including the required reporting.

Danamon is also constantly monitoring to ensure the follow-up audit results of Bank Indonesia/Otoritas Jasa Keuangan (OJK) and other regulators are completed in accordance with commitments and targets set.

Compliance to Main Regulations

Parameter	BI Requirements	Bank Position Per December 2014	Explanation
Capital Adequacy Ratio (CAR)	Min. 9% s/d <10% (BUKU 3)	18.17%	Fulfilled
Statutory (GWM)	Primer Rp Min. 8%	8.07%	Fulfilled
	Primer USD Min. 8%	8.13%	Fulfilled
	Sekunder Min. 8%	11.67%	
Non Performing Loans (NPLs)	Maks. 5%	1.34%	Fulfilled
Net Open Position (NOP)	Maks. 20%	1.11%	Fulfilled
Lending Limit (LLL) of Related Party	Maks. 10%	2.44%	Fulfilled
Portfolio Investments	Maks. 25%	6.01%	Fulfilled

Other Tasks

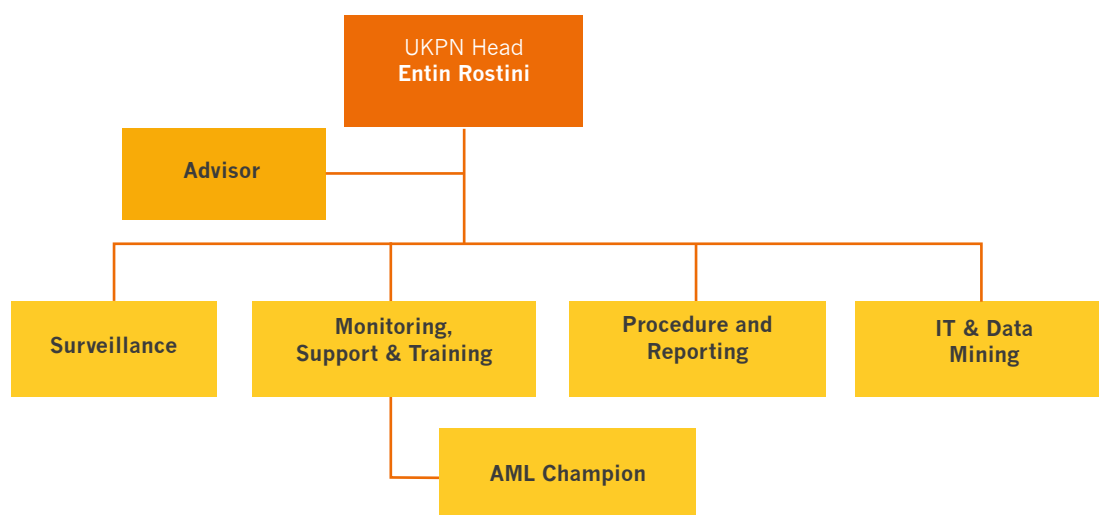
To support the implementation of compliance, Compliance Unit also actively participates as a liaison officer in facilitating compliance related matters with both internal and external parties. Compliance Unit has a important role in providing consultative services related to the implementation of regulations to the work units. This is demonstrated through participating in the discussion and development activities/new products, providing advice/recommendations on regulation related to Danamon's business activities.

IMPLEMENTATION OF ANTI-MONEY LAUNDERING PROGRAM (AML) AND COMBATING FUNDING ON TERRORISM (CFT) PROGRAMS

The Board of Directors and Board of Commissioners are committed to ensure the Bank's compliance towards Bank Indonesia regulations and other legislation related to AML and CFT.

The Bank coordinated AML and CFT Programs through working units, for the implementation to Know Your Customers Principles (UKPN), for which working units are responsible directly to the Compliance Director.

Organizational Structure UKPN



Danamon is consistently working to improve the quality of AML and CFT programs being carried out: through active supervision from management, policy refinement, Branch Assessment, training programs, and information system refinement as well as other initiatives deemed required.

Activities accomplished related to AML and CFT Programs in 2014 are as follows:

1. Policy and Procedure Evaluation

As an effort to control the risk of AML and CFT and in order to adjust the internal regulations through regulations and best practices, in 2014 some improvements are made as well as the issuance of internal regulations related to AML and CFT. The Internal regulations are Financial Transactions to and from overseas, obligation of personal customer information disclosure for US citizen, purpose of transaction code "cash" in the Cash Financial Transaction Report and Suspicious Transaction Report.

2. Branch Assessment

Visiting activity of Branch Assessment (BA) was performed to assess the effectiveness of the implementation of APU and PPT Program in branches and over 2014 have been made Branch Assessment in 19 cities with 116 branches. Along with visiting activity of Assessment Branch also conducted training for employees (especially frontliners) with total amount of 672 employees.

Corporate Governance

3. Training and Socialization

UKPN together with Danamon Corporate University (DCU) held training and socialization related to APU and PPT for employees, which is through training program as refreshment and induction training for new employees. In 2014, in addition to arrange training for new staffs, Danamon also intensified employees to participate in e-learning methods at the Central Office.

During 2014, 8,309 employees had received AML and CFT training which consisted of 2,552 employees with classroom methods and 5,757 employees through e-learning.

4. Monitoring of Customer Data Completion

Periodic monitoring of the quality and completion of new customers' data and branches shall follow up customer data which is incomplete.

Customer data update is accomplished by updating targets that are prepared using a risk based approach. Plans and results of customer data updates are reported to Otoritas Jasa Keuangan. As the end of December 2014, Danamon has been updating the 11,712 CIF from its total target of 12,566 CIF ((93,21%).

5. Screening, Transaction and Report Monitoring

In the acceptance of new customers, Danamon included a screening process to OFAC List, Watchlist, Worldcheck and Politically Exposed Persons. Screening process is periodically applied on existing customers.

For the purposes of customer transaction profile monitoring, Danamon has been supported by information system that can effectively identify the transaction and report. On a sustainable basis, Danamon submit Suspicious Transaction Reports (LTKM), Cash Financial Transaction Reports and Financial Transaction Reports to and from Overseas (LTKL) to regulators and follow-up data requirement from PPATK/KPK/BNN.

6. Management Information System

Completion of Management Information System includes the development of reporting system, screening and monitoring functions, the addition of FATCA features, development of data recording system and Walk in Customer transactions and customer database manually (SIPESAT).

7. Know Your Employee (KYE)

Application of Know Your Employee (KYE) performed in the process of hiring new employees. In addition, the application of KYE also applied on the transactions activity conducted through the employee salary and non-salary accounts by each unit of HR and UKPN.

INTERNAL AUDIT UNIT (IAU)

IAU Structure and Status of Position

Internal Audit is an independent function reporting directly to the President Director and to the Board of Commissioners through the Audit Committee. Internal Audit Unit (IAU) Danamon aims to provide independent and objective assurance and consulting services to the Board of Commissioners and Board of Directors to maximize and maintain shareholder value.

Danamon's IAU was determined to be a business partner that provides added value in fostering a strong culture to support Danamon and its subsidiaries achieve long-term goals with reference to the International Best Practice. Danamon's IAU help management achieve its objectives by a systematic and disciplined approach to evaluate the adequacy and effectiveness of risk management, control and governance process.

In accordance with the Internal Audit Charter that approved by the President Director and Board of Commissioners, Danamon's IAU has unrestricted access for all activities, functions, records, properties and personnel of the Bank and its subsidiaries. The scope of Internal Audit covers all audit entities in Danamon and its subsidiaries.

In assessing the adequacy and effectiveness of risk control and management process, Danamon's IAU will report significant audit findings including recommendations for follow-up repairs. Each month, a summary of the audit findings were presented to the Audit Committee in the Audit Committee meeting which was also attended by representatives of related Board of Directors. Meeting report of the Audit Committee submitted to the Board of Directors and Commissioners. In addition,

Internal Audit also regularly reported the audit activities to the President Director.

In implementing its functions, Danamon's IAU refers to Bank Standard Internal Audit Function (SPFAIB) from Bank Indonesia and the International Standards for the Professional Practice of Internal Audit (IPPF) from the Institute of Internal Auditors (IIA).

Appointment, Termination and Legal Basis for Appointment of Internal Audit Head

Referring to SPFAIB regulation of Bank Indonesia as stated in the Internal Audit Charter and signed by the President Director and Board of Commissioners, the Head of IAU is to be appointed and terminated by the President Director following the approval from Board of Commissioners. The appointment and termination of the Head of IAU are reported to Otoritas Jasa Keuangan (OJK) and accompanied by the reasons of appointment/termination.

Danamon IAU is currently chaired by Antony Kurniawan appointed since July 1, 2010 by the Joint Decree of the Board of Directors and Board of Commissioners PT Bank Danamon Indonesia, Tbk. No. Kep-Dir.Corp.Sec - 011 concerning the appointment of AIU Head of Danamon.



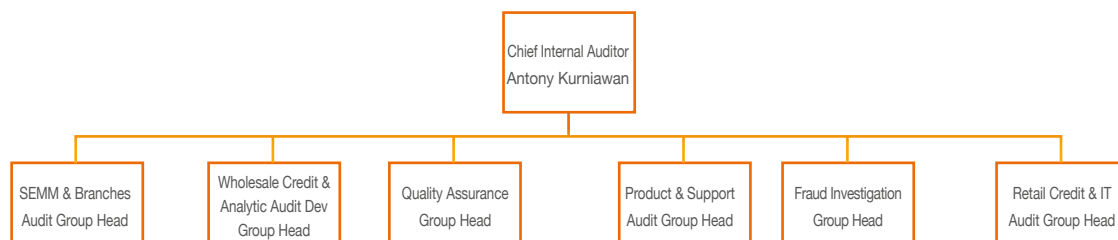
Antony Kurniawan
Head of Internal Audit Unit

Antony Kurniawan Bsc, MSc earned his Bachelor's Degree from Iowa State University, Ames, Iowa, USA and a Master's Degree from Columbia University, New York, USA. Antony has pursued a career of 20 years in the banking industry, including 14 years with Citigroup. His audit experience includes 5 years' experience as Citigroup Regional Audit (in Singapore and the Philippines covering 11 countries), as Danamon's Operational Risk Management Head for 3 years and as Mass Market Control & Fraud Head for 2 years.

Serves as Danamon Head of Internal Audit Unit since 2010.

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Organizational Structure of Danamon Internal Audit



Duties, Responsibilities and Authority of IAU SKAI Duties and Responsibilities

In accordance with the Internal Audit Charter which has been approved by the President Director and Board of Commissioners, IAU has the following duties and responsibilities:

- Develop the annual audit plan with the risk-based methodology, including the risks and controls identified by management. Implement the approved annual plan, including specific duties;
- Increase the knowledge, expertise, experience and adequate professional certification and knowledge of all regulations that applied to the duties of audit;
- Prepare and submit a report to OJK, such as: Report on the implementation and on the results of semi-annual audits, a special report on any findings of internal audit which is expected to disrupt the continuity of operations, and Report the results of external review on the work of Internal Audit and compliance on implementation standard of Bank Internal Audit Function and its repairs;
- Establish a follow-up process to monitor and ensure that corrective actions have been carried out effectively by management; and

- Conduct an investigation on indications of fraud in the Bank including coordinating an investigation with other work units and report the results to management and the Board of Commissioners through the Audit Committee.

Internal Audit Authority

SKAI, in accordance to the Internal Audit Charter, has authorities, among others:

- In accordance with the Internal Audit Charter, Internal Audit has the authority:
- Unlimited access to all of the activities, functions, records, property and personnel of the Bank and its subsidiaries;
- It has full access to the Board of Commissioners through Audit Committee;
- Allocate resources, set frequencies, choosing subjects, determine scope of work and apply the techniques required to achieve the objectives of the audit; and
- Implement the annual audit plan approved.

Internal Audit Methodology

In carrying out the Internal Audit, SKAI has implemented a Risk based Internal Audit. The Risk based Internal Audit begins with the comprehensive planning of the internal audit program, where the performance of the Internal Audit is carried out based on priority over entities having higher risks. To support this, SKAI has utilized the latest Information Technology in the field of Internal Audit with

the ability to perform risk assessment both in macro and micro scale over the entities in the Bank. Based on the Macro Risk Assessment combined with the Audit Framework, SKAI prepares an annual Audit Plan, where in the process, the entities to be audited, the audit schedules and the required staff and logistics are determined. Thereafter, using the Micro Risk Assessment, extraction of data is obtained from the Core Banking System to determine the sampling.

Focus of Danamon's IAU in 2014

Internal Audit Unit has focused its audit activities, as follows:

1. Continuing audits on high-risk entities and entities that have an extensive branch network and branches of subsidiaries;
2. Improve and expand analytic functions, as well as infrastructure capacity and expertise in the analytical field;
3. Improving audit quality by improving the competence of auditors through training, seminars and professional certification;
4. Improve and enhance the risk-based audit methodology, continuing the process of quality assurance and learn best practices of internal audit in the banking industry as a comparison.

Danamon's Internal Audit Activities in 2014 Audit Implementation

In 2014, Danamon Internal Audit Unit has audited 746 entities (103% from 2014 audit plan) which includes:

1. 61 audit entities in the Central Office, which covers aspects of credit, business, products, operations, support and information technology as well as including the Head Office of Adira Group.
2. 275 audit entities in the Branch Office and Regional Office, which includes the Office of Regional Services, Unsecured Personal Loan Region, conventional branch, Syariah branch, Syariah Pawn Branch (Gold Solution Syariah) and Adira Group Branch.
3. 410 entities of Danamon Saving and Loan consist of 61 Cluster Self Employed Mass Market (SEMM), 310 units of SEMM, and 39 Collateral Document Custody (CDC).

Plan and Inspection of Audit Realization per 31 December 2014

Audit Activity	2014 Audit Plan	2014 Audit Realization			
		Jan-Jun	Jul-Dec	Total	% of Plan
I. Routine Audit					
a.Total Audit on Head Office (Incl. Adira Group)	65	38	23	61	94%
b.Audit on Branches:					
· Conventional (Includes Adira Group)	267	154	121	275	103%
· Self Employed Mass Market	394	220	190	410	104%
Total Audit on Branches	661	374	311	685	104%
Total Routine Audit	726	412	334	746	103%
II. Investigative Audit					
Total Investigative Audit		8	39	47	

Corporate Governance

The function of Danamon's IAU Consultancy

1. Meeting the demand business unit as an independent party to conduct Pre & Post Implementation Review of the use of the latest information technology related to the new electronic banking products published.
2. To socialize the latest issues of the business and operational leadership at the Regional Office.

Assessment by Independent Institutions

In accordance with the provisions of PBI 1/6/PBI/1999 & 9/15/PBI/2007 Internal Audit activities will be reviewed by the Independent Agency every 3 years by using benchmarks SPFAIB provisions of Bank Indonesia. Besides using benchmarks of SPFAIB required by BI, SKAI activity is also compared to the standard of the IPPF (International Professional Practices Framework) of institutions IIA (The Institute of Internal Audit) and compared well to the best practices of Internal Audit (leading practices) of the financial industry and global banking. Thus, the implementation of the Internal Audit quality reviews every three years is not only performed to comply with the provisions of Bank Indonesia, but also to ensure quality standards are adequate internal audit both nationally and internationally.

Assessment Independent Institute on Internal Audit Effectiveness and Scope

Results of the assessment of external agencies (Quality Assurance Review) on the effectiveness of the implementation and the scope of an audit conducted by the Danamon's IAU in three (3) assessment period (2004-2012) are as follows:

Period	Independent Institution	Result of Quality Assurance Review
2009-2012	Pricewaterhouse Coopers Indonesia Advisory Refer to No EngAdv/2012000312/Jun/12/GMM/ZWZ dated 13 May 2012	Generally Conforms
2006-2009	Ernst dan Young Refer to PSS-35562/02 Dated 4 May 2009	Generally Conforms
2004-2006	Ernst dan Young Refer to No EYAS-1647/02 Dated 27 June 2006	Generally Conforms

Number and Human Resource Development

To maintain the quality standards of human resources, Danamon Internal Auditor together with the Division of Human Resources Development, Competency Matrix have developed both for the level of auditors and Team Leader level. Roadmap is listed In the Competency Matrix for each auditor and Team Leader in following the training and certification necessary to meet the required competencies at all levels.

Various trainings, self development and certification audits have also been performed in 2014, average training (Soft Skill & Technical Skill) for each auditor until December 2014 is 6 weekdays and employs 189 people.

International & National Certification

Auditors who have earned a degree in International & National Certification, as follows:

International Degree	Total Auditors
Certified Internal Auditor (CIA)	5
Certification in Risk Management Assurance (CRMA)	2
Certified Information System Auditor (CISA)	6
Certified Information System Security Professional (CISSP)	1
Certified Information System Manager (CISM)	1
Certified in the Governance of Enterprise IT	1
Financial Risk Manager	2
Certified Ethical Hacker (CEH)	1
Principal Certified Lotus Professional (PCPL)	1
IBM CAAD (Certified Advanced Application Development)	1
National Degree	Total Auditors
Qualified Internal Auditor (QIA)	81
Risk Management Certification (SMR), Level I	95
Risk Management Certification (SMR), Level II	42
Risk Management Certification (SMR), Level III	6
Risk Management Certification (SMR), Level IV	3

Implementation Training 2014

Listed below are trainings, seminars and workshops, followed by Internal Audit staff:

No	Training	Dates	Total Participants
International Training			
1	DLA 3, Insead, Singapore	20-25 April 2014	1
Domestic Training			
1	Socialization of Report Writing, Internal Audit Unit (IAU), Roll Out KPW & HO	January - April 2014	93
2	Socialization of TeamMate R.10.1, Internal Audit Unit (IAU), Roll Out KPW & HO	January - April 2014	87
3	Credit Risk Management 1, Danamon Corporate University, Kampus Danamon Ciawi	3 March 2014	12
4	Credit Risk Management 2, Danamon Corporate University, Kampus Danamon Ciawi	3-4 June 2014	3
5	DLA 1, Danamon Corporate University, Kampus Danamon Ciawi	23-26 June 2014	4
6	DLA 2, Danamon Corporate University, Kampus Danamon Ciawi	March - June 2014	3
7	Excel, Internal Audit Unit (IAU), Plaza Kuningan	14 & 16 May 2014	22
8	IDEA, Internal Audit Unit (IAU), Plaza Kuningan	20 June 2014	11
9	Market Liquidity Risk Management 1, Danamon Corporate University, Kampus Danamon Ciawi	April - May 2014	2
10	Market Liquidity Risk Management 2, Danamon Corporate University, Kampus Danamon Ciawi	April - May 2014	3

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No	Training	Dates	Total Participants
11	Motivation, Plat AB, Yogyakarta	7 March 2014	179
12	National Workshop SKAI, Internal Audit Unit (IAU), Yogyakarta	6 - 8 March 2014	179
13	Operational Risk Management 1, Danamon Corporate University, Kampus Danamon Ciawi	26 February 2014	1
14	Operational Risk Management 2, Danamon Corporate University, Kampus Danamon Ciawi	27 February 2014	3
15	Operational Risk Management 3, Danamon Corporate University, Kampus Danamon Ciawi	28 February 2014	2
16	Pensiun, Mitra Insan Cemerlang, Malang	13-15 June 2014	11
17	Risk Management Certification 1, Danamon Corporate University, Kampus Danamon Ciawi	23 June 2014	6
18	Risk Management Certification 2, Danamon Corporate University, Kampus Danamon Ciawi	24 June 2014	9
19	Risk Management Certification 1, Danamon Corporate University, Kampus Danamon Ciawi	May - June 2014	9
20	Risk Management Certification 2, Danamon Corporate University, Kampus Danamon Ciawi	13 - 14 May 2014	1
21	QA Socialization, Internal Audit Unit (IAU), Roll Out KPW & HO	March - June 2014	51
22	Team Building, Hanindo, Yogyakarta	7 March 2014	179
20	Risk Management Certification 2, Danamon Corporate University, Kampus Danamon Ciawi	13 - 14 May 2014	1
21	QA Socialization, Internal Audit Unit (IAU), Roll Out KPW & HO	March - June 2014	51
22	Team Building, Hanindo, Yogyakarta	7 March 2014	179
23	IPPF Socialization, Internal Audit Unit (IAU), Roll Out KPW & HO	August-September 2014	22
24	DLA 1, Danamon Corporate University, Kampus Danamon Ciawi	1 - 4 July 2014	2
25	DLA 2, Danamon Corporate University, Kampus Danamon Ciawi	15 - 19 September	1
26	Market Liquidity Risk Management 1 & 2, Danamon Corporate University, Kampus Danamon Ciawi	14 - 15 July 2014	1
27	Risk Management Certification 1, Danamon Corporate University, Kampus Danamon Ciawi	1 September 2014	4
28	Risk Management Certification 2 & 3, Danamon Corporate University, Kampus Danamon Ciawi	2 September 2014	9
29	Operational Risk Management 2, Danamon Corporate University, Kampus Danamon Ciawi	23 September 2014	4
30	Influencer, Danamon Corporate University, Kampus Danamon Ciawi	17 - 18 July 2014	1
31	Crusial Conservation, Danamon Corporate University, Kampus Danamon Ciawi	21 - 22 July 2014	1
32	Fraud & QA for Supervisor, Danamon Corporate University, Kampus Danamon Ciawi	6 August 2014	5
33	Effective Communication Skill, Danamon Corporate University, Kampus Danamon Ciawi	13 August 2014	5

No	Training	Dates	Total Participants
34	7 Habits, Danamon Corporate University, Kampus Danamon Ciawi	3 - 5 September 2014	3
35	Danamon Caring Leader, Danamon Corporate University, Kampus Danamon Ciawi	8 - 9 September 2014	2
36	Risk Management Certification 1, Danamon Corporate University, Kampus Danamon Ciawi	August-September 2014	3
37	Credit Analysis, Internal Audit Unit (IAU), Plaza Kuningan	25 - 26 September 2014	18
38	IDEA vs. 9, Internal Audit Unit (IAU), Plaza Kuningan	11 & 14 August 2014	11

Audit Activity Plan 2015

In line with Danamon's business development, Internal Audit continuously makes efforts to improve the internal quality audits, strengthen the audit function through a variety of activities and will carry out an audit of 654 audit entities, includes 57 audit entities of Head Office, 13 audit entity at Regional Office, 344 Danamon Save & Loan (DSP-SEMM), and 240 entities of branch office.

COMPANY ACCOUNTANT/EXTERNAL AUDITOR

Accountant Services Company:

Appointment and Fees

Appointment of Certified Public Accountants and Public Accounting Firm was approved by Annual General Meeting on 7 May 2014, which gave authority to the Board of Commissioners to appoint a registered public accounting firm based on the recommendation of the Audit Committee.

Implementation of the Bank's financial statement audit performed by the Public Accounting Firm established by Circular Decree No. KSR- KOM.Corp.Sec-008 dated 24 March 2014 namely Purwantono, Suherman & Surja (a member of Ernst & Young Global Limited) at a cost of Rp 4,112,800,000 audit services.

Other Services in addition to the Financial Audit

In 2014, the Public Accountant Firm Purwantono, Suherman & Surja (a member of Ernst & Young Global Limited) did not provide services other than audit services to Danamon.

Audit Period

Public Accountant Drs. Hari Purwantono and Public Accountant Firm Purwantono, Suherman & Surja (a member of Ernst & Young Global Limited) audited Danamon's annual financial reports during three (3) periods from 2012 - 2016.

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Public Accountant Firm and Public Accountants which provide financial audit services and incurred audit services costs can be seen in the following table:

Year	Public Accounting Firm	Accountant's Name	Cost Audit
2014	Purwantono, Suherman & Surja (a member of Ernst & Young Global Limited)	Drs. Hari Purwantono	Rp4,112 billion
2013	Purwantono, Suherman & Surja (a member of Ernst & Young Global Limited)	Drs. Hari Purwantono	Rp3,880 billion
2012	Purwantono, Suherman & Surja (a member of Ernst & Young Global Limited)	Drs. Hari Purwantono	USD400,000
2011	KPMG Siddharta & Widjaja	Dra. Tohana Widjaja, CPA	USD495,000
2010	KPMG Siddharta & Widjaja	Kusumaningsih Angkawijaya, CPA	USD495,000
2009	KPMG Siddharta & Widjaja	Kusumaningsih Angkawijaya, CPA	USD414,700

Effectiveness of External Auditor Implementation

Audit Committee examines the effectiveness of the implementation of external audits to evaluate the quality of the audit process. It aims to ensure that the audit has been accordance with all regulations and standards and so that the external auditor's independence is maintained. In addition, the Audit Committee helps to ensure the audit not encountered by obstacles and all audit findings acts upon by management.

Evaluation of the implementation of the external audit process is performed through regular meetings between the Audit Committee and the Public Accounting Firm to discuss all findings and developments during the examination conducted by public accounting firms.

In implementing the audit of Danamon's financial report and its subsidiaries, the following functions are conducted by Public Accountant Firm Purwantono, Suherman & Surja (a member of Ernst & Young Global Limited):

1. Conduct the investigation on all material accounts, based on applicable Professional Public Accountant Standards and ensure its compliance with applicable Indonesia Accounting Standards.
2. Communicate the audit findings to the audit committee, management and OJK
3. Maintain independence during the implementation of its duty.

Relationship Between Bank, Public Accountants and OJK

During the audit implementation in 2014, Danamon exercised transparent communication and provided complete information and data to the external auditor for the audit purposes. Communication and cooperation with the external auditors was conducted on the latest accounting policy issues, including tax development, in order to present a fair financial report. The Directors have taken into account the Management Letter from the Independent Auditor for further follow-up.

RISK MANAGEMENT

The following risk management analysis summarizes the Risk Management System, Risk Types and their Management, as well as the effectiveness of the Risk Management System. A complete report on risk management is disclosed separately as part of the Operational Review Section - Risk Management.

Risk Management System

In general Risk Management of Danamon is carried out with a holistic approach towards risks faced by the Bank. Monitoring, controlling, and managing risk are carried out by implementing the Three Lines of Defence principles. The business units are in the first line responsible for identifying, evaluating, controlling and mitigating risk. While the Integrated Risk Management Group and Compliance Unit are key in providing the second line defense through independent monitoring function. As third line of defense, the Internal Audit ensures the business units as well as supporting units have performed in line with their functions and responsibilities.

Aligned with banking industry practices and in accordance with the Risk Management Framework in Basel II, Danamon Integrated Risk functions are centralized and independent of all lines of business. The function of Integrated Risk covers the management of all risk attached to the Bank's activities, among others credit risk, market risk, liquidity risk and operational risk. These risks are managed under the coordination of Director of Integrated Risk with full support of experienced risk managers.

Danamon has endorsed the Enterprise Risk Management Policy providing guidelines in managing Bank risk. The policy has been approved by the Board of Commissioners and is periodically reviewed.

Danamon has set Risk Appetite Statement (RAS), which elaborates the risk level and characteristic taken by the Bank to fulfill its duties and responsibilities to stakeholders. In addition, the capability development of human resources risk management is carried out through training and socialization on risk management standards and procedures.

Types of Risks and their Management

Danamon manages risks embedded in every activity of the Bank and its subsidiaries, namely, Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Reputation Risk, Strategic Risk, Compliance Risk, Yield Risk and Investment Risk.

The risk management in Danamon is described below:

Credit Risk

Credit risk arises due to failure of debtors and/or other parties in meeting their obligation to the Bank. Credit risk is managed through established policies and procedures covering credit extension criteria, credit origination and approval, pricing, monitoring, non-performing loan management and portfolio management.

Danamon has a Credit Risk Policy which guides credit risk management for line of business and subsidiaries in carrying out their credit activities. The authority of credit approval is given to the Credit Committee wherein each Committee member is selected based on their quality, experience and business requirement. In implementing authority for credit approval, they must comply with the four eyes principle based on thorough analysis and is well documented. The customer feasibility is evaluated to set appropriate credit limits. The credit limit is set at industry and product level to ensure broad diversification of credit risk

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and to avoid concentration of risk. The Bank closely monitors the development of its credit portfolio and of its subsidiaries which include setting maximum limit for extending credit.

Market Risk

Market Risk is the risk on balance sheet positions and administrative accounts including derivative transaction, as a result of changes in the overall market condition including changes in option. Market risk arises due to movement in market factors such as interest rate and exchange rate on the Bank's portfolio on the Asset side as well as Liabilities which carry potential loss to the Bank.

Market Risk is managed by Market and Liquidity Risk Management which is an independent function to measure, monitor and control on risk value based on the level of risk (risk appetite) the Bank absorbed.

The management of market risk covers managing the exchange risk and interest rate risk as follows:

Foreign Exchange Risk

Foreign exchange risk arises from both on- and off-balance sheet positions, both on the asset and liability sides, through transactions in foreign currencies. To manage and mitigate foreign exchange risk, predefined limits are set, below the 20% regulatory limit.

Interest Rate Risk

Interest rate risk is the probability of losses that may occur from adverse movements in market interest rates vis-à-vis the Bank's position or transactions. The Bank manages its interest rate risk through the use of Earning-at-Risk

(EAR), repricing gap analysis, and Economic Value of Equity (EVE). Trading book is managed through a position and more risk-sensitive measurements, such as DV01 and MAT.

Liquidity Risk

Liquidity risk is the risk caused by the inability of the Bank to meet its obligations when due funded from cash flow and/or high quality liquid asset to be pledged as collateral without disrupting Bank's activity and financial condition.

Liquidity risk is managed to ensure every funding required at present or in the future under normal or stressed condition can be met.

Liquidity risk management is implemented through the analysis of liquidity maturity differences and liquidity ratios. Liquidity gap analysis provides a view of the discrepancy in cash inflows with cash outflows at a given time. This condition is managed centrally by the Treasury, with direct access and authorization to interbank markets, institutions and other market professionals, in an effort to help the Bank's main business activities in fund-raising and lending.

To complete the framework, liquidity risk is measured and controlled under both normal and stress scenarios. Thus, the Maximum Cumulative Outflow (MCO) is estimated - also under abnormal market conditions, such that the Liquidity Contingency Plan (LCP) is in place in case of any liquidity crisis.

Asset and Liability Committee (ALCO) is a forum of most senior members of the Bank's management in monitoring the liquidity status of the Bank, responsible to set policy and strategy related to the Bank's assets and liabilities, in line with prudent principles of risk management and the prevailing regulation as well as approving limit framework, considering the structural position of the Bank's balance sheet and assumptions used for measuring risk.

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate and/or failed internal processes, people and systems, or from external events which impact the operations of the Bank.

Management of operational risk is carried out in an integrated fashion optimizing the business and support functions to identify factors causing operational risk on product activity, process, services, organization and information systems through Risk Event Table, Risk Control Self Assessment (RCSA) dan Key Risk Indicator (KRI).

To anticipate operational risk which may occur due to Fraud initiated by internal Bank staff or external parties, the Bank formed a working anti fraud strategy framework outlined in the Fraud Management Policy and Framework made effective nationwide. The working framework and strategy is line with Bank Indonesia circular letter No. 13/28/DPNP on the implementation of Anti Fraud Strategy for banks and is reported to Bank Indonesia every semester.

As part of the Operational Risk Management (ORM) framework, Danamon implement Business Continuity Management (BCM) to anticipate risk impact due to all causes,

including extreme and rare operational risk occurrence but has significant impact such as negative issue on liquidity, negative news on the Bank, systems troubles, natural disasters and others.

Danamon adopts the standard framework BCM of Good Practice Guideline (GPG) Business Continuity Institute (BCI), United Kingdom (UK) and refers to ISO 22301: BCMS (Business Continuity Management System).

Compliance Risk

Compliance risk is the risk in the event of Bank's failure to comply and/or to implement in accordance to the prevailing laws and regulations.

Compliance risk managed by the compliance function is one of the Bank's Integrated Risk Management component. Compliance risk is carried out through the process of identifying, measuring, monitoring and managing risk based on review on the policy, provision of funds, fund raising and other activities. Compliance risk is also managed on items which increases the potential of compliance risk exposure due to fine as well as reputation.

Legal Risk

Legal Risk is risk in the event of lawsuits and/or juridical deficiency. Legal risk is managed through the process of identifying factors which could generate legal risk to the line of business, product, process and information technology impacting the Bank's reputation and financials.

The Bank's Legal risk is under the coordination of the Legal Division and is headed by General Legal Counsel. A Legal Risk management team in Legal Division works in cooperation with related working units, such as the Litigation Unit

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and Danamon Access Center. In consolidation, the Legal Risk management team also cooperates with the legal risk management team of the Bank's subsidiaries.

Reputation Risk

Reputation Risk is risk in the event of declined stakeholders trust sourced from negative perception toward the Bank. Reputation Risk is managed in integrated way through handling of customer complaint, performing public relations functions, responding to negative news as well as communicating information required to the stakeholders. The Bank's Reputation Risk team coordinate and consolidate with the risk team of the subsidiaries.

Strategic Risk

Strategic Risk is risks arising from inaccurate decision making and/or when implementing of a strategic decision as well as failure to anticipate changes in the business environment. Strategic risk management is carried out through the analysis of business strategic conformity with business environment conditions. Strategic Risk is related to areas: business plan, information technology and human resources.

Supervision of the Board of Commissioners and Directors

The Board of Commissioners and Directors actively supervise the implementation of risk management, through the following committees:

1. Risk Monitoring Committee

With the highest authority at the Board of Commissioners level this committee function as the supervisory board in monitoring the implementation of risk management policy and strategy, risk exposure and evaluating the Board of Directors accountability.

2. Risk Management Committee

Established under the Board of Directors and responsible for managing the Bank's risks overall, including those of its subsidiaries, by developing a risk strategy, policies and evaluating significant risk issues.

Effectiveness of Risk Management Systems

The evaluation is carried out on the risk assessment methodology, adequacy of implementation system, management information system, and accuracy of policies, procedures, and limits. In 2014, the risk management effectiveness of the Bank and its subsidiaries is rated as acceptable with risk level 2 (low to moderate).

The Board of Directors and senior management are also responsible to determine the Bank Risk Appetite (RAS) and ensure that the Risk Management Framework covers policies in detail and sets broad prudent principle based limits on Danamon's activities. The Bank also conducts a stress test, a standard risk measurement method to estimate the Bank's adverse economic potential due to abnormal market conditions, to ensure the Bank's performance sensitivity to changes in risk factors. The stress test is applied at least once every year, or in the event of a significant negative impact on the Bank's portfolio and stress test of scenario provided by the regulator.

On severity level, the macro-economic factors, stress test scenario is defined into three categories: Mild, Moderate, and Severe. Apart from a historical-based scenario, the Bank also considers hypothetical adverse impact situations, with the support of the Bank's economic team.

Integrated Risk Achievements in 2014

In 2014, the achievement in implementing Risk Management are as follows:

1. Become one of the three banks selected by OJK and Bank Indonesia as reference in Consolidated Risk Management with subsidiaries.
2. Continually develop Risk Management School wherein the school has been selected as the Best Bank for providing education on Risk Management by Business Review in 2012 and rolling out Risk Management school to all Bank's working units.
3. Successfully retained the ISO 22301:2012 - Business Continuity Management Sytem (BCMS) through 2014 Surveillance Audit certification without unconformity item. Note: Danamon is the first company in Indonesia and the first bank in South East Asia to be ISO 22301:2012 - BCMS certified.

PROVISION OF FUNDS TO RELATED PARTIES AND LARGE EXPOSURES

Total Lending to Related Parties and Largest Debtors as of 31 December 2014

No.	Fund Provision	Debtors	Amount (Rp million)
1.	Related Parties	Subsidiaries and Key Management	769,442.83
2.	Largest Debtors/Group	25 Group	12,481,304.56

During 2014, there was no breache nor BMPK over-limit extended to Related Parties or to Non-Related Parties, either individually or as Group of Borrower. The provision of funds to Danamon related parties refers to Bank Indonesia regulation No. 8/13/PBI/2006 on changes to the Bank Indonesia regulation No. 7/3/PBI/2005 on Maximum Lending Limit of banks.

To reduce concentration risk, Danamon limits loan concentration to individuals, group or industry sector. Provision of funds to related parties and subsidiaries is conducted at arms-length and in accordance to normal commercial basis and approved by the Board of Commissioners. The approval procedures and their implementations are stipulated in the policy of Related Party Transactions No. KepDir-Corp.Sec-015.

INTERNAL CONTROL SYSTEMS

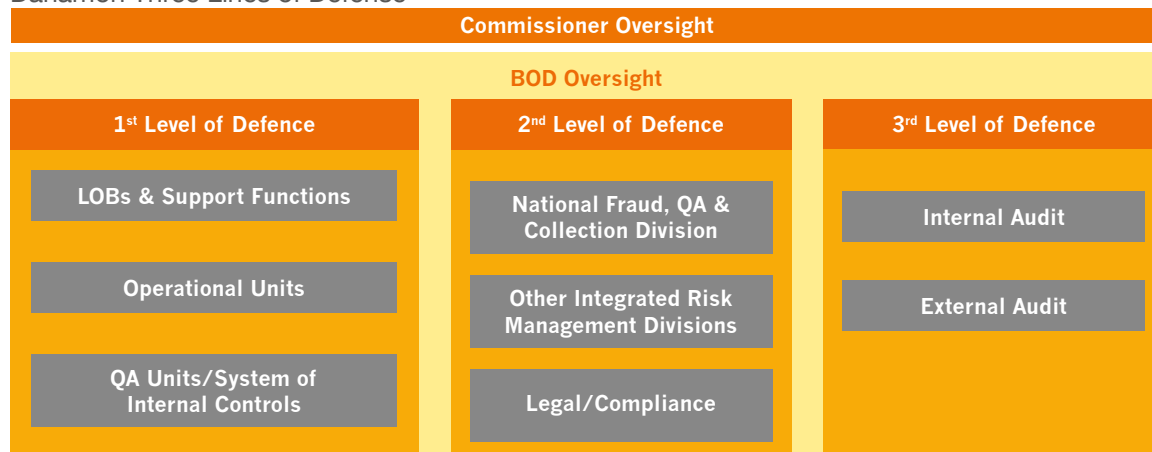
The Internal Control of Danamon and its Subsidiaries are carried out covering all business aspects both from the Asset and Liabilities, with supervision that is carried out off-site and on-site by each internal control unit embedded in every Division of Danamon and its Subsidiaries known as the Quality Assurance Unit.

The internal control covers an integrated methodology, policy, procedure and organization setting, aimed to identify, measure, monitor, and risk control which arise from activities of Danamon and its Subsidiaries. The approach taken to measure, monitor and control risk risk based.

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The framework for the Risk Management and Internal Control in Danamon adopts a layered defense known as the Three Lines of Defense as specified in the following diagram:

Danamon Three Lines of Defense



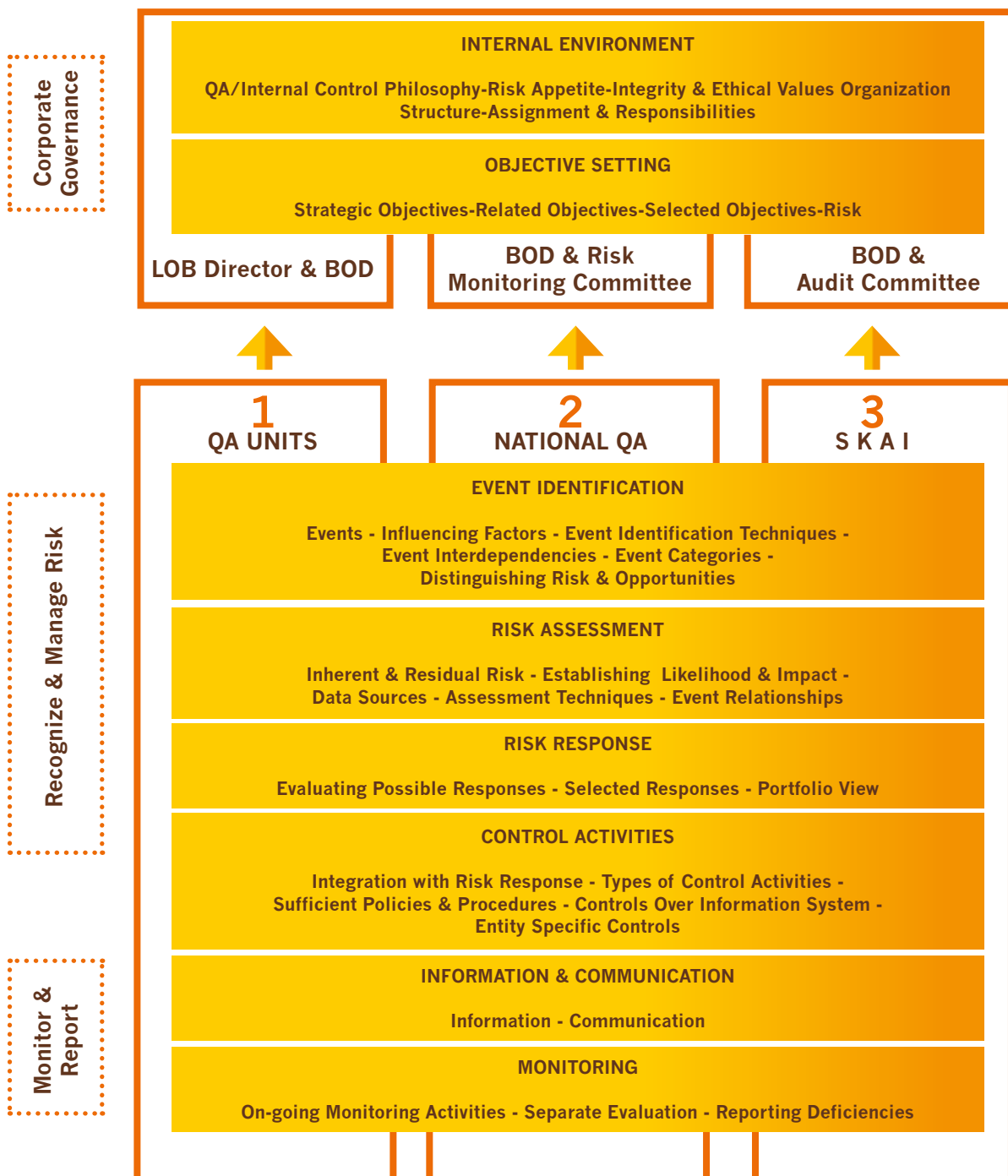
Compatibility of the Internal Control System with COSO

The entirety of the Quality Assurance unit as the executive for the internal control in Danamon and its Subsidiaries operates on a standard operating procedure (SOP) which is based on the Quality Assurance Policy of Danamon which is formulated adopting the COSO theory and BIS Principles on Internal Control Practices.

Danamon has an organizational structure which is well suited and appropriate for managing quality assurance function. This is based on the philosophy that all business functions must act as the party responsible for managing quality assurance in their respective business.

The said philosophy serves as the basis for formulating Danamon's QA framework structure through combination of the Three Lines of Defense and the Internal Control/ERM framework with COSO as basis as described in the following diagram:

Internal Control System Framework in accordance with COSO



Corporate Governance

The implementation of internal control by the Quality Assurance unit until 2014 has covered divisions, subsidiaries and supporting functions. Divisions that are related directly with customer transaction have higher examination frequency, while for headquarter divisions, formal internal control reviews are carried on annual basis.

An awareness program for the internal control towards work units are carried out by the QA unit. In principle internal control is not only the task of the Internal Control unit (Quality Assurance), but also a task and responsibility for all work units.

Evaluation on the Effectiveness of Internal Controls

The Internal Audit Work Unit (SKAI) which becomes a part of the Internal Control System carries out audit to ensure the effectiveness of Danamon's internal control, through independent evaluation of sufficiency and compliance towards policies, procedures and systems.

The result of the evaluation of internal control system is one of the basis for management to determine the effectiveness of the performance of the internal control system. Evaluation towards the effectiveness of the internal control system is described through audit rating which becomes the basis for improvements such as updates on policies/procedures/systems.

SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT

Corporate Social Responsibility

The report on corporate social responsibility has been prepared as a section named Corporate Social Responsibility in this Annual Report. The activities of the corporate social responsibility is summarized in the table below.

No.	Topics	Policies	Activities	Financial Impact & Certifications
A.	Environmental	Sustainability Policy points 1-7, which include, among others: sustainable integration on environmental matters, control of environmental impacts.	<ul style="list-style-type: none"> Environmental programs relating to the surrounding of the Bank operations Environmental Care (PPL) was held on May-September 2014 with the theme "United to Save the Environment for a Better Future of the Earth" "Run and Walk for Recycling", a program of running and walking while collecting non-organic waste to be recycled, participated by employees of Danamon and Adira. Counting the emission reduction produced by waste reduction program. 	<ul style="list-style-type: none"> Total budget of Environmental Care (PPL) for 2014 was Rp4,580,548,524,- As of the end of 2014 Danamon has not yet possess environmental certification
		Policy, Concept and Frameworks of Yayasan Danamon Peduli Operations can be viewed on the CSR Chapter of this report		
		Memo no.B I/I/ PROC/EM/1211 on Video Conference and Business Travel 2012		

No.	Topics	Policies	Activities	Financial Impact & Certifications
		Memo no.B 58/PA/0614/IMEA on Danamon Recycled Paper Initiatives	<ul style="list-style-type: none"> Overseeing 3R (reduce-recycle-reuse) processes on paper waste in several offices of Danamon dan Adira Using recycled paper as raw material for paper replacement of company's collateral. 	<ul style="list-style-type: none"> The funds of Yayasan Danamon Peduli disbursed for SEJAHTERA Market in 2014 was Rp 2,711,972,956,- The funds of Yayasan Danamon Peduli disbursed for Preservation of Regional Icon in 2014 was Rp 441,007,757,-
B.	Development of Social Community	<ul style="list-style-type: none"> Sustainability Policy points 1, 2, 5, 6, 7, which include, among others: sustainability integration in social and cultural matters, management of direct and indirect social impacts. Policy, concept and operational framework of Yayasan Danamon Peduli can be viewed in the CSR chapter 	<p>Improvement of Facility and Infrastructure</p> <p>Revitalization of traditional market through Pasar Sejahtera Revitalization Program</p> <p>Preservation of Regional Icon</p> <ul style="list-style-type: none"> Provision of garbage bins Development of Facilities <p>Development of Social Community</p> <ul style="list-style-type: none"> Training and capacity building Supporting Majelis Taklim Facilitating the formation of Market Working Group within the Local Government <p>Community Empowerment</p> <ul style="list-style-type: none"> Facilitating the establishment of cooperatives Facilitating the creation of Payment Point Online Banking, managed by Marunda residents, for serving routine monthly payment of bills from residents of the surrounding area. Running the program of "Rotating Funds for Million Empowerment" in cooperation with Al-Azhar Ummah Care. <p>Rapid Disaster Response</p> <p>Yayasan Danamon Peduli provide direct aids to fire and flood victims, also through social organization Aksi Cepat Tanggap (ACT) and Al-Azhar Ummah Care.</p>	<ul style="list-style-type: none"> The funds of Yayasan Danamon Peduli disbursed for Rapid Disaster Response in 2014 was Rp 261,169,707,-

Corporate Governance

No.	Topics	Policies	Activities	Financial Impact & Certifications
C.	Manpower, Health, and Work Safety	<p>Sustainability Policy point 1, 2, 5, 7, which include, among others: sustainable integration in the business process and internal policies, improvements of the competencies and professionalism of our employees, engagement of employees in the implementation of strategic plan of work safety, health and security, integration in the social and cultural matters, management of direct and indirect social impacts.</p> <ul style="list-style-type: none"> Decree of Directorate General of Industrial Relations and Labor Social Security No.Kep. 10/PHUSK-PKKAD/PKB/I/2013 regarding Registration of Extension on Collective Agreement Memo no B.7800-HRKP-1213 Regarding End of year 2013 Performance Evaluation Danamon Business Continuity Management (BCM) Policy Ver 2.0/Mar13 Danamon BCM Standard & Principle Ver 1.0/Mar13 	<p>Manpower</p> <ul style="list-style-type: none"> Danamon maintains a good relationship with employees union and conducts monthly meeting between board members of the union and Danamon directors. Performance appraisal is conducted twice a year Employees are provided with health insurance facilities <p>* Further information about Manpower activities can be viewed on the Human Resources section of this report</p> <p>Health</p> <ul style="list-style-type: none"> Health Talk, a seminar for employees on relevant health topics (e.g blood sugar, cholesterol, healthy diet, chronic diseases). Health Fair, featuring Medicillin and health care providers for employees' health service On-line Health Corner providing information relevant to health at work, for instance the importance of stretching in regular interval during workhour Provide lactation room for employee in need with convenient and hygienic lactation facility Provide pedometer as tools to support employee in conducting "10,000 steps a day" program to maintain employee's fitness Conducting blood donation simultaneously in 80 cities, involving 2,900 employees Organizing Blood Donors events in around 80 cities simultaneously where 2,900 employees had participated. Organizing Danamon Festival of Band & Choir, a competition between representative of Danamon employees from all Indonesian regions. It is intended to develop mental capacity through arts. Facilitate various sport clubs for employees, among others are badminton, futsal, volleyball, basketball, table tennis, aerobics, cycling, bowling, and jogging clubs. <p>Work Safety</p> <ul style="list-style-type: none"> Establish procedures and resources of emergency respond (natural disaster, fire, riot) including the formation of command center both in corporate and regional level for Danamon and its subsidiaries Performing evacuation trainings periodically. Continually socialize safety procedure to all employees, with e-mail blast. Attention to HSE aspects in every building constructed or occupied by Danamon. Ensure the fulfilment of standard density ratio of the number of employees in office space. Ensure the proper lighting, air conditioner and air circulation. Forming new club of employees who are ready for volunteers' works in a disaster response. <p>* Further information about Health, Safety, and Environment can be viewed on the CSR Chapter of this report.</p>	<p>In 2014 Danamon succeeded in maintaining the ISO 22301:2012 certification on Business Continuity Management System, which was obtained in 2013 from British Standard Institution (BSI) Group, following the surveillance audit by the Group.</p>

No.	Topics	Policies	Activities	Financial Impact & Certifications
D.	Consumer Responsibility	<ul style="list-style-type: none"> Sustainability Policy point 1, 2, 5, which include, among others: sustainable integration in the business process and internal policies, helping businesses to grow and be established, enabling customers to develop its welfare. Decree of DIR-DAC-001/21 February 2013 regarding Units Appointment related to Centralized Consumer Complaint Handling, as well as duty and responsibility of each unit 	<p>Responsibility for product information</p> <ul style="list-style-type: none"> Customer Education Danamon conducts financial literacy activities in conjunction with routine activities of customers and potential customer meeting conducted annually by each business unit, where special time is allocated for presenting banking literacy materials. In 2014, the number of participants educated in financial literacy activities was 349,764 persons, which include housewives, students, micro and small business owners, junior workers, young couples and market communities in every region in Indonesia. Additionally, Danamon provides banking educational information on Danamon websites and social media accounts. Training Frontliners To ensure that frontliners have sufficient knowledge on products and services, in 2014 Danamon conducted trainings for frontliners staff in retail banking, operations, UKM, and Danamon Access Center across Indonesia through Consumer Service Quality activities. <p>Handling of Customer Complaints</p> <ul style="list-style-type: none"> Danamon has Danamon Access Center (DAC), a 24 hours customer service unit, which is assigned to assist customers obtaining information regarding transactions or accounts Details of customers' complaint handling in 2014 can be viewed on the CSR Chapter of this report <p>* Further information about Consumer Responsibility can be viewed on the CSR Chapter of this report</p>	Expenditures for banking education in 2014 was around Rp3,807,526,036
E.	Value Chain and Vendor Relationship	<ul style="list-style-type: none"> Danamon Procurement Policy Danamon Credit Policy Sustainability Policy point 6.3, which includes, among others; the importance of managing indirect impact to the social environment. 	<ul style="list-style-type: none"> In vendor selection process, including suppliers and contractors, selection is performed according to the Procurement Policy. Environmentally friendly Value Chain, which includes management of environmental and social risks coming from business activities of Danamon customer, where environmental and social risks are integrated part of overall credit process, as stipulated in Danamon Credit Policy. 	

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Sustainability Report

Danamon has also published a separate Sustainability Report, which is prepared based on standard set in Global Reporting Initiatives and certified by the National Center for Sustainability Reporting (NCSR), including the implementation of Corporate Social Responsibility. Detailed information including funds generated from donation and its uses can be found in the Sustainability Report.

DANAMON SUSTAINABILITY POLICY

1. Vision and Mission

- 1.1 Danamon believes that true sustainability involves the integration of environmental, social, cultural, and economic matters with our core business processes. We strive to incorporate this policy into core of business operations through internal and external effort.
- 1.2 It is our policy to minimize the impact of our operations on the environment. We are committed to control of significant environmental impacts associated with our activities.

2. Scope

- 2.1 The policy covers operation of the entire Danamon organization, including the business of subsidiaries companies and covers our business activities and operations.

3. Position on Climate Change

- 3.1 Climate change can have a damaging impact on Indonesia's economy, the business community, our customers, and ultimately our business. Danamon is committed in the fight against climate change.
- 3.2 We continuously engage our stakeholders to further their understanding of the importance to fight against climate changes.

4. Environmental Compliance

- 4.1 Danamon is committed to comply with all environmental legal requirements and best practices where the Bank and its subsidiaries operate.

5. Management of Direct Environmental and Social Impact

- 5.1 We are committed to take proactive steps to mitigate the environment and economic impacts of our operational.
- 5.2 As a bank, we play a clearly defined, positive role in the Indonesian society. Our duty and goal as a financial intermediary is to assist businesses to become established and to expand, to enable consumers to grow their wealth. We aim to provide our customers high-quality, secure, efficiently managed financial services. We believe that this enables us to make a positive contribution to the sustainable development of Indonesian society.
- 5.3 Danamon continues to implement every possible measure to facilitate improvements in our services, people, business, market, product portfolio, skills, management, and confidence. Our people are the driving force behind each of these improvements. The level of innovation, efficiency, and professionalism of our people directly affect Danamon's performance. Thus, our employees are our most important asset. We aim to find, develop and retain the most talented people available.

6. Management of Indirect Environmental and Social Impact

- 6.1 Danamon acknowledges that the decision we make on whom and what we finance may affect people and the environment. The greatest impact we have on the environment and society is through our financing activities. Therefore, we continuously develop our environmental and social standards and approaches. We nurture businesses, which have substantial impact to common good, and discourage channeling of funds to businesses that might have direct and indirect negative impact to the environment. We work with our customers and stakeholders to ensure that the economy we support is good for people and the planet.

- 6.2 Danamon considers the environmental performance of suppliers and contractors, as well as the environmental impact of products and services, in the context of the procurement process.
- 6.3 Danamon recognizes the importance to manage the environmental and social risks that comes from our customers' business activities. At Danamon, environmental and social risk management is an integral part of our end-to-end credit process, as stated in our credit policy.
- 6.4 Danamon dedicates considerable resources to prevent, detect and mitigate all types of financial misconducts. In order to ensure that our business is conducted in full compliance with the highest ethical standards, Danamon takes every measure to make sure our full adherence to the Law on the Criminal Act on Anti Money Laundering and on Combating Financing of Terrorism.

7. Stakeholders Engagement and Reporting

- 7.1 We continuously develop our environmental and social standards and approaches. We work with our customers and stakeholders to ensure that the economy we support is good for people and the planet.
- 7.2 Danamon's initiatives to address the management of indirect environmental impact are as follows:
- Through our community programs and Yayasan Danamon Peduli, we will partner with selected organizations that are actively protecting our environment.
 - Engage employees in the delivery of their work safety, health, and security strategies and support them in practical ways so they can reduce their own environmental footprints.
 - Engage with stakeholders to further its understanding of its direct and indirect environmental impacts and contribute to the development of public policy and regulation.
 - Danamon is committed to:
 - o report publicly on the bank's sustainability performance on, at least, an annual basis; and
 - o apply the Global Reporting Initiatives (GRI) reporting guidelines as well as the supplement for the Financial Services sector.

8. Governance

- 8.1 The accountability of our Sustainability Policy are as follows:
- Board of Commissioners oversees management's role in ensuring that Danamon's sustainability commitment is promoted and maintained across the organization in a responsible and sustainable manner.
 - Board of Directors has overall responsibility for the organization's sustainability policies and performance.
 - The Head of each Division, business support or group staff function is responsible for ensuring that activities are carried out in accordance with this Policy.
 - Audit Committee is responsible to evaluate the compliance of sustainability policy.

9. Implementation of Process and Policy Review

- 9.1 We will continuously take steps to implement and review the sustainability policy

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Danamon Sustainability Report Card

DANAMON Sustainability Pillars	Commitments	2013 Progress	2014 Progress
Customer Satisfaction	Maintain and develop high customer satisfaction index in all relevant areas	Based on a survey conducted by Marketing Research Indonesia (MRI), Danamon is able to achieve Top 5 ranking among all banks in Indonesia in Bank Service Excellence Monitor (BSEM) Survey, an improvement compared to the year of 2012 where Danamon is only in 8 rank.	Maintain top 5 ranking among all banks in Indonesia in the Bank Service Excellence Monitor (BSEM) survey. Achieved 9 awards of MarkPlus WOW Service Excellence Award in 2014 based on a survey conducted MarkPlus Insight and Marketeers in 17 cities with 17,000 respondents about the service quality
	Fair and inclusive banking	In 2013, Danamon provided more than 2,927 financial education sessions for clients and general public, particularly SMEs.	Danamon sets a target total participants that educated on financial literacy activities for the year 2014 are as many as 350,107 people by the group of participants as follows <ul style="list-style-type: none"> • Housewives • Entrepreneurs of Micro and SMEs, • Student • Beginner Workers • Market Community, • Young Couple
A Healthy Bank	Healthy growth in market and financial performance	ROE of 14.5% ROA of 2.5% Total revenue Rp.18,5 trillion Loan to deposit ratio amounted to 95.1% NPAT of Rp.4 trillion (reported) NPL of 1.9%	ROE of 8.6% ROA of 1.4% Total Revenue of Rp17.6 trillion Loan to Deposit Ratio amounted to 92.6% NPAT of Rp2.6 trillion (reported) NPL of 2.3%
Improving and Learning from the Best	Implement national and international banking standards and other relevant guidelines	Receive certification of ISO 22301: 2012-BCMS, an international recognition to organizations that demonstrate excellence in the ongoing development and implementation of sustainable business management system. With this achievement, Danamon has become the first company in Indonesia and the first bank in Southeast Asia to receive this certification from the Group British Standard Institution (BSI) Indonesia.	There was no new ISO certification in 2014
Governance and Compliance	Abide by law and regulations	Awarded "Best Overall" in the "ASEAN Corporate Governance Scorecard" from the Indonesian Institute of Corporate Directorship (IICD)	Awarded 1st Annual Report Award 2013 in the Private Financial Listed category of
	Control mechanism and solid internal	Development and implementation of best practice constantly in Anti Money Laundering (AML)/Combating Funding for Terrorism (CFT), Involved in the Assessment Branch, with 91 branches in 32 cities regarding the internal control procedures in 2013. As of December 2013, 10,993 employees have received training in Anti Money Laundering (AML)/Combating Funding for Terrorism (CFT),	Continue to implement internal socialization through E-Learning modules of Anti Money Laundering (AML)/Combating Funding for Terrorism (CFT),
	Supplier Relationship	Develop new procurement policies that take into account the supplier responsibility on labor, environment and local community issues.	Implement new procurement policies where there are provisions on the supplier/vendor where suppliers/vendors who appointed by Danamon shall abide by all environmental regulations and understand the impact of their operations on the environment.

DANAMON Sustainability Pillars	Commitments	2013 Progress	2014 Progress
Employee satisfaction and creating a rewarding working experience	Become an employer of choice	134,073 man-days of employees training. Training and courses of managerial skills, technical skills, refreshment courses, human rights course and more.	175,059 man-days of employees training. Danamon Corporate University conducts the D4D (Danamon for Danamon) program where Danamon's employees volunteered in the dissemination of knowledge and science as a learning facilitator.
	Creating a healthy and safe working environment	Organize Health Talk namely Seminar for Danamon's Individual with various topics such as diabetes, cholesterol, healthy foods and chronic diseases. Conduct Health Fair which facilitates the medical service provider for educate Danamon's personnel about the importance of living healthy.	Organize seminars with topic "Health" through D'Club Health Talk program featuring health experts. Medicilin, Adira Health Insurance products, organize a contest "I want to be Fit" where the employees with the best physical health level get a gift such as tourism package and others.
Wise Energy Usage	Reduce electricity usage.	Starting initiative to change the bulb and sign age in Danamon's building with efficient LED lighting solution.	Corporate Real Estate Management (CREM) organizes a contest "Danamon Go Saving" where Danamon's building or branch that succeeded in reducing electricity consumption more than last year will get incentive.
Waste Management	Reducing the amount of waste to the landfill through Reduce, Reuse, Recycle programs	In 2013, Yayasan Danamon Peduli has managed waste recycling program in 7 traditional markets located in 5 regions, namely Probolinggo City and District (East Java), Payakumbuh City (West Sumatra), Sragen District and Pekalongan City (Central Java). Total waste of 518,249 tons converted into compost. In previous year, 2012, only 116,718 tons of waste which converted into compost. It was a tremendous increase.	In 2014, Yayasan Danamon Peduli managed to collect 3,103 kg of non-organic waste from Danamon and Adira's building and branches throughout Jakarta for recycling needs.
	Reduce paper consumption	In 2013, there were two times increase in the e-Statement usage. Before the e-Statement was introduced in 2011, in a year Danamon used more than 34.5 million paper sheets to print banking transaction and bill.	Starting initiative to recycle paper, which Danamon Peduli collects waste paper from Danamon's operation which then process into recycled paper by the customer of Danamon SME Banking. Recycled paper is then used as the base material of Danamon corporate communication. Procurement Division set a target reduction of paper consumption by 30%. Greeting card (religious holiday) and printed annual report are replaced with e-media. Danamon reduced the number of printed Annual Report in 2014. Approaching the end of 2014, Danamon launched Mobile Banking Application that allows customers to conduct financial transactions via smartphone, thereby reducing paper usage that is generally used for transactions in a branch or ATM (receipt).

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DANAMON Sustainability Pillars	Commitments	2013 Progress	2014 Progress
Climate Change	Reduce carbon emissions.	In 2013, the environment programs such as Yayasan Danamon Peduli, Bulan Kepedulian LingkunganKu (BKL) involved 2,073 units and branches with total 14,792 employees who became volunteer and total fund Rp4.85 billion	From January until July 2014, Yayasan Danamon Peduli has distributed Rp4.5 billion to several activities of Bulan Kepedulian LingkunganKu across Indonesia which involved Danamon and Adira's employees of 6,627 people and conducted more than 3,000 tree planting.
	Implement principles of Green Building for Danamon offices.	Begin the construction of Danamon's new headquarter, which uses green building concept, which include using glass window with a double luster (Low E Double Glazing) which can absorb heat and thus can reduce the use of air conditioning and also can use low lighting energy system, waste water maintaining tool, bicycle parking, vast green spaces, including two Sky Garden at the top of the building.	Topping off Danamon Tower building that employs Green Building concepts.
Environment Conservation	Investing in environmental conservation programs	Total environmental conservation investment in 2012 was Rp4.85 billion	Total environmental conservation investment in 2014 was Rp 4.8 billion
Community Welfare	Improve society's welfare through micro and SME financing.	In 2013, Danamon recorded a growth of 12% in the micro and SME business segment, loan issued is 30% of total loans of Danamon.	In 2014, Danamon recorded credit contribution to micro and SME business segment amounted to 28% of total loan of Danamon.
	Support SME growth	Danamon's loan for SME grew 18% to Rp21 trillion	Danamon's loan for SME grew 9% to Rp20 trillion
Company's Social Investment through Yayasan Danamon Peduli and other partners.	Enhance total coverage of potential beneficiary become literate banking	Yayasan Danamon Peduli has invested a total of Rp12.8 billion for community development in 2013	In 2014, Yayasan Danamon Peduli provided budget activity amounted to Rp13.5 billion include the following activities: Pasar Sejahtera, Cepat Tanggap Bencana, Regional Icon
Access to banking for all	Greeting more people across the country, including those who live in rural and remote area.	Danamon launched SMS Banking service, which expanding to people who live far away from physical network.	Danamon and the Financial Service Authority (OJK) conduct various activities of financial literacy especially in eastern Indonesia, including implement the Financial Industry Exhibition in Kupang, East Nusa Tenggara.

LEGAL MATTERS AND IMPORTANT ISSUES INVOLVING THE BANK, ITS SUBSIDIARIES, MEMBERS OF THE BOARD OF DIRECTORS AND/OR BOARD OF COMMISSIONERS

Legal matters are civil and criminal cases involving Danamon and its Subsidiaries during the reporting year period and has been filed through judicial process.

Legal Matters involving Danamon

Legal Cases Involving Danamon	Number of Cases		Impact on Danamon
	Civil	Criminal	
Settled (has clear legal standing)	105	20	103 civil cases won, 2 civil lost at 5.2 % value from total value of cases settled
In the process of settlement	666	57	Nil

Note:

Civil and Criminal Cases involving Danamon during the period of reporting year and has been submitted through District Court.
Recapitulation of total cases during 2013.

Litigation Involving Members of the Board of Commissioners and Directors

Legal Cases Involving Members of the BoD and BoC	Number of Cases		Impact on Danamon
	Civil	Criminal	
Settled (has clear legal standing)	Nil	Nil	Nil
In the process of settlement	Nil	Nil	Nil

Litigation Involving Subsidiary

Cases Involving PT Adira Dinamika Multi Finance	Number of Cases		Impact on Subsidiary
	Civil	Criminal	
Settled (has clear legal standing)	Nil	Nil	Nil
In the process of settlement	43	2	Nil

Cases Involving PT Asuransi Adira Dinamika	Number of Cases		Impact on Subsidiary
	Civil	Criminal	
Settled (has clear legal standing)	Nil	Nil	Nil
In the process of settlement	4	Nil	Nil

Cases Involving PT Adira Quantum Multifinance	Number of Cases		Impact on Subsidiary
	Civil	Criminal	
Settled (has clear legal standing)	Nil	Nil	Nil
In the process of settlement	Nil	Nil	Nil

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Legal Substance, Case Status, Financial Impact faced by Danamon

a. Case involving Dharmais, Dakab and Supersemar Foundations

On February 11, 2009, Dharmais Foundation, Dakab Foundation and Supersemar Foundation sued Danamon through the District Court in a case related to subordinated loan. On February 6, 2014, Danamon received an official notification from the court concerning the judicial decision of the Supreme Court of the Republic of Indonesia concerning the rejection of the appeal request. The judicial decision was final and binding and won by Danamon.

b. Case involving PT Danamon Internasional

On November 10, 2011, PT Danamon Internasional sued Danamon through the District Court in a case related with Capital Loans. The case is currently in examination for an appeal at the Supreme Court of the Republic of Indonesia. On January 12, 2015, the Bank received a copy of the Supreme Court's judicial decision which essentially decided that the Bank shall pay to PT Danamon Internasional an amount of Rp285.9 billion. In relation to this, the Bank is intending to file a legal action for judicial review over the Supreme Court's decision.

c. Case involving Danamon Usaha Gedung

On December 12, 2012, Danamon Usaha Gedung (DUG) filed a claim through the International Chamber of Commerce-Asia Office with a case reference number 19136/CYK [Perkara] against Danamon. The examination proceeding has taken place

in Jakarta by the end of October 2013. On March 11, 2014, ICC has issued its award number 19136/CYK dated March 5, 2014 which was received by Danamon through ABNR Law Firm. In the said arbitration award Danamon is obligated to pay a sum of money to indemnify DUG's tax payment to the tax office. The parties (DUG and Danamon) have signed a settlement agreement on November 26, 2014, and therefore the case between DUG and Danamon has been resolved.

DISCLOSURE OF ADMINISTRATIVE SANCTION BY FINANCIAL SERVICES AUTHORITY (OJK)

Throughout 2014, there was no material administrative sanctions that affected the business continuity of Danamon, nor was there any administrative sanctions imposed on members of the Board of Directors or the Board of Commissioners.

INTERNAL FRAUD

Deviation or fraudulent act by management, permanent and non-permanent employees (part-time and outsourcing) related to work process and the Bank's operational activity which significantly impact the Bank's condition. Significant impact to the Bank's condition is defined as impact greater than Rp100,000,000 (one hundred million Rupiah).

The following table lists details of internal fraud which occurred in 2014:

Internal Fraud	Number of Cases Involving					
	Management		Permanent Employee		Contract Employee	
	2014	2013	2014	2013	2014	2013
Total internal fraud cases	-	-	28	42	-	-
Settled	-	-	28	42	-	-
Under internal process	-	-	-	-	-	-
Pending	-	-	-	-	-	-
Followed up by law suite	-	-	4	5	-	-

TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL PERFORMANCES

The financial and non-financial matters are disclosed periodically through the mass media, public expose, analyst briefings/forums and corporate website. Reports on financials and non-financials are prepared for submission to the regulators and other governing bodies in accordance with the prevailing regulations. The report on financial statements consists of Published Quarterly Report, Published Financial Report and Annual Report, whilst non-financial reports consists of Report on Corporate Governance, Information on Products and Services, Branch Network and other non-financial information.

Below lists the reports and information disclosed and accessible through Danamon website (www.danamon.co.id):

	Financial Information	Publication	Reporting	Contents	Access	
					Website	IDX
1.	Consolidated Financial Report	Quarterly	OJK	Consolidated financial statements in accordance with Indonesian Financial Accounting Standards, which covered the Bapepam regulations	√	√
2.	Financial Report Publication	Quarterly	Public through Newspaper, BI, BEI, OJK	Summary of financial performance in accordance with BI regulations	√	√
3.	Analyst Presentation	Quarterly	IDX, BI yearly Public (4x in 1 year);	Main financial and non financial information	√	X
4.	Newsletter	Quarterly	Public, Exchange, BI	Financial and non financial information with explanation	√	X
5.	Annual Report	Yearly	Public, Policy Makers, Investors, other banks, appraisal institutions	Financial and non financial information, business segment, product information, profits	√	•

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Financial Information		Publication	Reporting	Contents	Access	
					Website	IDX
Non Financial Information						
1.	GCG Report	Yearly	Shareholders,FSA, YLKI, Government Institution, Banks Association, Research Institution, Economic and Financial Magazines	Information on the implementation of GCG at Danamon and Assessment Result	✓	
2.	Sustainability Report	Yearly	Public, investor, stakeholders	Report on policies and sustainability program	✓	
3.	Branch Office	-	-	Information on branch offices	✓	
4.	Product/ Service	-	-	Information on products and services	✓	
5.	Management and Ownership	-	-	Information on management, ownership structure	✓	

SHARES OPTION

Share options refers to an option to buy shares for the members of the Board of Commissioners, Directors and Executive Officers. The share or option offering is granted as part of the compensation package stipulated in the Bank's Articles of Association. During 2014, the Bank did not have any program of stock options for Directors, the Board of Commissioners, or employees.

This program consists of cash and shares, wherein employees who meet the criteria will receive cash of pre-determined amount to be used to purchase Bank shares. The shares are purchased under each employee's name and to be retained and under the custody of an independent custodian. The shares will be handed over after retention period of 3 (three) or 6 (six) years. The date for providing compensation under this program is 1 July 2010.

SHARES OWNERSHIP PROGRAM FOR EMPLOYEES AND/OR MANAGEMENT

Danamon provides a Long-Term Compensation Program to Directors and Employees of the Bank and its Subsidiaries who meet the determined criteria. This program is part of the Bank's and its Subsidiaries compensation strategy aimed to relate overall performance of the Bank and its Subsidiaries to the compensation received by the employees and Directors as well as to ensure continuous growth of the Bank and its Subsidiaries.

The Bank has prepared a Long Term Incentive Program (LTIP), which is a continuation of the previous program due in 2013. This LTIP as recommended by the Remuneration Committee, is to be provided to the Directors and employees who meet the requirements and approved by the Board of Commissioners. The LTIP program, which initially planned for launch in 2014 has been under reconsideration.

SHARES BUY BACK AND BANK'S BONDS BUY BACK

Implementation of Buy Back refers to FSA regulations No. XI.B.2 which is the Attachment of FSA Chairman Decree No. Kep-105/BL/2010 13 April 2010 and No. 2/POJK.04/2013, where issuers were given the flexibility to buy back the shares without having to go through GMS during a limited transfer period. During 2014, there was no Bank's activity to buy back either stocks or bonds.

HIGHEST AND LOWEST SALARIES RATIO

The right of employees is to receive and is expressed in the form of money, or a salary, as remuneration from the Bank (or the employer) to an employee. Salary is determined and paid according to the employment agreement, agreements or legislation, including benefits for employees and their families for a job and/or services rendered.

The illustration of a salary ratio can be seen in the following table, which includes compensation per month for members of the Board of Commissioners, Directors and permanent employees of the Bank.

Salary Comparative Ratio	2014	2013	2012	2011	2010	2009
Employee : Highest - Lowest	220.8 x	230.8 x	80.4 x	81.8 x	79.7 x	80 x
Directors : Highest - Lowest	4.9 x	5.0 x	4.1 x	3.7 x	3.6 x	3.2 x
Commissioners : Highest - Lowest	1.5 x	1.4 x	1.5 x	1.5 x	1.5 x	1.5 x
Directors Highest - Employee Highest	2.5 x	2.8 x	3.9 x	3.4 x	2.4 x	3.4 x

CONFLICT OF INTERESTS TRANSACTIONS

Danamon maintains a policy governing Transactions with Affiliated Parties, Related Parties and Transactions containing conflict of interest as regulated by the Board of Directors Decree No. KEP: DIR-Corp.Sec.-015 dated 30 December 2013. This policy was prepared with the following objectives:

- As a guideline in identifying the existence of affiliated transactions containing conflict of interest.
- As a basis to ensure that affiliated transactions with a conflict of interest are executed in accordance with the policy and prevailing legislation, and are not detrimental to the interests of minority shareholders.

In the event of transaction with conflict of interest occurs, the related member of Board of Directors and Commissioners must abstain from review and approval process on such transaction. Further provision referred to such case is set out in the Bank's internal policy and procedures.

During 2014, there were no reports of any conflict of interest.

No.	Name and Position with conflict of interest	Name and A Position of decision maker	Transaction Value (in million Rupiah)	Description
		Nil		

Corporate Governance

BANK STRATEGIC PLAN

To strengthen the Danamon's position in national banking industry, Danamon has directed its focus toward an increased role in prioritizing growth on financing the micro, Small to Medium Enterprises, optimization of liquidity management, increased human resources productivity, increased efficiency and productivity through business transformation as well as enhanced risk management and good corporate governance.

Short Term Plans

In the coming year, Danamon has established the following strategic measures.

Lending

Danamon will increase its market penetration in the mass market segment, continue investment and create sustainable business models. It will focus on efficiency and productivity through changes in DSP business model, and expansion of partnership with communities, strategic partners, and cooperatives in agricultural segment. In addition to reinforcing synergy with subsidiaries through cross-selling program for non-automotive financial products and improvement in integrated service.

Danamon will also increase its market share in commercial and corporate segments with a satisfactory risk adjusted return, and increase its fee based income from bancassurance, trade finance, forex and other products.

Funding

Increase in funding through office network optimization and customer acquisition through community banking approaches and synergy with the subsidiaries' network.

Danamon will also explore programs of asset securitization and financing through capital market instruments appropriate for Danamon risk profile.

Danamon will issue bonds to replace bonds/ MTN/NCD that reach its maturity date and add bonds/MTC/NCD regularly according to the need of funding, the market conditions and the pertinent regulations, while maintaining LDR of the Bank.

Overhead Cost

Danamon will put its best efforts to increase productivity and efficiency through programs of sustained business transformation and restructuring for supporting the achievement of sustainable and healthy level of profitability. Revisiting the business model, focusing on increasing HR productivity through improvement of HR capacity to perform its tasks, particularly on sales, collection and frontliner. Additionally, Danamon will improve operational efficiency by consolidation in office network and automation in manual processes.

Asset Quality

Observing prudential principles in offering loans by tightening the customer selection process, improvement of measures for fraud prevention, reinforcing the capacity for collection and recovery, initiating quantitative rating model, and gradual automation of loan application processes.

Working Network

Danamon is planning to increase the efficiency of its distribution network by improving process and organization, including infrastructure, by consolidating office network and combining similar activities into one working network.

Prime Lending Rate (PLR)

For supporting Bank Indonesia program, Danamon does its utmost to maintain an acceptable level of interest rates by increasing productivity and efficiency, improving credit quality, and harmonizing its cost of funds with the BI Rate. Credit interest rates are inseparable from interest rates of the funds, while Danamon supports OJK programs, and is in compliance with OJK rulings on maximum interest rates for deposits.

Medium and Long Term Plans (3-5 Years)

Strategic measures that will be implemented in the next 3 to 5 years are as follows:

Lending

Danamon will continue the lending growth of micro and small, including SMEs, commercial and corporate, trade finance, asset-based financing (ABF) and the financing of household goods and motor vehicles, while upholding prudential principles in the granting of loans.

Funding

Danamon will continue to strengthen its funding by increasing third party funds and issuance of bonds, while maintaining the LDR ratio in accordance with the prevailing regulations.

Risk Management

Strategic measures that will be implemented and related to the risk management are maintaining the growth of Danamon at a prudent and acceptable level, developing internal rating model at each line of business, improving the implementation of strategic management and the awareness of operational risks, and conducting study and preparation for the Internal Model Approach (IMA) conforming to the OJK regulations.

Operational and CREM

Danamon will provide simplified services, that are fast and unique to improve customer service, and encouraging customers to utilize alternatives to the branch network. In addition, Danamon will continue to conduct its centralization process to improve efficiency, and seeks to create a dynamic situation for the convenience and satisfaction of both customers and employees.

PROVISION OF FUNDS FOR POLITICAL ACTIVITIES

Danamon has a policy prohibiting the Bank's involvement in political activities, including donation of any kind for political purposes. Accordingly, there were no funds given for any political related purpose in 2014.

COMPANY'S INFORMATION ACCESS

Danamon provides ease of access of information related to the Bank for the stakeholders through communication media such as press releases, Investor Newsletter and booklet Analyst Briefing an investor newsletter. In addition, Danamon provides information on products and services, investors information, branch network, financial statements, annual report, corporate governance report, social activities, corporate actions and others avail through the website <http://www.danamon.co.id>.

In addition, to improve service and customer protection, meeting the need of information on products and services as well as handling of customer complaint and/or of non customers, Danamon provides the Danamon Access Center with 24 Hour Information (500-090).

The public may also contact:

1. Public Affairs Division at telephone number (021) 57991001-03 or email access: public.affairs@danamon.co.id.

Corporate Governance

2. Other email addresses: danamon.access@danamon.co.id; corpsec@danamon.co.id; investor.relation@danamon.co.id.

INVESTOR RELATIONS

Investor Relations Division is directly responsible to the Finance Director. The role of Investor Relation Division covers the financial and strategy aspects with the following responsibilities:

1. Provide accurate, reliable and timely information to internal and external parties, including shareholders, potential investors, analysts, rating agencies, lenders and regulatory bodies.
2. Conduct periodical activities, such as: quarterly performance report, analyst meetings, investor meetings, non-deal roadshows, and other meetings aimed to inform periodically updates on performance/strategy of Danamon.

3. Provide adequate access to information for every stakeholder regarding the Bank's financial situation and corporate actions.

In implementing the activities above, Investor Relations Division cooperates with Management, Head of each Business Division, Financial Planning and Project Division, Public Affairs Division, and Corporate Secretary.

The Team also communicates through several media, including conference calls, publication of periodical financial reports, roadshows and publication of the Annual Reports.

The following are details of information disclosures by the Investor Relations Team during 2014:

Forum	Frequency	Description
Analysyt Gathering/ Public Expose	4 times	Public expose for media, analyst and senior management to provide latest information regarding financial and non financial condition.
Financial Statement	4 times	Publication of Quarterly Financial Statement in accordance to regulation of Bapepam - LK for listed company
Annual Report	1 times	Comprehensive Report for public and stakeholders regarding performance, business and other activities of Danamon.
Roadshow and Conference	6 days	Participation in various deal and non deal roadshow held by reputable securities company to provide latest information of performance and strategy, challenges and opportunity of Danamon to investor, analiyt and other stakeholders
One on One and conference call	146 face to face meeting and 16 conference call	Meeting with analyst/domestic investor/foreign investor to provide information regarding strategy and performance of Danamon.

Throughout 2014, Investor Relations Team participated in various roadshows/conferences listed below:

Event Name	Organizer	Location	Date	Number of Companies
17th Annual Asian Investment Conference	Credit Suisse	Hong Kong	26 - 27 March 2014	17
CLSA Asean Forum	CLSA	Bangkok	7-9 May 2014	13
Investor Summit & Capital Market Expo 2014	IDX	Jakarta	17 September 2014	200

PUBLIC AFFAIRS

The Public Affairs Division is responsible for managing relations between Danamon and its stakeholders, mass media, institutions and related associations, as well as other parties. The Public Affairs organizational structure consists of five departments namely, External Affairs, Event Management, Event Management, Brand Management, and Planning and Control which covers the following responsibilities:

1. Building and managing the image of Danamon in public through its public relations function.
2. Managing its internal communications function, from Danamon management to employees and vice versa.
3. Managing external communications, including formulating messages and form of communicating so to reach external parties.
4. To coordinate the activity agenda of Board of Directors and Commissioners as well as organizing corporate events involving internal as well as external parties.
5. To serve as the first communications gateway for employees and the public who require any information regarding Danamon.
6. To act as a brand custodian for internal stakeholders, in order to ensure that all employees understand and develop a consistent perception regarding Danamon's brand use.
7. To ensure that all operational activities within the Public Affairs Division are in compliance with Good Corporate Governance, that operational risks that may adversely impact Danamon's business continuity may be avoided and to maintain Danamon's reputation and business is sustainable.

External Affairs

The External Affairs Unit perform various functions, among others:

1. Managing corporate communication and Bank's strategic information such as presenting quarterly and annual financial report and outcome of the Annual General Shareholders Meeting in the form of press release.
2. Media monitoring and analysis as well as managing issues sourced from other media.
3. Forming and maintaining a good relationship as well as cooperating with external parties including media, institution and other relevant agencies.
4. Disseminating information to support Good Corporate Governance initiatives namely corporate transparency through various means such as website, press release, letters to the editors, interviews, meetings with related stakeholders.

Corporate Governance

5. Preparing corporate annual report and sustainability report
6. Managing corporate website.

The activities of External Affairs Unit in disseminating information on Danamon throughout 2014 is listed in table below:

2014 activities	Frequency
Press Conferences	12
Publishment of Quarterly Financial Statements in national newspapers	4
Annual Report	1
Public Expos	4
Press Release	26
Media Coverage (Photos and Articles)	2,695
Media Visits	3
Annual General Meeting of Shareholders (AGMS)	1
Media Workshop	1



Media Visit Danamon to The Jakarta Post - June 11, 2014



Media Workshop Danamon and Adira - November 18, 2014

Press Conference Danamon 2014

Date	Title
12 February 2014	Presentation of Danamon 2013 Performance
26 March 2014	Memorandum of Understanding (MOU) Signing between Indosat and Danamon
16 April 2014	Presentation of Danamon First Quarter 2014 Financial Performance
24 April 2014	Indonesia Trade & Commodity Finance Conference
5 May 2014	Launching of OJK and Danamon SiMOLEK (Mobile Financial Literacy) socialization program
30 June 2014	Media Break Fasting with Danamon Syariah, Adira Finance and Adira Insurance.
17 July 2014	Presentation of Danamon Second Quarter 2014 Financial Performance
16 September 2014	Launching of Danamon Syariah Tabungan BISA iB and Tabungan BISA Qurban iB
17 September 2014	Investor Summit & Capital Market Expo 2014
16 October 2014	Presentation of Danamon Third Quarter 2014 Financial Performance
30 October 2014	Danamon Social Entrepreneur Awards & Bisa! Award Night 2014
17 November 2014	Launching of D-Mobile, the new Danamon Mobile Banking feature

Corporate Governance



2014 First Quarter Public Expose - April 16, 2014

Press Releases during 2014

Date	Title
12 February 2014	Danamon announces the 2014 Financial Performance
17 March 2014	Announcing Winners of Red Match Danamon Manchester United card to watch Big Match Manchester United vs Liverpool
26 March 2014	Telecommunications and Banking joint strategic initiative Indosat and Danamon
16 April 2014	Danamon Announces First Quarter 2014 Results
24 April 2014	Danamon supports the development of Trade Finance Indonesia through Indonesia Trade & Commodity Finance Conference
5 May 2014	Danamon supports OJK's Finance/Banking Literacy and Education program
7 May 2014	Danamon Annual General Meeting of Shareholders
26 May 2014	Customers of Danamon Manchester United Card meet Manchester United legends in Bandung
25 June 2014	Danamon Simpan Pinjam conducts Customer Education and Appreciation
25 June 2014	Danamon holds Blood donation across 100 cities in Indonesia
30 June 2014	Danamon Syariah, Adira Finance and Adira Insurance presents Business Development in concurrence with break fasting with Media
16 July 2014	Danamon celebrates its 58th Anniversary
17 July 2014	Danamon announces the first semester 2014 financial performance
22 July 2014	Announcing Danamon Operational Activities during Idul Fitri
16 September 2014	Danamon Syariah launches Tabungan BISA iB and Tabungan BISA Qurban iB providing ease of planning for qurban (animal sacrificing)
17 September 2014	Danamon participates in Investor Summit & Capital Market Expo 2014
1 October 2014	Danamon announces Five Danamon Social Entrepreneur Awards 2014 Winners
14 October 2014	Danamon asks communities in Bogor to be alert of fraudulent attempt using Danamon's name

Date	Title
16 October 2014	Danamon announces Third Quarter 2014 Financial Performance
27 October 2014	Danamon treats its Manchester United cardholders to watch English Premier League big match live in Old Trafford stadium
30 October 2014	Danamon holds Social Entrepreneur Awards 2014
12 November 2014	Danamon supports OJK Financial Literacy Program
17 November 2014	Danamon launches D-Mobil, Danamon Mobile Banking
9 December 2014	Danamon announces Henry Ho Hon Cheong is stepping down as President Director Danamon plans to appoint Sng Seow Wah as the President Director and Muliadi Rahardja as the Vice President Director in the upcoming EGMS.
17 December 2014	IFC and Danamon embark in the development of Agrobusiness Financing Design Model
23 December 2014	Danamon banking services during Christmas and New Year 2015

Danamon KLIPING MEDIA			
Kompas Bisnis Indonesia The Jakarta Post Investor Daily Koran Tempo Kontan (daily)	Media Indonesia Suara Pembaruan Sinar Harapan Republika Koran Jakarta Koran Sindo	Jakarta Globe Suara Merdeka Kontan (tabloid) Kedaulatan Rakyat Pikiran Rakyat Indo Pos	TAHUN 2014 Edisi : TGL. : 7 HAL. : 17 Jam :
Gatra Tempo inilah.com SWA Info Bank Warta Ekonomi	Pikiran Rakyat Trust Investor antaranews.com kompas.com detik.com	Analisa Indonesia Finance Today Jawa Pos bisnis.com vivanews.com member.antaranews.com	JAN FEB MAR APR MEI JUN JUL AGT SEP OKT NOV DES

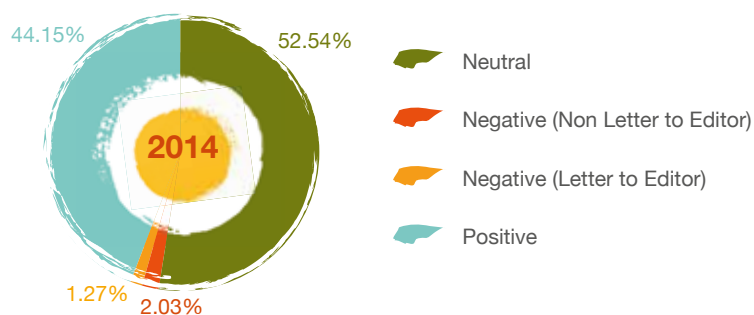


EDUKASI PERBANKAN: Direktur Utama Danamon Henry Ho (kn) disaksikan Direktur Literasi dan Edukasi OJK Agus Sugarto (kanan) menggantung pita di depan mobil Simolek, yang menandai dimulainya rangkaian sosialisasi program Literasi dan Edukasi Perbankan di 14 kota di Indonesia periode 5-11 Mei 2014, di Pasar Juanda, Bekasi, Jawa Barat, Senin (5/5).

Corporate Governance

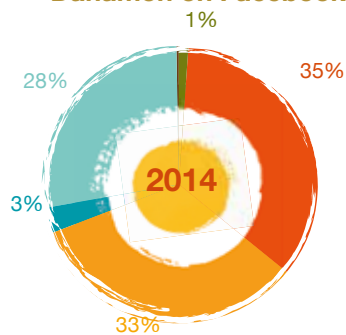
Danamon consistently monitors reports appears on print and electronic media and they are listed as follows:

Media Coverage - 2014

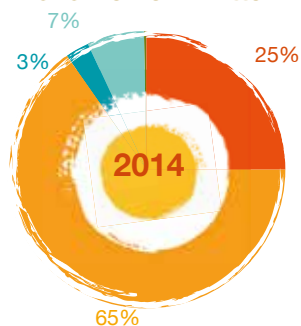


Danamon and Adira in Social Media (Facebook and Twitter) in 2014:

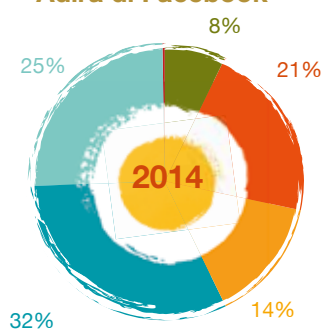
Danamon on Facebook



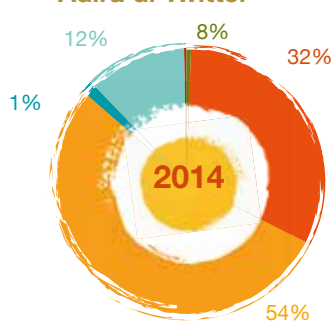
Danamon on Twitter



Adira di Facebook



Adira di Twitter



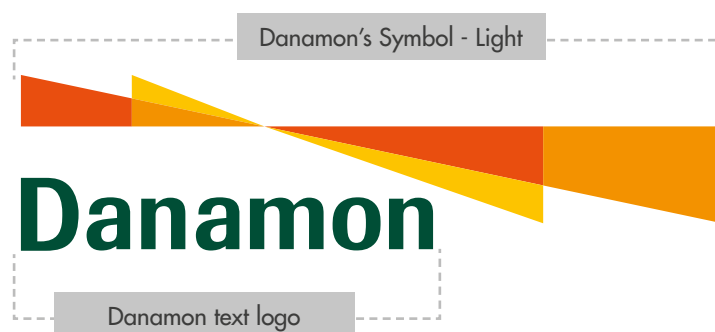
- Complaints
- Corporate
- Employee
- Marketing/Promo
- Others
- Compliment

Brand Management

Danamon's Brand is a representation of the Bank's Vision: We Care and Enable Millions to Prosper and Danamon's Mission to be The Leading Financial Institution in Indonesia with a significant market presence. communicated through TV commercials, print media, radio, outdoor media, and online campaigns.

In 2014, Danamon organized surveys and cooperated with Nielsen, an international survey agency, to measure the level of public knowledge about the Danamon brand in the banking industry. The results of brand awareness were positive enabling Danamon to retain its position as one the top 5 banks in Indonesia.

"To become the guiding lights for millions to prosper" is Danamon's aspiration, represented through the ray of lights in Danamon's logo. The concept of a ray of light has been part of Danamon's logo since 2002.



The promise 'We make it happen for you' which has been introduced since 2008, is the core of Danamon's services, products and programs. This promise places Danamon in a unique position compared to its market competitors.



Winners of Danamon Social Entrepreneur Awards 2014 with Danamon's Directors.

Corporate Governance

Since it was first held in 2006, Danamon Social Entrepreneur Award has provided the highest appreciation to the social entrepreneurs striving for the same vision.

Danamon Social Entrepreneur Awards is recognition presented to ordinary individuals who are able to give extraordinary and continuous effort in empowering themselves and their surrounding environment through entrepreneurial solutions for at least a year.

Danamon presented the awards to five Social Entrepreneur winners as follows;

No.	Name		City	Age	Gender	Activities
1	Adinda Soraya Mutialarang	Village Product Developer	Bandung	25 Years	Female	Empowerment of farmers by modernizing traditional snacks' production
2	Alia Noor Anoviar	Penggerak Mimpi	Jakarta	23 Years	Female	Empowerment of marginal communities by skill training and education.
3	Haris Purnawan	Pemuda Goa Pindul	Yogyakarta	24 Years	Male	Development of Pindul Cave tourism potential based on community empowerment
4	Sanusi	Petani Urban	Tangerang	69 Years	Male	Utilizing idle riverbanks into productive use by empowering surrounding neighborhood community
5	Andreas Sukendro	Katalisator Kemandirian	Medan	47 Years	Male	Special School of Nature for special needs children and teenagers

Danamon

Danamon SOCIAL ENTREPRENEUR AWARDS

Home | Tentang Awards | Juni Awards | News Update | Timeline | Peraih Awards Sebelumnya | Contact Us | Peraih DSEA 2014

Berinovasi untuk mengembangkan produk desa di Indonesia."

Adinda Soraya Mutialarang
PENGEMBANG PRODUK DESA

PARA PERAIH AWARDS 2014

JUNI AWARDS 2014

<p>Rhenald Kasali Rhenald Kasali adalah seorang dosen Fakultas...</p>	<p>Septa Nirwandar Pria kelahiran Bantul yang pernah menjabat sebagai...</p>	<p>Toriq Hadid Pria kelahiran Surabaya ini menjabat sebagai...</p>	<p>Nadine Zamira Sjarief Wanita kelahiran Jakarta, 20 Februari ini...</p>	<p>Ketut Alam Wangsa Wijaya Lulusan Fakultas Teknik Universitas Indonesia (1998)</p>
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TIMELINE

22 September - 24 Oktober 2014 Periode pengumpulan surat untuk memilih satu Peraih Award Danamon Social Entrepreneur Awards	24 - 29 Oktober 2014 Periode voting dukungan Peraih Award Danamon Social Entrepreneur Awards	30 Oktober 2014 Malam pengumuman Peraih Award Danamon Social Entrepreneur Awards
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NEWS UPDATE

Populerkan Produk Lokal di Mata Dunia

Adinda Soraya Mutialarang adalah wanita muda berusia 25 tahun yang memajukan bisnis makanan ringan dengan mendirikan sebuah bisnis sosial bernama Desanesia. Desanesia itu sendiri berasal dari kata 'desa' dan 'Indonesia'. Dengan nama itu, Adinda mempunyai harapan produk lokal desa dapat menjadi populer dan mampu meningkatkan pendapatan daerah setempat. Wanita dengan latar belakang pendidikan Agribisnis dari Universitas ini tidak mendirikan Desanesia sendirian. Ia mendirikan Desanesia dengan dua temannya yang juga lulusan universitas di Bandung. Adinda melihat potensi bus-bus di desa Cikong dan desa Cikidang yang tidak mempunyai pekerjaan. Desa Cikong adalah penghasil renggingan - camilan berupa nasi kering yang digoreng, dan Desa Cikidang...

RECENT TWEETS

Danamon Awards @socialpreneur
Menurut Rhenald Kasali, apa sih yang paling penting dari bisnis? Jawab: Share ya!
Retweet

Danamon Awards @socialpreneur
Berkas foto ini, ini desa Karangrejo menjadi salah satu peternakan ikan yang maju dan sukses. Lihat yang ini!
Retweet

Display View of 2014 Danamon Social Entrepreneur Award Website.

Corporate Governance

Education on Banking

Refer to Financial Services Authority (OJK) regulation No. 01/POJK.07/2013 regarding Consumer Protection Sector Financial Services and OJK Circular No. 1/SEOJK.07/2014 regarding the implementation of education to increase financial literacy to consumers and/or public.

These are aligned with Danamon's vision of "We Care and Enable Millions to Prosper", and as a form of commitment and support to the initiative, Danamon implemented activity called Banking Education with Danamon.

The implementation of this education initiative emphasized in providing information on:

- Benefits from banking products
- Rights and obligation when purchase/use banking products
- Understand the risk that may occur when purchase/use banking products
- Basic features of the products and services of Danamon.

Brand Management plays a role in implementing educational activities aligned with strategy and direction of Financial Services Authority (OJK) and coordinating with Danamon internally.

Series of activities on Education of Banking implemented amongst others:

1. Banking Education with Danamon & Si-Molek, held from 5th - 12th of May 2014.

In this event Danamon selected three topics focusing on:

- Family Financial Planning
- Basic Products of Syariah Banking
- Preparing Personal Financial for Working World

The education events were carried out in 23 locations across 14 cities throughout Indonesia at the following venues:

- Danamon branches and outlets
- Traditional markets for Micro Banking
- Shopping centers
- Colleges

Pasar Juanda Bekasi

Kunjungan ke toko nasabah DSP



Lomba memasak
martabak DSP



Edukasi keuangan
keluarga



Pemenang doorprize



Pasar Rau Serang



Lomba masak nasi
goreng



Pemenang Doorprize



Edukasi keuangan
keluarga



Corporate Governance

Kelurahan Pandan Lamper Semarang



2. Indonesia Financial Industry Exhibition, which was held in Kupang, East Nusa Tenggara on November 12-13, 2014. The activities include:

- Seminars/workshops which was organized by OJK and supported by the financial institutions including Danamon held at Aston Hotel, to provide education on financial management, introductory of OJK and Financial Services Industry to the micro, small and medium enterprises (UMKM), Housewives (IRT), Academics and the public.
- Indonesia Financial Services Industry Exhibition which was held in Flobamora Mall, Kupang, to introduce various financial industry products and services to the public of Kupang and East Nusa Tenggara, where banking penetration is still limited, including non-bank financing and capital market industry so as to assist them in managing finance.



3. People's Financial Market, which was held on December 20-21, 2014 at Hall A & Hall D of Jakarta International Expo.

The underlyings for holding this event were:

- Survey results of financial literacy indicating the society's literacy and usage level on various financial instrument is still relatively low.
- Middle and low income group (C, D and E) access to financial products and services is low.
- Financial products and services are becoming increasingly diversified both in quantity and types and therefore introduction and education of financial products to the public are required.
- The needs for the public to be introduced and educated on low cost financial products and services.

This program is aimed to:

- Encourage the public to increase the use of financial products and services.
- Provide information concerning benefits and risks of financial products and services, also their rights and obligations as financial consumers.

Corporate Governance



Event Management

Danamon organized event as means of communicating to external parties such as the media, customers, stakeholders, as well as to its employees as internal party. In 2014, the Event Management unit organized the 50 corporate events, most of which were attended by the Commissioners and/or Directors representing the Management.



Danamon Chinese New Year Customer Gathering 2014

Internal Communication

The Internal Communication Unit under the Public Affairs Division has a role in managing the communication channels to the employees of Danamon and its subsidiaries.

The following are the internal communication channels managed by the Internal Communication Unit:

Bisa! Award

Bisa! Award is an award given to the employees of Danamon and its subsidiaries, who have performed in supporting Danamon's core values and realizing the Banks's visions. Bisa! Award 2014 was held on 17th of July 2014 participated by more than 130 employees of Danamon, Adira Finance, Adira Insurance and Adira Kredit. The winner of the Bisa! Award 2014 was announced on the 30th of October 2014, with three winners each for the General and Service Excellence Category.

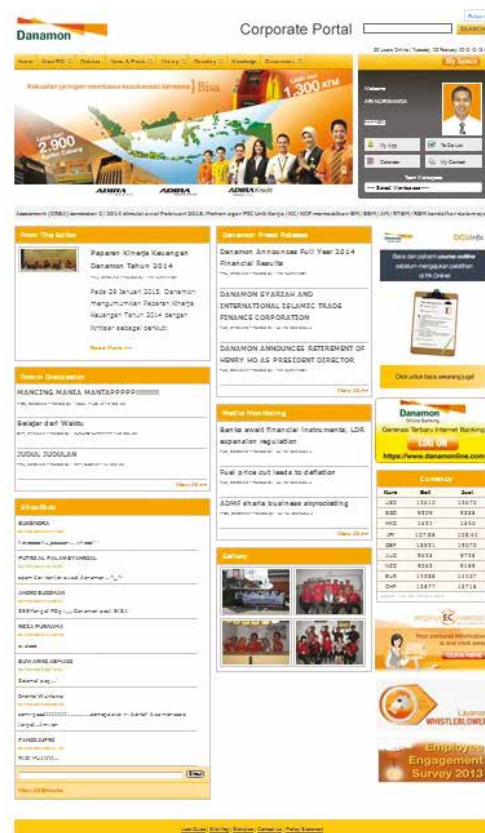


Winners of Bisa! Award 2014 with Danamon's Directors and Judges

Danamon Portal

To facilitate the employees of Danamon with the latest and important information such as work related performance, company data, policy archives and memo publications, Danamon provides an intranet facility accessible by the employees at anytime.

Corporate Governance



Display View of Danamon Portal

Spirit - Internal Magazine

Danamon has an internal communication media in the form of a magazine called “Spirit” circulated to all employees on a periodic basis. This magazine contains among others messages from the Board of Directors and management, coverage on products and services launches and inspirational articles.



In 2014, Spirit was published nine times in digital form and printed with themes related to Corporate Culture and Brand Personality Danamon:

Editions	Themes
1.	Excellence is Not an act but a habit
2.	We Do What We Say - Walk The Talk
3.	All For One, One For All
4.	Honesty is The Best Policy
5.	Caring
6.	Energetic
7.	Proactive
8.	Enabling
9.	Capable

E-Mail Blast

This communication media convey information through email which can be directed to all employees or to pre-selected group of employees. The type of information which can be featured via e-mail blast, among others, are the messages of the Board of Directors, corporate information or HR/divisions policies and products information. There were 355 E-mail Blast published in 2014.



Corporate Governance

Live Chat with Our Director

“Live Chat with Our Director” is an event of direct communication with any members of the Board of Directors through chatting facility in Danamon portal. In 2014, such program was held 12 times as follows:

Date	Director
10 January 2014	Henry Ho Hon Cheong
21 February 2014	Vera Eve Lim
27 March 2014	Muliadi Rahardja
25 April 2014	Minhari Handikusuma
15 May 2014	Michellina Laksmi Triwardhany
24 June 2014	Herry Hykmanto
18 July 2014	Fransiska Oei Lan Siem
22 August 2014	Satinder Pal Singh Ahluwalia
17 September 2014	Kanchan Keshav Nijasure
23 October 2014	Muliadi Rahardja
25 November 2014	Vera Eve Lim
18 December 2014	Pradip Chhadva



Henry Ho Hon Cheong, President Director in Live Chat with Our Director

Skip Level Meeting

This activity is an informal forum between the President Director of Danamon with several senior employees of one or two levels below the Board of Directors. In 2014, Skip Level Meeting was held twice and attended by 24 employees.



Public Affairs' Planning and Control

Planning and Control Unit aims to ensure that the entire operational processes and activities managed by the Division of Public Affairs are carried out well and in accordance with the work plan and annual budget, so that any residual risks will not cause adverse impact on the continuity of Danamon's business. This unit is also responsible for coordinating Human Resources function covering employees the development and training.

CUSTOMER SERVICE UNIT

Danamon Access Center or DAC services unit is a 24-hour service via phone number 500-900. This service is available to any customer of Danamon or any user of Danamon service owning account with the Bank or those with no account but doing financial transactions through Danamon. DAC team is always ready to provide the service assistance needed ranging from requests for information to the settlement of complaint.

DAC continually strives to improve the existing service standards. This endeavor seen in 2014 where CCSEI agencies issued results (Contact Center Service Excellence Index) wherein DAC received five awards. Priority Banking ranked in the Top four, while the Regular Credit Card, Regular Banking, Platinum CC as well as incoming Email made it to Top 10 in rankings.

One of DAC's focus of attention is to continuously improve in the area of complaints settlement. As such, DAC Customer Care is present to respond all claims as a centralized customer complaint handling service unit. The mechanism of handling and settling customer complaint refers to the OJK regulation on Customer Protection Number 1/POJK.07/2013 and Bank Indonesia Regulation Number 16/1/PBI/2014 regarding Consumer Protection of the Payment Services System.

To continue refining and improving the quality of complaint settlement, DAC continuously enhance supervision of handling and finding resolution to the complaints. DAC also ensures the SLA for complaint closure is achieved.

DAC in this case do not work alone. Rather, DAC collaborates with the related work units as well as the Service Quality Team. The collaboration not only limited to do a review on the existing issues, but also provide feedback in order to increase the effectiveness of complaint handling and settling customer complaint. DAC also delivers reports periodically to the management of the Bank on the service issues addressed and settlement of customer complaint.

Category of Customer Complaint

Complaint settlement is one of the areas of most concern to Danamon. It is believed that a complaint when handled correctly and appropriately increase customer trust and satisfaction level.

Customer complaints are divided into two categories:

1. Quick Kill, an immediate complaint settlement by a frontliner at the time of the complaint.
2. Non Quick Kill, a complaint requiring further handling by the Customer Care team.

DAC Customer Care

DAC Customer Care are units centralizing customer service complaints. Complaints can be filed either in through various channels such as Call Center, Correspondence, Branches, and other divisions. As a benchmark settlement, the customer will be informed of the timeframe required in accordance to the type of problem.

DAC and Service Quality team will periodically conduct a review of existing problems for feedback to the relevant units as the basis for improvement of processes or services in area. Besides issues received, other completion will be reported periodically to the Danamon's management.

Corporate Governance

Customer Complaints Management 2014

Reasons of Customer Complaints	Non-Payment System	Related to Payment System	Total
Customers' knowledge of product characteristics	2,249	7,547	9,796
Inadequate information of products	440	466	906
Disruption/breakdown of Information technology and equipment	171	3,444	3,615
Disruption/breakdown of ATM/payment point	331	7,919	8,250
Change/termination of agreement/contract	248	83	331
Customers' negligence	2,537	1,157	3,694
Banks' negligence	147	1,039	1,186
Banking frauds	617	16	633
Others	0	0	0

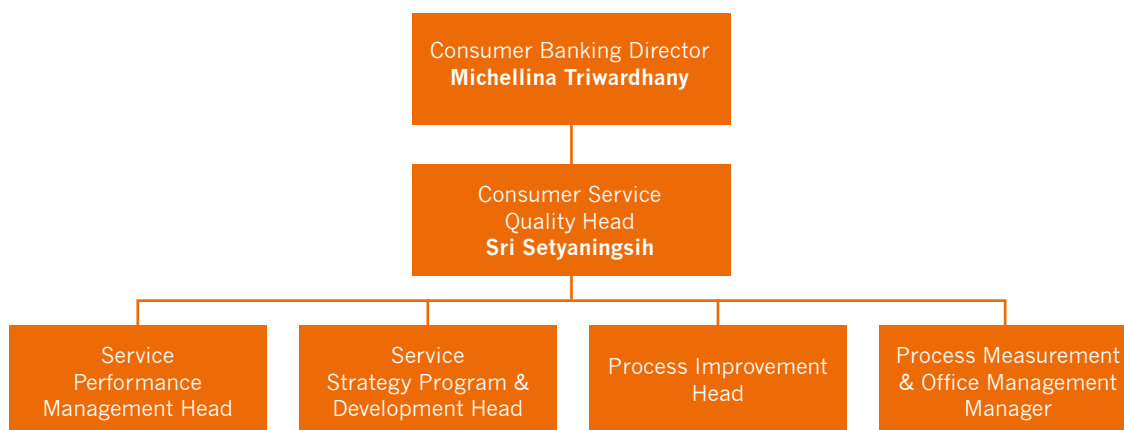
PRODUCT TYPE	CATAGORIES OF PROBLEMS						
	Interest/Profit sharing/Profit Margin	Fine/ Penalty	Administration Fee/Provision/ Transaction	Transaction Failure/Delay	Account Receivable/ Account Balance	Others	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1. Funds Collection							
1.1 Demand Deposits		3	2	18	5		28
1.2 Saving Deposits	4	21	24	290	144	904	1,387
1.3 Time Deposits	1			1	11		13
1.4 Inter-Bank							
1.5 Other	0	0	254	69	145	3,037	3,505
2. Funds Distribution							
2.1 Credit/Financing							
2.1.1 Investment Credit/Financing	5	1			2		8
2.1.2 Working Capital Credit/ Financing				1	3		4
2.1.3 Consumption Credit/Financing (non CreditCard)	52	82	55	218	220	739	1,366
2.2 Inter-Bank							
2.3 Other							
3. Payment System							
3.1 ATM/Debit Card	7	7	1,264	1,855	12,294		15,427
3.2 Credit Card	4	12	19	91	2,981	2,074	5,181
3.3 Pre-Paid Card				1			1
3.4 Direct Debit	1	2	3	23	4		33
3.5 Standing Instruction				2			2
3.6 Travellers Cheque				1			1
3.7 Clearing				83		245	328
3.8 RTGS		1	1	32	2	20	56
3.9 Electronic Banking			17	11	27	543	598
3.10 Remittance	10			4			14
3.11 Other						30	30

PRODUCT TYPE	CATAGORIES OF PROBLEMS						Total
	Interest/Profit sharing/Profit Margin	Fine/ Penalty	Administration Fee/Provision/ Transaction	Transaction Failure/Delay	Account Receivable/ Account Balance	Others	
	(a)	(b)	(c)	(d)	(e)	(f)	
4. Joint Products							
4.1 Bancassurance	26		129	58	134	73	420
4.2 Mutual Funds			1				
4.3 Other							
5. Other Products							
5.1 Bank Guarantee				2			2
5.2 Trade Finance							
5.3 Derivatives				1			1
5.4 Wealth Management				2			2
5.5 Safe Deposit							
5.6 Other	3		1				4
Total							28,411

CONSUMER SERVICE QUALITY

Consumer Service Quality (CSQ) is one of the units under the Consumer Banking Directorate which is responsible for the implementation of the service of a conventional branch in providing Service Excellence to customers.

Organizational Structure of Consumer Service Quality



Service Culture and Service Quality

In building Service Culture and improve quality of service, Consumer Service Quality initiated services benefiting branch to meet its customers satisfaction level, earn their loyalty and engage customers to the Bank.

Corporate Governance

During 2014, Danamon received various appreciations in service, among others:

No	Name of Organizer	Name of Event	Award Category	Rank
1	Marketing Research Indonesia & Infobank	Bank Service Excellence Monitor (BSEM) 2013/2014	Best Overall Performance Commercial Bank Best Teller Commercial Bank Best ATM Islamic Business Unit Best Phone Handling Islamic Business Unit	5 1 1 3
2	MarkPlus Insight & Marketeers	MarkPlus WOW Service Excellence Award 2014	The Best of Banda Aceh The Best of Pontianak The Best of Makassar The Champion of Medan The Champion of Semarang The Champion of Balikpapan The Champion of Jayapura The Champion of Bandung The Champion of Surabaya	1 1 1 2 3 3 3 3 2
3	Institute of Service Management Studies (ISMS) & Infobank	Service Quality Overall 2013	Bandung Jakarta	1 3
4	Roy Morgan	Roy Morgan Customer Satisfaction Award 2013	Bank institution	3
5	Carre-Center for Customer Satisfaction and Loyalty (Carre-CCSL)	Excellence Service Experience Award 2014	Good Grade for Regular Banking Category	-

Several initiatives were undertaken to consistently support the implementation of “Service Culture” and “Service Excellence”, among others Service Program, Service Competition, Service Measurement, and Service Training & Development.

Consumer Service Quality has provided Service Training to ±2,719 employees of Retail Banking Operation, Human Resources - Employee Service Centre (ESC), and Small Medium Enterprise (SME) across Indonesia. In addition, Consumer Service Quality also provides special attention and effort to increase service quality through process improvement impactful for customers. Such process improvement aimed to increase customer service satisfaction and comfort level when transacting through a simple, fast, and flexible process.

Process improvements that have been performed, among others Paperless Account Opening, Time Deposit Quick Redemption by Transfer to Saving, Process Improvement Western Union, Centralized Customer Complaint/D’Connect, and Sales & Service Officer (SSO) Documentation Project.

The process improvements are an attempt to make Danamon as the Bank with the fastest service in Customer Service and Teller. In addition, Service Clinic activities have been carried out to 250 branches of Danamon, which aims to improve processes and customer service standards.

CORPORATE CULTURE

Corporate culture is a set of values which guide, provide order and manage behavior of the employee, Directors and Board of Commissioners of Danamon in performing their duties and responsibilities to achieve the objectives aligned with the Bank Vision and Mission. Danamon continuously socializes and internalizes its Corporate Culture to ensure its existence and is reflected in the day-to-day activities, interaction and decision-making.

Corporate Culture Principles

Danamon maintains a corporate culture driven by the Bank's cultural values which consists of Caring, Honesty, Passion to Excel, Teamwork, and Disciplined Professionalism.

Caring

We give a genuine concern for the well-being and advancement of others. This will bring out the best in us.

Honesty

We always hold the truth to ourselves and others without any hidden agenda.

Passion to Excel

We always dare to come up with better ways of doing things to achieve the best result, whilst mitigating the risks involved and without compromising the solidity of our company.

Teamwork

We leverage the diversity amongst us as the strength of our team to achieve common goals.

Disciplined Professionalism

We deliver our responsibility with the highest standards and ethics and professionalism, through Disciplined People, Disciplined Thoughts, and Disciplined Actions.

CODE OF ETHICS

Danamon's Code of Ethics is prepared based on the Bank's Vision, Mission, and Core Values, Banking Ethics, regulations, and applicable laws. The Code of Ethics is a basic guideline and an integral part of the Bank's policy, as well as a part of its Collective Labour Agreement. The Code of Ethics covers the propriety of the policy, or appropriateness, based on the values and moral considerations concerning integrity, conscience, self-awareness, professionalism and a positive image, as well as the Bank's good reputation.

The Scope of Code of Ethics Implementation

All parties, which include Directors, Commissioners, and Employees, without exception, must understand, comply and implement Danamon's Code of Ethics. The consequence of violating against Code of Ethics is sanctioned to termination of employment.

Code of Ethics Principles

A Code of Ethics is formed referred to the Bank's core values. In principle, Danamon's Code of Ethics regulates the following:

Code of Ethic - Conflict of Interest

All parties must avoid situation where conflicting interest between personal interest and interest of the Bank may occur.

Relating to Danamon, the following items which govern this matter:

1. Employee Status

In principle the Bank does not wish its employee to be bound with employment agreement with another employer during working hours, and/or having another income outside the Bank.

2. Protection and Utilization of the Bank Property

In principal, the utilization of the Bank property is intended for carrying out work assignments, which has to follow the prevailing procedures and for the Bank

Corporate Governance

interest. The utilization for the purpose other than for work has to be accounted for and requires prior written permission from the Head of the Work Unit.

3. Family Relationship

In terms of acceptance of the New Party, candidate of the Parties who have a direct family relationship with the other Parties (father, mother, wife, husband, brother/sister, or son/daughter) are to be avoided. In case, under special circumstance and for certain reasons retention of the said parties is required, the parties is not allowed to be in the work unit that is related or have influence on one another.

Relationships with Others Parties, which set about:

1. Relationship with Other Parties

Protect the customers', colleagues' and/or vendors' confidentiality in accordance to the prevailing rules and regulations. Avoid making decision on behalf of the Bank, which implies conflict of interests based on friendship, family tied, and/or others for own benefit or benefit to others. Not using the Bank name for personal interest, among others for political and/or other personal business activities. Not giving others items which may cause negative presumption and place the Bank reputation at risk.

2. Customer Service Conduct

Employees should be responsive and make every effort to understand customer needs and give their best in seeking alternative solutions to solving customer issues, while attending the interest of the Bank and the prevailing laws and regulation.

3. Relation with Partners (Third Party/Supplier/Vendors)

All parties must refrain from making decisions for personal interest, family, friendship or based on unprofessional reasons.

4. Giving and Receiving Present/Gift

In principle, the Bank does not allow to provide or accept gift of any kind, presents from other parties in returning favors, service, expressing sympathy with reference to person to person business.

5. Entertainment

In principle, entertainment may only be exercised by Directors, Commissioners and selected Officers for the interest of the Bank and implemented in line with the prevailing regulation and not conflicting with the Bank values.

6. Protection and Utilization of Customers, Clients and Vendors Property Rights

The parties are not allowed to user or accept facility owned by customers, clients and/or vendors and prohibited from accepting or requesting loans from them for personal interest.

7. Bribery

The Bank prohibits bribery in any shape or form.

8. Activities outside the Bank

Employees and Directors are prohibited from occupying positions in any political party or political-oriented public organization, which may potentially consume working hours or concentration, except with the Bank approval.

Employee inter-relations, which governs about:

1. Ethics of Teamwork

Relations between the employees shall not be affected by a threat, violence, and any form of discrimination and abuse based on race, religion, color, gender, age or personal inability either through comments, teasing and or action, nor shall the inter-employee relations be affected by the interest of an individual employee and the Bank or among groups within the Bank.

2. Marriage between Employees

In case of marriage between employees, they shall not be allowed to work in the same work unit having a direct relation or otherwise can influence each other.

Code of Ethics - Dealing with Information Relation between Parties Concern with Bank

1. Information Security

All information belonging to the Bank shall have status as Bank proprietary right (right which cannot be possessed by other party without consent). Each Party shall be responsible for securing and preserving confidentiality of the information they deal with in accordance with the prevailing regulation.

2. Other Parties' Proprietary Information

The Parties concerned must protect all forms of information known belonging to other parties. Accordingly Each Party does not have the rights to distribute such information without prior consent of both parties involved or based on commitment made with other parties or the prevailing laws and regulation, must be treated confidential.

Code of Ethics - Compliance and Ethics

1. Compliance with Related Regulation

The parties concerned must study, understand and comply with any prevailing rules, policy or regulation and or all directions/ instruction relating to their positions/ function within the organization hierarchy. In relation to other parties, the prevailing provision, policy or regulation applicable is restricted to the relevant parties. For Parties that perform any deviation, negligence or violation of the prevailing Provisions, Policies or Regulations, shall be penalized in accordance with the procedures and applicable regulations.

2. Matters Related to Ethics

The parties should demonstrate their professional value and ethics in maintaining appearance and attire. The parties concerned are prohibited from using harsh words abusive, alluding to someone's physical defect, ethnic group, race, religion or words that can be classified as foul words, either in Indonesian language or any other languages in an emotional and unprofessional manner as to ensure harmonious working environment is maintained. The parties concerned are prohibited from smoking in the working environment, either during or outside working hours either individually or in a group, except in a specifically assigned smoking room aimed to ensure healthy environment, clean and prevent from any fire hazard.

Distribution, Enforcement and Sanction due to breach of Code of Ethics

As part of enforcement, every employee has signed the Code of Ethics Statement submitted to the Human Resources Division (HR), Head Office. The Unit Head socializes Code of Ethics to the employees under his/her

Corporate Governance

coordination and is required to report to his/her direct superior, or Head of work unit and/or the local Human Resources unit in case of breach, or attempt to breach Code of Ethics. In addition, Code of Ethics has become part of performance appraisal process conducted by semester.

The consequence of serious breach to the code of ethics is from sanction to termination of employment.

WHISTLEBLOWING SYSTEM

Whistleblower System is a communication channel provided by the Bank that allows employees, customers, vendors or other parties to report instances of fraud or other violations without fear. System of whistleblowers is one form of commitment in supporting the implementation options of corporate governance is good business practices and integrity.

In providing a sense of security for the informant, the informant does not obligate to Danamon include identity. But if the informant mentioned the credentials, then the Danamon will protect and maintain the confidentiality of the identity of the informant.

All information coming into the whistleblower or fraud hotline will be reviewed and acted upon by the related parties such as: HR Division, Fraud Investigation Unit investigating fraud Units or SKAI is in the Line of Business or subsidiary. Based on the policy of Whistleblowers, each report is received and the results of the investigation will be registered every month to then reported to management and the Audit

Committee periodically. Whistleblowers report also reported to OJK each semester according to the SEBI No. 13/28/DPNP regarding implementation reporting anti fraud strategy.

Whistleblower Policy

Danamon support whistleblowers by publishing Directors Decree No. Kep: DIR-COMP-025 Whistleblowers and Director Decree No. Kep: DIR-CORP.SEC-007 subject Policy Fraud and Fraud Committee. This policy has been socialized to all employees through a variety of media such as: email blast, a Portal company, and the Bank website (www.danamon.co.id).

Protection for Whistleblower

Danamon also provides protection for employees who report fraud or other violations of the Act by publishing Director Decree No. Kep: DIR-SDM-060 subject Employee Protection. This is in order to provide support and security for employees who reported the fraud Act.

Delivering Violation Report

In order to provide convenience and sense of security, Danamon provides means of reporting set in the Whistleblowers Policy.

Violation report related to fraud, breach of code of ethics, morality, infringement and other threats can be submitted by the informant (employees or third parties) through email or fax to:

- Internal Audit Work Unit,
- Human Resources Division, and
- Compliance Work Unit

No Fax: +62 21 25505950

Email: whistleblower@danamon.co.id

Specifically on violation related to fraud may also be addressed to the Fraud Investigation unit under SKAI via Email: fraud@danamon.co.id.

Each report needs to contain the following:

1. Name involved in the violation or indicative to violation.
2. Chronology of events
3. Time and place of incident

Violation by Member of the Board of Commissioners and Directors

Report on the violation or potential violation by member of the Board of Commissioners or Directors, other than the above communication channel, the informants can submit their report in writing sealed addressed to the Chairman of the Audit Committee (Independent Commissioner).

Protection for the Informants

Danamon is committed to protecting the informants, building sense of security and safety and encouraging those who are exposed to file a violation report. The protection is provided in the form of:

- a. Protection of the informants identity, including information used in contacting the informant.
- b. Protection of the informants from retaliation by those being reported or other affected parties.
- c. Protection from pressure, rights as employee, legal lawsuits, assets to physical harm.
- d. Protection extendable to include family members of the individuals who report.

In addition, Danamon also provides legal protection in line with the provisions of the applicable legislation and regulations. This commitment includes protection from criminal prosecution and/or civil liability, as well as the protection of personal safety and/or physical threat from reporters family and/or mentally.

Managing Complaint, Parties Handling Complaint and Sanction

Reports received by the Internal Audit Unit, Human Resources and/or the Compliance Unit are evaluated for possible escalation toward investigation stage or forwarded to the appropriate parties.

The process of investigation is carried out under presumption of innocence and objectivity. To ensure examination is carried out objectively, investigation on potential violation is conducted by the internal and independent investigating team. The investigation report includes the supporting evidences and reported to the Board of Directors and Audit Committee periodically.

Report on the results of investigation is used as the basis for decision to sanction or lead to further action. Furthermore, the party or individual who is proven as the violator is sanctioned in accordance to the prevailing laws and provision in line with Danamon's internal regulation. To maintain objectivity, sanctions are given by the Fraud Committee at Headquarters and Regional levels.

Complaint Handling Results in 2014

Throughout the year 2014, Danamon through the system of violation reporting, accepted and investigated 128 reports. Up to the end of 2014, 71 investigation reports were completed and resolved, 22 of which related to fraud cases and 49 cases non-fraud. While the remaining 57 reports are still under investigation.

LOB/ Subsidiaries	Number of Complaints	Total Closed	Complaints Status		
			Review Completed		Still being investigated
			Fraud Finding	No Fraud Findings	
Danamon	108	54	7	47	54
Danamon-Unit Usaha Syariah	-	-	-	-	-
Subsidiaries	20	17	15	2	3
Total	128	71	22	49	57

Danamon considered that the implementation of Whistleblower policies had been effectively conducted to expose frauds.

GOOD CORPORATE GOVERNANCE SELF-ASSESSMENT

Danamon periodically conducts a self-assessment on the implementation of corporate governance, in accordance to the assessment period on Commercial Banks Soundness Level, implemented every semester, at end of June and December positions.

The assessment is conducted on the quality of Bank's management in implementing comprehensive and structured corporate governance principles integrated into three (3) governance aspects: governance structure, governance processes, and governance outcomes.

Self Assessment Report of the Implementation of GCG

Bank Name : PT Bank Danamon Indonesia, Tbk.

Position : Per December 2014

Self Assessment Result of GCG Implementation

	Rating	Rating Definition
Individual	2 (good)	Indicates that the Bank Management in general has implemented Good Corporate Government both in individual and consolidated in an appropriate manner.
Consolidation	2 (good)	This is reflected from adequate fulfillment over the principles of Good Corporate Governance. Any weakness in the implementation of Good Corporate Governance principles is less significant in general and may be resolved through normal measures by the Bank Management and its subsidiaries.

Analysis

Implementations of Good Corporate Governance principles in general have proceeded as they are intended to be and have been implemented comprehensively and in a structured manner toward the three aspects of governance namely structure governance, process governance, and outcome governance.

Assessment toward GCG implementation have been carried out against the factors of task implementation and the responsibilities of the Board of Commissioner; tasks and responsibilities of the Board of Director; integrity and task implementation of the Committee and business unit; management around conflict of interests, implementation of the compliance functions; implementation of internal and external audit functions; implementation of risk management including internal control system; provision of funds to relevant parties and provision of funds in significant amount; transparency of financial and non financial conditions, implementation report and internal report; as well as strategic plan.

Based on the self-assessment undertaken, the Bank maintains a structure and adequate governance infrastructure thus enable the implementation process of GCG principles to proceed effectively while generating quality outcomes. This is indicated in following variety of indicators :

- Quantity, composition, criteria, independence of the Board of Commissioner, Board of Directors, Committees, and Business Units have satisfied the conditions and match the scale and complexities of banking business.
- Adequacy of Policies in Governance, Guidance, and Code of Conduct as well as delegations of duties, responsibilities, and functions of each of Bank organs which support the effectiveness of the implementation.
- Implementation of compliance department functions, adequate internal and external audits reflected through the satisfactory level of Bank compliances toward the regulation and commitment as well as implementation of internal audit with a coverage which matches the risk level of a Bank.

- Implementation of risk management and adequacy of internal control supported by policies, procedures, and adequate management information system supporting the Bank's operational activities.
- Implementation of functions, duties, and responsibilities of Bank's organs have proceeded accordingly thus enable the optimum level of supervisory and control functions.
- Implementation of strategic plan and business in a consistent manner.
- Disclosures of financial and non-financial conditions, product information, annual report as well as implementation of Bank GCG transparently and easily accessible by Stakeholders.

Consolidated GCG

In order to strengthen the implementation of consolidated GCG, the Bank maintains consolidation and alignment in a sustainable manner over the principles of Bank GCG for further implementation in the Subsidiaries by taking into accounts the characteristics and complexities of each subsidiary. Each of the subsidiary has been supplied with guidance and GCG policies as references and joint commitment of the entire corporate organs.

During the self-assessment on the implementation of consolidated GCG, the assessment toward the implementation of GCG were conducted both at the Bank individually and in each of its subsidiaries. Assessments of GCG implementation at the Subsidiaries have been conducted by referring

to the GCG assessment factors in accordance to the banking standards. The results of the assessment produced a "Good" rating as reflected in several following indicators::

- Each of the subsidiary maintains a structure and adequate governance in accordance with characteristics and existing conditions for each of the subsidiary.
- All processes have been implemented based on the framework and conditions stipulated on the policies and internal procedures supported by the availability of comprehensive governance structures and perform their duties and responsibilities accordingly
- The outcome quality and sufficient implementation of GCG principles as well as satisfying the principles of GCG and expectations of the stakeholder.

Based on the assessment over the implementation of GCG at the Bank and its Subsidiaries, the outcome of consolidated GCG assessment for first semester of 2014 in general is "Good". No significant issues were found in implementing GCG principles in the Bank and Its Subsidiaries. Nevertheless, the Bank will continually conduct reviews on a consistent basis in order to attain an optimum process, effective control, level of compliances, and the attainment of performance which meet the expectation of stakeholders.

GCG-RELATED AWARDS

In 2014, Danamon received the following awards:

- Best Overall Award - ASEAN Corporate Governance Scorecard from Indonesian Institute of Corporate Directorship (IICD) of 2014
- First Rank in “2013 Annual Report Award” for Listed Financial Private Category.



Best Corporate Governance Award
The Indonesian Institute for Corporate Governance
Best Corporate Governance Overall
(8 December 2014)



Annual Report Award (ARA)
Otoritas Jasa Keuangan (OJK), Bank Indonesia (BI), Indonesia Stock Exchange (IDX), Directorate General of Taxation, Ministry of BUMN, Komnas Kebijakan Governance dan Ikatan Akuntan Indonesia.
1st Annual Report Award (ARA) 2013 Categories listed financial institution.

STATEMENT OF THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE PRINCIPLES

All members of the Board of Commissioners, Board of Directors, and employees of the Bank have implemented the principles of Good Corporate Governance and there are no material breaches toward the prevailing laws and regulations.

Ng Kee Choe
President Commissioner

Henry Ho Hon Cheong
President Director

Syariah Corporate Governance

PREFACE

The implementation of principles of Good Corporate Governance (GCG) is an absolute requirement to the success of the company, for which UUS Danamon continues to strive for. The goal is not only to meet the conditions set by the regulators, but also to support the continuing growth of the Danamon and to achieve the targets set for the long term.

The implementation of GCG can only be done with the synergy and commitment from all organs of the Danamon, namely the general meeting of shareholders (GMS), Board of Commissioners, Board of Directors, officers and all employees of the Danamon.

The benefits of implementing GCG is reflected through the achievement of the Danamon performance both quantitatively as well as qualitatively including financial and non financials, as well as appreciation from external parties.

UUS Danamon Initiatives

In 2014, UUS Danamon remain committed to applying the GCG principles in the implementation of its business strategy focusing on growing its portfolio of small and medium enterprises in particular:

- financing to the Employee Cooperative (Kopkar), as well as financing to BPR Syariah;
- accumulating third-party funds together with the retail segment;

- providing cash management service by optimizing existing office network and delivering Syariah products and services;
- In addition, UUS Danamon collaborating with its bank parent Danamon aimed to improve marketing activities with the network of parent bank offices to increase funding growth through the Syariah service network (office channeling/ OC).

In 2014 UUS Danamon initiated Branch Transformation which encompass relocating of offices, closing offices where necessary, and reviewing in order to optimize the existing office network through:

- Consolidating branches with pawn Gold Syariah service;
- Adding Syariah Service Centers (Office Channelling);
- Relocating, opening and closing of ATMs within the Office Network;

Accordingly, by end of 2014 UUS Danamon has 25 branch offices (KCS), 27 Sub-office Syariah (KCPS) and 145 Office Channeling Syariah Service (LS/OC)

In addition, in 2014 UUS Danamon refined documentation used by customers to ensure business activities are conducted in orderly manner, fair, transparent, accountable in line with the GCG principles to ensure the growth of the financial systems is sustainable, stable and

able to protect consumer and public interests. The refinement of documents among others cover brochure, account opening and product application forms, agreements and other documents as required as set in line with the Financial Services Authority (OJK) regulations and circular letters related to consumer protection.

Effective implementation of GCG is beneficial to the Bank sustainability through good financial performance, business growth and commitment in implementing healthy banking practices. The Bank also ensure financial and non financial conditions are published to the stakeholders in its entirety, complete and in timely manner.

In 2014, the UUS Danamon business development activities cover among others:

a. Launching of several UUS Danamon Products:

- Ijarah Financing Muntahiyya bittamlik (IMBT), namely the principle of hire purchase financing between owner and tenant IMBT objects (Customer/lessee) to get a reward (Ujrah) on an object that is leased by IMBT transfer of ownership of the object through buying and selling.
- Tabungan BISA Qurban iB is a savings product that designed to ease the public in purchasing sacrificial animals through regular deposits of funds on a monthly basis.

b. iB Vaganza UUS Danamon in 2014

wherein UUS Danamon also organized activities that support the Financial Literacy programs initiated by Otoritas Jasa Keuangan (OJK). The iB Vaganza iB program consists of activities with various themes in the form of talk shows, media gathering and exhibition. Thematic activities cover managing financial and investment, update on the development of Islamic finance, including also educating various segments of the society such as employers, employees and housewives.

1. SYARIAH SUPERVISORY BOARD

1.1. The number and composition of the Syariah Supervisory Board

During 2014 there was no change in the composition of the Syariah Supervisory Board of UUS Danamon. Thus the composition of the Syariah Supervisory Board is as follows:

1. Prof. Dr. H.M. Din Syamsuddin (Chairman)
2. Drs H. Karnaen A. Perwataatmadja, MPA, FIIS (Member)
3. Dr. Hasanudin, M.Ag (Member)

1.2. Concurrent Position of Syariah Supervisory Board Members at other Syariah Financial Institutions

Every member of UUS Danamon Syariah Supervisory Board are in compliance with PBI regulation No.11/10/PBI/2009 on Syariah Business Unit juncto PBI No.15/54/PBI/2013 on the Amendment of PBI No.11/10/PBI/2009 on Syariah Business Unit. In 2014, the concurrent positions of UUS Danamon Syariah Supervisory Board remains unchanged as 2013 as seen in the following table:

Syariah Corporate Governance

Name	Position in other Companies	Name of the Company
Prof. Dr. H.M. Din Syamsuddin (Chairman)	SSB	Bank Bukopin
Drs H. Karnaen A. Perwataatmadja, MPA, FIIS (Member)	SSB	a) Asuransi Bintang Syariah Unit
	SSB	b) Asuransi Manulife Syariah Unit
	SSB	c) BPRS Harta Insan Karimah
Dr. Hasanudin, M.Ag (Member)	SSB	a) BNI Syariah
	SSB	b) Asuransi Tugu Pratama
	SSB	c) Asuransi Re-Indo
		d) Toyota Astra Finance Services

1.3. Syariah Supervisory Board 2014 Work Program

1. Syariah Supervisory Board convene at least 12 (twelve) times in a year to discuss the Syariah compliance issue, new product launching proposals and opinion request on some conditions occurred in daily operations.
2. To conduct periodic review and monitoring on the compliance of Syariah Principles with funding and lending mechanisms as well as UUS service by conducting sampling test on several funding and lending clients.
3. To promote communication with UUS Danamon Syariah Assurance & Operations Division in every activity conducted by SSB of UUS Danamon (such as SSB opinion request), to evaluate and seek clarifications from UUS Danamon authorized officials on required matters.
4. To prepare SSB Bi-annual Evaluation Report to be submitted to Bank Indonesia, with copies for DSN-MUI, Board of Commissioners, UUS Danamon Directors, Internal Audit Unit and Compliance Unit.
5. To attain more information/knowledge by optimizing SSB's potentials through various trainings and workshops that can drive UUS Danamon growth.
6. To provide advices and recommendations for UUS Danamon Director in particular and Danamon Management in general, so that improvements, Syariah principal compliance and UUS Danamon growth and development can be achieved.

1.4. Realization of SSB Work Plan in 2014 :

1. During 2014, the Syariah Supervisory Board held 13 (thirteen) meetings with agenda as stated in this following table:

No	Day/Date	Place	Agenda	Attendance
1.	Thursday, 23rd of January 2014	MBD	1.Update on the performance of the Syariah Business Unit of Danamon & Financing composition by Akad & Product 2.Code of conduct	1.Prof. Dr. Din Syamsuddin 2.Dr. Hasanudin. M.Ag 3.Drs. Karnaen A Perwataatmadja MPA., FIIS
2.	Tuesday, 25th of February 2014	MBD	1.Update on the performance of the Syariah Business Unit of Danamon & Financing composition by Akad & Product 2.Update on problems in the Syariah Business Unit, and related issues with the activities of Syariah Business Unit and Danamon (Discussion)	1.Prof. Dr. Din Syamsuddin 2.Dr. Hasanudin. M.Ag. 3.Drs. Karnaen A Perwataatmadja MPA., FIIS

No	Day/Date	Place	Agenda	Attendance
3.	Wednesday, 2nd of April 2014	Gedung DSN MUI	Discussion on the features of IMBT	Dr. Hasanudin. M.Ag.
4.	Tuesday, 15th of April 2014	MBD	1.Update on the performance of the Syariah Business Unit of Danamon & Financing composition based on Akad & Product 2.Recommendation of IMBT features	1.Dr. Hasanudin. M.Ag. 2.Drs. Karnaen A Perwataatmadja MPA., FIIS
5.	Thursday, 22nd of May 2014	Plaza Kuningan	Management on Alms Funds/ZIS through ZIUS UUS BDI Unit	1.Dr. Hasanudin. M.Ag. 2.Drs. Karnaen A Perwataatmadja MPA., FIIS
6.	Thursday, 19th of June 2014	Plaza Kuningan	1.Update on the performance of the Syariah Business Unit of Danamon & Financing composition by Akad & Product 2.Update on Branch Transformation	1.Prof.Dr. HM Din Syamsuddin 2.Hasanudin. M.Ag. 3.Drs. Karnaen A Perwataatmadja MPA., FIIS
7.	Tuesday, 19th of August 2014	Plaza Kuningan	1.ITFC (International Trade Finance Corporation) 2.Update Branch Transformation	1.Dr. Hasanudin. M.Ag. 2.Drs. Karnaen A Perwataatmadja MPA., FIIS
8.	Thursday, 4th of September 2014	Gedung MUI	1.Discussion on the terms on the funding products brochures 2.Funding for housing loans with Akad MMQ 3.Finance Restructuring of PT Citra Sari Makmur (CSM) 4.Notary Partner of Syariah Business Unit of Danamon	Dr. Hasanudin. M.Ag.
9.	Thursday, 25th of September 2014	Plaza Kuningan	1.Update on the performance of the Syariah Business Unit of Danamon & Financing composition based on Akad & Product 2.Syariah Forward Agreement 3.Branch Transformation	1.Dr. Hasanudin. M.Ag. 2.Drs. Karnaen A Perwataatmadja MPA., FIIS
10.	Friday, 31st of October 2014	Plaza Kuningan	1.Update on the performance of the Syariah Business Unit of Danamon 2.IMBT financing, ITFC, Cross Selling	1.Dr.Hasanudin, M.Ag 2.Drs. Karnaen A Perwataatmadja MPA., FIIS 3.Dr. Hasanudin. M.Ag.
11	Monday, 24th of November 2014	Wisma Nusantara Lantai 29	Update on Branch Transformation	Prof.Dr.HM.Din Syamsuddin
12	Thursday, 27th of November 2014	MBD Pkl 09.00 - 10.00 WIB	Update on Branch Transformation	1.Dr. Hasanudin. M.Ag. 2.Drs.Karnaen A Perwataatmadja MPA, FIIS
13	Thursday, 27th of November	MBD Pkl 11.00 - 13.00	1.Update on the performance of the Syariah Business Unit of Danamon 2.Update on problems in the Syariah Business Unit of Danamon	1.Prof.Dr. HM Din Syamsuddin 2.Hasanudin. M.Ag. 3.Drs. Karnaen A Perwataatmadja MPA., FIIS

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Based on table above in 2014 Syariah Supervisory Board held 13 (thirteen) meetings with attendance as following table:

Name	Total Attended
1. Prof. Dr. H.M. Din Syamsuddin	5
2. Drs H. Karnaen A. Perwataatmadja, MPA, FIIIS	10
3. Dr. Hasanudin, M.Ag	12

Accordingly, the number of Syariah Supervisory Board Meetings held during the year is in compliance with the regulations. Decisions in the Syariah Supervisory Board meetings were made based on discussion and consensus. The minutes meeting are documented and circulated to the Director of UUS Danamon and members of the management for implementation.

2. Review and evaluate the fulfillment of the Syariah principles and perform periodic test (sampling) on the activities related to funds accumulation and channeling of gathering together and channelling funds. In addition, review and evaluate the Syariah contracts related funding and its channeling, operational policies and procedures to ensure conformity between the Syariah provisions and its implementation in the field. In 2014,

SSB has conducted sampling trials by selecting a sample of funding and financing customers as follows:

- 10 funding customers,
- 45 Co-operative employees
- 45 Commercial customers
- 10 BPRS customers
- 30 Solusi Emas Syariah customers.

Of 140 customers above, SSB selected 32 (thirty two) financing customers based on values categorized as large, medium and small. The details are as follows:

- 4 funding customers,
- 9 Co-operative employees and 5 commercial Customers
- 4 BPRS customers
- 10 Solusi Emas Syariah customers;

3. During the year 2014, DPS has performed coordination with Syariah Assurance & Operations Division to support its functionality as a DPS, among others by publishing 11 (eleven) opinion of DPS, the details are as follows:

No	Problems/Topics
1	Requests for opinions on the DPS over the fines and Compensation (Ta'widh) over the product Financing IMBT iB
2	Requests for opinions on the DPS over the naming of the work Unit
3	Requests for opinions on the DPS over the savings products Can Qurban iB
4	Opinions on the code of conduct Additional DPS is specific to Syariah Business Unit Clerk (UUS) Options
5	DPS Opinion on Financing Products IMBT After the FSA Notification Letter
6	Opinion DPS Payment Sharing Funds on Deposit Investment Daily
7	DPS Opinion on Technical Implementation Employee Cooperative Financing Take Over (Kopkar)
8	Application Opinion DPS on Products "Savings Can UMHRAH iB" with Extra Features Guide Takaful
9	DPS Opinion on Customer Murabahah
10	Fatwa DPS UUS PT Bank Danamon Indonesia, Tbk on Portion Part Amil on ZIS Unit UUS Danamon and Partner Institutions Zakat
11	Islamic Trade Finance Cooperation between UUS Danamon Syariah and ITFC (International Islamic Trade Finance Corporation)

4. DPS report the results of its monitoring every six months to the Financial Services Authority (OJK), copies to the DSN-MUI, the Board of Commissioners, Directors UUS Danamon, Internal Audit and Compliance Division of the Bank.

5. In 2014 DPS participated in the following training/workshop for development and maximizing their potentials as follows:

TRAINING/WORKSHOP

Ijtima Sanawi (Annual Meeting Syariah Supervisory Board All, 16-18 December 2014, Hotel Mercure - Ancol, Jakarta

6. Provide advice and recommendations to the Director of the UUS Danamon in the regular DPS monthly meetings or at various occasions on improvement initiatives, compliance related to Syariah principles as well as on the development and growth of UUS Danamon. The recommendations of DPS ensure activities of UUS Danamon is in accordance to the set performance, comply with the prevailing regulation in particular aligned with Syariah principles.

1.5. Syariah Supervisory Board Supervision

Results of the supervision of Syariah Supervisory Board (SSB) is reported to the Financial Supervisory Authority (OJK) with copy to Compliance Division, Internal Audit, Board of Commissioners and Directors of Danamon as well as to the National Syariah Board-Indonesia Ulama Council (DSN-MUI) through the SSB Supervisory Report covering two periods: January to June 2014 and July to December 2014. The Supervisory Report consists of:

- a) Financial report including development of branch network, products and human resources during the supervision period.
- b) Working paper of the supervision to the product development
- c) Working paper of the supervision on the banking activities
- d) SSB opinion issued during the supervisoion period

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In addition to supervising, SSB periodically also provide recommendation, suggestion and advice to the Board of Directors of Danamon as well as management of the Islamic Business Unit (UUS) in the form of opinions of SSB issued in meeting the needs of the management.

1.6. Guidelines and Code of Conduct of Shari Supervisory Board

As in 2013, in 2014 there was no update required on the Guidelines and Code of Conduct formulated and issued on 11 November 2011. However, UUS Danamon continue to align the Guidelines and Code of Conduct of the Syariah Supervisory Board with the prevailing regulation should such new regulation are issued by Bank Indonesia, Financial Supervisory Authority (OJK) as well as other related agencies.

1.7. Remuneration of the Syariah Supervisory Board

Remuneration and other facilities of the Syariah Supervisory Board of UUS Danamon is proposed by the Bank's Remuneration Committee and is approved in the General Meeting of Shareholders of the Bank. Total remuneration and other facilities during 2014 is as follows:

Total Remuneration and other facilities	Total received in one year (Gross)	
	Number	Rupiah
1. Remuneration	3	722,975,148
2. Other facilities	3	Health insurance program (include family)

Total remuneration*) per person in one year	Total members of Syariah Supervisory Board
Above 2 Billion Rupiah	-
Between 1 Billion to 2 Billion Rupiah	-
Above 500 million to 1 Billion Rupiah	-
Below Rp 500 million	3

2. DIRECTOR OF SYARIAH BUSINESS UNIT

- Director of UUS Danamon coordinate with staff of all levels in the organization in running UUS Danamon, and implementing recommendation and input provided by DPS and input based on DPS monitoring report.
- Director of UUS Danamon coordinate with staff at all levels of the directorate and Parent Bank in developing and improving business of UUS Danamon.
- Director of UUS Danamon maintain soundness of Unit Usaha Syariah Danamon
- Director of UUS Danamon coordinate with BI (Syariah Unit) and Financial Supervisory Agency (FSA).

3. LIST OF LEGAL CONSULTANTS AND ADVISORS

In 2014, UUS Danamon hired 1 (one) legal consultant for a consultation on the cooperation between UUS Danamon and Islamic Trade Finance Company (ITFC), namely:

Name of Consultant	Work Performed
Karimsyah Law Firm Alamanda Tower, Level 27 Jalan TB Simatupang Kav. 23-24 Jakarta 12430, Republic of Indonesia Tel: (+62-21) 2966-0001; Fax: (+62-21) 2966-0007 E-mail: info@karimsyah.com; Website: www.karimsyah.com	<ul style="list-style-type: none"> • Prepare documentation related to financing contract and cooperation agreement with ITFC

4. INTERNAL FRAUD

In 2014 there were no Internal Fraud related cases in UUS Danamon. The Internal Fraud table is as follows:

Internal Fraud in 1 Year	Total cases processed					
	Directors		Full time Employee		Contract Employees	
	2013	2014	2013	2014	2013	2014
Total internal fraud	Nil	Nil	3	Nil	Nil	Nil
Resolved	Nil	Nil	2	Nil	Nil	Nil
In process with internal UUS	Nil	Nil	Nil	Nil	Nil	Nil
Not yet in process	Nil	Nil	Nil	Nil	Nil	Nil
Follow up through legal process	Nil	Nil	1	Nil	Nil	Nil

5. LEGAL ISSUES

In 2014, there were no legal related issues in UUS Danamon. The table is follows:

Legal Issues	Total cases	
	Civil	Criminal
Closure (legally enforceable)	None	None
In process	None	None
Total	None	None

6. UUS DANAMON ACTIVITIES

6.1. Fund Channeling for Social Activities

Referring to the Law no 21 of 2008 regarding Syariah Banking, Section II on the Principles, Objectives and Functions, the Bank also implement its social functions as outline in article 4 item 2 which stated that a Syariah Bank is Syariah Business Unit which carry out its social function in the form Baitul Maal, collecting funds in the form zakat, sedekah, Infaq (alms) and grant or other funding for social purposes distributed to organization managing zakat funds. UUS Danamon channeled more funds in 2014 compare to 2013 wherein Rp620,472,950,- was disbursed through 22 events.

In 2014, UUS Danamon channeled funds amounting Rp1,192,015,000,- through 61 events. The following is a table of Channelling of UUS Danamon Qardhul Hasan funds in 2014:

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No	Date	Nominal	Purpose
1	2 January 2014	30,000,000	Repairing Masjid Nur Falah , DesaTanjung Sari, Jampang Tengah - Jawa Barat
2	2 January 2014	51,000,000	Yayasan Danamon Peduli
3	3 January 2014	1,000,000	Jami Al Hidayah Mosque
4	27 January 2014	25,000,000	Rumah Zakat-Program Siaga Banjir 2014
5	4 February 2014	15,000,000	DTA Miftahul Hikmah_ Construction of New Classes TA 2013
6	3 February 2014	18,000,000	Donation for Gunung Sinabung by Area Sumatera I
7	6 February 2014	50,000,000	Al-Azhar Peduli Umat Donation for Jakarta Flooding
8	28 February 2014	50,000,000	Al-Azhar Peduli Umat Donation for Mount Kelud Eruption
9	7 March 2014	11,800,000	House Renovation for Poor People
10	14 March 2014	10,000,000	Development Fund for PonPes Nurul Huda untuk yatim dan dhuafa
11	2 April 2014	1,000,000	KJKS BMT free medimines & Primary Goods (Sembako) Distribution
12	14 April 2014	30,000,000	Treatment sdr.Ahmad Fauzi-kemoterapi
13	15 April 2014	30,000,000	Compensation Grief -Djaja Tanjung Mas-biaya RS
14	23 April 2014	5,000,000	IB Working Group iB Syariah for yayasan Miftahurrabbani-Batam
15	9 May 2014	9,500,000	Mass circumcision underprivileged children ex.SMP VIII '83
16	20 May 2014	5,000,000	Establishment of Rumah Hadits Madrasah Al Fajr/RUHAMA oleh APU
17	21 May 2014	23,175,000	School Equipments for child orphaned TA.2014-2015 oleh A.Chairul Syah-OB Ciracas
18	26 May 2014	5,000,000	Establishment of Gedung Serbaguna and Musholla di Sutenjaya oleh Unika Parahyangan
19	26 May 2014	22,000,000	Mass circumcision underprivileged children - by SES Sumatera2 - Lampung
20	10 June 2014	30,000,000	Student Scholarship Univ.Padjajaran Fak.Peternakan
21	13 June 2014	50,000,000	Class Construction for Kelas IIQ School Ciputat
22	16 June 2014	5,000,000	Fund for Memorial Day Elderly - BPRS Bhaktimakmur Indah
23	26 June 2014	25,000,000	Musholla Renovation Al Bayan - Dewi Sartika
24	30 June 2014	38,000,000	Rohis MBD - Fundraising for Fisabilillah,dan Yayasan Yatim Piatu Ihsan Gemilang & Yayasan Yatim Piatu Al Amanah.
25	2 July 2014	10,000,000	Development Fund Pondok Pesantren Ashhaburratib Al Madani
26	3 July 2014	9,500,000	Fundraising for Ramadhan activities (santunan yatim dan dhuafa) oleh Yayasan Daruttaqwa SDIT Harapan Umat
27	10 July 2014	5,000,000	Educational Students Help - Yayasan Al-Kahfi
28	14 July 2014	20,000,000	Mosque Donation for Reconstruction Masjid Nurfalalah Desa TG.Sari Jampang Tengah-Sukabumi
29	22 July 2014	2,000,000	Social Maternity Fund to Panti Asuhan YAPENNATIM
30	23 July 2014	10,000,000	Development of Indonesia's Hospital
31	23 July 2014	5,000,000	Scholarship for children Reciting Quran (Hafidz Quran)
32	10 July 2014	5,000,000	Scholarship for Yulian Azhari
33	23 July 2014	5,000,000	Fundraising for Panti Asuhan Anak dan Panti Jompo Siti Syarifah

No	Date	Nominal	Purpose
34	23 July 2014	3,000,000	Scholarship for poor children and reciting Quran -Lembaga Tahfidz Sulaimaniyah
35	23 July 2014	5,000,000	Social Activities Peduli Yatim - Yayasan Indonesia Cerdas Bermanfaat
36	24 July 2014	3,000,000	Ramadhan Activities for yatim piatu dan dhuafa - Yayasan Cahaya Alam
37	12 August 2014	10,000,000	Renovation of Musholla Al Hikmah, Kompleks Danamon Jatiasih-Bekasi
38	12 August 2014	3,000,000	Panti asuhan yatim piatu An Ni'mah
39	18 August 2014	3,000,000	Operational Donation for Yayasan Yatim Piatu Daarul Anshor Kamil
40	18 August 2014	5,000,000	Yayasan Yatim dan Dhuafa Bait Al Quran, Jombang Tangerang
41	22 August 2014	50,000,000	Mosque Renovation Jami Al Hidayah, Ciracas - Jaktim
42	23 September 2014	5,000,000	Free Schooling for Penghafal Quran-Pondok Pesantren Sulaimaniyah
43	23 September 2014	31,800,000	Distribution of Animal Sacrifice - Rumah Zakat
44	23 September 2014	34,100,000	Distribution of Animal Sacrifice -Al Azhar Peduli Umat
45	2 October 2014	5,000,000	Fundraising for Anak Yatim dan Fakir Miskin - Yayasan Yatim Piatu Al Fajar
46	26 September 2014	50,000,000	Fundraising-Yayasan Rumah Zakat
47	8 October 2014	20,000,000	Musholla Nurul Falah Construction - MI Islamiyah Sidayu
48	9 October 2014	3,000,000	Operational Fund for Taman Pendidikan Al-Qur'an Qalbun Salim - Yayasan Komunitas Rumah Alif
49	8 October 2014	30,000,000	Schoolarship for Gerakan Satu Juta Al Qur'an- GRES
50	17 October 2014	9,000,000	Schoolarship STIKES Muhammadiyah Kudus
51	23 October 2014	10,000,000	TPQ Nurul Huda - Komplek Danamon Jatiasih
52	23 October 2014	10,000,000	Mosque Renovation Al-Ikrom , Bogor
53	27 October 2014	5,140,000	Badan Eksekutif Mahasiswa Fakultas Peternakan Unpad
54	6 November 2014	30,000,000	Treatment Medicine for sdr.Baried Dayyan
55	19 November 2014	5,000,000	Mass circumcision by Masjid Jami' Al Ihsan, Komp.Sandang Klender Jatim
56	1 December 2014	25,000,000	Development of Pondok Pesantren Yatim & Dhuafa by Yayasan Babul Jannah Al-Mukarromah
57	23 December 2014	3,000,000	Yayasan Al Kahfi, Bekasi Selatan
58	23 December 2014	2,000,000	Treatment medicine for Lanang's mother
59	23 December 2014	10,000,000	Mosque Renovation Riyadhul Muhtadiin, Bogor.
Total		1,192,015,000	

Syariah Corporate Governance

6.2. UUS Danamon Achievements

UUS Danamon Achievements

The following recognitions received by UUS Danamon in 2014:

- 1st place Best ATM with a score of 100 from Infobank Magazine and MRI in Bank Service Excellence Survey Monitor (BSEM) 2013/2014;



- Ranked First as the Best ATM for Islamic Business Unit with a score 100.00 from Infobank magazine;



- The 3rd-ranked Best Phone Handling for Islamic Business Unit with a score 68.85 from Infobank Magazine;



7. NON-HALAL INCOME AND ITS USAGE

There was no Non-Halal Income of UUS Danamon in 2014

8. SELF-ASSESSMENT OF UUS DANAMON IN 2014

No.	Factor	Rank (a)	Value (b)	Score (a)×(b)	Status	Note
1	Implementation of Duties and Responsibilities of UUS Director	2	35 %	0.70	Good	<ul style="list-style-type: none"> - The Director of UUS Danamon passed the BI's fit & proper test, has no conflict of interest and his appointment has been reported to BI. - The Director of UUS Danamon is responsible for managing UUS Danamon, following up the SSB's recommendations and providing data for SSB's monitoring purpose.
2	The Implementations of duties and Responsibilities of Syariah Supervisory Board (SSB).	1	20%	0.20	Very Good	<ul style="list-style-type: none"> - Syariah Supervisory Board (SSB) has three members who each possesses good integrity, competence and sufficient financial reputation, are appointed through the General Meeting of Shareholders based on recommendation of Nominated & Remuneration Committee as well as National Syariah Board - Indonesian Council of Ulama (MUI). Appointment period shall not exceed of BoD/BoC. - SSB has ensured and reviewed the fulfillment of syariah principles in UUS Danamon products and operations and has submitted supervisory report in accordance with BI regulation - SSB has completed its regular meetings in 2014 (13 times in 2014). The meeting decisions were based on amicability, and have been properly documented and reported to UUS management to be followed up - The concurrent positions as SSB in other Syariah financial institutions and its remunerations have been reported in Syariah GCG Implementation Reports. SSB member is not a consultant in other BUS/UUS. SSB member do not take personal gains from UUS Danamon
3	The implementation of Syariah principles in funding, financing and service providing activities	2	10%	0.20	Good	<ul style="list-style-type: none"> - Any product to be issued by UUS Danamon is reviewed by Syariah Assurance & Operations Division and Compliance Division and SSB will ensure syariah compliance with fatwa issued by DSN - UUS Danamon strives to ensure that the implementation of its funding & financing and services are in accordance with DSN-MUI Fatwa and BI/OJK regulation, among others by conducting periodic review on product policies and by performing internal audit process.

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No.	Factor	Rank (a)	Value (b)	Score (a)×(b)	Status	Note
4	Financing to core customers and funding from core customers	2	10%	0.20	Good	<ul style="list-style-type: none"> - UUS Danamon has applied prudence in delivering the provisions of funds, especially to core customer and consistently adheres to BI regulations/ OJK. - Did not provide special treatment/ privileges to the core funding and financing customer. Treatments to core customers are in accordance with standard policy and procedure in UUS - Product Program of financing in UUS has been reviewed annually - List of core funding and financing customer have been submitted to BI regularly in accordance with BI regulation
5	Transparency of UUS condition, Good Corporate Governance (GCG) Implementation Report and Internal Report	1	25%	0.25	Very Good	<ul style="list-style-type: none"> - UUS Danamon has published its quarterly Financial Statement Report in national media/newspaper as per BI regulation - UUS Danamon has submitted its objective, strategy and development policy in the RBB (bank's business plan). UUS Danamon has also presented information of syariah business development in RBB (Business Plan) Realization Report and Annual Report - UUS Danamon has conducted GCG self assessment, prepared GCG Report. - UUS Danamon has good internal reporting and is capable of presenting data/information both from core and supporting system. - Reporting system is supported by well trained and experienced human resources and qualified IT security system in accordance with IT security Danamon procedure.
Composite Score			100.%	1.55	Good	

Ranking: Good/Very Good

GENERAL CONCLUSION:

Based on the result of UUS Danamon GCG self-assessment of 2014, a composite score of 1,55 has achieved Good standard.

In 2014 the implementation of GCG in the UUS Danamon has been carried out by meeting the GCG Principles in general, applying the Syariah principles with underlying principles of transparency, accountability, responsibility, independency and fairness.

Some important strength in implementing GCG in 2014, amongs others are :

1. Full support and ensuring a good synergy between the Board of Directors, the Syariah Supervisory Board, Executive Officers and all employees of UUS Danamon;
2. Complying with prevailing regulations to conduct all activities in the UUS Danamon;
3. Transparency in reporting of financial conditions, and other external reporting;
4. Performing strickly control function for all activity in the UUS Danamon;
5. Implementing prudent and independence principles in any financing facility provided by UUS Danamon.

However, UUS Danamon will conduct improvements in developing a better quality Human Resources, providing more effective Information Technology Systems Management, and optimizing process and procedures, and all potential UUS Danamon networking.

In the years to come implementing GCG will perform improvement continuously, and this is a commitment of the entire management and employees in order to meet their performance in line with the target set for UUS Danamon and be beneficial to all stakeholders.

Syariah Division
PT Bank Danamon Indonesia Tbk



Herry Hykmanto
Director of Syariah