





Good Corporate **Governance**

Corporate Governance



Danamon believes that with high commitment and consistency in implementing good corporate governance in a sustainable manner, Danamon is able to achieve excellent performance in the long term in various business prospects. In addition, the implementation of good corporate governance can protect the interests of stakeholders, so that it can improve the added value as well as make Danamon a company that is highly competitive and positively contribute to the Indonesian economy.



BASIS OF IMPLEMENTATION OF DANAMON'S CORPORATE GOVERNANCE POLICY

Danamon has an Integrated Corporate Governance Policy and a Corporate Governance Policy which serve as practical guidelines and reference in the implementation of good corporate governance (GCG) principles in all activities and organizational levels in Danamon and its subsidiaries. Corporate Governance policies are prepared in accordance with the relevant laws and regulations, including Law of Limited Liability Companies, Banking Law, Regulations of the Financial Services Authority, Bank Indonesia Regulations, Indonesian Stock Exchange Regulations, Company's Articles of Association, ASEAN Corporate Governance Scorecard, Indonesian GCG General Guidelines and Indonesian Banking GCG Guidelines issued by the National Committee on Governance Policy (KNKG), as well as the best practices of good corporate governance.

COMMITMENT AND OBJECTIVES OF DANAMON'S CORPORATE GOVERNANCE IMPLEMENTATION

Danamon is committed to continuously strengthen and improve the implementation quality of GCG principles in all aspects of its business activities including its subsidiaries in an integrated manner. Along with the development of best practices in the implementation of corporate governance, both in the banking industry and the financial services industry, Danamon has refined GCG policy as a form of commitment to improve the quality of GCG implementation in Danamon.

The implementation of Good Corporate Governance principles is a joint commitment that is carried out consistently at all level of Organization at Danamon. By implementing good corporate governance in a sustainable manner, it is hope that it can further boost company performance, increase investor confidence protect the interests of stakeholders, optimize Danamon's added value as well as can positively contribute to the financial industry and the national economy.





Main Highlights

Management Report

Company Profile

Management Discussion and Analysis

Operational Review

Good Corporate Governance

Corporate Social Responsibility

Corporate Data

Corporate Governance Implementation Roadmap of Danamon

Danamon has consistently and continuously made improvements to Danamon's corporate governance as outlined in corporate governance implementation roadmap of Danamon. Corporate governance implementation roadmap of Danamon is as follows:

2020

- Adjustments to the structure and members of the Financial Conglomeration.
- Adjustment of committee membership structure.
- Refinement and update of charters for corporate governance organs.
- Improvement of a number of policies related to the implementation of the Anti-Money Laundering and Counter-Financing of Terrorism (AML-CFT) policies.
- Refinement and update of a number of policies related to Risk Management and Integrated Corporate Governance.

2019

- Refinement of policies supporting the Implementation of Corporate Governance.
- Refinement of the Charters for the organs of Corporate Governance.
- Update the Code of Conduct.
- Changes in Organizational Structure
- Adjustment of Committee membership structure
- Refinement and update of the policies related to Risk Management and Integrated Corporate Governance.

2018

- Improvement of Danamon's Corporate Governance implementation
- Review the Charters of the Board of Directors, Board of Commissioners, Committees under the Board of Commissioners.
- Review the Subsidiaries' Corporate Governance Policy.
- Adjustment to the membership structure of the Integrated Corporate Governance Committee
- Refinement of the policies related to the implementation of the Anti Money Laundering and Counter-Financing of Terrorism (AML-CFT) policy
- Refinement and Update of Policies related to Risk Management.
- Changes in Organizational Structure.

2017

- Alignment of Danamon's corporate governance implementation with the regulation of the Financial Services Authority on the Implementation of Corporate Governance for Commercial Banks.
- Improvement of Danamon's Website
- Enhancement of supporting policies of Danamon's corporate governance implementation

2016

- Enhancement of Integrated Corporate Governance implementation and improvement of Subsidiaries' Corporate Governance guidelines.
- Enhancement of Corporate Governance implementation in line with the regulation of Financial Services Authority concerning Corporate Governance Guidelines for Listed Companies.
- Updated the Charters of Nomination Committee and Remuneration Committee.
- Adjustment and simplification of Committees under the Board of Directors.
- Established Communication Policy, Board of Directors Succession Policy, and Directors Performance Assessment Tools.
- Enhancement of the Whistleblower Policy.

2015

- Implementation of Integrated Corporate Governance and Integrated Risk Management through the availability of Integrated Structure and Infrastructure.
- Addition of Independent Commissioner on the Nomination Committee and Remuneration Committee.
- Established Diversity Policy of the Board of Commissioners and Board of Directors, Nomination Policy for the Board of Commissioners and Board of Directors, Performance Assessment Policy for the Board of Commissioners and Board of Directors, Tools for Performance Assessment of the Board of Commissioners, Anti Gratification Policy (Providing and Receiving Gifts).
- Dividend payment within 30 days.
- Disclosure of candidate profiles for members of the Board of Commissioners.

2014

- Aligned and enhanced good corporate governance practices with the applicable regulations, primarily to meet the recommendations of the Financial Services Authority as set out in the Indonesian Corporate Governance Roadmap.
- Aligned and enhanced good corporate governance practices with the ASEAN CG Scorecard.
- Facilitated all members of the Board of Commissioners with risk management refreshment course.
- Separated the Nomination Committee & Remuneration Committee into 2 (two) Committees, namely Nomination Committee and Remuneration Committee.
- Referring to the applicable regulations, adjusted the membership structure of the Audit Committee, Risk Monitoring Committee, Remuneration Committee, and Nomination Committee.
- Enhanced and updated Charters of the Boards of Commissioners, Board of Directors, Audit Committee, Risk Monitoring Committee, Nomination Committee, Remuneration Committee, and Corporate Governance Committee.
- Affiliated Transactions and Conflicts of Interest Policies.

2013

- Disclosure of GMS Agenda and its Explanations.
- Published GMS Resolutions one day after the GMS.
- Disclosures on the Bank's website: Corporate Governance Policy, Article of Association, Personal Investment Policy, Transactions of Related Party and Transactions with Conflicts of Interest Policy, Shareholders, and groups.
- Enhancement of the Bank's website including bilingual.
- Completed management profile and minutes of the GMS.
- Disclosure of the Remuneration Policy for the Board of Directors and Board of Commissioners in the Annual Report.

POLICY, ORGAN AND IMPLEMENTATION OF CORPORATE GOVERNANCE IN DANAMON

Corporate Governance Policy of Danamon

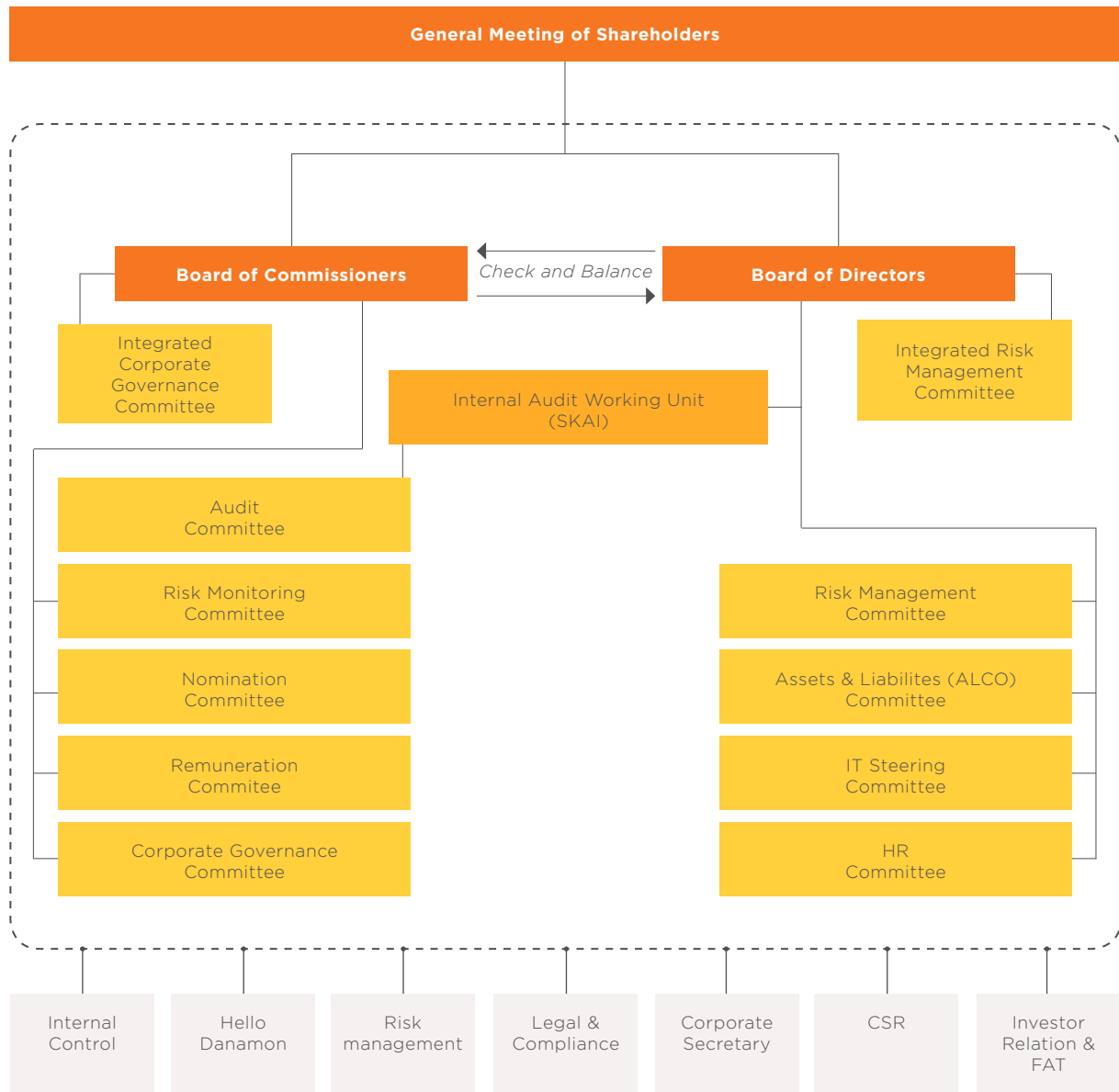
Corporate Governance Policy of Danamon is part of the Danamon Group Financial Conglomeration’s Integrated Corporate Governance (ICG) Policy which is a guideline in implementing corporate governance at all levels of the organization based on the principles of good corporate governance as follows:

<p>Transparency 1</p> <p>Danamon is committed to provide adequate, clear, accurate, and timely information disclosure, easily accessible to both shareholders and stakeholders.</p>	<p>Accountability 2</p> <p>Clear establishment of functions, duties, authorities and responsibilities within the organization set in accordance with the guidelines and charters of each function. Danamon as an institution should be accountable and responsible for its performance.</p>
<p>Responsibility 3</p> <p>Danamon is committed to comply with laws and regulations and established internal policies. In addition, Danamon also manifests its responsibilities to society and the environment, to achieve long-term sustainability and be recognized as a good corporate citizen.</p>	<p>Independency 4</p> <p>Organs of Danamon perform their activities independently and objectively, as well as avoiding the influence of any dominant party. Danamon is committed to conduct its business with professionalism.</p>
<p>Fairness and Equality 5</p> <p>Danamon always ensures that the rights and interests of all shareholders, both majority and minority can be fulfilled. Danamon always provides fair and equal treatment to all stakeholders.</p>	

Main Highlights
 Management Report
 Company Profile
 Management Discussion and Analysis
 Operational Review
Good Corporate Governance
 Corporate Social Responsibility
 Corporate Data

Corporate Governance Organs of Danamon

Danamon's corporate governance organs are established to support the implementation of corporate governance principles so that they can run systematically and structured. Supporting organs for the implementation of Danamon's corporate governance have clear roles and responsibilities to create a check and balance control mechanism.



Implementation of Danamon's Corporate Governance

Danamon realizes that implementing good corporate governance (GCG) is no longer a necessity, but is the main foundation and basic needs in carrying out business activities. The implementation of GCG is based on solid integrity, so that the GCG principles can be implemented

at every level of the organization, and carried out in every Danamon activity so that all operational activities can be carried out consistently and continuously.

The implementation of Danamon's Corporate Governance is based on 5 (five) basic principles of good corporate

governance, namely the principles of Transparency, Accountability, Responsibility, Independency as well as Fairness and Equality which are grouped in a governance system which consists of 3 (three) aspects of governance in the form of Governance Structure, Governance Process and Governance Outcome.

Governance structure	Governance Process	Governance Outcome
<ul style="list-style-type: none"> The number, composition, criteria and independence of the Board of Commissioners, the Board of Directors and Danamon's committees are adequate and meet the needs of Danamon and the prevailing regulations of the Financial Services Authority/ Bank Indonesia; Danamon as the Main Entity of Danamon Group has established the Integrated Corporate Governance Committee and Integrated Risk Management Committee; Main tasks, responsibilities and functions of all levels at Danamon are adequate and stipulated in the Policies, Guidelines and Work Rules. Danamon's Policies, Procedures and Management Information Systems are available and supporting Danamon's operational activities; Sufficiency of Corporate Governance Guidelines, Risk management framework, adequacy of internal controls, compliance functions and internal audit functions with the assignment of external audits that meet the requirements; Availability of policies for providing funds to related parties/ provision of large funds, conflicts of interest and aspects of transparency; Strategic and business plans are in line with Danamon's vision and mission. 	<ul style="list-style-type: none"> Implementation of the functions, duties and responsibilities of Danamon's organs is adequate so that it can optimize the functions of supervision and control; The process of replacing and appointing the Board of Commissioners, Board of Directors and Committees is in accordance with the applicable regulations; Enhancement of the competence of the Board of Commissioners and Board of Directors through sustainability education and trainings; Disclosure of affiliated transactions, conflicts of interest by the Board of Directors and the Board of Commissioners; Provision of funds to related parties and the provision of large funds are conducted through normal credit approval processes and taking into account the principle of arm's length; Risk management has been well implemented so that the risks that may arise can be managed adequately; Information disclosure of financial, non-financial, Danamon's product, and customer complaint completely, accurately and proportionally; The preparation of strategic and business plans is carried out in a realistic, comprehensive and measurable manner approved by the Board of Commissioners and communicated to the shareholders and to all levels of the organization. 	<ul style="list-style-type: none"> Positive Danamon's performance includes profitability, efficiency and capital; Danamon's activities are free from the intervention of the owners and other related parties which can cause a conflict of interest; Disclosure of financial and non-financial conditions and other important information supported by the Danamon website that is informative and easily accessible by stakeholders; Adequate compliance and risk management and follow-up of audit results in accordance with the commitments; Bank Business Plan describes Danamon's sustainable growth and provides economic and non-economic benefits to all Stakeholders.

Main Highlights

Management Report

Company Profile

Management Discussion and Analysis

Operational Review

Good Corporate Governance

Corporate Social Responsibility

Corporate Data

Focus and Achievement of Danamon's Corporate Governance Implementation In 2019

The implementation of Danamon's corporate governance focuses on improving and enhancement of the implementation of Danamon and subsidiaries' corporate governance by prioritizing ethics and integrity in the management of the company. During 2019, various initiatives in terms of strengthening the implementation of corporate governance through aligning the implementation of corporate governance in accordance with the laws and regulations as well as improvement of supporting policies structures are, among others:

ADJUSTMENT OR AMENDMENT TO ARTICLES OF ASSOCIATION

Danamon adjusted or amended several articles in Danamon's Articles of Association and restated all articles in Danamon's Articles of Association. During 2019 there were 2 (two) adjustments or amendments to the Articles of Association. Adjustments or amendments to Danamon's Articles of Association have been approved by the EGMS on March 26, 2019 and the EGMS on October 1, 2019.

THE MERGER BETWEEN DANAMON AND BANK NUSANTARA PARAHYANGAN (BANK BNP)

Effective on May 1, 2019, Bank BNP has merged with Danamon. This merger will allow greater collaboration and synergy that will positively contribute to the growth of the Indonesian banking sector and economy as a whole.

In addition, with MUFG Bank, Ltd. as a controlling shareholder of Danamon, Danamon will be able to tap on MUFG's excellence, expertise and network to facilitate Danamon's growth and delivery of long term value to all stakeholders.

REFINEMENT OF THE COMMITTEE UNDER THE BOARD OF COMMISSIONERS' CHARTERS

Danamon conducted reviews and refinements/ updates of the Audit Committee Charter, Corporate Governance Committee Charter, Integrated Corporate Governance Committee Charter in accordance with the prevailing laws and regulations and the implementation of Bank's good corporate governance.

UPDATE OF CODE OF CONDUCT

Danamon updated the Danamon's Code of Conduct in 2019. The Danamon's Code of Conduct is a guide to thinking and behaving for Danamon's Management and employees to act appropriately and correctly. The update of the Code of Conduct is intended to further strengthen the ethical values and behavior of Danamon's Management and employees so that the company's vision, mission and strategy can be realized.

ENHANCEMENT OF DANAMON'S VALUES

Along with the dynamically changed development and business, Danamon enhanced the company's values to achieve goals in accordance with the Company's vision and mission. The company's values must be applied by all Danamon's management and employees. In 2019, Danamon's values were refined to be "BISA" which stands for Collaboration, Integrity, Customer Centric, and Adaptive.

UPDATE OF RECOVERY PLAN

In 2019, as a follow-up to the fulfillment of POJK No. 14/POJK.03/2017 concerning Recovery Plan for Systemic Banks, Danamon has updated the Recovery Plan to ensure that Danamon has possessed credible and feasible recovery options by a series of stress test scenarios. The Recovery Plan has obtained Shareholders' Approval through the EGMS March 26, 2019.

IMPLEMENTATION OF SUSTAINABLE FINANCE ACTION PLAN

Danamon implemented Sustainable Finance Action Plan (RAKB) in 2019 according to the RAKB prepared for the 2019-2023 period in order to fulfill POJK no. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies.

UPDATE OF INTEGRATED CORPORATE GOVERNANCE POLICY

In 2019, Danamon has reviewed and updated Integrated Corporate Governance Policies of Danamon Group Part I and Part II to adjust to the development of regulations and best practices.

UPDATE OF RISK MANAGEMENT POLICIES

In 2019, Danamon has prepared and reviewed/ refined several policies to accommodate the development of applicable laws and regulations related to risk management, including:

1. Integrated Risk Management Policy
2. Market and Liquidity Risk Management Policy
3. Sustainability Policy
4. Guidelines for Legal Lending Limit (LLL) and Provision of Large Funds

DEVELOPMENT OF 2019 COMPLIANCE E-LEARNING

Bank has updated the 2019 Compliance e-learning and 2019 Anti-Money Laundering and Counter-Financing of Terrorism (AML-CFT) e-learning to provide refreshment related to compliance for Danamon's Management and employees and strengthen the culture of compliance in Danamon.

Assessment of The Implementation of Danamon's Corporate Governance In 2019

SELF ASSESSMENT RESULT OF THE IMPLEMENTATION OF CORPORATE GOVERNANCE

In accordance with POJK No. 55/POJK.03/2016 concerning the Implementation of Corporate Governance for Commercial Banks and its implementation rules SEOJK No. 13/SEOJK.03/2017 concerning Implementation of Corporate Governance for Commercial Banks, Danamon periodically conducts self assessment of the implementation of corporate governance biannually for positions at the end of June and December. The assessment is carried out based on the assessment factors stipulated based on OJK regulations, among others, the quality of implementing the principles of corporate governance in a comprehensive and structured manner which is integrated into 3 (three) governance

aspects, namely governance structure, governance process, and governance outcome.

In accordance with POJK No. 4/POJK.03/2016 concerning Assessment of Commercial Bank's Soundness Level, the result of the self-assessment of the implementation of corporate governance is one of the factors in the coverage of the assessment of the Bank's Soundness Level. The results of the self-assessment of the implementation of Danamon's corporate governance have been submitted to OJK together with the submission of reports on the self assessment result of the Bank's Soundness Level. The self-assessment also includes self-assessment of the implementation of corporate governance in a Consolidated manner with Subsidiaries.

Self - Assessment Results of Danamon's Corporate Governance Implementation Position: As of June and December 2019

	Rank	Rank Definition
Bank	2 (Good)	Reflecting Danamon's management has implemented the corporate governance which in general is Good. This is reflected in the adequate fulfillment of the corporate governance principles. If there are weaknesses in the implementation of the governance principles, they are generally less significant and can be resolved by normal actions by Danamon's management.

SELF ASSESSMENT ANALYSIS IN 2019

During 2019, based on Danamon's assessment on 11 (eleven) good corporate governance factors, Danamon has adequate governance structures and infrastructures that support the effectiveness and quality of corporate governance principles that meet the expectations of the stakeholders, among others:

1. Based on the EGMS on October 1, 2019, the number of Danamon's Board of Directors is 10 (ten) people with the following composition:

No	Name	Title
1	Yasushi Itagaki	President Director
2	Michellina Laksmi Triwardhany	Vice President Director
3	Honggo Widjojo Kangmasto	Vice President Director
4	Herry Hykmanto	Director
5	Adnan Qayum Khan	Director
6	Rita Mirasari	Director
7	Heriyanto Agung Putra	Director
8	Dadi Budiana	Director
9	Muljono Tjandra	Director
10	Naoki Mizoguchi	Director

During the assessment period, the Board of Directors managed Danamon in accordance with their authority and responsibilities. The implementation of the duties and responsibilities of the Board of Directors has been completed by clear policies, guidelines and work rules (Charter).

All members of the Board of Directors do not have concurrent positions as Board of Commissioners, Board of Directors or Executive Officers in other banks, companies and or institutions, except in the context of carrying out supervisory duties on participation in non-bank subsidiaries controlled by Danamon. Based on Personal Statement Letters as of

December 31, 2019, the concurrent position of the President Director of Danamon in the Subsidiary as the President Commissioner of PT Adira Dinamika Multifinance, Tbk is in the framework of supervision and will be effective after obtaining OJK approval. The limitation on concurrent positions for members of the Board of Directors is stipulated in the Board of Directors' Charter and Corporate Governance Policy.

- Based on the EGMS on October 1, 2019, the number of the Board of Commissioners is 8 (eight) people, and the number of members of the Board of Commissioners does not exceed the number of members of the Board of Directors with the following composition:

No	Name	Title
1	Takayoshi Futae	President Commissioner
2	J.B. Kristiadi	Vice President Commissioner (Independent Commissioner)
3	Masamichi Yasuda	Commissioner
4	Noriaki Goto *)	Commissioner
5	Nobuya Kawasaki *)	Commissioner
6	Manggi T. Habir	Independent Commissioner
7	Made Sukada	Independent Commissioner
8	Peter Benyamin Stok	Independent Commissioner

*) will be effective after obtaining OJK approval

The current number, composition, criteria and independence of the Board of Commissioners have considered the scale and complexity of Danamon's business. The number of members of the Board of Commissioners does not exceed the number of members of the Board of Directors according to the requirements. 50% of the members of the Board of Commissioners consist of Independent Commissioners. The implementation of the duties and responsibilities of the Board of Commissioners has been carried out according to their duties and responsibilities which are complemented by clear policies and Charters.

- Danamon has Committees that assist the implementation of the duties of the Board of Commissioners, namely the Audit Committee, Risk Monitoring Committee, Nomination Committee, Remuneration Committee, Corporate Governance Committee and Integrated Corporate Governance Committee. Committees are established according to the provisions and Danamon's needs with the composition of membership that supports independence and implementation of committee duties. The implementation of the duties and responsibilities of the Committees has been carried out according to their duties and responsibilities which are complemented by clear policies and Charters and are reviewed periodically.
- Danamon has a policy that supports the handling of conflicts of interest for Management and employees of Danamon. Management and Employees of Danamon must prioritize the interests of Danamon and are

prohibited from taking actions that can harm and/or reduce Danamon's profits. During the assessment period there is no conflict of interest transaction that is detrimental to the interests of Danamon.

- Danamon has Compliance Working Unit called Regulatory Compliance which is an independent working unit. The Compliance Working Unit is under the responsibility of the Director in charge of the Compliance Function. The appointment of Compliance Director has met the applicable requirements, namely independent and does not oversee functions that are not permitted by the applicable provisions and have obtained OJK approval. The compliance function has been implemented adequately with the support of adequate human resources.

Danamon as the Main Entity in the Danamon Group Financial Conglomeration has the function of an Integrated Compliance Working Unit (SKKT) that is independent from other operational working units whose implementation of their duties and responsibilities is carried out by Danamon's Compliance Working Unit. SKKT is responsible to the Director in charge of the Compliance Function. SKKT has the duties, at least, to monitor and evaluate the implementation of the compliance function in each Entity in the Financial Conglomeration.

Danamon has made various efforts to ensure Danamon's compliance, among others: through increasing awareness and understanding of compliance (Compliance Culture), implementation of Compliance Reviews, conducting monitoring and

testing activities, monitoring Danamon's regulatory parameters and monitoring follow-up of the results of Regulatory audits. Compliance culture has been well socialized at all levels of the organization and is the responsibility of all Danamon's management and employees. Danamon has also developed 2019 Compliance e-learning and 2019 AML-CFT e-learning. The implementation of duties and responsibilities of the compliance function is conveyed to OJK through the Compliance Report.

6. Danamon has implemented OJK Regulation (POJK) No. 1/POJK.03/2019 concerning the Implementation of Internal Audit Function at Commercial Banks by establishing an independent Internal Audit Working Unit (SKAI), having an Integrated Internal Audit Charter which has been updated to version 2019 and developed an Internal Audit Guide (Manual Audit and Program Audit Standards).

SKAI is led by the Head of SKAI who is directly responsible to the President Director. To support the independence of SKAI and to ensure the smooth running of the audit and authority in monitoring follow-up, the Head of SKAI also reports to the President Director, the Board of Commissioners, the Audit Committee and the Compliance Director.

SKAI has independence in conducting audits and expressing views in accordance with professional standards by not taking sides with the interests of other parties that are not in accordance with the laws and regulations. SKAI uses Risk Based Audit Approach to determine all aspects and elements of activities that are directly expected to affect the interests of Danamon and the community.

The implementation of the audit plan and audit results are closely monitored and reported to the Board of Commissioners through the Audit Committee. Every month, the summary of audit findings is presented to the Board of Commissioners through the Audit Committee which can be attended by members of the Board of Directors and minutes of the meeting are submitted to all members of the Board of Directors and members of the Board of Commissioners. In addition, Internal Audit also regularly reports audit activities to the President Director.

The Board of Directors ensures that the follow-up of each of the Danamon's internal audit findings has been carried out by the related working units with reference to the policies and directions of the Board of Commissioners through the Audit Committee. There is a framework governing the escalation mechanism for any follow-up on audit findings that goes beyond the agreed deadline.

The effectiveness of the implementation of SKAI's

work and its compliance with SPFAIB has been evaluated by external parties every three years in accordance with the provisions of SPFAIB from Bank Indonesia. Reports on the implementation of Danamon's internal audit functions are available, and are disclosed in Danamon's Annual Report. The SKAI audit report is complete, objective, and based on careful and impartial analysis.

7. Implementation of the external audit function is adequate with assignment in accordance with the provisions. The appointment of Public Accountant (AP) and Public Accountant Firm (KAP) has obtained the Annual GMS approval on March 26, 2019 based on the recommendation of the Audit Committee through the Board of Commissioners to appoint Doctorandus M. Jusuf Wibisana, M.Ec., CPA, as a Public Accountant (AP) and Tanudiredja, Wibisana, Rintis & Partners (member firms of the PwC global network) as a Public Accounting Firm (KAP) that will conduct audits of the consolidated financial statements of PT Bank Danamon Indonesia Tbk and Subsidiaries for 2019 financial year. The AP and KAP have met the requirements to work independently, meeting the professional standards of public accountants and work agreement as well as the specified scope of audit.

The audit of the consolidated financial statements of PT Danamon Indonesia Tbk and Subsidiaries for the 2019 financial year was carried out by AP and KAP registered with OJK. The results of the interim audit for 2019 financial year were submitted to OJK on December 11, 2019.

8. Danamon has an organizational structure that supports the well implementation of risk management and internal control, which consists of the Risk Management Working Unit (SKMR), SKAI, Compliance Working Unit, Risk Management Committee, Risk Monitoring Committee and Integrated Risk Management Committee which functions according to their respective duties and responsibilities. Danamon has updated the organizational structure that has been effective since December 2019.

Danamon has Integrated Risk Management Policy that regulates the Risk Management Framework for Danamon and the Financial Conglomerate and the Implementation of Risk Management in each type of risk comprehensively. This policy is also complemented by separated derivative policies including Credit Risk Management Policy, Operational Risk Management Policy, Market and Liquidation Risk Management Policy, Business Continuity Management Policy, Information Security Policy and Group Risk Appetite Statement (RAS) Policy and RAS Cascading. These

policies are reviewed periodically so that they can be used effectively as guidelines in identifying, measuring, monitoring and controlling risks.

The duties and responsibilities of the Board of Directors and Board of Commissioners regarding Risk Management are clearly stipulated in Danamon's Integrated Risk Management Policy. The Board of Directors established Risk Management Committee to assist in carrying out its functions and responsibilities. However, the Board of Directors is holding the final responsibility for its role in monitoring the implementation of risk management. The Board of Commissioners is assisted by the Risk Monitoring Committee in carrying out the function of monitoring the implementation of risk management. The main role of the Risk Monitoring Committee is to monitor, report and provide recommendations to the Board of Commissioners regarding the implementation of risk management.

The internal control system in the application of risk management has been quite comprehensive and adequate, among others, through the approach of three lines of defense, stipulating the authority to monitor policies, procedures and limits, clear organizational structure, implementing adequate four eyes principle, applying risk awareness and culture as well as adequate procedures for compliance with regulations. Internal audits of the risk management process are also carried out and improvements to the audit findings are monitored.

Risk management has been carried out adequately. This is indicated by Danamon's risk profile which is at the level of Low to Moderate. The procedures and implementation of risk management have been adjusted to the objectives, size and complexity of the business and risks faced by Danamon. Danamon's capital is above the required minimum capital and able to absorb potential loss risk that may arise.

Through regular Risk Management Committee and Risk Monitoring Committee meetings, the Board of Directors and the Board of Commissioners analyze performance and discuss matters related to risk issues, mitigation mechanisms, potential losses and follow-up corrections.

9. Bank has policies and procedures regarding the provision of funds to related parties and large exposures, which are adjusted to the applicable regulations (if there are any changes).

Provision of funds to related parties and provision of large funds are done through the normal credit approval process and arm's length as stipulated

in Danamon's credit policies. Provision of funds to related parties must go through the Compliance Director's review and obtain approval from the Board of Commissioners. The provision of funds is approved by the Board of Directors through the Credit Committee independently and in accordance with credit approval authority.

There are no violations and exceeds of the maximum legal lending limit to related parties and the provision of large funds. Danamon always monitors the maximum legal lending limit and diversification of the funding portfolio by considering the condition of the Bank's capital and applying the prudential principles and applicable regulations in providing funds.

10. Transparency of financial and non-financial conditions and corporate governance implementation report is adequate. Danamon's Annual Report and published financial statements have been posted on the Danamon website and/ or published in Indonesian language newspapers which have broad circulation as stipulated in the OJK regulations. Danamon's Annual Report and Corporate Governance Implementation Reports have been submitted in a complete and timely manner to OJK and shareholders with scope and content in accordance with the provisions.

The financial statements including Danamon's financial/ non-financial conditions have been published to the Stakeholders. Danamon also holds public exposes on a regular (quarterly) basis. Danamon always announces financial and non-financial reports on a regular basis through print media and through the company's website as well as submits financial and non-financial reports to OJK in accordance with regulations.

Danamon has an adequate management information system (SIM), which is supported by competent human resources and an adequate IT security system.

Danamon has operational and marketing collateral policies that are reviewed and updated in accordance with the provisions of Consumer Protection in the Financial Services Sector. Danamon carries out training and certification needed to marketing officers in accordance with product regulations. In launching new products/ features, through marketing officers and/ or through e-channel applications, Danamon delivers and explains product information to customers in accordance with the guidelines prepared.

The procedure for customer complaints and settlement of customer disputes has been informed via the corporate web and in terms and conditions

and/ or summary of banking service/ product information in accordance with the provisions. Danamon has a policy for Handling of Settlement of Customer Complaints and special units that handle customer complaints and facilitate customer complaints received through branches or through the media and Hello Danamon serves customers 24 hours.

11. Danamon has strategic plans in the form of Corporate Plans and Business Plans in accordance with Danamon’s vision and mission. Danamon’s Business Plan has been prepared by the Board of Directors and approved by the Board of Commissioners and is fully supported by the owner, which is reflected in the commitment and efforts of the owner in maintaining Danamon’s healthy capital, in which Danamon’s capital adequacy ratio is maintained above the minimum ratio set by the regulator. Danamon has also implemented the Internal Capital Adequacy Assessment Process (ICAAP) in managing capital. Danamon’s profit sharing has been carried out through the resolution of the General Meeting of Shareholders (GMS) with due regard to capital to support Danamon’s strategic plans.

Danamon prepares Business Plans by considering macro and micro conditions, risk appetite, infrastructure, strategies and taking into account the prudential principles and being responsive to internal and external changes. Danamon’s continuous growth is disclosed in Danamon’s Business Plan. Danamon’s positive growth has benefited stakeholders both economically and non-economically. Danamon’s strategic plans have been prepared comprehensively and have paid attention to business opportunities and strengths owned by Danamon and considered the weaknesses and threats. Adequate infrastructure including HR, IT, office networks, policies and procedures are supporting factors in the preparation of Danamon’s strategic plans.

The Board of Directors has communicated Danamon’s Corporate Plan and Business Plan to the Controlling Shareholders and to all levels of the Danamon organization through an offsite meeting with employees.

The Board of Directors consistently implements the established business plans. The Board of Commissioners has supervised the implementation of the RBB through Board of Commissioners’ meetings and/ or Joint meetings, and based on the Board of Commissioners’ supervisory report.

In general, there are no significant problems in the implementation of Corporate Governance principles at

Danamon. Good Corporate Governance principles have been applied thoroughly and structured to three aspects of governance, namely governance structure, governance process and governance outcome. Reviews of activities, processes, policies and strategies are carried out continuously to achieve optimal processes and effective controls.

EXTERNAL ASSESSMENT

ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard)

Danamon continues to make improvements in the implementation of good corporate governance principles so that it is expected to achieve good corporate governance that ultimately can provide added value to all Danamon stakeholders. One of the efforts made by Danamon is to use the ASEAN CG Scorecard as a guide for improving the implementation of sustainable corporate governance principles.

In addition to the self assessment of the implementation of corporate governance as regulated by the provisions of OJK, Danamon is also assessed by the Indonesian Institute for Corporate Directorship (IICD), RSM and OJK based on the ASEAN CG Scorecard principles. Danamon conducts self assessment to determine the necessary action plan improvements.

ACHIEVEMENT OF CORPORATE GOVERNANCE IMPLEMENTATION

In 11th Indonesian Institute for Corporate Directorship (IICD) Corporate Governance Award, Danamon received the “IICD Corporate Governance Award 2019” award as one of the Top 50 Big Capitalization Public Listed Company, a public company with the best corporate governance practices for “Big Capitalization Best Financial Sector” category. This award is given to public companies that have implemented good corporate governance best practices based on the parameters in the ASEAN CG Scorecard.

REPORTS OF DANAMON'S CORPORATE GOVERNANCE IMPLEMENTATION

Danamon’s Corporate Governance Implementation Report covers all aspects of the implementation of corporate governance at Danamon, which are formulated by referring to prevailing legislative regulations and implementation of corporate governance’s best practices that are universally applicable. The issuance of Danamon’s corporate governance implementation report is part of the responsibility for implementing transparency principles towards the stakeholders and fulfilling applicable laws and regulations.

- Main Highlights
- Management Report
- Company Profile
- Management Discussion and Analysis
- Operational Review
- Good Corporate Governance**
- Corporate Social Responsibility
- Corporate Data

General Meeting of Shareholders (GMS)

The General Meeting of Shareholders (GMS) is the highest organ in Danamon's corporate governance, which is a forum for shareholders to take decisions with due regard to the articles of association and legislation. Decisions taken at the GMS are based on the interests of the Bank, and are carried out fairly and transparently.

GMS consists of the Annual GMS and Extraordinary GMS, as follows:

1. Annual General Meeting of Shareholders (AGMS)
2. AGMS must be held by the Board of Directors annually, at the latest by the end of June, as referred to in the statutory regulations preceded by the GMS Announcement and Invitation;
3. The Board of Directors submits the Annual Report to the GMS after being reviewed by the Board of Commissioners with coverage as stipulated in Danamon's Articles of Association;
4. AGMS decides on the agenda or on matters that have been submitted in accordance with the statutory regulations and Danamon's Articles of Association.
5. Extraordinary General Meeting of Shareholders (EGMS)
6. EGMS can be held by the Board of Directors at any time based on the needs for the interests of Danamon in accordance to the statutory regulations and Danamon's Articles of Association preceded by the GMS Announcement and Invitation;
7. In the EGMS, the proposed agenda may be determined in accordance with the provisions of the Articles of Association and the prevailing laws and regulations.

Legal Basis for GMS Implementation

The GMS held by Danamon is carried out by referring to Law No. 40 Year 2007 concerning Limited Liability Companies, FSA Regulation No. 32/POJK.04/2014 dated December 8, 2014 concerning Planning and Holding General Meetings of Shareholders of Public Limited Companies along with the amendment rules through FSA Regulation No. 10/POJK.04/2017 dated March 14, 2017, Danamon's Articles of Association and Danamon's Corporate Governance Guidelines.

SHAREHOLDERS

Shareholders are owners of the capital whose names are recorded in Danamon's register of shareholders. The authorized capital of Danamon is divided into 22,400,000 Series A shares with voting rights, each with a nominal value of Rp 50,000.00 per share and 17,760,000,000 Series B shares with voting rights, each with a nominal value of Rp 500.00 per share. Authorized capital that has been placed by the shareholders amounted to 9,773,552,870

shares consisting of 22,400,000 series A shares and 9,751,152,870 series B shares. Shareholders are classified as holders of series A and series B shares and all shares issued by Danamon are registered shares.

Rights and Authority of Shareholders

Danamon does not differentiate preferred shares from common shares. Shareholders have equal rights and obligations. Shareholders may participate in the management of the Company through the GMS. The GMS may be held at the request of the shareholders by meeting the requirements stipulated in Danamon's Articles of Association.

Shareholders have the right to participate in decision making related to amendments in the Articles of Association and other changes related to the Company, the right to participate effectively and to exercise his/her votes in the GMS, as well as the right to obtain information in relation to the GMS, including agenda, rules and procedures for voting.

Danamon protects the rights of shareholders and facilitates the implementation of the basic rights of shareholders. The basic rights of shareholders are, among others:

1. Attend and vote in the GMS;
2. Obtain relevant and material information about Danamon in a timely and orderly manner;
3. Obtain the ownership registration method;
4. Assign or transfer shares;
5. Appoint and dismiss the Board of Directors and the Board of Commissioners;
6. Receive a portion of Danamon's profit; and
7. Perform other rights and authorities pursuant to Danamon's Articles of Association and the prevailing laws and legislations.

The rights and authorities of shareholders are regulated in detail in the Articles of Association of Danamon that can be accessed through Danamon's website (www.danamon.co.id).

Limitation of Shareholders

1. Shareholders are not allowed to intervene in the operational activities of Danamon, and the Board of Directors and the Board of Commissioners must reject such intervention.
2. The controlling shareholders can coordinate the preparation of business strategy, corporate plan, and business plan.
3. Supervision by the controlling shareholders can only be performed through the GMS or policy coordination and conducting audits in accordance with the applicable regulations.

4. The controlling shareholders must avoid any conflict of interest.
 5. The controlling shareholders must not abuse the dominance of ownership or control that could lead to violations of the principles of corporate governance.
 6. The Board of Commissioners and Board of Directors must refuse requests for information regarding Danamon by the controlling shareholder that does not comply with the principle of fairness and equality.
 7. Shareholders may not take advantage of Danamon for personal, family, company or business interest in a manner that is contrary to the legislation and the principle of fairness which is commonly applicable in the banking and financial sectors.
- 2) Decision-making by voting is conducted with due regard to the provisions of attendance quorum and GMS decision quorum as stipulated in Danamon's Articles of Association.
 - 3) In voting, ballots cast by shareholders apply to all shares that they own and shareholders are not entitled to give authority to more than one person for a portion of the shares owned with a different voice.
 - 4) In the vote counting, 1 (one) share entitles its holder to cast 1 (one) vote, if a shareholder has more than 1 (one) share, the concerned are asked to vote 1 (one) time only and the vote represents the entire number of owned shares based on the voting card received.
 - 5) In voting, members of the Board of Commissioners, the Board of Directors and employees are prohibited from acting as the proxy of shareholders.
 - 6) In the event of a GMS decision related to cash dividend distribution, the disbursement to those that are entitled is effected no later than 30 (thirty) days after the publication of the summary minutes of GMS that decides the cash dividend distribution.

Access to Information for Shareholders

Shareholders may obtain information regarding Danamon through various communication media facilitated by Danamon, such as the GMS, public exposure, analyst briefing, publication of quarterly financial statements and annual report, the website, as well as email access to Investor Relations (investor.relations@danamon.co.id) and Corporate Secretary (corporate.secretary@danamon.co.id).

Voting and Vote Counting Mechanisms at GMS

Danamon prepares the GMS Rule of Conduct. The GMS Rule of Conduct is disclosed on Danamon website, recited by the chairman of the meeting at the beginning of the GMS. The GMS Rule of Conduct includes the voting and vote counting procedures. Prior to the voting, the chairman of the meeting gives the shareholders, or proxy of shareholders, the opportunity to ask questions and/ or opinions, having the right to ask and/or voice opinions to the chairperson of the GMS prior to voting for any agenda of the GMS.

The decision making in the GMS is conducted as follows:

- 1) GMS decisions are taken based on deliberation to reach consensus. In the case of a decision based on consensus not being reached, the decision is made by voting.

2019 GMS

AGMS and EGMS

In 2019, Danamon has held 1 (one) AGMS and 2 (two) EGMS in which one of the EGMS was held along with the 2018 AGMS. The 2018 AGMS and EGMS holding mechanism was carried out in accordance with the provisions in the Bank's Articles of Association and FSA Regulation No. 32/POJK.04/2014 concerning Planning and Holding General Meetings of Shareholders of Public Limited Companies and FSA Regulation No. 10/POJK.04/2017 dated March 14, 2017 concerning Amendments to FSA Regulation No. 32/POJK.04/2014.

AGMS and EGMS on March 26, 2019

Danamon held its AGMS which was continued with the EGMS on March 20, 2018 as follow:

Date and Time	Tuesday, March 26, 2019: AGMS – started at 10.04 a.m. West Indonesia Time and closed at 11.06 a.m. West Indonesia Time EGMS – started at 11.20 a.m. West Indonesia Time and closed at 12.12 p.m. West Indonesia Time
Venue	Menara Bank Danamon, Auditorium, Lantai 23, Jl. HR. Rasuna Said, Blok C No. 10, Karet Setiabudi, Jakarta 12920
Quorum (Attendance of Shareholders)	In accordance with the Register of Danamon Shareholders as of March 1, 2019, the number of entitled Shares is 9,584,643,365 shares. The number of shares with voting rights that attended or being represented at the AGMS is 8,863,250,411 shares or approximately 92.47% of the total shares issued by Danamon, meanwhile, the number of shares with voting rights that attended or being represented at the EGMS is 8,988,034,410 shares or approximately 93.78% of the total shares issued by Danamon. Therefore, it meets the decision-making quorum requirements for the AGMS agenda (i.e. more than 2/3 of the total shares that have been placed and paid up by the Shareholders with valid voting rights) and decision-making quorum requirements for the first agenda of the EGMS (i.e. 3/4 of the total shares that have been placed and paid up by the Shareholders with valid voting rights) and for the second up to the fourth agenda of the EGMS (i.e. 2/3 of the total shares that have been placed and paid up by the Shareholders with valid voting rights) . Thus, the GMS is valid to take place and make decisions.
Chairman of the AGMS and EGM	The GMS was chaired by Johannes Berchmans Kristiadi Pudjosukanto, Vice President Commissioner (Independent) of Danamon, in accordance with Danamon’s Articles of Association and Circular Resolutions of the Board of Commissioners.
Attendance of members of the Board of Commissioners including the President Commissioner	Ng Kee Choe as the President Commissioner and all members of the Board of Commissioners were present.
Attendance of the Sharia Supervisory Board	Dr. Hasanudin, M. Ag and Drs. Asep Supyadillah as members of the Sharia Supervisory Board were present.
Attendance of the Chairman of the Audit Committee and Members of the Audit Committee	Made Sukada as Chairman and all members of the Audit Committee were present.
Attendance of the Chairman of the Nomination Committee and Remuneration Committee	Johanes Berchmans Kristiadi Pudjosukanto as the Chairman of Nomination Committee and Remuneration Committee was present.
Attendance of the Chairman of Risk Monitoring Committee	Manggi T. Habir as the Chairman of Risk Monitoring Committee was present.
Attendance of members of the Board of Directors including President Director	Sng Seow Wah as President Director and all other members of the Board of Directors were present.
Attendance of Compliance Director	Rita Mirasari as the Compliance Director was present
Independent parties to calculate the quorum and voting of the AGMS and EGMS decisions	Danamon has appointed Mala Mukti, S.H, LL.M. as a Public Notary and PT Adimitra Jasa Korpora as the Securities Administration Bureau to calculate the quorum and voting.
Number of Shareholders who ask questions and/ or give opinions at the AGMS and EGMS	3 (three) Shareholders asked questions at the GMS and EGMS. In the second agenda of the AGMS, there was 1 (one) shareholder who raised question and in the first agenda of the EGMS, there were 2 (two) shareholders who raised questions.
The decision-making mechanism at the AGMS and EGMS	<ol style="list-style-type: none"> 1) Meeting decisions were taken based on deliberation to reach consensus. 2) In the case of a decision based on deliberation for consensus was not reached, a decision was valid if approved: <ol style="list-style-type: none"> a) For all AGMS agenda, by more than 2/3 of the total shares with valid voting rights presented or being represented at the Meeting; b) For the first EGMS agenda, by 3/4 of the the total shares with valid voting rights presented or being represented at the Meeting; c) For the second up to fourth EGMS agendas, by 2/3 of the the total shares with valid voting rights presented or being represented at the Meeting; 3) ABSTAIN vote is considered to have the same vote as majority vote.

In relation to the AGMS and EGMS above, Danamon's Board of Directors carried out the following disclosures:

- a) Notification of the plan to hold GMS to the Financial Services Authority and Indonesia Stock Exchange on January 15, 2019;
- b) Announcement of the plan to hold GMS as advertised in Kompas and Kontan daily newspapers published on January 22, 2019 and uploaded it to the Danamon website: www.danamon.co.id ("Danamon website") on the same day and date;
- c) Invitation to attend the GMS as advertised in Kompas and Kontan daily newspapers published on March 4, 2019 and uploaded it to the Danamon website on the same day and date;
- d) Upload the announcement, invitation, and explanation of GMS Agenda, and other GMS materials to the IDX Website: www.idx.co.id through the IDXNet reporting system; and
- e) Upload the explanation of GMS Agenda, Public Accountant and Public Accounting Firm Profiles, GMS Rules of Conduct, and other GMS materials to the Danamon website, on March 4, 2019.

Resolution of AGMS and EGMS on 26 March 2019

The AGMS on March 26, 2019 decided on 4 (four) agendas and the EGMS on March 26, 2019 decided 4 (four) agendas.

All resolutions of the Meetings have been realize in 2019 as stated below:

Agenda and Resolution of AGMS on March 26, 2019

AGMS – First Agenda

1. Approve the annual report of the Company's for financial year ended at December 31, 2018;
2. Ratify the financial statements of the year ended December 31, 2018 which was audited by the Public Accounting Firm of Tanudiredja, Wibisana, Rintis & Partner, a firm member of the PricewaterhouseCoopers as stipulated in the Independent Auditor's Report of January 29, 2019 Number 00023/2.1025/AU.1/07/0222-2/1/1/2019 with an unmodified opinion;
3. Ratify the annual Supervisory Report of the Board of Commissioners of the Company for financial year ended at December 31, 2018; and
4. Give release and discharge ("volledig acquit et décharge") to: (i) the Board of Directors in the performance of duties and responsibilities for the management as well as the duties and responsibilities to represent the Company; (ii) the Board of Commissioners in the performance of duties and oversight responsibilities, duties, and responsibilities in providing advice to the Board of Directors, assist the Board of Directors, and give approval to the Board of Directors; and (iii) the Sharia Supervisory Board in the performance of duties and responsibilities of supervision of the Sharia aspects of the implementation of the Company's business activities in accordance with Islamic principles as well as providing advice and suggestions to the Board of Directors, which is done in the financial year ending December 31, 2018, as long as the duties and responsibilities are reflected in the annual report for the financial year ended December 31, 2018.

Voting Result	Total Majority Vote: 8,862,865,111 shares or 99.99%		
	Abstain	Disapprove	Approve
	11,840,641 shares or 0.13%	385,300 shares or 0.00%	8,851,024,470 shares or 99.86%

AGMS – Second Agenda

Approve the appropriation of the Company's net profit for the financial year ended December 31, 2018 in total amount of IDR 3,922,172,000,000 detailed as follows:

1. 1% of the net profit or IDR 39,221,720,000 to be set aside for the reserve fund to comply with Article 70 of Law number 40 of 2007 on Limited Liability Companies;
2. 35% of the net profit or amounting to IDR 1,372,760,200,000 or approximately IDR 143,22 per share (with the assumption that total number of shares issued by the Company on the Recording Date shall not be more than 9,584,643,365 shares), shall be paid as dividends for the year of 2018, with the following conditions:
 - a. 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. Dividends which are unclaimed after period of 5 (five) years as from the date of payment of the dividends has been elapsed shall be included in the Special Reserves Funds. Procedures to claim Dividend which has been recorded in the Special Reserve Fund can be accessed through the Company's website;
 - c. The Board of Directors will deduct dividend tax for the financial year 2018 in accordance with the prevailing tax regulations to the shareholders;
 - d. The Board of Directors is hereby authorized and empowered to stipulate all matters regarding or relating to the implementation of dividend payment for the financial year 2018, 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 financial year 2018; and
 2. determine the date of implementing payment of dividend for the financial year 2018, 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 for the financial year 2018 which is not determined shall be posted as retained earnings of the Company.

Voting Result	Total Majority Vote: 8,862,137,711 shares or 99.99%		
	Total Abstain Vote: 121,000 shares or 0.00%		
	Abstain	Disapprove	Approve
	121,000 shares or 0.00%	1,112,700 shares or 0.01%	8,862,016,711 shares or 99.99%

AGMS – Third Agenda

Appoint Drs. M. Jusuf Wibisana, M.Ec., CPA, as Public Accountant and Public Accountant Firm Tanudiredja, Wibisana, Rintis & Partner, member firm of PricewaterhouseCoopers as a Public Accounting Firm that listed in the Indonesia Financial Services Authority to audit the Company's financial statement for the financial year 2019 and give authority to the Board of Commissioners to determine the amount of honorarium and other requirements relating to the appointment of the Public Accounting Firm, with the consideration of the recommendation of the Audit Committee.

Voting Result	Total Majority Vote: 8,862,865,111 shares or 99.99%		
	Total Abstain Vote: 121,000 saham atau 0.00%		
	Abstain	Disapprove	Approve
	121,000 shares or 0.00%	385,300 shares or 0.00%	8,862,744,111 shares or 99.99%

AGMS – Fourth Agenda

1.
 - a. Approved the payment of tantieme/bonus which will be distributed to the Board of Commissioners of the Company for the financial year 2018;
 - b. Approved the total amount of the remuneration and/or other allowances for the Board of Commissioners of the Company for the financial year 2019 to be estimated at IDR 16,236,131,520.00 gross; and
 - c. Approved the delegation of authority to the President Commissioner of the Company to determine portion of tantieme/bonus for the financial year 2018 and the remuneration/honorarium and any other allowance for the financial year 2019, for each member of the Board of Commissioners of the Company, based on the recommendation of Remuneration Committee;
2.
 - a. Approved the payment of tantieme which will be distributed to the Sharia Supervisory Board of the Company for the financial year 2018;
 - b. Approved the total amount of the remuneration and other allowances for the Sharia Supervisory Board of the Company for the financial year 2019 to be estimated at IDR 752,624,628.00 gross; and
 - c. Approved the delegation of authority to the Board of Commissioners of the Company to determine portion of tantieme/bonus for the financial year 2018 and the remuneration/ honorarium and any other allowance for the financial year 2019, for each member of the Sharia Supervisory Board of the Company, based on the recommendation of Remuneration Committee;

AGMS – Fourth Agenda

3.
 - a. Approved the payment of tantieme/bonus which will be distributed to the Board of Directors of the Company for the financial year 2018;
 - b. Approved the total amount of the remuneration and other allowances for the Board of Directors of the Company for the financial year 2019 to be estimated at IDR 50,107,962,608.00; and
 - c. Approved the delegation of authority to the Board of Commissioners of the Company to determine portion of tantieme/bonus for the financial year 2018 and the remuneration/honorarium and any other allowance for the financial year 2019 for each member of the Board of Directors of the Company, based on the recommendation of Remuneration Committee.

Voting Result	Total Majority and Approved Votes: 8,862,038,471 shares or 99.99%		
	Total of Abstain Vote: 9,827,500 saham atau 0.11%		
	Abstain	Disapprove	Approve
	9,827,500 shares or 0.11%	1,211,940 shares or 0.01%	8,852,210,971 shares or 99.88%

Agenda and Resolution of EGMS on March 26, 2019
EGMS – First Agenda

1. Approved the plan for the merger of the Company with BNP (where the Company will become the Surviving Bank a Merged Bank and therefore confirms the transfer of all BNP assets and liabilities), along with the required transactional documents, including draft of merger document, additional information and/or changes, and concept of the merger deed of the Company with BNP, including all attachments and Statement Share Sales form:
 - a) The Company's shareholders who intend to sell their shares must fill in and sign the Share Sales Form;
 - b) The Company's shareholders who have filled and signed the Shares Sale form must submit the form to PT Adimitra Jasa Korpora as the Company's Share Registrar at 09.00 until 15.00 WIB starting from 28 March 2019 until 10 April 2019 (Shares Sale Verification Period). The Company will make announcement If there is a change on Share Sales Verification Period;
 - c) The Company's shareholders who have submitted the Shares Sale form within the Shares Sales Verification Period must provide instructions to their Securities Companies/ Custodian Bank to transfer their shares to KSEI escrow account number: KSEI1-1092-001-96 (Escrow Account") on 9 or 10 April 2019 ("Shares Transfer Period");
 - d) The Company's shareholders, who have submitted their Shares Sale form within the Shares Sale Period but have not transfer their shares to the Escrow Account until the expiration of the Shares Transfer Period on 10 April 2019, are considered to have cancelled their intention to sell and transfer their shares;
 - e) In the event that there are non eligible shareholders who have transferred their shares to the Escrow Account, their shares will be returned no later than 2 working days after the respective shareholders submitted their requests including the supporting documents to Adimitra Jasa Korpora as the Company's Share Registrar;
 - f) Any tax or commission paid for the sale of shares as described above will be borne by the respective sellers and buyers in accordance with the applicable Indonesian Stock Exchange regulation and the arrangement of fees agreed with the broker of each party.
2. Approved for the Board of Directors of the Company to prepare and sign the BNP Merger Deed into the Company in accordance with the BNP Merger Deed Concept into the Company with the terms and conditions as contained in the Merger Draft and the amendments before the Notary.
3. Authorized the granting of power and authority to the Board of Directors of the Company with substitution rights, to carry out actions relating to the planned merger.

Voting Result	Total Majority Vote: 8,535,327,954 shares or 94.96%		
	Total Abstain Vote: 54,208 shares or 0.00%		
	Abstain	Disapprove	Approve
	54,208 share or 0.00%	452,706,456 shares or 5.04%	8,535,273,746 shares or 94.96%

EGMS – Second Agenda

- Approved the change of the Company's AoA Article 4, Paragraph 2 concerning Issued Capital and Paid-up Capital, whereby the Company will issue a total of 188,909,505 (one hundred eighty eight million nine hundred nine thousand five hundred and five) series B shares with a total nominal value of Rp94. 454,752,500.00 (ninety-four billion four hundred fifty four million seven hundred fifty two thousand five hundred rupiahs) as a result of the conversion of all shares owned by BNP shareholders prior to the merger, where the conversion ratio 1: 0.236168:

“Capital” Article 4

- The authorized capital of the Company shall be in IDR10,000,000,000,000 (ten trillion Rupiah) divided in to:
 - 22,400,000 (twenty two million four hundred thousand) A series shares with voting rights, each share shall be in a nominal value of IDR50,000 (fifty thousand Rupiah); and
 - 17,760,000,000 (seventeen billion seven hundred and sixty million) B series shares with voting rights, each shares shall be in a nominal value of IDR500 (five hundred Rupiah).
- Out of the aforementioned authorized capital issued by the shareholders in the total of 9,773.552.870 (nine billion seven hundred seventy three million five hundred fifty two thousand eight hundred seventy) shares in the nominal value of IDR5,995,576,435,000 (five trillion nine hundred ninety five billion five hundred seventy six million four hundred thirty five thousand Rupiah), consisting of:
 - 22,400,000 (twenty two million four hundred thousand) A series shares in the total nominal value of IDR1,120,000,000,000; (one trillion one hundred and twenty billion Rupiah); and
 - 9,751,152,870 (nine billion seven hundred fifty one million one hundred five twenty two thousand eight hundred seventy) B series shares in the total nominal value of IDR4,875,576,435,000 (four trillion eight hundred seventy five billion five hundred seventy six million four hundred three fifty five thousand Rupiah) paid up by the shareholders with details and nominal value of shares specified at the end of these Article of Association.
- Approved to give authority to the Company's Board of Directors to restate the AoA including the proposed change above into one Notary deed and make editorial changes if needed in accordance with applicable regulations, and then submit application to the competent authority including the Financial Services Authority and Minister of Law and Human Rights of the Republic of Indonesia, register it in the Company Register, and announce it in the State Gazette of the Republic of Indonesia.

Voting Result	Total Majority Vote: 8,555,750,496 shares or 95.19%		
	Abstain	Disapprove	Approve
	121,000 shares or 0.00%	432,283,914 shares or 4.81%	8,555,629,496 shares or 95.19%

EGMS – Third Agenda

- Approved the composition of the BOC and BOD after the effective merger of the Company and BNP as follow:

Board of Commissioners

President Commissioner : Takayoshi Futae
 Vice President Commissioner (Independent) : Johannes Berchmans Kristiadi Pudjosukanto
 Commissioner : Masamichi Yasuda
 Commissioner : Hideaki Takase
 Commissioner (Independent) : Manggi Taruna Habir
 Commissioner (Independent) : Made Sukada
 Commissioner (Independent) : Peter Benyamin Stok

Board of Directors

President Director : Sng Seow Wah
 Vice President Director : Michellina Triwardhany
 Director : Satinder Pal Singh Ahluwalia
 Director : Adnan Qayum Khan
 Director : Heriyanto Agung Putra
 Director : Herry Hykmanto
 Director : Dadi Budiana
 Director : Yasushi Itagaki
 Director : Rita Mirasari

where the appointment will be effective after passing OJK Fit and proper Test, and the term of office until the close of AGMS for financial year ended 31 December 2019 which will be conducted no later than June 2020.

EGMS – Third Agenda

2. There is no change on the composition of DPS after the merger is effective:

Syariah Supervisory Board

Chairman : Prof. DR. HM Din Syamsuddin

Member : Dr. Hasanuddin M.Ag.

Member : Drs. Asep Supyadillah, M. Ag.

3. The composition of BOC, BOD, and SSB remained the same until the merger is effective.
4. Approved to give authority to the Board of Directors to include such decisions in the deeds of statements made before a notary public, notify changes to the Company's data to the Minister of Law and Human Rights of the Republic of Indonesia

Voting Result	Total Majority Vote: 7,988,754,193 shares or 88.88%		
	Abstain	Disapprove	Approve
	9,972,408 shares or 0.11%	999,280,217 shares or 11.12%	7,978,781,785 shares or 88.77%
	Total No Vote: 9,972,408 shares or 0.11%		

EGMS – Fourth Agenda

1. Approved the Update of the Recovery Plan which was submitted to OJK on November 2018
2. Approved to give authority to the Board of Commissioners and/or the Board of Directors of the Company with substitution rights, to carry out the required actions relating to the Recovery Plan in consideration to OJK Regulation No. 14 year 2017 concerning Recovery Plans for Systemic Banks.

Voting Result	Total Majority Vote: 8,568,269,582 shares or 95.33%		
	Abstain	Disapprove	Approve
	175,208 shares or 0.00%	419,764,828 shares or 4.67%	8,568,094,374 shares or 95.33%
	Total No Vote: 175,208 shares or 0.00%		

EGMS 1 OCTOBER 2019

Danamon held another EGMS on 1 October 2019 as follow:

Date and Time	Tuesday, 1 October 2019: Started at 14.25 West Indonesia Time and closed at 14.50 West Indonesia Time
Venue	Menara Bank Danamon, Auditorium, Lantai 23, Jl. HR. Rasuna Said, Blok C No. 10, Karet Setiabudi, Jakarta 12920
Quorum (Attendance of Shareholders)	In accordance with the Register of Danamon Shareholders as of 6 September 2019, the number of entitled Shares is 9.773.552.870 shares. The number of shares with voting rights that attended or being represented at the EGMS is 9.326.385.319 shares or approximately 95.42% of the total shares issued by Danamon. Therefore, it meets the decision-making quorum requirements for the EGMS agenda (i.e. more than 2/3 of the total shares that have been placed and paid up by the Shareholders with valid voting rights). Thus, the GMS is valid to take place and make decisions.
Chairman of the EGMS	The EGMS was chaired by Johannes Berchmans Kristiadi Pudjosukanto, Vice President Commissioner (Independent) of Danamon, in accordance with Danamon's Articles of Association and Circular Resolutions of the Board of Commissioners.
Attendance of members of the Board of Commissioners including the President Commissioner	Takayoshi Futae as the President Commissioner and all members of the Board of Commissioners were present.
Attendance of the Sharia Supervisory Board	Prof. Dr. H. M. Din Syamsuddin as Chairman, Dr. Hasanudin, M. Ag and Drs. Asep Supyadillah, Mag as members of the Sharia Supervisory Board were present.
Attendance of the Chairman of the Audit Committee and Members of the Audit Committee	Made Sukada as Chairman and all members of the Audit Committee were present.

Attendance of the Chairman of the Nomination Committee and Remuneration Committee	Johanes Berchmans Kristiadi Pudjosukanto as the Chairman of Nomination Committee and Remuneration Committee was present.
Attendance of the Chairman of Risk Monitoring Committee	Manggi T. Habir as the Chairman of Risk Monitoring Committee was present.
Attendance of members of the Board of Directors including President Director	Sng Seow Wah as President Director and all other members of the Board of Directors were present.
Attendance of Compliance Director	Rita Mirasari as the Compliance Director was present
Independent parties to calculate the quorum and voting of the AGMS and EGMS decisions	Danamon has appointed Mala Mukti, S.H, LL.M. as a Public Notary and PT Adimitra Jasa Korpora as the Securities Administration Bureau to calculate the quorum and voting.
Number of Shareholders who ask questions and/ or give opinions at the AGMS and EGMS	There is no Shareholders who raised questions at the EGMS
The decision-making mechanism at the AGMS and EGMS	<ol style="list-style-type: none"> 1) Meeting decisions were taken based on deliberation to reach consensus. 2) In the case of a decision based on deliberation for consensus was not reached, a decision was valid if approved by more than 2/3 of the total shares with valid voting rights presented or being represented at the Meeting; 3) ABSTAIN vote is considered to have the same vote as majority vote.

In relation to the EGMS on 1 October 2019, the Board of Directors of Danamon carried out the following disclosures:

1. Notification on the plan to conduct the EGMS to the Financial Services Authority and the Indonesia Stock Exchange, respectively on 15 August 2019;
2. Announcement on the plan to conduct EGMS in the Kompas dan Kontan daily newspaper on 23 August 2019 and upload it to the Danamon website: www.danamon.co.id ("Danamon website") on the same day and date;
3. Invitation to attend the EGMS in the Kompas and Kontan daily newspaper on 9 September 2019 and upload it to the Danamon website on the same day and date;
4. Upload the announcement, invitation, explanation of GMS Agenda, and other GMS materials to the IDX Website: www.idx.co.id through the SPE.OJK-IDXNet reporting system; and
5. Upload the explanation of EGMS Agenda, profile of the BOC and BOD members, amendments to the articles in the Articles of Association of the Company, GMS Rules of Conduct, and other meeting materials on the Company's website (www.danamon.co.id).

RESOLUTION OF EGMS ON OCTOBER 1, 2019

The EGMS on October 1, 2019 has decided on 2 (two) agendas. All resolution of the meeting have been realized in 2019, as stated below.

Agenda and Resolution of EGMS on October 1, 2019

EGMS – First Agenda

1.
 - a. Accepted the resignation of Mr. Sng Seow Wah and resignation of Mr. Satinder Pal Singh Ahluwalia with expression of thanks for the services they have provided to the Company. The grant of release and discharge (volledig acquit et de charge) to Mr. Sng Seow Wah and Mr. Satinder Pal Singh Ahluwalia will be determined at the Annual General Meeting of Shareholders in accordance to their respective term of office.
 - b. Approved the dismissal of Mr. Yasushi Itagaki as the Director of the Company and at the same time appoint Mr. Yasushi Itagaki as the President Director of the Company. The dismissal and appointment of Mr. Yasushi Itagaki will be effective after passing the Fit and Proper Test of the Financial Services Authority (OJK) as President Director where his term of office is the same as the term of office of the incumbent of BoD;
 - c. Approved to appoint :
 - Mr. Noriaki Goto as Commissioner
 - Mr. Nobuya Kawasaki as Commissioner
 - Mr. Honggo Widjojo Kangmasto as Vice President Director
 - Mr. Muljono Tjandra as Director
 - Mr. Naoki Mizoguchi as Director

where their respective appointment will be effective after passing the Fit and Proper Test of the Financial Services Authority (OJK) where their respective term of office is the same as the term of office of the incumbent of the BoC and BoD.

EGMS – First Agenda

2. Therefore, the composition of the Board of Commissioners, Board of Directors and Sharia Supervisory Board of the Company as follows:

Board of Commissioners

President Commissioner : Takayoshi Futae
 Vice President Commissioner (Independent) : Johannes Berchmans Kristiadi Pudjosukanto
 Commissioner : Masamichi Yasuda
 Commissioner : Noriaki Goto*
 Commissioner : Nobuya Kawasaki*
 Commissioner (Independent) : Manggi Taruna Habir
 Commissioner (Independent) : Made Sukada
 Commissioner (Independent) : Peter Benyamin Stok

Board of Directors

President Director : Yasushi Itagaki*
 Vice President Director : Michellina Laksmi Triwardhany
 Vice President Director : Honggo Widjojo Kangmasto*
 Director : Adnan Qayum Khan
 Director : Heriyanto Agung Putra
 Director : Herry Hykmanto
 Director : Dadi Budiana
 Director : Rita Mirasari
 Director : Muljono Tjandra*
 Director : Naoki Mizoguchi*

Sharia Supervisory Board

Chairman : Prof. DR. HM Din Syamsuddin
 Member : Dr. Hasanudin, M.Ag.
 Member : Drs. Asep Supyadillah, M. Ag.

*effective after passing OJK Fit and Proper Test

with term of office that will end up to the closing of the third Annual General Meeting of Shareholders for the financial year book ended 2019 which will convene at the latest on 30 June 2020, without prejudice to the right of General Meeting of Shareholder to dismiss them at any time.

Approved to give authority to the Board of Directors to include such decisions in the deeds of statements made before a notary public, notify changes to the Company's data to the Minister of Law and Human Rights of the Republic of Indonesia.

Voting Result	Total Majority Vote: 9.204.437.791 shares or 98,69%		
	Abstain	Disapprove	Approve
	0 shares	121.947.528 shares or 1,31%	9.204.437.791 shares or 98,69%

EGMS – Second Agenda

1. Approved the Amendments of Article 3 of the Company's Article of Association concerning Purpose and Objective and also Company Business Activity.
2. Approved to give authority to the Company's Board of Directors to restate the AoA including the proposed change above into one Notary deed and make editorial changes if needed in accordance with applicable regulations, and then submit application Minister of Law and Human Rights of the Republic of Indonesia, register it in the Company Register, and announce it in the State Gazette of the Republic of Indonesia

Voting Result	Total Majority Vote: 9.204.469.491 shares or 98,69%		
	Abstain	Disapprove	Approve
	0 share	121.915.828 shares or 1,31%	9.204.469.491 shares or 98,69%

REALIZATION OF THE 2019 GMS RESOLUTION

All of the 2019 AGMS and EGMS Resolutions have been realized in the same year.

Board of Commissioners

The Board of Commissioners is the organ of Danamon which has duties and responsibilities collectively for supervising and providing advices to the Board of Directors and ensuring that the company implements the principles of good corporate governance. The working relationship of the Board of Commissioners and the Board of Directors is the relationship of checks and balances with the principle that both organs have an equal position and both have the ultimate goal for the progress and health of the company.

Members of the Board of Commissioners are appointed and dismissed by the GMS based on a transparent process with regard to the recommendation of the Nomination Committee. Members of the Board of Commissioners are appointed with terms of office of 3 (three) years in accordance with the Articles of Association and may be reappointed.

Appointment of members of the Board of Commissioners is declared effective after passing the fit and proper test required by the Financial Services Authority. The GMS can dismiss members of the Board of Commissioners even though his/her term has not expired, dismissal would be based on reasonable grounds and after the members of the Board of Commissioners had been given the opportunity to defend themselves.

Charter of the Board of Commissioners

The Board of Commissioners has owned the Charter of the Board of Commissioners that regulates the structure and membership, independent commissioners, terms of office, duties and responsibilities of the Board of Commissioners, duties and responsibilities of the President Commissioner, authority, work ethic, meetings and implementation, transparency, and reporting. The Charter is developed based on applicable regulations, corporate governance principles, and best practices in the implementation of good corporate governance and is reviewed periodically.

Work Ethics of the Board of Commissioners

- a. Prohibited from taking advantage of Danamon for personal, family, and/or other party's interests that may reduce profits or be detrimental to the reputation of Danamon and its subsidiaries.
- b. Prohibited from taking and/or receiving personal gain from Danamon other than remuneration and other facilities as specified in the General Meeting of Shareholders.
- c. Prohibited from directly or indirectly making incorrect statements about material facts or not disclosing material facts so that the statements made are not misleading about the conditions of Danamon at the time the statement was made.

- d. In conducting supervision, prohibited from interfering in the operational decisions of the company except for the provision of funds to related parties and other matters set forth in Danamon's Articles of Association.

Duties and Responsibilities of the Board of Commissioners

- a. The Board of Commissioners is subject to the work ethics (code of conduct), applicable legislation, internal regulations and policies of Danamon.
- b. The Board of Commissioners must conduct its duties and responsibilities independently. In performing its duties, the Board of Commissioners must provide sufficient time to carry out its duties and responsibilities optimally.
- c. The Board of Commissioners must ensure the implementation of good corporate governance in all Danamon's business activities at all levels of the organization.
- d. In conducting supervision, the Board of Commissioners must direct, monitor, and evaluate the strategic policy implementation of Danamon.
- e. The Board of Commissioners must not be involved in the decision-making of Danamon's operations, except: in the case of funds provision to related parties and other matters specified in the Articles of Association of Danamon and applicable legislation.
- f. The Board of Commissioners must review the vision and mission of Danamon on a regular basis.
- g. In order to support the effective implementation of its duties and responsibilities, the Board of Commissioners has established:
 - Audit Committee
 - Risk Monitoring Committee
 - Remuneration Committee
 - Nomination Committee
 - Corporate Governance Committee
 - Integrated Corporate Governance Committee
- h. The Board of Commissioners must evaluate the performance of the Committees annually.
- i. Members of the Board of Commissioners agree to sit as a member or as a chairman in one of the above Committees as recommended by the Nomination Committee. The Board of Commissioners must ensure that the above Committees carry out their duties effectively.
- j. The Board of Commissioners must ensure that the Board of Directors have followed up audit findings and recommendations of Danamon's internal audit working unit, external auditor, supervision results of Financial Services Authority/ Bank Indonesia and/or other authorities.
- k. The Board of Commissioners must make recommendations on improvements or suggestions submitted by the Audit Committee and submit those recommendations to the Board of Directors.

- l. The Board of Commissioners must safeguard all confidential documents, data, and information of Danamon.
- m. The Board of Commissioners must inform Financial Services Authority no later than 7 (seven) working days after the finding of: violation of legislation in the field of finance and banking and conditions or estimated conditions that could endanger the continuity of Danamon's business
- n. The Board of Commissioners must monitor and evaluate the information technology strategic plan, including reviewing the policies and procedures of risk management for the utilization of information technology by Danamon, as proposed by the Board of Directors.
- o. The Board of Commissioners must prepare the Charter of the Board of Commissioners, as well as review and update the charter periodically.
- p. Members of the Board of Commissioners must enhance competencies through continuous education and training.
- less than 5 (five) days.
- c. Receive authority from the GMS to distribute tantieme to members of the Board of Commissioners.

Authority of the Board of Commissioners

The authorities of the Board of Commissioners are stipulated in the Articles of Association, Corporate Governance Policy, and Charter of the Board of Commissioners, as follows:

- Access documents, data, and information regarding Danamon's employees, funds, assets, and resources as deemed necessary.
- Directly communicate with the Board of Directors, employees, and other parties in connection with the implementation of its duties and responsibilities.
- Engage independent parties other than members of the Board of Commissioners to assist in carrying out its duties, if necessary.
- Carry out other authorities as granted by the Articles of Association of Danamon and the prevailing laws and regulations.

Duties and Responsibilities of the President Commissioner

Perform coordination functions on the implementation of the duties and responsibilities of the Board of Commissioners, among others:

- Receive reports from the Committees under the Board of Commissioners.
- Lead the Board of Commissioners in conducting oversight and assurance functions, and recognize an urgent situation in the meeting invitation in the event the Board of Commissioners meeting is conducted in

NUMBER, COMPOSITION, CRITERIA, INDEPENDENCY AND CONCURRENT POSITIONS OF MEMBERS OF THE BOARD OF COMMISSIONERS

Number, Composition and Criteria of the Board of Commissioners

The composition of the Board of Commissioners after the effective merger between Danamon and Bank Parahyangan was as follow

Number, Composition and Criteria of the Board of Commissioners

No.	Name	Position
1	Takayoshi Futae	President Commissioner
2	J.B. Kristiadi	Vice President Commissioner (Independent)
3	Masamichi Yasuda	Commissioner
4	Manggi T. Habir	Commissioner (Independent)
5	Made Sukada	Commissioner (Independent)
6	Peter Benyamin Stok	Commissioner (Independent)

Furthermore, the EGMS conducted on 1 October 2019 approved the appointment of of Noriaki Goto and Nobuya Kawasaki as Commissioners of the Bank. The appointment of Noriaki Goto and Nobuya Kawasaki will be effective after they passed the OJK Fit and Proper Test. The composition of the Board of Commissioner based on the 1 October 2019 EGMS is as follow:

No.	Name	Position
1	Takayoshi Futae	President Commissioner
2	J.B. Kristiadi	Vice President Commissioner (Independent)
3	Masamichi Yasuda	Commissioner
4	Manggi T. Habir	Commissioner (Independent)
5	Made Sukada	Commissioner (Independent)
6	Peter Benyamin Stok	Commissioner (Independent)
7	Noriaki Goto *)	Commissioner
8	Nobuya Kawasaki *)	Commissioner

*)the appointment will be effective after passing the OJK Fit and Proper Test

The total member of the Board of Commissioners is 8 (eight) members and does not exceed the total member of the Board of Directors of 10 (ten) members.

Half of the members of the Board of Commissioners are independent, namely: J.B. Kristiadi, Manggi T. Habir, Made Sukada dan Peter Benyamin Stok, and half of them are domiciled in Indonesia. The number and composition of the Board of Commissioners are in accordance with the needs and complexity of Danamon while taking into account effectiveness in decision making, as well as complying with applicable laws and regulations.

The Board of Commissioners' tenure is until the closing of the Annual General Meeting of Shareholders for the fiscal year ending on December 31, 2019 which will be held no later than June 30, 2020, without prejudice to the right of the General Meeting of Shareholders to terminate at any time. Members of the Board of Commissioners

whose term of service has ended may be reappointed by taking into account the applicable provisions. Members of the Board of Commissioners may be dismissed at any time by the GMS even though the term of office has not ended. The termination is effective from the closing of the meeting, unless the GMS determines otherwise

The term of office of a member of the Board of Commissioners will end automatically if the member of the Board of Commissioners:

- declared bankrupt or placed under custody based on a court decision; or
- prohibited from serving as a member of the Board of Commissioners because of statutory provisions or statutory provisions; or
- passed away; or
- dismissed based on GMS decision; or
- does not meet the requirements referred to in the provisions of the legislation; or
- resigned.

Name	Position	GMS Date	Effective OJK /BI	Office Terms	Number of Appointment	Domicile
Takayoshi Futae	Commissioner	March 20, 2018	October 3, 2018	2018-2020	1x	Tokyo
	President Commissioner	March 26, 2019**	April 25, 2019***	2019-2020		
J.B. Kristiadi	Vice President Commissioner (Independent)	May 9, 2005	December 5, 2005	2005-2008 2008-2011 2011-2014 2014-2017 2017-2020	5x	Indonesia
	Vice President Commissioner (Independent)	March 26, 2019**	April 25, 2019***	2019-2020		
Masamichi Yasuda	Commissioner	November 19, 2018	February 21, 2019	2018-2020	1x	Japan
	Commisioner	March 26, 2019**	April 25, 2019***	2019-2020		
Manggi T. Habir	Commissioner (Independent)	May 9, 2005	July 22, 2005	2005-2008 2008-2011 2011-2014 2014-2017 2017-2020	5x	Indonesia
	Commissioner (Independent)	March 26, 2019**	April 25, 2019***	2019-2020		
Made Sukada	Commissioner (Independent)	May 7, 2014	August 8, 2014	2014-2017 2017-2020	2x	Indonesia
	Commissioner (Independent)	March 26, 2019**	April 25, 2019***	2019-2020		
Peter Benyamin Stok	Commissioner (Independent)	March 20, 2018	July 5, 2018	2018-2020	1x	Indonesia
	Commissioner (Independent)	March 26, 2019**	April 25, 2019***	2019-2020		
Noriaki Goto *	Commissioner	October 1, 2019	OJK fit & proper test	2019-2020	1x	Singapore
Nobuya Kawasaki *	Commissioner	October 1, 2019	OJK fit & proper test	2019-2020	1x	Singapore

* In the process of OJK Fit and Proper Test

** In accordance with the resolution of the EGMS on March 26, 2019, that approved the changes in the composition of the Board of Commissioners due to the merger process between Danamon and PT Bank Nusantara Parahyangan Tbk

*** Based on OJK's letter No. S-122 / PB.12 / 2019 dated April 25, 2019 regarding Submission of Decision of the Board of Commissioners of the Financial Services Authority for the Merger of PT Bank Nusantara Parahyangan Tbk into PT Bank Danamon Indonesia Tbk and the PKK Results of the Management of PT Bank Danamon Indonesia Tbk (Merger Results), all members of the Board of Commissioners have passed the fit and proper test from OJK.

Criteria for Independent Commissioner

In addition to meeting the requirements as a member of the Board of Commissioners, Danamon's Independent Commissioners must comply with the following provisions:

1. Have no financial, management, share ownership and/or family relationships with other members of the Board of Directors, members of the Board of Commissioners, and/ or controlling shareholders, or relationship with Danamon that may affect the ability to act independently.
2. Have no shares, directly or indirectly, in Danamon.
3. Have no direct or indirect business relationship
4. related to Danamon's business activities. Have not been a member of the Board of Directors, member of the Board of Commissioners, member of the Sharia Supervisory Board, or held a position one level below the Board of Directors of the same Bank or other company affiliated with the Bank within the last 1 (one) year.
5. All Independent Commissioners have signed the statement of independency which is prepared and updated periodically, including statement regarding concurrent positions that are prohibited by Financial Services Authority.

Independency of Members of the Board of Commissioners

All members of the Board of Commissioners who are currently serving have no family relationship up to the second degree with other members of the Board of Commissioners, Board of Directors, or the controlling shareholders. 50% of the members of the Board of Commissioners have no financial relationships with the controlling shareholders and all members of the Board of Commissioners have no financial relationship with other members of the Board of Commissioners and Board of Directors.

Family and Financial Relationship

Family and Financial Relationship of members of the Board of Commissioners with their fellow members of the Board of Commissioners, members of the Board of Directors, and Controlling Shareholders can be viewed in the following table:

Name	Position	Family Relationship with						Financial Relationship with					
		BOC Members		BOD Members		Controlling Shareholder		BOC Members		BOD Members		Controlling Shareholder	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Takayoshi Futae	President Commissioner	-	√	-	√	-	√	-	√	-	√	√	-
J.B Kristiadi	Vice President Commissioner (Independent)	-	√	-	√	-	√	-	√	-	√	-	√
Masamichi Yasuda	Commissioner	-	√	-	√	-	√	-	√	-	√	√	-
Manggi T. Habir	Commissioner (Independent)	-	√	-	√	-	√	-	√	-	√	-	√
Made Sukada	Commissioner (Independent)	-	√	-	√	-	√	-	√	-	√	-	√
Peter Benyamin Stok	Commissioner (Independent)	-	√	-	√	-	√	-	√	-	√	-	√
Noriaki Goto ^{*)}	Commissioner	-	√	-	√	-	√	-	√	-	√	√	-
Nobuya Kawasaki ^{*)}	Commissioner	-	√	-	√	-	√	-	√	-	√	√	-

* the appointment will be effective after passing the OJK Fit and Proper Test

Concurrent Positions of the Board of Commissioners

- Members of the Board of Commissioners may only assume concurrent positions as:
 - A member of Board of Commissioners, Board of Directors, or executive officer in a non financial institution or company; or
 - Members of Board of Commissioners who serve as members of the Board of Directors, members of the Board of Commissioners or Executive Officers who carry out the supervisory function in 1 (one) non-bank subsidiary controlled by Danamon;
 - With the following exceptions:
 - Non-independent members of the Board of Commissioners who carry out functional duties from the Company's shareholders in the form of legal entities in their business groups, and/or
 - Members of the Board of Commissioners serve in non-profit organizations or institutions.
- Member of the Board of Commissioners can only become committee member in no more than 5 (five) committees where the concerned serves.

All members of the Board of Commissioners do not hold concurrent positions which are prohibited by the regulation

as reflected in the following table:

Name	Position in Danamon	Position in Other Company
Takayoshi Futae	President Commissioner	<ol style="list-style-type: none"> Member of the Board of Directors, Senior Managing Executive Officer Chief Executive, Global Commercial Banking Business Unit, Chief Operating Officer-International - Mitsubishi UFJ Financial Group Inc Senior Managing Corporate Executive Group Head, Global Commercial Banking Business Group COO-I, MUFG Bank, Ltd Alternate Director, Dah Sing Financial Limited
JB Krisitiadi	Vice President Commissioner (Independent)	<ol style="list-style-type: none"> Member of BOC - PT. Citra Tubindo Tbk Member of Independent Team for Bureaucacy Reform - Ministry of Administrative and Bureaucacy Reform
Masamichi Yasuda	Commissioner	Senior Managing Corporate Executive - MUFG Bank, Ltd. - Mitsubishi UFJ Financial Group
Manggi T. Habir	Commissioner (Independent)	<ol style="list-style-type: none"> Head of Supervisory Board - Yayasan Danamon Peduli Member of Risk Committee and Investment Committee - PT Avrist Life Insurance
Made Sukada	Commissioner (Independent)	Member of Supervisory Board - Yayasan Danamon Peduli
Peter Benyamin Stok	Commissioner (Independent)	None
Noriaki Goto *)	Commissioner	<ol style="list-style-type: none"> Managing Executive Officer, Regional Executive for Asia Pasific - Mitsubishi UFJ Financial Group Inc. Senior Managing Executive Officer, Regional Executive For Asia Pasific - MUFG Bank Ltd - Mitsubishi UFJ Financial Group Inc Vice Chairman, Nomination and Remuneration Committee Member - Bank of Ayudhaya Public Company Limited
Nobuya Kawasaki *)	Commissioner	Managing Director, Deputy Head of Global Commercial Banking Planning Division - MUFG Bank, Ltd - Mitsubishi UFJ Financial Group Inc.

* the appointment will be effective after passing the OJK Fit and Proper Test

Share Ownership of the Members of the Board of Commissioners

Members of the Board of Commissioners must report any transactions involving Danamon's and its subsidiaries' Securities to the Corporate Secretary at least 1 (one) working day prior to the transaction and at the latest 1 (one) working day after the transaction occurs as stated in internal policy regarding Personal Investment Policy.

As of 31 December 2019, share ownership of the Members of the Board of Commissioners, either directly or indirectly is as follows:

Name	Position	Share Ownership at				Remark
		Danamon	Other Bank	Non Bank Financial Institution	Other Company	
Takayoshi Futae	President Commissioner	-	-	Mitsubishi UFJ Financial Group Inc Amount of shares 9.130	-	Percentage of share ownership: 0.000%
JB Krisitiadi	Vice President Commissioner (Independent)	-	-	-	-	-
Manggi Taruna Habir	Commissioner (Independent)	-	-	-	PT HBK Amount of shares 95	Percentage of share ownership: 18.6%
Made Sukada	Commissioner (Independent)	-	PT Bank Negara Indonesia Amount of shares 10.000	-	PT Ciputra Development Amount of shares 3.082	-
					PT Waskita Raya Amount of shares 100.000	-
					PT Perusahaan Gas Negara, Persero Amount of shares 20.000	-
					PT Adhi Karya, Tbk Amount of shares 50.000	-
					PT H.M Sampoerna Amount of shares 20.000	-
					PT Wijaya Karya Amount of shares 40.000	-

Name	Position	Share Ownership at				Remark
		Danamon	Other Bank	Non Bank Financial Institution	Other Company	
Peter Benyamin Stok	Commissioner (Independent)	-	-	-	Aneka Tambang (Persero Tbk) Amount of shares 205,000	-
		-	-	-	Energi Mega Persada Tbk Amount of shares 451,125	-
		-	-	-	Kawasan Industri Jababeka Tbk Amount of shares 33	-
		-	-	-	Krakatau Steel (Persero) Tbk Amount of shares 500	-
		-	-	-	Resource Alam Indonesia Tbk Amount of shares 335,000	-
		-	-	-	Semen Indonesia (Persero) Tbk Amount of shares 20,500	-
		-	-	-	Wahana Ottomitra Multiartha Tbk Amount of shares 1,009,600	-
		-	-	-	Waskita Beton Precast Tbk Amount of shares 608,000	-
Masamichi Yasuda	Commissioner	-	MUFG Bank Amount of shares 127,100	-	-	Percentage of share ownership: 0.00098%
Noriaki Goto *)	Commissioner	-	-	Mitsubishi UFJ Financial Group Inc Amount of shares 26.400	-	Percentage of share ownership: 0.000%
Nobuya Kawasaki *)	Commissioner	-	-	-	-	-

* the appointment will be effective after passing the OJK Fit and Proper Test

Diversity Policy on Composition of the Board of Commissioners

In the nomination process of the members of the Board of Commissioners, in addition to paying attention to the minimum requirements, scope and balance of knowledge, expertise and experience as well as diversity needs are also taken into consideration to determine the composition of the Board of Commissioners. Optimum composition of the Board of Commissioners will enhance the effectiveness of the implementation of duties and responsibilities of the Board of Commissioners.

In this case, Danamon has a Diversity Policy, which is used as a reference in the nomination process of Board of Commissioners candidates. Danamon appreciates and respects any differences in perspective, knowledge, ability, and experience of each individual, without prejudice to race, ethnicity, gender, and religion.

Policy on Diversity in the Composition of the Board of Commissioners

In the process of nominating members of the Board of Commissioners, in addition to taking into account the minimum requirements, the scope and balance of knowledge, expertise and experience as well as diversity needs, it is also taken into consideration in determining the composition of the Board of Commissioners. The optimal composition of the Board of Commissioners will increase the effectiveness of the implementation of the duties and responsibilities of the Board of Commissioners. In this regard, Danamon has a Diversity Policy which is used as a reference in the nomination process for candidates for the Board of Commissioners. Danamon appreciates and respects every difference in the perspectives, knowledge, abilities and experiences of each individual, and does not discriminate against race, ethnicity, gender, and religion.

Board of Commissioners' Remuneration

Indicators and Procedure for Determining the Remuneration of the Board of Commissioners

The amount of remuneration for the members of the Board of Commissioners is determined based on the

performance of each member by considering the duties and responsibilities of the Board of Commissioners. The remuneration formulation refers to Danamon's internal policies, applicable external regulations, industry comparison and takes into account Danamon's performance. The Remuneration Committee provides recommendations to the Board of Commissioners and submits them to the General Meeting of Shareholders for approval. The remuneration is distributed by the President Commissioner. The GMS approved the granting of power to the President Commissioner of Danamon to determine the amount of bonus / tantieme during the 2019 financial year and the amount of salary or honorarium and allowances for the 2020 fiscal year for each member of the Board of Commissioners based on the recommendations of the Remuneration Committee

Board of Commissioners' Remuneration Structure

Remuneration packages received by members of the Board of Commissioners and classification of remuneration levels and the number of members of the Board of Commissioners who receive a remuneration package within 1 (one) year, are disclosed in the Remuneration Policy section in this report.

Procedure for Determining the Remuneration of the Board of Commissioners

Remuneration Committee

The Remuneration Committee collects information on remuneration standards for positions and similar industries in the market by calculating Danamon's performance. The committee makes recommendations to the Board of Commissioners.

Board of Commissioners

The Board of Commissioners studies the recommendations of the Remuneration Committee and proposes the remuneration of the Board of Commissioners to the GMS.

General Meeting of Shareholders

The GMS determines remuneration for members of the Board of Commissioners and authorizes the President Commissioner to carry out the distribution to each member of the Board of Commissioners.

Remuneration of Members of the Board of Commissioners

The distribution of remuneration to members of the Board of Commissioners is in accordance with the resolutions of the GMS.

Meetings of the Board of Commissioners

Meeting Policy of the Board of Commissioners

- a. Boards of Commissioners meetings should be held at least 1 (one) time in 2 (two) months.
 - b. The Board of Commissioners must hold a minimum of 2 (two) meetings per year to be attended in person by all of its members.
 - c. Board of Commissioners meetings must be attended by a minimum of 75% of all members of the Board of Commissioners.
 - d. Joint Meetings of the Board of Commissioners and the Board of Directors are to be held at least 1 (one) time every 4 (four) months.
 - e. Each member of the Board of Commissioners must attend at least 75% of the total Board of Commissioners meetings held within a year. Members of the Board of Commissioners who are unable to attend meetings in person may participate in meetings through teleconference or videoconference. The Minutes of Meeting must be signed by all participants who attended the meeting both by physically and by teleconference or videoconference which is supported by recording evidence.
 - f. The Board of Commissioners meeting is chaired by the President Commissioner. If the President Commissioner is not present, any member of the Board of Commissioners who is present at the meeting can be appointed to chair the meeting.
 - g. The Board of Commissioners must schedule the following year's meetings before the end of the financial year. At scheduled meetings, meeting invitations and meeting materials must be submitted to the participants no later than 5 (five) days before the meeting is held. In the event that a meeting is not scheduled, the meeting material is delivered to the participant no later than before the meeting is held.
 - h. Meeting decisions must be made by consensus. If the meeting fails to meet consensus, meeting decisions must be made through voting of least 2/3 (two thirds) of members of the Board of Commissioners who are present or represented at the meeting. Decisions made by 2/3 (two thirds) of the members are based on the principle of one person one vote.
- i. All results of the Board of Commissioners meetings, including Joint Meetings of the Board of Commissioners and the Board of Directors shall be recorded in the minutes of the meetings, signed by all members of the Board of Commissioners in attendance, and documented well.
 - j. In the event that there is a member of the Board of Commissioners who does not sign the results of the meetings, the concerned member must state the reason in writing in a separate letter attached to the minutes of the meeting.
 - k. All decisions of the Board of Commissioners are binding to all of its members. Dissenting opinions during a meeting must be clearly stated in the minutes of the meeting including the reasons for such dissenting opinions.
 - l. The Board of Commissioners can make legitimate and binding decisions without holding a Board of Commissioners meeting, provided that all members of the Board of Commissioners submit written approval to the decision.
 - m. In a Board of Commissioners meeting, a member of the Board of Commissioners can only be represented by a fellow member of the Board of Commissioners with a power of attorney.
 - n. Any member of the Board of Commissioners who in any way, either directly or indirectly, has a personal or conflict of interest in a transaction, contract, or a proposed contract of where Danamon is one of the parties, must declare the nature of such interest at the Board of Commissioners Meeting and may not be entitled to participate in voting related to the referred transaction, contract, or proposed contract, unless the Board of Commissioners meeting decides otherwise.

Frequency of Board of Commissioners Meetings

During 2019, the Board of Commissioners conducted 6 (six) Board of Commissioners meetings and 3 (three) Joint Board of Commissioners and Board of Directors Meetings.

Agenda of the Board of Commissioners Meeting

No.	Date	Meeting Agenda
1	February 1, 2019	Audit Committee Report Risk Monitoring Committee Report Corporate Governance Report Integrated Corporate Governance Report
2	March 25, 2019	Audit Committee Report Risk Monitoring Committee Report
3	April 25, 2019	Rainbow Project
4	June 25, 2019	Audit Committee Report Risk Monitoring Committee Report
5	October 1, 2019	Audit Committee Report Risk Monitoring Committee Report
6	November 27, 2019	Audit Committee Report Risk Monitoring Committee Report Corporate Governance Report Integrated Corporate Governance Report

Agenda of the Joint Meeting with Board of Directors

No	Date	Meeting Agenda
1	March 25, 2019	Financial Results Project Impact
2	June 25, 2019	Revised Business Plan Financial Results Rainbow Project
3	November 27, 2019	Capital Management Financial Result CEO Strategic Priority - 3 years plan Finance - 3 years plan Consumer & SME Banking - 3 years plan Adira Finance - 3 years plan EB & TB - 3 years plan Sharia Banking Integrated Risk - 3 years plan MUFG Collaboration - 3 years plan

Attendance in Meetings

The attendance of the Board of Commissioners Members in the Board of Commissioners Meeting and Joint Meeting with Board of Directors are as follows:

Commissioner	BOC Meeting (Total 6 Meetings)	BOC BOD Joint Meeting (Total 3 Meetings)
Ng Kee Choe*	3/3	1/1
JB Kristiadi	6/6	3/3
Gan Chee Yen*	3/3	1/1
Manggi T Habir	6/6	3/3
Made Sukada	6/6	3/3
Takayoshi Futae	6/6	3/3
Peter Benyamin Stok	6/6	3/3
Masamichi Yasuda	5/6	2/3

* no longer serve after the effective merger on May 1, 2019

All meetings held during 2019 met the quorum requirements of the meeting and were attended both physically as well as through teleconference by the members of the Board of Commissioners. Meeting decisions were made by deliberation and consensus and there were no dissenting

opinions in the decisions of the meetings held during 2019. Information regarding schedule, agenda, materials, results and minutes of meetings were distributed to the participants of the meeting and well documented.

2020 Board of Commissioners Meeting Schedule Plan

At the end of 2019 the Board of Commissioners has arranged a schedule of meetings to be held in 2020 with 7 (seven) Board of Commissioners Meetings and 3 (three) Board of Commissioners and Board of Directors Meetings. Schedule of planned meetings to be held in 2020 are as follows:

Meeting Schedule	BOC Meeting	Joint BOC BOD Meeting
January 21, 2020	√	√
March 23, 2020	√	
May 8, 2020	√	√
June 22, 2020	√	
August 21, 2020	√	
October 26, 2020	√	
November 26 and 27, 2020	√	√

Implementation of the Board of Commissioners' Duties and Recommendations in 2019

In carrying out its supervisory function, the Board of Commissioners provides recommendations to the Board of Directors by taking into account input from the Committee that assists and reports directly to the Board of Commissioners.

Performance Assessment of the Board of Commissioners

Danamon has a policy of performance evaluation that is used as a guideline for assessing the effectiveness of the duties and responsibilities of the Board of Commissioners, both collegially and individually. Assessment of the performance of the Board of Commissioners is carried out by considering several components including:

- Board of Commissioners' structure and composition.
- The effectiveness of the implementation of work programs of committees under the Board of Commissioners.
- Monitoring of the implementation of strategies and management of the company.
- The Implementation of Good Corporate Governance in Danamon.
- The implementation of risk management and internal controls in mitigating risks.

The individual performance appraisal of the Board of Commissioners is conducted annually by the President Commissioner on the basis of the benchmarks agreed upon by each member of the Board of Commissioners. The results of the performance appraisal of the Board of Commissioners are one of the basic considerations for the Nomination Committee in providing recommendations to the Board of Commissioners to reappoint members of the Board of Commissioners as well as consideration for drawing up the remuneration structure of the Board of Commissioners.

Orientation Program for New Commissioners

For New Commissioners, Danamon has an introductory program with the aim of providing an understanding of Danamon's vision, mission and Corporate Culture, code of ethics, organizational structure, line of businesses, Board of Commissioners Guidelines and Work Rules and banking and capital market regulations. The orientation program is carried out through the On-Boarding Program and a brief presentation both by management and business units and other supporting units face to face. During 2019 there were new members of the Board of Commissioners and Directors.

Board of Commissioners Training Program

Members of the Board of Commissioners are always given the opportunity to improve their competency through training programs / seminars / workshops held internally and externally. In 2019, the participation of members of the Board of Commissioners in training programs / seminars / workshops is as follows:

Table of Board of Commissioners Training

Name	Training/Conference/ Seminar	Organizer	Location	Date
J.B. Kristiadi	Risk Management Certification Refresher Program	BARA	Jakarta	29 Jan 2019
Nobuya Kawasaki*	Certification Lv. 1 Bank Risk Management	LSPP	Jakarta	2 Oct 2019
Noriaki Goto*	Certification Lv. 1 Bank Risk Management	LSPP	Jakarta	2 Oct 2019

Note:

* the appointment will be effective after passing the OJK Fit and Proper Test

Committees Under The Board of Commissioners

In carrying out its duties, the Board of Commissioners has 6 (six) committees to enhance the effectiveness of its duties and responsibilities, namely:

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

Each Committee is required to have a Charter which is prepared and periodically reviewed based on the prevailing regulations. Committee membership is appointed by the Board of Commissioners based on Meeting Resolution of the Board of Commissioners. All of the Committees are chaired by Independent Commissioner.

Performance Assessment of the Committees of the Board of Commissioners

The Board of Commissioners assesses the performance of Committees of the Board of Commissioners based on reports of the duties and responsibilities implementation submitted by each of the Committees on a regular basis. Performance of the Committees of the Board of Commissioners throughout 2019 was rated good by the Board of Commissioners and provided contributions in supporting the implementation of duties and responsibilities of the Board of Commissioners.

Profile of the Members of Committees

Name, Age, and Position	Citizenship & Domicile	Position	Term of Office	Expertise	Qualification/ Educational Background
Takayoshi Futae 58 Years Old President Commissioner	Japanese nationality and domiciled in Tokyo	<ul style="list-style-type: none"> • Member of Remuneration Committee • Member of Nomination Committee 	December 2018 - present	Finance	<ul style="list-style-type: none"> • Graduated with an economics degree from Osaka University in Osaka Japan • Master's degree in Business Administration from the Booth School of Business, University of Chicago, USA

Professional Experience (Job Title, Organization, Term of Office)

- Commissioner, Danamon, 2018-present
- Vice Chairman of the Board of Bank of Ayudhya
- Vice-chairman of the Board of Bank of Ayudhya Plc (Krungsri), Thailand
- Director on the Board of Security Bank Corporation, Philippines, 2016-2018
- Regional Executive for MUFG Bank in Asia, 2018
- Senior Managing Director - MUFG Bank, 2017
- Chief Executive Officer of MUFG Bank's Asia & Oceania region, 2017
- Corporate banking, credit and corporate advisory
- Part of the Structured Finance Division, serving the MNCs and the non-Japanese corporates
- Senior roles in structured finance, project and asset based finance, and corporate restructuring - 10 years
- The Sanwa Bank, Ltd. which was a predecessor of MUFG Bank, 1983

Name, Age, and Position	Citizenship & Domicile	Position	Term of Office	Expertise	Qualification/ Educational Background
J.B. Kristiadi 73 Years Old Independent Commissioner	Indonesia	<ul style="list-style-type: none"> Chairman of Nomination Committee Chairman of Remuneration Committee 	<ul style="list-style-type: none"> April 2017-Present April 2017-Present 	Finance/ Risk Management	<ul style="list-style-type: none"> PhD (Public Administration), Sorbonne University, France, 1979 Certification (Short Course) Adam Smith Institute London 1980

Professional Experience (Job Title, Organization, Term of Office)

- Vice President Commissioner concurrently as Independent Commissioner, Danamon, 2005 – present.
- Member of the National Bureaucratic Reform Team under the leadership of the Indonesian Vice President, 2018 – present.
- Professor, Padjajaran State University, Bandung, 2007 – present.
- Commissioner, several State Owned Enterprises (PT Tambang Batu Bara Bukit Asam, 1980; PT Bank Dagang Negara, 1982; PT Aneka Tambang, 1986; and Bank BNI, 2005)
- Secretary, Tax and Customs Reform Initiative Team, 2010
- Special Staff of the Minister of Finance, 2009 - 2011
- Secretary General, Ministry of Finance, 2005.
- Secretary General, Ministry of Communications and Information, 2003-2005
- Deputy, Minister of Administrative Reform, 2001-2003.
- Assistant to the Coordinating Minister, Development Supervision, 1999-2001.
- Chairman, Institute of Administration (LAN) Republic of Indonesia, 1990-1998.
- Director, Budget Development of the Ministry of Finance, 1987-1990
- Director, State Asset Development of the Directorate General of Monetary (Finance Department), 1980-1987.

Manggi T. Habir 66 Years Old Independent Commissioner	Indonesia	<ul style="list-style-type: none"> Chairman of Risk Monitoring Committee Member of Remuneration Committee Member of Corporate Governance Committee Member of Integrated Corporate Governance Committee 	<ul style="list-style-type: none"> April 2017-present April 2017-present April 2017-present April 2017-present 	Finance/ Risk Management	<ul style="list-style-type: none"> BA Degree in Economics Mc. Gill University, 1977 Master in Business Administration, University of Michigan, 1979 Master in Public Administration, Harvard University, 2002
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Professional Experience (Job Title, Organization, Term of Office)

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

Name, Age, and Position	Citizenship & Domicile	Position	Term of Office	Expertise	Qualification/ Educational Background
Made Sukada 67 Years Old Independent Commissioner	Indonesia	<ul style="list-style-type: none"> Chairman of Audit Committee Member of Risk Monitoring Committee Member of Nomination Committee Chairman of Corporate Governance Committee Chairman of Integrated Corporate Governance Committee 	<ul style="list-style-type: none"> April 2017-present April 2017-present April 2017-present April 2017-present April 2017-present 	Finance/ Risk Management	<ul style="list-style-type: none"> Bachelor in Accounting, University of Padjajaran, Bandung, 1977 Master in Economics, University of Pittsburgh, USA, 1984
Professional Experience (Job Title, Organization, Term of Office) <ul style="list-style-type: none"> Independent Commissioner, Danamon, 2014 - present. Supervisory Board member, Yayasan Danamon Peduli, 2014 - present. Advisor to Governor Council, BI, 2010 - 2014. Member of Risk Monitoring Committee, PT Bank Permata, Tbk, 2010-2014. Executive Director of Economic Research and Monetary Policy of Bank Indonesia, 2006 - 2010. Deputy Executive Director IMF Assignment - Washington D.C., 2004 - 2006. Director of Bank Indonesia at various Departments, 1998 - 2010. Deputy Director at Monetary Management Directorate, 1995. Associate Representative at Bank Indonesia New York Representative Office, 1993 - 1995. Credit Analyst at Bank Indonesia, 1979. 					
Masamichi Yasuda 58 Years Old Commissioner	Japan	<ul style="list-style-type: none"> Member of Corporate Governance Committee Member of Integrated Corporate Governance Committee 	December 2018 - present	Risk Management, Credit and Treasury	Bachelor of Law, Hitotsubashi University, 1983
Professional Experience (Job Title, Organization, Term of Office) <ul style="list-style-type: none"> Chief Credit Officer of MUFG and MUFG Bank, 2015 Deputy Chief Global Markets Unit, 2014 Executive Officer and Head of the Global Planning Division with oversight for a business strategy of the Global Business Unit in MUFG Bank, 2011 Deputy Chief Financial Officer and Chief of Staff for Union Bank, N.A, 2009 Treasurer of the Global Markets Division MUFG Bank for the Americas in 2008 Corporate Planning Division and moved to the Financial Planning Division of MUFG, 2004 The Bank of Tokyo, Ltd., a predecessor of MUFG Bank, in 1983 Group Chief Risk Officer of MUFG and Chief Credit Officer of MUFG Bank Member of the Board and Executive Committee of MUFG and MUFG Bank 					

Main Highlights

Management Report

Company Profile

Management Discussion and Analysis

Operational Review

Good Corporate Governance

Corporate Social Responsibility

Corporate Data

Name, Age, and Position	Citizenship & Domicile	Position	Term of Office	Expertise	Qualification/ Educational Background
Peter Benyamin Stok 70 Years Old Independent Commissioner	Indonesia	<ul style="list-style-type: none"> Member of Audit Committee Member of Risk Monitoring Committee 	December 2018 - present	Finance	Bachelor in Economics, Padjajaran University, Bandung - Indonesia
Professional Experience (Job Title, Organization, Term of Office) <ul style="list-style-type: none"> Independent Commissioner, Danamon, 2018-present OJK panelist team for implementation of fit and proper tests for candidates for directors and commissioners of the Bank, 2016-2018 President Commissioner, Bank Negara Indonesia, 2009-2015 Commissioner, Bank Permata, 2008-2009 President Director, Bank Niaga, 2000-2006 President Director, Bank Dagang Negara, 1999-2000 President Commissioner, Bank Danamon, 1998-1999 Vice President Director, Bank Pelita, 1997-1998 Vice President Director, Bank Niaga, 1994-1997 Member of the Board of Directors, Bank Niaga, 1991-1994 					
Angela Simatupang 44 Years Old Independent Party	Indonesia	<ul style="list-style-type: none"> Member of Audit Committee Member or Risk Monitoring Committee Member of Integrated Corporate Governance Committee 	<ul style="list-style-type: none"> April 2017-Present April 2017-Present April 2017-Present 	Corporate Governance, Risk Management and Control	Master of Commerce in International Business dan Management of Technology, The University of Sydney, 2002
Professional Experience (Job Title, Organization, Term of Office) <ul style="list-style-type: none"> Senior Partner & Head of Consulting of RSM Indonesia (member firm of RSM Global), present Vice President of Institute of Internal Auditors (IIA) Indonesia, 2018 - present Member of the RSM Asia Pacific Risk Consulting Committee, 2010 - present International Contact Partner for Indonesia, 2008 - present Managing Partner Consulting of RSM Indonesia, 2017-2018 Governor Institute of Internal Auditors (IIA) Indonesia, 2014-2017 Managing Partner Governance Risk Control Practice of RSM Indonesia, 2010-2015 Supervisor of RSM Australia, 2005 Speaker at various seminars on governance, internal audit and risk management both at local and abroad. Author of various articles to socialize and encourage public awareness about good governance since 2007. 					

Name, Age, and Position	Citizenship & Domicile	Position	Term of Office	Expertise	Qualification/ Educational Background
Yusuf Nawawi 64 years old Independent Party	Indonesia	<ul style="list-style-type: none"> Member of Audit Committee Member of Risk Monitoring Committee 	<ul style="list-style-type: none"> April 2017-present April 2017-present 	Micro and Corporate Financing, Derivatives, Credit and Investment Management, as well as Training and Development	<ul style="list-style-type: none"> Bachelor of Economics, University of Sriwijaya, 1983 Master of Business Administration from Weather head School of Management, Case Western Reserve University, 1994
Professional Experience (Job Title, Organization, Term of Office) <ul style="list-style-type: none"> Independent Party, Danamon, 2017-present. Associate Consultant at the Indonesian Banking Development Institute (LPPI) Jakarta, 2019-present President Director, BRI Pension Fund, 2010-2014. Division Head, BRI Education and Training, 2006-2010. Division Head, BRI Micro Banking, 2004-2006. Director, International Visitors Program, 2001-2004 Staff, Directorate General of Budgeting, Department of Finance of Republic of Indonesia, 1978-1984. 					
M. Din Syamsuddin 61 years old Chairman of Sharia Supervisory Board	Indonesia	Member of Integrated Corporate Governance Committee/ Chairman of Sharia Supervisory Board	April 2017-present	Islam Law Science (sharia), Islamic Political Science, and Inter-religion/ Inter-culture communication	<ul style="list-style-type: none"> (Bachelor degree) Faculty of Ushuluddin UIN Syarif Hidayatullah, Jakarta, 1980 (Master degree) University of California Los Angeles (UCLA), USA, 1988 (Ph.D) University of California Los Angeles (UCLA), USA, 1991
Professional Experience (Job Title, Organization, Term of Office) <ul style="list-style-type: none"> President's Special Envoy for Dialogue and Cooperation Inter-Religion and Civilization, Nov 2017 - Oct 2018 Deputy Secretary General of Golkar Party, 1998-2000 Director General of Workforce Placement of the Ministry of Manpower of Republic of Indonesia, 1998-2000 Member of People's Consultative Assembly (MPR) Republic of Indonesia, 1998-1999 Head of Research and Development of Golkar Party, 1993-1998 Lecturer at various universities, 1982-2000 Professor for Islamic Political Thought at UIN Jakarta, 1982-present 					
Roy Fahrizal Permana 45 years old HR Executive Officer	Indonesia	<ul style="list-style-type: none"> Secretary, concurrently as member of Nomination Committee Secretary, concurrently as member of Remuneration Committee 	2018 - present	<ul style="list-style-type: none"> Risk Management Certification (BSMR) level 1 Human Resources Management Rewards and Performance Management 	Master Degree in Industrial Engineering
Professional Experience (Job Title, Organization, Term of Office) <ul style="list-style-type: none"> Rewards Head, Bank Danamon, 2018-present Secretary, concurrently as member of Remuneration Committee and Nomination Committee, Bank Danamon, 2018-present Country Head of HR, Grab Indonesia, 2017-2018 Rewards and Services Head, Bank UOB Indonesia, 2009-2017 Secretary and member of Remuneration Committee and Nomination Committee, Bank UOB Indonesia, 2009-2017. Compensation and Benefit Head, Esia - BakrieTelecom, 2008-2009 Managerial position in Human Resources, among others: Rewards and Performance Management, HR Operation, HR Area and Business Partner, Bank CIMB Niaga, 2003-2008 HR Compensation and Benefit Analyst, Texmaco Group, 1998-2003 Financial Executive, Bank Umum Nasional, 1998 					

Name, Age, and Position	Citizenship & Domicile	Position	Term of Office	Expertise	Qualification/ Educational Background
Djoko Sudyatmiko 74 years old Independent Commissioner at PT Adira Dinamika Multi Finance, Tbk.	Indonesia	<ul style="list-style-type: none"> Member of Integrated Corporate Governance Committee Independent Commissioner of PT Adira Dinamika Multi Finance, Tbk 	April 2017-present	Economy and Corporate Governance	Bachelor degree in Electrical Engineering from Institut Teknologi Bandung, 1968

Professional Experience (Job Title, Organization, Term of Office)

- Commissioner at ASCO Group, 2012-present
- Commissioner concurrently as Corporate Independent Commissioner, 2011-present
- Corporate Independent Commissioner, 2004-2011
- Commissioner at PT Pakoakuina - Automotive Wheel Rim Manufacturer, 2003-present
- Commissioner at PT Inkoasku - Automotive Wheel Rim Manufacturer, 2003-2010
- Commissioner at PT Palingda - Automotive Wheel Rim Manufacturer, 2003-2010
- Commissioner at PT Adira Sarana Armada, 2003-2009
- Commissioner at PT Asuransi Adira Dinamika, 2003-2008
- Corporate President Commissioner, 2002-2004
- Commissioner at PT Kharaba Unggul/PT Makro Indonesia, 1990-2000
- Commissioner at PT Dharma Sarana Perdana, 1989-1995
- Commissioner at PT Astra Graphia Tbk, 1986-1989
- Member of People's Consultative Assembly (MPR) Republic of Indonesia, 1992-1997
- Member of People's Representative Council (DPR) and People's Consultative Assembly (MPR) Republic of Indonesia, 1971-1992

Independent Party in Committees

An Independent Party is a party outside of Danamon who does not have financial, management, share ownership, and/or family relationship with members of the Board of Commissioners, Directors, and/or the controlling shareholders or a relationship with Danamon, which could affect his/her ability to act independently. The Board of Commissioners has appointed Independent Parties (Angela Simatupang and Yusuf Nawawi) as independent members on Committees of the Board of Commissioners, namely the Audit Committee, Risk Monitoring Committee, and Integrated Corporate Governance Committee based on the recommendations of the Nomination Committee. Appointed Independent party must meet the requirements of competency and independency required by the committees.

AUDIT COMMITTEE

The Audit Committee was established in order to support the implementation of the duties and responsibilities of the Board of Commissioners to monitor and evaluate the plans and implementation of audits as well as to monitor the follow-up of audit results in assessing the adequacy of internal controls, including the adequacy of the financial reporting process. The Audit Committee ensures that the integrity, accuracy and adequacy of financial reports and all important risks have been considered. The Audit Committee also monitors the effectiveness of regulatory compliance. The Audit Committee also provides recommendations for public accountants from the proper public accounting firm and oversees their effectiveness.

Charter of Audit Committee

The Audit Committee has the Audit Committee Charter that stipulates matters relevant to the implementation of duties and responsibilities, organization, membership requirements, independency, authority, meeting proceedings, work ethics, and term of office of the Audit Committee. The Audit Committee Charter is reviewed periodically so that they are in accordance with the applicable provisions and needs of the Bank. In 2019 an update was made to the Audit Committee Charter.

Duties and Responsibilities of Audit Committee

Duties and responsibilities of the Audit Committee include:

1. Financial Reporting
 - a. Review financial information that will be released to the public and/or regulators, among others: financial reports, projections, and other reports relevant to Danamon's financial information.
 - b. Monitor and evaluate the compliance of financial report with existing accounting standards.
 - c. Review audit adequacy performed by the public accountant to ensure that all significant risks have been taken into consideration.
 - d. Review complaints relevant to Danamon's accounting processes and financial reporting.
2. External Audit
 - a. Recommend the Board of Commissioners regarding appointments, reappointments, dismissals or replacements, requirements of involvement, and the remuneration of the public accountant to be proposed at the Annual General Meeting of Shareholders (AGMS).

- b. In preparing recommendations, Audit Committee will take the following matters into account:
 - Independence of the Public Accountant, Public Accounting Firm and the insider in the Public Accounting Firm.
 - The scope of the audit.
 - Audit service benefits.
 - Expertise and experience of the Public Accountant, Public Accounting Firm and Audit team of the Public Accounting Firm.
 - Methodology, techniques and audit facilities used by the Public Accounting Firm.
 - Benefits of fresh eye perspectives that will be obtained through replacing the Public Accountant, Public accounting firm and audit team from the Public Accounting Firm.
- c. Review the public accountant's scope of work and audit outcome, independency, and objectivity on an annual basis and present the following in the Annual Report:
 - Total amount of payments made to the public accountant in the fiscal year, and
 - Details of total payments made for audit and non-audit services or appropriate negative statements, as well as whether significant risks have been taken into account.
- d. Review the audited financial reports, significant findings, and recommendations of the public accountant and feedback from the Board of Directors.
- e. Evaluate the implementation of audit services for annual historical financial information by Public Accountants and/ or Public Accounting Firm at least through:
 - Conformity of audit implementation by Public Accountants and/ or Public Accounting Firms with applicable audit standards.
 - Adequacy of time for field work.
 - Assessment of coverage of services provided and adequacy of quotation tests.
 - Recommendations for improvements provided by Public Accountants and/ or Public Accounting Firms.

The results of the Audit Committee evaluation are no later than 6 (six) months after the financial year ends.

- f. Monitor and evaluate the planning and implementation of the public accountant's audit as well as monitor the follow-up of audit results in order to assess the adequacy of internal controls including the adequacy of the financial statement process.
 - g. Monitor and evaluate public accountant's compliance with the existing audit standards.
3. Internal Audit
- a. Review the adequacy and effectiveness of the Internal Audit Working Unit.
 - b. Review the independence of the Head of the Internal Audit Working Unit. The Head of the Internal Audit Working Unit must have direct and unlimited access to the Audit Committee and President Director.
 - c. Review the scope of work and audit plan of the Internal Audit Working Unit, including interaction with the Board of Directors and other matters relevant to audit implementation.
 - d. Review significant findings and recommendations from Internal Audit Working Unit as well as feedback from the Board of Directors.
 - e. Monitor and evaluate the follow-up actions by the Board of Directors on the findings of the Internal Audit Working Unit, Public Accountant, and audit findings from Financial Services Authority and/ or other regulators.
 - f. Reviewing audit reports and ensuring the Board of Directors take corrective actions that are needed quickly to overcome weaknesses in control, fraud, issues of compliance with policies, laws and regulations, or other problems identified and reported by SKAI, External Auditors, and the Financial Services Authority and or other regulator.
 - g. Provide recommendations to the Board of Commissioners regarding:
 - Appointment and dismissal of the Head of SKAI
 - Approval of Internal Audit Charter
 - Annual audit plan, scope and budget allocation of the Internal Audit Unit
 - Granting of overall SKAI annual remuneration and performance awards.
4. Internal Control
- Review and report regularly to the Board of Commissioners regarding the adequacy and effectiveness of internal control specified by the Board of Directors, including control of finance, operations, compliance and control of information technology.
5. Compliance
- a. Review the compliance framework, scope of work, and compliance plans.
 - b. Review compliance to the laws and regulations related to Danamon activities.
 - c. Review legal cases with possible material consequences to the financial reports, relevant compliance policies, and reports received from the regulators.
6. Others
- a. In conducting its duties and responsibilities, the Audit Committee acts independently.
 - b. The Audit Committee examines possible inaccuracies in decisions made at Board of Directors meetings or possible deviations in the implementation of decisions made at the meetings of the Board of Directors. The audit may be carried out by the Audit Committee or by an independent party appointed by the Audit Committee at Danamon's expense.
 - c. The Audit Committee must prepare, review, and update the Charter of the Audit Committee on a regular basis.
 - d. The Audit Committee must submit reports of review results to all members of the Board of Commissioners after the review results are completed by the Audit Committee.
 - e. Provide independent opinion in the event of a disagreement between the Board of Directors and the public accountant on the services it provides.
 - f. The Audit Committee must safeguard confidential documents, data, and information.
 - g. The Audit Committee reviews and offers opinions to the Board of Commissioners regarding potential conflicts of interest.
 - h. The Audit Committee must enhance their competencies through continuous education and trainings.

Authority of the Audit Committee

The Audit Committee has the following authority:

- Investigate any issue included in its terms of reference, has access to and collaborate with the Board of Directors, has the flexibility to invite any Director or executive officers to attend meetings with the Audit Committee, as well as has adequate human resources to properly carry out its duties.
- Review affiliate transactions and conflict of interest transactions based on assessments made by the Compliance Director, to ensure that such transactions are conducted by taking into account the interests of Danamon and the minority shareholders and are performed in a fair manner based on normal commercial terms.
- Involve independent parties to assist in performing duties where necessary.
- Invite/ appoint reviewers
- Exercise other authorities provided by the Board of Commissioners.
- The Audit Committee can access Bank Danamon's documents, data, and information about employees, funds, assets and company resources that are needed while still observing the provisions on confidentiality that apply.

- The Audit Committee can communicate directly with employees, including the Board of Directors and those who carry out the functions of internal audit, risk management, and accountants related to the duties and responsibilities of the Audit Committee.

Structure, Membership, Expertise, and Legal Basis for Appointment of the Audit Committee

Structure and Membership of Audit Committee

Audit Committee has of 4 (four) members, consists of 2 (two) Independent Commissioners (Made Sukada and Peter Benyamin Stok) and 2 (two) Independent Parties (Angela Simatupang and Yusuf Nawawi). The Audit Committee is chaired by an Independent Commissioner, namely Made Sukada. Structure and membership of the Audit Committee has met the prevailing regulations.

Members Composition of Audit Committee

No	Name	Position in Danamon	Position in Audit Committee
1	Made Sukada	Independent Commissioner	Chairman
2	Peter Benyamin Stok	Independent Commissioner	Member
3	Angela Simatupang	Independent Party	Member
4	Yusuf Nawawi	Independent Party	Member

Expertise of Audit Committee Members

All members of the Audit Committee have complied with the applicable provisions related to the requirements of the expertise of the Audit Committee members covering the fields of finance and/ or accounting, risk management, banking and/ or law, taking into account the integrity, character and morals of each member as stated in the personal statement.

Legal Basis of Appointment

Audit Committee members are appointed by Circular Decision of the Board of Commissioners as a Substitute for Decisions taken at Board of Commissioners Meeting of PT Bank Danamon Indonesia, Tbk. Number KSR-Kom. Corp. Sec-011 dated December 13, 2018.

Independency of Audit Committee

All members of Danamon's Audit Committee are independent (Independent Commissioners and Independent Parties). Non-independent Commissioners and members of the Board of Directors may not sit on the Audit Committee. Audit Committee members must fulfill Danamon's Code of Conduct.

Term of Office

The term of office of Audit Committee members must not exceed the term of office of the Board of Commissioners as stipulated in the Articles of Association and may be reappointed for 1 (one) additional period.

Policy and Holding of Audit Committee Meetings

Policy of Audit Committee Meeting

- Meetings must be held at least once every 3 (three) months in accordance with Danamon's needs.
- Meetings may only take place provided that 51% (fifty one percent) of the total number of members are present including Independent Commissioners and Independent Parties.
- Meeting decisions are made based on the principles of deliberation to reach consensus. In cases where deliberation to reach consensus does not occur, the decision will be based on a majority vote. Decision-making based on majority vote is based on the principle of 1 (one) person, 1 (one) vote.
- Each meeting is recorded in the minutes of meeting which is properly documented, signed by all attendees, and submitted to the Board of Commissioners.
- Dissenting opinions occur in the meeting along with the reasons must be clearly stated in the minutes of the meeting.

Meeting Frequency and Attendance Rate of Audit Committee

During 2019, the Audit Committee held 6 (six) meetings with attendance rates as the following:

Table of Meeting Frequency of Audit Committee

Name	Attendance in Meeting
Made Sukada	6/6
Peter Benyamin Stok	6/6
Angela Simatupang	6/6
Yusuf Nawawi	6/6

Agenda of the Audit Committee Meeting

No	Date	Meeting Agenda
1	22 January 2019	<ul style="list-style-type: none"> • Review of Internal Control System • Update Audit Internal 2018 • Update Fraud Internal 2018 • Update Whistleblower dan Proposal for New Vendor Whistleblower • Proposal External Auditor Appointment for 2019
2	25 March 2019	<ul style="list-style-type: none"> • Proposed Revision of the Integrated Internal Audit Work Procedure Guidelines and Audit Committee Work Guidelines • Internal Audit Update • Results of the Study of Changes in Organizational Structure of the Legal Division and Litigation Division • Update on Branch Office Issues • Update on Internal Fraud Cases - February 2019 • Whistleblower Disclosure Report - February 2019 • Whistleblower Services Update

No	Date	Meeting Agenda
3	23 May 2019	<ul style="list-style-type: none"> Action Plan Related to the Revision of the Integrated Internal Audit Work Procedure Guidelines and Audit Committee Work Guidelines Proposal for Amendment to the Internal Audit Plan 2019 Internal Audit Update Significant Credit Quality and Exception-SME Surabaya Region Fraud Case Update Whistleblower Disclosure Report Internal Audit Organizational Structure After Merging LD1 With Bank Nusantara Parahyangan 2019 Internal Audit Changes Proposal for Ex-Bank Nusantara Parahyangan Internal Audit Update - Ex-Bank Nusantara Parahyangan Update on Internal Fraud Case - Ex-Bank Nusantara Parahyangan Significant Audit Results Issue Q4 2018- Ex-Bank Nusantara Parahyangan
4	16 July 2019	<ul style="list-style-type: none"> Internal Audit Update Update on Internal Fraud Cases - as of June 2019 Whistleblower Disclosure Report - June 2019 Wiayah Audit Collaboration with MUFG Internal Audit Update - Ex-Bank Nusantara Parahyangan
5	25 September 2019	<ul style="list-style-type: none"> Proposal for Amendment to the Internal Audit Plan 2019 Internal Audit Update As of August 2019 Update on Internal Fraud Case Per August 2019 Whistleblower Disclosure Report - August 2019 Significant Audit Issues for Business Banking Unit 3 Quarter 2019 OJK Audit Findings and Recommendations for 2019
6	19 November 2019	<ul style="list-style-type: none"> Proposed Amendment to the Audit Plan of the 2019 SKAI SKAI Audit Plan 2020 (to obtain the approval of the Board of Commissioners) 2020 Audit Capacity Building Plan Internal Audit Update Internal Audit Results 2019-YTD October 2019 Distribution of Audit Ratings by entity category Follow Up status on Corrective Action National Issues Branch Office Update on Internal Fraud Case - YTD October 2019 Whistleblower Disclosure Report - YTD October 2019

Implementation of Duties of Audit Committee in 2019

- Appointment of PwC as Bank Danamon's external auditor
- Received SKAI Reports related to:
 - Study on Changes in Organizational Structure of Legal Division and Litigation Division
 - Revision of the Integrated Internal Audit Working Guidelines and Audit Committee Charter
 - Update on Branch Office Issues
 - Changes in Internal Audit Organizational Structure After Merger With Bank Nusantara Parahyangan
 - Whistle Blower Disclosure Report

Audit Committee Statement on Effectiveness of Internal Control System

Internal control systems applied by Danamon are considered to be effective and adequate as reflected in the effectiveness of internal audit functions such as functions of internal audit, risk management, compliance, financial, and operational control. The Audit Committee submits its implementation of duties reports to the Board of Commissioners on a regular basis.

RISK MONITORING COMMITTEE

The Risk Monitoring Committee is responsible for carrying out the risk monitoring function and providing independent professional recommendations or opinions related to risk management frameworks and policies consistent with Danamon's risk appetite.

Charter of Risk Monitoring Committee

The Risk Monitoring Committee has a Charter that stipulates matters related to the implementation of duties and responsibilities, organization, membership and work ethics, independency, term of office, and meetings. The Charter of Risk Monitoring Committee Charter is periodically reviewed.

Duties and Responsibilities of the Risk Monitoring Committee

The Risk Monitoring Committee has the following duties and responsibilities:

1. Offer independent professional opinions to the Board of Commissioners regarding the implementation of Danamon's risk management.
2. Evaluate Danamon's risk management policies and the alignment of Danamon's risk management policies with their implementation in order to provide recommendations to the Board of Commissioners, at least once a year.
3. Monitor and evaluate the Risk Management Working Unit and the implementation of the committee's duties to provide recommendations to the Board of Commissioners.
4. Report to the Board of Commissioners on risks encountered by Danamon and the implementation of risk management by the Board of Directors.
5. Evaluate the responsibility of the Board of Directors over the implementation of risk management policies at least once every three months.

6. Arrange or authorize investigations within the scope of its powers.
7. Regularly develop, review and update the Charter of the Committee.

Authority of the Risk Monitoring Committee

The Risk Monitoring Committee has the following authority:

1. Access to Danamon's documents, data, and information when necessary.
2. Establish direct communication with employees, the Board of Directors, and other parties relevant to its duties and responsibilities.
3. Involve independent parties to support its duties when required.
4. Exercise additional authority as assigned by the Board of Commissioners.

Structure, Membership, Expertise and Legal Basis for Appointment of Risk Monitoring Committee

Structure and Membership of Risk Monitoring Committee

In 2019, there was a change in the structure and membership of the Risk Monitoring Committee in which Gan Chee Yen has no longer served since the effective merger between Danamon and BNP based on the EGMS March 26, 2019. The effective date of the merger was May 1, 2019. Thus the Risk Monitoring Committee amounted to 6 (six) people, consisting of 3 (three) Independent Commissioner, 1 (one) Commissioner, 2 (two) independent parties. The structure and membership of the Risk Monitoring Committee has fulfilled the applicable provisions.

Members Composition of Risk Monitoring Committee in 2019

No	Name	Position in Danamon	Position in Risk Monitoring Committee
1	Manggi T. Habir	Independent Commissioner	Chairman
2	Made Sukada	Independent Commissioner	Member
3	Gan Chee Yen ¹⁾	Commissioner	Member
4	Peter Benjamin Stok	Independent Commissioner	Member
5	Masamichi Yasuda	Commissioner	Member
6	Angela Simatupang	Independent Party	Member
7	Yusuf Nawawi	Independent Party	Member

Note:

1) No longer serve after the merger effective on 1 May 2019

Legal Basis of Appointment

The membership of Risk Monitoring Committee is determined based on the Circular Decision of the Board of Commissioners as a Substitute to the Resolution of the Board of Commissioners Meeting of PT Bank Danamon Indonesia, Tbk. Number KSR-Kom.Corp.Sec-011 dated December 13, 2018.

Independency of Risk Monitoring Committee Members

The majority of the members of the Committee are Independent Commissioners and Independent Parties in an effort to maintain independence and objectivity. Members of the Board of Directors are not permitted to be members of the Risk Monitoring Committee.

Term of Office

The term of office of Committee membership shall not exceed the term of office of the Board of Commissioners as stipulated in the Articles of Association.

Policy and Holding of Risk Monitoring Committee Meetings

Policy of Risk Monitoring Committee Meetings

- a. Meetings are held at least once every 3 (three) months in accordance with Danamon's needs.

- b. Meetings may only take place provided that 51% (fifty one percent) of the total number of members are present including Independent Commissioners and Independent Parties.
- c. Meeting decisions are made based on the principles of deliberation to reach consensus. In cases where deliberation to reach consensus does not occur, the decision will be based on a majority vote. Decision-making based on majority vote is based on the principle of 1 (one) person, 1 (one) vote.
- d. Each meeting is recorded in the minutes of meeting which is properly documented, signed by all attendees, and submitted to the Board of Commissioners.
- e. Dissenting opinions occur in the meeting along with the reasons must be clearly stated in the minutes of the meeting.

Holding of Risk Monitoring Committee Meeting Frequency and Attendance Rate of Risk Monitoring Committee

During 2019, Risk Monitoring Committee held 10 (ten) meetings with attendance rates as follows:

Table of Meeting Attendance Rate of Risk Monitoring Committee

Name	Attendance in Meeting (Total 10 meetings)
Manggi T. Habir	10/10
Gan Chee Yen *)	3/3
Made Sukada	10/10
Angela Simatupang	8/10
Yusuf Nawawi	10/10
Peter Benyamin Stok	10/10
Masamichi Yasuda**	6/9

Note:

- * no longer serve after the merger effective on 1 May 2019
- ** effective as of 21 February 2019

Meeting Agenda of Risk Monitoring Committee in 2019

No	Date	Agenda
1	22 January 2019	<ul style="list-style-type: none"> Treasury & Capital Market Update - Market Review, Liquidity, Stress Test, Professional Funding Risk Management Update-Risk Profile, Composite Risk Rating, Risk Appetite Statement, Quality Assurance Program Report (QA) Update on Compliance-Fit & Proper Test for members of the Board of Commissioners, FIRM system for SLIK, termination of Western Union, Anti Social Element, update of the Board of Commissioners and Board of Directors Work Guidelines, SOP update for Corporate Secretary
2	25 March 2019	<ul style="list-style-type: none"> Treasury & Capital Market Updates - Changes in Market & Liquidity Risk Limit and Trading Limit Enterprise Banking Growth and Risk Strategy IFRS 9 update Update Internal Ratings and Scorecards for Credit ICAAP update
3	25 April 2019	<ul style="list-style-type: none"> Treasury & Capital Market Update - Liquidity and RIM Updates, Balance Sheet Studies, Bond Issuance Studies and Professional Funding Head to Maturity Portfolio (HTM), BNP consolidation Head to Maturity Portfolio (HTM), Comparative Analysis with Other Banks, Operational Risk, Integration Risk Profile Rainbow Project Updates Integration Risk Policy P2P Lending updates, potential partners, business models, risk mitigation Mergers, regulatory updates, Global Roll Out with MUFG, sanctioned countries, transaction monitoring
4	24 June 2019	<ul style="list-style-type: none"> Enterprise Banking Portfolio Update and Growth Strategy Update on Small and Medium Enterprises (SME) Portfolio and Growth Strategy
5	30 July 2019	<ul style="list-style-type: none"> Consumer Funding and Banking Transaction Strategies Update on Integration Risk-Stress Test Bottom Up and ICAAP Stress Test from OJK, Market & Liquidity Risk, Rainbow Project Update Update on Enterprise Banking Debtors Compliance Update - Sharia Spin Off and Qanun Aceh, Financial Crime Compliance (FCC) Reporting after the merger of Bank Nusantara Parahyangan, Transaction Monitoring Corporate Secretary - Public & Trade Information Policy Treasury & Capital Market Updates - Market, RIM, Liquidity, Stress Test and CFP Studies, Balance Sheet Studies
6	27 August 2019	<ul style="list-style-type: none"> Asset Sales Update - P2P Digital Lending Partnership Adira Finance Portfolio Update Consumer Banking Portfolio Update Gap Analysis of Bank Danamon's Risk Management with MUFG Bank Rainbow Project Updates SLIK update
7	25 September 2019	<ul style="list-style-type: none"> Impact Assessment of IFRS Implementation 9 Middle CoC & NPL Forecast in 2019 Update on Enterprise & Remedial Banking Portfolios (including Sharia & FI) UKM Update (SME) Information Security Updates
8	31 October 2019	<ul style="list-style-type: none"> Treasury & Capital Market Update - Market Review, RIM, Liquidity Update, Stress Test, Balance Sheet Study and Professional Funding Review the Group Risk Appetite Statement and Risk Appetite Statement Management Annual Recovery Plan Review Credit Policy Committee Risk Management Update - Bank Risk Profile, Sharia Risk Profile, Integration Risk Profile, Comparative Bank Analysis with Classmates, Operational Risk and Market & Liquidity Risk Revised Credit Lending Limit (LLL) and 2019 for Large Exposure Guidelines Collectibility Adjustment Update Compliance Update - Regulatory Audit, Merger Process, Corporate Governance Integration Policy, Financial Conglomerate Mapping, New OJK Regulation on Anti Money Laundering, Global Roll Out

No	Date	Agenda
9.	14 November 2019	<ul style="list-style-type: none"> PSAK 72 and 73 updates Update on Enterprise Banking and Financial Institutions Business and SME Credit Update (SME) Rainbow Project Updates BBU Special Mention Improvement Update
10.	21 November 2019	<ul style="list-style-type: none"> Annual Review of Financial Sustainability Plans Annual Review of Integrated Risk Management Policy CoC & NPL for 2020-2022 and Impact of IFRS Implementation 9 DSP Portfolio Update Adira Insurance Update Temporary Limit of Market and Liquidity Risks

The Implementation of Risk Monitoring Committee Work Activities in 2019

Important activities carried out by the Risk Monitoring Committee include:

- RIM analysis from the Bank
- Analysis of bilateral subordinated credit agreements between Bank Danamon and MUFG Japan
- Discussion on the issuance of bonds from Adira Finance
- Analysis of the Bank's Risk Profile
- Operational Risk Analysis and Market & Liquidity Risk
- Quality Assurance Analysis of Credit
- Integrated Risk Profile Analysis
- Risk Rating Analysis
- Discussion on Fit & Proper Test for members of the Board of Commissioners
- Discussion on the issuance of Sub Debt as part of the Bank Recovery Plan
- Migration of MUFG retail accounts to Bank Danamon
- Termination of cooperation with Western Union
- Financial Conglomerate Analysis
- Analysis of Enterprise and SME Banking Portfolios
- Consumer Banking Portfolio Analysis
- IFRS 9 update
- ICAAP analysis
- Comparative Analysis with same-class banks
- Analysis of the Merger Process
- Analysis of Global Roll Out with MUFG
- CASA strategy
- OJK Stress Test Bottom Up 2018-2019
- 2019 ICAAP Stress Test Analysis
- Conflict of Interest Policy Analysis
- Analysis of Material Non-Public Information Policy
- Asset Sales Analysis - P2P Partnership Digital Lending
- Risk Appetite Statement Analysis
- Study on Recovery Plan
- Revised Legal Lending Limit (LLL)

The Risk Monitoring Committee reports activities and recommendations to the Board of Commissioners on a regular basis.

NOMINATION COMMITTEE

Nomination Committee is a committee that assists the implementation of the functions and duties of the Board of Commissioners regarding the nominations of members of the Board of Directors and members of the Board of Commissioners. The Nomination Committee is responsible to the Board of Commissioners.

Charter of Nomination Committee

The Nomination Committee has a Charter that stipulates matters relevant to the objectives, accountability, structure and membership, term of office, duties and responsibilities, authority, meeting proceedings, and reporting. The Charter of the Nomination Committee is periodically reviewed.

Duties, Responsibilities and Authorities of Nomination Committee

Duties and Responsibilities

Duties and responsibilities of the Nomination Committee include:

1. Provides recommendations to the Board of Commissioners regarding:
 - The composition of members of the Board of Commissioners and/or members of the Board of Directors
 - Policies and criteria needed in the nomination process
 - Performance evaluation policy for members of the Board of Commissioners and Board of Directors
2. Reviews, evaluates, and provides recommendations on the system and procedures of selection and/or replacement of the Board of Commissioners and the Board of Directors.
3. Identifies, reviews, and recommends candidates for the Board of Commissioners and/ or the Board of Directors including President Director to the President Commissioner, to be presented at the General Meeting of Shareholders for approval.
4. Recommends Independent Parties to the Board of Commissioners that will serve as members of the Board of Commissioners' committees.

5. At Danamon's expense, may from time to time use its authority to use the services of one or more search firms to identify candidates, including approving the fees or requirements of the search firm.
6. Can evaluate all members of the Board of Commissioners and/ or Board of Directors who will be reappointed at the General Meeting of Shareholders.
7. Reviews and evaluates candidates equally, regardless of sex, race, religion, as well as source of initial recommendation.
8. Reviews and evaluates candidates based on the minimum requirements and other criteria by taking into account all facts and conditions considered appropriate, such as, banking knowledge and proposed candidate expertise, in-depth knowledge and professional experience or other background characteristics, their independence, and the needs of the Board of Commissioners/ Board of Directors.
9. Recommends all candidates both identified internally and by shareholders, who pass the evaluation test, to the Board of Commissioners through circulars to be nominated as a member of the Board of Commissioners/ Board of Directors in the next General Meeting of Shareholders.
10. The official appointment of candidates as members of the Board of Commissioners/ Board of Directors will be conducted after the approval of GMS and after all requirements as required by regulations including but not limited to the OJK's Fit and Proper Test and other authorities are fulfilled.
11. Evaluates and recommends candidates for the Board of Commissioners and Board of Directors of subsidiaries that have a significant impact on Danamon, to the Board of Commissioners of Danamon. The Nomination Committee can provide no objection concerning a candidate member of the Board of Directors of Subsidiaries.
12. Assists the Board of Commissioners to assess the performance of members of the Board of Commissioners and/ or members of the Board of Directors based on the benchmarks that have been prepared as evaluation material.
13. Provides recommendations to the Board of Commissioners regarding the capacity building program for members of the Board of Commissioners and/or the Board of Directors.

14. Must improve competency through continuous education and trainings.
15. Must prepare, review, and update the Charter of the Nomination Committee regularly. The Charter is available on Danamon's website.
16. Maintain the confidentiality of all Danamon's documents, data and information.

The Nomination Committee must report on the implementation of its duties and responsibilities and nomination procedures that have been carried out to the Board of Commissioners. The report is part of the Report on the implementation of the duties of the Board of Commissioners and submitted at the GMS.

Authority of Nomination Committee

The Nomination Committee is authorized to, among others:

- a. Access documents, data, and information required from Danamon.
- b. Establish direct communication with employees, the Board of Directors, and other parties relevant to the implementation of its duties and responsibilities.
- c. Involve an independent party to support the implementation of its duties when necessary.
- d. Exercise other authorities assigned by the Board of Commissioners.

Structure, Membership, Expertise and Legal Basis for Appointment of Nomination Committee

Structure and Membership of Nomination Committee

In 2019, there was a change in the structure and membership of the Nomination Committee. Based on the EGMS on March 26, 2019, it was decided that Ng Kee Choe who was a member of the Nomination Committee no longer held office after the effective merger between Danamon and BNP.

Therefore the Nomination Committee is 4 (four) people, consisting of 2 (two) Independent Commissioners, 1 (one) Commissioner, and 1 (one) Danamon Executive Officer in charge of Human Resources. The structure and membership of the Nomination Committee has fulfilled the applicable provisions.

Members Composition of Nomination Committee in 2019

No	Name	Position in Danamon	Position in Nomination Committee
1	J.B. Kristiadi	Vice President Commissioner (Independent)	Chairman
2	Made Sukada	Commissioner (Independent)	Member
3	Takayoshi Futae	President Commissioner	Member
4	Roy F Permana	Executive Officer of Human Resources	Member

Expertise of Nomination Committee Members

All committee members fulfill the applicable provisions related to the requirements of the expertise of the Nomination Committee members, taking into account each integrity, character and morals as stated in a personal statement.

Legal Basis of Appointment

Members of Nomination Committee is appointed based on the Circular Decision of the Board of Commissioners as a Substitute to the Resolution of the Board of Commissioners Meeting of PT Bank Danamon Indonesia, Tbk. Number KSR-Kom.Corp.Sec-011 dated December 13, 2018.

Independency of Nomination Committee

To uphold independence and objectivity, the Nomination Committee is chaired by an Independent Commissioner, namely J.B. Kristiadi. Members of the Board of Directors are not permitted to become members of the Nomination Committee. Nomination Committee members must comply with Danamon's Code of Conduct.

Term of Office

The term of office of the Nomination Committee members may not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association and can be re-elected only for the next 1 (one) period.

Policy and Holding of Nomination Committee Meetings

Policy of Nomination Committee Meetings

- Nomination Committee meetings are held regularly at least once every 4 (four) months.
- Nomination Committee meetings can only be held if attended by the majority of the Nomination Committee members and attended by the Chairman of the Nomination Committee including Executive Officer in charge of Human Resources.
- Meeting decisions are made based on the principles of deliberation to reach consensus.
- In cases where deliberation to reach consensus does not occur, the decision will be based on a majority vote. Decision-making based on majority vote is based on the principle of 1 (one) person, 1 (one) vote.
- Dissenting opinions occur in the Nomination Committee meeting along with the reasons must be clearly stated in the minutes of the meeting.
- Each Nomination Committee meeting is recorded in the minutes of meeting which is properly documented and signed by all attendees.
- Nomination Committee's minutes of meetings must be submitted in written to the Board of Commissioners.

Holding of Nomination Committee Meetings

In 2019, Nomination Committee held 6 (six) meetings with attendance rates as follows:

Table of Meeting Attendance Rate of Nomination Committee

Name	Attendance
J.B. Kristiadi	6/6
Takayoshi Futae	6/6
Made Sukada	6/6
Ng Kee Choe*	1/1
Roy F Permana	6/6

Note:

* No longer serve after the merger effective in May 1, 2019

Table of Meeting Agenda of Nomination Committee

No	Date	Meeting Agenda
1	31 January 2019	Senior Hiring Nominee
2	25 June 2019	New Board of Commissioners' Recommendations
		Changes to Committee Members on the Board of Commissioners
		Micro Banking
3	22 July 2019	Senior Management Membership Update
		Proposal for Employee Change to the Nomination Committee
4	23 August 2019	Nomination of Directors
5	29 August 2019	Nomination of the Board of Commissioners and Directors
6	18 November 2019	Nomination of Senior Employee Recruitment

Implementation of Duties of Nomination Committee in 2019

The implementation of duties of the Nomination Committee can be summarized as follows:

- Reviewed candidates for the Board of Directors and Board of Commissioners of Danamon.
- Provided recommendations for candidates for members of the Board of Commissioners and Directors of Danamon.
- Provided recommendations on the approval of the composition of the Board of Commissioners' Committees.
- Reviewed the nominations of candidates for the Integrated Corporate Governance Committee.
- Reviewed the nominations of recruitment for senior officials and expatriates from MUGF.

Activities and recommendations from the Nomination Committee are reported regularly to the Board of Commissioners.

REMUNERATION COMMITTEE

Remuneration Committee is a committee that assists the implementation of the duties and responsibilities of the Board of Commissioners regarding the remuneration policy and structure of the members of the Board of Commissioners, Board of Directors, Sharia Supervisory Board, Independent Party, and certain Senior Management. The Remuneration Committee is responsible to the Board of Commissioners for the effectiveness of the framework and policies as well as the structure of Danamon's remuneration.

Charter of Remuneration Committee

The Remuneration Committee has a Charter that stipulates matters relevant to the objectives, accountability, structure and membership, term of office, duties and responsibilities, authority, meeting proceedings, and reporting. The Charter of the Remuneration Committee is periodically reviewed.

Duties, Responsibilities and Authorities of Remuneration Committee

Duties and Responsibilities

Duties and responsibilities of the Remuneration Committee include:

1. Prepare policy, evaluate and provide recommendations to the Board of Commissioners regarding:
 - The structure and amount of remuneration for the Board of Commissioners, Board of Directors, and Senior Management.
 - Remuneration, including salaries, allowances, bonuses and incentives that will be given based on achievement of the predetermined objectives and targets for the President Director and other members of the Board of Directors, members of the Board of Commissioners and the Supervisory Board.
 - Remuneration, including salaries and benefits of Independent Parties.
2. Assist the Board of Commissioners to conduct performance assessment with the suitability of remuneration received by each member of the Board of Commissioners and/ or members of the Board of Directors.
3. Consider the following matters in preparing the structure, policy, and the amount of remuneration:
 - Applicable remuneration in the industry according to the business activity and business scale of Danamon in the industry.
 - Fairness of remuneration compared with peer group.
 - Duties, responsibilities, and authority of the Board of Directors and/or members of the Board of Commissioners in relation to the achievement of objectives and the performance of Danamon.
 - Target performance or the individual performance of members of the Board of Directors and/or members of the Board of Commissioners.

- The balance of fixed and variable benefits.
 - The financial performance of Danamon and its compliance with the applicable regulations.
 - Target consideration and long-term goal strategies of Danamon.
4. Evaluate the fore mentioned structure, policies, and amount of remuneration at least 1 (one) time in 1 (one) year.
 5. Evaluate and update the Charter of Remuneration Committee periodically.
 6. Maintain the confidentiality of all Danamon's documents, data, and information.
 7. Improve competency through continuous education and trainings.

The Remuneration Committee must report on the implementation of its duties and responsibilities and the remuneration procedures that have been carried out to the Board of Commissioners. The report is part of the Report on the implementation of the duties of the Board of Commissioners and submitted at the GMS.

Authority of Remuneration Committee

Authorities of Remuneration Committee among others:

- a. Access documents, data, and information about employees, Senior Management, Board of Directors and/ or Board of Commissioners.
- b. Establish direct communication with employees, the Board of Directors, and other parties relevant to the implementation of its duties and responsibilities.
- c. Involve an independent party to support the implementation of its duties when necessary.
- d. Exercise other authorities assigned by the Board of Commissioners.

Members Composition of Remuneration Committee in 2019

No	Name	Position in Danamon	Position in Remuneration Committee
1	J.B. Kristiadi	Vice President Commissioner (Independent)	Chairman
2	Manggi T. Habir	Commissioner (Independent)	Member
3	Takayoshi Futae	President Commissioner	Member
4	Roy Fahrizal Permana	Executive Officer of Human Resources	Member

Structure, Membership, Expertise and Legal Basis for Appointment of Remuneration Committee

Structure and Membership of Remuneration Committee

In 2019, there was a change in the structure and membership of the Remuneration Committee. Based on the EGMS on March 26, 2019, it was decided and approved the resignation of 2 (two) Commissioners, namely Ng Kee Choe and Gan Chee Yen who were members of the Remuneration Committee.

Thus the Remuneration Committee has 4 (four) members, consists of 2 (two) Independent Commissioners, 1 (one) Commissioner, and 1 (one) Executive Officer of Danamon who is in charge of Human Resources. Structure and membership of the Remuneration Committee has fulfilled the applicable provisions.

Expertise of Nomination Committee Members

All committee members fulfill the applicable provisions related to the requirements of the expertise of the Nomination Committee members, taking into account each integrity, character and morals as stated in a personal statement.

Legal Basis of Appointment

Members of Nomination Committee is appointed based on the Circular Decision of the Board of Commissioners as a Substitute to the Resolution of the Board of Commissioners Meeting of PT Bank Danamon Indonesia, Tbk. Number KSR-Kom.Corp.Sec-011 dated December 13, 2018.

Independency of Remuneration Committee

To uphold independence and objectivity, the Remuneration Committee is chaired by an Independent Commissioner, namely J.B. Kristiadi. Members of the Board of Directors are not permitted to become members of the Remuneration Committee. Remuneration Committee members must comply with Danamon's Code of Conduct.

Term of Office

The term of office of the Remuneration Committee members may not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association and can be re-elected only for the next 1 (one) period.

Policy and Holding of Remuneration Committee Meetings

Policy of Remuneration Committee Meetings

- Remuneration Committee meetings are held regularly at least once every 4 (four) months.
- Remuneration Committee meetings can only be held if attended by the majority of the Remuneration Committee members and attended by the Chairman

of the Remuneration Committee including Executive Officer in charge of Human Resources.

- Meeting decisions are made based on the principles of deliberation to reach consensus.
- In cases where deliberation to reach consensus does not occur, the decision will be based on a majority vote. Decision-making based on majority vote is based on the principle of 1 (one) person, 1 (one) vote. Dissenting opinions occur in the meeting along with the reasons must be clearly stated in the minutes of the meeting.
- Each meeting is recorded in the minutes of meeting which is properly documented, signed by all attendees, and submitted in written to the Board of Commissioners.

Holding of Remuneration Committee Meetings

In 2019, Remuneration Committee held 7 (seven) meetings with attendance rates as follows:

Table of Meeting Attendance Rate of Remuneration Committee

Name	Attendance in Meeting
J. B. Kristiadi	7/7
Takayoshi Futae	7/7
Manggi T Habir	7/7
Ng Kee Choe *	2/2
Gan Chee Yen *	2/2
Roy F Permana	7/7

Note:

* No longer serve after the merger effective in May 1, 2019

Meeting Agenda of Remuneration Committee in 2019

Table of Meeting Agenda of Remuneration Committee

No	Date	Meeting Agenda
1	January 31, 2019	- Senior Employee Recruitment Remuneration - 2019 Performance Bonus and Salary Increase
2	March 25, 2019	Long-term Incentives 2018 - Payment 2019
3	June 25, 2019	The Board of Commissioners Remuneration and Award Proposal
4	August 23, 2019	Directors' Remuneration
5	August 29, 2019	Remuneration of the Directors and Board of Commissioners
6	November 18, 2019	Senior Employee Recruitment Remuneration
7	December 20, 2019	Short-term and Long-Term Incentives

Implementation of Duties of Remuneration Committee in 2019

The implementation of duties of the Remuneration Committee can be summarized as follows:

- Reviewed senior employee recruitment plans.
- The main guide for setting bonuses and bonuses.
- Recommends tantiem and salary increase 2019.
- Reviewed long-term incentives.
- Reviewed the recruitment of the Chief Information Officer.
- Provide recommendations on the remuneration of Senior Officials.

Activities and recommendations from the Remuneration Committee are reported regularly to the Board of Commissioners.

CORPORATE GOVERNANCE COMMITTEE

Corporate Governance Committee is a committee that assists the implementation of the duties and responsibilities of the Board of Commissioners in overseeing the effectiveness of governance structures, frameworks, policies and resources to support the implementation of the principles of good corporate governance. The Corporate Governance Committee is responsible to the Board of Commissioners for overseeing the implementation of Danamon's corporate governance and compliance with regulations.

Charter of Corporate Governance Committee

The Corporate Governance Committee has a Charter that stipulates matters relevant to the objectives, accountability, structure and membership, term of office, duties and responsibilities, authority, meeting proceedings, and reporting. The Charter of the Corporate Governance Committee is updated in 2019 and is periodically reviewed.

Duties, Responsibilities and Authorities of Corporate Governance Committee

Duties and Responsibilities

In carrying out its duties and responsibilities, the Corporate Governance Committee must act independently. The duties and responsibilities of the Corporate Governance Committee include:

1. Comply with the code of conduct of Danamon.
2. Periodically evaluate the corporate governance structure and framework as well as the suitability of Danamon's corporate governance policies.

3. Review and evaluate Danamon's principles of corporate governance and its implementation periodically and submit improvement recommendations to the Board of Commissioners.
4. Report to the Board of Commissioners of the various inappropriateness of GCG implementation and actions to be taken for improvement.
5. Review the corporate governance report published by Danamon to ensure its transparency and accuracy and recommend the improvements to the Board of Directors.
6. Provide recommendations to the Board of Commissioners for endorsement of Danamon's corporate governance reports and corporate governance policies.
7. Prepare, review, and update the Charter of the Committee periodically. Charter of the Committee is available in Danamon's website.
8. Maintain the confidentiality of all Danamon's documents, data, and information.
9. Report the Corporate Governance Committee's activities to the Board of Commissioners.

Authority of Corporate Governance Committee

Corporate Governance Committee is authorized to, among others:

- a. Access documents, data, and information required from Danamon.
- b. Establish direct communication with employees, the Board of Directors, and other parties relevant to the implementation of its duties and responsibilities.
- c. Involve an independent party to support the implementation of its duties when necessary.
- d. Exercise other authorities assigned by the Board of Commissioners.

Structure, Membership, Expertise and Legal Basis for Appointment of Corporate Governance Committee

Structure and Membership of Corporate Governance Committee

Corporate Governance Committee has 3 (three) members, consist of 2 (two) Independent Commissioners and 1 (one) Commissioner. The composition of this Committee has fulfilled the Corporate Governance Committee Charter and the independence requirements of the Committee members.

Members Composition of Corporate Governance Committee in 2019

No	Name	Position in Danamon	Position in Remuneration Committee
1	Made Sukada	Commissioner (Independent)	Chairman
2	Manggi T. Habir	Commissioner (Independent)	Member
3	Masamichi Yasuda	Commissioner	Member

Expertise of Corporate Governance Committee Members

All committee members fulfill the applicable provisions related to the requirements of the expertise of the Corporate Governance Committee members, taking into account each integrity, character and morals as stated in the personal statement letters.

Legal Basis of Appointment

Members of Corporate Governance Committee is appointed based on the Circular Decision of the Board of Commissioners as a Substitute to the Resolution of the Board of Commissioners Meeting of PT Bank Danamon Indonesia, Tbk. Number KSR-Kom.Corp.Sec-011 dated December 13, 2018.

Independency of Corporate Governance Committee

To uphold independence and objectivity, the Corporate Governance Committee is chaired by an Independent Commissioner, namely Made Sukada. Members of the Board of Directors are not permitted to become members of the Corporate Governance Committee. Corporate Governance Committee members must comply with Danamon's Code of Conduct.

Term of Office

The term of office of the Corporate Governance Committee members may not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association and can be re-elected only for the next 1 (one) period.

Policy and Holding of Corporate Governance Committee Meetings

Policy of Corporate Governance Committee Meetings

1. Meetings are held according to Danamon's needs at least once every 1 (one) semester.
2. The minimum attendance of committee meetings (quorum of meetings) is 51% (fifty one percent) of the Corporate Governance Committee members.
3. Meeting decisions are made based on the principles of deliberation to reach consensus.
4. In cases where deliberation to reach consensus does not occur, the decision will be based on a majority vote. Decision-making based on majority vote is based on the principle of 1 (one) person, 1 (one) vote.
5. Dissenting opinions occur in the meeting along with the reasons must be clearly stated in the minutes of the meeting.
6. Each meeting is recorded in the minutes of meeting which is properly documented, signed by all attendees, and submitted to the Board of Commissioners.

Holding of Corporate Governance Committee Meetings

Corporate Governance Committee held 3 (three) meetings during 2019 with attendance rates as follows:

Name	Attendance
Made Sukada	3/3
Manggi T. Habir	3/3
Masamichi Yasuda*	2/2

Note:

* effective as of 21 February 2019.

Meeting Agenda of Corporate Governance Committee in 2019

The Corporate Governance Committee conducted meetings during 2019 with the meeting agenda as follows:

No	Date	Agenda
1	January 16, 2019	Update GCG Self Assessment Semester II-2018 CG Improvement Status Semester II-2018 Update Corporate Governance: - AGMS 2019 - Independent Director Regulation - Review Charter - Update SLIK - Audit Regulator
2	July 16, 2019	Update GCG Self Assessment Semester I-2019 Update Corporate Governance: - Update Merger - Spin Off Syariah dan Qanun Aceh - Review Charter - Update SLIK - Audit Regulator - ICG Policy
3	November 21, 2019	Update Corporate Governance: - Follow Up after Merger - Appointment of New Main Entity for Financial Conglomeration - Spin Off Syariah and Qanun di Aceh - Update Charter CGC - Audit Regulator

Implementation of Duties of Corporate Governance Committee in 2019

The Corporate Governance Committee in 2019 has carried out the following:

- Reviewed the implementation of Danamon's corporate governance and GCG Self Assessment results
- Reviewed the agenda and materials for 2019 Annual GMS and Extraordinary GMS.
- Reviewed and updated the Corporate Governance Committee Charter.
- Reviewed and provided recommendations to the refinement of Integrated Corporate Governance Policy of Danamon Group.
- Reviewed the merger implementation with Bank BNP.

Corporate Governance Committee reports its activities and recommendations to the Board of Commissioners regularly.

INTEGRATED CORPORATE GOVERNANCE COMMITTEE

Danamon as the Main Entity of the Danamon Group Financial Conglomeration established the Integrated Corporate Governance Committee to assist the implementation of the duties of the Board of Commissioners as the Board of Commissioners of the Main Entity, specifically in carrying out the supervisory function on the implementation of integrated corporate governance in the Danamon Group Financial Conglomeration, in accordance with the applicable laws

and regulations. The Integrated Corporate Governance Committee is responsible to the Board of Commissioners.

Charter of Integrated Corporate Governance Committee

Danamon's Integrated Corporate Governance Committee has a Charter that stipulates matters relevant to the objectives, accountability, structure and membership, term of office, duties and responsibilities, authority, meeting proceedings, and reporting. The Charter of the Integrated Corporate Governance Committee is updated in 2019 and is periodically reviewed.

Duties and Responsibilities of Integrated Corporate Governance Committee

Duties and Responsibilities

The duties and responsibilities of the Integrated Corporate Governance Committee include:

- Evaluate the implementation of integrated corporate governance through at least the assessment of the adequacy of internal controls and the implementation of integrated compliance function.
- Provide recommendations to the Board of Commissioners of the Main Entity in terms of improving the integrated corporate governance policy.
- Improve the competency of members through continuous education and trainings.

- d. Possess, review, and update the Charter of the Integrated Corporate Governance Committee periodically.
- e. Maintain the confidentiality of all Danamon's and Subsidiaries' documents, data, and information.

Authority of Integrated Corporate Governance Committee

Authority of Integrated Corporate Governance Committee are, among others:

- a. The Integrated Corporate Governance Committee has the authority to access the required documents, data and information from the Main Entity and Subsidiaries, while adhering to the internal policies of each entity and applicable laws and regulations.
- b. The Integrated Corporate Governance Committee is authorized to communicate directly with employees, Board of Directors and other parties in the Main Entity and Subsidiaries.
- c. The Integrated Corporate Governance Committee has the authority to involve independent parties to assist in carrying out their duties, if needed.
- d. The Integrated Corporate Governance Committee has the authority to exercise other authorities granted by the Board of Commissioners of Danamon/ Main Entity.

Structure, Membership, Expertise and Legal Basis for Appointment of Integrated Corporate Governance Committee

Structure and Membership of Integrated Corporate Governance Committee

As of December 31, 2019, in connection with the divestment of Adira Insurance on November 27, 2019, which resulted in changes to members of the Danamon Group Financial Conglomeration, the Integrated Corporate Governance Committee consists of 6 (six) people, namely:

1. From the Main Entity which consists of:
 - 2 (two) Independent Commissioners.
 - 1 (one) independent party.
 - 1 (one) commissioner.
 - 1 (one) member of the Sharia Supervisory Board.
2. From the Subsidiaries: 1 (one) Independent Commissioner who represents and is appointed from the financing company.

The composition of this Committee has fulfilled the Integrated Corporate Governance Committee Charter and the independency requirements of the Committee members.

Members Composition of Integrated Corporate Governance Committee

No	Name	Position in Danamon	Position in Integrated Corporate Governance Committee
1	Made Sukada	Commissioner (Independent)	Chairman
2	Manggi T. Habir	Commissioner (Independent)	Member
3	Masamichi Yasuda	Commissioner	Member
4	Angela Simatupang	Independent Party of Main Entity	Member
5	Djoko Sudyatmiko	Independent Commissioner of Adira Finance	Member
6	M. Din Syamsuddin	Chairman concurrently as a member of Sharia Supervisory Board of the Main Entity	Member

Expertise of Integrated Corporate Governance Committee Members

Each member has the expertise needed to carry out the functions of the committee by paying attention to their respective integrity, character and morals as stated in a personal statement letters.

Legal Basis of Appointment

Members of Integrated Corporate Governance Committee is appointed based on the Circular Decision of the Board of Commissioners as a Substitute to the Resolution of the Board of Commissioners Meeting of PT Bank Danamon Indonesia, Tbk. Number KSR-Kom.Corp.Sec-011 dated December 13, 2018.

Independency of Integrated Corporate Governance Committee

To uphold independence and objectivity, the Integrated Corporate Governance Committee is chaired by an Independent Commissioner, namely Made Sukada. Members of the Board of Directors are not permitted to become members of the Integrated Corporate Governance Committee.

Term of Office

The term of office of the Integrated Corporate Governance Committee members may not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association and can be re-elected only for the next 1 (one) period.

Policy and Holding of Integrated Corporate Governance Committee Meetings

Policy of Integrated Corporate Governance Committee Meetings

- a. Meetings are held as needed at least once every 1 (one) semester.
- b. The minimum attendance of committee meetings is 51% (fifty one percent) of total members of Integrated Corporate Governance Committee.
- c. Meeting decisions are made based on the principles of deliberation to reach consensus. In cases where deliberation to reach consensus does not occur, the decision will be based on a majority vote. Decision-making based on majority vote is based on the principle of 1 (one) person, 1 (one) vote.

- d. Dissenting opinions occur in the meeting along with the reasons must be clearly stated in the minutes of the meeting.
- e. Each meeting is recorded in the minutes of meeting which is properly documented, signed by all attendees, and submitted to the Board of Commissioners of the Main Entity.

Holding of Integrated Corporate Governance Committee Meetings in 2019

Integrated Corporate Governance Committee held 3 (three) meetings during 2019 with attendance rates as follows:

Name	Attendance in Meeting
Made Sukada	3/3
Manggi T. Habir	3/3
Masamichi Yasuda *	2/2
Angela Simatupang	3/3
Djoko Sudyatmiko	3/3
Ariyanti Suliyanto **	3/3
M. Din Syamsuddin	1/3

Note:

* effective as of 21 February 2019

** In connection with the divestment of Adira Insurance on November 27, 2019, as of November 27, 2019, Adira Insurance is no longer a member of the Danamon Group Financial Conglomeration.

Meeting Agenda of Integrated Corporate Governance Committee in 2019

No	Date	Agenda
1	January 16, 2019	Update ICG Self Assessment Semester II-2018 Update Corporate Governance: <ul style="list-style-type: none"> • New Main Entity For Financial Conglomeration • OJK On-site Review • Update CG from Subsidiaries
2	July 16, 2019	Update ICG Self Assessment Semester I-2019 Update Corporate Governance: <ul style="list-style-type: none"> • Appointment of New Main Entity for Financial Conglomeration • ICG Policy • Update CG from Subsidiaries
3	November 21, 2019	Update Corporate Governance: <ul style="list-style-type: none"> • Appointment of New Main Entity for Financial Conglomeration • Update ICGC Charter • Update CG from Subsidiaries

Implementation of Duties of Integrated Corporate Governance Committee in 2019

The Integrated Corporate Governance Committee during 2019 has carried out the following activities:

- Reviewed the implementation of integrated corporate governance and the results of self-assessment on the implementation of Integrated Corporate Governance.
- Reviewed and updated the Charter of the Integrated Corporate Governance Committee.

- Reviewed and provided recommendations for improvement of Integrated Corporate Governance Policy of Danamon Group.
- Provided directives regarding the appointment of new Main Entity in the Financial Conglomeration.

Integrated Corporate Governance Committee reports its activities and recommendations to the Board of Commissioners regularly.

Board of Directors

The Board of Directors is a corporate organ that is collectively responsible for the management of the company for the interests and objectives of the company and represents the company both inside and outside the court in accordance with the Articles of Association.

The appointment of members of the Board of Directors is conducted by the General Meeting of Shareholders (GMS) after considering the recommendations of the Nomination Committee through the Board of Commissioners. The appointment is effective from the date set out in the GMS and ends at the closing of the third GMS after the date of appointment. If there is an addition/ appointment of new members of the Board of Directors, the terms of office of the new Director starts on the date specified in the GMS and ends on the same date as the terms of office of the other Directors.

The Board of Directors is accountable for the implementation of its duties to the GMS. In performing its duties, the Board of Directors is given clear authority and responsibility pursuant to the Articles of Association, which refers to the prevailing rules and regulations. Members of the Board of Directors that reach the end of tenure may be re-elected by the GMS for the next 3 years.

Charter of the Board of Directors

The Board of Directors has owned a Charter which is prepared and periodically reviewed based on prevailing regulations (Financial Services Authority/ Bank Indonesia), international best practices and best corporate governance practices. The Charter of the Board of Directors contains matters related to the general requirements, membership structure, duties and responsibilities, committee establishment, authority, transparency, work ethics, meetings, terms of office and reporting.

Work Ethics of the Board of Directors

Members of the Board of Directors have work ethics as follows:

1. Prohibited from taking advantage of Danamon for personal, family, and/ or other parties' interests that may harm or reduce the profits and reputation of Danamon and its subsidiaries.
2. Prohibited from taking and/ or receiving personal benefits from Danamon other than remuneration and facilities determined in the General Meeting of Shareholders.
3. Prohibited from having concurrent positions as a member of a Board of Commissioners, Board of Directors or executive officers at other banks, companies and/ or institutions. Excluded as concurrent positions if the Board of Directors responsible for oversight of participation in Danamon's Subsidiaries, carrying out functional duties to become a member of the Board of

Commissioners in a non-bank Subsidiary controlled by Danamon, as long as the concurrent position does not result in the Director neglecting his/ her duties and responsibility as a member of the Board of Directors.

4. Prohibited from owning shares more than 25% (twenty five percent) either individually or collectively of the paid up capital of Danamon and/or other companies.
5. Prohibited from giving general authority to another party, which will result in the transfer of duties and functions of the Board of Directors.
6. Prohibited from using individual advisors and/ or professional services as a consultant unless it meets the following requirements: 1) The project is specific; 2) Based on a clear contract, which shall include at least the scope of work, responsibilities and duration of employment as well as the costs; 3) Consultant is an independent party and has the qualifications to work on specific projects.
7. Prohibited from directly or indirectly making incorrect statements about material facts or not disclosing material facts so that the statements made are not misleading about the conditions of Danamon at the time the statement was made.
8. Subject to Danamon's Code of Conduct, the prevailing laws and regulations, as well as Danamon's internal policies.

Transparency of the Board of Directors

1. The Board of Directors must disclose the information in the Corporate Governance Implementation Report including:
 - a. Shares ownership in Danamon as well as in other banks and companies, which are domiciled at home and overseas;
 - b. Financial and family relationships with fellow members of Danamon's Board of Commissioners, Board of Directors and/or controlling shareholders;
 - c. Remuneration and facilities received from Danamon;
 - d. Positions in other companies.
2. The Board of Directors must disclose Danamon's strategic employment policies to all employees.

Duties and Responsibilities of the Board of Directors

The Duties and Responsibilities of the Board of Directors, including:

1. Take full responsibility for the implementation of Danamon's management
2. Manage Danamon with its authority and responsibilities as stipulated in the Articles of Association of Danamon and the prevailing laws and regulations;

3. Implement the principles of corporate governance in each of Danamon’s business activities at all levels of the organization;
4. Take full responsibility for setting the short-term and long-term strategies, and the priorities of Danamon.
5. Follow up the audit findings and recommendations of the internal audit working unit of Danamon, external auditors; supervisory results of Financial Services Authority, Bank Indonesia and/or the other regulators.
6. Implement Danamon social responsibility programs.
7. Establish an Internal Audit Working Unit, Risk Management Working Unit and Compliance Working Unit, in order to implement the principles of good corporate governance.
8. Maintain a healthy and open relationship with the Board of Commissioners and support the Board of Commissioners in carrying out their role as a supervisory organ.
9. Responsible for the implementation of the duties to shareholders through the General Meeting of Shareholders;
10. Disclose the strategic Human Resources policies in the field of employment to employees;
11. Provide accurate, relevant and timely data and information to the Board of Commissioners.
12. Ensure the implementation of Integrated Corporate Governance in the Financial Conglomeration as defined in the Integrated Corporate Governance policy.

Authority of the Board of Directors

1. Representing Danamon inside and outside the court on all matters and in all events, binding Danamon with other parties and other parties with Danamon and carrying out all actions, both regarding management and ownership, but with restrictions and conditions as stated in the Danamon’s Articles of Association.
2. Performing other authorities granted in the Danamon’s Articles of Association and the prevailing rules and regulations.

Policy on Diversity of the Board of Directors

Danamon has a diversity policy that is used as a reference in the nomination process of candidates for the Board of Directors. Danamon appreciates and respects any differences of viewpoints, knowledge, skills and experience of each individual, and does not discriminate on race, ethnicity, gender and religion.

During the nomination process, in addition to the minimum requirements and other criteria, the scope and balance of knowledge, skills and experience, as well as diversity are taken into consideration to obtain optimum composition of the Board of Directors. Optimum composition of the Board of Directors can enhance decision-making and ultimately improve company’s performance.

Board of Directors Succession Policy

Danamon has a succession policy for members of the Board of Directors that is used to maintain continuity of leadership in the future. Implementation of succession is conducted through the identification of executive officials who show potential, through the Talent Review Program. Each member of the Board of Directors is obliged to submit a minimum of 2 (two) candidates who will be evaluated and identified for his/her competency and skills. The replacement candidates will be grouped in a talent inventory to be recommended to the Nomination Committee.

Board of Directors Nomination Policy

The Nomination Policy is prepared as a basis in the process of identifying candidates for members of the Board of Directors with the best qualifications which meet the minimum requirements as set out in legislation and other criteria.

The process of identifying candidates for the Board of Directors is carried out by the Nomination Committee, if necessary, the Nomination Committee can use the services of a third party (search firm). The Nomination Committee identifies candidates who meet the requirements, interviews and selects the candidates (including conducts background checks and references).

The Nomination Committee will consider the knowledge, skills and professional experience, as well as the diversity without discrimination against race, ethnicity, gender and religion in identifying the candidates. The Nomination Committee proposes the elected candidates to the Board of Commissioners for approval and ratification by the General Meeting of Shareholders. The Nomination Committee will also conduct an evaluation on the Board of Directors to be reappointed at the General Meeting of Shareholders.

Number, Composition and Criteria of the Board of Directors

The composition of the Board of Directors after the effective merger between Danamon and PT Bank Nusantara Parahyangan Tbk is as follows:

- Main Highlights
- Management Report
- Company Profile
- Management Discussion and Analysis
- Operational Review
- Good Corporate Governance**
- Corporate Social Responsibility
- Corporate Data

No.	Name	Position
1	Sng Seow Wah	President Director
2	Michellina L. Triwardhany	Vice President Director
3	Herry Hykmanto	Director
4	Satinder Pal Singh Ahluwalia	Director
5	Adnan Qayum Khan	Director
6	Rita Mirasari	Director
7	Heriyanto Agung Putra	Director
8	Yasushi Itagaki	Director
9	Dadi Budiana	Director

Furthermore, on October 1, 2019 an EGMS was held which approved the resignation of Sng Seow Wah and Satinder Pal Singh Ahluwalia and the appointment of Yasushi Itagaki as President Director, Honggo Widjojo Kangmasto as Vice President Director, Muljono Tjandra as Director and Naoki Mizoguchi as Director. Accordingly, the composition of the Board of Directors as at 31 December 2019 is as follows:

No.	Name	Position
1	Yasushi Itagaki	President Director
2	Michellina L. Triwardhany	Vice President Director
3	Honggo Widjojo Kangmasto	Vice President Director
4	Herry Hykmanto	Director
5	Adnan Qayum Khan	Director
6	Rita Mirasari	Director
7	Heriyanto Agung Putra	Director
8	Dadi Budiana	Director
9	Muljono Tjandra	Director
10	Naoki Mizoguchi	Director

The majorities of the members of the Board of Directors are Indonesian nationals and all are all domiciled in Indonesia. The Board of Directors is chaired by a President Director who is a professional and has adequate integrity and competence. The President Director is an independent party that has no management relationship, ownership and/or financial relationship and/or family relationship with the controlling shareholders.

All members of the Board of Directors upon appointment have met the requirements of integrity, competency and financial reputation, as well as good character and morals, have never been declared bankrupt, have never been convicted of a criminal offense, and have the knowledge, expertise and experience in the operational field as bank executives. All members of the Board of Directors have passed the fit and proper test in accordance with the provisions of OJK

Name	Position	GMS Date	Effective Date (OJK/ BI)	Office Terms	Number of Appointment	Domicile
Yasushi Itagaki	Director	20 March 2018	7 September 2018	2018-2020	1x	Indonesia
	Director	26 March 2019*	25 April 2019**	2019-2020		
	President Director	1 October 2019	5 December 2019	2019-2020		
Michellina Laksmi Triwardhany	Director	29 April 2010	27 May 2010	2010-2011 2011-2014 2014-2017 2017-2020	4x	Indonesia
	Vice President Director	20 March 2018	14 March 2018	2018-2020		
	Vice President Director	26 March 2019*	25 April 2019**	2019-2020		
Honggo Widjojo Kangmasto	Vice President Director	1 October 2019	5 December 2019	2019-2020	1x	Indonesia
Herry Hykmanto	Director	03 April 2008	13 May 2008	2008-2011 2011-2014 2014-2017 2017-2020 2019-2020	4x	Indonesia
	Director	26 March 2019*	25 April 2019**			
Adnan Qayum Khan	Director	28 April 2016	8 August 2016	2016-2017 2017-2020 2019-2020	2x	Indonesia
	Director	26 March 2019*	25 April 2019**			
Rita Mirasari	Director	07 September 2016	14 September 2016	2016-2017 2017-2020 2019-2020	2x	Indonesia
	Director	26 March 2019*	25 April 2019**			
Heriyanto Agung Putra	Director	28 April 2016	23 December 2016	2016-2017 2017-2020 2019-2020	2x	Indonesia
	Director	26 March 2019*	25 April 2019**			
Dadi Budiana	Director	20 March 2018	17 October 2018	2018-2020 2019-2020	1x	Indonesia
	Director	26 March 2019*	25 April 2019**			
Muljono Tjandra	Director	1 October 2019	5 December 2019	2019-2020	1x	Indonesia
Naoki Mizoguchi	Director	1 October 2019	5 December 2019	2019-2020	1x	Indonesia

* In accordance with the resolution of the EGMS on March 26, 2019, it has approved changes in the composition of the Directors due to the merger process between Danamon and PT Bank Nusantara Parahyangan Tbk ("BNP").

** Based on OJK letter No.S-122 / PB.12 / 2019 dated April 25, 2019 regarding Submission of Decision of the Board of Commissioners of the Financial Services Authority for the Merger of PT Bank Nusantara Parahyangan Tbk into PT Bank Danamon Indonesia Tbk and PKK Results for The management of PT Bank Danamon Indonesia Tbk (Merger Results), all members of the Board of Commissioners have passed the fit and proper test from OJK.

Scope of Work and Responsibilities of Each Member of the Board of Directors

Each member of the Board of Directors has duties and authorities that are subject to the Articles of Association and Circular Resolution of the Board of Directors on the Duties and Authorities of the Board of Directors. In 2019, based on the existing organizational structure, the scope of duties and responsibilities of each Member of the Board of Directors is as follows:

Name	Scope of Duty and Responsibility
Yasushi Itagaki (President Director)	Supervises all members of the Board of Directors, Treasury and Capital Market, Information Technology, Operations, Internal Audit, Adira Finance, and Adira Insurance*)
Michellina L. Triwardhany (Vice President Director)	Branch Network, Consumer Banking & Small & Medium Enterprises (SME)
Honggo Widjojo Kangmasto (Vice President Director)	Enterprise Banking & Transactional Banking
Herry Hykmanto (Director)	Sharia & Micro Banking
Adnan Qayum Khan (Director)	Integrated Risk
Rita Mirasari (Director)	Compliance & Corporate Secretary
Heriyanto Agung Putra (Director)	Human Resources
Dadi Budiana (Director)	Credit
Muljono Tjandra (Director)	Finance
Naoki Mizoguchi (Director)	Global Alliance Strategy

Note:

*) In connection with the divestment of Adira Insurance on November 27, 2019, Adira Insurance is no longer a member of the Danamon Group Financial Conglomeration

Independency of Members of the Board of Directors

All members of the Board of Directors must have no family or financial relationships with each other as expressed in the statement letter signed by members of the Board of Directors, which is updated every year. Directors must be in compliance with the requirement of independency in accordance with Good Corporate Governance regulation as stipulated in the Charter of the Board of Directors.

Family and Financial Relationship of the Board of Directors

Name	Position	Family Relation with						Financial Relation with					
		Member of BOC		Member of BOD		Controlling Shareholders		Member of BOC		Member of BOD		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Yasushi Itagaki	President Director	-	√	-	√	-	√	-	√	-	√	-	√
Michellina Laksmi Triwardhany	Vice President Director	-	√	-	√	-	√	-	√	-	√	-	√
Honggo Widjojo Kangmasto	Vice President Director	-	√	-	√	-	√	-	√	-	√	-	√

Name	Position	Family Relation with						Financial Relation with					
		Member of BOC		Member of BOD		Controlling Shareholders		Member of BOC		Member of BOD		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Herry Hykmanto	Director	-	√	-	√	-	√	-	√	-	√	-	√
Adnan Qayum Khan	Director	-	√	-	√	-	√	-	√	-	√	-	√
Rita Mirasari	Director	-	√	-	√	-	√	-	√	-	√	-	√
Heriyanto Agung Putra	Director	-	√	-	√	-	√	-	√	-	√	-	√
Dadi Budiana	Director	-	√	-	√	-	√	-	√	-	√	-	√
Muljono Tjandra	Director	-	√	-	√	-	√	-	√	-	√	-	√
Naoki Mizoguchi	Director	-	√	-	√	-	√	-	√	-	√	-	√

Concurrent Positions of Members of the Board of Directors

Members of the Board of Directors are required to disclose other positions as outlined in the statement letter and are signed by members of the Board of Directors and are renewed every year. Concurrent positions of Directors are excluded for Directors who are responsible in supervising Subsidiaries, having functional tasks and serving on the Board of Commissioners of Subsidiaries. All Danamon's Directors have no prohibited concurrent positions in accordance with OJK regulation concerning Implementation of Corporate Governance for Commercial Banks.

Members of the Board of Directors' Position in Subsidiaries

Name	Position in Danamon	Position in Subsidiaries
Yasushi Itagaki	President Director	President Commissioner PT Adira Dinamika Multi Finance Tbk *)
Michellina Laksmi Triwardhany	Vice President Director	-
Honggo Widjojo Kangmasto	Vice President Director	-
Herry Hykmanto	Director	-
Adnan Qayum Khan	Director	-
Rita Mirasari	Director	-
Heriyanto Agung Putra	Director	-
Dadi Budiana	Director	-
Muljono Tjandra	Director	-
Naoki Mizoguchi	Director	-

Note:

*) Will be effective after passing the fit and proper test from OJK

Shares Ownership of Members of the Board of Directors

All members of the Board of Directors do not own shares that reach 25% of the paid up capital of a company. Direct or indirect shares ownership of each member of the Board of Directors in Danamon, Other Banks, Other Non-Bank Financial Institutions and other Companies, is as follows:

Board of Director Share Ownership

Name	Position	Share Ownership at				Remark
		Danamon	Other Bank	Non Bank Financial Insitution	Other Company	
Yasushi Itagaki	President Director	-	-	-	-	-
Michellina Laksmi Triwardhany	Vice President Director	-	-	-	PT. Sapta Selera Kreasi	Percentage of share ownership: 18.75%
Honggo Widjojo Kangmasto	Vice President Director	-	-	-	-	-
Herry Hykmanto	Director	Amount of shares 131,856	-	-	-	-
Adnan Qayum Khan	Director	-	Royal Bank of Scotland Amount of shares 190	-	-	Percentage of share ownership: 0.000002%
Rita Mirasari	Director	-	-	-	-	-
Heriyanto Agung Putra	Director	-	-	-	PT. Garuda Indonesia (Persero) Amount of shares 207,804	Percentage of share ownership: 0.002%
Dadi Budiana	Director	-	-	-	-	-
Muljono Tjandra	Director	-	-	-	-	-
Naoki Mizoguchi	Director	-	-	-	-	-

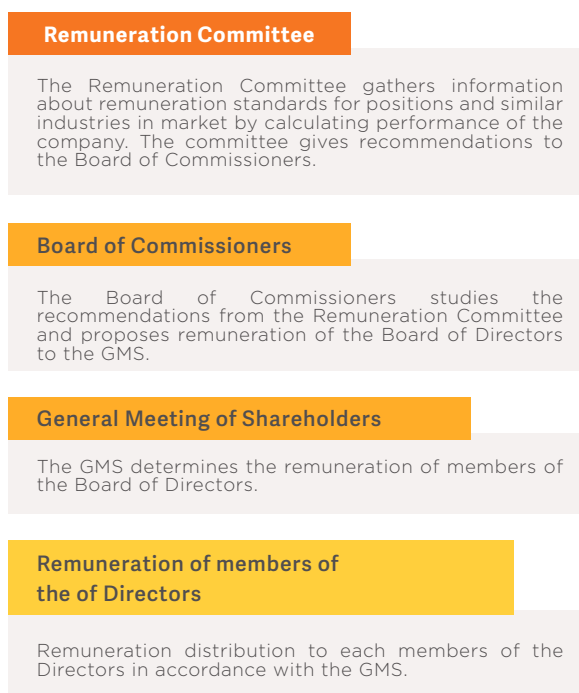
Remuneration of the Board of Directors

Indicators for Determining the Remuneration of the Board of Directors

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

Procedures for Determining the Remuneration of the Board of Directors

The process of determining the Remuneration of the Board of Directors can be illustrated as follows:



Remuneration Structure of the Board of Directors

The remuneration package of members of the Board of Directors is paid periodically and the classification of remuneration level and the number of Board of Directors' members receiving remuneration package within 1 (one) year, is disclosed in the Remuneration Policy section of this report.

Meetings of the Board of Directors

Meeting Policy of the Board of Directors

- a. Board of Directors meetings should be held periodically at least 1 (one) time a month.
- b. Joint meetings of the Board of Directors with the Board of Commissioners should be held at least 1 (one) time every 4 (four) months.
- c. Board of Directors should schedule the meetings of the Board of Directors and the Joint Meetings with the Board of Commissioners for the following year before the end of the fiscal year.
- d. Every strategic policy and decision must be decided through the Board of Directors meeting referring to the provisions set in the Danamon's Articles of Association and other laws and regulations.
- e. At scheduled meetings, meeting invitations and materials must be submitted to the participants no later than 5 (five) days prior to the meeting.
- f. If the meeting is not scheduled beforehand, the meeting material is submitted to the meeting participants prior to the meeting.
- g. Meeting invitations must be sent to the participants at least 3 (three) days prior to the meeting taking place.
- h. The President Director chairs the Board of Directors meetings. 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 must be appointed by the attending Directors to chair the Board of Directors meeting.
- i. A member of the Board of Directors can only be represented in the Board of Directors meeting by a fellow member of Board of Directors with a power of attorney.
- j. The Board of Directors Meeting can be held if at least 75% of the members of the Board of Directors are present at the meeting.

- k. Any decision of the Board of Directors meeting is made by consensus. In the event consensus is not reached, decisions are made by a majority vote. Decisions made by a majority vote are based on the principle of 1 (one) person, 1 (one) vote.
- l. Any member of the Board of Directors who personally has an interest, either directly or indirectly, in a transaction, contract or proposed contract, in which Danamon is a party, must state the nature of the interest in the meeting of the Board of Directors and is not entitled to participate in the voting on matters relating to the referred transaction or the proposed contract, unless the Board of Directors decides otherwise.
- m. The Board of Directors meeting results must be recorded in the minutes of meeting, signed by all members of the Board of Directors in attendance, and submitted to all members of the Board of Directors and the Corporate Secretary.
- n. Results of Board of Directors joint meetings with the Board of Commissioners must be recorded in the minutes of the meetings, signed by all members of the Board of Directors and members of the Board of Commissioners in attendance, and submitted to all members of the Board of Directors and the Board of Commissioners and the Corporate Secretary.
- o. In the event that there is a member of the Board of Directors and/ or member of the Board of Commissioners who does not sign the results of the meetings, the concerned member must state the reason in writing in a separate letter attached to the minutes of the meeting.
- p. Dissenting opinions expressed in the Board of Directors meeting must be clearly stated in the minutes of meeting with the reasons for the dissenting opinions.
- q. The Board of Directors can also make legitimate and binding decisions without holding a Board of Directors meeting, provided that all members of the Board of Directors agree in writing by signing a decree containing the proposal in question. Decisions taken in this way have the same legal force as the decisions taken legally at the Board of Directors' meeting.

Frequency of the Board of Directors Meetings

During 2019, the Board of Directors conducted 26 meetings consisting of 23 meetings of the Board of Directors and 3 joint Board of Directors and Board of Commissioners meetings. All results of the meeting decisions are documented in the minutes of meeting. Decision making in all meetings of the Board of Directors must be conducted by deliberation and consensus, and there were no dissenting opinions.

Attendance of Board of Directors Meetings and Joint Meeting with the Board of Commissioners

Name	BOD Meeting (Total 24)	Joint Meeting with BOC (Total 3)
Yasushi Itagaki	22/24	3/3
Michellina Laksmi Triwardhany	23/24	3/3
Honggo Widjojo Kangmasto*	1/1	-
Herry Hykmanto	23/24	2/3
Adnan Qayum Khan	23/24	3/3
Rita Mirasari	22/24	3/3
Heriyanto Agung Putra	22/24	3/3
Dadi Budiana	23/24	3/3
Muljono Tjandra*	1/1	-
Naoki Mizoguchi*	1/1	-
Sng Seow Wah**	17/19	3/3
Satinder Pal Singh Ahluwalia **	13/15	3/3

Note:

* Effective as of 5 December 2019

** Effective resigned at EGMS 1 October 2019

Agenda of the Board of Directors Meeting

Month	Date	Agenda
January	14 January 2019	<ul style="list-style-type: none"> Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders 2019 CoC and NPL Updates for Fiscal Year 2018 Rainbow Project Step 3 - Merger Plan
	23 January 2019	<ul style="list-style-type: none"> Audit Results 2018
	28 January 2019	<ul style="list-style-type: none"> Financial Results 2018 Risk Management and Compliance Update Danamon "BISA" value NPL Management Update (Plan to Reduce NPL Ratio) Update Step 3 Rainbow Project - Bank Nusantara Parahyangan (BNP) Plan
February	26 February 2019	<ul style="list-style-type: none"> Focus and Monitoring of TMO 2019 Financial Results January 2019 Update on CoC and January 2019 NPL Risk Management Updates including Legal / Litigation Updates Cyber TTX update Sharia Business Plan - Response to OJK Update on Use of Joint Offices - Study for Jakarta Offices
March	28 March 2019	<ul style="list-style-type: none"> Finance Update Risk Management and Compliance Update Rainbow Project Update
April	8 April 2019	<ul style="list-style-type: none"> CoC and NPL in March 2019 Update Fraud
	22 April 2019	<ul style="list-style-type: none"> Financial Results March 2019 SME Portfolio Update AYDA Arrangement Risk Management and Compliance Update D Bank Update Rainbow Project Update
	25 April 2019	<ul style="list-style-type: none"> Updates Rainbow Project Step 3
May	20 May 2019	<ul style="list-style-type: none"> Financial Results April 2019 Revised Business Plan 2019 CoC and NPL Update April 2019 Rainbow Project Update
	27 May 2019	<ul style="list-style-type: none"> Revised Business Plan 2019 Risk Management, Compliance and Legal Updates PwC-MUFG and Danamon Risk Gap Analysis Antasena Project
June	17 June 2019	<ul style="list-style-type: none"> Revised Business Plan 2019 Financial Results May 2019 Rainbow Project Update Sustainability Finance Update
July	1 July 2019	<ul style="list-style-type: none"> Risk Management, Compliance and Legal Update Risk Acceptance Criteria for Collectability Antasena Project Vendor Management Update
	15 July 2019	<ul style="list-style-type: none"> Financial Results June 2019 Danamon's 63rd Birthday Danamon "BISA" Value Update
	29 July 2019	<ul style="list-style-type: none"> Risk Management, Compliance and Legal Update
August	14 August 2019	<ul style="list-style-type: none"> NPL & CoC projections July 2019 Audit Findings Before and After Merger Sustainability Finance Policy Credit Product Program and Credit Guide Policy

Month	Date	Agenda
September	3 September 2019	<ul style="list-style-type: none"> 2019 Projection Risk Management and Compliance Update Rainbow Project Update
	9 September 2019	<ul style="list-style-type: none"> OJK Audit Findings 3-Year Budget Guideline (2020-2022)
	13 September 2019	<ul style="list-style-type: none"> Revised 3-Year Budget Guideline (2020-2022)
	24 September 2019	<ul style="list-style-type: none"> Financial Results August 2019 Mid Year Forecast 2019 Risk Management Update and Risk Profile & Parameter Guideline Legal Case Against Ex-Employees OJK Findings Update Update on Extraordinary General Meeting of Shareholders Tenan Coffee Shop Selection
October	7 October 2019	<ul style="list-style-type: none"> Update collectability equalization Forecast CoC, NPL and LLP Coverage 2019 Information Security Risk Management Update Operational and Fraud Risk Management Update Rainbow Project Update
	21 October 2019	<ul style="list-style-type: none"> SOX Implementation Financial Results September 2019 Fiscal Year 2016 Tax Audit Process Risk Management, Compliance and Legal Updates Integration Risk - Policy and Governance
November	21 November 2019	<ul style="list-style-type: none"> Annual Review of Sustainability Finance Plans Annual Review of Integrated Risk Management Policy CoC and NPL 2020-2022 and IFRS 9 impact DSP Portfolio Update Adira Insurance Update Temporary Limits of Market and Liquidity Risks
December	4 December 2019	<ul style="list-style-type: none"> Financial Results November 2019 Adira Quantum update Human Resources Update

Agenda of the Joint Meeting with Board of Commisisoners

Date	Agenda
March 25, 2019	February 2019 Financial Performance
	Impact Project - Process & Cost Optimization
	Committee Report
June 25, 2019	April 2019 Financial Performance & May 2019 Financial Performance Overview
	Revised Bank Business Plan 2019
	Rainbow Project Update
	Committee Report
November 27, 2019	Capital Management
	Committee Report
	October 2019 Financial Performance
	CEO Strategy Priority - 3 Year Plan
	Finance - 3 Year Plan
	Consumer & SME Banking - 3 Year Plan
	Adira Finance - 3 Year Plan
	Enterprise Banking & Transaction Banking - 3 Year Plan
	Sharia banking
	Integration Risk - 3 Year Plan
	MUFG Collaboration - 3-Year Plan

2020 Meeting Schedule

At the end of 2019, the Board of Directors has compiled meetings for the following year as many as 24 Board of Directors meetings and 3 Board of Directors joint meetings with the Board of Commissioners.

Attendance of Members of the Board of Directors in the Annual GMS

The responsibility of the Board of Directors on the implementation of duties and responsibilities was submitted to the shareholders through the 2019 Annual GMS. All members of the Board of Directors were present at the Annual GMS, which was held on 26 March 2019.

Implementation of Duties and Responsibilities of the Board of Directors in 2019

The Board of Directors carried out the Bank's business activities in a directed and planned manner to fulfill its obligations to the stakeholders. Among others, the Board of Directors:

1. Followed up on the implementation of Danamon's long-term strategy that has been consistently formulated in 2018.
2. Took steps to encourage growth in Danamon's main business lines which include Small & Medium Enterprises, Enterprise Banking, and Consumer Banking.
3. Continued the collection, recovery, and branch optimization relating to Micro Banking
4. Increased collaboration with MUFG in improving credit, funds, processes and human resource capabilities.
5. Increased investment in digital technology solutions to provide superior customer service and automate operational processes to be more efficient and effective
6. Completed of the process of acquiring Bank Danamon shares by MUFG Bank, Ltd to 94.1% coupled with the merger process with Bank Nusantara Parahyangan.
7. Performed operational conversion and integration of 33 branches of Bank Nusantara Parahyangan into Bank Danamon's network.
8. Completed the transaction process of selling 70% of Adira Insurance shares to Zurich Insurance.

Performance Assessment of the Board of Directors

Implementation Process of Performance Assessment

Performance assessment of the Board of Directors is based on collegial work of all members of the Board of Directors on the achievement of Danamon's business plans. In addition, the performance assessment of the Board of Directors also considers the duties and responsibilities in accordance with laws and regulations and Danamon's Articles of Association.

Performance Assessment Criteria

The evaluation criteria for the performance of the Board of Directors is based on overall achievements including aspects of the Financial, Franchise Building, Risk and Control, Human Capital and Danamon Core Values, as follows:

1. Financial performance,
2. Bank's soundness level,
3. Capital,
4. Risk profile,
5. Regulatory compliance,
6. Significance of audit results,
7. Long-term goals and strategies, as well as
8. Implementation of corporate governance principles.

Executor of the Assessment

The performance assessment of the Board of Directors is conducted by the Board of Commissioners and the performance assessment results of the Board of Directors are taken into consideration in improving the effectiveness of the performance of the Board of Directors. In addition, the Board of Directors performance assessment was delivered in the form of accountability of the duties and responsibilities at the Annual GMS.

Performance Assessment of Members of the Board of Directors

All members of the Board of Directors have performance targets set forth in the balanced scorecard in accordance with the duties and responsibilities of each Director, including compliance management, risk control, and human resources. The performance assessment of members of the Board of Directors are conducted every 6 (six) months by the President Director.

Opinion of the Board of Commissioners on Board of Directors' Performance

The implementation of the Danamon strategy has been successful in encouraging healthy financial growth. The Bank's net profit in 2019 reached IDR 4.07 trillion, grew from IDR 3.92 trillion in 2018. Overall credit growth in key segments (excluding microfinance) was 4.8%, reaching IDR 143.8 trillion year on year.

In terms of asset quality, Danamon continues to ensure that risk management adheres to the prudential principle, and is always guided by the risk appetite statement. Due to the decline in credit quality in the banking industry, especially in the SME segment, the NPL ratio increased compared to last year, but still at a maintained level. The NPL ratio rose to 2.9% at the end of 2019 from 2.7% in the previous year.

Danamon's capital level has been successfully improved with the Capital Adequacy Ratio (CAR) recorded at 24.2%, far above the minimum level determined by regulations.

In addition, Danamon succeeded in increasing the total capital of the Bank to IDR 32.2 trillion, above the minimum level for BUKU IV. This gives Danamon the ability to grow and also the strength to face unexpected developments. For their good achievements in 2019, and for their continued dedication, the Board of Commissioners give their highest appreciation to the entire Board of Directors.

Orientation Program for New Members of the Board of Directors

During 2019, there were 3 (three) new Directors in Danamon namely Honggo Widjojo Kangmasto, Muljono Tjandra and Naoki Mizoguchi. Danamon has an orientation program for new Members of the Board of Directors through the

provision of the On-Boarding Program and a face-to-face briefing by related units to provide a better understanding of the organization, duties and responsibilities, and processes in Danamon.

Training Programs of the Board of Directors

Danamon provides opportunities for members of the Board of Directors to participate in trainings, certifications, workshops, and conferences to enhance competency, professionalism and knowledge on an on-going basis. During 2019, members of the Board of Directors participated in trainings, certifications, workshops, and conferences as follows:

Name	Training/Conference/ Seminar/ Certification	Organizer	Location	Date/Year
Yasushi Itagaki	Customer Due Diligence	APU PPT	Jakarta	2019
	Kode Etik	Bank Danamon	Jakarta	2019
	Changing World of Marketing in The Digital Age.	IMD SE Pte Asia Ltd	Jakarta	2019
	Cyber Security Incident Response in Table Top Exercise	Information Risk Management, Bank Danamon	Jakarta	2019
	JP Morgan Asean Banks Forum	JP Morgan Singapore	Singapore	2019
	Macquarie ASEAN Conference	Macquarie Singapore	Singapore	2019
	Indonesia Fintech Forum 2019	Keluarga Besar Alumni Fakultas Ekonomika dan Bisnis Universitas Gajah Mada	Jakarta	2019
Michellina Laksmi Triwardhany	Refreshment Kode Etik	Bank Danamon	Online	29 January 2019
	Danamon Sales Credit (CLB Omega)	Omega Performance	Jakarta	11 - 13 March 2019
	Danamon Sales Credit Program	Bank Danamon	Online	13 March 2019
	Digital BCG Asia-Pacific Conference	Boston Consulting Group	Hongkong	16 - 17 May 2019
	MUFG Global Partnership Conference - Digital	MUFG	Bangkok	13 - 14 June 2019
	Compliance 2019	Bank Danamon	Online	04 September 2019
	Risk Management Certification - Refreshment Program	LSPP (Lembaga Sertifikasi Profesi Perbankan)	Jakarta	28 October 2019
	Global Advisory Board	MUFG	Tokyo	24 November 2019
MUFG Global Partnership Conference	MUFG	Tokyo	25 November 2019	

Name	Training/Conference/ Seminar/ Certification	Organizer	Location	Date/Year
Herry Hykmanto	ICC Seminar on Compliance : Anti-Money Laundering, Terrorist Financing, & Sanctions	ICC Indonesia	Jakarta	26 February 2019
	Speaker on " Global Trade Finance, Sharia and Trade Compliance Update"	Danamon	Jakarta	20 March 2019
	Cyber Security Incident Response in Table Top Exercise (TTX)	Danamon & KPMG	Jakarta	15 April 2019
	Danamon Syariah Workshop 2019	Danamon	Jakarta	12 July 2019
	Speaker on "Trade Finance Product and IMBT"	Danamon & PT. PLN (Persero)	Jakarta	25 July 2019
	Speaker on "Bank Guarantee and Demand Guarantee for PT. PLN (Persero)"	Danamon & PT. PLN (Persero)	Jakarta	12 August 2019
	Risk Management Certification - Refreshment Program	Danamon & LSPP	Jakarta	28 October 2019
	Knowledge Sharing "Incoterms 2020 and URDG 758)	Bank Indonesia	Jakarta	1 & 2 November 2019
	Workshop Recovery Plan	Otoritas Jasa Keuangan (OJK)	Semarang	05 November 2019
	Workshop 4 DX & Spin Technique	Danamon	Jakarta	15 November 2019
	The Indonesia 2020 Summit	Danamon & MUFG	Jakarta	20 November 2019
	Workshop on Palm Oil Master Class - Sustainable Finance (WWF Indonesia)	Danamon & WWF Indonesia	Jakarta	03 December 2019
	Knowledge Sharing "Incoterms 2020"	Danamon & PT. PLN (Persero)	Jakarta	03 December 2019
Adnan Qayum Khan	UBS Indonesia Conference 2019	UBS	Mandarin Hotel	04 March 2019
	Cyber Security Incident Response	BDI	Menara Bank	15 April 2019
	Indonesia Investor Conference	CITIBANK	Danamon	06 August 2019
	The Indonesia 2020 Summit	BDI	Mandarin Hotel	20 November 2019
	Sustainable Palm Oil Financing	WWF	Hotel Indonesia Kempinski	03 December 2019
	Risk Management Certification -Refreshment	LSPP	Menara Bank Danamon	19 December 2019

Name	Training/Conference/ Seminar/ Certification	Organizer	Location	Date/Year
Rita Mirasari	Socialization PER 25 / PJ / 2018 concerning Procedures for Implementing Double Tax Avoidance Agreements	PERBANAS	Jakarta	04 January 2019
	Outlook & Banking Risk Potential 2019	Badan Intelijen Negara (BIN):	Jakarta	17 January 2019
	Evaluation of 2018 Monetary Operations, 2019 Monetary Operations Strategies and Current Bank Indonesia Policies	Bank Indonesia	Jakarta	23 January 2019
	Company Compliance with Regulations related to the Board of Directors & Board of Commissioners of the Listed Company	ICSA & PT Bursa Efek Indonesia	Jakarta	20 March 2019
	Dissemination of Guidance on Corruption Prevention for the Financial Sector Business Sector	KPK	Jakarta	09 April 2019
	Cyber Security Incident Response in Table Top Exercise (TIX)	Danamon	Jakarta	15 April 2019
	Implementation of the Risk Based APT PPU Program in the Preparation of Mutual Evaluation Review (MER)	Financial Action Task Force (FATF)	Jakarta	8 July 2019
	Development of Strategic Isu in Indonesian Banking	OJK	Jakarta	18 July 2019

Name	Training/Conference/ Seminar/ Certification	Organizer	Location	Date/Year
Rita Mirasari	Sustainable Finance - Book Banks 1 & 2	Perbanas	Jakarta	28 August 2019
	Indonesia Fintech Forum 2019	KAFEGAMA	Jakarta	04 September 2019
	FGD Invitation related to Management Licensing and / or Ownership of Commercial Banks	OJK	Jakarta	12 September 2019
	Understanding of the Implementation of PSAK 71 & 73 which will be Implemented in 2020 along with its Impacts and Discussion on Deepening in the Compilation of POJK 51	FKDKP	Jakarta	26 September 2019
	Trainer for CEO re: Governance Session	Danamon	Jakarta	22 October 2019
	Legal Discussion - PERPRES 13/2018 Evaluation of Ultimate Beneficial Owner After 18 Months	ILUNI UI & DiUen AHU Kemenkumham RI	Jakarta	25 October 2019
	IBEX (Indonesia Banking Expo) 2019	PERBANAS	Jakarta	06 November 2019
	IBI re: Economic Outlook 2020 "in the Midst of Global Uncertainties" with Sin Beng Ong (Executive Director of JP Morgan Singapore)	IBI	Jakarta	18 November 2019
	THE INDONESIA 2020 SUMMIT I	MUFG Danamon	Jakarta	20 November 2019
	Blockchain Solution for Banking and Financial Services	Danamon	Jakarta	22 November 2019
	The Pivotal Role of Infrastructure Financing to Advance Sustainable Economic Growth	Bank Indonesia	Jakarta	02 December 2019
	Socialization Activities Socialization Plan for PPT APU Compliance Supervision in the Banking Sector	OJK	Jakarta	05 December 2019
	Presentation of the Indonesian Payment System Blueprint 2025	Bank Indonesia	Jakarta	11 December 2019
	Economic Prospects & Challenges in 2020	FKDKP	Jakarta	19 December 2019

Name	Training/Conference/ Seminar/ Certification	Organizer	Location	Date/Year
Heriyanto Agung Putra	Global Lead Session 3 In Japan	External	JPN - MUFG Global Learning Center	5-7 March 2019
	MUFG-GHR Asia Conference	External	OCC & Marina One Office - Singapore	16 October 2019
	Digital & Holistic Leadership Summit 2019	External	Bali Nusra- Hotel Padma Resort Ubud	14 November 2019
	Refreshment Risk Management Certification	Internal	Menara Bank Danamon	28 October 2019
	Human Capital Workshop 2019	Internal	Hotel Quest-Semarang	29 November 2019
	APU PPT: Customer Due Diligence (2018)	Bank Danamon	Jakarta	11 February 2019
	Refreshment Kode Etik	Bank Danamon	Jakarta	31 May 2019
	Information Security Awareness	Bank Danamon	Jakarta	31 May 2019
	Keselamatan Dan Kesehatan Kerja	Bank Danamon	Jakarta	31 May 2019
	Konsep Kepatuhan Dan Implementasinya	Bank Danamon	Jakarta	31 May 2019
Dadi Budiana	Refreshment Kode Etik	Bank Danamon	Jakarta	01 January 2019
	Compliance 2019	Bank Danamon	Jakarta	31 July 2019
	Prinsip Kehati-Hatian Bank	Bank Danamon	Jakarta	24 October 2019
	Refreshment Risk Management Certification	Bank Danamon	Jakarta	28 October 2019
	Danamon' s Code of Conduct 2020	Bank Danamon	Jakarta	01 December 2019
Muljono Tjandra	SOX Training	BDI	Menara Bank Danamon	21 August 2019
	Refreshment Kode Etik	BDI	Online	
Naoki Mizoguchi	Seminar for Newcomer Expat	PT. Feniks Strategi Indonesia	Ayana Hotel	31 January 2019
	Bahasa Indonesia Course	Interlingua	Menara Bank Danamon	13 February 2019
	Digital Transformation Day 2019	ABEAM Consulting	Fairmont Hotel, Jakarta	05 July 2019
	Risk Management Certification Training	Lembaga Sertifikasi Profesi Perbankan	Menara Bank Danamon	04 October 2019
	Risk Management Certification Level 5	Lembaga Sertifikasi Profesi Perbankan	"LSPP - Mandiri Tower 9th Floor"	11 October 2019

Committees Under The Board of Directors

In order to support the effectiveness of the implementation of duties and responsibilities of the Board of Directors, the Board of Directors has committees that are responsible for assisting the Board of Directors to provide suggestions and recommendations that can be used as a reference in decision making related to the implementation of duties and responsibilities of the Board of Directors.

The committees under the Board of Directors are as follows:

- Risk Management Committee
- Human Resources Committee
- Assets & Liabilities Committee
- IT Steering Committee
- Integrated Risk Management Committee

RISK MANAGEMENT COMMITTEE

Structure and Membership of the Committee

Chairman	Integrated Risk Director
Member	President Director
	Consumer, SME & Branch Network Director
	Finance & Micro Banking Director
	Syariah & Operation Director
	Human Resources Director
	Compliance Director
	Wholesale & Transaction Banking Head
	Treasury & Capital Market Head
	Chief Information Officer
Chief Credit Officer	

If required, the Risk Management Committee will invite other parties to attend the meeting.

Status of Voting Rights and Decision Making

Each Risk Management Committee member has equal voting rights. Committee decisions are taken by consensus. In the event that consensus cannot be reached, the decision will be made by a majority vote.

Duties and Responsibilities of the Committee

- Assist the Board of Directors in carrying out their responsibilities related to risk management
- Establish the risk management plan, direction, policies, strategies of Danamon and its Subsidiaries.
- Ensure that all Danamon activities are in line with the prevailing rules and regulations.
- Decide on matters related to business decisions that deviate from normal procedures.
- Determine the most suitable risk management methodologies for managing the risks, build up the reserves through policies to accommodate the inherent potential risks and ensure the availability of disaster recovery procedures.
- Monitor the development of procedures and risk strategies and provide recommendations to the Board of Directors for approval on all strategies, key policies, processes and systems of risk management.
- Review various portfolios of credit, market liquidity, operations and significant risks as well as periodically report it to the Board of Directors through Danamon's risk profile and risk exposures.
- Evaluate the implementation of risk management processes and perform improvement in line with the external and internal changes that can affect the level of Danamon's capital adequacy, the level of Subsidiary's capital and its risk profile.

Charter of the Committees

Each of the committees under the Board of Directors has Charter as a reference and binds each committee member. The Committees' Charters regulate, among others, membership, duties and responsibilities, meetings proceedings, and reporting. The Committees' Charters are constantly updated according to the development of Danamon and the regulations.

Performance Assessment of the Committees of the Board of Directors

During 2019, Committees under the Board of Directors have performed their functions and contributed to support the implementation of the duties and responsibilities of the Board of Directors.

- i. Evaluate the risk organizational structure of Danamon and Subsidiaries to ensure that the process of risk management is in line with organizational development.
- j. Provide input on the steps to handle a risk event to the Directors
- k. Recommend bank-wide decisions relating to risky issues or events

Risk Management Committee Meeting

During 2019, the Committee held 12 meetings and attended by members of the Board of Directors as follows:

Name	Position	Attendance of Members of the Board of Directors in the Risk Management Committee Meeting
Adnan Qayum Khan	Chairman	12
Sng Seow Wah	Member	12
Michellina Triwardhany	Member	12
Satinder Pal Singh Ahluwalia	Member	12
Herry Hykmanto	Member	12
Heriyanto Agung Putra	Member	12
Rita Mirasari	Member	12

Risk Management Committee Meeting Agenda 2019

Month	Date	Agenda
January	January 28, 2019	Compliance and Risk Management Update
February	February 26, 2019	Risk Management Update (Include Legal/Litigation update)
March	March 28, 2019	Compliance and Risk Management Update
April	April 22, 2019	Compliance and Risk Management Update
May	May 27, 2019	Compliance, Legal and Risk Management Update
July	July 1, 2019	Compliance, Legal and Risk Management Update
	July 29, 2019	Compliance, Legal and Risk Management Update
September	September 3, 2019	Compliance and Risk Management Update
	September 24, 2019	Risk Management Update and Risk Profil & Parameter Guideline
October	October 7, 2019	Information Risk Management Update
		Operational Risk Management and Fraud Update
	October 21, 2019	Risk Management, Compliance and Legal Update
		Risk Management Integrated - Policy and Corporate Governance
November	November 21, 2019	Integrated Risk Management Annual Review

ASSETS & LIABILITIES COMMITTEE (ALCO)

Structure and Membership of the Committee

Chairman	President Director
Alternate Chairman	Chief Financial Officer (CFO)
Member	Sales & Distribution, SME and Consumer Banking Director
	Integrated Risk Director
	Treasury & Capital Market Head
	Enterprise Banking & Financial Institution Head
	Transaction Banking Head

Status of Voting Rights and Decision Making

ALCO consists of members who have the same voting rights, if there is a member of the committee who cannot attend the meeting then he/she can appoint a replacement with voting rights. Delegation of voting rights must be obtained prior to approval from the Chairman of the Committee. Committee decisions are taken by consensus. In the event that consensus cannot be reached, the decision is made based on the majority vote.

Duties and Responsibilities of the Committee

Assets & Liabilities Committee has duties and responsibilities, among others:

- Define the work scope of the Committee, meeting procedures, work process, and establish sub-committees to support assist the Committee (ALCO)
 - Determine the policies and directions regarding liquidity risk, interest risk, and capital management of Danamon and its subsidiaries which reflect the adequacy of liquidity and capital, stable and diversified funding, as well as complying with the prevailing regulations.
 - Decide on the issuance of securities or other debt instruments in order to provide sufficient liquidity and capital for the Bank, as well as a diversified funding structure.
 - Perform the evaluation on market conditions and their impacts on the conditions of Danamon's liquidity, NII, and capitalization, and approve the most appropriate action.
 - Conduct reviews and determine the balance sheet structure to improve profitability.
- Perform evaluation on the composition of funding and approve every modification on strategy and alternative funding including new institutional/ structural funding.
 - Conduct monthly review on the following:
 - Economic and Market Overview
 - Current movement of the key components of the balance sheet, Yield/COF and NIM
 - Fund Transfer Pricing (FTP)
 - Interest rates on financing and loans
 - Market and liquidity risk profile on the balance sheet, AFS portfolio and trading book
 - Monitor the Contingency Funding Policy (CFP)
 - Capital management and other matters related to ALCO
 - Conduct periodic evaluations on the following:
 - The limit framework of market and liquidity risk on the balance sheet, AFS portfolio and derivatives for funding
 - Assumptions for stress testing on liquidity risk and interest rate
 - Calculation of core balance on liquidity risk, interest rate risk and FTP calculation
 - Policy and methodology of FTP
 - Contingency Funding Policy
 - Targets for Macroprudential Intermediation Ratio (RIM)

Assets & Liabilities Committee Meetings

During 2019, the Committee held 11 (eleven) meetings and was attended by the following Board of Directors members:

Name	Position	Attendance of Members of the Board of Directors in the Committee Meeting
Sng Seow Wah	Chairman ¹⁾	9
Muljono Tjandra	Alternate Chairman ²⁾	5
Satinder Pal Singh Ahluwalia	Alternate Chairman ³⁾	6
Yasushi Itagaki	Member ⁴⁾	2
Michelina Triwardhany	Member	8
Adnan Qayum Khan	Member	9
Andrew Suhandinata	Member	9
Dadi Budiana	Member ⁵⁾	2
Herman Savio	Member	11
Thomas Sudarma	Member	8

Note:

- 1) Has not been Chair of the Asset & Liabilities Committee since October 2019
- 2) Become Chair of the Alternative Asset & Liabilities Committee since July 2019
- 3) Has not been an Alternative Chair of the Asset & Liabilities Committee since July 2019
- 4) Become a member of the Asset & Liabilities Committee since October 2019
- 5) Not been a member of the Asset & Liabilities Committee since March 2019

Implementation of Duties of Assets & Liabilities Committee in 2019

The Assets & Liabilities Committee held meetings to discuss the materials which cover:

- Economic & Market Outlook
- Balance Sheet Management
- Fund Transfer Pricing (FTP) Rate Management
- Study interest rates on loans and third party funds
- Market and liquidity risk assessment
- Management of Macroprudential Intermediation

(RIM), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)

- Capital management
- Professional Funding Management
- Available For Sale (AFS) portfolio management

INFORMATION TECHNOLOGY (IT) STEERING COMMITTEE

Structure and Membership of the Committee

Chairman:	Finance Director
Members:	<ul style="list-style-type: none"> • Consumer, SME, Sales & Distribution Director • Integrated Risk Director • Global Alliance Strategy Director • Head of Enterprise Banking • Chief Information Officer

Other invitations depend on the relevance of each area

Status of Voting Rights and Decision Making

Each Committee member has equal voting rights, except the Head of the SKAI, who is a member of the committee without voting rights. Decision making in the Committee meetings is conducted with the aim of reaching consensus. In the event that deliberation does not reach consensus, decision making is based on voting by the affirmative vote of more than ½ (half) of the total valid votes in the meeting.

Duties and Responsibilities

The Committee has duties and responsibilities, among others:

- a. Periodically review and recommend Danamon's IT strategy plan, and ensure that IT projects are in line

with their strategic plans.

- b. Review and recommend IT policies, including IT Security Policy and IT Risk Management Policy.
- c. Review and recommend all IT projects that are in line with Danamon's strategy or with Capex investment value of more than IDR 10 billion.
- d. Review the progress of projects and adjust them to Danamon's strategy in terms of project status, time, cost & benefits, which will be presented by the relevant Business Project Manager Team.
- e. Review the post-implementation of a strategic project & benefit from its realization after implementation in terms of costs and benefits.

- f. Review the number of transactions through channels and provide recommendations to increase e-channel transactions in order to align with the digital banking strategy.
- g. Periodically review IT Risk Management covering the following topics:
- Important/ strategic projects in progress
 - IT security issues and Cyber security and its remediation.
 - IT audit findings and follow-ups on the improvement.
- h. Ensure accurate and proper allocation of IT resources. If necessary, use a third party to assist with the implementation of the project. IT Steering Committee must ensure the availability of policies and procedures for the selection and appointment processes of the third party.
- i. Review recommendations from subcommittees and other committees on IT related matters.
- j. Provide recommendations on resolving IT-related issues that cannot be solved by the IT user and provider in an effective, efficient, and timely manner.
- k. Carry out other duties and responsibilities delegated by the Board of Directors from time to time.
- l. Prepare the committee activity report each year.

IT Steering Committee Meeting

During 2019, the Committee held 4 (four) meetings. The meetings were attended by the following members of the Board of Directors:

Name	Position	Attendance of Members of the Board of Directors in the Committee Meeting
Satinder Pal Singh Ahluwalia	Chairman ¹⁾	3
Michellina Triwardhany	Member	3
Adnan Qayum Khan	Member	4
Yasushi Itagaki	Member	4
Thomas Sudarma	Member	2
Mary Bernadette James	Member	4

Note:

1) Not been Chair of the Information Technology Steering Committee since July 2019

Implementation of Duties of Information Technology Steering Committee in 2019

The Information Technology Steering Committee held meetings with discussion materials as follows:

1. Update for P2P Loan Channeling Project
2. IT SC Charter Update
3. Digital Initiative Update
4. Fraud Detection System Project
5. Digitizing Loan Project
6. Antasena Project
7. Digitizing Front End Projects
8. SME End to End Loan Processing
9. Streamline CASA/TD Account Opening

HUMAN RESOURCES COMMITTEE

Structure and Membership of the Committee

Chairman:	President Director
Alternative Chairman, Secretary	Human Resources Director
Members:	Vice President Director Consumer, SME & Branch Network Integrated Risk Director

Members of the Human Resources Committee become 4 Directors as the table above. The Human Resources Committee is responsible to the Board of Directors, and routinely reports its activities to the Board of Directors.

Status of Voting Rights and Decision Making

Each Committee member has equal voting rights. Every decision taken through the HR Committee Meeting must be decided unanimously. In the event that consensus cannot be reached, the decision will be made by majority vote. The Chairman of the Human Resources Committee has the right to determine the final decision.

Duties and Responsibilities of the Committee

1. Provide strategic directions and develop general policies in the field of Human Resources including the amendments, in the areas as the following (but not limited to):
 - Human Resources Strategy
 - General Policy on Employment
 - Employee compensation and benefit
 - Performance Assessment Management, including promotion

- Talent Management and Succession Planning
 - Organizational structure and rank level
 - Employee Training and Development
 - Corporate culture and values as well as employee engagement
 - Employee and industrial relations development
 - Alignment of policies with subsidiaries
 - Human Resources Planning
 - Organizational Health and Safety
2. Carry out other duties and responsibilities that may be granted by the Board of Directors to the HR Committee, from time to time.
 3. The HR Committee may establish sub-Committees to undertake the scope of duties and responsibilities of the HR Committee.

Human Resources Committee Meeting

During 2019, the Committee held 9 (nine) meetings, attended by the following members of the Board of Directors:

Name	Position	Attendance in Committee Meetings
Sng Seow Wah	Chairman	8
Heriyanto Agung Putra	Alternative Chairman, Secretary	9
Herry Hykmanto	Members	6
Michellina Laksmi Triwardhany	Members	9
Satinder Pal Singh Ahluwalia	Members	6
Adnan Qayum Khan	Members	9
Rita Mirasari	Members	5
Yasushi Itagaki	Members	7
Dadi Budiana	Members	6

The Committee Meeting results must be recorded in minutes of meeting that are well documented. Meetings are declared quorum if attended by at least 2/3 of the members of the Human Resources Committee.

Implementation of Duties of Human Resources Committee in 2019

The Human Resources Committee held meetings with the following topics:

No.	Date	Agenda
1	January 24, 2019	<ol style="list-style-type: none"> 1. Union Update 2. Post Service Benefit 3. Proposed Human Capital Organization Structure 4. Long Term Incentive Performance Criteria Achievement
2	February 08, 2019	<ol style="list-style-type: none"> 1. BDI Learning Collaboration with MUFG 2. Rainbow Project and Impact Project timing alignment
3	February 26, 2019	<ol style="list-style-type: none"> 1. Union Update 2. Senior Promotion to Grade O 3. Promotion Committee update

No.	Date	Agenda
4	April 08, 2019	<ol style="list-style-type: none"> 1. Contract extension - Mary B. James 2. 2019 LTI Payout and Retention Bonus 3. The new LTI Program
5	April 22, 2019	<ol style="list-style-type: none"> 1. Job Family Progress Update 2. Grade Alignment - Rainbow 3. Organization Structure of Business Banking 4. IR and Union Update
6	May 20, 2019	<ol style="list-style-type: none"> 1. IR and Union Updates 2. IMPACT Project Update 3. Individual Pension Program (DPLK) - Top up irregular contribution
7	15 July 2019	<ol style="list-style-type: none"> 1. Permanent Assingment of Corporate Secretary Head 2. Union & Industrial Relations Updates 3. Medical Benefit
8	August 14, 2019	<ol style="list-style-type: none"> 1. Medical Benefit Update 2. Week-end Compensation Scheme for Rainbow Project 3. Union Update and Disciplinary committee 4. Update : upcoming meetings/seminars by MUFG 5. Update: The Capacity plan post OD1-Rainbow
9	November 13, 2019	<ol style="list-style-type: none"> 1. Code of Conduct 2. New Employment Agreement 3. Recruitment Process Improvement 4. Union Update 5. Disciplinary Committee 6. Assignment Facility

INTEGRATED RISK MANAGEMENT COMMITTEE

Discussions on the Integrated Risk Management Committee are disclosed in the Integrated Governance Report section.

RELATED AND AFFILIATED PARTY TRANSACTIONS OF THE BOARD OF DIRECTORS, BOARD OF COMMISSIONERS AND MAJORITY SHAREHOLDERS

Danamon has a Policy of Transacting with Affiliated Parties that regulates transactions with affiliated parties. This policy regulates that the affiliated transaction is carried out based on normal commercial terms and at an arm's length basis and does not harm the interests of Danamon and the minority shareholders.

The Board of Commissioners and Board of Directors of Danamon always maintain independency and have no conflict of interest that can interfere with their ability to carry out tasks professionally and objectively.

Affiliations of members of the Board of Directors with fellow members of the Board of Directors, members of the Board of Commissioners, Majority and/ or Controlling Shareholders

All members of Danamon's Board of Directors have no affiliation with other members of the Board of Directors, members of the Board of Commissioners and with Majority and/or Controlling Shareholders.

Affiliations between members of the Board of Commissioners with fellow members of the Board of Commissioners, Board of Directors and Majority and/or Controlling Shareholders

All members of the Board of Commissioners have no affiliations with other members of the Board of Commissioners. There are 4 (four) Non-Independent Commissioners who have a financial relationship with the controlling shareholders, namely: Takayoshi Futae, Noriaki Goto, Masamichi Yasuda dan Nobuya Kawasaki.

Affiliations between members of the Board of Commissioners, Board of Directors, and Majority and/ or Controlling Shareholders have been disclosed in the table of financial relations and familial relationships in the Boards of Commissioners section and Board of Directors section in this Corporate Governance report.

The Policy of Transacting with Affiliated Parties governs that each member of the Board of Commissioners and Board of Directors is required to disclose any planned affiliated transactions both by themselves and their families to the Corporate Secretary. Material transaction plans will be reviewed by the Compliance Director and subsequently reported to the Audit Committee. In the event of Conflicts of Interest, the member of the Board of Directors or Board of Commissioners concerned shall abstain from the process of assessment and approval of the transaction.

Corporate Secretary

The function of the Corporate Secretary is to ensure the timely and accurate submission of Danamon material information to all stakeholders. The Corporate Secretary is appointed and dismissed based on the Board of Directors' decision. The Corporate Secretary plays an important role in fostering good communication between Danamon and its shareholders and other stakeholders.

Corporate Secretary Organizational Structure



Corporate Secretary Profile

Rita Mirasari is a Member of Danamon's Board of Directors who serve as Danamon's Corporate Secretary since October 24, 2016 based on Decree of Board of Directors No. KSR-DIR.Cor.Sec-003 dated October 17, 2016 concerning appointment of corporate secretary.



Rita Mirasari
Corporate Secretary

Indonesian national, 50 years old and domiciled in Indonesia. Completed her education at Faculty of Law, University of Indonesia. Pursued her banking career at a local bank as a legal officer. Have wide experience in the fields of law, compliance and being a corporate secretary in various leading banks in Indonesia. Last position prior to joining Danamon was Director of Regulatory Compliance & Financial Crime in HSBC – Indonesia. Currently, she is the Director of Compliance, Anti Money Laundering & Corporate Secretary.

Full profile is listed in the Board of Director Profile.

Roles and Responsibilities of Corporate Secretary

1. Provide input to the Board of Directors and Board of Commissioners to comply with laws and regulations in the capital market;
 2. Act as liaison between Danamon and its shareholders, the Financial Services Authority and other stakeholders;
 3. Assist the Board of Directors and Board of Commissioners in the implementation of corporate governance which includes:
 - Disclosure of information to the public including the availability of information on the website.
 - Submission of reports to the Financial Services Authority and other authorities.
- Holding and providing documentation of the General Meeting of Shareholders.
 - Holding and providing documentation of meetings of the Board of Directors and/ or Board of Commissioners.
 - Implementation of corporate orientation programs for the Board of Directors and/ or Board of Commissioners.

Developing Corporate Secretary Competency

In 2019, various trainings have been held to improve the competency of the Corporate Secretary as follows:

No	Training/Conference/Seminar	Organizer	Location	Date
1	Socialization PER 25 / PJ / 2018 concerning Procedures for Implementing Double Tax Avoidance Agreements	PERBANAS	Jakarta	04 January 2019
2	Outlook & Banking Risk Potential 2019	Badan Intelijen Negara (BIN):	Jakarta	17 January 2019
3	Evaluation of 2018 Monetary Operations, 2019 Monetary Operations Strategies and Current Bank Indonesia Policies	Bank Indonesia	Jakarta	23 January 2019
4	Company Compliance with Regulations related to the Board of Directors & Board of Commissioners of the Listed Company	ICSA & PT Bursa Efek Indonesia	Jakarta	20 March 2019
5	Dissemination of Guidance on Corruption Prevention for the Financial Sector Business Sector	KPK	Jakarta	09 April 2019
6	Cyber Security Incident Response in Table Top Exercise (TIX)	Danamon	Jakarta	15 April 2019
7	Implementation of the Risk Based APT PPU Program in the Preparation of Mutual Evaluation Review (MER)	Financial Action Task Force (FATF)	Jakarta	8 July 2019
8	Development of Strategic Isu in Indonesian Banking	OJK	Jakarta	18 July 2019
9	Sustainable Finance - Book Banks 1 & 2	Perbanas	Jakarta	28 August 2019
10	Indonesia Fintech Forum 2019	KAFEGAMA	Jakarta	04 September 2019
11	FGD Invitation related to Management Licensing and / or Ownership of Commercial Banks	OJK	Jakarta	12 September 2019
12	Understanding of the Implementation of PSAK 71 & 73 which will be Implemented in 2020 along with its Impacts and Discussion on Deepening in the Compilation of POJK 51	FKDKP	Jakarta	26 September 2019
13	Trainer for CEO re: Governance Session	Danamon	Jakarta	22 October 2019
14	Legal Discussion - PERPRES 13/2018 Evaluation of Ultimate Beneficial Owner After 18 Months	ILUNI UI & Dirjen AHU Kemenkumham RI	Jakarta	25 October 2019
15	IBEX (Indonesia Banking Expo) 2019	PERBANAS	Jakarta	06 November 2019
16	IBI re: Economic Outlook 2020 "in the Midst of Global Uncertainties" with Sin Beng Ong (Executive Director of JP Morgan Singapore)	IBI	Jakarta	18 November 2019
17	THE INDONESIA 2020 SUMMIT I	MUFG Danamon	Jakarta	20 November 2019
18	Blockchain Solution for Banking and Financial Services	Danamon	Jakarta	22 November 2019
19	The Pivotal Role of Infrastructure Financing to Advance Sustainable Economic Growth	Bank Indonesia	Jakarta	02 December 2019
20	Socialization Activities Socialization Plan for PPT APU Compliance Supervision in the Banking Sector	OJK	Jakarta	05 December 2019
21	Presentation of the Indonesian Payment System Blueprint 2025	Bank Indonesia	Jakarta	11 December 2019
22	Economic Prospects & Challenges in 2020	FKDKP	Jakarta	19 December 2019

Implementation of Function & Duties of Corporate Secretary in 2019

During 2019, the Corporate Secretary has carried out the duties and responsibilities according to the functions carried out, among others, as follows:

1. Followed the development of the capital market, especially regulations related to capital market regulation and conveying information about these developments to the Board of Commissioners, Board of Directors and stakeholders of Danamon.
2. Organized and documented the General Meeting of Shareholders and the Public Expose held by the Bank.
3. Organized and attended Board of Commissioners meetings, Board of Commissioners meetings attended by Directors and Committee under the Board of Commissioners meeting as well as preparing and administering the minutes of meetings.

4. Submitted reports related to the provisions in the Capital Market, both periodic and incidental reports to the OJK and IDX in a timely manner.
5. Conducted information disclosure in accordance with applicable laws and regulations.
6. Prepared recommendations for amendments to the Charters of Committees under the Board of Commissioners and Board of Directors related to the implementation of corporate governance.
7. Made adjustments to the Articles of Association in accordance with the needs of the company as well as the new rules and regulations that apply.
8. Updated/ adjusted the Board of Directors Charter and Board of Commissioners Charter in accordance with applicable laws and regulations and implementing Bank's good corporate governance.

9. Prepared documentation and assisted the Fit and Proper Test process for prospective members of the Board of Directors and prospective members of the Board of Commissioners.

Information Disclosure in 2019

As a form of information disclosure, Danamon has provided information to the public through Danamon website that is available in both Indonesian and English. Danamon also submits periodic reports to the Indonesia Stock Exchange (IDX) and the OJK, including through e-reporting sites of IDXNet and OJK's SPE.

List of Information Disclosure Reports in 2019

Date	Subject	To	Type
December 2019			
03 Dec 2019	Submission of Revised Report on Realization of the Use of Funds ("LRPD") Results of Continuous Public Offering I Bank Danamon I Phase 2019 Sustainable Bonds	BEI OJK	Incidental
05 Dec 2019	Disclosure of Certain Shareholders' Information	OJK	Incidental
09 Dec 2019	Monthly Report on BDMN Securities Holder Registration, as of the end of November 2019	BEI OJK	Regular
09 Dec 2019	Report on Corporate Debt / Liability Data in Foreign Currency	OJK	Regular
10 Dec 2019	Report on Information or Material Facts - Results of the Assessment of the Capability and Compliance of Members of the Company's Directors	BEI OJK	Incidental
27 Dec 2019	Submission of Annual GMS Plan	OJK	Periodic
November 2019			
06 Nov 2019	Monthly Report on BDMN Securities Holder Registration, as of the end of October 2019	BEI OJK	Regular
06 Nov 2019	Debt /Liability Data Report of the Company in Foreign Currencies	OJK	Regular
28 Nov 2019	Report on Information or Material Facts - Completion of the Sale of Shares of the Company in PT Asuransi Adira Dinamika Tbk ("Adira Insurance")	BEI OJK	Incidental
October 2019			
01 Oct 2019	Submission of Public Expose Materials	BEI	Periodic
01 Oct 2019	Report on Information or Material Facts - Changes in the Composition of the Board of Commissioners and Directors	BEI OJK	Incidental
02 Oct 2019	Submission of Summary of Extraordinary GMS Minutes	BEI OJK	Periodic
07 Oct 2019	Submission of Proof of Advertising of Credit Base Interest Rates	OJK	Periodic
07 Oct 2019	Monthly Report on BDMN Securities Holder Registration, as of the end of September 2019	BEI OJK	Regular
07 Oct 2019	Report on Corporate Debt / Liability Data in Foreign Currency	OJK	Regular
08 Oct 2019	Submission of 2019 Public Expose Implementation Report	BEI	Periodic
10 Oct 2019	Submission of Funds Realization Report ("LRPD") Results of Bank Danamon I Phase I Sustainable Bonds Public Offering 2019	BEI OJK	Incidental
23 Oct 2019	Submission of Deed of Notary regarding Minutes of Extraordinary General Meeting of Shareholders	OJK	Periodic

Date	Subject	To	Type
23 Oct 2019	Submission of Unaudited Financial Statements and Evidence of Advertising Q3 2019 Consolidated Financial Statements	BEI OJK	Periodic
23 Oct 2019	Submission of Unaudited Q3 2019 Interim Disclosure Financial Checklist	OJK	Periodic
29 Oct 2019	Information Regarding Public Company Controllers	OJK	Incidental
26 Oct 2018	Submission of Proof of Advertisement for Extraordinary GMS Summons	BEI	Periodic
26 Oct 2018	Submission of Proof of Advertisement for Extraordinary GMS Summons	OJK	Periodic
26 Oct 2018	Submission of Extraordinary GMS Agenda	OJK	Periodic
September 2019			
02 Sep 2019	Submission of Substitution of President Director	BEI OJK	Incidental
05 Sep 2019	Monthly Report on BDMN Securities Holder Registration, as of the end of August 2019	BEI OJK	Regular
05 Sep 2019	Debt / Liability Data Report of the Company in Foreign Currency	OJK	Regular
09 Sep 2019	Submission of Notice and Proof of Advertisement for Extraordinary GMS Summons	BEI OJK	Periodic
09 Sep 2019	Submission of Explanation Agenda for Implementing Extraordinary GMS	BEI	Incidental
20 Sep 2019	Submission of 2019 Public Expose Implementation Plan	BEI	Periodic
August 2019			
06 Aug 2019	Debt / Liability Data Report of the Company in Foreign Currency	OJK	Regular
06 Aug 2019	Monthly Report on BDMN Securities Holder Registration, as of the end of July 2019	BEI OJK	Regular
12 Aug 2019	Change in the Head of Internal Audit Unit	BEI OJK	Incidental
14 Aug 2019	Submission of an Extraordinary GMS Implementation Plan	OJK	Periodic
15 Aug 2019	Submission of Evidence of MUFG Financial Statement	OJK	Periodic
21 Aug 2019	Announcement of Extraordinary GMS	BEI OJK	Periodic
July 2019			
03 Jul 2019	Submission of Evidence of Basic Credit Interest Rate	OJK	Periodic
05 Jul 2019	Monthly Report on BDMN Securities Holder Registration, as of the end of June 2019	BEI OJK	Regular
05 Jul 2019	Debt / Liability Data Report of the Company in Foreign Currency	OJK	Regular
10 Jul 2019	Submission of Funds Realization Report ("LRPD") Results of Bank Danamon Phase I Sustainable Bonds I Public Offering 2019	BEI	Incidental
24 Jul 2019	Submission of Unaudited Financial Statements and Evidence of Advertising Q2 2019 Consolidated Financial Statements	OJK	Periodic
24 Jul 2019	Submission of Unaudited Financial Statements and Evidence of Advertising Q2 2019 Consolidated Financial Statements	BEI	Periodic
24 Jul 2019	Submission of Unaudited Q2 2019 Interim Disclosure Financial Checklist	OJK	Periodic
31 Jul 2019	Request for Explanation of the Exchange	BEI	Incidental
11 Jul 2019	Monthly Report on BDMN Securities Holder Registration, as of the end of May 2019	BEI OJK	Regular
June 2019			
12 Jun 2019	Debt / Liability Data Report of the Company in Foreign Currency	OJK	Regular
12 Jun 2019	Submission of Audit Committee Evacuation Results	BEI OJK	Incidental
25 Jun 2019	Submission of the Director's Resignation Report	OJK	Incidental

Date	Subject	To	Type
May 2019			
02 May 2019	Material Information or Fact Report - Business Combination	BEI OJK	Incidental
02 May 2019	Material Information or Fact Report - Changes in Members of the Board of Directors and / or Members of the Board of Commissioners	BEI OJK	Incidental
02 May 2019	Submission of Proof of Effective Advertising of the Merger	BEI OJK	Incidental
02 May 2019	Disclosure of Certain Shareholders' Information	OJK	Incidental
03 May 2019	Report on Information or Material Facts - Changes in Control Direct and Indirect to Issuers or Public Companies	BEI OJK	Incidental
03 May 2019	Submission of Proof of Advertisement of Information Disclosure Regarding Affiliated Transactions	BEI OJK	Incidental
03 May 2019	Disclosure of Certain Shareholders' Information	OJK	Incidental
03 May 2019	Report on the Results of Merging Businesses	OJK	Incidental
03 May 2019	Changes in the Composition of Shareholders	OJK	Incidental
07 May 2019	Report on Corporate Debt / Liability Data in Foreign Currency	OJK	Regular
07 May 2019	Monthly Report on BDMN Securities Holder Registration, as of the end of April 2018	BEI OJK	Regular
07 May 2019	Disclosure of Certain Shareholders' Information	OJK	Incidental
16 May 2019	Request for Explanation of the Exchange	BEI	Incidental
22 May 2019	Submission of the Brief Proectus Ad Proof Report	BEI OJK	Incidental
24 May 2019	Submission of Announcement of Results of Business Combinations	BEI	Incidental
24 May 2019	Submission of Announcement of Results of Business Combinations	OJK	Incidental
29 May 2019	Submission of Report on Appointment of Public Accountant and Public Accountant Office	OJK	Incidental
29 May 2019	Submission of the Phase I Sustainable Bond Proectus of 2019	BEI	Incidental
29 May 2019	Submission of the Phase I Sustainable Bond Proectus of 2019	OJK	Incidental
April 2019			
03 Apr 2019	Submission of a Report on the Appointment of a Public Accountant and a Public Accounting Firm	OJK	Periodic
08 Apr 2019	Monthly Report on BDMN Securities Holder Registration, as of the end of March 2019	BEI OJK	Regular
08 Apr 2019	Report on Debt / Liability Data of the Company in Foreign Currencies	OJK	Regular
10 Apr 2019	Report on Ownership or Change of Ownership of Public Company Shares	OJK	Incidental
22 Apr 2019	Submission of a Proof of Brief Prospectus Advertising Report	BEI OJK	Incidental
24 Apr 2019	Submission of Unaudited Financial Statements and Evidence of Advertising Consolidated Financial Statements Q1 2019	BEI	Periodic
24 Apr 2019	Submission of Unaudited Financial Statements and Evidence of Advertising Consolidated Financial Statements Q1 2019	OJK	Periodic
24 Apr 2019	Submission of a Notarized Deed of Annual General Meeting of Shareholders - Extraordinary	OJK	Periodic
24 Apr 2019	Submission of Unaudited Q1 2019 Interim Disclosure Financial Statement Checklist	OJK	Periodic
26 Apr 2019	Submission of a Business Merger License	OJK	Incidental
29 Apr 2019	Submission of OJK Copy of Business Merger	BEI	Incidental
30 Apr 2019	Submission of Acceptance of Merger Notices from the Ministry of Law and Human Rights of the Republic of Indonesia	BEI OJK	Incidental

Date	Subject	To	Type
March 2019			
04 March 2019	Invitation and Evidence of Annual and Extraordinary GMS Ads	OJK	Periodic
04 March 2019	Invitation and Evidence of Annual and Extraordinary GMS Ads	BEI	Periodic
04 March 2019	Submission of Elucidation of Annual and Extraordinary GMS Agenda	OJK	Periodic
04 March 2019	Submission of 2018 Annual Report	OJK	Periodic
04 March 2019	Submission of 2018 Annual Report	BEI	Periodic
06 March 2019	Monthly Report on BDMN Securities Holder Registration, as of the end of February 2019	BEI OJK	Regular
06 March 2019	Report on Corporate Debt / Liability Data in Foreign Currency	OJK	Regular
22 March 2019	Report on Information or Material Facts - Additional Information and / or Amendments to the Summary of the Merger Plan between PT Bank Danamon Indonesia Tbk and PT Bank Nusantara Parahyangan Tbk	BEI OJK	Incidental
22 March 2019	Submission of Additional Advertising Evidence Information and / or Amendments to the Summary of the Plan Between PT Bank Danamon Indonesia Tbk and PT Bank Nusantara Parahyangan Tbk	BEI	Incidental
22 March 2019	Submission of Additional Advertising Evidence Information and / or Amendments to the Summary of the Plan Between PT Bank Danamon Indonesia Tbk and PT Bank Nusantara Parahyangan Tbk	OJK	Incidental
27 March 2019	Submission of Annual General Meeting Results - Extraordinary Regarding Merger	BEI	Incidental
27 March 2019	Submission of Proof of Announcement of Announcement of Minutes of Meeting of the Annual GMS - Extraordinary	BEI	Periodic
27 March 2019	Submission of Proof of Announcement of Announcement of Minutes of Meeting of the Annual GMS - Extraordinary	OJK	Periodic
27 March 2019	Submission of Summary of Minutes of the Annual General Meeting - Extraordinary	BEI	Periodic
27 March 2019	Submission of Summary of Minutes of the Annual General Meeting - Extraordinary	OJK	Periodic
27 March 2019	Submission of Proof of Advertising Schedule and Distribution of Cash Dividends	BEI OJK	Periodic
27 March 2019	Submission of a Copy of the Merger Deed	BEI OJK	Incidental
February 2019			
04 Feb 2019	Response to Request for Explanation	BEI	Incidental
07 Feb 2019	Monthly Report on BDMN Securities Holder Registration, as of 31 January 2019	BEI OJK	Regular
07 Feb 2019	Report on Company Debt / Liability Data in Foreign Currency	OJK	Regular
08 Feb 2019	Disclosure of Certain Shareholders' Information	OJK	Incidental
09 Feb 2019	Submission of Annual Report	BEI	Periodic
09 Feb 2019	Submission of Proof of Annual Report Advertising	BEI	Periodic
09 Feb 2019	Submission of Audited Annual Financial Report Disclosure Checklist	OJK	Periodic
09 Feb 2019	Submission of Audited Annual Financial Statements and Proof of Advertisement of the Consolidated Financial Statements of PT Bank Danamon Indonesia Tbk ("the Company") and its Subsidiaries for the period ended 31 December 2018	OJK	Periodic
25 Feb 2019	Addition to GMS Agenda	OJK	Periodic
26 Feb 2019	Report or Material Facts - Issuance of Bank Danamon I 201N Medium Term Notes (MTN)	OJK	Incidental
26 Feb 2019	Report or Material Facts - Issuance of Bank Danamon I 201N Medium Term Notes (MTN)	IDX	Incidental

 Main
Highlights

 Management
Report

 Company
Profile

 Management
Discussion and Analysis

 Operational
Review

 Good Corporate
Governance

 Corporate
Social Responsibility

 Corporate
Data

Date	Subject	To	Type
28 Feb 2019	Report or Material Facts - Results of the Assessment of the Capability and Compliance of Members of the Company's Board of Commissioners	OJK	Incidental
28 Feb 2019	Report or Material Facts - Results of the Assessment of the Capability and Compliance of Members of the Company's Board of Commissioners	BEI	Incidental
January 2019			
07 Jan 2019	Monthly Report on BDMN Securities Holder Registration, as of 31 December 2018	BEI OJK	Regular
07 Jan 2019	Reports on Data / Debt of Company Liabilities in Foreign Currencies	OJK	Regular
08 Jan 2019	Submission of Proof of Advertising of Credit Base Interest Rates	OJK	Periodic
18 Jan 2019	Announcement of Annual and Extraordinary GMS	OJK	Periodic
18 Jan 2019	Announcement of Annual and Extraordinary GMS	BEI	Periodic
18-Jan-19	Information Disclosure Needs to Be Addressed by the Public - Business Combination Plans	OJK	Incidental
21 Jan 2019	Report on Information or Material Facts - Announcement of the Summary of the Merger Plan between PT Bank Danamon Indonesia Tbk and PT Bank Nusantara Parahyangan Tbk	BEI OJK	Incidental
21 Jan 2019	Submission of Advertisement Evidence-Announcement of the Design of Business Merger of PT Bank Danamon Indonesia Tbk and PT Bank Nusantara Parahyangan Tbk Submission of Advertisement Evidence To Creditors of PT Bank Danamon Indonesia Tbk and PT Bank Nusantara Parahyangan Tbk	BEI OJK	Incidental

Compliance Function

COMPLIANCE FUNCTION

Compliance function is one of the important aspects in Danamon's corporate governance. Referring to Regulation of the Financial Services Authority No. 46/POJK.03/2017 dated July 12, 2017 concerning the Implementation of Compliance Function in Commercial Banks, the main duties of compliance function are as follows:

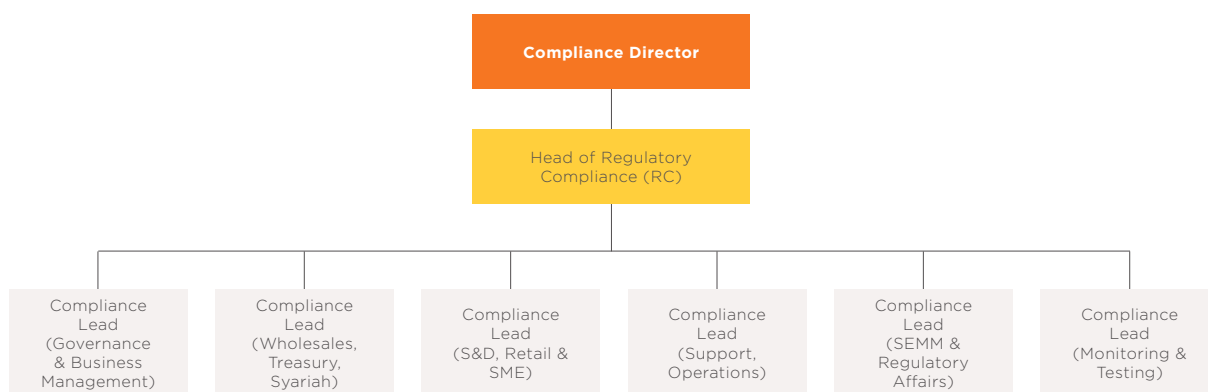
1. Realize the implementation of Compliance Culture at all levels of organization and business activities.
2. Manage Compliance Risk faced by the Bank.
3. Ensure that the policies, provisions, systems, and procedures as well as the activities carried out by

the Bank are in accordance with Financial Services Authority (OJK) provisions and statutory provisions, including sharia principles for sharia commercial banks and sharia business units.

4. Ensure the Bank's compliance with commitments made by the Bank to Bank Indonesia, Financial Services Authority, and/ or other authorized supervisory authorities.

Organizational Structure of Compliance Function

The organizational structure of Compliance Function in Danamon is as follows:



Compliance Director

Danamon has a Director in charge of the Compliance Function (Compliance Director), namely Rita Mirasari. The appointment of Compliance Director has fulfilled the applicable requirements, which are independence requirements and does not supervise the functions which are not permitted by the applicable provisions. EGMS March 26, 2019 agreed that there was no change in the composition of the Board of Directors until the effective merger of Danamon and Bank Nusantara Parahyangan (BNP). After the effective merger of Danamon and BNP, Rita Mirasari was reappointed as Compliance Director. The Compliance Director has obtained OJK approval and the appointment of the Compliance Director has gone through the process as stipulated by the Financial Services Authority.

Compliance Working Unit

Danamon has a Compliance Working Unit (Regulatory Compliance) which is an independent working unit and is under the responsibility of the Director in charge of Compliance Function. Compliance Working Unit is responsible for the implementation of Danamon's compliance function. As the Main Entity in Danamon

Group Financial Conglomeration, Danamon's Compliance Working Unit also performs the function of the Integrated Compliance Working Unit (ICWU). Regulatory Compliance has the Policy regarding Compliance Function and Compliance Working Unit based on the Decree of the Board of Directors No. KEP: DIR-COMP-020 dated December 28, 2017, which covers compliance culture, compliance function, compliance risk management, and reporting.

The roles and responsibilities of Compliance Working Unit are as follows:

1. Create compliance programs to support the creation of a compliance culture in all Danamon's business activities at every level of the organization;
2. Identify, measure, monitor and control the compliance risk in accordance with the implementation of risk management for Commercial Banks and Sharia Business Units and referring to the provisions of the Financial Services Authority;
3. Assess and evaluate the adequacy and suitability of policies, regulations, systems and procedures that are owned by Danamon to the implementation of the provisions of the competent authority;

4. Conduct review and/ or recommend the updates and improvement of policies, regulations, systems and procedures owned by Danamon to comply with the provisions of the competent authorities, including Sharia principles for Sharia Business Unit;
5. Perform the function of the liaison officer of Danamon with regulators, particularly those relating to the implementation of compliance and the implementation of regulator audits.
6. Create training/ socialization programs regarding external provisions to working units in Danamon;
7. Carry out other tasks related to the compliance function.
8. Integrated Compliance Working Unit, among others, has duties of at least monitoring and evaluating the implementation of the compliance function in each Financial Service Institution in the Financial Conglomeration.

Implementation of Duties of Compliance Working Unit in 2019

The implementation of duties and responsibilities of the Compliance Working Unit throughout 2019 are as follows:

1. Training and Socialization

As part of the efforts to build compliance culture, Compliance Working Unit organized various trainings and socialization for all Danamon's employees. The trainings and socializations are conducted by the face to face meeting (classroom) method and by e-learning method.

In early July 2019, the Compliance Working Unit developed e-learning Compliance 2019 which must be taken by all Danamon's employees (exclude SEMM). As of December 31, 2019, 100% of employees had completed the e-learning Compliance 2019.

In 2019, the Compliance Working Unit has organized 24 trainings/ socializations to the relevant working units.

During 2019, Compliance Working Unit has delivered new regulations to the related working units (both the Bank and its subsidiaries). Compliance Working Unit in collaboration with related working units discussed the implementation of fulfillment of the regulations, including the matters that must be met and the deadline.

2. Compliance Review and Monitoring

The Compliance Working Unit conducts compliance review to ensure that the products, activities and policies issued by Danamon and its subsidiaries are not in conflict with the applicable provisions. During 2019, 187 compliance reviews and 20 policy reviews

are conducted. In addition, the Compliance Working Unit developed monitoring and testing function to see whether remedial action was required on some processes related to Danamon's products/ activities.

3. Monitoring Compliance to the Prudential Regulations
The Compliance Working Unit regularly monitors the Danamon's compliance to the prudential regulations in the form of key regulatory parameters, namely the ratio of LLL, Statutory Reserve Requirement, NPL, NOP, Investment, and CAR. During 2019, there were no violations based on the regulatory parameters set.

4. Compliance Risk Management

Compliance risk management is conducted through identification, measurement, monitoring and control of compliance risk in accordance with the implementation of risk management. The compliance risk management strategy is implemented through 3 (three) lines of defense scheme. The Compliance Working Unit conducts an analysis of compliance risk for both individual and consolidated compliance risk, as well as integrated compliance risk.

5. Commitment to the Regulators

The Compliance Working Unit monitors and ensures compliance of follow-up commitments related to the results of examination conducted by the Regulator on a regular basis. During 2019, all commitments from the regulatory audit results can be fulfilled and do not exceed the agreed deadline. The Compliance Working Unit also acts as liaison regarding the implementation of compliance for internal and external parties.

6. The implementation of the Integrated Compliance Working Unit Function is disclosed in the Integrated Corporate Governance section.

Development of Human Resources in Compliance Working Unit

As of December 2019, the Compliance Working Unit was supported by 23 staff (including the Head of the Compliance Working Unit) with the majority of staff having over 5 years of experience working in the banking sector with adequate capability. Danamon always provides opportunity to the staffs of the Compliance Working Unit to increase their knowledge and competence to support their work performance.

The materials of internal and external training/ seminars/ workshop that have been attended by Compliance Working Unit staffs, are as follows:

Internal	External
Workshop ORM LOB and QA	Workshop ASEAN CG Scorecard
Code of Conduct Refreshment	Ensuring Company's Compliance with Regulations related to the Directors and Board of Commissioners
Risk Management Certification Level 1	Volcker Rule - Compliance Policy & Procedures
Regulatory Compliance, FCC and Corporate Secretary Directorate Workshop	Volcker Rule - Totus Implementation
Green Bond Session	Professional Ethics Workshop 2019
Global Trade Finance, Sharia and Trade Compliance Update	Code of Market Conducts
National Blacklist (DHN) Training	Millennial Market Prospects, Informal Sector and Collaboration with Fintech in Mortgage Financing
Refreshment SMR Level 3	Exclusive Conference: Financial Services Summit Jakarta 2019
Outsourcing Regulation Training	Indonesia Banking Expo (IBEX) 2019 : Consolidate to Elevate
D'Talk with Yasushi Itagaki: Embracing Change	Electronic Signature
Crucial Conversations	
Workshop QA Policy	
D'Talk: Embedding Sustainability for Competitive Advantage	
Mini Workshop with Ministry of Religion	
Performance Management System	
Binding of Credit and Collaterals	
D'Talk: Bridging Digital Startup & Corporate Culture	
Blockchain Solutions for Banking and Financial Services	
Material Non Public Information and Personal Securities Trading Policy	
Situational Leadership II Forum Group Discussion	

Compliance with Primary Regulations

Parameter	Requirement	Compliance
Capital Adequacy Ratio (CAR)	Min. 9% s/d <10% (risk profile rating "2")	Comply
Statutory Reserve Requirement (GWM)	Primary (IDR)	Min. 6%
	Primary (USD)	Min. 8%
	Macroprudential Intermediation Ratio (RIM)	84%-94%
	Secondary/Macroprudential Liquidity Buffer (PLM)	4%
Non Performing Loans (NPL)	NPL Net Max. 5%	Comply
Net Open Position (NOP)	Max. 20%	Comply
Related Parties' Legal Lending Limit (LLL)	Max. 10%	Comply
Investment Portfolio	Max. 25%	Comply

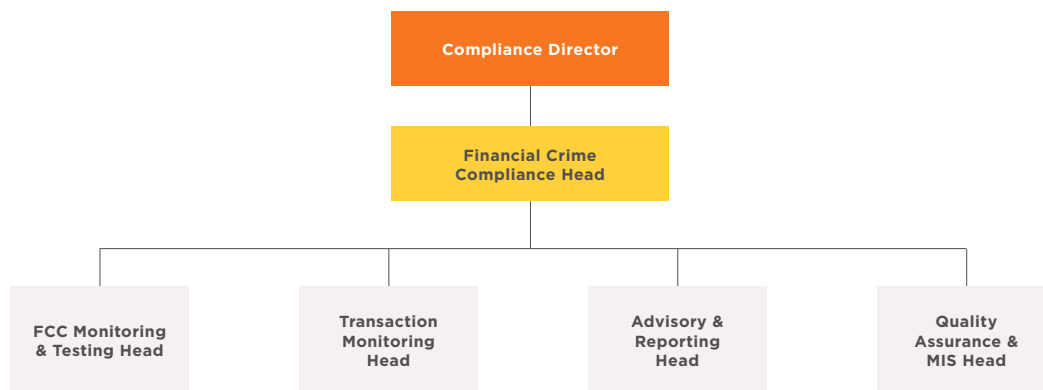
IMPLEMENTATION OF ANTI MONEY LAUNDERING (AML) AND COMBATING THE FINANCING OF TERRORISM (CFT) PROGRAMS

Organization

In order to support the implementation of Anti Money Laundering and Combating the Financing of Terrorism (AML and CFT), the Board of Directors and Board of Commissioners continuously provide full commitment so that Danamon always meets the provisions of Financial Services Authority (OJK)/ Bank Indonesia (BI) and other applicable Laws and Regulations related to AML and CFT.

The Board of Commissioners actively supervises the implementation of the responsibilities of Board of Directors' on the implementation of the AML and CFT Program, including commitments made by Danamon to the OJK/ BI and reporting to regulators in accordance with applicable regulations.

The implementation of AML and CFT Program in Danamon is coordinated by the Financial Crime Compliance (FCC) Unit which reports directly to the Compliance Director and has the following organizational structure:



Danamon consistently strives to improve the quality of AML and CFT Program implementation, through active supervision from Management, updating policies, conducting training programs, improving information systems and other initiatives.

The framework AML and CFT Program implementation is described in the concept of Three Lines of Defense as follows:

1. The First Line of Defense

The First Line of Defense is the most important line of defense in preventing the Crimes of Money Laundering and Terrorism Funding, detecting the possibility of such crime and identifying weaknesses and vulnerabilities in controlling AML and CFT Program implementation. Business Units/ Operation Units/ Control Units who carry out the daily business activities as the front line for Danamon.

2. The Second Line of Defense

The Second Line of Defense is carried out by FCC Working Unit at the Head Office which has role and responsibilities to prepare the methods and tools

that can be used by First Line to carry out its duties and responsibilities, prepare adequate policies and procedures, systems and training and ensure that First Line of Defense has carried out its functions properly.

3. The Third Line of Defense

This function is carried out by Internal and External auditors to ensure the AML and CFT Program implementation in First Line and the responsibility of Second Line of Defense has been effectively conducted.

IMPLEMENTATION OF AML AND CFT PROGRAM IN 2019

1. Evaluation of Policies and Procedures

- a. In order to meet the provisions of the Financial Services Authority and other provisions related to the implementation of AML and CFT, the Bank has made improvements to the internal AML and CFT provisions by issuing 22 internal regulations.

- b. Reviewed 26 draft policies and/ or new products and application forms based on request from related units at Bank Danamon and disseminate 3 AML Forums to ensure compliance with the implementation of AML And CFT Program.
- c. Report regularly to Management (the Board of Commissioners and Board of Directors) regarding implementation of AML and CFT program in the form of presentations in RMC forum and monthly reports.
- d. Publish information related to implementation of AML and CFT Program on Bank Danamon's website by providing information of Bank's General Policy, US Patriot Act, Wolfsberg AML Questionnaire.

2. Monitoring and Evaluation Process

a. Monitoring & Testing

In order to ensure implementation of AML and CFT Program in Branch Offices (SNDs), FCC conducted active and passive monitoring and testing to assess the awareness, effectiveness and data quality of implementation of AML and CFT Program by comparing with applicable provisions. In addition, FCC took the initiative to establish a report on compliance and completeness of customer data (KYC) through Branch AML CFT Report (BAR).

During 2019 (January - December), FCC Monitoring & Testing (M&T) has conducted monitoring & testing as follows:

- 1) Active monitoring have been conducted in 10 (ten) Branches including 8 (eight) Areas i.e. Jakarta Kebon Sirih Branch (SnD 02 Jakarta), Jakarta Wisma BNI 46 Branch (SnD 02 Jakarta), Jakarta MBD Branch (SnD 02 Jakarta), Jakarta Tanah Abang Fachrudin Branch (SnD 03 Jakarta), Bandung Asia Afrika Branch (SnD 05 JABAR), Yogyakarta JAMAL Branch - Jalan Magelang (SnD 06 JATENG), Surabaya Gubernur Suryo Branch (SnD 07 JATIM), Medan Diponegoro Branch (SnD 09 SUMBAGUT), Pekanbaru Wahid Hasyim Branch (SnD 10 SUMBAGSEL), and Makassar Slamet Riyadi Branch (SnD 12 SULAMPUA).
- 2) Passive monitoring have been conducted in 5 (five) Branches in 4 (four) Areas i.e. Jakarta Kelapa Gading I Branch (SnD 01 Jakarta), Jakarta Panglima Polim Branch (SnD 02 Jakarta), Jakarta Matraman Branch (SnD 03 Jakarta), Jakarta Cikini Branch (SnD 03 Jakarta), and Kebon Jeruk Intercon Branch (SnD 04 Jakarta).

b. Monitoring on Completion of Customer Data

Monitoring on the quality and completeness of customer data is carried out continuously by several methods/ processes :

- 1) During 2019 monitoring the fulfillment of AML-CFT mandatory data on CIF opening and new accounts in the current year, opening new accounts using the old CIF in the current year.

Until December 2019, from 258,833 accounts/ CIF opening, there were 258,538 or 99.88% CIF with data completed.

- 2) Data updating is also a method to monitor the quality of customer data, this data updating is Bank's commitment to OJK where the target data and progress achieved are submitted to OJK annually through Compliance Director's Report.

As of December 2019, there were 13,434 CIF data updates (100%) from the set target of 13,434 CIF.

- 3) The monitoring of customer data quality through AML System (Customer Due Diligence & Watch List Filtering):
 - CDD (Customer Due Diligence) alerts on the AML System if there is a significant change in the risk value and in a new account opening with high risk level or PEP. As of December 2019, has conducted monitoring on 9,894 alerts, and has requested for improvement or completeness of data/ information if there are still incomplete/ inadequate data.
 - Alert WLF (Watch List Filtering), is a screening process for new CIF opening to PEP and Negative List data owned by the Bank, using the World Check database (including OFAC) and DTTOT - WMD Proliferation. As of December 2019, have conducted analysis on 3,163 alerts of screening results. There are 44 (forty four) positive hit alerts with PEP data that required data correction or adjustment by Branches or other relevant Business Units and 4 (four) alerts that have been escalated to the FCC Transaction Monitoring unit to be followed up due to negative news.

- 4) The Bank also conducts periodic screening of all existing CIF routinely which is one of the methods of monitoring customers to ensure there are no customers included in Negative List (DTTOT, WMD Proliferation, Negative News and OFAC). From the results of those periodic screening, there were 445 CIF known as PEP/ related to PEP so that Branches or related units need to conduct data update on related CIF for their follow-up action.
- 5) Customer data quality monitoring is also carried out as follow-up action to customer transaction monitoring process which conducted by Transaction Monitoring Unit. As of December 2019, there were 238 CIFs that has been sent to Branches for further customer data updating so that the data in the database is updated.

c. Branch AML CFT Report (BAR)

In order to evaluate the application of AML CFT provisions has been conducted properly by all Branches and also to carry out proactive control and to ensure that the implementation of CDD/ EDD is in accordance with the Danamon's risk appetite and in line with prevail regulations, BAR (Branch AML CFT Report) project was established in 2018.

BAR Report which includes Branches assessment for all of SnD is submitted to the CEO as well as all of Regional Heads in half-yearly period.

Based on the result of BAR Report during 2019, the obtained information is as follows:

BAR Score during 2019 per SND Area

No	Description	As of June 2019	As of December 2019
1	Highest Score	95,81	98,36
2	Lowest Score	84,03	94,11

BAR Score during 2019 in each of the branches

No	Description	As of June 2019	As of December 2019
1	Highest Score	100	99,79
2	Lowest Score	57,42	73,61
3	Total Branches with score <70	13 Branches from 6 Area SnD.	No branches with score under < 70

Based on the results above, it can be concluded that the application of AML CFT in all SnD Areas showed better conditions, reflected in the absence of branches that scored less than 70 (seventy) in semester 2 2019.

3. Training and Socialization

Staff awareness on AML and CFT is very important. Danamon together with Danamon Corporate University (DCU) coordinate the AML and CFT training and socialization for employees, including induction training in classroom for new employees and e-learning for all of Danamon employees. Furthermore, the new employees with recruitment period of January 1 – September 30, 2019 are required to complete the 2019 AML and CFT e-learning modules.

As of December 2019, 6,770 permanent employees as of September 30, 2019 or 100% targeted employees (including front liner employees, SKAI employees who oversee the implementation of the AML and CFT program, and employees under Compliance Directorate) have finished the 2019 AML and CFT e-learning module.

In addition to AML and CFT provision training, during 2019, there were socializations related to First Line of Defense (FLoD) - Financial Crime Prevention which has been conducted as Bank Danamon and MUFG Bank's collaboration.

Financial Crime Prevention for First Line of Defense socialization materials which cover practice of crimes that can be occurred or be met by staff included in First Line of Defense.

Socialization was given to all RH, AM, RTSH, BM, BSM, ROSM staff, KPW staff, Branch Control staff, SSO representatives, Teller, CRO, and BRO throughout the SnD Area.

During August - December 2019, the socialization was given to 1,630 participants/ employees.

4. Reporting

Danamon has conducted reporting activities as governed by Regulation. These reports are Suspicious Transaction Report (STR), Cash Transaction Report (CTR), International Fund Transfer Instruction (IFTI) and Integrated User Information System (SIPESAT). In addition to the reporting, Danamon also provides responses for data and information requests from external parties (PPATK, KPK, BI, Police and other third parties).

The number of reports and responses for information requests from external parties that have been carried out until December 2019 is as follows:

Total of Reporting in 2019				
STR	CTR	IFTI	SIPESAT	Response Letter sent to External Parties
1,442	59,431	123,839	289,693 CIF	584

5. Management information System

Danamon has conducted enhancement on monitoring and screening transactions/ customer profiles applications (AML System) to improve control and effectiveness in identifying suspicious transactions by using parameters which are adjusted periodically, including:

- Screening on SWIFT transaction
- Enhancement on Beneficial Owner data
- Improve workflow of customer transactions investigation process
- Check the amount of data and nominal of transactions between data resources and AML System

In addition, Danamon also made enhancement on PPATK reporting application to improve its control, accuracy and information completeness in the reports which are submitted to PPATK, including:

- Improve on system logic withdrawal process and data reporting formation
- Improve control and data monitoring that need to be reported to PPATK
- Check the amount of data and nominal of transactions between data resources and CTR Web

6. Audit

In September 2019, SKAI has conducted audit on AML – CFT implementation. As the end of December 2019, SKAI audit finding results were still in the process of finalizing.

Internal Audit Working Unit (SKAI)

STRUCTURE AND POSITION OF INTERNAL AUDIT WORKING UNIT (SKAI)

Internal Audit Working Unit (SKAI) is an independent function directly responsible to the President Director. To support independency and monitoring of the implementation of internal audit programs, the Chief Internal Auditor (Head of SKAI) is also directly responsible to the Board of Commissioners through the Audit Committee. SKAI aims to provide independent and objective views in conducting assurance activities and providing consultation services to the Board of Commissioners and Board of Directors, as part of continuous control process and risk management within the company.

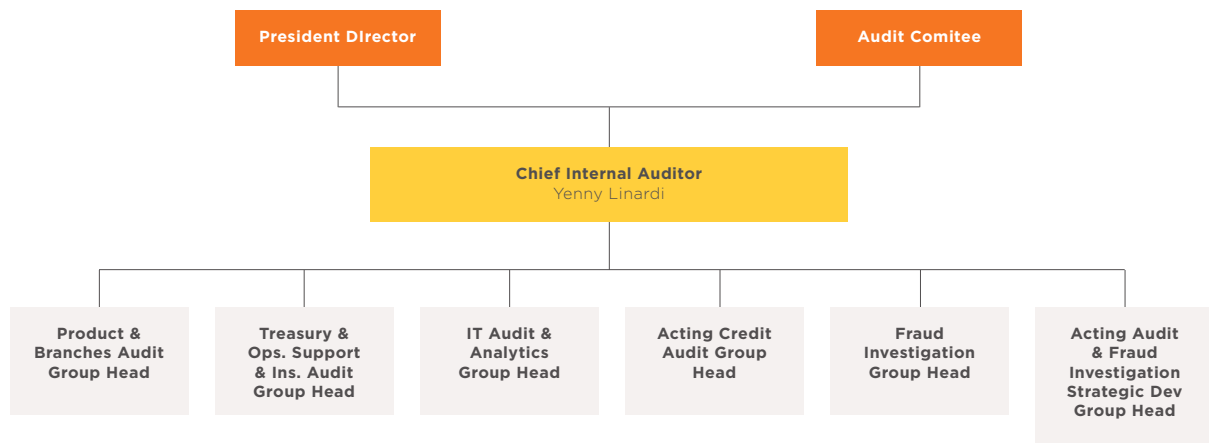
SKAI aims to be a business partner that provides added value in fostering a robust control culture to support Danamon and its subsidiaries to achieve their long-term goals by referring to the International Standards for the Professional Practices of Internal Auditing (IPPF) from The Institute of Internal Auditors (IIA), Bank Indonesia regulation, Financial Services Authority/ FSA (OJK) regulation, and Company's Code of Conduct. SKAI assists the management in accomplishing its objective by bringing a systematic and disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, control, and corporate governance processes.

In accordance with the Integrated Internal Audit Charter that has been approved by the President Director and Board of Commissioners, SKAI has access to all Danamon's and Subsidiaries' activities, functions, records, property, and personnel by complying with the prevailing laws and regulations, profession confidentiality, and personal rights, and ensure the application of the anti-tipping off principle in auditing Anti-Money Laundering (AML) and Countering Financing of Terrorism (CFT).

SKAI reports audit activities and significant audit findings including recommendations for corrective action follow up that have been submitted to the related units, to the President Director and Board of Commissioners via Audit Committee and Compliance Director.

In addition to complying with the Danamon's Code of Conduct, SKAI is also guided by the Integrated Internal Audit Charter and Auditor's Code of Ethics, which regulate the establishment and function of Integrated Internal Audit Working Unit (IIAWU) and include auditor's professional standard as defined in the International Professional Practice Framework by The Institute of Internal Audit (covering the principle of integrity, objectivity, confidentiality, and competency).

SKAI Organization Structure



APPOINTMENT, DISMISSAL, AND LEGAL BASIS FOR APPOINTMENT OF HEAD OF SKAI

The Head of SKAI is appointed and dismissed by the President Director with the approval from the Board of Commissioners. The appointment and dismissal of the Head of SKAI should be reported to OJK along with by the reasons for appointment/ dismissal.

Since August 12, 2019, Integrated Internal Audit Working Unit (IIAWU) has been led by Yenny Linardi as Chief Internal Auditor (Head of SKAI) replacing Nathan Tanuwidjaja as an acting Head of SKAI, based on appointment letter No. B.194/HCKP/0819 and this appointment has been reported to OJK based on Director Letter No. B.748 – DIR dated August 15, 2019 regarding Report on Dismissal of the Acting Head of SKAI and Appointment of the Head of SKAI in PT Bank Danamon Indonesia, Tbk (“Company”).

Chief Internal Audit Profile



Yenny Linardi
Chief Internal Audit

Obtained Bachelor’s degree in Economics from Trisakti University, Jakarta. Joined Danamon as Chief Internal Auditor since August 2019. Previously, she worked at DBS Bank for almost 11 years as Chief Internal Auditor. She had worked at Danamon in 2004-2008 with the last position as Head of Branches Audit and previously at BCA (1989 – 2004) with the last position as Head of Analytical Review, Head Office Audit.

DUTIES AND RESPONSIBILITIES OF INTEGRATED INTERNAL AUDIT WORKING UNIT (IIAWU)

IIAWU has duties and responsibilities, among others:

- a. Develop an annual audit plan using risk-based methodology and implement the approved annual audit plan, including special tasks/projects;
- b. Review and provide recommendation on the annual audit plan of subsidiaries’ Internal Audit;
- c. Improve the adequacy of knowledge, skills, experience, and professional certifications;
- d. Monitor and review the internal audit implementation in subsidiaries;
- e. Prepare and submit reports to OJK in accordance with the prevailing regulations, e.g., semi-annual reports, special report on each audit issue deemed to disrupt the continuity of the bank, report from the external assessor on IIAWU’s performance, and report of Information Technology audit.
- f. Communicate with OJK at least once in 1 (one) year;
- g. Convey compliance of sharia principles to Sharia Supervisory Board and appoint at least one (1) IIAWU member who has knowledge and/ or understanding of sharia banking operations;

- h. Recommend corrective actions for audit findings to related units, monitor and ensure that management actions have been effectively and efficiently implemented; or Senior Management had accepted risks that could not be mitigated yet;
- i. Conduct regular coordination meetings with the subsidiaries’ Internal Audit at least every quarter;
- j. Develop program to evaluate the quality of internal audit activities that have been performed;
- k. Determine the internal audit execution strategy for subsidiaries.

Duties and responsibilities are regulated in the Integrated Internal Audit Charter and stated in the Integrated Corporate Governance Report.

2019 INTEGRATED INTERNAL AUDIT WORKING UNIT (IIAWU) PRIORITIES

- IIAWU has conducted the following activities to strengthen internal audit functions in 2019:
- a. Performed risk-based audit.
 - b. Placed special attention to business lines and areas that are undergoing transformation.

- Main Highlights
- Management Report
- Company Profile
- Management Discussion and Analysis
- Operational Review
- Good Corporate Governance**
- Corporate Social Responsibility
- Corporate Data

- c. Continued to increase auditor competency through trainings, both in product knowledge and procedures, as well as risk management and audit process and professional certification.
- d. Continued to develop analytic functions by continuing to develop the scope of the data analytics.
- e. Continued the quality assurance process and benchmarking with the internal audit best practices in banking industry (SKAI Danamon) and financing industry (Internal Audit Unit - Adira Dinamika Multi Finance/ADMF).
- f. Performed joint audits with Internal Audit units of ADMF and Asuransi Adira Dinamika/AAD.

- g. Conducted regular coordination with ADMF and AAD Internal Audit team for alignment and knowledge sharing.
- h. Reviewed the SKAI Business Banking Unit's (ex-Bank Nusantara Parahyangan) audit plan subsequent to the legal merger by considering the risk level of BBU entities.

AUDIT PLAN AND REALIZATION AS OF DECEMBER 31, 2019

In 2019, Integrated Internal Audit Working Unit (IIAWU) has conducted the following internal audit engagements:

1. SKAI Danamon has commenced audit in 244 entities in Danamon:

Audit Plan & Realization as of December 31, 2019

Danamon	2019 Audit Plan	2019 Audit Realization
a. Head Office Audit	41	48
b. Regional Office Audit	24	19
c. Branches Audit:		
Conventional Branches	122	141
<i>Self Employed Mass Market</i>	36	36
Total Branches Audit	158	177
Total Audit	223	244

2. Internal audit activities in Adira Dinamika Multi Finance (ADMF) and Asuransi Adira Dinamika (AAD) were performed by the Internal Audit unit in each company or jointly with SKAI Danamon. Since November 2019, AAD was no longer part of Danamon Financial Conglomeration, thus the AAD audit activity in this report is the last report from SKAI Danamon.

Audit Plan & Realization as of December 31, 2019

ADMF	2019 Audit Plan	2019 Audit Realization
a. Head office Audit	8	2
b. Regional Office Audit	30	28
c. Branches Audit:	160	171
Total Audit	198	201

Audit Plan & Realization as of December 31, 2019

AAD	2019 Audit Plan	2019 Audit Realization
a. Head office Audit	5	5
b. Regional Office Audit	4	4
Total Audit	9	9

DEVELOPMENT OF HUMAN RESOURCES

As of December 2019, the total number of personnel of SKAI Danamon was 148 personnel residing in the head office and regional audit offices across Jakarta, Surabaya, Medan, and Makassar. Moreover, the Internal Audit of ADMF had 67 personnel and the Internal Audit of AAD had 10 personnel.

To maintain the standardization of human resource quality, SKAI together with the Human Capital Development Division has developed a competency matrix, which is a roadmap for every auditor and team leader to participate in the trainings and certifications to meet the required competencies at every level.

As of December 31, 2019, the following professional certifications have been obtained by IIAWU staff:

International Certification	# Person
Certified Internal Auditor (CIA)	6
Certified Fraud Examiner (CFE)	3
Certified Ethical Hacking (CEH)	2
Certified Information System Auditor (CISA)	3
Certified Information System Security Professional (CISSP)	1
Certified Information System Manager (CISM)	1
Financial Risk Manager (FRM)	1
Certified Anti-Money Laundering Specialist (CAMS)	1

National Certification	# Person
Qualified Internal Auditor (QIA)	55
Risk Management Certification (SMR), Level I	111
Risk Management Certification (SMR), Level II	46
Risk Management Certification (SMR), Level III	10
Risk Management Certification (SMR), Level IV	2
Basic Managerial Finance Certification (Sertifikasi Dasar Pembiayaan Managerial) by Lembaga Sertifikasi Profesi Pembiayaan Indonesia (SPPI)	8
Indonesian Insurance Expert (Ahli Asuransi Indonesia Kerugian/AAIK)	1
Indonesian Insurance Expert (Ajun Ahli Asuransi Indonesia Kerugian/AAAIAK)	3
Certified Risk Management Officer (CRMO)	1
Certified General Insurance (CGI)	4

2019 Training and workshop

No.	IIAWU	#Person	#Training & Workshop	Mandays
1	SKAI Danamon	148 staff	78	7 days
2	Internal Audit Unit-ADMF	67 staff	54	10 days
3	Internal Audit Unit-AAD	10 staff	15	5 days

Company's Accountant/ External Auditor

Appointment of Company's Accountant

Based on AGMS Danamon that was held on March 26, 2019, approved the appointment of Drs. Jusuf Wibisana, M. Ec., CPA as Public Accountant (AP) and Public Accounting Firm (KAP) Tanudiredja, Wibisana, Rintis & Partners (member firm of PwC's global network) as KAP registered at the Indonesian Institute of Public Accountants (IAPI) and the Financial Services Authority to audit Danamon's consolidated financial statements for fiscal year 2019. As well as determined the amount of honorarium and other requirements associated to the appointment of AP and KAP by taking into account the recommendations of the Audit Committee.

Appointment of AP and/ or KAP that will provide audit services to annual historical financial information has been decided by the General Meeting of Shareholders by considering the proposal of the Board of Commissioners.

The proposed appointment of AP and/or KAP by the Board of Commissioners has considered the recommendations of the Audit Committee. In making recommendations, the

Audit Committee has considered:

- the independence of AP, KAP, and insiders in KAP;
- audit scope;
- remuneration of audit services;
- skills and experiences of AP, KAP, and Audit team of KAP;
- methodology, techniques, and audit tools used by KAP;
- benefit of fresh eye perspectives obtained through the changing of AP, KAP, and Audit Team of KAP;
- potential risk on the use of audit services by the same KAP consecutively for a long period of time.

OTHER SERVICES BESIDES FINANCIAL AUDIT

The Public Accounting Firm throughout 2019 provided services other than audit services. Other services fees that are quoted are less than the fees for audit services.

AUDIT PERIOD AND ACCOUNTANT'S HONORARIUM

The Public Accountants/ Public Accounting Firms who provide financial audit services and honorarium for audit implementation are as follows:

Year	Public Accounting Firm (KAP)	Name of Accountant	Service Fee
2019	Tanudiredja, Wibisana, Rintis & Rekan (member firm of PwC global network)	Drs. M. Jusuf Wibisana, M.Ec, CPA	IDR 4.405 billion
2018	Tanudiredja, Wibisana, Rintis & Rekan (member firm of PwC global network)	Drs. M. Jusuf Wibisana, M.Ec, CPA	IDR 4.405 billion
2017	Tanudiredja, Wibisana, Rintis & Rekan (member firm of PwC global network)	Drs. M. Jusuf Wibisana, M.Ec, CPA	IDR 4.346 billion
2016	Purwanto, Sungkoro & Surja (member of Ernst & Young Global Limited)	Yasir	IDR 4.112 billion
2015	Purwanto, Sungkoro & Surja (member of Ernst & Young Global Limited)	Benyanto Suherman	IDR 4.112 billion
2014	Purwanto, Suherman & Surja (member of Ernst & Young Global Limited)	Drs. Hari Purwanto	IDR 4.112 billion
2013	Purwanto, Suherman & Surja (member of Ernst & Young Global Limited)	Drs. Hari Purwanto	IDR 3.880 billion
2012	Purwanto, Suherman & Surja (member of Ernst & Young Global Limited)	Drs. Hari Purwanto	USD 400,000

Effectiveness of External Audit Implementation

The Audit Committee reviews the effectiveness of audit implementation, including ensuring that the audit implementation is in compliance with professional provisions and standards, work agreements and scope of audit, as well as the independence of the external auditor. The Audit Committee periodically conducts meetings with the Public Accountant/ Public Accounting Firm to discuss the progress and process of the audit conducted.

The audit carried out by the Public Accountant/ Public Accounting Firm on Danamon's financial statements has been conducted independently, professionally and

objectively, among others:

- Examinations have been done on all material accounts based on the applicable Public Accountant Professional Standards and in compliance with the applicable Accounting Standards in Indonesia.
- The submission of audited consolidated financial statements is accompanied by Letter of Recommendation to Management (Management Letter).

Evaluation of the Audit Committee on the implementation of audit services on annual historical financial information by the aforementioned AP/ KAP is done through:

1. alignment of audit implementation by AP and/ or KAP with prevailing standards of audit;
2. adequacy of field work time;
3. assessment of the scope of services provided and the adequacy of the quotation test;
4. recommendations for improvement provided by AP and/ or KAP.

Relationship between Bank, Public Accountant, and Financial Services Authority

Danamon as the audited party openly provide data and information required by the Public Accountant/ Public Accounting Firm for the purpose of the examination. Auditors (Public Accountants/ Public Accounting Firm) independently conduct examination and submit suggestions and feedback on improvements to Danamon’s Management for follow up.

Communication and cooperation with external auditors is always conducted in relation to accounting policy issues and clean presentation of financial statements. The audit results have been communicated by the Public Accountant/ Public Accounting Firm to the Management, Audit Committee, and Financial Services Authority.

- Main Highlights
- Management Report
- Company Profile
- Management Discussion and Analysis
- Operational Review
- Good Corporate Governance**
- Corporate Social Responsibility
- Corporate Data

Risk Management

RISK MANAGEMENT

Danamon continuously improves the implementation of risk management within the Bank and its Subsidiaries to be in line with the development of regulation and best practice in business. The implementation of risk management is intended to identify measure, monitor and control various potential risks in all line of business.

On May 1, 2019, PT Bank Danamon Indonesia Tbk (“Danamon”) and PT Bank Nusantara Parahyangan Tbk (“Bank BNP”) have completed the legal merger process. Bank BNP is merged to Danamon as surviving Bank. The operational merger process also has been completed on September 2, 2019. This process provides value added for Danamon to facilitate Bank’s growth in delivering long-term value for all stakeholders.

On November 27, 2019, Danamon has completed the divestation of equity investment in PT Asuransi Adira Dinamika Tbk (“Adira Insurance”), hence the ownership of Danamon on Adira Insurance has changed to be 19.81%. Based on OJK regulation No. 17/POJK.03/2014 regarding the Implementation of Integrated Risk Management for Financial Conglomeration, Adira Insurance is no longer fulfill the requirement as a member of Danamon’s Financial Conglomeration.

Implementation of Integrated Risk Management

The approach taken in supporting the effective implementation of risk management is to carry out a holistic approach to manage Danamon’s risks in a comprehensive manner that includes 4 pillars, namely:

- a. Active supervision of Board of Directors and Board of Commissioners
- b. Adequacy of risk management policies, procedures and limit setup.
- c. Adequacy of risk identification, measurement, monitoring and control process as well as risk management information system
- d. Internal Control System of Risk Management

In line with the practice in the banking industry and in accordance with the regulation of Financial Services Authority (OJK), Danamon has an Integrated Risk Management function that is centralized and independent from Risk Taking Unit (RTU). The Integrated Risk Management function includes the management of the main inherent risks in the Danamon’s and Subsidiaries’ activities. The implementation of the integrated risk management function is carried out by the Integrated Risk Management Working Unit which is responsible to Integrated Risk Director.

Danamon and Subsidiaries, both individually and integrated, have applied Risk Management consistently to manage risk exposures in their business activities. Specific discussion on the implementation of risk management is disclosed in the Risk Management Operational Review in the Danamon’s Annual Report.

Supervision of Board of Directors and Board of Commissioners

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

- a. Risk Monitoring Committee
With the highest authority at the Board of Commissioners level, this committee functions as a supervisory board to monitor and provide recommendations to the Board of Commissioners in relation to the implementation of risk management strategies and policies and to evaluate the responsibility of Board of Directors in managing risk exposures.
- b. Risk Management Committee
At the Board of Directors level and is responsible for evaluating and providing recommendations to the President Director regarding the management of the overall risk both at Danamon and Subsidiaries by monitoring the implementation of risk strategies, policies and evaluating significant risk issues.

Effectiveness of the Risk Management System

Danamon uses the Integrated Risk Management approach as an approach to manage all risks in an integrated manner, which links between strategic planning, risk appetite, business execution, risk assessment and performance evaluation, in order to optimize business growth and maximize Stakeholder value.

Danamon has set Risk Appetite Statement (RAS) which outlines the level and characteristics of risks that are able to be accepted by Danamon in carrying out its activities to achieve the objectives set by the shareholders. The application of RAS to the Line of Business and Subsidiaries has been carried out since 2017. The RAS parameters and thresholds be reviewed regularly every 2 years, to ensure the suitability of RAS with internal and external business conditions.

The Board of Directors and senior management are responsible to ensure that the Risk Management Framework is effective and can mitigate the risks to be faced as well as cover detailed policies that regulate the limits of the prudential principles extensively towards Danamon’s activities.

The evaluation of the effectiveness of risk management is conducted by the working unit through periodic self assessments and evaluations carried out by the Internal Auditor on the risk assessment methodology, adequacy of management information systems, policies, procedures and limits. In 2019, the assessment of the effectiveness of Danamon and Subsidiaries’ risk management is satisfactory with risk level at 2 (low to moderate).

Type of Risk and Its Management

The inherent risks in Danamon individually include Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Reputation Risk, Strategic Risk, Compliance Risk, Rate of Return Risk and Investment Risk. While inherent risk in integrated risk management also include Intra-Group Transaction Risk. Further explanation is as follows :

<p>Credit Risk is the risk due to failure of the debtors and/or other parties to meet its obligation to the Bank and/or Subsidiaries, including credit risk due to debtor failure, credit concentration risk, counterparty credit risk and settlement risk. Credit risk is managed through established policies and procedures covering credit granting criteria, credit origination and approval, pricing, monitoring, non-performing loan management and portfolio management.</p>	<p>Market Risk is the risk of losses on balance sheet and off-balance sheet positions, including derivatives transactions, due to overall changes in market conditions, including the risk of option price changes. Market risk arises due to movement in market factors such as interest rate and exchange rate on Danamon's portfolio on the Asset side as well as Liabilities, in the trading book and banking book position, which has the potential to cause losses to the bank.</p>	<p>Operational Risk is the risk due to inadequacy and/or failed internal processes, human error, system failure, and/or the presence of external events that affect the operation activities. Operational risk management is carried out to minimize impacts that can lead to financial losses and reputation damages. Operational risk management also includes management of information security risk (including cyber security risks), technology risk and business continuity.</p>
<p>Liquidity Risk Is the risk due to the inability of the Bank/ Financial Conglomeration to meet its maturing obligations from cash flow funding sources and/or from high quality liquid assets which can be pledged, without disturbing the activities and financial condition of the Bank/ Financial Conglomeration.</p>	<p>Reputation Risk is the risk due to decrease in stakeholder's level of confidence that comes from negative perceptions. Reputation Risk is managed in an integrated way through handling of customer complaints, performing public relations functions, responding to negative news as well as communicating information required to the stakeholders. On a consolidated basis, the Bank's Reputation Risk management team works with the risk management team in the Subsidiaries.</p>	<p>Strategic risk Is the risk due to inaccuracy in the making and/or implementation of strategic decisions and failure to anticipate changes in the business environment. Strategic risk management is carried out through the analysis of business strategy conformity with the business environment conditions. Strategic Risk is related to areas: business plan, information technology and human resources.</p>
<p>Compliance Risk Adalah risiko akibat tidak mematuhi dan/atau tidak melaksanakan peraturan perundang-undangan dan ketentuan yang berlaku. Risiko kepatuhan dikelola oleh satuan kerja independen yang melakukan fungsi kepatuhan.</p>	<p>Legal Risk is the risk due to lawsuits and/or weakness of juridical aspects. Legal risk management is carried out through a process of identification of the factors that can cause legal risk in the line of business, products, processes and information technology that have an impact on the financial position and reputation of the Bank. In an integrated manner, the Legal Risk management team also works with the legal risk management team in the Subsidiaries.</p>	<p>Investment Risk is the risk due to the Bank and/ or Subsidiaries bear the loss of customer's business that is financed under a profit and loss sharing or net revenue sharing scheme. Investment risk is managed by Sharia Business Unit, both for Bank and Subsidiaries.</p>
<p>Rate of return Risk is the risk due to the change in the rate of return paid by the Bank to its customers as an effect of a change in rate of return received by the Bank and/or from the financing, which can affect the behavior of third party fund customers. Rate of return risk is managed by Sharia Business Unit, both for Bank and Subsidiaries.</p>	<p>Intra-group transaction Risk is the risk due to the dependence of an entity either directly or indirectly to other entities in a Financial Conglomeration in order to fulfill a contractual obligation of written and unwritten agreement which followed by either transfer the funds or not. Intra-group transaction risk is managed by Bank together with Subsidiaries.</p>	

Main Highlights

Management Report

Company Profile

Management Discussion and Analysis

Operational Review

Good Corporate Governance

Corporate Social Responsibility

Corporate Data

Specific discussion of the types of risks, risk management efforts and organization are disclosed in the Risk Management Operational Review in the Danamon's Annual Report.

Achievement of Integrated Risk in 2019

Integrated Risk Management:

- Implementation of Integrated Risk Management in the Bank and its Subsidiaries within the Financial Conglomeration.
- Improvement of Risk Profile report in accordance with regulatory requirements.
- Preparation and submission of Sustainable Finance Action Plan for period of 2020-2024 in order to fulfill POJK no. 51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies.
- Implement programs stated in the Sustainable Finance Action Plan, where the focus in 2019 is to increase employee awareness among others through conducting several in-class trainings and E-learning related to Sustainable Finance.
- Development and issuance of Sustainability Policy has been done.
- Update Recovery Plan in accordance with POJK No. 14/POJK.03 /2017.
- Roll out Risk Academy on an ongoing basis as a means of risk management learning for all Bank employees through face-to-face classroom training and various kinds of e-Learning modules related to risk management.
- Implementation of ICAAP framework that has already been had by the Bank continuously.
- Conduct bank-wide stress tests according to Basel II at least once a year.
- Participate in the Joint Stress Test exercise using template and macroeconomy scenario provided by OJK and BI.
- Conduct various programs of Risk Culture that focus on the campaign of Three Lines of Defense implementation.
- Review and monitor the Risk Appetite Statement (RAS) periodically, including cascade it down to the Lines of Business and Subsidiaries.
- Establish new division namely Change Risk Management under Integrated Risk Directorate, which in charge to develop policy, procedure, and guideline as well as provide governance and supervision to the overall change projects, one of which is related to merger process between Bank Danamon and Bank Nusantara Parahyangan.

Credit Risk Management:

- Monitor Internal Rating Model result for Corporate, Commercial, Financial Institution and Financing Company line of business.
- Implementation pilot of Early Warning Indicator for Corporate and Commercial line of business.
- Implement Behaviour Scorecard and Internal Rating Model for Small Medium Enterprise (SME) line of business to support credit process.
- Parallel run the calculation of PSAK 71 or IFRS9 Model for Corporate, Commercial, Financial Institution, Financing Company, SME, KPR, KMG, Credit Card, KTA, Micro Credit (SEMM), Auto Loan, Consumption and Investment.
- Establish Credit Product Program and Guidelines Standard Policy aims to provide guidance and update on provision related Credit Product Program and Guideline.
- Establish and categorize different types of industries into industrial groups of high restricted, high, medium, and low risk levels. The Bank will focus its growth on industries with medium and low risk levels.
- In progress to improve the implementation mechanism of One Obligor concept in the Bank and the subsidiary.
- Establish Credit Guideline and credit authority to manage Business Banking portfolio from ex-BNP as part of the merger process.
- Continue the focus on acquiring new loans in low risk line of business such as Mortgage and conduct Cross Sell.
- Review SME Credit Guideline and revise credit criteria for segments with bad performance and set caps and triggers for high risk segments.
- Limit the lending to high risk segments such as UPL.
- Stop the lending to high-risk loans in the Micro Credit (SEMM) and strengthen the collection strategy.
- Regularly review of all relevant procedures, policies and limit, and make adjustment if necessary, including any adjustments required by OJK/BI regulation and other relevant authorities.
- Regularly review of product programs, in terms of portfolio, criteria, and restrictions and other requirements, and make necessary adjustments.
- Perform backtesting periodically to assess the adequacy of credit provision. If necessary, addition of credit provision will be done based on that backtesting results.

- Credit Quality Assurance (CQA) has been effective since 2019 as a second line of defense which responsible to conduct independent forward-looking credit review/monitoring, where currently the coverage only to regional branch that has Enterprise Banking (EB) portfolio. CQA functions are to provide assurance on appropriateness of credit decision making, review compliance with credit policies and methodologies, and review process and outputs of credit approval.
- Perform effective consultation and communication functions with stakeholders in the first line of defense related to risk management using information technology services.
- Gradually implement the Bank's Information Security Policy by prioritizing and focusing according to the agreed implementation strategy.
- Continue the previous initiative, Bank will implement the Cyber Threat Modelling system to automate the cyber threat assessment activity.
- Develop a framework for handling information security risks for vendors that process sensitive data belonging to the Bank with the classification of confidential/ strictly confidential.

Operational Risk Management, Fraud & QA:

- Improve the independence of functions and roles of operational risk officer in lines of business, support functions and Subsidiaries.
- Refine the Operational Risk Management System (ORMS) application to improve the effectiveness in operational risk management comprehensively at Danamon and Subsidiaries.
- Build the awareness of Operational Risk Management through e-Learning, Risk Academy module, email blast, and anti fraud awareness campaign to enhance awareness throughout all of management and employees on the importance of operational risk management.
- Implement ORPA (Operational Risk Pre-Assessment) to review the risk on new strategic initiatives including the recommendation of risk mitigation.
- Campaign of Self Raise Issue to provide a tool for employees to raise an issue that potentially arise the operational risk.
- Implement an escalation mechanism for potential/operational risk event.
- Implement the Risk Acceptance to ensure that issues which cannot be mitigated, however the process/activity will be carried out and the risk is still borne by the Bank, should be approved by relevant management.
- Improve the ability of early detection on the potential fraud by providing the Whistle-blower channel through independent third party.
- Develop and continue the comprehensive Business Continuity Management (BCM) program implementation to maintain the contingency of the business activities and operational in the event of emergency. The implementation includes critical and non-critical units, by doing a coordination of the preparation of Business Continuity Plan (BCP) documents and supervising the BCP testing.
- BCM acts as an Incident Management Team Coordinator who is active in managing and handling incidents both at the head office and in the region to ensure the sustainability of the bank's operations and business in the event of an incident.
- Build the awareness regarding Information Risk Management to all levels of management and employees, including BCM, Technology and Information Security Risk through various media, such as: e-mail blast, PC/ laptop screen saver, Risk Academy, and online training (e-Learning).

Information Technology Risk Management, Information Security and Business Continuity:

- Develop Information Technology Risk Management Policy, which can be used as a reference in the implementation of risk management in the use of Information Technology services in a Bank environment.
- Conduct risk assessment and ensure an adequate control in the internal control systems to minimize inherent and residual risk and their impact on management and use of Information Technology services.

Market and Liquidity Risk Management:

- Updating the Bank's Market and Liquidity Risks limit structure and policies
- Enhancement of Net Stable Funding Ratio (NSFR) calculation aligning with OJK Regulation No. 50/POJK.03/2017.

- Validation of the market and liquidity risk measurement methodology, including those to support Treasury's new products.
- Implementation of Interest Rate Risk in Banking Book (IRRBB) in compliance with OJK Circular Letter No. 12/SEOJK.03/2018 to be reported starting June 2019 position.
- Enhancement of ALM System to support alignment of NSFR calculation and reporting as well as IRRBB.
- Study and review the OJK Consultative Paper pertaining to the Revision to the Minimum Capital Adequacy Requirement for Market Risk.

Provision of Funds to Related Parties and Large Exposures

No	Provision of Funds	Debtors	Nominal (Million IDR)
1.	Related Parties	Subsidiaries and Core Management	1,668,460
2.	Largest Group/ Debtor	25 Groups	18,214,307

Danamon limits the concentration of loans to individuals, groups or industrial sectors in order to reduce Concentration Risk. The provision of funds to related parties and Subsidiaries is conducted on an arm's-length basis and in accordance with normal commercial requirements and is required to obtain Compliance Review (HUK) from the Compliance Working Unit and approval from the Board of Commissioners.

During 2019, there were no LLL violations or exceeds to the Related Parties, Non Related Parties either Individuals or Group Debtor and State Owned Enterprises.

LLL calculation for period of January – May 2019 refers to Bank Indonesia regulation No. 7/3/PBI/2005 regarding the Legal Lending Limit for Commercial Banks and Bank Indonesia Regulation No. 8/13/ PBI/2006 regarding Amendment to Bank Indonesia Regulation No. 7/3/PBI/2005 concerning Legal

Lending Limit for Commercial Banks. Starting June 1, 2019, LLL calculation refers to OJK regulation No. 32/POJK.03/2018 regarding Legal Lending Limit and Large Exposure for Commercial Banks.

INTERNAL CONTROL SYSTEM

Internal Control is an integrated methodology, policy, procedure and organizational setting that aimed to identify, measure, monitor, and control risks arise from Danamon's and Subsidiaries' activities with a risk-based approach. Danamon's and Subsidiaries' internal control is done by covering all aspects of business both from the Assets and Liabilities sides.

Risk Management and Internal Control framework in Danamon adopts Three Lines of Defense approach as shown in diagram below:

THREE LINES OF DEFENSE

Board of Commissioners Supervision		
Board of Directors Supervision		
First Line of Defense	Second Line of Defense	Third Line of Defense
<ul style="list-style-type: none"> • Line of Business • Operational Working Units • Other Supporting Working Units 	<ul style="list-style-type: none"> • Integrated Risk Directorate • Compliance Division 	<ul style="list-style-type: none"> • Internal Audit Working Unit (SKAI)
Line of business, operational working units and other supporting working units are the First Line of Defense that responsible to conduct daily risk management in each working unit.	Integrated Risk Directorate and Compliance Division have a role as the Second Line of Defense to perform risk monitoring function independently.	Internal Audit Working Unit has a role as the Third Line of Defense that is responsible for evaluating risk management implementation conducted by the First and Second Line of Defense.

Quality Assurance (QA)

All Quality Assurance (QA) units as internal control executor in Danamon and Subsidiaries have standard operational procedure (SOP) based on Danamon's Quality Assurance Framework.

Danamon has a well-structured organization structure and suitable for quality assurance management. It is based on all business functions have to act as the main person in charge in the quality assurance management in each business unit. The implementation of internal control carried out by the Quality Assurance Unit until 2019 has included divisions, subsidiaries and support functions. The inspection to the working unit is done regularly.

Awareness programs regarding internal control of working units are also carried out regularly by QA unit. In principle, internal control is not only the task of the Quality Assurance unit, but the roles and responsibility of all working units.

Since mid-2018, the Credit QA function specifically for the Enterprise Banking (EB) business line has been transferred to the Integrated Risk Directorate (Credit and Enterprise Risk Management Division).

Evaluation of Effectiveness Level on Internal Control System

The Internal Audit Working Unit (SKAI) which is part of Internal Control System conducts audits to ensure the effectiveness of Danamon's internal control, through an independent evaluation of adequacy and compliance with policies, procedures and systems. The evaluation of the implementation of internal control system is one of basic management to determine the effectiveness of the implementation of the internal control system. The evaluation of the effectiveness of the internal control system is illustrated by the audit rating which is the basis for making improvements, among others, in the form of updating policies/ procedures/ systems.

LEGAL DISPUTES OR SIGNIFICANT CASES FACED BY CORPORATION, SUBSIDIARY, MEMBERS OF BOARD OF DIRECTORS AND/ OR MEMBERS OF BOARD OF COMMISSIONERS

Legal Disputes are civil or criminal cases faced by Danamon and its Subsidiary during the reporting year period, and had been submitted through court process.

Legal Disputes involving Danamon

Cases Faced by Danamon	Total Cases		Impacts toward Danamon Conditions
	Civil	Criminal	
Resolved [possess legally binding verdict]	255	5	Case had no financial impact for Danamon
Ongoing process	546	80	Legal proceedings is still ongoing

Note:

Civil and criminal cases faced by Danamon during reporting year period had been submitted through court process.
Total cases recapitulation during 2019 as per data of December 2019.

Legal Disputes involving members of Board of Commissioners or members of Board of Directors

Legal Disputes faced by members of Board of Commissioners & members of Board of Directors	Total Cases		Impacts toward Danamon Conditions
	Civil	Criminal	
Resolved [possess legally binding verdict]	-	-	None
Ongoing process	1	-	None

Legal Disputes involving Subsidiary

Legal Disputes involving PT Adira Dinamika Multi Finance	Total Cases		Impacts toward Subsidiary Conditions
	Civil	Criminal	
Resolved [possess legally binding verdict]	-	-	None
Ongoing process	19	-	Cases had no significant impact toward Subsidiary

Legal Disputes involving PT Asuransi Adira Dinamika	Total Cases		Impacts toward Subsidiary Conditions
	Civil	Criminal	
Resolved [possess legally binding verdict]	3	-	None
Ongoing process	1	-	None

Note:
PT Adira Quantum Multifinance is in liquidation process.

SIGNIFICANT CASES FACED BY DANAMON

That the cases below has been submitted in the previous year's report, however, we can convey it as follows:

Civil Case Heir of Ex-Shareholder

In January 2017, Bank Danamon and Sng Seow Wah as President Director of Bank Danamon received lawsuit from heirs of ex-shareholder of PT Bank Kopra Indonesia namely Taty Djuariah (heir of ex-shareholder Daud Badaruddin) and Irene Ratnawaty Rusli (heir of ex-shareholder Roesli Halil) registered under No. 909/Pdt.G/2016/PN.Jkt.Sel. on South Jakarta District Court.

PT Bank Kopra Indonesia was established on July 16, 1956, then becomes PT Bank Persatuan Nasional based on Deed No. 159 dated August 21, 1958 which was declared on Additional State Announcement No. 31 dated April 17, 1959, then becomes PT Bank Danamon Indonesia based on Deed No. 18 dated August 13, 1976 which was included in Additional State Announcement No. 85 dated October 25, 1977, and finally becomes PT Bank Danamon Indonesia, Tbk. in 1989.

On January 3, 2018, South Jakarta District Court had given verdict where basically all of Plaintiff claims are rejected. On October 29, 2018, Jakarta High Court had given verdict where basically the Appeal request from Plaintiff was rejected and reinforce the District Court verdict. On August 15, 2019, Supreme Court of Republic of Indonesia had given verdict No. 1891 K/PDT/2019 where basically the Cassation request from Plaintiff was rejected, and reinforce the High Court and District Court verdict.

Thus, the bank Danamon as the party win at the three levels of the Judicial body and decision has a legal force until there is a request for review by the plaintiff.

Cases of Debtor Harjanto Karjadi (ex Bank PDFCI)

Bank Danamon faced lawsuit from Harijanto Karjadi (Debtor ex merger Bank PDFCI) on Case No. 30/Pdt.G/2016/PN.Dps on Denpasar District Court, Bank Danamon had received Verdict Announcement on October 3, 2016, where case had received verdict on September 19, 2016 in which Harijanto Karjadi's claims had been granted partially, and Bank Danamon was condemned to pay compensation in amount of IDR 4,841,100,000. Regarding the verdict, Harijanto Karjadi had submitted Appeal and registered Memory of Appeal on

October 20, 2016, and Bank Danamon had declared Appeal on October 13, 2016 and registered Memory of Appeal on November 29, 2016. Case had received verdict on High Court on April 26, 2017 with the verdict to reinforce the Denpasar District Court verdict dated September 19, 2016. Bank Danamon had submitted Cassation on Supreme Court of Republic of Indonesia on July 21, 2017. On October 8, 2018, Supreme Court of Republic of Indonesia had given verdict No. 2335 K/PDT/2018 where Supreme Court had granted the Cassation request of Bank Danamon, and nullified the Denpasar District Court and High Court verdict, and also declared the Plaintiff claims cannot be accepted. So based on the decision of the supreme court the casation level bank Danamon is the party won Against the supreme courts on the casation level, Harijanto Karjadi had submitted Judicial Review request on September 4, 2019 and Bank Danamon had submitted Counter Memory of Judicial Review on November 22, 2019, and is currently waiting for Judicial Review verdict from Supreme Court of Republic of Indonesia.

Criminal Case Fireworks Ventures LTD

Bank Danamon faced Criminal Report by Fireworks Ventures LTD on Criminal Investigation Agency of Headquarters of Police Force of Republic of Indonesia with report number LP/948/IX/2016/Bareskrim dated September 21, 2016 where the reported parties are Bank Danamon employee and ex Director of one of Bank who participate for the Syndication Loan (Bank Multicor, then became Bank Windu Kencana, and finally becomes China Construction Bank). The report is regarding the allegation of embezzlement of 3 (three) syndication loan collateral which had been transferred from Bank Danamon to Bank Multicor (China Construction Bank), who is currently possess those 3 (three) syndication loan collateral. and based on the latest information, the china trust construction Banks has transfered the right to claim the syndicated loan facility including 3 collateral credit syndicate loans to third parties. The investigation is still ongoing in the Criminal Investigation Agency of Headquarters of Police Force of Republic of Indonesia.

Civil Case Debtor PT Prima Ira Jaya (ex Bank Duta)

Civil Case No. 484/Pdt.G/2018/PN.Jkt.Sel. on South Jakarta District Court, where Bank Danamon had received lawsuit from PT Prima Ira Jaya who claims to be Debtor of ex Bank Duta, where Plaintiff wanted to settle its debts to Bank Danamon (as obligations successor of Bank Duta), and request the return of collateral. The lawsuit demands the Court to declare Bank Danamon and Ministry of Finance of Republic of Indonesia had conducted acts against the law and compensation in amount of IDR 13,500,000,000 (thirteen billion and five hundred million rupiah) and confiscation of Bank Danamon Headquarters.

Based on Bank Danamon investigation, the ex Debtor has never been registered on the transfer documents at the time of the merger, and has never been registered as transitional Debtor of ex Indonesia Bank Restructuring Agency (IBRA), which now is managed by Ministry of Finance of Republic of Indonesia cq Directorate General of State Assets. On February 14, 2019, South Jakarta District Court has given verdict where the Plaintiff claims are rejected entirely. On August 20, 2019, Jakarta High Court had given verdict No. 444/PDT/PT.DKI that reinforce the District Court verdict.

Thus, the Bank Danamon as the party win at 2 levels of the judicial party and up to the date of this report there have been no notification from the South Jakarta Distric Court related t the appeal of the plaintiff.

DISCLOSURE OF ADMINISTRATIVE SANCTIONS BY THE FINANCIAL SERVICES AUTHORITY

During 2019, there were no material sanctions imposed by regulators on Danamon, members of the Board of Directors and members of the Board of Commissioners of Danamon.

INTERNAL FRAUD

Internal fraud is the fraud carried out by the management, permanent employees, and non-permanent employees (honorary and outsourced personnel) related to work processes and operational activities. The table below is the number of internal fraud cases with financial impact of more than IDR 100,000,000 (one hundred million rupiah):

- Main Highlights
- Management Report
- Company Profile
- Management Discussion and Analysis
- Operational Review
- Good Corporate Governance**
- Corporate Social Responsibility
- Corporate Data

Internal Fraud	Total Cases Involving								
	Management			Permanent Employees			Non-Permanent Employees		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Total internal fraud	-	-	-	15	12	15	-	-	-
Completed	-	-	-	11	7	9	-	-	-
In Internal Process	-	-	-	4	5	6	-	-	-
Pending Process	-	-	-	-	-	-	-	-	-
Followed up through Legal action	-	-	-	-	-	-	-	-	-

TRANSPARENCY OF BANK'S FINANCIAL AND NON-FINANCIAL CONDITION

Access to company information and data in the form of financial and non-financial condition is regularly disclosed through mass media, public exposure and through analyst briefing forums and websites. Reports on financial and non-financial condition are prepared and submitted to regulators and other institutes in accordance with applicable regulations. Reports on financial condition include Quarterly

Published Reports, Published Financial Reports, Annual Reports and non-financial reports include Good Corporate Governance report, information on Products/ Services, Branch Networks and other non-financial information.

The following are the reports and information that have been disclosed and accessible via Danamon website (www.danamon.co.id):

Type of Information	Published	Contents
Financial Information		
Consolidated Financial Report	Quarterly	Consolidated Financial Report in accordance with the standard of Financial Accounting in Indonesia
Published of Financial Report	Quarterly	Summary of Financial Performance according to BI
Analyst Presentation	Quarterly	Main financial and non-financial information
Annual Report	Annually	Financial and non-financial information, business segments, product information, profit
Non Financial Information		
Products/Services	-	Information on products and services that are offered
Branch Network	-	Information on Branch Offices
Management and Ownership	-	Information on the management and ownership structure
Policies on Corporate Governance	-	Information on corporate governance policies of Danamon
Corporate Governance Report	Annually	Information on corporate governance implementation of Danamon and result of corporate governance assessment

Remuneration Policy

Remuneration Policy Drafting Process

Danamon considers it is important to apply the philosophy and principles of good remuneration to keep the remuneration level at Danamon always competitive in the market, so that it motivates employees to make the best contribution to Danamon and supporting Danamon's business continuity and mission to become a leading financial institution in Indonesia.

The remuneration policy aims to regulate the process and approach to determine remuneration for all Board of Directors, Board of Commissioners, and employees based on their work, contributions to Danamon, and its equality in the market for the same position.

To ensure that employee remuneration in the control unit is independent, it is ensured that each employee has his/her own Key Performance Indicator (KPI) as a measure of performance that is not related to KPIs in the working unit he/she supervises.

Scope of remuneration policy and its implementation

This remuneration policy applies to all business units both in headquarter and in regions including Sharia business unit.

Remuneration associated with risk

In providing remuneration to employees, the company will consider the potential risk that may arise from all type of risks. In the event of a risk resulting from the decision taken, the company reserves the right to extend the deferral period of the given variable.

Performance measurement associated with Remuneration

In order to give fair rewards to every employee, Danamon always takes into account and considers the weight of employees' job and skills and practice in the market for the similar position.

The following guidelines are used for determining the size of employee salaries:

1. Danamon implements a 'Clean Wage' system where there is only a salary without any other allowances.
2. Danamon uses salary structure as a guide for minimum and maximum salary for a level.
3. The payment reference of a position in the market is based on:
 - Corporate business strategy
 - Benchmark Study in the market for a suitable position
4. The amount of employee salary differs based on:
 - Skill Competency
 - Performance
 - Experience
 - Scarcity of position in the market

5. For employees with the lowest salary should consider the provisions of the minimum wage of the relevant area of the employee's work location.

Based on the measurement of performance and contribution to Danamon every year, the eligible employees will be rewarded with annual performance bonus.

Performance bonuses are aimed to motivate and encourage employees to perform and contribute higher to Danamon.

The following guidelines are used to determine employee performance bonus:

1. Bonus pool for employees and senior management are determined based on the achievement of Danamon's performance against the plan:
 - The main factor is Net Profit After Tax (NPAT) before the cost of restructuring.
 - The second factor is economic condition, government regulation, market, restructuring, etc.
2. Bonus Pool is based on a certain percentage of Net Profit After Tax (NPAT) before the cost of restructuring.
3. The increase or decrease in the pool bonus percentage against the NPAT should consider the achievement of Danamon's performance against the plan set at the beginning of the year. The bonus distribution should align with the unit performance and individual performance.

Remuneration adjustment associated with performance and risk

For the Executives who are appointed as Material Risk Taker (MRT) because the authority held in decision making can have a significant impact on Danamon's risk profile, a part of their annual performance bonus will be made according to the following provision as required by OJK regulation No. 45/POJK.03/2015:

1. Part of the annual performance bonus is deferred at least for a period of 3 years.
2. The deferred portion is divided into cash and in the form of shares/shares-based instrument.
3. If a Danamon Executive (the Board of Directors/employees) is terminated by the company not because of mistake, negligence or fraud, the deferred portion may be resumed but cannot be accelerated in payment.
4. The size of the deferred portion is differentiated by position level. The higher the position level, the larger the deferred portion. The deferred portion and schedule are determined by the Human Resources Committee.
5. If a Danamon Executive (the Board of Directors/employees) voluntarily resigns, the deferred portion that has not yet matured will be forfeited.
6. If a Danamon Executive (the Board of Directors/employees) has committed violation such as negligence, fraud, etc. in the previous year and just discovered in the following year and has received the performance bonus, the performance bonus can be withdrawn (Claw back).

Remuneration related Consultants

Danamon uses consultant Willis Towers Watson as a consultant for conducting salary surveys which is conducted annually. The result of the salary survey will be used as a reference for determining employee salary. Danamon also uses the same consultant to assist in designing the Long Term Incentive (LTI) program.

- Board of Directors
- Chief Credit Officer
- Treasury Head
- Enterprise Banking Head
- Senior Credit Officer
- Markets & Liquidity Risk Head

Position and number of parties categorized as the Material Risk Taker

In the implementation of the Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Implementation of Corporate Governance in Providing Remuneration for Commercial Banks, Danamon applies the principle of remuneration with a prudence to risk for Executives who have authority to make decision that can have a significant impact to the Bank's risk profile. Therefore, the company has determined Danamon Executives categorized as the Material Risk Taker (MRT) for the positions as follows:

Remuneration for The Remuneration Committee

Remuneration Committee consists of 3 members of the Board of Commissioners and 1 officer who is in charge of Human Resources.

Total remuneration paid to all members of the Remuneration Committee during the year 2019 is IDR 13.7 billion.

Remuneration of Board of Directors and Board of Commissioners

Remuneration and facilities packages received by the Board of Directors and Board of Commissioners cover the remuneration structure and nominal amount details, as indicated in the table below:

Remuneration Type and Facilities

Remuneration Type and Facilities	Amount Received in 1 (one) Year							
	Board Of Directors				Board Of Commissioners			
	2019		2018		2019		2018	
	Number of HC	IDR Mio	Number of HC	IDR Mio	Number of HC	IDR Mio	Number of HC	IDR Mio
Salary, bonus, Fixed allowance, tantiem, and other facilities in the form of Non Nature	12*	100,071	9	75,355	8**	22,351	7	20,083
Other facilities in the form of Nature (housing, medical insurance, etc.) which:								
a. Can be own	12*	2,561	9	2,175	8**	998	7	1,412
b. Cannot be own	12*	6,080	9	5,903	8**	1,443	7	1,711
Total	12*	108,712	9	83,433	8**	24,792	7	23,206

Note:

* Of 12 Directors, 2 directors effectively resigned in the year 2019 and 3 directors effectively joined in the year 2019

** From 8 Commissioners, 2 commissioners effectively resigned in the year 2019 and 1 Commissioner effectively joined in the year 2019

Remuneration of Board of Directors and Board of Commissioners Based on Income Levels

Remuneration packages grouped in the income level received by the Board of Directors and the Board of Commissioners in 1 (one) year, as indicated in the table below:

Total Remuneration Per Person in 1 (one) Year ***	Total Board of Directors		Total Board of Commissioners	
	2019	2018	2019	2018
Above IDR 2 billion	12*	9	8**	6
Above IDR 1 billion s/d IDR 2 billion	-	-	-	1
Above IDR 500 million s/d IDR 1 billion	-	-	-	-
IDR 500 million and below	-	-	-	-

Note:

* Of 12 Directors, 2 directors effectively resigned in the year 2019 and 3 directors effectively joined in the year 2019

** From 8 Commissioners, 2 commissioners effectively resigned in the year 2019 and 1 Commissioner effectively joined in the year 2019

*** Annualized cash remuneration received.

VARIABLE REMUNERATION

In addition to fixed remuneration, Danamon also provides variable remuneration to employees in the form of annual performance bonus which is aimed to appreciate the performance and contribution of employees every year and also in the form of a retention program or long-term compensation program which is aimed to retain the company's key employees to keep working at Danamon.

Annual performance bonus is awarded to the Board of Directors, the Board of Commissioners and the eligible employees. The amount of performance bonus every year is different which will be determined by the overall performance

of Danamon, the performance of the Line of Business/ Segment and the performance of each employee.

Long-term compensation program is provided very selectively to the Board of Directors and Senior employees who have excellent performance and or hold key positions. The provision of long-term compensation programs is prerogative of the President Director and Board of Commissioners.

The number of Board of Directors, Board of Commissioners and employees receiving variable remuneration for 1 (one) year and total nominal, as indicated in the table below:

Variable Remuneration	Total Received in 1 (one) Year											
	Board of Directors				Board of Commissioners				Employee			
	2019		2018		2019		2018		2019		2018	
	Number of HC	IDR Mio	Number of HC	IDR Mio	Number of HC	IDR Mio	Number of HC	IDR Mio	Number of HC	IDR Mio	Number of HC	IDR Mio
Total	9	57,840	7	45,450	7	13,608	6	11,150	5,487	222,596	7,350	211,524

Unconditionally Guaranteed Variable Remuneration

Danamon does not provide variable remuneration that is guaranteed unconditionally to the candidates of Board of Directors, Board of Commissioners, and/ or employees in the first 1 (one) year.

Deferred Variable Remuneration

The implementation of deferred variable remuneration consists of cash and/ or shares or shares based instrument has been implemented since 2018.

The Highest and Lowest Salary Ratio

Salary is the right of employee that is received and stated in the form of money in return from company or employer to employee which is stipulated and paid in accordance with a work contract, agreement or regulatory law, including allowances for the employee and his/ her family for a work and/ or service that has been undertaken. Salary that is compared in salary ratio is the reward received by the Board of Directors, the Board of Commissioners, and employees.

Salary Comparison Ratio	2019	2018
The Highest and Lowest Employee	157.2 x	215.7 x
The Highest and Lowest Board of Directors	4.4 x	4.8 x
The Highest and Lowest Board of Commissioners	1.3 x	1.3 x
The Highest Board of Directors and the highest employee	3.0 x	2.7 x

Share options

Danamon does not issue share option program for Board of Directors, Board of Commissioners, and employee during 2019.

Employment Termination and Total Nominal of Severance Payment

Employees who are affected by termination of employment (Layoff) receive Severance. The Total amount of severance paid is indicated in the table below:

Total Nominal Severance Paid Per Person in 1 (one) Year	Total Employees	
	2019	2018
Above IDR 1 Billion	30	17
Above IDR 500 Million up to IDR 1 Billion	45	19
IDR 500 Million and below	4,150	3,503

Details of The Amount of Remuneration Provided in 1 (one) Year

- 1) Fixed remuneration and variable remuneration;
- 2) Deferred and Undeferred remuneration; and
- 3) The form of remuneration provided in cash and/or shares or shares based instrument issued by the Bank, as indicated in the table below:

A. Fixed Remuneration *)		
Cash	IDR 62,509	
Shares/ shares based instrument issued by the Bank	**	
Variable Remuneration *)		
	Undeferred	Deferred
Cash	IDR 63,917	IDR 42,252
Shares/ shares based instrument issued by the Bank	**	**

Keterangan:

*) Hanya untuk MRT dan diungkapkan dalam juta rupiah

***) Tahun 2018 Bank Danamon tidak dapat memberikan remunerasi berupa saham karena sedang dalam periode blackout di mana dilarang melakukan transaksi jual/beli saham

Quantitative information

- 1) Total remaining deferred remuneration either exposed to implicit or explicit adjustments;
- 2) Total reduction of remuneration caused by explicit adjustments during the reporting period; and
- 3) Total reduction of remuneration caused by implicit adjustments during the reporting period, as indicated in the table below:

Variable Remuneration Type *)	Remaining Deferred Variable	Total Reduction During Reporting Period		
		Caused By Explicit Adjustment (A)	Caused By Implicit Adjustment (B)	Total (A) + (B)
1. Cash (in IDR Mio)	IDR 42,252	-	-	-
2. Shares/ Shares based Instrument issued by the Bank (in number of shares and nominal in IDR Mio as conversion of number of shares)	**	-	-	-
	IDR 42,252	-	-	-

Note:

*) Only for MRT and disclosed in million rupiah

***) In 2018 Bank Danamon is not able to provide remuneration in the form of shares due to the blackout period where it is prohibited to conduct transactions of buying/ selling shares

BANK'S SHARES BUY BACK AND BOND BUY BACK

There was no repurchase of both shares and bonds in 2019.

CONFLICT OF INTEREST TRANSACTIONS

There were no reports of conflicts of interest transactions during 2019.

Conflict of Interest Transactions is stipulated in the Transaction Policy with Affiliated Parties, Related Parties and Conflict of Interest Transactions. In the case that conflict of interest occurs in a transaction, the member of the Board of Directors, Board of Commissioners concerned shall abstain from the review process or approval of the transaction.

No.	Name and Position with Conflict of Interest	Name and Position of Decision Maker	Type of Transaction	Value of Transaction (IDR Mio)	Description
Nil					

FUNDING FOR POLITICAL ACTIVITIES

Danamon has a policy that prohibits Danamon's involvement in political activities, including providing donations in any forms for political purposes. During 2019, there was no funding for political activities.

FUNDING FOR SOCIAL ACTIVITIES

Provision of funds for social activities is disclosed in the Corporate Social Responsibility section of this Annual Report.

Bank's Strategic Plan

Danamon's strategic plan is based on a vision: "We Care and Enable Millions to Prosper", because successful sustainable finance is impossible without carrying out responsibilities to the wider community. Danamon's mission is to become a customer-oriented organization, serving all segments and offering unique value-added for each segment, based on sales and service excellence, and supported by the latest technology.

Danamon formulates a major policy direction to achieve diversified business growth through increased financing in the small and medium sized businesses, consumer sector, and Enterprise Banking sector, and through cross-selling and inter-segment collaboration, more optimum liquidity management, increased productivity and human resource capabilities, technology facilities investment, and improvement of risk management and good corporate governance.

By combining Danamon's local strengths and network with MUFG's international best practice, including their strong relationships with multinational customers, Danamon can increase its ability to serve customers.

Short Term Plan

In 2020, Danamon has determined the strategic steps to be taken.

a. Credit

Balance growth with sustainable profitability driven by loans in SME, Enterprise Banking, Consumer, and motor vehicle financing and multipurpose financing through subsidiary - PT Adira Dinamika Multi Finance (ADMF). Community approach based growth through several programs including: distributor financing and financial supply chain will be developed continuously, assisted by MUFG collaboration.

b. Funding

Increase third-party funds deposit to support credit growth including by: optimizing office network and customer acquisition programs through customer segmentation approach (mass market, emerging affluent and affluent), cooperation with strategic partners, subsidiary network and ecosystem approach. Danamon's other funding related strategy is to explore the issuance of the bond/ Medium Term Note (MTN)/ Negotiable Certificate of Deposit (NCD)/ Contingency Convertible Bond/ others in accordance with the funding requirements, market conditions and prevailing regulations of the Financial Services Authority (FSA)/ Bank Indonesia (BI) while taking into account and maintaining the Macro-prudential Intermediation Ratio (RIM) in accordance with regulatory provisions and Danamon's business strategies.

c. Non-interest income

Increase fee-based income through cross-selling, bancassurance business, cash management, trade finance, FX, retail bonds and other products.

d. Overhead costs

Enhance Danamon's and subsidiaries' productivity and efficiency through investment in technological means to enhance digital banking, data analytics and automation capabilities, effective cost management, improvement of human resource capability in carrying out tasks, especially sales, collection and frontliners, and operational efficiency through automation of manual processes.

e. Asset quality

Maintain prudential principles in credit disbursement through adjustment and establishment of enhanced customer selection criteria and in accordance with business dynamics, periodical Portfolio Quality Review meeting among Integrated Risk, increase risk awareness through credit risk training to business and risks teams, increase collection and recovery capacity, gradual automation of credit process, and application of Early Warning Signal on Enterprise Banking business. Additionally through MUFG collaboration, the Bank will provide credit with good quality and participate in Supply Chain financing, lending to certain SOE and large corporations and explore Financial Technology (fintech) collaboration or alternative scoring with external parties.

f. Networks

Improve the efficiency and optimization of distribution networks by adjusting processes and organizations including infrastructure through consolidating office networks, merging similar activities into one network and relocating some branches to more optimal locations.

g. Prime Lending Rate (SBDK)

In an effort to support the Bank Indonesia program, Danamon strives to maintain fair interest rates by increasing productivity and efficiency, maintaining credit quality and aligning Danamon's funding costs in line with the development of the BI Rate. The amount of loan interest rate cannot be separated by the funding interest rate, where Danamon also supports the Financial Services Authority program by setting maximum deposit interest rate.

Mid to Long Term Plan (3-5 years)

Strategic steps that will be implemented in the next 3 to 5 years are:

a. Credit

Supported by MUFG synergy, Danamon will continue to grow the loans of consumer, small and medium, Enterprise Banking, and trade finance, as well as financing of supply chain, financing of household goods and financing of motor vehicles while maintaining prudential principles in granting credit and criteria of customer selection.

b. Funding

With MUFG collaboration, Danamon can strengthen funding by increasing third party funds from Enterprise Banking, SME, cross selling with motor vehicle financing and payroll, aside from retail banking. Danamon will strengthen funding by issuing bonds/ MTN/ NCD/ Contingency Convertible Bond in accordance with the Bank’s liquidity, market conditions and prevailing regulations. Danamon will maintain RIM in accordance to prevailing regulations.

c. Risk Management

The strategic steps to be undertaken in relation to risk management are keeping Danamon’s growth at an acceptable and prudent level, maintaining optimal implementation of Danamon activities at “anticipated” liquidity risk level, and minimizing the “unanticipated” liquidity risk in obtaining cash flow funding sources, continuing the development and implementation of the scorecard/ internal

rating model for credit risk in all business lines in stages to support the credit process, improving the implementation of operational risk management framework and strategy and operational risk awareness across all business lines and Subsidiaries, implementing Pillar II Basel III - BIS Framework for measuring the Liquidity Regulatory Requirement (Net Stable Funding Ratio – NSFR) and Interest Rate Risk in the Banking Book (IRRBB) through ALM system in line with FSA and Bank Indonesia Regulations, and improving the quality of human resources in business, risk, and support (operations) teams to be able to understand current business challenges, risk-related elements, and their risk mitigations.

d. Operational and CREM

Provide simple, fast and unique services to improve customer service and encourage customers to use alternative networks other than branches. Continue to centralize processes to achieve efficiency and create a dynamic space for the convenience and satisfaction of customers and employees.

e. Information technology

Continue to increase digital service offerings to consumer and corporate customers, increase data analytics capabilities to help bank meet the customers’ needs more precisely, support business teams with information technology that enables them to build relationships with customers, and improve IT capabilities in more efficient operational process and security.

- Main Highlights
- Management Report
- Company Profile
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- Good Corporate Governance**
- Corporate Social Responsibility
- Corporate Data

Access to Company Information

Danamon provides access and ease of information for stakeholders regarding Danamon through communication media such as Press Releases and Analyst Briefing Booklets. In addition, Danamon provides information about products and services, investor information, office networks, financial statements, annual reports, reports and implementation of corporate governance and social activities, corporate actions and others which are presented through the website <http://www.danamon.co.id> in both Indonesian and English.

In order to improve customer service and protection, to fulfill the needs of product and service information, and to handle customer complaints and/or prospective customers, Danamon prepares communication media through Hello Danamon. Hello Danamon is accessible 24 hours via phone number 1-500-090 and via email: hellodanamon@danamon.co.id, and twitter: @hellodanamon.

In addition, the public can also contact:

<p>Corporate Secretary (021) 80645000 Ext. 8706; 8794 corporate.secretary@danamon.co.id</p>
<p>Investor Relations (021) 80645000 Ext. 8621; 8611 investor.relations@danamon.co.id</p>
<p>Corporate Communications (021) 80645000 Ext.8301; 8328 corporate.communications@danamon.co.id</p>

Investor Relations

Investor Relations is directly responsible to the Finance Director. The role of Investor Relations includes the following financial and strategic aspects:

- Deliver regular financial performance updates, business strategies, work plans to the investors/analysts, other stakeholders (rating agencies, creditors, regulators) in the form of quarterly performance exposures, meetings, conferences, and etc.
- Provide adequate, reliable and timely information about Danamon's corporate actions to each stakeholder.

- Engage in Danamon's strategic projects, including those dealing with independent consultants.

In performing its duties, Investor Relations works closely with the management, the leaders of each business unit, Corporate Communications, Integrated Risk, Corporate Secretary and other teams under the Finance Director.

Information about Danamon's performance update and strategy can be accessed through the website www.danamon.co.id.

Information Disclosure for Investor during 2019

Forum	Frequency	Explanation
Analyst presentation/ Public expose	4 times	Public Expose for media, analysts and senior management to provide final information on financial and non-financial conditions.
Financial Report	4 times	Publication of quarterly financial statements in accordance with Bapepam-LK requirements as a public company.
Annual Report	1 time	A comprehensive report to the public and stakeholders on Danamon's performance, business and other activities.
Roadshow and Conference	4 times	Participation in various deal and non-deal roadshows held by reputable securities firms to provide up-to-date information on Danamon's performance and strategies, challenges and opportunities to investors, analysts and other stakeholders.
Face to face meetings and conference call	43 face to face meetings and 4 conference call	Meetings with local/ overseas analysts/ investors to provide information on Danamon's strategy and performance.

Roadshow/ Conference In 2019

Event	Organizer	Location	Date	Total Investor
JP Morgan ASEAN Banks Tour	JP Morgan	Jakarta	April 5, 2019	9
Indonesia Investor Conference 2019	CITI	Jakarta	August 6, 2019	13
JP Morgan ASEAN Banks Forum	JP Morgan	Singapore	August 20, 2019	12
ASEAN Conference 2019	Macquarie	Singapore	August 26, 2019	11

Corporate Communications

The Corporate Communications Unit is responsible for managing communication between Danamon and the public, through mass media. Corporate Communications has a role to build effective, clear, concise and reliable communication with the following scope of duties and responsibilities:

- Build and manage Danamon's image in the community through public relations function.
- Carry out the communication function of the Danamon management in the wider community through mass media, both print and electronic form.
- Carry out external communication functions, including formulating messages, determining the form of communication and delivering information to outside parties.

- Be the first door of communication (gateway) for people who need information about Danamon.

Social Media

Danamon's official corporate accounts are:

- Twitter account: @danamon, @HelloDanamon (customer service)
- Facebook: Bank Danamon
- Instagram: @myDanamon
- LinkedIn: Bank Danamon Indonesia
- YouTube: Bank Danamon

SERVICE QUALITY & CONTACT CENTER

Customer Experience plays a very important role in implementing corporate strategy. Building perceptions based on positive customer experiences is an important aspect of Danamon Service Performance Achievements. By designing positive and memorable experiences, it will provide added values as well as sustain relationship to the Customer. Customers are expected to not only obtain information, but also to experience the Danamon Service Journey as a whole by themselves, so that Customers will promote and refer Danamon to the others.

Building technology-based Customer Experience in the digital era, the front liner is expected to be reliable in operating digital tools, continuously adapting to technological changes, being creative and proactive in creating Positive Customer Experience that impresses customers.

To create memorable services at each touch point, we continually strive to implement various initiatives by involving Branch front liners, namely:

Service Development

Branch front liners are given various service trainings in the form of insight on how to deliver memorable and create Positive Customer Experience to the Customers through interactive Fun Learning methods throughout the region. Thus, all front liners can apply and deliver it to the Customers, so that customers will always remember Danamon and further become the "Word of Mouth". To

that end, we always have to continue to increase the confidence level of the customers by collaborating in delivering the best solutions based on services that fit Customer's needs.

Service Communication & Tools

As a support for Front liners who have to implement "Customer Centric", we have developed Service Module and Guidelines that can be used by Front liners to ensure the services are up to standards. All initiatives are also communicated through Service Update and Service Society in eazy. To make those information being communicated fast, easy and real time in reaching the Front liners to all branches, we introduced Digital Tools such as Interactive Learning Games (D'Shima), Customer Relationship Management (CRM) and QR Code for Danamon Savings Product Introduction. Meanwhile, to simplify the transaction process at the Branch, Single Screen has been developed for overbooking transactions at the Teller and Bilingual Form for Expatriate customers who transact at the Branch.

Service Program

In providing enthusiasm and motivation to the Branch Front liners, we have organized a service program that can improve skills & knowledge and appreciation events to the best front liners who contribute to Bank Danamon's service performance.

In 2019, various awards that have been achieved by Danamon in the Service field are as follows:

No.	Organizer	Award	Award Category	Rank
1	Institute of Service Management Studies (ISMS) & Infobank	Service Quality Overall 2018/2019	Jakarta and Bandung	1
2	Marketing Research Indonesia & Infobank	Banking Service Excellence Awards 2018/2019	Best Overall Performance	3
			Best Performance for Teller	1
			Best Performance for Customer Service	5
			Best Performance for Walk-in Channel	3
			Opening Account Mobile Application Performance	2
			SMS Banking Performance	1
			Call Center Performance	2
			ATM Center Performance	4
3.	Marketing Research Indonesia & Infobank	Satisfaction Loyalty and Engagement Survey 2019	SLE Index 2019	3
			Experience Index Performance	2
			Satisfaction Index Performance - Security	1
			Satisfaction Index Performance - Customer Service	3
			Satisfaction Index Performance - Teller	2
			Satisfaction Index Performance - ATM	2
			Engagement Index Performance	1
			NPS Index Performance	1

HELLO DANAMON

The presence of a variety of technologies and easy access to information, Hello Danamon is ready to serve 24 hours/7 days for various customer needs, through telephone number 1-500-090, Twitter @hellodanamon, and email: hellodanamon@danamon.co.id

Customer Experience at Hello Danamon is a series of customer experiences in situations and conditions that require fast and accurate information, so the Call Center Officers are expected to provide the best solutions and on time services so that customers feel comfortable and create Positive Customer Experience.

One of the latest digital services that realize the Customer Experience Focus is D-Bank Registration. Prospective customers, easily and quickly, have full control in registering and opening an account through the D-Bank application, which is installed on a smartphone.

Digital Service is one of the strategies in accommodating the millennial customer segment that is able to conduct banking transactions independently, as well as for prospective customers who do not have time to come to the Branch. Verification of account opening can be done directly through the Video Call service and assisted by D-Bank Officer.

Other initiatives that have been carried out include training for Call Center Officers, to improve skills & knowledge in handling customer needs and maximum service which are oriented to "Customer Experience Focus", by completing the IVR menu and presenting Call Center Officers who can communicate in Japanese, so they can serve expatriate who speaks Japanese.

- Main Highlights
- Management Report
- Company Profile
- Management Discussion and Analysis
- Operational Review
- Good Corporate Governance**
- Corporate Social Responsibility
- Corporate Data

Corporate Culture

The corporate culture is the values that become guidelines, order and control over the conduct of employees, Board of Directors and Board of Commissioners of Danamon in carrying out their duties and obligations to achieve the objectives in accordance with the vision and mission of Danamon.

- **Caring**
Giving a genuine concern for the well-being and advancement of others will bring out the best in us.
- **Honesty**
Always hold the truth to ourselves and others without any hidden agenda.
- **Passion to Excel**
Always dare to come up with better ways of doing things, to achieve the best result, whilst mitigating the risk involved and without compromising the solidity of our company.
- **Teamwork**
Leverage the diversity amongst us as the strength of our team to achieve common goals.
- **Disciplined professionalism**
Deliver our responsibility with the highest standards of ethics and professionalism, through disciplined people, disciplined thoughts and disciplined actions.

In order to grow the corporate culture, Danamon implemented an award system based on contributions or known as SIPASTI. With the aim of providing appreciation to employees who contribute more, as well as conduct coaching to employees so that they can perform better. Appreciation reward can be in the form of financial or non-financial, for example: employee development, career development, recognition of work/ achievement of employees.

To embed the corporate values, Danamon conducts a variety of activities, including developing Corporate Values module using E-Learning method that can be accessed by every employee, conducting Danamon Essential Leader (DEL) and Danamon Essential People (DEP) training to build leadership based on the values of Danamon, organizing dialogue session between employees and leadership representatives throughout bank's operational areas, management facilitated by HR consistently so that Strategic and operational

communication can be cascaded down well, besides other media such as articles distributed via email Blast, newsletter and others. In addition, Danamon also conducts mandatory training on an E-Learning-based Code of Conduct to enhance the integrity and mutual commitment that can increase the trust from customers, shareholder and other stakeholders.

Danamon also conducts a number of initiatives related to Employee Engagement (EE), by publishing Employee Engagement Insight articles periodically in several internal communications media such as magazine, portal, and email blast. As was done in the previous year, each Employee Engagement Champion from each Line of Business (LOB) has run programs that can improve employee Engagement, such as sharing session from both internal and external speakers, coaching programs and award program for employees. Shared Success session activities are also conducted in each Line of Business/ Directorate with the aim to improve Employee Engagement, motivate and encourage employees to provide better performance for the company. This activity also grows a positive passion for employees in strengthening collaboration and implementing the cultural values of Danamon.

Another initiative is to build the On Boarding framework as well as guidance for the management of the work Unit as an effort to provide a positive experience for new employees. It is expected that the effective onboarding process can increase productivity and ensure that new employees understand Danamon's vision, mission and cultural values. In addition, Danamon also began to build internal capability in measuring employee engagement periodically through digital technology.

Code of Conduct

In the year 2019, Danamon renewed the code of conduct. Danamon's Code of Conduct is an ethical value that refers to the vision, mission and values of the corporate culture. The code of conduct becomes a guideline of conduct for all management (Board of Directors, Board of Commissioners, Sharia Supervisory Board, including but not limited to parties outside of Danamon who are members of the Audit committee or Risk Management Committee) and employees in conducting daily tasks and establishing relationship with customers, colleagues and third parties. The code of conduct is expected to support the business continuity and reputation of Danamon.

The Code of Conduct Statement Applies at All Levels of Corporate Organization

Management and employees without exception, must know, understand, obey, and implement the Danamon Code of Conduct. The Code of Conduct is binding and therefore violation of the Code of Conduct may be subject to sanctions of either administrative, civil or criminal in accordance with the applicable provisions and procedures. Consequences of violation of the Code of Conduct will be sanctioned up to termination of employment.

The content of the Code of Conduct includes:

- Introduction: contains things related to the background of the Code of Conduct, objectives, vision, mission, and values of Danamon.
- Conflict of interest: to govern all matters concerning conflict of interest between personal interest and Danamon's interests, activities outside Danamon, the use of Danamon assets and personal investment.
- Danamon Information Management: to govern all matters about Danamon's information management, namely the safeguarding of Danamon information, the accuracy of Danamon's reporting and recordkeeping, Danamon's identity, social media usage and providing information to other parties.

- Anti-Money Laundering and Combating the Financing of Terrorism: Danamon's commitment to combating money laundering, financing terrorism and any other kind of crimes.
- Danamon Business ethics: to govern all matters related to work ethics, namely personal ethics in Danamon's environment, ethics with customers, ethics with third parties, ethics with regulators, ethics between management and employees, giving/ receiving of gifts and banquets, protection and use of customer facilities, relationship and associates, bribery and corruption, and ethics with competitors.
- Enforcement of the Code of Conduct: requires the roles and responsibilities of management and employees, the annual statement, whistle-blowing system, violation of the Code of Conduct, and the implementation of the Code of Conduct.

Sanction Imposed During 2019

Type of Sanction	Number of Employees
Termination Employment	107
Warning Letter I	117
Warning Letter II	6
Warning Letter III	133
Reprimand Letter	68
Total	431

Whistleblowing System

Whistleblowing System is a communication channel to facilitate whistleblower(s) to report incidents or allegations related to fraud, policy offenders, bribes/lending-borrowing money from customers, sexual harassment, theft/embezzlement, financial report fraud, illegal activity and other code of conduct violations involving Danamon employees and/or parties related to Danamon with the reporter's identity kept confidential. The whistleblowing system is a form of Danamon's commitment in supporting the implementation of good corporate governance and integrity in business practices.

In an effort to improve whistleblowing reporting system that is more independent, transparent, simple, confidential, protected and monitored for reporters, Danamon collaborates with third party in managing and providing Danamon Whistleblowing Service (WBS).

Any employee may report any deviations or suspected deviations that have taken place openly, responsibly, in good faith and without fear or worry because confidentiality is guaranteed. Danamon will protect and maintain the confidentiality of the reporter's identity.

Reports received together with the investigation results are registered every month to be reported periodically to Management and the Audit Committee. Any information that enters the whistleblower channel will be reviewed and followed up by the Whistleblower team appointed by Danamon.

Whistleblower Policy

Danamon has a whistleblower policy that is socialized to all employees through various media such as email blast, Danamon Portal, and Danamon website (www.danamon.co.id).

Mechanism of Violation Report Submission

Danamon provides an easily accessible reporting facility through several communication channels, as follows:

- E-mail address: danamon-wbs.info@kpmg.com.sg
- Website: <https://danamon-wbs.info/>
- SMS/Whatsapp: 0811-825-2662
- Postal Address: KPMG Siddharta Advisory – EthicsLine BDI Wisma GKBI Floor 35, Jl. Jend. Sudirman 28, Jakarta 10210

Potential Violations by the Board of Commissioners and Board of Directors

Potential or suspected violations by members of the Board of Commissioners or the Board of Directors can be reported through the above communication channels and will be escalated to an independent party other than the suspected party in the report, such as the Chairman of the Audit Committee (Independent Commissioner) or Chairman of the Board of Commissioners.

Protection for Reporters

Danamon provides protection to the reporters to provide security for reporters. Protection provided to reporters, among others:

- a. Protection of confidentiality of the reporter's identity including information that can be used to contact the reporter.
- b. Protection against retaliation from the reported party or other interested parties.
- c. Protection from pressure, employee rights, lawsuits, property and physical retaliation.
- d. Protection is not only for the reporter but can also be extended to family members of the reporting party.

Danamon also provides legal protection that is in line with the prevailing laws and regulations. This commitment covers protection from criminal and/or civil claims, as well as protection for personal and/or reporter's family safety from physical and/or mental threats.

Managing Complaint, Party Who Manages Complaints, and Imposing Sanction

Danamon appoints an independent third party in managing the Danamon WBS, including managing the follow up and administration of the complaints. Third party WBS manager will forward the report received to the Danamon WBS team to be evaluated whether it will be further processed to the investigation stage or forwarded to the appropriate party.

Investigation of potential violations is undertaken by an independent Internal Investigation Team that upholds presumption of innocence principle and objectivity. Investigation results will be the basis for the decision to take actions and/or impose sanctions in accordance with the applicable laws and regulations and/or Danamon's internal regulations to the parties or perpetrators who are proven to have committed the violations.

Reports on Investigation Results are reported to the Board of Directors and the Audit Committee periodically.

Result of Complaint Handling in 2019

Danamon has received 22 complaint reports through WBS channels. As of the end of 2019, 11 reports had been completely investigated, of which 3 reports were proven to be fraud or have violation of procedures/ code of conduct and 8 reports were not proven to be fraud. While the remaining 11 reports are still being investigated.

#Complaint Received	Investigation Status of Complaints			
	#Completed Investigation	Completed		Investigation in Progress
		Proven Fraud/ Violation of Procedure/ Code of Ethics	Not Proven	
22	11	3	8	11

The Implementation of Corporate Governance Guidelines In Public Companies

Referring to FSA Regulation No. 21/POJK.04/2015 concerning the Implementation of Corporate Governance Guidelines in Public Companies and FSA Circular Letter No. 32/SEOJK.04/2015 concerning Corporate Governance Guidelines in Public Companies, there are 5 (five) aspects,

8 (eight) principles and 25 (twenty five) recommendations of good corporate governance delivered by OJK. Danamon as a public company has paid attention to and implemented the aspects, principles and recommendations of the OJK in accordance with the applicable POJK.

Implementation of 25 Recommendations Guidelines on Good Corporate Governance for Public Companies			
No.	Principle	Recommendation	Explanation
A. Public Company Relationship With Shareholders In Ensuring Shareholder Rights			
1.	Increasing the Value of Implementation of the General Meeting of Shareholders (GMS)	1.1.	Public Company has technical means or procedures for voting both openly and closed which prioritizes independence and the interests of shareholders.
			Danamon has a GMS Code of Conduct which governs the holding of GMS, including the voting procedures, decision making, and calculation of votes that prioritize the independence and interests of shareholders. All GMS procedures and code of conduct are available and can be accessed through the Danamon's website (www.danamon.co.id).
			Status : Comply
		1.2.	All members of the Board of Directors and Board of Commissioners of the Public Company present at the Annual GMS.
			All members of the Board of Directors and members of the Board of Commissioners of Danamon attended the annual GMS held on March 26, 2019. In addition, the Annual GMS was also attended by the Sharia Supervisory Board and Audit Committee Members.
			Status: Comply
		1.3.	Summary of the GMS is available in the Public Company's Website for at least 1 (one) year.
			Danamon uploaded the summary of minutes of GMS 2 (two) days after the GMS was held. The summary of the minutes of GMS has been available in the Bank's website, both in Indonesian and English since 2015 until now.
			Status : Comply
2.	Improve the Quality of Public Company Communication with Shareholders or Investors	2.1	Public company has a policy of communication with shareholders or investors.
			Danamon has a policy of communication governing the process of providing information to shareholders and the investment community on a timely and reasonable basis so that Danamon's strategy, progress, operations and financial performance can be assessed, as well as enable shareholders and investment communities to be actively involved with Danamon.
			Status: Comply
		2.2	Public Company discloses the communication policy with shareholders or investors on the Website.
			Communication Policy is publicly available including for Shareholders or Investors of Danamon which can be accessed through Danamon's Website.
			Status: Comply

Implementation of 25 Recommendations Guidelines on Good Corporate Governance for Public Companies			
No.	Principle	Recommendation	Explanation
B. Function and Role of the Board of Commissioners			
3.	Strengthen the Membership and Composition of the Board of Commissioners	3.1	<p>Determination of the number of members of the Board of Commissioners considers the conditions of the Public Company.</p> <p>The amount, composition and structure of the Board of Commissioners are in compliance with the requirements and in accordance with the size and complexity of Danamon's business.</p> <p>At the end of 2019, Danamon's Board of Commissioners consisted of 8 (eight) members and 50% of the total members of the Board of Commissioners are Independent Commissioners.</p> <p>The total number of members of the Board of Commissioners does not exceed the number of members of the Board of Directors, amounting to 10 (ten) persons.</p> <p>Status: Comply</p>
		3.2	<p>Determination of the composition of members of the Board of Commissioners takes into account the diversity of skills, knowledge, and experience required.</p> <p>Danamon has a diversity policy for members of the Board of Commissioners.</p> <p>The composition and structure of members of the Board of Commissioners of Danamon have paid attention to knowledge, expertise and experience aimed at optimizing the implementation of the Board of Commissioners' supervisory functions.</p> <p>Status: Comply</p>
4.	Improving the Quality of Implementation of Duties and Responsibilities of the Board of Commissioners	4.1	<p>The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners.</p> <p>Danamon has a Performance Appraisal Policy of the Board of Commissioners prepared as a guide to assess the performance in the implementation of duties and responsibilities of the Board of Commissioners.</p> <p>Status: Comply</p>
		4.2	<p>The self-assessment policy to assess the performance of the Board of Commissioners, is disclosed through the Annual Report of the Public Company.</p> <p>Danamon has a performance appraisal policy of the Board of Commissioners. The performance appraisal policy is disclosed in the Annual Report and is available on Danamon's Website.</p> <p>Status: Comply</p>
		4.3	<p>The Board of Commissioners has a policy related to the resignation of members of the Board of Commissioners if they are involved in financial crimes.</p> <p>Members of Danamon's Board of Commissioners who are involved in financial crime must resign from the Board of Commissioners. This obligation to resign is regulated in the Charter of Board of Commissioners.</p> <p>Status: Comply</p>
		4.4	<p>The Board of Commissioners or the Committee performing the Nomination and Remuneration function shall establish a succession policy in the process of Nomination of the members of the Board of Directors.</p> <p>The Board of Commissioners of Danamon has Nomination Committee and Remuneration Committee which assist the Board of Commissioners in duties related to the nomination and remuneration functions of Danamon's members of the Board of Commissioners and Board of Directors.</p> <p>Danamon has a Succession Policy for Directors to maintain leadership sustainability in the future.</p> <p>Status: Comply</p>

Implementation of 25 Recommendations Guidelines on Good Corporate Governance for Public Companies			
No.	Principle	Recommendation	Explanation
C. Function and Role of the Board of Directors			
5.	Strengthen the Membership and Composition of the Board of Directors	5.1	<p>Determination of the number of members of the Board of Directors considers the conditions of the Public Company and the effectiveness of decision making</p> <p>The number, composition and structure of the Board of Directors have met the requirements and in accordance with the size and complexity of Danamon's business. As of December 31, 2019, Danamon's Board of Directors consists of 10 (ten) members. The number of members of the Board of Directors is more than the number of members of the Board of Commissioners.</p> <p>Status: Comply</p>
		5.2	<p>Determination of the composition of members of the Board of Directors considers the diversity of skills, knowledge, and experience required.</p> <p>Danamon has a diversity policy for members of the Board of Directors. The composition and structure of the members of the Board of Directors has taken into account the knowledge, expertise and experience in accordance with the needs of the company, so as to optimize decision making and improve the performance of the Company.</p> <p>Status: Comply</p>
		5.3	<p>Members of the Board of Directors in charge of accounting or finance have expertise and/ or knowledge in accounting.</p> <p>Danamon's Finance Director has a Bachelor of Accounting degree and is a Certified Public Accountant - Indonesia.</p> <p>Status: Comply</p>
6.	Improving the Quality of Duties and Responsibilities of the Board of Directors	6.1	<p>The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors.</p> <p>Danamon has a Performance Appraisal Policy for the Board of Directors as a guide to assess the effectiveness of the implementation of the duties and responsibilities of the Board of Directors.</p> <p>Status: Comply</p>
		6.2	<p>The self-assessment policy to assess the performance of the Board of Directors is disclosed through the Annual Report of the Public Company.</p> <p>Danamon has a performance appraisal policy of the Board of Directors. The performance appraisal policy is disclosed in the Annual Report and is available on Danamon Website.</p> <p>Status: Comply</p>
		6.3	<p>The Board of Directors has a policy related to the resignation of members of the Board of Directors if they are involved in a financial crime.</p> <p>Members of Danamon's Board of Directors who are involved in financial crime must resign from the Board of Directors. This obligation to resign is regulated in the Charter of Board of Directors.</p> <p>Status: Comply</p>

Implementation of 25 Recommendations Guidelines on Good Corporate Governance for Public Companies			
No.	Principle	Recommendation	Explanation
D. Participation of Stakeholders			
7.	Improving Aspects of Corporate Governance through Stakeholder Participation	7.1 Public Company has a policy to prevent the occurrence of insider trading	In order to prevent the occurrence of Insider Trading, Danamon has a Personal Investment Policy. This policy is available and accessible through Danamon's Website. Status: Comply
		7.2 Public Company has anti-corruption and anti-fraud policies	Danamon has a Code of Conduct that prohibits the Management and Employees to participate in any bribery and corruption act in any forms. In addition, Danamon also has a Gift Policy that governs the prohibition of giving and receiving gifts for management and employees. Status: Comply
		7.3 Public Company possesses a policy on the selection and skill-upgrading of suppliers or vendors.	Danamon has a procurement policy that governs the restrictions and ethics in dealing with business partners or vendors in the procurement activities of goods and services. This policy is available and disclosed in Danamon Website. Status: Comply
		7.4 Public Company has a policy on the fulfillment of creditor rights.	Fulfillment of creditor rights in the form of depositors (customers who place their funds within the company) is governed under the customer protection policy and code of conduct of customer service that covers: <ul style="list-style-type: none"> • Rights to obtain sufficient explanation on product characteristics • Rights to access the terms and conditions of funding products • Conveniences to do transactions through any branches, e-banking services or other services set out by the Bank • Obtain profit/ interest in the amount according to applicable regulations • Procedures for handling and settling customer complaints Status: Comply
		7.5 Public company has whistleblowing system policy	Danamon has a Whistleblower Policy that regulates the Whistleblowing system. The Whistleblowing system is managed by third parties to guarantee independence in its implementation. Status: Comply
		7.6 Public company has a policy of providing longterm incentives to the Board of Directors and employees.	Danamon has a Remuneration policy. Status: Comply

Implementation of 25 Recommendations Guidelines on Good Corporate Governance for Public Companies			
No.	Principle	Recommendation	Explanation
E. Disclosure Of Information			
8.	Improving Disclosure of Information	8.1 Public company makes use of the information technology wider than the Website as a medium of disclosure of information.	<p>Danamon continues to refine the media for information disclosure including the website to provide an opportunity for shareholders and other stakeholders to access information about Danamon easily.</p> <p>Situs Web : www.danamon.co.id</p> <p>Twitter : @Danamon @HelloDanamon (customer service) Facebook : Bank Danamon Instagram : @mydanamon LinkedIn : Bank Danamon Indonesia YouTube : Bank Danamon</p> <p>Status: Comply</p>
		8.2 Public Company's Annual Report discloses the ultimate beneficiary ownership of public companies' share ownership of at least 5% (five percent), in addition to disclosure of the ultimate beneficial owner in the shares ownership of the public Company through majority and controlling shareholders.	<p>Annual Report of Danamon discloses the majority and controlling shareholders, 20 largest shareholders, as well as the shareholder group profiles with shares ownership above 5% (five percent).</p> <p>Status: Comply</p>

STATEMENT OF IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

Danamon has applied the principles of good corporate governance. During 2019 there was no material violation to the applicable laws and regulations.

Integrated Corporate **Governance**

Application and Implementation Report

Danamon Group Financial Conglomeration implements integrated good corporate governance in accordance with the principles of transparency, accountability, responsibility, independence and fairness. The implementation of integrated good corporate governance is expected to improve added value for all Danamon Group's stakeholders so that the Danamon Group is able to increase competitiveness and be able to contribute positively to the Indonesian economy.

Danamon as the Main Entity in the Danamon Group Financial Conglomeration prepares a report on the implementation of integrated corporate governance as stipulated in the Financial Services Authority (OJK) Regulation No. 18/POJK.03/2014 dated November 18, 2014 concerning Implementation of Integrated Good Corporate Governance for Financial Conglomeration and Circular Letter of OJK No. 15/SEOJK.03/2015 dated May 25, 2015 concerning Implementation of Integrated Good Corporate Governance for Financial Conglomeration.

PRINCIPLES OF THE IMPLEMENTATION OF INTEGRATED CORPORATE GOVERNANCE IN DANAMON GROUP

Principle of Transparency

- a. The Main Entity and Subsidiaries are required to disclose material and relevant information clearly, accurately, and timely, as well as the information that is easily comparable and accessible to shareholders and stakeholders.
- b. The principle of transparency adopted by the Main Entity and Subsidiaries does not reduce the obligation to fulfill the confidential provisions of the bank and/ or company in accordance with the prevailing laws and regulations, professional secrecy, and personal rights.

Principle of Accountability

- a. The Main Entity and Subsidiaries must determine clear responsibilities of each company organ that are in line with the company's vision, mission, business objectives and strategies, as well as ensure that all company organs have competencies in line with their responsibilities.
- b. The Main Entity and Subsidiaries must ensure the availability of check and balance system in the management of the company. All levels of company organizations have performance measures based on the agreed measures, and are consistent with corporate values, business objectives, and corporate strategies.

Principle of Responsibility

- a. The Main Entity and Subsidiaries must adhere to the ethical values, prudential principles, and regulations and internal policies that have been established in maintaining the continuity of their business.
- b. The Main Entity and Subsidiaries must act as good corporate citizens in carrying out social responsibilities including caring for the environment.

Principle of Independency

- a. Management of Main Entity and Subsidiaries is carried out professionally and independently, and is free from conflict of interest, influence or pressure from any party that is not in accordance with the laws and regulations, ethical values and the principles of conducting a sound business.
- b. In making a decision, the Main Entity and Subsidiaries must be objective and free from any parties' pressures, and committed to conduct business by prioritizing professionalism.

Principle of Fairness

- a. The Main Entity and Subsidiaries must always pay attention to the interests of all stakeholders based on the principle of equality and fairness (equal treatment).
- b. The Main Entity and Subsidiaries must provide opportunities for all stakeholders to provide feedback and express their opinions for the interests of the company as well as have equal access to information in line with the principle of transparency.

DANAMON GROUP FINANCIAL CONGLOMERATION

Structure of Membership

Based on the Letter No. SR-82/PB.32/2015 dated April 29, 2015, Danamon Group Financial Conglomeration has been recorded and administered by the Financial Services Authority. Danamon Group Financial Conglomeration membership is as follows:

1. Main Entity: PT Bank Danamon Indonesia, Tbk.
2. Members:
 - a. PT Adira Dinamika Multi Finance, Tbk.
 - b. PT Asuransi Adira Dinamika.
 - c. PT Adira Quantum Multi Finance (in liquidation process).

Based on the Extraordinary GMS of PT Adira Quantum Multi Finance (Adira Quantum) as outlined in the Deed of Shareholders Resolution No. 126 dated August 22, 2017 made before Hasbullah Abdul Rasyid, SH, M.Kn., a Notary in Jakarta, it is stated that Adira Quantum has stopped operational activities and is in the process of liquidation. Based on the OJK Board of Commissioners' decree dated December 21, 2017 No.KEP-103/D.05/2017, OJK has revoked Adira Quantum's business license. As of the date of this report, Adira Quantum is still in the process of liquidation settlement.

The merger between Danamon and PT Bank Nusantara Parahyangan Tbk ("BNP"), which became effective on May 1, 2019, does not change the membership structure of the Danamon Group Financial Conglomeration.

On November 27, 2019, Danamon completed the sales transaction of 70% share ownership in PT Asuransi Adira Dinamika Tbk ("Adira Insurance") to Zurich Insurance Company Ltd. ("Zurich"). This transaction is a continuation of the signing of the sale agreement and conditional share

participation (CSSA) on September 27, 2018 between Danamon and Zurich for the sale of share ownership in Adira Insurance.

Therefore, since November 27, 2019, the membership structure of the Danamon Group Financial Conglomeration has changed to be as follows.

1. Main Entity: PT Bank Danamon Indonesia, Tbk.
2. Members:
 - a. PT Adira Dinamika Multi Finance, Tbk.
 - b. PT Adira Quantum Multi Finance (in liquidation process)

Danamon, MUFG Bank has 2 financial conglomerations in Indonesia, namely Danamon Group Financial Conglomeration and MUFG Bank Jakarta branch Financial Conglomeration. Therefore, Danamon discussed with MUFG Bank Jakarta branch to determine the Main Entity and the structure of the new financial conglomeration which will be effective in 2020.

Structure of Danamon Group Financial Conglomeration

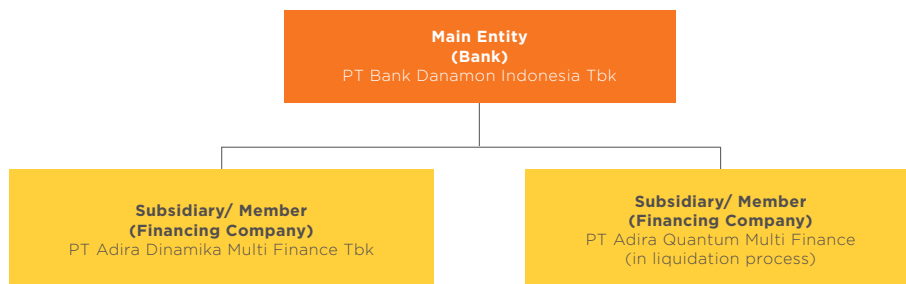
In accordance with the explanation above, starting November 27, 2019, the structure of the Danamon Group Financial Conglomeration is as follows.

After the increase of MUFG Bank’s share ownership in

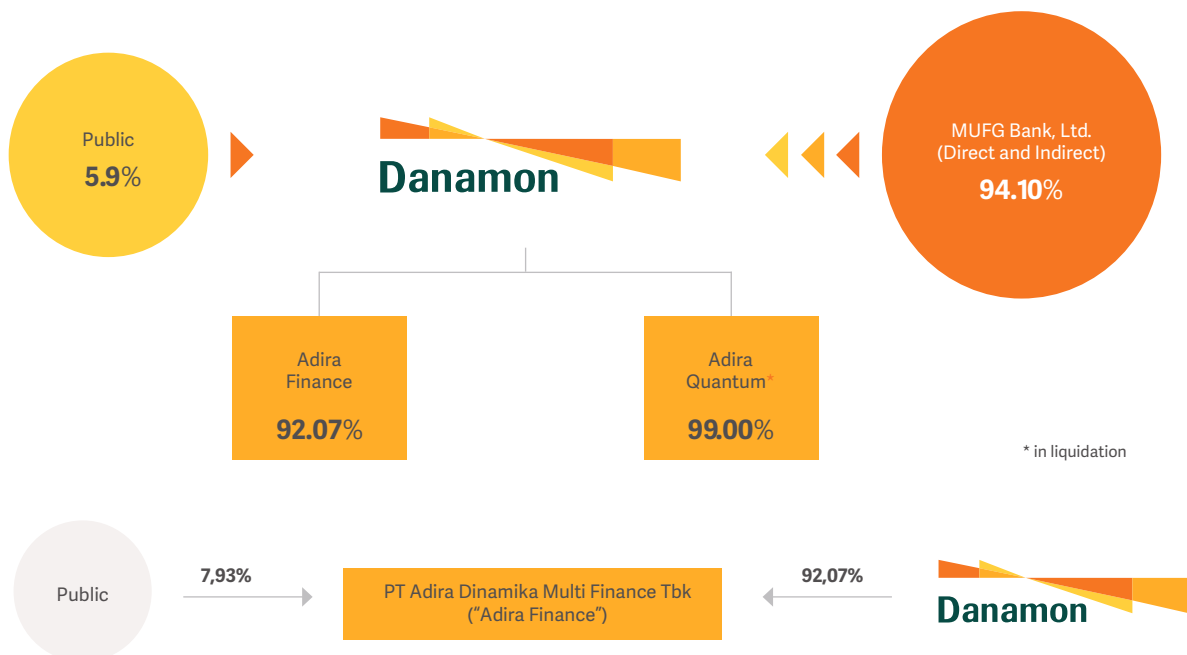
STRUCTURE OF SHARE OWNERSHIP

The shareholders of each member of the conglomeration to the ultimate shareholders are as follows:

Share Ownership Structure of Main Entity - PT Bank Danamon Indonesia



Structure of Share Ownership of Subsidiary - PT Adira Dinamika Multifinance Tbk ("Adira Finance")



Main Highlights

Management Report

Company Profile

Management Discussion and Analysis

Operational Review

Good Corporate Governance

Corporate Social Responsibility

Corporate Data

Structure of Management

All members of the Board of Directors and Board of Commissioners of each Danamon Group entity meet the requirements of integrity, competence and financial reputation.

The following is the management structure of each Entity in the Danamon Group financial conglomeration as of December 2019:

Structure of Management in Main Entity

In 2019 there were changes in the composition of the Board of Commissioners and Board of Directors of Danamon. Details of the changes can be seen in the Corporate Governance Report in the 2019 GMS, the Board of Commissioners, and the Board of Directors.

The composition of the members of the Main Entity's Board of Commissioners and Board of Directors as of December 31, 2019 is as follows:

PT Bank Danamon Indonesia, Tbk.			
Board of Commissioners		Board of Directors	
1.	Takayoshi Futae President Commissioner	1.	Yasushi Itagaki President Director
2.	J.B. Kristiadi Vice President Commissioner (Independent)	2.	Michellina L. Triwardhany Vice President Director
3.	Masamichi Yasuda Commissioner	3.	Honggo Widjojo Kangmasto Director
4.	Noriaki Goto*) Commissioner	4.	Herry Hykmanto Director
5.	Nobuya Kawasaki*) Commissioner	5.	Adnan Qayum Khan Director
6.	Manggi T. Habir Commissioner (Independent)	6.	Rita Mirasari Director
7.	Made Sukada Commissioner (Independent)	7.	Heriyanto Agung Putra Director
8.	Peter B. Stok Commissioner (Independent)	8.	Dadi Budiana Director
		9.	Muljono Tjandra Director
		10.	Naoki Mizoguchi Director

Note

*) will be effective after obtaining OJK approval.

Structure of Management in Subsidiaries

PT Adira Dinamika Multi Finance, Tbk

At the Extraordinary GMS of PT Adira Dinamika Multi Finance, Tbk on October 24, 2019 there was a change in the composition of the Commissioners of PT Adira Dinamika Multi Finance, Tbk, namely:

- Sng Seow Wah retired as President Commissioner.
- Yasushi Itagaki was appointed as President Commissioner *).

Note:

*) will be effective after obtaining OJK approval.

The composition of the members of the Board of Commissioners and Board of Directors of PT Adira Dinamika Multi Finance, Tbk as of December 31, 2019 is as follows:



Board of Commissioners

1. Yasushi Itagaki (President Commissioner) *)
2. Djoko Sudyatmiko (Commissioner/ Independent Commissioner)
3. Krisna Wijaya (Commissioner/ Independent Commissioner)
4. Eng Heng Nee Philip (Commissioner)
5. Muliadi Rahardja (Commissioner)
6. Willy Suwandi Dharma (Commissioner)

Board of Directors

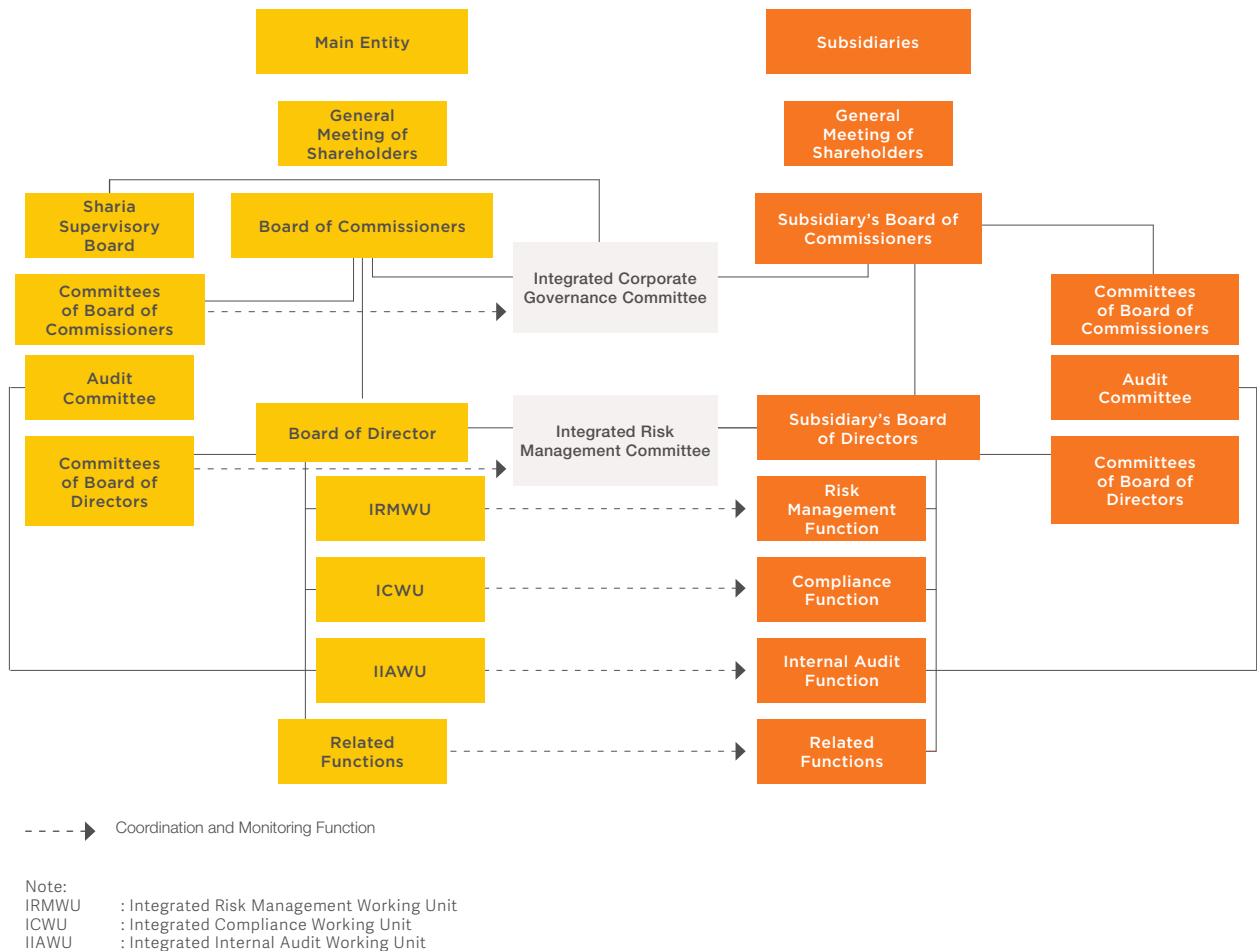
1. Hafid Hadeli (President Director)
2. Ho Lioeng Min (Director)
3. I Dewa Made Susila (Director)
4. Swandajani Gunadi (Director/ Independent Director)
5. Niko Kurniawan Bonggowarsito (Director)

Note

*) will be effective after obtaining OJK approval.

ORGANS OF INTEGRATED CORPORATE GOVERNANCE

Danamon Group established integrated corporate governance organs to ensure that the principles of corporate governance are well implemented. The Danamon Group’s integrated corporate governance organs are as follows:



The implementation of the corporate governance organs in the subsidiaries, including the Committees of the Board of Commissioners and the Board of Directors is disclosed in the annual report of subsidiaries.

INTEGRATED CORPORATE GOVERNANCE POLICY

Danamon Group Financial Conglomeration has the Danamon Group’s Integrated Corporate Governance Policy, which applies as a Corporate Governance Policy (Main Entity) as well as a Terms of Reference for Corporate Governance Implementation for Subsidiaries. In 2019, the Danamon Group’s Integrated Corporate Governance Policy was updated.

Integrated Corporate Governance Policy was prepared by Board of Directors of the Main Entity and approved by Board of Commissioners of the Main Entity, as well as was

given guidance and recommendation from the Corporate Governance Committee, Integrated Corporate Governance Committee and Board of Commissioners. The scope of Danamon Group’s Integrated Corporate Governance Policy includes:

- a) Integrated Corporate Governance Policy:
 - Objectives of the implementation of Integrated Corporate Governance
 - Principles of Integrated Corporate Governance
 - Vision, mission, values, corporate culture and business ethics
 - Guidelines of Integrated Corporate Governance implementation (including structure of financial conglomeration and duties and responsibilities of entity in financial conglomeration)

Main Highlights
 Management Report
 Company Profile
 Management Discussion and Analysis
 Operational Review
Good Corporate Governance
 Corporate Social Responsibility
 Corporate Data

- Organ of Integrated Corporate Governance (including Main Entity's Board of Commissioners, Main Entity's Board of Directors, Integrated Corporate Governance Committee, Integrated Compliance Working Unit, Integrated Internal Audit Working Unit, Integrated Risk Management)
- Reports, assessment, and disclosure of Integrated Corporate Governance

b) Corporate Governance Policy for Danamon and Corporate Governance Framework for Subsidiaries (Danamon Group):

- Basic principles and coverage of corporate governance
- Commitment for the implementation of good corporate governance
- Vision, mission, and corporate values
- Business ethics and code of ethics
- Structure/organ of corporate governance (including shareholders, General Meeting of Shareholders, Board of Commissioners, Board of Directors, Sharia Supervisory Board, Committees of the Board of Commissioners, Compliance Function, Risk Management Function, Internal Audit Function, and External Audit Function)

- Principles of policies related to corporate governance implementation (including policy on conflict of interests, personal investment policy, related party and affiliated party transaction, procurement policy, remuneration policy, proprietary and confidential information, whistleblowing system, relationship with stakeholders, corporate social responsibility)
- Self-assessment and corporate governance implementation report

BOARD OF COMMISSIONERS OF THE MAIN ENTITY

The Board of Commissioners of the Main Entity, besides fulfilling the requirements as a member of the Board of Commissioners of the Bank, also has an understanding of the main business activities and main risks of the entities in the Financial Conglomeration. The Main Entity's Board of Commissioners members as of December 31, 2019 are 8 (eight) people and 4 (four) or 50% of them are Independent Commissioners. All members of the Main Entity's Board of Commissioners have passed the fit and proper test from the Financial Services Authority/ Bank Indonesia, except for 2 (two) members of the Board of Commissioners who are currently in the process of fit and proper test of OJK.

Name	Approval Date - AGMS	Approval Date - OJK
Takayoshi Futae (President Commissioner)	26 March 2019	25 April 2019
J.B Kristiadi (Vice President Commissioner/Independent Commissioner)	9 May 2005 *)	5 December 2005 **)
Manggi T. Habir (Independent Commissioner)	9 May 2005 *)	22 July 2005 **)
Made Sukada (Independent Commissioner)	7 May 2014 *)	8 August 2014 **)
Peter Benyamin Stok (Independent Commissioner)	20 March 2018 *)	5 July 2018 **)
Masamichi Yasuda (Commissioner)	19 November 2018 *)	21 February 2019 **)
Noriaki Goto	1 October 2019	***)
Nobuya Kawasaki	1 October 2019	***)

Note:

*) Reappointed after the effective merger between Danamon and BNP in accordance with the resolution of the EGMS March 26, 2019.

***) OJK has given approval on April 25, 2019 to the Board of Commissioners who was reappointed after the effective merger between Danamon and BNP.

***) in the process of OJK fit and proper test

Duties and Responsibilities of the Board of Commissioners of the Main Entity

The duties and responsibilities of the Board of Commissioners of the Main Entity in the Danamon Group financial conglomerate are regulated in the Integrated Corporate Governance Policy. The duties and responsibilities of the Board of Commissioners of the Main Entity include:

1. Exercise supervision over the implementation of integrated corporate governance with the duties and responsibilities shall at a minimum include:

- a. Oversee the implementation of Corporate Governance at each Entity to ensure that it is in accordance with the Integrated Corporate Governance Policy;
- b. oversee the duties and responsibilities of the Board of Directors of the Main Entity as well as provide guidance or advices to the Board of Directors of the Main Entity on the implementation of Integrated Corporate Governance Policy; and
- c. Evaluate the Integrated Corporate Governance Policy and providing recommendations for improvement of the policy.

2. Establish an Integrated Corporate Governance Committee in order to support the effective performance of its duties.
3. Hold regular meetings at least 1 (one) time each semester with the following provisions:
 - a. The Main Entity Board of Commissioners' meeting can be held via video conference;
 - b. The results of the Main Entity Board of Commissioners' meeting are recorded in the minutes of the meeting and are well documented.
 - c. Dissenting opinions that occur in the Main Entity Board of Commissioners' meeting are clearly stated in the minutes of the meeting along with the reasons for dissent.

Implementation of Duties and Responsibilities of the Main Entity Board of Commissioners in 2019

The implementation of duties of the Main Entity Board of Commissioners in supervising the implementation of integrated corporate governance is assisted by the Integrated Corporate Governance Committee. The Integrated Corporate Governance Committee evaluates the implementation of integrated corporate governance and reports its implementation to the Board of Commissioners.

During 2019, there were 2 (two) meetings of the Board of Commissioners whose agenda discussed the Integrated Corporate Governance Committee's report related to the implementation of integrated corporate governance which included, among others, the results of self-assessment of integrated corporate governance, Danamon Group's Integrated Corporate Governance Policy, updates of Integrated Corporate Governance Committee Charter, and updates of corporate governance in the Subsidiaries.

BOARD OF DIRECTORS OF THE MAIN ENTITY

The Board of Directors of the Main Entity, besides fulfilling the requirements as a member of the Board of Directors of the Bank, also has an understanding of the main business activities and main risks of the entities in the Financial Conglomeration. The members of the Main Entity Board of Directors as of December 31, 2019 are 10 (ten) people. The majority of the members of the Main Entity Board of Directors have been working in banking industry for more than 25 years both in national and international banks and have had experience of at least 5 (five) years as company's Executive Officers/ Directors. All members of the Board of Directors have passed the fit and proper test and have obtained approval from OJK.

Name	Position	Approval Date AGMS	Approval Date OJK
Yasushi Itagaki	President Director	October 1, 2019	December 5, 2019
Michellina Laksmi Triwardhany	Vice President Director	March 20, 2018 *)	March 16, 2018 **)
Honggo Widjojo Kangmasto	Vice President Director	October 1, 2019	December 5, 2019
Herry Hykmanto	Director	April 3, 2008 *)	May 13, 2008 **)
Adnan Qayum Khan	Director	April 28, 2016 *)	August 8, 2016 **)
Rita Mirasari	Director	September 7, 2016 *)	September 14, 2016 **)
Heriyanto Agung Putra	Director	April 28, 2016 *)	December 23, 2016 **)
Dadi Budiana	Director	March 20, 2018 *)	October 17, 2018 **)
Muljono Tjandra	Director	October 1, 2019	December 5, 2019
Naoki Mizoguchi	Director	October 1, 2019	December 5, 2019

Note :

*) Reappointed after the effective merger between Danamon and BNP in accordance with the resolution of the EGMS March 26, 2019.

***) OJK has given its approval on April 25, 2019 to the Directors being reappointed after the effective merger between Danamon and BNP.

Duties and Responsibilities of the Board of Directors of the Main Entity

The duties and responsibilities of the Board of Directors of the Main Entity in Danamon Group financial conglomeration are regulated in the Integrated Corporate Governance Policy and Charter of the Board of Directors. The duties and responsibilities of the Danamon Directors as the Main Entity are as follows:

- 1) Ensure the implementation of Integrated Corporate Governance in the Financial Conglomeration with duties and responsibilities at a minimum:
 - a) Prepare the Integrated Corporate Governance Policy;
 - b) Direct, monitor and evaluate the implementation of Integrated Corporate Governance Policy; and
 - c) Follow up on the recommendations or advices from the Board of Commissioners of the Main Entity in order to improve the Integrated Corporate Governance Policy.

- 2) Ensure that audit findings and recommendations from the Integrated Internal Audit Working Unit, External Auditor, supervisory results of the Financial Services Authority and/ or other authority bodies have been followed up by the Entities in the Financial Conglomeration.
- 3) Responsible for carrying out the supervision function of Entities in the Financial Conglomeration.

Implementation of the Duties and Responsibilities of the Board of Directors of the Main Entity in 2019

In 2019, the Board of Directors of the Main Entity with inputs, recommendations and directions from the Board of Commissioners and the Integrated Corporate Governance Committee updated the Danamon Group Integrated Corporate Governance Policy.

The Board of Directors of the Main Entity will submit the updated Danamon Group Integrated Corporate Governance Policy to Subsidiary's Directors in the Financial Conglomeration to be followed up.

Name	Position in Main Entity (Danamon)	Position in Subsidiaries - Members of Financial Conglomeration
Yasushi Itagaki *	President Director	President Commissioner of PT Adira Dinamika Multi Finance, Tbk

Note:

* Will be effective after passing the OJK fit and proper test.

INTEGRATED CORPORATE GOVERNANCE COMMITTEE

Danamon as the Main Entity has established the Integrated Corporate Governance Committee in accordance with the Financial Services Authority Regulation No. 18/POJK.03/2014 concerning the Implementation of Integrated Good Corporate Governance for Financial Conglomerates. The Integrated Corporate Governance Committee is established to support the effectiveness of the implementation of the duties of Board of Commissioners of the Main Entity and assist the Board of Commissioners of the Main Entity in the supervisory function related to the implementation of integrated corporate governance in the Danamon Group.

The Integrated Corporate Governance Committee is established by the Board of Commissioners and is determined based on the Directors Decree No. Kep: DIR-Corp.Sec.-009 dated August 12, 2015 concerning Establishment of Integrated Corporate Governance Committee.

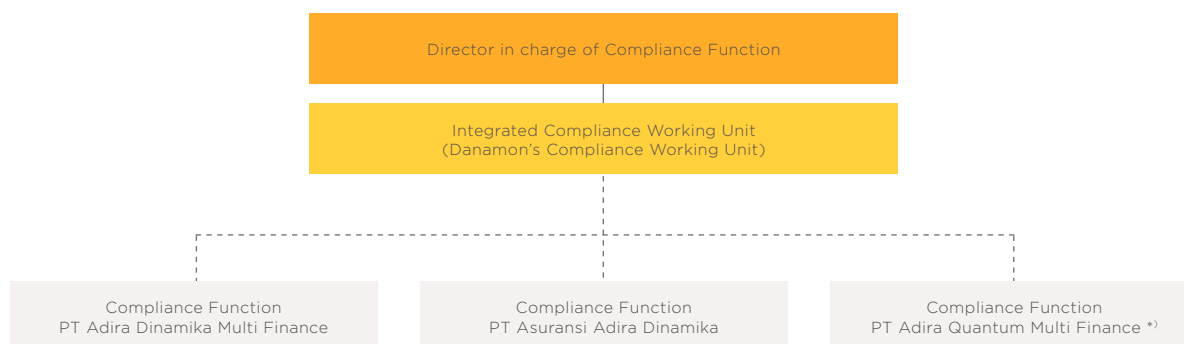
Details regarding Integrated Corporate Governance Committee's Charter, Duties, Responsibilities, Authorities, Structure, Membership, Expertise and Legal Basis for Appointment, Independency of Integrated Corporate Governance Committee, Term of Office, Policy and Holding of Integrated Corporate Governance Committee Meetings, and Implementation of Duties of Integrated Corporate Governance Committee in 2019 can be seen in Corporate Governance Report in the Integrated Corporate Governance Committee section.

INTEGRATED COMPLIANCE WORKING UNIT

The implementation of the Integrated Compliance Working Unit (ICWU) function is carried out by the existing Compliance Working Unit of Danamon. The Compliance Working Unit is established independently and is under the responsibility of the Director in charge of the Compliance Function (Compliance Director). The structure and infrastructure are adequate so that it can support the implementation of the Integrated Compliance Working Unit function to coordinate, monitor and evaluate the compliance function of all entities in the Danamon Group Financial Conglomeration.

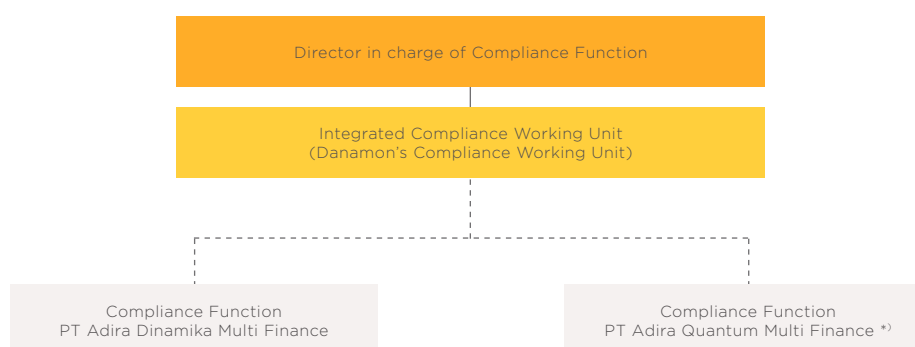
Structure and Position of Integrated Compliance Working Unit

Since the beginning of 2019 until before the completion of the sale of 70% share ownership in PT Asuransi Adira Dinamika Tbk to Zurich Insurance Company Ltd. on November 27, 2019, the structure and position of the Integrated Compliance Unit is as follows.



*) in liquidation process

Since November 27, 2019, in line with changes in members of the Danamon Group Financial Conglomeration, the structure and position of the Integrated Compliance Working Unit have changed to be as follows.



*) in liquidation process

Duties and Responsibilities of The Integrated Compliance Working Unit

Integrated Compliance Working Unit has the duties of at least monitoring and evaluating the implementation of the compliance function in each Entity in the Financial Conglomeration.

Implementation of Duties and Responsibilities of the Integrated Compliance Working Unit in 2019

During 2019, the Integrated Compliance Working Unit has carried out its duties and responsibilities, including:

- Carry out the duties and responsibilities of the Compliance Working Unit, which can be seen in the Corporate Governance Report in Compliance Working Unit part.
- Ensure that the compliance function in each subsidiary is established independently and supported by adequate compliance policies or guidelines.

- Coordinate and monitor related to the implementation of the compliance function of subsidiaries, including provide consultative functions on the implementation of compliance.
- Ensuring compliance of subsidiaries with regulatory parameters periodically.
- Review reports on the implementation of compliance functions submitted by subsidiaries on a quarterly basis.
- Coordinate and report the changes in members of the financial conglomeration.
- Deliver new regulations to subsidiaries.
- Monitor follow-up/ commitments of improvement on the audit results conducted by the Financial Services Authority.
- Conduct integrated compliance risk assessment and prepare integrated compliance risk profile report.
- Coordinate the assessment and preparation of integrated corporate governance self-assessment biannually.

Main Highlights

Management Report

Company Profile

Management Discussion and Analysis

Operational Review

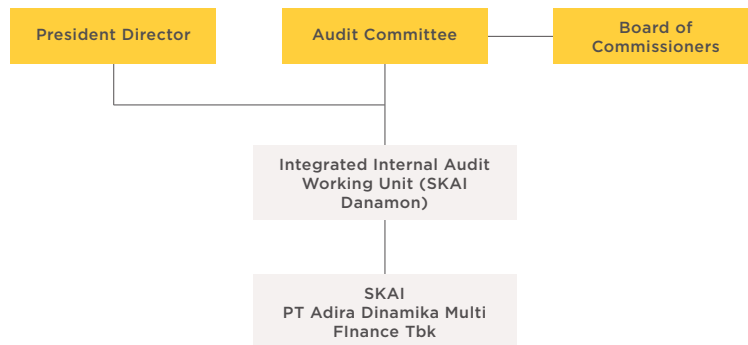
Good Corporate Governance

Corporate Social Responsibility

Corporate Data

INTEGRATED INTERNAL AUDIT WORKING UNIT

Structure and Position of Integrated Internal Audit Working Unit (IIAWU)



Since August 12, 2019, Integrated Internal Audit Working Unit (IIAWU) has been led by Yenny Linardi as Chief Internal Auditor (Head of SKAI) replacing Nathan Tanuwidjaja as an acting Head of SKAI, based on appointment letter No. B.194/HCKP/0819 and this appointment has been reported to OJK based on Director Letter No. B.748 – DIR dated August 15, 2019 regarding Report on Dismissal of the Acting Head of SKAI and Appointment of the Head of SKAI PT Bank Danamon Indonesia, Tbk (“Company”).

Further details of Integrated Internal Audit Working Unit including duties and responsibilities, 2019 internal audit priorities as well as plans and realization of audits as of December 31, 2019 can be seen in the Corporate Governance Report in the part Internal Audit Working Unit (SKAI).

IMPLEMENTATION OF INTEGRATED RISK MANAGEMENT

Integrated Risk Management Policy and The Implementation

Danamon as the Main Entity has Integrated Risk Management Policy prepared based on the regulations of Financial Services Authority (OJK) and other applicable regulations, and is reviewed on regular basis. The Integrated Risk Management Policy covers risk management framework and serves as guidance for the implementation of integrated risk management in Danamon Financial Conglomeration. Danamon’s Integrated Risk is responsible for developing overall risk management strategies that include policy, methodology, framework, limit and procedure as well as controls periodically.

The implementation of Integrated Risk Management is carried out as follows:

- a. Supervision of the Board of Directors and Board of Commissioners of the Main Entity

The implementation of Integrated Risk Management involves active monitoring and supervision of the Board of Directors and Board of Commissioners of Danamon as the Main Entity. The Board of Directors and Board of Commissioners of the Main Entity understand the risk, develop the risk culture, and ensure that the implementation of Risk Management in the Financial Conglomeration to support the implementation of Integrated Risk Management has been carried out effectively. In its implementation, Integrated Risk Management Committee has been established in the Financial Conglomeration.
- b. Integrated Risk Management Organization

In order to implement a comprehensive and effective Integrated Risk Management, the Main Entity has established Integrated Risk Management Committee and Integrated Risk Management Working Unit.

 - 1) Integrated Risk Management Committee

The membership of the Integrated Risk Management Committee consists of Bank’s Integrated Risk Director as the Main Entity, Directors representing the Subsidiaries, and the relevant appointed Executive Officers. The Chairman of the Committee is the Integrated Risk Director of Bank.

Integrated Risk Management Committee meetings are held regularly. Each member as an individual or group can request an extraordinary meeting to discuss a very important topic/ issue. The Integrated Risk Management Committee meeting is chaired by the Chairman of the Committee.

The duties and responsibilities of the Integrated Risk Management Committee are to provide recommendations to the Board of Directors of Danamon as the Main Entity related to the preparation of the Integrated Risk Management Policy and the improvement or refinement of the Integrated Risk Management Policy based on the evaluation results of the implementation.

- 2) Integrated Risk Management Working Unit
Danamon as the Main Entity has established an Integrated Risk Directorate which is a Risk Management Working Unit that has risk management roles and responsibilities in the Bank individually, as well as an Integrated Risk Management Working Unit in implementing integrated risk management.

The Integrated Risk Directorate is an independent unit from the risk taking units and reports to the Integrated Risk Director, who then reports directly to the President Director. In carrying out its function as an Integrated Risk Management

Working Unit, Danamon Integrated Risk Directorate coordinates with the Risk Management working unit in each entity in the Financial Conglomeration. Authority and responsibility of the Integrated Risk Management Working Unit, among others:

- Provide input to the Board of Directors and the Integrated Risk Management Committee in the preparation and improvement of the Integrated Risk Management Policy.
- Monitor the implementation of Integrated Risk Management Policy including to develop the procedures and tools for risk identification, measurement, monitoring, and control.
- Monitor the risks in the Financial Conglomeration by monitoring the risk profile of each entity in the Financial Conglomeration, both in individual and in integrated manner, including the risk level for each type of risk in an integrated manner.
- Conduct stress testing on the Financial Conglomeration.
- Periodically review risk assessment methodology, implementation adequacy of management information systems, and the precision of policies, procedures and limit of integrated risks.
- Review the proposals of new line of business that are strategic and significantly affect Financial Conglomeration's risk exposures.
- Provide the information to IRMC regarding the matters that need to be followed up related to the evaluation of Integrated Risk Management implementation.

INTEGRATED RISK MANAGEMENT COMMITTEE

Chairman	Integrated Risk Director of the Main Entity (Danamon)
Membership	<ul style="list-style-type: none"> • Appointed Director from each Subsidiary • Appointed Division Heads in Integrated Risk Management Working Unit

STATUS OF VOTING RIGHTS AND DECISION MAKING

Decisions of Committee Meetings are taken based on the principle of deliberation and consensus. In the event that consensus does not occur, a decision is made based on a majority vote. Decisions taken based on majority vote are based on the principle of 1 (one) person 1 (one) vote.

Roles and responsibilities of the Integrated Risk Management Committee

- a. Provide recommendations to the Board of Directors of the Main Entity related to the preparation of Integrated Risk Management Policies; and

- b. Provide recommendations to the Board of Directors of the Main Entity related to the improvement or refinement of the Integrated Risk Management policy based on the evaluation results of the implementation.

Attendance of member in the Integrated Risk Management Committee Meeting

During 2019, the Integrated Risk Management Committee held 2 meetings with the attendance of committee members as follows:

Committee Member	Title	Meeting Attendance
Adnan Qayum Khan	Danamon Integrated Risk Director	2
Ho Lioeng Min	Director of PT Adira Dinamika Multi Finance, Tbk	2
Musi Samosir	Chief Risk Officer of PT Asuransi Adira Dinamika (represent Director of PT Asuransi Adira Dinamika)	2
Iwan Dharmawan	Danamon Credit & Enterprise Risk Management Division Head	2
Eunice Kurniawan	Danamon Operational Risk Management, Fraud & QA Division Head	2
Ari Priyatna	Danamon Market & Liquidity Risk Management Division Head	2

Meetings and Agenda of Integrated Risk Management Committee Meeting

Date	Agenda
February 12, 2019	<ul style="list-style-type: none"> - OJK Integrated Risk Profile H2-2018 - IRMP 2018 - Sustainable Finance Action Plan - Recovery Plan - Legal Lending Limit - New POJK - Credit Quality Assurance - IFRS 9 Project Update - LCR & NSFR Update - IRRBB Project - Capital Adequacy - Cyber TTX Project Update - Adira Insurance Update - Adira Finance Update - Risk Profile - Sharia
August 12, 2019	<ul style="list-style-type: none"> - OJK Integrated Risk Profile H1-2019 - Sustainable Finance Update - IRMP Annual Review - 2019 - RAS Review - 2019 - Recovery Plan Update - Credit PP and Credit Guideline Standard - IRRBB Project - Capital Adequacy - Adira Finance Update - Adira Insurance Update - Sharia Update

Implementation of Duties of Integrated Risk Management Committee in 2019

Important activities carried out by the Integrated Risk Management Committee during 2019 are:

- a. Approval of the Integrated Risk Profile
- b. Subsidiaries Update
- c. Sharia Risk Profile Update
- d. Update on Intra-Group Transaction Policy and Risk Profile
- e. Update on new POJK related to Legal Lending Limit
- f. Discussion on Group Risk Appetite Statement
- g. Recovery Plan Update
- h. IFRS 9 Update
- i. Cyber TTX Project Update
- j. NSFR and IRRBB Update
- k. Sustainable Finance Update
- l. Credit PP and Credit Guideline Standard

INTRA-GROUP TRANSACTION POLICY

Intra-group transaction risk is the risk due to the dependence of an entity either directly or indirectly to other entities in a Financial Conglomerate in order to fulfill a contractual obligation of written or unwritten agreement which followed by either transfer the funds or not.

The implementation of Intra-Group Transaction Risk Management is carried out by taking into account inter-

entity transaction activities in the Financial Conglomerate. Danamon as the Main Entity has regulated the implementation of intra-group transaction risk management in the Intra-Group Transaction Policy which is regularly reviewed. Intra-group transaction limits are determined through coordination between Danamon as the Main Entity and Subsidiaries as members of the Financial Conglomerate.

The implementation of Intra-Group Transaction Risk Management is carried out through risk identification, measurement, monitoring and control, and risk management information system. Intra-Group Transaction Risk can be arisen from:

- Cross ownership between entities within the Financial Conglomerate.
- Centralized management of short term liquidity.
- The collaterals, loans, and commitments that are provided or obtained by an entity from another entity within the Financial Conglomerate.
- The exposure to the controlling shareholder, including the loan exposure and off balance sheet such as collateral and commitment.
- Asset purchases or sales to other entity within the Financial Conglomerate.
- Risk transfer through re-insurance.
- Transactions to transfer third party risk exposures between entities within the Financial Conglomerate.

SELF-ASSESSMENT RESULT OF INTEGRATED CORPORATE GOVERNANCE IMPLEMENTATION

Self-Assessment Result Integrated Corporate Governance Implementation Position June and December 2019	
Rating	Rating Definition
2	Financial Conglomerate is considered in general has well implemented Integrated Corporate Governance (ICG). This is reflected in the adequate implementation of the principles of ICG. Any weaknesses in the implementation of ICG principles in general are not significant and may be resolved through normal measures by the Main Entity and/or Entities in the Financial Conglomerate.

Based on the self-assessment, Danamon has an adequate integrated corporate governance structure and infrastructure to allow the principles of integrated corporate governance to be effectively implemented. This is reflected in some of the following indicators:

Main Highlights
Management Report
Company Profile
Management Discussion and Analysis
Operational Review
Good Corporate Governance
Corporate Social Responsibility
Corporate Data

Indicator	Summary of Self-Assessment
Board of Directors of the Main Entity	<ul style="list-style-type: none"> - Board of Directors members of Main Entity have fulfilled the requirements of integrity, competence and financial reputation. - Board of Directors members of Main Entity who are currently serving have passed the fit and proper test, and have obtained approval letter from OJK. - All audit findings and recommendations from SKAI, external auditors, OJK supervision results and/ or the results of supervision by other authorities are always followed up by the Directors of Main Entity.
Board of Commissioners of the Main Entity	<ul style="list-style-type: none"> - Board of Commissioners members of Main Entity have fulfilled the requirements of integrity, competence and financial reputation. - All Board of Commissioners members of Main Entity have passed the fit and proper test and have obtained approval letter from OJK, except for 2 (two) BOC members who are currently in the process of OJK fit and proper test. - During 2019, Board of Commissioners of Main Entity has held 6 (six) meetings of the Board of Commissioners of the Main Entity.
Integrated Corporate Governance (ICG) Committee	<ul style="list-style-type: none"> - The composition of the Independent Commissioner in the Integrated Corporate Governance Committee is in accordance with the needs of the Financial Conglomeration as well as the efficiency and effectiveness of the implementation of the duties of the Integrated Corporate Governance Committee. - The ICG Committee is chaired by an Independent Commissioner who is also the chairman of the Bank Danamon's Corporate Governance (CG) Committee. Representative Commissioners from Subsidiaries are Independent Commissioners. - The results of ICG self-assessment which includes the internal control function and the implementation of the integrated compliance function are regularly evaluated by the ICG Committee in the ICG Committee meeting.
Integrated Compliance Working Unit	<ul style="list-style-type: none"> - Danamon's Compliance Working Unit carries out the function of the Integrated Compliance Working Unit. - The Integrated Compliance Working Unit is independent from other operational working units and is not in a position to face conflict of interest in carrying out its duties and responsibilities. - Danamon's Compliance Working Unit is supported by employees who have adequate qualifications.
Integrated Internal Audit Working Unit	<ul style="list-style-type: none"> - Implementation of the functions of the Integrated Internal Audit Working Unit (SKAIT) is carried out by Danamon's Internal Audit Working Unit (SKAI). - SKAI is independent of other operational working units. - SKAI is headed by the Head of SKAI who is directly responsible to the President Director. To support the independency of SKAI and ensure the smooth running of the audit and authority in monitoring follow-up, the Head of SKAI is also directly responsible to the Board of Commissioners through the Audit Committee. - SKAIT is led by Yenny Linardi as the Head of the Internal Audit Working Unit starting from August 12, 2019.
Integrated Risk Management Implementation	<ul style="list-style-type: none"> - Danamon as the Main Entity in the financial conglomeration has Integrated Risk Management Policy that regulates the Risk Management Framework for Banks and the Financial Conglomeration and the Implementation of Risk Management in each type of risk comprehensively. Danamon has implemented Group Risk Appetite Statement (RAS) and has RAS Cascading. - The Integrated Risk Management Policy has been reviewed in accordance with applicable regulations and current conditions. - The Board of Directors and Board of Commissioners of Main Entity actively supervise the implementation of integrated risk management policies and strategies and hold regular meetings to analyze the performance of Danamon and subsidiaries and discuss other matters related to risk issues, mitigation mechanisms, potential losses and the follow-up improvements.
Integrated Corporate Governance Policy	<ul style="list-style-type: none"> - Danamon has updated Integrated Corporate Governance Policy of Danamon Group. The policy applies as a Corporate Governance Policy of Bank Danamon (Main Entity) as well as Framework for the Implementation of Corporate Governance for Subsidiaries. - The implementation of integrated corporate governance principles at the Bank and Subsidiaries has been guided by the applicable Integrated Corporate Governance Policy.

Sharia Corporate **Governance**

Sharia Corporate Governance

INTRODUCTION

The implementation of Corporate Governance at Danamon Sharia (UUS Danamon) is based on 5 (five) basic principles of Good Corporate Governance (GCG), as follows:

1. Transparency is openness in disclosing material and relevant information in the decision making process.
2. Accountability is the clarity of purpose in implementation of Bank operations leading to effective management.
3. Responsibility is the Bank management's compliance with the rules and legislation and the principles of sound management.
4. Professionalism is the competence and ability to act objectively and be free from influence or pressure from any party and show a strong commitment to the development of the sharia banking business.
5. Fairness is justice and equity in fulfilling the rights of stakeholders under the applicable laws and regulations.

The implementation of GCG principles is a commitment of all Company functions to support performance improvement and to protect the interests of stakeholders by continuing to observe fulfillment of sharia principles in conducting sharia business activities.

The Company's consistency in GCG is reflected in compliance with laws and regulations, implementation of risk management, improvement of internal control encompassing all UUS work units and sustaining the best possible performance.

UUS DANAMON INITIATIVES

in 2019, Danamon Syariah has fully implemented a marketing strategy with leverage model where all

Danamon's Syariah product can be sold throughout all Bank network leveraging the Branch Network. Some important milestones carried out in 2019 were as follow:

- a. Changes of sales and distribution model, which more focus on customer centric instead of product centric.
- b. Productivity improvement of human resources, along with enhancement on knowledge and skills on sharia banking and intensif sosialisasi on sharia products.
- c. Continuously improve risk management and good corporate governance through advancement of policy and other supporting system.
- d. Advancement and improvements in infrastructure and integrated technology to improve level of service to customers, by minimizing the manual process as well by integrating several processes with parent bank system.
- e. Appointment of Danamon Sharia as BPKH partner with 4 main functions : receiving bank for Hajj deposit , placement bank, investment partner bank, and value benefit manager bank since 2018.
- f. Focus on socialisation of Danamon Sharia's superior products including : Sharia Leasing, TRH (Tabungan Rencana Haji), RTJH (Rekening Tabungan Rencana Haji), Tabungan Umroh, sharia insurance products (Proteksi Prima Amanah), and Tabungan Qurban on each new distribution network.
- g. On April 2019, Danamon Sharia also have completed sharia house mortgage financing iB akad Musyarakah Mutanaqisah (MMQ).

In order to raise consumer and community sharia financial literacy, launched by the Financial Services Authority (OJK), the Company has undertaken several programs as follows:

Sharia Financial Literacy Program	Objectives
Education on Sharia banking "iB Vaganza Program" in collaboration with OJK (Banking).	Fostering community awareness on sharia banking and products
Sharia Finance Fair in cooperation with OJK (Banking, insurance, and capital market).	Information dissemination to the public in regard to sharia financial products that include: Takaful, Sharia Banking, and Sharia Capital Markets

SHARIA SUPERVISORY BOARD (DPS)

Number and Composition of DPS

In 2019, the number of UUS Danamon DPS members was 3 (three) persons as mentioned below :

- Prof. Dr. H.M. Din Syamsuddin (Chairman)
- Dr. KH. Hasanudin, M.Ag (Member)
- Drs. H. Asep Supyadillah, M.Ag (Member)

Dual Position of DPS Members at Other Sharia Financial Institutions

All members of the DPS have fulfilled the terms of dual position as stipulated in Bank Indonesia Regulation No.11/10/PBI/2009 regarding Sharia Business Unit Dual Positions as follows:

Name	Position Held in Other Companies	Name of the Companies
Prof. Dr. H.M. Din Syamsuddin (Chairman)	-	-
Dr. KH. Hasanudin M.Ag (Member)	DPS DPS DPS	a) BNI Syariah b) Toyota Astra Finance Services Syariah c) Trimegah
Drs. H. Asep Supyadillah, M.Ag (Member)	DPS DPS DPS	a) PT Capital Life Syariah b) PT Asuransi Reliance Indonesia c) PT Asuransi Jiwa Generali Indonesia

DPS Work Program 2019

UUS Danamon DPS in 2019 conducted the following work programs::

- Held at least 12 (twelve) DPS discussion meetings on sharia principles, filing new products and requests for opinions on situations occurring during operations
- Conducted periodic reviews including oversight of the fulfillment of sharia principles on fund raising mechanisms and the distribution of funds and UUS services by means of sampling
- Established proper collaboration between the Sharia Assurance Unit and UUS in the implementation of all UUS DPS (request for DPS opinion), to examine and request clarification from Danamon UUS officials in charge of essential matters..
- Prepared the DPS Supervision Result Report every 6 months, to besubmitted to the OJK with copies to DSN-MUI,the Board of Commissioners, the Director of UUS Danamon, the Internal Audit Unit and the Compliance Division
- Heightened sharia and banking knowledge by continuously improving DPS capacity through training programs and workshops in order to boost UUS Danamon growth and progress.
- Provided advice and recommendations to UUS Danamon Director on specific and general management of Bank Danamon in order to improve and fulfill sharia principles and to bolster UUS Danamon growth and development

DPS Work Realisation 2019

- DPS routine monthly meetings were convened 13 (thirteen) times in 2019. Details of time, venue, meeting agenda, and attendance can be observed in Attachment 1. The attendance level of DPS members was as follows:

Name	Attendance
1. Prof. Dr. H.M. Din Syamsuddin	12
2. Dr. KH. Hasanudin, M.Ag	12
3. Drs. H. Asep Supyadillah, M.Ag	13

The execution of DPS Meetings in 2019 complied with Bank Indonesia and OJK regulations. The decisions made during the DPS meetings were based on consensus deliberation. The result of the meetings decisions has been registered in the Minutes of Meeting, fully documented and submitted to the Director and management of the Bank to be implemented.

- In order to evaluate sharia principles fulfillment performed on a regular basis during 2019, from the 186 customers' data presented, DPS has conducted samplings of 102 customers, both funding and financing customers. The customer criteria are as follows:

Customer Data Presented	Customer Data Sampling
149 Funding customers; Financing: 5 Employee cooperation; 10 SME customers; 3 BPRS customers; 5 Enterprise Banking (EB) customers 14 Consumer customers	74 Funding customers; Pembiayaan: 3 Employee cooperation; 9 SME customers; 3 BPRS customers; 3 Enterprise Banking (EB) customers 10 Consumer customers

- Throughout 2019, DPS has coordinated with Sharia Assurance Unit - UUS Danamon to support its function as DPS by issuing 19 (nineteen) DPS Opinions with details as follows:

No	Permasalahan / Topik
1	Sharia Opinion on Use of Sharia Agreement on Conventional Cooperation as Underlying Payment.
2	Sharia Opinion on Submission of New Feature Products (Danamon Lebih Ib, Fleximax Ib, D'Save Ib, dan D'Save Plus Ib)
3	Sharia Opinion on Financing of Employee Cooperation with Chanelling Scheme .
4	Sharia Opinion on Approval of 3 (three) Sharia Insurance Partnership Offer to House Mortgage Customers (PKR)- Mortgage Syariah iB [new insurance products - fire insurance] .
5	Sharia Opinion on Financing and Funding Collaboration Between The Bank of Tokyo-Mitsubishi UFJ, Ltd (MUFG) with UUS BDI.
6	Sharia Opinion on Standard Operational Procedure (SOP) and Lending Agreement Based on Principle of Al-Ijarah Al-Maushufah fi Al-Dzimmah - Al-Ijarah al-Muntahiyah bi al-Tamlik (IMFZ-IMBT).
7	Sharia Opinion on Initiatives of Brochure Alignment(Danamon Lebih/Danamon Lebih iB, Fleximax/Fleximax iB, D-Save & D-Save Plus, D-Save & D-Save Plus iB)
8	Sharia Opinion on Implementation of Program "Danamon Lebih" and "Danamon Lebih iB Arisan".
9	Sharia Opinion on Voluntarily Takeover of Customer Collateral (AYDA) which Required To Be Liquidated Within 1 (one) Year.
10	Sharia Opinion on Sharia Account Intended to Investment Purchase of Government Bonds or Mutual Funds which not based on Sharia Principles.
11	Sharia Opinion on Agreement of Mudharabah Muqayyadah.
12	Sharia Opinion on Agreement of Musyarakah Revolving (Non Installment)
13	Sharia Opinion on Addendum PKS with Developer in Provision of Sharia Financing Facility.
14	Sharia Opinion on Requirement and General Rules of Sharia Account Opening.
15	Sharia Opinion on Financing Scheme of Wakalah Bil Al Istitsmar Sharia.
16	Sharia Opinion on Use of HTV Conventional ID by Sharia Branch Service Manager (BSM) on Sharia Implant Branches.
17	Sharia Opinion on PKS Developer Landed & Non Landed for PKR Sharia
18	Sharia Opinion on Extension of Conventional Loss Insurance for Sharia House Mortgage.
19	Sharia Opinion regarding Partnership Approval with Aswata Takaful Sharia Insurance as replacement of CHUBB Sharia Insurance on customers of House Mortgage Financing (PKR) Products- Mortgage Syariah iB

4. Submitted a report on the DPS supervision results every 6 months to the OJK with copies to DSN-MUI, the Board of Commissioners, the Director of Danamon UUS, the Internal Audit Unit and Bank Danamon Compliance Division
5. In 2019, DPS UUS Danamon have attended training programs and workshops to upgrade/optimized DPS capabilities as detailed in the following table :

No	Training/Workshop
1	Pra Ijtima' Sanawi (Annual Meeting) Dewan Pengawas Syariah (DPS) 2019, dated September 17, 2019, Aula Kantor DSN-MUI Lt. 2, Jakarta.
2	Ijtima' Sanawi (Annual Meeting) Dewan Pengawas Syariah (DPS) 2019, dated October 2- 4, 2019, Aston Bogor Hotel & Resort (Aston BNR) Jl. Dreded Pahlawan, Mulyaharja, Kota Bogor 16132

6. Provided advice and recommendations to UUS Danamon Director during routine DPS meetings once a month or on certain occasions in order to improve and fulfill sharia principles, and to sustain development and growth of UUS Danamon. .

DPS Supervision

DPS supervision results were reported to the OJK with copies to the Compliance Division, Internal Audit Work Unit, Board of Directors & Commissioner of PT. Bank Danamon Indonesia, Tbk and the National Sharia Board - Majelis Ulama Indonesia (DSN-MUI) through Report of Supervision Results for 2 (two) periods, which are the Report of Supervision Results (LHP)-Mid Year and Year End 2019. The LHP consists of:

- Financial reports, branch network development, products, human resources, and regular meetings with Bank Danamon UUS management during the period of such supervision
- Report on the Bank's products and services compliance followup, accompanied by the DSN-MUI fatwas
- Bank supervision working papers on Bank activities & product development
- DPS opinions issued during the period of such supervision

In addition to supervision, DPS also provides recommendations and advice to the Board of Directors of PT. Bank Danamon Indonesia, Tbk and UUS Danamon management in the form of DPS opinions published in accordance with management requirements.

DPS Working Guidelines and Code of Conduct

DPS abides by the Working Guidelines and Code of Conduct, which are reviewed periodically. UUS Danamon constantly aligns DPS Working Guidelines and Code of Conduct in accordance with the development of prevailing regulations and provisions.

Remunerasi DPS

Remunerasi dan fasilitas lainnya bagi anggota DPS UUS Danamon diusulkan oleh Komite Remunerasi Danamon serta ditetapkan dalam Rapat Umum Pemegang Saham Danamon. Jumlah remunerasi dan fasilitas lainnya selama tahun 2019 adalah sebagai berikut:

UUS Danamon DPS members' remuneration and other benefits are proposed by the Danamon Remuneration Committee and stipulated in Danamon's Annual General Meeting of Shareholders. Total remuneration and other benefits in 2019 are as follows

Total Remuneration and other Benefits	Amount Received in 1 Year (gross)	
	Orang	Rupiah
1. Remunerations	3	973,018,926
2. Other Benefits	3	Health Insurance (including family members)
Total Remuneration per person in 1 year		Total DPS
Above 2 billion Rupiah		-
Between 1 billion and 2 billion Rupiah		-
Above 500 million rupiah up to 1 billion Rupiah		-
Below Rp 500 million		3

DIRECTORS OF UUS

With regard to GCG implementation, the UUS Danamon Director has performed the following:

- Coordinated with all levels of in UUS Danamon to carry out DPS's recommendations or input derived from SSB's regular meetings and Supervision Result Reports.
- Coordinated with all levels of directorates for the development and upgrading of UUS Danamon's business, including operational and marketing coordination of sharia products through sharia services at the Bank's main branch
- Ensured UUS Danamon's soundness in accordance with OJK provisions
- Coordinate with BI and OJK
- Taking role as member of the Risk Management Committee.

LIST OF CONSULTANTS AND LEGAL ADVISORS

Pada tahun 2019, UUS Danamon menggunakan Karimsyah Lawfirm to prepare standardization of sharia financing contracts.

In 2019, UUS Danamon use Karimsyah Lawfirm to prepare standarisasi

Internal Fraud within 1 year	Number of cases committed by					
	Directors		Permanent Employees		Contract Employees	
	2019	2019	2019	2019	2019	2019
Total internal fraud	None	None	None	None	None	None
Resolved	None	None	None	None	None	None
Under settlement within internal UUS	None	None	None	None	None	None
Completion has not been sought	None	None	None	None	None	None
Has been followed up on through legal process	None	None	None	None	None	None

LEGAL ISSUES

Pada tahun 2019, berikut status permasalahan hukum di UUS Danamon:

Legal Issues	Total	
	Civil	Criminal
Case closed (permanent & legally binding)	1 ^(*)	None
Not settled / Under settlement	None	None
Total	None	None

(*) Case No : PA Surabaya No. 673/Pdt.G/2019/PA. Sby, Case Registration Date February 4, 2019

UUS DANAMON ACTIVITIES

UUS Danamon activities consisted of 2 (two) proceedings, the distribution of the virtue funds for social activities and UUS Danamon achievements in the Indonesian banking industry. The following are the descriptions.

Distribution of Virtue Funds for Social Activities

Pursuant to Law Number 21 of 2008 concerning Sharia Banking Chapter II on Principles, Objectives and Functions. Islamic banks also carry out social functions as stated in Article 4 paragraph 2 which reads: "Sharia Bank and UUS can perform social functions in the form of baitul mal institutions, which receive funds derived from zakat, infak, alms, grants, or other social funds and channeling it to the zakat management organization." And Fatwa DSN MUI Nomor 123/DSN-MUI/XI/2018 regarding The Use of Unrecognized Funds as Income for Sharia Financial Institutions, Sharia Business Institutions, and Sharia Economic Institutions. Hence, in 2019, UUS Danamon distributed 45 virtue funds to establishments, institutions, foundations, mosques/mushola, and eligible individuals totaling IDR 446,556,000. The details of these proceedings can be observed in Attachment 2.

UUS Danamon Achievements

Followings are awards received by UUS Danamon in 2019 :

- Awards for Infobank Banking Service Excellence Awards 2019 :
 - Rank 1 in teller category
 - Rank 2 in Overall Minus E-Banking category
 - Rank II Customer Service category
 - Rank 3 in Branch Call Center category
 - Rank 3 in Best Overall Performance Sharia Business category
- Rank 1 for category Sharia Business Unit-Conventional Bank, Infobank Digital Brand Awards

NON-HALAL INCOME AND ITS USE

In 2019, there was no non-halal income received by UUS Danamon.

2019 UUS DANAMON GCG SELF-ASSESSMENT RESULTS

Based on the working papers related to the self- assessment of the 2019 UUS Danamon GCG implementation, we present the following composite value 2019 summary and the 2019 UUS Danamon GCG self-assessment results.

Table of Composite Value Summary Calculation 2019

No	Factors	Rank (a)	Weight (b)	Value (a) x (b)
1	UUS Director duties and responsibilities Implementation	2	35.00%	0.70
2	DPS duties and responsibilities Implementation	2	20.00%	0.40
3	Sharia principles implementation in fund raising activities and funds channeling and services	2	10.00%	0.20
4	Fund disbursement to core financing customers and deposit of funds by core depositors	2	10.00%	0.20
5	Financial and non-financial transparency status, GCG implementation reports and internal reporting	1	25.00%	0.25
Composite Value			100%	1.75

Predicate: Excellent / Good / Satisfactory / Below Satisfactory / Poor

Table Summary of Self Assessment Result GCG UUS Danamon 2019

No	Factors	Rank (a)	Weight (b)	Value (a) x (b)	redicate
1	UUS Director duties and responsibilities <ul style="list-style-type: none"> Director of UUS Danamon shall pass the fit & proper test of BI, be independent, shall have no conflict of interest and his appointment shall be reported to BI. Director of UUS Danamon shall be responsible for managing UUS Danamon Shall follow up on DPS recommendations & provide data for DPS supervision 	2	35 %	0.70	Good

No	Factors	Rank (a)	Weight (b)	Value (a) x (b)	redicate
2	<p>SSB duties and responsibilities</p> <ul style="list-style-type: none"> DPS members shall have 3 persons, having integrity, competence and adequate financial reputation, appointed through the GMS, based on recommendations of the Nomination Committee and recommendations of DSN-MUI with tenure not exceeding the Board of Directors / Board of Commissioners. The dual positions of members of SSB shall be in accordance with Bank Indonesia regulations DPS have ensure and assess the fulfillment of sharia principles on UUS Danamon's operational products and operational guidelines and submit supervisory reports in accordance with the provisions of BI DPS shall convene 13 (thirteen) meetings in 2019. Decisions of the meetings shall be based on consensus deliberations, be well documented and submitted as recommendations for follow-up to UUS Danamon management Multiple positions as members of DPS at other Islamic financial institutions as well as remuneration / other facilities shall be reported in the GCG Implementation Report. DPS members shall not hold concurrent positions as consultants in the entire Business Unit / UUS Danamon. In accordance with the SSB Working Procedures, SSB members shall not take advantage of UUS Danamon for personal gain. 	2	20%	0.40	Good
3	<p>Sharia principles implementation in fund raising, channeling of funds, and services activities</p> <ul style="list-style-type: none"> Each product issued by UUS Danamon shall be reviewed by the Sharia Assurance Unit, Bank Danamon Compliance Division with requests for DPS opinions to ensure the suitability of the product with Fatwa DSN - MUI. UUS Danamon shall make efforts in the implementation of fundraising products, channeling of funds and services in accordance with the DSN-MUI Fatwa and BI / OJK provisions, one of which is conducting product policy periodic reviews and internal audit. 	2	10%	0.20	Good
4	<p>Fund disbursement to core financing customers and deposit funds by core depositors.</p> <ul style="list-style-type: none"> UUS Danamon shall apply prudential principles in providing funding, especially to Core Customers by continuously referring to BI/OJK provisions. UUS Danamon's non-special treatment for Core Financing Customers and Core Depositors so that the treatment to core customers follows the general policy of UUS Danamon. Products of The UUS Danamon funding program shall periodically be reviewed according to the Bank's provisions. A detailed list of Core Financing Customers and Core Deposit Customers shall be submitted to BI in accordance with applicable regulations. 	2	10%	0.20	Good
5	<p>Transparency of financial and non-financial conditions, GCG implementation reports and internal reporting.</p> <ul style="list-style-type: none"> UUS Danamon shall publish Quarterly Financial Published Reports in national newspapers in accordance with BI / OJK provisions. UUS Danamon shall submit UUS Danamon's targets, strategies and development policies in RBB and convey information on UUS business development in the RBB Realization Report as well as in the Bank's Annual Report. UUS Danamon shall conduct GCG Self- Assessment, and shall prepare the GCG Implementation Report according to BI / OJK regulations. UUS Danamon shall possess appropriate internal reporting and shall be able to present data / information from core and support systems. The reporting system shall be supported by personnel with adequate training and experience and shall have IT security system knowledge in accordance with Bank Danamon's IT Security procedures. 	1	25%	0.25	Excellent
Composite Value			100%	1.75	Good
Predicate: Excellent / Good / Satisfactory / Below Satisfactory / Poor					

GENERAL CONCLUSIONS

Based on the results of GCG self-assessment in 2019, UUS Danamon obtained a composite score of 1.75, attaining the category of "Good."

The implementation of GCG in UUS Danamon in 2019 have fulfill several requirements which oversee GCG as follows :

1. At all times complied with the prevailing regulations and sharia implement principles in fund raising activities and fund channeling and sharia unit services.
2. Boosted third party fund raising by making the best use of the sharia branch office network and sharia services (office channeling) through the bank's office network while upholding prudent principles and improving knowledge of sharia human resource principlesprudence and independence based on sharia principles
3. Fund disbursement activities in financing customers and third party fundraising remained consistent with the principles of prudence and independence based on sharia principles
4. Financial and non-financial transparency, GCG implementation reports and internal reporting conducted periodically and transparently in accordance with prevailing regulations
5. The UUS Danamon Director has met the prerequisites, for example having the required sharia competence, is fully committed to expanding Danamon UUS, follows up on SSB recommendations, and punctually submits the monthly report on UUS Danamon growth and status at regular DPS meetings

6. UUS Danamon DPS has performed its duties and responsibilities well, for example, all DPS members enjoy good reputations and show competence, hold regular DPS meetings, provide opinions and recommendations, review UUS Danamon products, and prepare the DPS supervision Report every semester

UUS Danamon will keep continue on advancement of sustainable growth related to improvement on human resource productivity along with improvement on sharia banking knowledge and skills, provide more effective information management systems , improvement on work processes and procedures, and optimize all office channelling networks in order to achieve the set targets to provide benefits and protect the interests of all stakeholders.

The above endeavors are carried out by means of ongoing prioritization of GCG and prudential principles, SSB's best possible performance in the implementation of sharia principles, better communication between SSB and the Director of UUS Danamon, and refinement of compliance , risk management and internal audit

Finally, the support from Bank Danamon with its strong infrastructure, wide network and excellent brand awareness, will bring continuous positive impact going forward for Danamon UUS to compete in Syariah banking industry while maintaining consistency in the application of sharia principles in banking activities.

Sharia Business Unit
PT Bank Danamon Indonesia, Tbk.

Herry Hykmanto
Direktur Syariah

- Main Highlights
- Management Report
- Company Profile
- Management Discussion and Analysis
- Operational Review
- Good Corporate Governance**
- Corporate Social Responsibility
- Corporate Data

Appendix 1 : Details of times, venues, and agenda of DPS 2019 meetings

No	Hari, Tanggal & Tempat	Agenda	Peserta	Unit
1	Friday, January 04, 2019 At 7.1 Meeting Room-Menara Bank Danamon Building 7 th floor, JL. HR Rasuna Said Kav. C 10 Karet Kuningan, Setiabudi, Jakarta Selatan	Beginning of year coordination with DPS.	1. Prof. DR. H. M Din Syamsuddin 2. Drs. Asep Supyadillah, M.Ag 3. Budhi Hernandi 4. Sutarto 5. Siti Chodidjah 6. Dedy Setiadi 7. Dadan Setiawan	DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI
2	Friday, February 1, 2019 At 7.1 Meeting Room-Menara Bank Danamon Building 7 th floor, JL. HR Rasuna Said Kav. C 10 Karet Kuningan, Setiabudi, Jakarta Selatan	1. Update on Danamon UUS Performance 2. Update on matters in UUS and issues related to UUS activities and Bank Danamon	1. Prof. DR. H. M Din Syamsuddin 2. DR. Hasanudin, M.Ag 3. Drs. Asep Supyadillah, M.Ag 4. Budhi Hernandi 5. Sutarto 6. Yatno Sukendar 7. Dedy Setiadi 8. Dadan Setiawan 9. Siti Chodidjah	DPS DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI
3	Friday, March 22, 2019 At 7.1 Meeting Room-Menara Bank Danamon Building 7 th floor, JL. HR Rasuna Said Kav. C 10 Karet Kuningan, Setiabudi, Jakarta Selatan	1. Update on Danamon UUS Performance 2. Update on matters in UUS and issues related to UUS activities and Bank Danamon	1. Prof. DR. H. M Din Syamsuddin 2. DR. Hasanudin, M.Ag 3. Drs. Asep Supyadillah, M.Ag 4. Budhi Hernandi 5. Sutarto 6. Dwi Rachmawati 7. Albi Ariza 8. Sara Zathira Siregar 9. Siti Chodidjah	DPS DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI
4	Tuesday, April 16, 2019 at DSN-MUI Building, Jl. Dempo No. 19 Pegangsaan Jakarta Pusat	Discussion on Financing of Employee Cooperation (Kopkar) to Conventional Employee Cooperation	1. DR. Hasanudin, M.Ag 2. Drs. Asep Supyadillah, M.Ag 3. Pristiyanto 4. Edy Haryana 5. Makhri 6. Gafar 7. Budhi Hernandi 8. Refita Rulli Arief 9. Sutarto 10. Yatno Sukendar 11. Dedy Setiadi 12. Dadan Setiawan	DPS DPS Kemenkop Kemenkop Kemenkop Kemenkop UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI
5	Tuesday, April 30, 2019 At 7.1 Meeting Room-Menara Bank Danamon Building 7 th floor, JL. HR Rasuna Said Kav. C 10 Karet Kuningan, Setiabudi, Jakarta Selatan	1. Update on Danamon UUS Performance 2. Update on matters in UUS and issues related to UUS activities and Bank Danamon	1. Prof. DR. H. M Din Syamsuddin 2. DR. Hasanudin, M.Ag 3. Drs. Asep Supyadillah, M.Ag 4. Herry Hykmanto 5. Refita Rulli Arief 6. Yatno Sukendar 7. Budhi Hernandi 8. Dadan Setiawan 9. Achmadijan Firdaus 10. Anindito 11. Dwi Rachmawaty 12. Merisa Ardini	DPS DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI
6	Thursday, May 23 2019 At 7.1 Meeting Room-Menara Bank Danamon Building 7 th floor, JL. HR Rasuna Said Kav. C 10 Karet Kuningan, Setiabudi, Jakarta Selatan	1. Update on Danamon UUS Performance 2. Update on matters in UUS and issues related to UUS activities and Bank Danamon	1. Prof. DR. H. M Din Syamsuddin 2. DR. Hasanudin, M.Ag 3. Drs. Asep Supyadillah, M.Ag 4. Herry Hykmanto 5. Budhi Hernandi 6. Sutarto 7. Yatno Sukendar 8. Dedy Setiadi 9. Dadan Setiawan	DPS DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI

No	Hari, Tanggal & Tempat	Agenda	Peserta	Unit
7	Tuesday, July 2, 2019 At 7.1 Meeting Room-Menara Bank Danamon Building 7 th floor, JL. HR Rasuna Said Kav. C 10 Karet Kuningan, Setiabudi, Jakarta Selatan	<ol style="list-style-type: none"> Update on Danamon UUS Performance Update on matters in UUS and issues related to UUS activities and Bank Danamon 	<ol style="list-style-type: none"> Prof. DR. H. M Din Syamsuddin DR. Hasanudin, M.Ag Drs. Asep Supyadillah, M.Ag Budhi Hernandi Yatno Sukendar Sutarto Dwi Rachmawaty Dadan Setiawan Merisa Ardini 	DPS DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI
8	Tuesday, July 30, 2019 At 7.1 Meeting Room-Menara Bank Danamon Building 7 th floor, JL. HR Rasuna Said Kav. C 10 Karet Kuningan, Setiabudi, Jakarta Selatan	<ol style="list-style-type: none"> Update on Danamon UUS Performance Update on matters in UUS and issues related to UUS activities and Bank Danamon 	<ol style="list-style-type: none"> Prof. DR. H. M Din Syamsuddin DR. Hasanudin, M.Ag Drs. Asep Supyadillah, M.Ag Herry Hykmanto Refita Rullii Arief Budhi Hernandi Yatno Sukendar Sutarto 	DPS DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI
9	Monday, August 12, 2019 At Meeting Room 1 st floor, BDS BDS Lapangan Ros	<ol style="list-style-type: none"> Sampling for LHP DPS Semester I 2019 - Part 1 Discussion on follow up action on Kopkar Astra Honda Motor (Kopkar AHM) Review on Sharia Opinion related to Brochure Alignment (Danamon Lebih/Danamon Lebih Ib, Fleximax/Fleximax iB, D-Sve & D-save Ib & d-Save Plus Ib) 	<ol style="list-style-type: none"> Prof. DR. H. M Din Syamsuddin DR. Hasanudin, M.Ag Drs. Asep Supyadillah, M.Ag Dadan Setiawan Sutarto Merisa Ardini Endah Prawanti Ferdayanti Zuljuniati Sri Maryati 	DPS DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI
10	Thursday, August 19, 2019 At Meeting Room 1 st floor, BDS BDS Lapangan Ros	<ol style="list-style-type: none"> Sampling for LHP DPS Semester I 2019 - Part 2 Review on Sharia Oponion regarding Implementation of Danamon Lebih & DL iB Arisan Program. 	<ol style="list-style-type: none"> Prof. DR. H. M Din Syamsuddin DR. Hasanudin, M.Ag Drs. Asep Supyadillah, M.Ag Sutarto Dadan Setiawan Merisa Ardini 	DPS DPS DPS UUS BDI UUS BDI UUS BDI
11	Tuesday, October 01, 2019 At 7.1 Meeting Room-Menara Bank Danamon Building 7 th floor, JL. HR Rasuna Said Kav. C 10 Karet Kuningan, Setiabudi, Jakarta Selatan	<ol style="list-style-type: none"> Update on Danamon UUS Performance Update on matters in UUS and issues related to UUS activities and Bank Danamon 	<ol style="list-style-type: none"> Prof. DR. H. M Din Syamsuddin DR. Hasanudin, M.Ag Drs. Asep Supyadillah, M.Ag Refita Rullii Arief Budhi Hernandi Yatno Sukendar Sutarto Dadan Setiawan Dedy Setiadi Merisa Ardini 	DPS DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI UUS BDI
12	Tuesday, October 29, 2019 At 7.1 Meeting Room-Menara Bank Danamon Building 7 th floor, JL. HR Rasuna Said Kav. C 10 Karet Kuningan, Setiabudi, Jakarta Selatan	<ol style="list-style-type: none"> Update on Danamon UUS Performance Update on matters in UUS and issues related to UUS activities and Bank Danamon 	<ol style="list-style-type: none"> Prof. DR. H. M Din Syamsuddin DR. Hasanudin, M.Ag Drs. Asep Supyadillah, M.Ag Herry Hykmanto Refita Rullii Arief Yatno Sukendar Sutarto Dadan Setiawan 	DPS DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI

Main Highlights

Management Report

Company Profile

Management Discussion and Analysis

Operational Review

Good Corporate Governance

Corporate Social Responsibility

Corporate Data

No	Hari, Tanggal & Tempat	Agenda	Peserta	Unit
13	Tuesday, December 03, 2019 At 7.1 Meeting Room-Menara Bank Danamon Building 7 th floor, JL. HR Rasuna Said Kav. C 10 Karet Kuningan, Setiabudi, Jakarta Selatan	Discussion on Sharia Opinion regarding : 1. Use of HTV Conventional ID by Sharia Branch Service Manager (BSM) on Sharia Implant Branches 2. Sharia Account Intended to Investment Purchase of Government Bonds or Mutual Funds which not based on Sharia Principles.	1. Prof. DR. H. M Din Syamsuddin 2. DR. Hasanudin, M.Ag 3. Drs. Asep Supyadillah, M.Ag 4. Budhi Hernandi 5. Dadan Setiawan 6. Dedy Setiadi 7. Merisa Ardini	DPS DPS DPS UUS BDI UUS BDI UUS BDI UUS BDI

Appendix 2 :Table of Danamon UUS Virtue Fund Distribution 2019

No	Tanggal	Nama Penerima Dana Kebajikan	Tujuan	Nominal
1	4-Jan-19	ASBISINDO	Funding assistance on the tsunami disaster at Selat Sunda via asbisindo	Rp 25,000,000
2	23-Jan-19	Universitas Islam Bandung (UNISBA)	Support on Program PENA (Pendidikan, Edukatif, dan Akhlakul Karimah) at SDN Legok Pego	Rp 5,000,000
3	30-Jan-19	Fintech Syariah 2019	Support on Program Seminar Nasional Teknologi dan Inovasi untuk Masa Depan Keuangan Islam	Rp 25,000,000
4	13-Feb-19	Yayasan Kafila Thoyiba	Support on Contest Event Tahfiz Quran Sekolah - East Jakarta	Rp 5,000,000
5	6-Mar-19	Yayasan Pendidikan Madrisatul Ikbar	Funding assistance on facilities and infrastructure of Sekolah Yayasan Pendidikan Madrisatul Ikbar	Rp 10,000,000
6	15-Mar-19	Pondok Pesantren Taqdirur Rohman	Support on Construction of Pesantren Taqdirur Rohman Building	Rp 7,500,000
7	15-Mar-19	SMP IT AR-RUDHO	Support on Parenting Education Event SMP IT Ar - Rudho	Rp 5,000,000
8	29-Mar-19	Yayasan Pon Pes KH Syatori Durajaya	Support on Constructuionof Pon Pes Miftahul Ulum Hilaliyah	Rp 20,000,000
9	4-Apr-19	Majelis ta'lim Raydhatul Jannah	Support on Constructuionof Majelis Ta'lim Banten	Rp 3,000,000
10	4-Apr-19	DKM Nurul Iman	Support on Constructuionof Masjid Nurul Iman Tangerang Selatan Banten	Rp 3,000,000
11	4-Apr-19	DKM Al Mu'minin	Support on Constructuionof Masjid Al Mu'minin Legok Tangerang Banten	Rp 2,500,000
12	9-Apr-19	Yayasan Bairuha Manshurin GN Guntur	Support on Construction Pondok Pesantren Bairuha Balikpapan	Rp 10,000,000
13	15-Apr-19	Kemenag Medan	Support on Procurement of Meeting Chair.	Rp 9,900,000
14	18-Apr-19	BPRS Baktimakmur Indah	Support fund for Orphan Child.	Rp 7,500,000
15	8-May-19	PMD BDS Ciracas	Support fund on Ramadhan Activities 1440 H PMD BDS Ciracas	Rp 10,750,000
16	8-May-19	Yayasan Daruttaqwa Berlan	Support fund on Ramadhan Activities 1440 H Yayasan Daruttaqwa Berlan	Rp 3,000,000
17	8-May-19	PMD BDS Matraman	Support fund on Orphan Child	Rp 7,500,000
18	8-May-19	Yayasan Pecinta Anak Yatim & Doeafa Indonesia Tercinta	Support fund on Orphan Child and Duafa Yayasan Pecinta Anak Yatim & Doeafa Indonesia Tercinta	Rp 5,000,000
19	13-May-19	Yayasan Alpha Indonesia	Support fund on Orphan Child	Rp 3,000,000

No	Tanggal	Nama Penerima Dana Kebajikan	Tujuan	Nominal
20	14-May-19	Rumah Hasanah	Support fund to Disable Child Dhuafa Rumah Hasanah	Rp 5,000,000
21	15-May-19	Mushola Al Yaqin	Support fund on construction of Mushola Al Yaqin	Rp 5,000,000
22	15-May-19	Yayasan Dana Bantuan Peduli Lansia & Dhuafa	Support fund on Eldery and Dhuafa	Rp 3,000,000
23	16-May-19	Masjid Al Madani	Support fund on Construction of Masjid Al Madani Bandung	Rp 3,000,000
24	17-May-19	PMD BDS Lapangan Ros	Support fund on Orphan Child Ramadhan 1440 H	Rp 9,250,000
25	17-May-19	Yayasan Mahmudah	Support fund on Orphan Child Ramadhan 1440 H	Rp 1,500,000
26	17-May-19	Danamon Syariah	Support fund on Orphan Child Ramadhan Fair Activities	Rp 19,500,000
27	20-May-19	LAZNAS Al Azhar	Support fund on village empowerment, LAZNAS Al Azhar	Rp 70,000,000
28	22-May-19	Yayasan Pondok Pesantren KH Syathori	Support fund on Idul Fitri 1440 H gifts for Ustadz, Koran Teacher, and Priest in several village in Cirebon.	Rp 10,000,000
29	20-Jun-19	Ahmad Chairul Syah	Support fund on school needs for orphan child, Binaan Chairul	Rp 24,000,000
30	24-Jun-19	YPI Darul Ulum Al-Jarkasih	Support fund on procurement of laptop for technology based exam.	Rp 8,400,000
31	9-Jul-19	PMD Prapatan	Support fund for orphan child	Rp 15,200,000
32	17-Jul-19	SMAN 70 Jakarta	Support fund for orphan child Al Fatih event.	Rp 2,000,000
33	17-Jul-19	Universitas Az Zahra	Support on scholarship for post-graduate Sharia Economy student-1 person	Rp 8,000,000
34	7-Aug-19	Masjid Al Ikhlas	Support fund for renovation of mosque	Rp 5,000,000
35	7-Aug-19	Koperasi Pegawai PT Pelabuhan Indonesia III	Support on scholarship for student of less fortunate.	Rp 10,000,000
36	16-Aug-19	Karang Taruna RT 005 Bukit Duri Tebet	Support for the 74th Anniversary of the Republic of Indonesia event	Rp 500,000
37	21-Aug-19	Subagio	Support on medical treatment cost.	Rp 30,000,000
38	2-Sep-19	UNPAD	Support on training program for research of UNPAD student.	Rp 10,000,000
39	4-Oct-19	Yayasan Darul Yatama An-Najah	Support fund on Construction of Asrama Panti Asuhan	Rp 7,000,000
40	29-Oct-19	Mushola Al Muwahiddin	Supprot on Mushola Renovation	Rp 5,000,000
41	1-Nov-19	Masjid Jami Al Ma'mur	Support fund on Maulid Nabi Muhammad SAW activities	Rp 2,000,000
42	1-Nov-19	Masjid Al Qodar	Support fund on Construction of Mosque	Rp 7,500,000
43	1-Nov-19	Yayasan Qisthos Mustaqim	Support fund on construction of Pondok Pesantren Qisthos Mustaqim	Rp 5,000,000
44	12-Dec-19	Ahmad Chairul Syah	Support fund on schools needs for orphans and dhuafa, Semester Genap, 2019-2020, foster children of Ahmad Chairul Syah	Rp 8,056,000
45	13-Dec-19	Yayasan Ar Risalah Al Islamiyah	Support fund on Maulid Nabi Muhammad SAW activities	Rp 5,000,000
Total				Rp 446,556,000