

MANAGEMENT
DISCUSSION

AND ANALYSIS





MACROECONOMIC OVERVIEW

2021 was a year of optimism on the economic recovery. Progressive vaccination across the globe supported the economic reopening worldwide. Economic recovery sustained, especially on the demand-side, whilst supply-side faced few constraints amid the uncertainties of covid mutation. Therefore, commodity prices surged started in the second half of 2021.

Commodity windfall benefitted the commodity-driven economies, including Indonesia. Indonesia's trade surplus increased to USD 35 Billion in 2021, from USD 22 Billion in the previous year. The surpluses provided strength for Rupiah's stability. Rupiah's volatility throughout 2021 was around 4%, below its long-term average of 6%. However, Rupiah depreciated to Rp14,263/USD at the end of 2021, from Rp 14,050/USD at the end of 2020. The depreciation was due to the uncertainties coming from omicron variant as well as the acceleration of US monetary policy normalization.

The improvement on export performance and domestic demand recovery helped Indonesia's economy to grow by 3.7% yoy in 2021. The accommodative fiscal and monetary policy stance also supported Indonesia's economic growth last year. Bank Indonesia kept its policy rate low at 3.5% throughout the year, and committed to purchase government bonds in primary market under the joint-agreement III. The measure was aimed to ensure sufficient financing on fiscal stimulus to cushion delta outbreak impact on the economy. BI purchased Rp358 trillion worth of government bonds in primary market, out of Rp659 trillion National Economic Recovery Program (PEN) realization in 2021.

Such appropriate responses on fiscal and monetary sides helped maintain banking sector stability, shown by Liquid Assets to Third Party Fund (TPF) ratio of around 35% and Capital Adequacy Ratio (CAR) at around 25%. Intermediary function also improved, as credit grew by 5.2% yoy in 2021, in-line with the declining trend of borrowing cost as well as domestic demand recovery.

In 2022, Indonesia's economy is projected to grow at 5.1% yoy. The engine of growth is expected from domestic demand. On financial sector, Rupiah's volatility is projected to rise amid the uncertainties of monetary policy normalization across the globe. The recovery on domestic demand would also boost import which will add pressure on Rupiah's volatility this year. However, Indonesia's financial sector stability will remain, considering the abundant domestic liquidity as well as the narrow current account deficit.

BANKING INDUSTRY OVERVIEW

INDONESIAN BANKING INDUSTRY DEVELOPMENT IN 2021

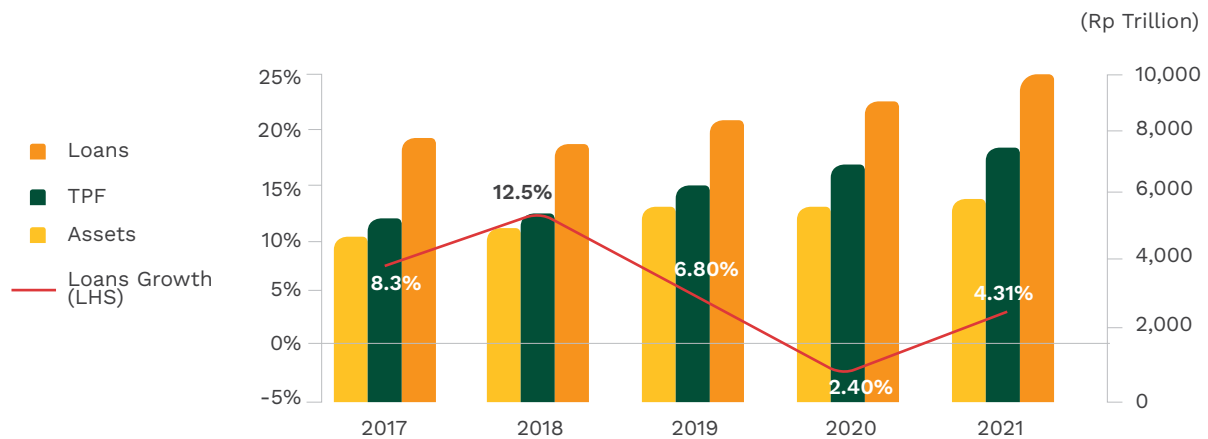
The bank's intermediary function as a credit channel showed improving performance in line with positive credit growth in 2021. Sustained by improved growth of Indonesia's Gross Domestic Product (GDP) of 3.69% (yoy) in 2021, loans disbursed by the banking sector grew by 4.31% (yoy), reaching Rp5,754.72 triliun. This credit growth was better than the bank's loan disbursements performance in 2020, which contracted by 2.40% (yoy) to Rp5,547.62 triliun. In line with the improved loan disbursements performance, the Indonesian banking industry was able to book total assets of Rp9,913.67 in 2021, a growth of 9.50% compared to the previous year.

Bank loans for productive purpose went up by 4.97% (yoy) to Rp4,101.41 triliun. Of this productive loans, about 62.99% was working capital loans and the remaining 37.01% was disbursed to investment loans. Meanwhile, loans for non-productive (Consumption) purposes also booked a growth of 4.11% (yoy) with a contribution to total loans of 28.11%.

On the other hand, Third-party funds (TPF) was up by 10.37% to Rp7,323.36 triliun in 2021, resulting in improving banking liquidity. A higher TPF growth compared to the increase in credit caused the Loan-to-Deposit Ratio (LDR) to decrease to 77.90% in 2021 from 82.54% in the previous year.

Meanwhile, during the ongoing COVID-19 pandemic, banking industry's capital was still well maintained with a Capital Adequacy Ratio (CAR) of 25.67% in 2021. This was higher than the capital position of 23.89% in the previous year.

Despite the still relatively low loan demand, the banking sector was able to maintain its profitability with a Return on Assets (ROA) ratio of 1.91% as of December 2021, from 1.59% in the previous year. The performance of this ratio was supported by improving income before tax expenses of Rp180,00 triliun, higher than its position in December 2020 of Rp100.15 triliun. Meanwhile, in line with the declining BOPO ratio from 86.58% to 82.97% as of December 2021, NIM ratio rose to 4.51% in 2021 from 4.45% in the previous year.



Source: Financial Services Authority (OJK)



DANAMON'S POSITION IN THE BANKING INDUSTRY IN INDONESIA

In 2021, Danamon grew its profit by 56% helped by its strategy execution in granular funding and prudent asset management. The result is higher than overall industry profitability growth of 32%.

Consolidated loan declined by 4% YoY due to SME and auto loans. However Danamon's Enterprise Banking segment growth of 6% was higher than those of the industry.

In line with the loan decline, Danamon's third party funding also declined by 2% YoY, primarily in Time Deposit. However the Bank's CASA grew by 11% YoY as part of our focus on granular funding through digital and institutional approach. This is in line with industry CASA growth of 15%.

STRATEGIC REVIEW

2021 STRATEGIC FOCUS

Amidst the prolonged COVID-19 pandemic in 2021, Bank Danamon was able to show its operational resilience and the effectiveness of its strategies. The Bank consistently implemented its strategies of prudent lending, granular funding via an institutional approach, and fee income based on unique value propositions supported by MUFG collaborations.

Bank Danamon also consistently invested and innovated in digital marketing, and human capital with promising early results. At the same time, Danamon prioritized employee safety with strict COVID-19 protocols and facilities, investment in infrastructure to support Work From Home alternatives, vaccination programs covering all employees and families, as well as comprehensive support for those who were infected by the virus.

Bank Danamon also executed continuous innovation in digital banking and transaction banking. The Bank launched D-Bank PRO in May 2021, a new mobile banking application with enriched features and omnichannel experiences, Danamon Syariah also introduced digital Waqf in 2021 to increase the convenience for customers to make their charitable contributions. Transaction Banking continued to enhance its Danamon Cash Connect, as well as to provide customized solutions to help business customers in cash management.

Bank Danamon's SME Banking innovated the way it served customers to provide more focused and tailored services. Smaller SME loans are served by Branch Network teams with simpler processes, while the larger SME loans with more complex needs are served by a specialized SME-focused team. The team also continuously reviewed and refined the end-to-end loan process in order to improve turn-around time.

Consumer Banking continued its segmentation focus with differentiated value propositions for Danamon Privilege, Danamon Optimal (Emerging Affluent), and Middle Market customers. Simpler transactions are being conducted digitally, while our

branches can provide help for the more complex ones. Collaboration with partners is a key strategy in Consumer Banking to create differentiations and relevant value propositions. Leveraging MUFG relationships, Danamon worked with various Japanese developers to serve as one of the preferred mortgage providers in their real estate development projects. In 2021, Danamon also added partnerships with asset management companies in order to offer more comprehensive wealth management products. In November 2021, Danamon launched the only credit card that co-brands with Grab in Indonesia with generation Z and millennial target segments in mind.

Bank Danamon, MUFG, and its partner banks' customers were connected via a Business Matching event. Their customers were also able to attend a jointly held Indonesia Summit, a high-profile economic forecast event, earlier in the year.

Danamon's subsidiary, Adira Finance, apart from entering the high-end cars segment, also regained market share in its traditional motorcycle and lower-end car segments. Adira Finance also leveraged its Adiraku digital application to create more engagement with its current and potential customers. Differentiated features in Adiraku include reward points and redemptions for transactions, integration with marketplaces for new and used car, electronics and furnitures, and pre-approved credit limits for eligible customers.

Bank Danamon continuously invest in future leaders through Danamon's Bankers Trainee program during the pandemic. For existing talents, the Bank has set up a talent council, prioritized internal mobility and explored collaboration with MUFG and partner banks on training. In 2021, Danamon also introduced the Employee Value Proposition to realize our mission to be an employer of choice with "Let's GROW" program (Global Exposure, Rise to Excellence, Own Your Future, Wellness, and Well-Being).



BUSINESS PROSPECTS

2022 MACROECONOMICS

Government of Indonesia (GoI) has implemented various COVID-19 measures, up to this point. Starting from accelerating vaccination program, increasing the tracing and testing numbers, to imposing mobility restrictions. These measures have been proven to curb COVID-19 cases in Indonesia. On top of that, GoI has disbursed stimulus through Pemulihan Ekonomi Nasional (PEN) program, which was divided into health stimulus, social protection, MSMEs stimulus, and business incentives. The program is aimed to cushion the economic and health impact of COVID-19 outbreak.

The realization of PEN budget was Rp575.8 trillion in 2020, and estimated to be around Rp658.6 trillion in 2021. For this year, GoI allocates a total PEN budget of Rp451trillion, with the main focus on health spending, social security, and fiscal incentives.

GoI's commitment and hard work to manage the pandemic and cushion its impact on the economy, have successfully supported domestic

economic growth to 3.7% YoY, compared to the growth in 2020 which contracted by 2.03%.

Meanwhile, the International Monetary Fund (IMF), in its latest World Economic Outlook report published in October 2021, forecast that global economic growth will slow to 4.9% yoy in 2022 compared to the 5.9% in 2021. The projection for a slowdown in world economic growth mainly applies to advanced countries because of supply chain disruptions and uncontrolled pandemic conditions in low-income developing countries.

As one of the leading developing countries in the world, Indonesia is in a better position because of an acceleration of a vaccination program intended to better control the pandemic. Moreover, the upward trend of various world commodity prices in 2021 contributed positively to the Indonesian economy, especially by boosting trade surplus. Based on these developments, Bank Danamon projects that Indonesia's economy will grow stronger by 5.1% yoy in 2022, with economic indicators as follows:

Indicators	2021	2022
Economic Growth (%.yoy)	3.4	5.1
Inflation (%.yoy)	1.87	4.0
Exchange Rate (Rp/US\$)	14,296	14,511
10 Year SUN Interest Rate (%)	6.35	7.20
Indonesian Crude Oil Price (US\$/barrel)	68	63
Crude Oil Lifting (thousand barrels per day)	662	703
Lifting Gas (thousand barrels of oil equivalent per day)	982	1,036

Source: Danamon, Ministry of Finance, *2021 projection

Bank Danamon's view on the improving economy in 2022 is in-line with that of Bank Indonesia, which projects Indonesia's economic growth to 4.7% - 5.5% in 2022. The main drivers are the sustainable improvement of the global economy, which will result on stronger exports, as well as the improving domestic demand on the back of higher consumption and investment. This will be supported by 3rd dose vaccination, economic reopening and stimulus measures.

Bank Indonesia is committed to maintain financial system stability with the projection of higher credit growth in 2022. Credit and Third Party Fund growth are projected at the range of 6.0%-8.0% yoy and 7.0% - 9.0% yoy, respectively. The credit growth will be backed by a high CAR and well-maintained non-performing loan (NPL), as well as the on-going credit restructuring program from Indonesian Financial Services Authority (OJK).

Demand for loans is expected to improve due to increase in consumption, investments and exports in line with the gradual recovery of economic activities that were hurt by the COVID-19 pandemic. On the supply side, an increase in banking loans was supported by ample liquidity and declining risk perceptions, apart from the accommodative macroprudential policies.

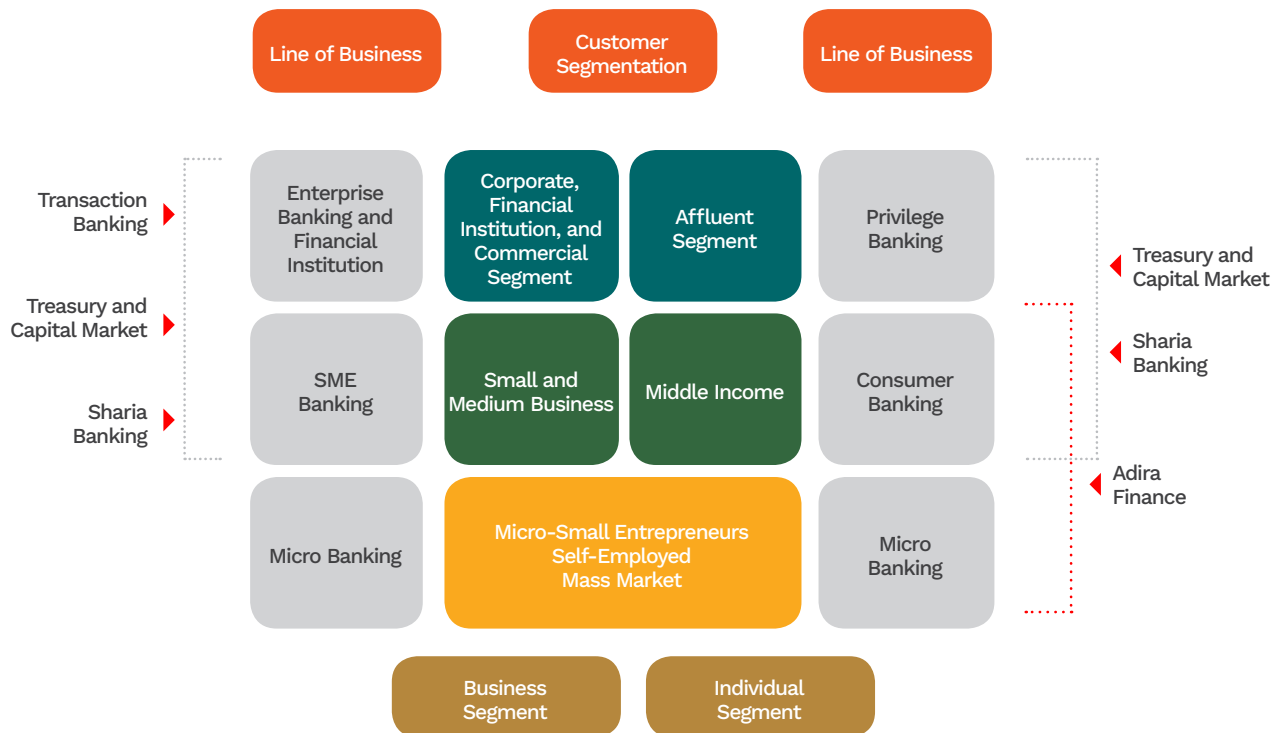
STRATEGIES FOR 2022

Responding to the opportunities and challenges in 2022, Danamon will continue to execute its strategies with the following key focus:

- By utilizing the large customer-base ecosystem collectively owned by Danamon, ADMF and MUFG, Danamon will expand on its collaboration initiatives among the three entities. The Bank will further leverage the branch presence for various segments including ADMF automotive loans. The Bank will explore to extend banking relationship in SME and Enterprise banking segments with automotive dealers that already have strong relationships with ADMF. Danamon will also focus on deepening its relationships with existing collaboration customers.
- Accelerating adoption of the digitalization of banking services. For this purpose, Bank Danamon has prepared processes and capacities to perform a faster digital transformation, more robust digital partnerships and an omnichannel experience.
- Enhancing marketing and branding to support Danamon's growth strategy. Through 65 years of operating history, the Danamon brand is already well known as one of the largest conventional banks in Indonesia. However, we aim to further increase Danamon's brand presence to be recognized as a unique hybrid bank with customer centric product solutions, strong local network, complemented by global capabilities as part of MUFG Group.



BUSINESS SEGMENT OPERATIONAL REVIEW



In 2021, Danamon continued its strategy of prudent loan growth through an ecosystem approach, sustained CASA growth through an institutional approach and increased fee income through a unique value proposition. In addition, collaboration with MUFG enabled Danamon to enter the Japanese corporate and multinational customer markets through distributor financing, cash management, mortgage and payroll accounts services.

ENTERPRISE BANKING

In the midst of pandemic challenges, Enterprise Banking loans portfolio successfully grew by 6% in 2021 compared to the previous year's position.

Enterprise Banking serves the Wholesale and Financial Institution segments. It provides comprehensive financial solutions, such as lending, cash management, trade finance, and treasury services. By understanding and serving client's needs, Enterprise Banking aspires to make Danamon the preferred transactional bank.

PRODUCTS AND SERVICES

Enterprise Banking provides the following products and services:

- Working Capital Loans (Trade Finance & Financial Supply Chain);
- Investment Loans;
- Cash Management (Payment, Collections and Liquidity Management);
- Foreign Exchange;
- Custody.

2021 STRATEGIES AND INITIATIVES

The year 2021 remained a challenging year for the banking industry because of the ongoing COVID-19 pandemic. This unstable macroeconomic situation had a significant impact on economic conditions and loans growth.

Enterprise Banking consistently focuses on deepening relationships with existing customers, as well as on expanding its portfolio with new customer acquisitions and on optimizing the entire value chain ecosystem, by improving our collaboration with MUFG Group.

Enterprise Banking is also committed to investing in human capital by attracting and retaining the best talent, implementing extensive training programs, and encouraging performance-based organizations.

2021 PERFORMANCE

Despite the unstable macroeconomic conditions throughout 2021, Enterprise Banking loans portfolio still grew by 6% compared to the same period in the previous year.

2022 STRATEGIES AND INITIATIVES

In 2022, Enterprise Banking will continue to implement the following strategies:

- Deepening relationships with our existing customers,
- Acquiring new customers in our target market and throughout the entire value chain ecosystem of existing customers,
- Continuing collaboration with MUFG Group to acquire customers from multinational companies and their value chains,
- Improving our collaboration with MUFG to provide value-added products and services, such as Debt Capital Market and Global Business Matching.
- Consistently maintaining third-party funds by offering comprehensive cash management solutions supported by the use of e-channels and digital solutions tailored to customer needs,
- Investing in human capital and improving employees' skills through training and project assignments,
- Continuing efforts to attract new talent and retaining existing talent.



TREASURY & CAPITAL MARKET

Synergy and collaboration with all business lines as well as collaboration with the parent entity (MUFG) are key success factors for Treasury & Capital Market in managing investment needs and hedging instruments.

Treasury & Capital Market (TCM) continues to focus on efficient and prudent balance sheet management. As a product partner of Danamon's lines of business, TCM provides solutions for customers that require the hedging and investment products. TCM also supports regulators in improving and strengthening financial markets.

TCM is responsible for managing the Bank's liquidity risk by ensuring liquidity requirements are always fulfilled, thereby supporting business expansion while adhering to prudent principles. TCM is also tasked with managing the interest rate risk inherent within the Bank's balance sheet.

PRODUCTS AND SERVICES

TCM offers a wide range of products and services geared to meet the needs of customers, as well as performing trading activities. Products offered include Foreign Exchange (including FX Today, FX Tomorrow, FX Spot, FX Forward, FX Swap, Domestic Non-Deliverable Forward), Interest Rate Swap and Cross Currency Swap, Structured Products (Dual Currency Investment and Call Spread Option), Marketable Securities (Government Bonds under both Conventional and Sharia schemes, as well as Corporate Bonds), Money Market (Interbank & Bank Indonesia instruments), and Repo/Reverse Repo.

Danamon was chosen by Bank Indonesia to become the Appointed Cross-Currency Dealer Bank (ACCD Bank) to conduct Local Currency Settlements (LCS) for THB/IDR and CNY/IDR currency exchanges in 2021. With this service, the customers enjoy more competitive FX rates, as well as faster and more efficient remittances of funds to the ACCD Bank's partner countries.

2021 STRATEGIES AND INITIATIVES

In 2021, TCM continuously focused on efficient balance sheet management strategy in Capital Management, Fair Value through Other Comprehensive Income (FVOCI) portfolio management, Contingency Funding Plan, and Enhanced Treasury System and Asset & Liability Management (ALM) System.

Trading activity in TCM supported Treasury Sales by providing liquidity and best prices for customers. TCM offers alternative investments for retail customers, such as corporate and

government bonds. This is also geared toward increasing fee-based income for Danamon. TCM also offers new hedging instruments as a solution for customers.

TCM continually collaborates with the Line of Business (LoB) to support customers who need investment products and hedging instruments to manage their exposure. TCM will also continue to collaborate with the MUFG Group to tap business opportunities with Japanese companies and multinational corporation value chains.

Danamon will continue to innovate and develop in providing services to the customers in line with the development of money market in Indonesia.

2021 PERFORMANCE

In 2021, TCM also offered some new Structured Products, such as Dual Currency Investments for retail customers in the third quarter and Call Spread Options for corporate customers in the fourth quarter.

TCM also supported the government's funding plan by actively joining the auction activities for newly-issued IDR and Foreign Currency Government Bonds in 2021.

2022 STRATEGIES AND INITIATIVES

In 2022, TCM will continue to implement the following strategies:

1. Improving the efficiency of balance sheet management strategies with prudential principles.
2. Collaborating with Line of Business (LoB) to support customers who need investment products and hedging instruments to manage their exposure. TCM will also continue to collaborate with the MUFG Group to tap more business opportunities with Japanese companies and multinational corporation value chains.
3. Developing additional hedging instruments for customers, such as Par Forward.
4. Developing the Bank's investment services, such as FX Online, and Retail Bonds Online.
5. Supporting Bank Indonesia's initiatives in line with the 2025 Money Market Development Blueprint.

TRANSACTION BANKING

(CASH MANAGEMENT, TRADE FINANCE & FINANCIAL SUPPLY CHAIN)

Amidst the pandemic challenges, the product development and digitization of Cash Management, Trade Finance and Financial Supply Chain transactions is able to increase efficiency of business activities apart from meeting customer demands.

Transaction Banking continues to develop products that leverage digital technology innovations, focusing on financial supply chain management, to enhance customer experience and to deliver excellent services to customers.

Danamon's Transaction Banking offers a range of products that cater to the needs of business segments, such as corporate, commercial, and SME clients. Through offering cash management, trade finance, and financial supply chain services, Danamon can accommodate customers with suitable, effective, and competitive transaction services.

The continuous advancement of the internet banking platform allows customers to enjoy the online services of Cash Management, Trade Finance, and Financial Supply Chain, which improve business efficiency.

PRODUCTS AND SERVICES

Transaction Banking offers the following products and services:

- **Cash Management**
An integrated banking solution designed to assist customers to manage cash flow, liquidity, and to execute daily transactions efficiently in order to generate optimal efficiency. Danamon's Cash Management allows customers to more effectively develop and execute business strategies.
- **Trade Finance & Services**
Danamon Trade Finance services accommodate customers to execute trade transactions and benefit from working capital financing including both international trade (import and export) and domestic trade.

- **Financial Supply Chain (FSC)**

Danamon Financial Supply Chain facilitates the transaction cycle between distributors and principals, not only by extending working capital facilities for distributors and payments, but also by providing comprehensive reports that can add value to the relationships and continuity in the business ecosystem.

STRATEGIES AND INITIATIVES

- **Digital Banking Services**

- a. Continuous enhancement of Danamon Cash Connect provides more features with better "User Experiences" so that customers are able to do business transactions online and real-time, such as balance checking, fund transfers, mass transfers, virtual account services, payroll services, tax payments, Bill payments, treasury rates etc. These services are available via Website or Mobile Banking.
- b. API Central provides real-time connection services for Funds Transfer (Payment), Virtual Accounts (collection) and Financial Supply Chain.
- c. A mobile application for the Financial Supply Chain (D-BisMart) provides solutions for Anchors in initiating and developing digitalization of their business activities with their ecosystem of distributors in SME to retailers segment.

- **MUFG Collaboration**

Through joint collaboration with MUFG, Transaction Banking continuously forms new partnerships with business principals and distributors from the automotive, FMCG, and pharmaceutical industries.



2022 STRATEGIES AND INITIATIVES

Transaction Banking will continue to collaborate with MUFG Bank in the areas of Cash Management, Trade Finance, and Financial Supply Chain.

1. Enhancement of Domestic Network Service with MUFG Bank in the area of cash withdrawals and deposits and utilization of other digital services such as QRIS.
2. Improvements to the Danamon Cash Connect (DCC) features such as Bill Payment, Online Transfer, Trade loan, Time Deposit and a complete suite of FSC platform catering both Distributors and Suppliers, including working capital facilities.
3. Becoming an ACCD (Appointed Cross Currency Dealer) Bank to facilitate Danamon's customers in using domestic currencies of the counterparties as the payment settlement.
4. API Central for Danamon's customers to process remittance transactions API new features, such as API Direct Debit, API BI-Fast, API for Tax Payment etc.
5. Expand business partnership with Financial Technology companies.
6. Develop integrated Financial Supply Chain solutions to provide more comprehensive reporting and transactions capabilities.

SMALL MEDIUM ENTERPRISE BANKING

Danamon's SME banking focuses on small and medium enterprises with total loans disbursed of up to Rp30 billion and an annual sales turnover of up to Rp100 billion.

Danamon's Small Medium Enterprise (SME) Banking offers a range of comprehensive financial solutions that cover productive business loans, financing, transactions, and protection (bancassurance).

PRODUCTS AND SERVICES

Danamon SME Banking offers the following comprehensive financial solutions:

- **Productive business loans**
Working Capital (Overdraft Facilities and Demand Loans), and Investment Financing (KAB-Term Instalment Loans), as well as Financial Supply Chain financing, the Rural Bank (BPR) Loans, and Employee Cooperative Loans.
- **Funding**
Deposit and transactional accounts for convenience operational transactions such as Current Accounts, Saving Accounts, and Term Deposits.
- **Transactions**
Offering convenience transactions anywhere, anytime through Danamon's network of branches across Indonesia and through digital channels, such as internet banking, mobile banking, and cash management.
- **Bancassurance**
Offering a range of products to provide protection to business owners and their assets.

2021 STRATEGIES AND INITIATIVES

In 2021, Danamon SME Banking launched its strategic initiative, namely the SME business line re-segmentation focusing on providing comprehensive financial solutions to customers with approaches tailored to business segments of up to Rp 5 billion and above Rp 5 billion.

Continuing the previous year's initiatives and strategies, in addition to business re-segmentation, Danamon's 2021 focus was accompanied by consistent efforts to improve portfolio quality and increase loan payment capacities. One of the initiatives undertaken was to

separate the management of high-risk accounts and problematic accounts, which has shown results.

In parallel, Danamon also continues to proactively develop the means to identify high-risk accounts so as to handle them quickly and monitor them properly. Improvements in the training curriculum of Danamon SME Banking have also contributed to increasing front-line capacity. In addition, an end-to-end review of the sales culture of Danamon SME Banking has also begun to produce improvements in the areas of process discipline and credit monitoring.

In 2021, the renewal of the SME credit policy and continuous improvement of credit initiation processes, while maintaining prudential aspects, are expected to support sustainable business growth going forward.

2021 PERFORMANCE

- Successfully managed the COVID-19 crisis by restructuring portfolios sustainably with schemes tailored to customer needs.
- Increased the growth of loan disbursement in a sustainable manner on a monthly basis.
- Continuously grew the CASA portfolio with a relatively low CoF through granular CASA and transactions.
- Sustainably grew the number of customers to more than 80,000.
- Achieved sustainable operating income by increasing revenue, through increasing both interest income and transactional non-interest income, as well as by managing operational costs.
- Increased product holding per customer, especially from individual SME businesses.



2022 STRATEGIES DAN INITIATIVES

The Indonesian economy is projected to improve with the gradual improvement of the COVID-19 situation. During this period of economic recovery, Danamon SME Banking will focus on the growth of credit and funding business, as well as the sustainability of portfolio restructuring, as follows:

- **Continuing the SME lending growth**

Continuing the previous year's achievements, Danamon SME will continue to disburse loans to small and medium-sized enterprises in order to enlarge its SME loan market share. With the strengthening of credit management capabilities and supporting technology, Danamon SME Banking will enlarge its focus to the debtor segment with higher credit limit requirements.
- **Increasing revenue, especially from transactional fee-based income**

To improve the operational efficiency ratio, Danamon will strengthen relationships with customers to better identify customer needs outside of traditional funding and lending services. Through this action, Danamon can provide better services while increasing revenue by generating higher fee-based income. One of the pillars of this initiative is to provide more FX and Trade Finance facilities for customers whose business activities are related to international trade.
- **Focusing on loans portfolio management**

In order to enhance portfolio management, especially for customers with higher credit limits, the Bank plans to revamp the sales model and enhance the SME head office organization. The result of these initiatives will continue to be monitored for effectiveness and impact on credit portfolio management. In addition, the Bank will also continue to enhance its credit scoring.
- **Utilizing digital channels and electronic media for transactions and registration**

The COVID-19 pandemic has emphasized the importance of rapid adoption to digital technology and electronic media, of which most customers are adopting alternative digital channels to access banking services and conduct transactions wherever they are. Danamon SME Banking will collaborate with fintech-based loan providers and establish a digital community platform, including to capture new customers through digital channels to provide financial market literacy, and to facilitate collaboration between customer businesses. The implementation of technology, such as the Loan Origination System and OCR, is predicted to be able to contribute to improving the effectiveness of credit process for the SME segment.

CONSUMER BANKING

Consumer Banking has a strong aspiration to provide relevant and innovative financial solutions and services to meet customer needs through various channels in order to compete in challenging situations against dynamic competition.

In 2021, the COVID-19 pandemic remained a key challenge for the Indonesian economy. It has limited economic growth and impacted society and many industries, including consumer banking.

Another challenge for Consumer Banking was fiercer competition coming from digital banking and financial technology (fintech), as these institutions provide easy access to financial services and build their own ecosystems.

To answer these challenges, Consumer Banking has, in a disciplined way, been implementing comprehensive strategies focusing on segment value proposition covering affluent and millennial clients, expanding the customer base, and strengthening customer engagement.

PRODUCTS AND SERVICES

Consumer Banking offers the following products and services:

- **Deposits**
Tailored to meet the needs of market segments, our deposit products are saving accounts, checking accounts and time deposits.
- **Loans**
Consumer Banking Loans offers a variety of products, both secured (property mortgages) and unsecured (credit cards, personal loans).
- **Investment and Bancassurance**
For investment and bancassurance products, Consumer Banking provides many products through partnerships with reputable third-party institutions in Indonesia. To meet the needs of high net-worth customers, Consumer Banking also provides personalized and exclusive services.

2021 STRATEGIES AND INITIATIVES

In 2021, the focus of Consumer Banking was on consistently refining strategies involving segmentation, acquisition, customer engagement, products, and processes. All these elements were supported by acceleration of digitalization and enhancement of collaboration.

Despite the pandemic, customer acquisitions were higher in 2021 compared to in 2020 and in previous years prior to the pandemic. Consumer Banking leveraged digital channels to expand the customer base for more seamless and convenient ways for customer to join the bank and this is the answer to increasing competition, especially competition from digital banks and Fintech.

Consumer Banking had strong traction in Wealth Management by launching more products to increase product selection for customers across all segments, to accelerate penetration into the customer base, and to simplify processes.

On credit cards, Danamon Consumer Banking launched the co-brand Danamon GRAB credit card to capture the millennial segment and to improve its market share. On mortgages, Danamon has accelerated its momentum by improving productivity and its collaboration with MUFG.

STRATEGIES AND INITIATIVES

- Continuing to focus on segmentation by strengthening proposition across all segments by continuously fine-tuning the sales and service model and tailoring relevant products and benefits to client needs.
- Expanding the customer base by accelerating digital channels, building API with strategic partners, and leveraging collaboration and ecosystems.
- Innovating products, targeted offers and programs and partnerships with strategic partners to entice customers, increasing active rates and usage.
- Accelerating funding strategies with programs for the affluent segment and building a payment ecosystem.
- Continuing Wealth Management traction through more product variation, innovative programs, and process improvement.
- Improving the credit card business through the leveraging of a co-brand card, digital enablement, and policy improvement.
- Stepping up mortgages through aggressive acquisitions, retentions, and cross-sell initiatives.



SHARIA BANKING

The Sharia Unit launched Digital Sharia On Boarding and digital cash waqf services through social banking as an important milestone in the digital platform.

SHARIA BANKING INDUSTRY

Based on OJK data, Indonesia's sharia banking industry grew at a higher rate than conventional banking in 2021, as about 87% of the country's approximately 237 million people are Muslims. The sharia banking industry has proven to be able to continue to grow despite the coronavirus pandemic. As of September 2021, sharia banking industry was recorded at Rp631 trillion rose significantly by 12.5% year-on-year, as the national economy recovers.

Sharia market share had increased to 6.59% as of September 2021, indicating a tremendous opportunity for the sharia industry to expand potentially. With the largest Muslim population in the world, Indonesia has significant potential to develop the halal ecosystem for further sharia market growth.

DANAMON SHARIA BANKING

Sharia banking is Danamon's business division that is based on sharia principles. It is managed by Danamon Sharia Banking Unit (UUS). The vision of Danamon Sharia is to help millions of people to prosper under sharia principles.

Sharia banking serves all segments from consumers and SMEs to corporations and financial institutions in order to fulfil customer needs, supported by all Danamon infrastructure, technology and distribution channels.

PRODUCTS AND SERVICES

The development of unique digital-based products is the key to the success of Danamon Sharia Banking, which offers the following competitive and customer-oriented products and services:

- **Deposit**

Rekening Tabungan Jamaah Haji (RTJH) is a Hajj pilgrimage savings account that is directly connected to the government's Integrated Computerized Hajj System (SISKOHAT). Other deposit products include iB Hajj Plan Savings Account, Tabungan Bisa Umroh iB (umroh savings account), Tabungan Bisa Qurban iB (savings

account for Qurban), Danamon Lebih iB, Fleximax iB, Dsave iB, Giro Bisa iB (checking account) and Time Deposit iB.

- **Financing**

Employee Cooperative Financing, Sharia Working Capital Financing, Sharia Investment Financing, Sharia Leasing, Sharia Trade Financing, and Sharia Mortgage Financing.

- **Bancassurance**

Prima Amanah Protection (PPA).

- **Services**

Cash Management, Electronic Channel, Digital on Boarding, Cash Waqf Recipient, Cash Waqf services through Social Banking platform and Big Bill electricity payment service.

2021 PERFORMANCE

Danamon Sharia assets grew by 17 %year on year by the end of 2021, faster than market growth, indicating that sharia products can be further improved to secure more significant growth.

- **Sharia Financing Portfolio**

In 2021, Danamon Sharia focused on the development of Sharia Leasing Financing and Employee Cooperatives Financing. Sharia financing by the end of 2021 grew by Rp7.8 trillion had increased by 12% year on year.

- **Sharia Funding Portfolio**

At the end of 2021, deposits reached Rp 5 trillion. Low-cost funds grew to Rp2.9 trillion an increase of 50 % from Rp1.9 trillion in 2020. This increase was due to a leveraging strategy, which expanded the Danamon Sharia branch network, leading to greater growth in the accumulation of third-party funds on a granular basis.

BUSINESS/PRODUCT FOCUS

Danamon Sharia provides financial solutions for customers through a comprehensive range of unique sharia-based products and services.

In 2020-2021, Danamon Sharia was designated to be an LKSPWU (Cash Waqf Recipient) by the Ministry of Religious Affairs. Danamon also retained its mandate from the National Hajj Fund Management Board (BPKH) to manage Hajj funds as a collecting bank, investment partner bank, fund deposit bank, and fund management bank. Through this license, Danamon Sharia is allowed to receive cash waqf and will continue to serve prospective Hajj pilgrims from account opening to registering for the pilgrimage. Moreover, The Sharia Unit launched Digital Sharia On Boarding and digital cash waqf services as an important milestone in the digital platform.

On financing, Danamon Sharia continued to develop its unique financing product called Sharia Leasing, which gives more benefits to customers, especially in the commercial and corporate segments.

In line with the development of innovative products, Danamon Sharia's flagship products are all intensively promoted throughout Danamon's new distribution network.

Danamon Sharia has continued to improve its human resources productivity by enhancing knowledge and capabilities, especially in the promotion of sharia banking and products.

Danamon Sharia has continued to improve risk management and good governance. Infrastructure and technology have been upgraded and refined to be more integrated. This has improved customer service levels by minimizing and integrating several processes within the parent bank system.

In line with the implementation of the Qanun Aceh regulations, Danamon Syariah has converted 4 conventional branches into sharia branches in NAD.

AWARDS

In 2021, Danamon Sharia received several awards in recognition of its excellent service to customers. The awards are as follows:

- 1st Place in Sharia Business Unit category with asset < Rp500 trillion, Infobank Digital Brand Awards.
- 3rd Place the most excellent service in Sharia Business Unit category, BSEM Survey.

2022 BUSINESS PLAN

Danamon has conceived a number of strategic initiatives to further expand its Sharia Banking services in 2022, including optimizing Danamon branch network and collaborating with MUFG Group. In line with Bank's strategy in 2022 to develop digital sharia banking, Danamon Sharia will improve its products and services especially to the community through a digital banking platform. In addition, Danamon Sharia plans to complete its financing products through green financing.

Concurrently, Danamon will continue to bring forth innovative and unique products dedicated to customers. Products will be oriented to the needs of customers and be more competitive than services and products offered by competitors.



GROUP MARKETING

Through the seven key elements consisting of brand identity, brand association, brand image, quality perception, brand awareness, brand experience, and brand loyalty, Group Marketing has a goal to consistently build brand values.

Danamon's marketing and communication functions in the Group Marketing division are led by a Chief Marketing Officer (CMO) that reports directly to the Vice President Director.

Group Marketing aims at building strong Danamon Brand equity through seven important elements, brand identity, brand association, brand image, perceived quality, brand awareness, brand experience, and brand loyalty, by communicating Danamon's positioning of customer-centric financial solutions with technology and a human touch through products, services, channels, and brand stories.

Group Marketing consists of:

- **Brand Communications:** Building Danamon's corporate identity in a modern image by rejuvenating and humanizing stories about Danamon. It's time to Take Control, meaning that Danamon wants to empower everyone to take control of their lives to achieve their financial needs and goals.
- **Marketing Communications:** Generating customers' attention and demand through stories about relevant products, services and channels.
- **Corporate Communications:** Maintaining Danamon's reputation and navigating public opinion.
- **Digital Marketing:** Digital Marketing, also known as online marketing, is brand promotion connecting with new potential customers through digital channels. Digital Marketing's role in this regard is to manage digital channels, such as the Danamon Corporate Website (DCW), email, Danamon's social media accounts, organic searches (Search Engine Optimization), and paid searches (Search Engine Marketing), as well as mobile and display advertising, to ensure our online presence and increase brand awareness, marketing, and sales initiatives.
- **Brand Activations:** Building Brand Relevance and Scale by creating a perception that Danamon is "everywhere", and creating a strong presence in

people's lives by relaying brand experiences that are relevant to their aspirations, needs, and lifestyles.

- **Marketing Planning and Research:** Establishing a marketing organization driven by a deep understanding of public behaviour and strong management of marketing budgets.

MARKETING ACTIVITIES 2021

DANAMON SYARIAH WAQF ONLINE

Waqf is a form of donation that provides endless benefits to the wider community. So far, waqf is more widely known in the form of land, buildings, or other objects, by which the value of waqf is relatively high, so not everyone is able to make waqf. In collaboration with Minasa Fintech Syariah, through the Social Banking digital waqf application, Danamon Syariah offers a solution for waqf donor (Wakif), allowing waqf to be made in cash starting at Rp10,000, hence anyone can do waqf. The acquisition of waqf funds will be disbursed to the waqf project according to the Wakif's choice. The waqf fund will be managed by the Bank's partner waqf manager (Nazhir) in a professional and transparent manner. Wakif can view the history of waqf transactions through the "Waqf Story" / "Kisah Wakaf" menu, and monitor the progress of waqf funds disbursement through the Social Banking application. This collaboration strengthens Danamon Syariah in providing financial solutions for the community, particularly for supporting halal and sustainable lifestyles.

RAMADAN AND LEBARAN CAMPAIGNS

In this year's Ramadan, Danamon launched the #RamadanBijak campaign, a movement supporting the government's regulation of the 'mudik' ban by inviting Indonesians to take control and adapt to celebrate this Ramadan more wisely and responsibly.

This #RamadanBijak message is conveyed through a video that tells how we can celebrate Ramadan this year in a different, wiser way, without losing the meaning of Ramadan itself. The community is invited to join in sharing their version of #RamadanBijak. In this campaign, Danamon also provides many special Ramadan promos.

DANAMON 65TH ANNIVERSARY CAMPAIGN

16 July 2021 marks 65 years of Danamon's dedication to Indonesia. With its spirit of Growing Through Collaboration, Danamon launched Collaboration Festival, a virtual festival that promotes the spirit of collaboration for us to grow together, stay productive and be positive even though #at home. Danamon believes that together we can grow faster and further. In this virtual festival area, people can find inspirational stories about Danamon's journey, promotions of special collaboration promo products for the 65th Anniversary, and 650 minutes of talk shows highlighting the importance of collaboration, from various topics, aspects, and points of view.

Danamon also works with MUFG and Adira Finance to assist the government in accelerating vaccination program by facilitating vaccination centres and building emergency hospitals. Through the Aksi Danamon Peduli, Danamon is also committed to supporting economic movement through Aksi Pasar Sehat dan Tangguh program, as well as by holding the Water and Sanitation Action for the Archipelago in the form of a sanitation facility and clean water source program to improve public health in areas in need.

D-BANK PRO

This year, Danamon launched its newest application, D-Bank PRO, the All-in-one Application, which not only supports a wide variety of banking activities, but also provides easy access through its sophisticated features.

Danamon is increasingly pampering its customers through D-Bank PRO presence. This application is designed to provide convenience for customers in conducting banking transactions. The features and services available in the application are complete, from opening digital accounts, making transfers, topping up e-wallets, paying/buying electricity tokens, to opening online deposits. Even now, there is a new feature, namely QR Payment to support the payment feature via a QR Code. and also BI Fast Transfer for transfer transactions to Other Banks that quickly, easily, with greater limits.

D-Bank PRO, All-in-one Application that not only provides easiness and convenience, but also committed to maintain security in transactions.

FINANCIAL FRIDAY

As the movement to stay at home grew, various online video services became major sources of information for the public. Taking advantage of this trend, Group Marketing presents a weekly educational program entitled "Financial Friday", featuring external financial experts and internal speakers. The event provided education on financial management and investment planning, as well as building up the Danamon association as a thought leader for financial solutions.

The educational packaging of "Financial Friday" is made in various channels to meet the needs and consumption habits of public media, such as YouTube, Podcast Spotify, and IGTV.

For the younger generation, this program is made in the format of a well-known radio talk show, HardRock FM, which is presented casually but still in an informative way.

DANAMON BRAND CAMPAIGN 'SEMUA BUTUH UANG'

'Saatnya Pegang Kendali' is a brand promise made by Danamon to customers that Danamon will always be ready to be an enabler and financial catalyst so that customers can take control of their financial needs in order to achieve their respective objectives. Therefore, Danamon launched a video manifesto as a reminder of the promise of 'Saatnya Pegang Kendali' that is connected to contexts that are relevant to the insights of current customers. Through this video, it is hoped that Danamon's image can be rejuvenated and be seen as more modern, progressive, and always up to date.

DANAMON GRAB CARD

The Danamon Grab Credit Card was launched by Danamon and Grab to provide the best financial solution for the younger Indonesian generations to become smart spenders.



Danamon Grab Credit Card is designed with a variety of features and benefits to support the daily needs and lifestyles of younger generations who are socially and digitally active but also able to control their spending.

2022 STRATEGY AND ACTION PLAN

- Building Danamon Brand Awareness through brand stories, products, services and channels.
- Building Reputation and perception of Danamon through Brand Stories.
- Building Brand Awareness as a trusted modern bank with global and local capabilities through relevant brand stories for customers.
- Solution-Centric Communications for products, services, and channels is a value proposition based on a combination of superior products, services, and channels, as well as strong, meaningful, and relevant communications that build a strong emotional connection. Positioning the features of our products, services, and channels to assist customers to identify their financial needs, provide solutions, and control their finances.
- Building Perception Scale through Brand Presence and Experience.
- Creating a feeling that Danamon is “everywhere” in customers’ lives, through relevant real perceptions and experiences is very important to build Brand Awareness.

DIGITAL MARKETING

The ability to reach customers wherever they are is a must in today’s digital era. Digital Marketing will be a key means of reaching customers at a scale we need to reach new customers.

DANAMONERS AS BRAND AMBASSADORS

To build an environment that motivates, inspires and engages employees as Danamon brand ambassadors.

PT ADIRA DINAMIKA MULTI FINANCE TBK.



Adira Finance continues to diversify its funding sources through support from joint financing with its parent company, Danamon, and by obtaining external borrowings.

PROFILE

PT Adira Dinamika Multi Finance Tbk (“Adira Finance”) was established in 1990 and commenced operations in 1991. In 2004, Adira Finance conducted an Initial Public Offering and PT Danamon Indonesia Tbk (“Danamon”) became the majority shareholder with 75% ownership. Following subsequent corporate actions, Danamon currently owns 92.07% of Adira Finance. As a subsidiary of Danamon, Adira Finance is part of the MUFG Group, which is one of the largest banks in the world.

Adira Finance has a vision of **Creating Common Values for the Sustainability of the Company and Prosperity of Indonesian Society.**

PT Adira Dinamika Multi Finance in 2015 introduced a new logo and tagline, namely “Sahabat Setia Selamanya”. This tagline exhibits the Company’s commitment to build long-term partnership with all of its ecosystem, both internally or externally such as employees, consumers, business partners, and all of its stakeholders.

The new logo identity is also a manifestation of a long-term business strategy that is believed to support sustainable performance. Through a new identity, Adira Finance wants to serve its customers in all aspects of their lives, so that a long-term relationship will be

formed, or becoming a customer for life. Adira Finance wants its customers to feel Adira Finance’s presence as a best friend who can provide solutions, as well as to synergize in the concept of “Sahabat Adira.”

“**Sahabat**” in the Company’s philosophy has a very deep meaning, namely the personality values that Adira Finance reflects to its customers: **Flexible, Transparent, Innovative, and Synergistic.**

BRAND PERSONALITY

- **Flexible**
Does not make easy things difficult. Adira Finance always provides convenience in everything for its customers.
- **Transparent**
Adira Finance is always open and transparent in providing information to its customers.
- **Innovative**
Solutions Adira Finance always provides the right and creative solutions both at work and in providing products and services to its customers.
- **Synergistic**
Adira Finance always instills a spirit of collaboration both internally and with its customers and business partners.



PT Adira Dinamika Multi Finance Tbk.

PRODUCTS AND SERVICES

The business scope of Adira Finance includes investment financing, working capital financing, multipurpose financing, other business activities, as well as operating leases and sharia financing based on the laws and regulations of the Financial Services Authority's. The scope of the Company's sharia business unit covers sale and purchase financing, investment financing, and service financing.

Products offered include automotive vehicles, including motorcycles and cars, both used and new, as well as durables such as electronics, household appliances, furniture, and so forth.

2021 STRATEGIES AND WORK PROGRAMS

Adira Finance adopted several strategies and work programs to respond to the challenges of 2021, including:

1. Strategies in Business Development

- Adira Finance is more aggressive and competitive toward increasing the penetration of the automotive business, both cars and motorcycles. The Company provides various attractive sales programs and in 2021 held a virtual exhibition for new and existing customers. It also strengthened the good relations with dealers to increase new financing.
- Expanding the network to non-automotive businesses by continuing to diversify the products offered to support business growth.
- Continuing investment and encouraging digitalization through Adira's online platforms, Adiraku, Momobil.id, Momotor.id, and dicitilaja.com, as an alternatives in acquiring new financing and consumers, both new and existing customers.
- The Company will continue to manage asset quality to keep the NPL ratio under control by applying prudent risk management principles.
- The Company ensures adequate liquidity to distribute new financing to customers and meet its financial obligations, through receiving customer instalment payments and acquiring from various funding sources.

2. Strategies in managing optimal funding

In the midst of the Covid-19 pandemic that is still ongoing throughout 2021, Adira Finance had sufficient liquidity to pay its financial obligations and fund its business needs through receiving instalments payment from customers and securing available funding sources facilities.

The Company continues to diversify its funding sources through support from joint financing with its parent company, Danamon, and by obtaining external borrowings (bank loans and bonds). As of December 2021, joint financing represented 47% of managed receivables. In July 2021, the Company succeeded in issuing PUB Bond V Phase II and Sukuk Mudharabah IV Phase II in 2021 worth Rp1.5 trillion with 4.8x oversubscribes.

As of December 2021, the Company's total external borrowings declined by 34.8% yoy to Rp10.9 trillion, consisting of bank borrowings (onshore and offshore) and bonds, each contributing 45%:55%. As a result, the gearing ratio decreased to 1.2 times from the previous 2.1 times in FY21, hence; the Company still has considerable room for expansion when the market recovers.

3. Initiatives to increase productivity and operational excellence includes:

- Productivity Improvement**, initiatives to increase productivity are carried out through several programs, including adjustment of productivity calculations, developing branch organizations that focus on customer centricity, Organization Effectiveness (OE) projects, and refreshment trainings.
- HR development by improving the Learning Ecosystem**, relying on an online approach as well as on improving the ability and scalability of FMA (Faculty Member of Adira), is still the main method for improving the learning ecosystem.
- Cultural Development in accordance with Business Initiatives**, there are several cultural activities carried out in 2021, such as Entrepreneurship Culture, AHA, innovation programs, and digital culture.

PT Adira Dinamika Multi Finance Tbk.

2021 PERFORMANCE

Details of the 2021 business performance are outlined in the following table:

Details	yoy	2021	2021	2020
		Achievement	Projection	
New Financing (IDR trillion)	39%	25,921	25,496	18,622
Non- Performing Financing (%)	-	2.3%	±2.5%	1.9%
Market Share-Motorcycles (%)	-0.3%	9.2%	±10%	9.5%
Market Share-Cars (%)	-0.1%	4.0%	±4%	4.1%

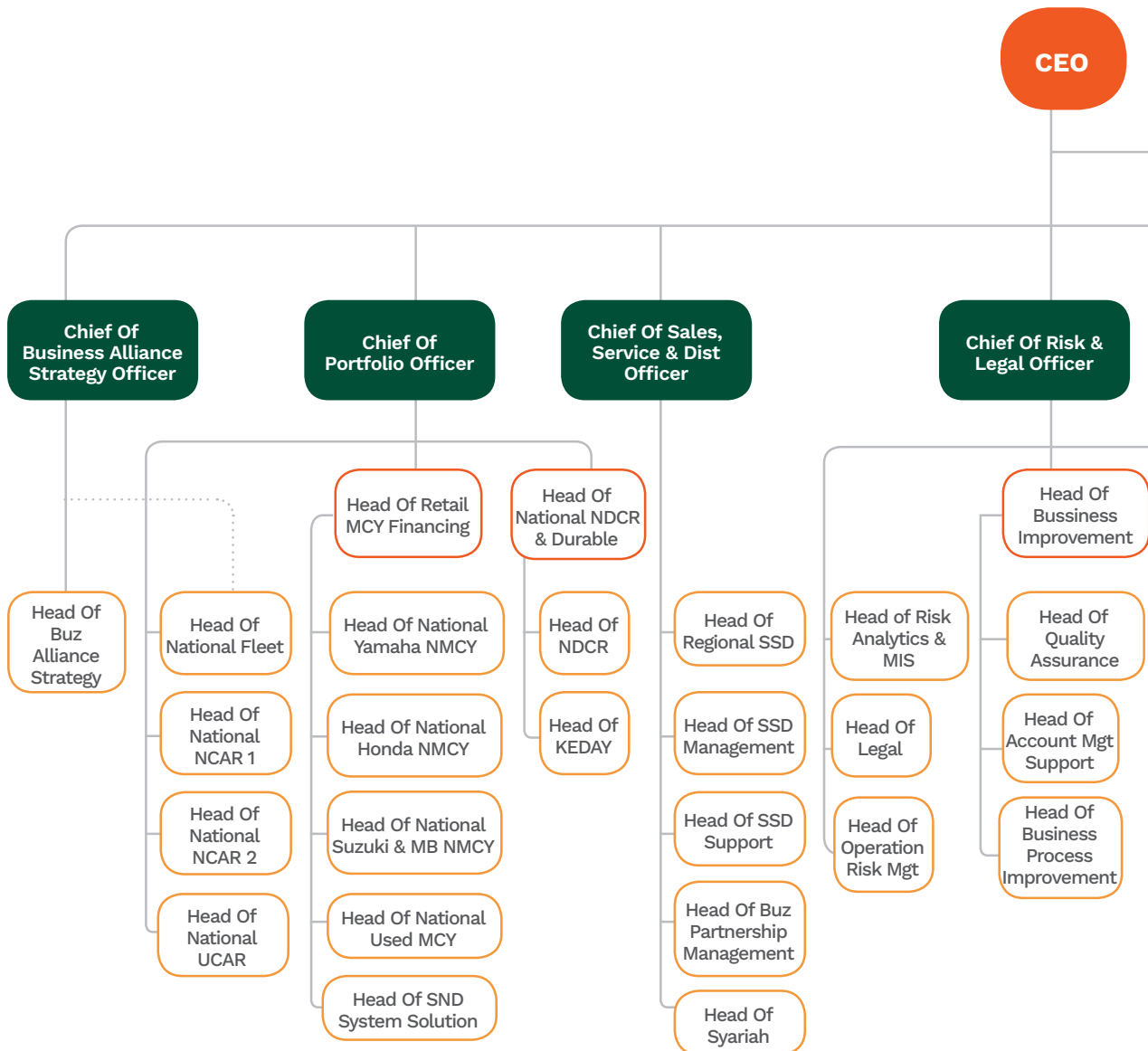
2022 STRATEGIES AND PLANS

Adira Finance's several strategies to be executed in 2022 are as follows:

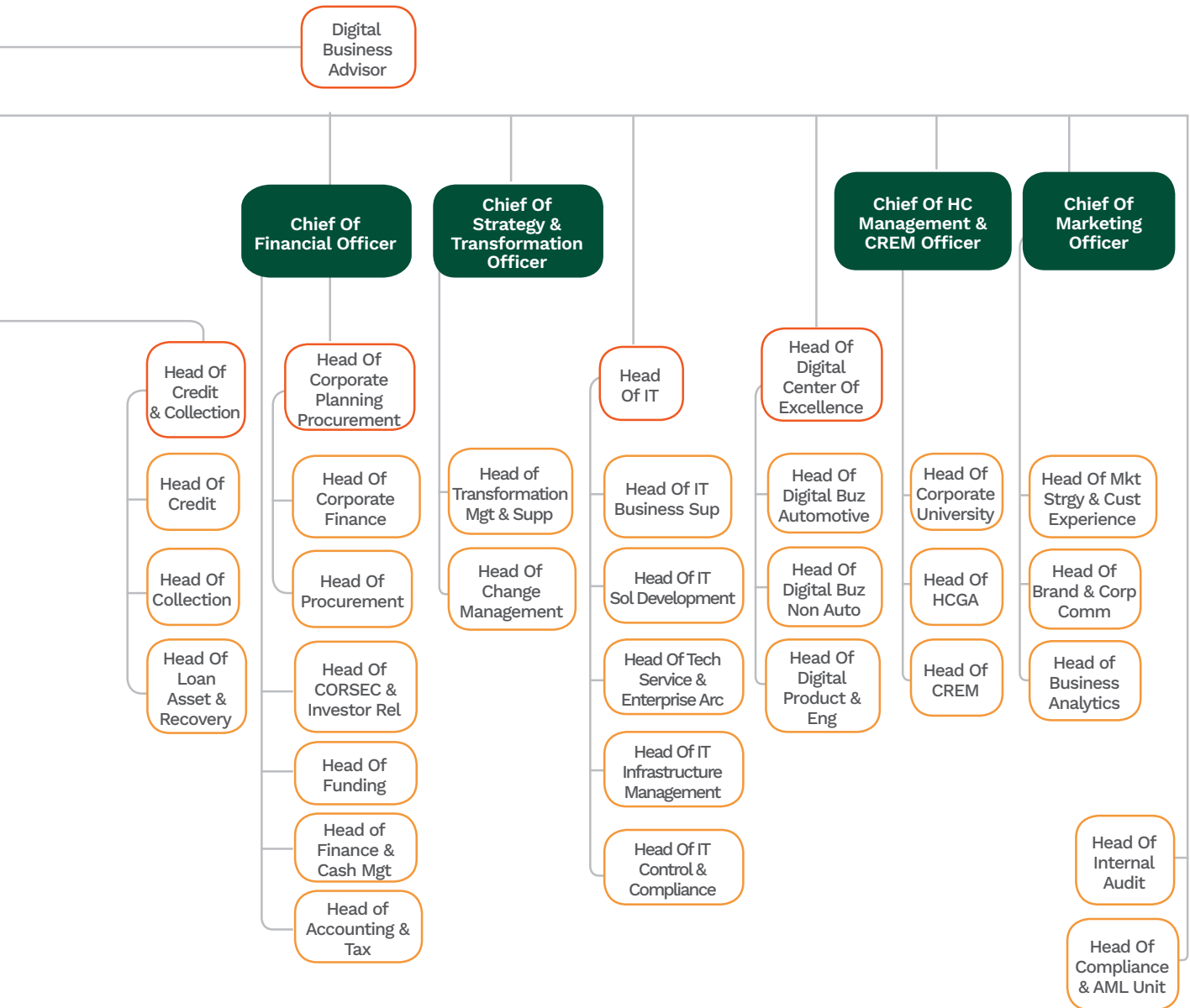
- The Company will strengthen and gain market share in the automotive business through product diversification and by providing various attractive sales programs for customers, as well as strengthening good relations with our dealers.
- Expanding networks to non-automotive businesses by continuing to diversify the products offered to support business growth.
- Continuing investment and accelerating digitization through Adira's online platforms, namely Adiraku, Momobil.id, Momotor.id, and dicicilaja.com, as an alternative in acquiring new financing and consumers, both existing and new consumers.
- Continuing Business Process Reengineering (BPR) to improve business efficiency and effectiveness by creating simpler, faster, and leaner processes, as well as by providing a better customer experience.
- Continue to focus on customer centricity by improving services, offering a variety of products, and providing customer loyalty programs.
- The Company will continue to manage its asset quality in order to keep the NPL ratio under control by applying prudent risk-management principles.



ORGANIZATION STRUCTURE OF ADIRA FINANCE



- DIR Level
- DD Level
- VP/SVP Level



FINANCIAL REVIEW

In 2021, Danamon posted net profit after tax of Rp1.57 trillion, increased by 56.1% compared to 2020. This resulted in ROA and ROE of 0.8% and 4.1%, respectively at the end of 2021, compared to previous year's level of 0.5% and 2.6% respectively. Danamon NPL ratio (consolidated) was well managed at 2.7% at the end 2021, improved 10bps compared to 2.8% at the end of 2020.

NPL Coverage ratio stood at 225.6%, increased compared to 208.7% at the end of previous year.

The following financial reviews are based on Danamon and its subsidiary consolidated

financial statements position as of 31 December 2021, and consolidated financial performance and consolidated cash flows for the corresponding fiscal year, in accordance with Indonesian Financial Accounting Standards.

The Public Accountant Firm Imelda & Partners (a member firm of Deloitte Touche Tohmatsu Limited) has audited the consolidated financial statements conducted by Elisabeth Imelda with Licence of Public Accountant No. AP.0849 based on auditing standards set by the Indonesian Institute of Certified Public Accountants with an unmodified opinion.

in Rp billion	2020			2021		
	Retail ¹	Wholesale ²	Total	Retail ¹	Wholesale ²	Total
Assets	80,543	107,967	188,510	71,328	109,167	180,494
Liabilities	85,684	57,946	143,630	83,001	51,452	134,453
Net interest income	9,723	4,001	13,724	9,395	4,352	13,747
Non-Interest Income	3,181	1,011	4,192	2,099	1,893	3,992
Operating Income	12,904	5,012	17,916	11,495	6,244	17,739
Operating Expenses	(8,114)	(991)	(9,105)	(8,487)	(1,074)	(9,561)
Cost of Credit	(5,651)	(889)	(6,540)	(5,049)	(715)	(5,764)
Non-Operating Income and Expenses	(61)	(75)	(136)	(194)	98	(97)
Restructuring Costs			(68)			(37)
Profit before Income Tax			2,067			2,280
Income Tax			(978)			(611)
Net income from continuing operations			1,089			1,669
Net Profit After Income Tax			1,089			1,669
Net Profit After Income Tax Attributable to Parent Entity			1,008			1,573

1. Consists of small and medium enterprises, micro, credit card, Sharia, insurance business, consumer financing, pawnshops and retail banking.
2. Consists of commercial banking, corporations, financial institutions and treasury.

Consolidated Financial Statements Position

Danamon posted total assets of Rp192.24 trillion in 2021, 4.3% lower compared to Rp200.89 trillion in the previous year. The declining assets was largely due to a decrease in loans - net and Consumer financing receivables & Finance lease receivables - net by 3.8% and 11.4% to Rp99.97 trillion and Rp20.24 trillion, respectively amidst, the prolonged pandemic until 2021.

Adjusting to the decline in assets, the Bank's total liabilities was also reduced from Rp157.31 trillion in 2020 to Rp147.16 trillion in 2021. The declining liabilities was mainly due to a decrease in Third Party Funds (TPF) and borrowings by 2.3% and 52.2% to Rp123.35 trillion and

Rp4.27 trillion in 2021. Previously, Danamon's TPF and borrowings were recorded at Rp126.21 trillion and Rp8.95 trillion, respectively.

ASSETS

Danamon recorded total assets of Rp192.24 trillion in 2021, decreased by 4.3% from Rp200.89 trillion in 2020. The accounts in the assets section of financial statements with the largest decline are loans, consumer financing receivables, and current accounts with other banks. Meanwhile, government bonds showed a significant increase throughout 2021. Further explanations regarding these financial accounts are as follow:

Description (Rp billion)	2020	2021	Growth
			YoY
Cash	2,838	2,790	-1.7%
Current Accounts with Bank Indonesia	2,186	3,060	40.0%
Current Accounts with Other Banks-net	4,417	2,978	-32.6%
Placements with Bank Indonesia and other banks	7,304	9,888	35.4%
Marketable securities-net	4,689	5,514	17.6%
Government Bonds	25,535	30,338	18.8%
Derivatives receivable	363	187	-48.3%
Loans - net	103,937	99,966	-3.8%
Consumer financing receivables & Finance lease receivables-net	22,852	20,239	-11.4%
Fixed assets and Right-of-Use Assets-net	2,106	1,896	-10.0%
Other assets	12,900	12,264	-4.9%
Total assets	200,890	192,240	-4.3%

CASH

Danamon posted cash of Rp2.79 trillion as of 31 December 2021, 1.7% lower than the previous year's position of Rp2.84 trillion. Cash contributed 1.5% of Danamon's total assets.

CURRENT ACCOUNTS WITH BANK INDONESIA

Current accounts with Bank Indonesia surged 40.0% to Rp3.06 trillion from Rp2.19 trillion in the previous year following lower reserve requirements, of which throughout 2021 Bank Indonesia reduced the GWM percentage several times in order to increase the liquidity of banking industry.

The ratio of Danamon's GWM in Rupiah is 3.53% while GWM in foreign currencies is 4.10% in 2021.

CURRENT ACCOUNTS WITH OTHER BANKS

Current accounts with other banks in 2021 decreased by 32.6% to Rp2.98 trillion, primarily as Rupiah demand deposits decreased from Rp3.12 trillion in 2020 to Rp0.94 trillion in 2021. The share of current accounts with other banks to total assets is 1.5% in 2021 compared to 2.2% in 2020.



PLACEMENTS WITH OTHER BANKS AND BANK INDONESIA

Danamon posted an increased in placements with Other Banks and Bank Indonesia by 35.4% to Rp9.89 trillion. This increasing profile was mainly due to a 167.6% higher placements in time deposits of Bank Indonesia from Rp1.85 trillion in 2020 to Rp4.95 trillion in 2021.

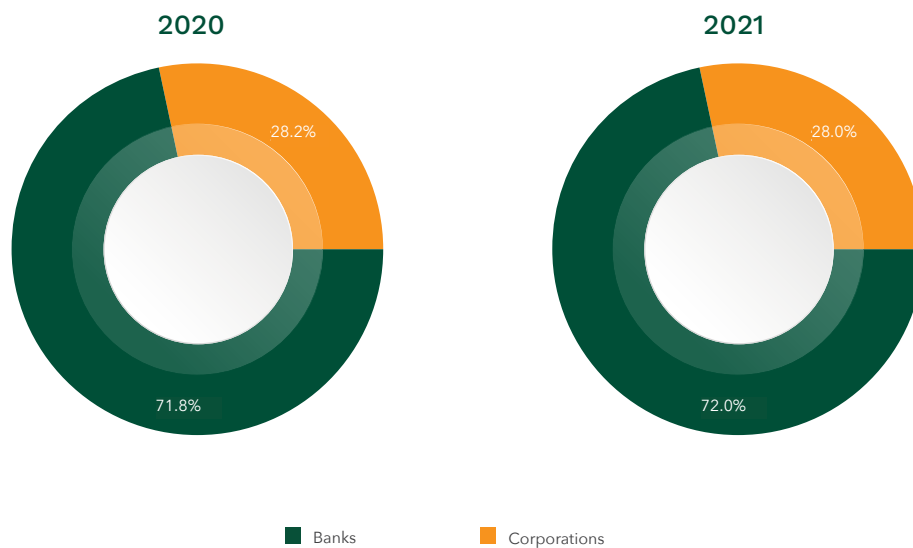
Based on the prevailing BI regulations, all placements with other banks and Bank Indonesia as of 31 December 2021 and 31 December 2020 are classified as current.

MARKETABLE SECURITIES

Based on the issuer, Danamon’s securities are corporate bonds issued by banks and corporations. Securities issued by corporations have a larger portion of 18,1% compared to securities issued by banks of 16,7%.

Based on prevailing Bank Indonesia regulations, all marketable securities as of 31 December 2021 and 31 December 2020 are classified as current.

Marketable Securities Graph

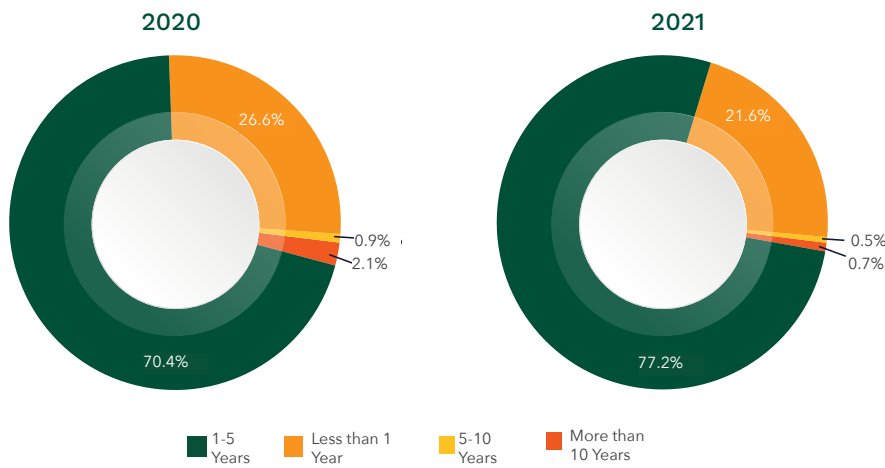


GOVERNMENT BONDS

Danamon posted an 18.8% increase in government bonds from Rp25.53 trillion in 2020 to Rp30.34 trillion in 2021. This increase was driven by 21.7% higher government bonds denominated in Rupiah to reach Rp26.15 trillion.

Government bonds with maturity period of 1-5 years has the largest portion at 71.8%.

Government Bonds Graph



LOANS

The impact of Implementation of social restrictions (PPKM), in line with the increasing COVID-19 cases due to highly transmissible Delta also affected lending activities due to a slowdown in economic activity. Net loans disbursed by Danamon reached Rp99.96 trillion in 2021, 3.8% lower than its position in 2020. However, loans still had the largest contribution to total assets standing at 52.0% in 2021.

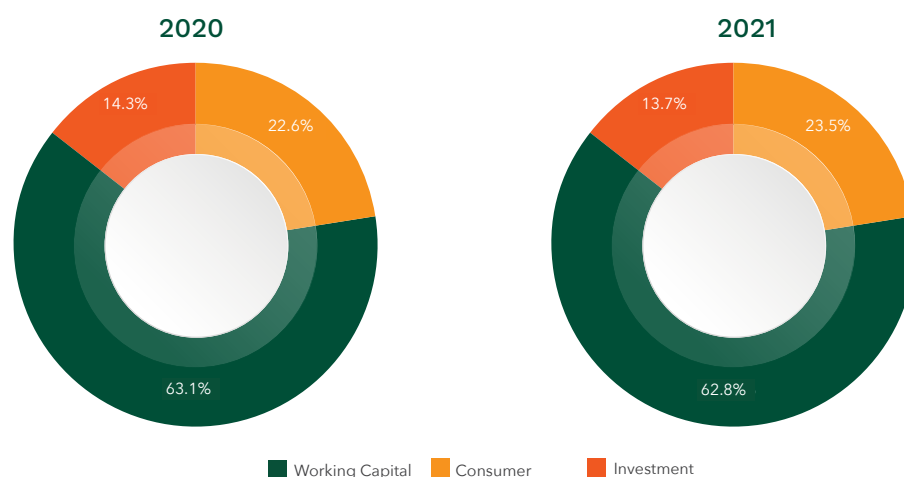
Based on currency type, loans denominated in Rupiah was down by 3.8% while loans denominated in foreign currencies increased 4.6% to Rp11.21 trillion. The portions of these two types of loans are 90.2% and 9.8% respectively in 2021.

Meanwhile, based on the types and orientation of use, working capital loans still had the largest portion of 62.8% despite recording a 3.4% decrease to Rp66.66 trillion in 2021 and loans disbursement for other productive purposes such as investment loans decreased 7,0% to Rp14.53 trillion. Cumulatively, the two types of credit for productive purposes contributed 86.3% of loans in 2021.

Consumer loans was up by 0.5% to Rp24.90 trillion in 2021, driven by various stimulus provided by the Government to increase people's purchasing power.



Loans Graph



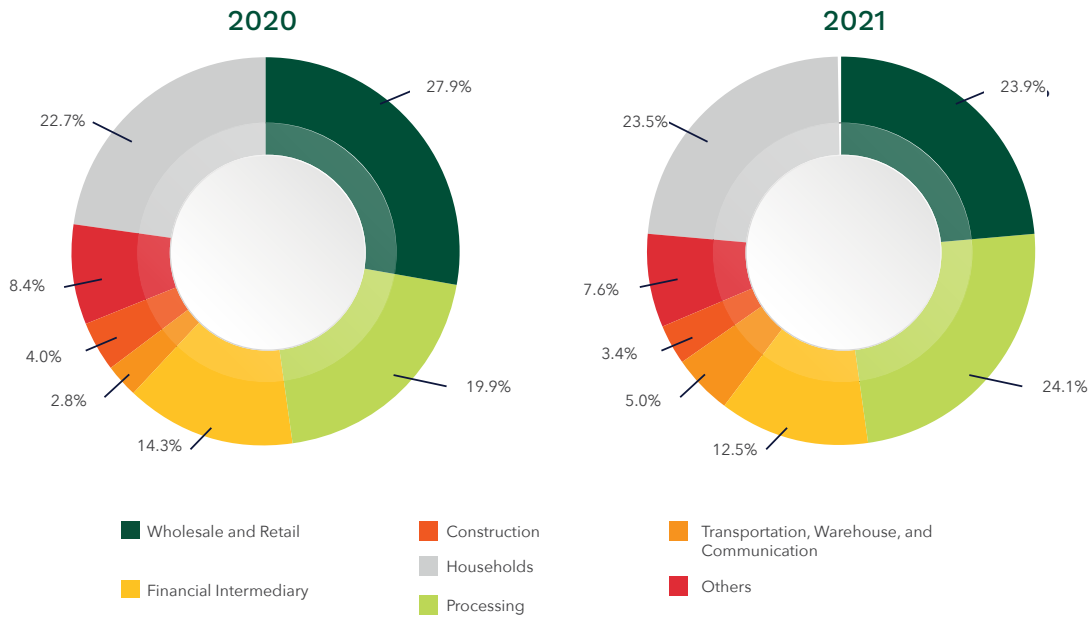
Loans disbursement based on Industry sector was dominated by the manufacturing sector which reached Rp25.60 trillion with a portion of 24.1% of total loans (gross). The wholesale and retail sector recorded the second largest loan disbursement of Rp25.36 trillion or representing 23.9% in 2021. Meanwhile, loans to the financial intermediaries reached Rp13.22 trillion and contributing 12.5% of total loans.

Meanwhile, household loans reached Rp24.90 trillion with a growth of 0.5% in 2021. In previous year, loans to household was at Rp24.78 trillion. The contribution of household loans reached 23.5% and 22.7% in 2021 and 2020, respectively.

in Rp billion

Description	2020	2021	Growth YoY
Wholesale and retail	30,561	25,357	-17.0%
Manufacturing	21,776	25,601	17.6%
Financial intermediary	15,634	13,218	-15.5%
Transportation, warehousing, and communications	3,108	5,273	69.7%
Construction	4,345	3,623	-16.6%
Others	9,188	8,117	-11.7%
Households	24,780	24,903	0.5%
Total-gross	109,392	106,092	-3.0%

Loans Disbursement Graph



Based on geographic region, loans disbursed by Danamon are concentrated in the areas of Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung. Total loans in these areas amounted to Rp70.34 trillion in 2021 or representing 66.3% of total loans. In previous year, the portion of loans disbursed in that region was also the highest, at 61.0%. The following table describes the distribution of loans disbursed by Danamon.

in Rp billion

Description	2020	2021	Growth YoY
Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung	66,753	70,337	5.4%
West Java	8,610	7,272	-15.5%
North Sumatra	8,320	6,923	-16.8%
East Java	7,516	6,152	-18.1%
Central Java and Yogyakarta	6,062	5,834	-3.8%
Sulawesi, Maluku, and Papua	5,235	3,725	-28.9%
Kalimantan	3,514	2,729	-22.3%
South Sumatra	1,759	1,645	-6.5%
Bali, NTT, and NTB	1,623	1,475	-9.1%
Total-gross	109,392	106,092	-3.0%



CONSUMER FINANCING RECEIVABLES AND FINANCE LEASE RECEIVABLES

In addition to bank loans, loans that Danamon provides on a consolidated basis also include consumer financing receivables and finance lease receivables through its subsidiary, Adira Finance. Net consumer financing receivables and finance leases decreased by 11.4% to Rp 20.24 trillion in 2021, from Rp22.85 trillion in previous year. This decline was due to economic condition which has not fully recovered yet after being affected by COVID-19 pandemic.

Collectability of Loans, Consumer Financing and Finance Leases

Description	2020	2021
NPL-gross	2.8%	2.7%
Special Mention	11.3%	9.3%
Current	85.9%	88.0%

As the pandemic continued through 2021, Danamon provided COVID-19 related loans restructuring as mandated by the Financial Services Authority (OJK).

in Rp billion

Fixed Assets	2020	2021	Growth
			YoY
Land	641	614	-4.1%
Building	672	607	-9.7%
Office Supplies	250	193	-22.8%
Motor Vehicles	40	38	-5.0%
Total Fixed Assets-net	1,603	1,452	-9.4%
Right-of-Use Assets			
Cost	698	784	12.3%
Accumulated amortization	(195)	(341)	74.9%
Net book value	503	443	-11.9%
Total Fixed assets and right-of-use assets	2,106	1,896	-10.0%

OTHER ASSETS

Danamon's other assets comprising of accounts other than those described above. The total other assets reached Rp12.26 trillion in 2021 from Rp12.90 trillion in the previous year.

OJK has released a regulation extending bank's credit restructuring relaxation from March 2022 to March 2023 to maintain the economic recovery momentum.

Loans restructured by Danamon and Adira Finance comprised of among others rescheduled principal and interest payments, adjusted interest rates, and reduced overdue interest. COVID-19 restructured loans declined from Rp29.96 trillion in 2020 to Rp18.21 trillion in 2021, of which only Rp5.07 trillion remaining under forbearance.

The weighted average effective interest rate per annum for the year ended 31 December 2021 was 8.4% for Rupiah and 3.3% for foreign currencies. In the previous year, the effective interest rates were 9.6% and 3.4%, respectively.

FIXED ASSETS AND RIGHT-OF-USE ASSETS

Danamon's fixed assets and Right-of-use assets in 2021 decreased by 10.0% to Rp1,90 trillion from Rp2,11 trillion in the previous year. The decrease was mainly due to regular depreciation higher than addition of fixed assets this year.

LIABILITIES

To support the loan growth, Danamon's funding sources consist of customer deposits, deposits from other banks, securities issued and borrowings. In 2021, Danamon's CASA ratio increased by 6.8% to reach 59.1% compared to previous year at 52.3%. This is in line with the Bank's strategy to focus on granular funding.

in Rp billion

Liabilities	2020	2021	Growth
			YoY
Customer Deposits	123,733	121,069	-2%
Deposits from Other Banks	2,478	2,285	-8%
Total Third Party Funds	126,211	123,354	-2%
Securities Issued	8,392	6,750	-20%
Borrowings	8,952	4,276	-52%
Subordinated Loans	25	25	0%
Other Liabilities	13,735	12,752	-7%
Total	157,315	147,157	-6%

DEPOSITS FROM CUSTOMERS

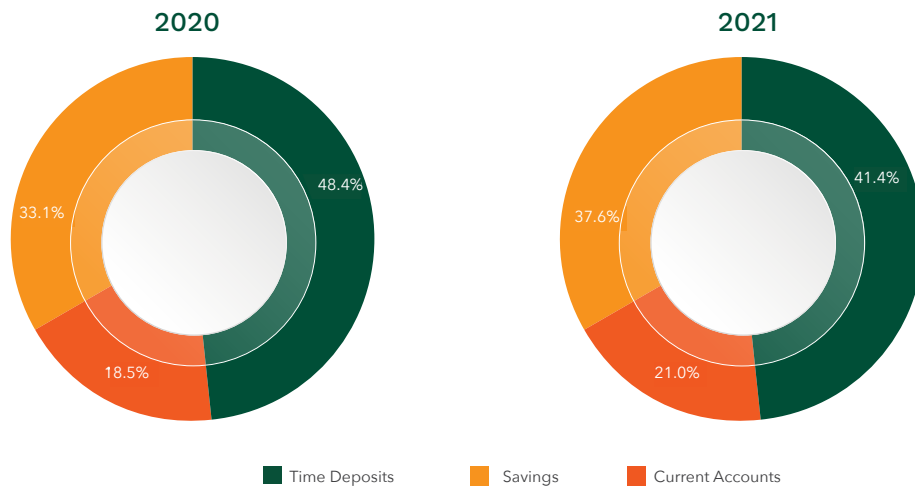
Danamon's Third Party Funds (TPF) amounted to Rp121.07 trillion. From DPK position in 2021, TPF composition comprising of low cost of fund Current and Savings Accounts (CASA) from customers stood at 58.6% compared to deposits portion of 41.4%. This is in line with Danamon's strategy to focus on granular funding, reflected in CASA increased by 11% compared to the previous year.

Deposits from customer's contribution to total liabilities reached 82.3% in 2021 and 78.7% in the previous year.

in Rp billion

Description	2020	2021	Growth
			YoY
Current accounts	22,900	25,437	11.1%
Savings	40,967	45,518	11.1%
Time deposits	59,866	50,114	-16.3%
Total	123,733	121,069	-2.2%

Deposits from customers Graph



DEPOSITS FROM OTHER BANKS

Danamon also has deposits from other banks as a funding source for business expansion. In 2021, deposits from other banks reached Rp2.28 trillion, down by 7.8% from the previous year's position of Rp2.48 trillion. The contribution of this account to total liabilities is 1.6% and 1.5% for 2020 and 2021, respectively

SECURITIES ISSUED

On a consolidated basis, Danamon's outstanding bonds reach Rp6.35 trillion in 2021, 19.8% lower than the previous year's position of Rp7.91 trillion. Of the total bonds payable, Rp851.32 billion or 13.4% was issued by Danamon. The bond, which will mature on 24 May 2022, were rated AAA(idn) by Fitch Ratings.

Moreover, Danamon through Adira Finance issue bonds to support financing business activities. Adira Finance's total bonds that have not yet matured minus underwriting fees and others are Rp5.50 trillion in 2021, lower than Rp7.06 trillion in the previous year. All ADMF bonds were rated idAAA by Pemeringkat Efek (Pefindo).

In addition, Adira Finance has a Sukuk Mudharabah of Rp402.00 billion in 2021, lower than the previous year's position of Rp478.00 billion. All of Adira Finance's mudharabah sukuk were also rated idAAA(sy) by Pemeringkat Efek (Pefindo).

BORROWINGS

Danamon's subsidiary, Adira Finance, also has a long-term financing scheme with a term of more than one year as another source of stable funding.

The total borrowings received in 2021 worth Rp4.27 trillion, a 52.2% decrease than previous year's position of Rp8.95 trillion. A decrease in the borrowings received was mainly due to a declining loan in foreign currency from Rp7.51 trillion to Rp3.18 trillion in 2021. The borrowings received came from various institutions either abroad or domestic which demonstrates Danamon group's high flexibility in obtaining funding sources.

SUBORDINATED LOANS

Danamon has a strong financial support from the controlling shareholder. On 27 November 2018, the Bank entered into a subordinated loan agreement with MUFG Bank, Ltd., a related party, amounting to Rp25,00 billion with a fixed interest rate of 9.3% per annum.

The subordinated loan has been fully disbursed from MUFG Bank, Ltd. on 4 December 2018. The subordinated loan was made to fulfil the requirements for an action plan (recovery plan) in accordance with POJK No.14/POJK.03/2017 concerning Action Plans (Recovery Plan) for Systemic Banks. The loan will mature within 5 years from the disbursement date. This subordinated loan cannot be repaid before the maturity date without obtaining prior approval from OJK.

EQUITY

Danamon booked a stronger equity in 2021 in the time of pandemic, reaching Rp45.08 trillion. This was largely supported by a 3.5% increase in retained earnings to Rp29.64 trillion in 2021.

in Rp billion

Description	2020	2021	Growth
			YoY
Issued and fully paid	5,996	5,996	0.0%
Additional paid-up capital	7,986	7,986	0.0%
Other equity components	443	915	106.6%
Retained earnings	28,683	29,643	3.3%
Non-controlling interests	467	544	16.3%
Total	43,575	45,083	3.5%

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

in Rp billion

Description	2020	2021	Growth YoY
Interest income	20,088	17,749	-11.6%
Interest expense	(6,364)	(4,002)	-37.1%
Interest income – net	13,724	13,747	0.2%
Other operating income – net	4,192	3,992	-4.8%
Other operating expenses	(15,645)	(15,325)	-2.0%
Net operating income	2,271	2,414	6.3%
Non-operating income-net	(204)	(134)	-34.4%
Income before tax expense	2,067	2,280	10.3%
Tax expense	(978)	(611)	-37.6%
Net income from continuing operation	1,089	1,669	53.3%
Other comprehensive income for the year – net of tax	1,089	1,669	53.3%
Total comprehensive income for the year	1,382	1,893	36.9%
Net profit attributable to:			
Parent entity	1,008	1,573	56.1%
Non-controlling interests	81	96	18.2%
Total comprehensive income for the year attributable to:			
Parent entity	1,302	1,776	36.4%
Non-controlling interests	81	117	44.8%
Net income per share (full amount)	103	161	56.3%

NET INTEREST INCOME

In line with the declining interest expense in 2021, Danamon booked a 0.2% growth in net interest income to Rp13.75 trillion. Previously, net interest income amounted to Rp13.72 trillion.

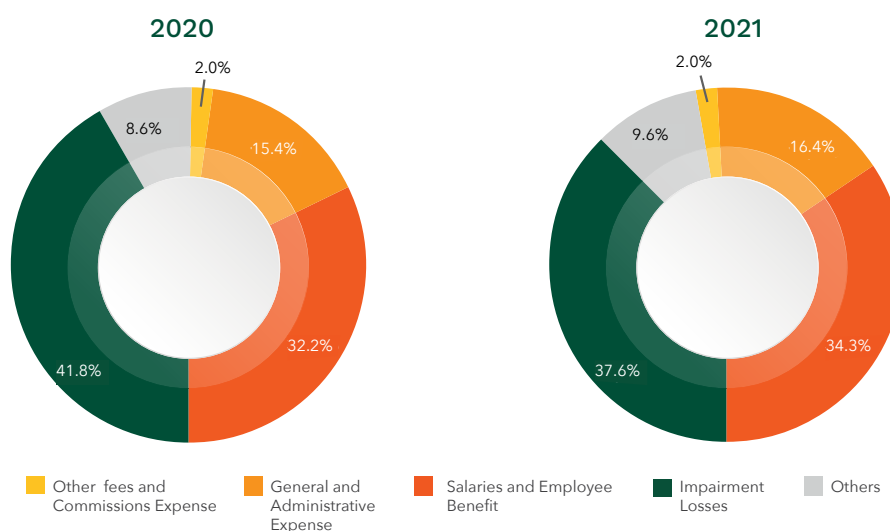
OTHER OPERATING INCOME

Other operating income reached Rp3.99 trillion in 2021, declined by 4.8% compared to the previous year level. Fees, commission income and other non-interest income increased. However gains from financial instruments and sales of marketable securities and Government Bonds declined.

OTHER OPERATING EXPENSES

Danamon's other operating expenses was dominated by impairment losses as well as salaries and employee benefits. These two other operating expense components amounted to Rp5.76 trillion and Rp5.26 trillion in 2021, respectively. In previous year, these two components were Rp6.54 trillion and Rp5.04 trillion. Cumulatively, other operating expense accounts declined 2.0% from Rp15.64 trillion to Rp15.32 trillion.





NET OPERATING INCOME

Danamon posted a net operating income of Rp2.41 trillion in 2021. This achievement was 6.3% higher than the previous year's position of Rp2.27 trillion. The growth was mainly due to lower interest expenses as well as lower impairment losses.

INCOME BEFORE INCOME TAX

In line with the higher net operating income, Danamon posted a profit before income tax of Rp2.28 trillion in 2021, up 10.3% compared to the previous year's position of Rp2.07 trillion.

NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT

Net income attributable to Owners of the Parent Entity increased 56.1% from the previous year to Rp1.57 trillion in 2021.

In 2021, Danamon's earning per share reached Rp161 per share (full amount), an increase compared to Rp103 per share (full amount) in previous year.

Consolidated Statements of Cash Flows

in Rp billion

Description	2020	2021	Growth
			YoY
Net cash provided from/(used by) operating activities	17,306	15,173	-12.3%
Net cash provided from/(used by) investing activities	(5,282)	(6,544)	23.9%
Net cash provided from/(used by) financing activities	(8,479)	(7,051)	-16.8%
Net increase/(decrease) in cash and cash equivalents	3,545	1,578	-55.5%
Cash and cash equivalents at beginning of the year	13,075	16,698	27.7%
Cash and cash equivalents at the end of year	16,698	18,261	9.4%

CASH FLOWS FROM OPERATING ACTIVITIES

Danamon posted a net cash surplus provided from operating activities amounted to Rp15.18 trillion in 2021. This was 12.3% lower than previous year's position of Rp17.31 trillion as new loan disbursement increased while time deposit amount declined.

CASH FLOWS FROM INVESTING ACTIVITIES

Danamon recorded net cash used by investment activities of Rp6.54 trillion in 2021, a 23.9% increase compared to the previous year's position of Rp5.28 trillion. This increase was mainly due to increase in acquisition of marketable securities and Government Bonds in 2021.

CASH FLOWS FROM FINANCING ACTIVITIES

Danamon reported that net cash used for financing activities of Rp7.05 trillion in 2021, decreased 16.8% from previous year's position of Rp8.48 trillion. This decrease was mainly due to lower net borrowings from the previous year.

KEY FINANCIAL RATIO

Danamon conducts its business activities prudently and complied with the regulations of Bank Indonesia, OJK as well as other prevailing laws and regulations.

The Bank is able to meet the financial ratios set by the regulator amidst the pandemic challenges. Danamon's key financial ratios are as follows:

Key Financial Ratios (%)	2020	2021
CAR-Consolidated	25.0	26.7
Gross NPL-Consolidated	2.8	2.7
ROA-Consolidated	0.5	0.8
ROE-Consolidated	2.6	4.1
NIM-Consolidated	7.4	7.5
Cost to Income-Bank Only	46.5	47.7
LDR-Bank Only	84.0	84.6
RIM-Bank Only	85.0	86.0

DEBT REPAYMENT CAPABILITY AND RECEIVABLES COLLECTIBILITY

Debt Repayment Capability

From an external perspective, the indicator of Danamon's debt repayment capability is provided by rating agencies either national or international scale through their ratings assigned to Danamon. Pefindo, a national rating agency, issued an excellent rating for Danamon by assigning a corporate rating of idAAA with a Stable outlook.

Meanwhile, an international rating agency Fitch assigns National Ratings for Long Term and Short Term to AAA(IDN) and F1+(IDN) respectively, whilst Foreign Currency Ratings for Long Term and Short Term are BBB and F2, respectively. The outlook for the long-term rating from Fitch is Stable.

In addition, in 2021, another international rating agency, Moody's, has upgraded Danamon's Long Term Bank Deposits and Adjusted Baseline Credit Assessment rating

to Baa1. The outlook for Moody's long-term rating is Stable. The Bank's participation in the guarantee program of the Indonesian Deposit Insurance Corporation (LPS) also strengthens its ability to pay depositors' third party funds.

Meanwhile, from an internal perspective, Danamon's ability to meet all obligations, both long-term and short-term, is measured through several ratios such as liquidity ratios, solvency ratios, and profitability ratios.

Solvency Ratio

The capital ratio is one of the parameters used in measuring the solvency ratio. Danamon always ensures that its capital is able to meet Capital Adequacy Ratio (CAR) requirement which includes credit risk, market risk and operational risk. On a consolidated basis, Danamon recorded a CAR of 26.7% in 2021, higher than 25.0% in 2020. Danamon's CAR ratio exceeded the minimum CAR ratio required by the regulator.



Profitability Ratio

Danamon's financial ratios to measure its profitability and performance efficiency are Return to Average Assets (ROAA), Return to Average Equity (ROAE), Net Interest Margin (NIM), and Operating Expenses to Operating Income (BOPO) ratio.

Danamon recorded profitability ratios of ROAA and ROAE of 0.8% and 4.1% respectively in 2021. Both ratios in the previous year were 0.5% and 2.6%, respectively. Meanwhile, Net Interest Margin (NIM) ratio was recorded at 7.5% in 2021 and 7.4% in 2020. On the other hand, Danamon's BOPO ratio was recorded at 86.6% in 2021 compared to 88.9% in the previous year.

Liquidity Ratio

The bank's liquidity management is very important to Danamon since it is closely related to the Bank's ability to meet either short-term or long-term obligations. Key measures of liquidity risk for Danamon includes the Macroprudential Intermediation Ratio (RIM), Loan to Deposit Ratio (LDR), Liquidity Coverage Ratio (LCR) and

Net Stable Funding Ratio (NSFR). These ratios are 86.0%, 84.6%, 187.0% and 140.7%, respectively in 2021 compared to 85.0%, 84.0%, 188.0% and 143.7%, respectively in 2020. All the ratios indicated ample liquidity for Danamon.

CAPITAL STRUCTURE

Capital Structure Components

Danamon is committed to managing a strong and healthy capital structure as foundation for sustainable business growth.

Based on POJK No. 34/POJK.03/2016 regarding Capital Adequacy Ratio for Commercial Banks, capital of bank comprises of:

- Core capital (Tier 1 capital) comprising of main core capital and additional core capital
- Supplementary capital (Tier 2)

Core capital has a portion of 96.77% of Danamon's total capital in 2021.

Rp billion	Bank Only			Consolidated		
	2020	2021	YoY	2020	2021	YoY
Core Capital (Tier-I)	31,035	31,014	(21)	37,970	38,974	1,004
Supplementary Capital (Tier-II)	1,202	1,238	36	1,308	1,302	(6)
Total Capital	32,236	32,252	16	39,278	40,276	998
Credit, Operational, Market Risk Weighted Assets	125,974	122,256	(3,718)	157,251	150,732	(6,519)
CAR	25.6%	26.4%	0.8%	25.0%	26.7%	1.7%

Management Policy on Capital Structure

Management's policy on capital structure is reflected in Danamon's CAR (Capital Adequacy Ratio) as one indicators of the Bank's capital adequacy. The Bank's ability to grow and accommodate the possible risk of loss is measured through CAR.

Danamon consistently maintains capital adequacy level above the minimum CAR level stipulated by the regulator. Danamon's consolidated CAR ratio reached 26.7% in 2021 compared to 25.0% in 2020.

Danamon also performed an Internal Capital Adequacy Assessment Process (ICAAP) to determine capital adequacy in accordance with the risk profile and determine strategies to maintain capital levels. The Bank's risk profile in 2021 is rated Low to Moderate (2). In accordance with POJK No. 34/ POJK.03/2016 and SEOJK No.26/SEOJK.03/2016, CAR that must be provided by considering the risk profile rating of Low to Moderate (2) and Basel 3 Capital Buffer in 2021 is 13.4%.

Basis for Determining Management Policy on Capital Structure

In setting capital structure policies, management considers various factors amongst others economic projections, business growth potential, risk appetite, stress testing results, and capital ratio targets. Through this plan, Danamon is expected to be able to take advantage of growth and strategic opportunities, perform its business within the corridor of risk appetite and comply with prevailing regulations, maximize shareholder returns, and survive through various economic cycles. Supported by data analysis, the Board of Directors and Commissioners

in Rp billion

Description	2020	2021	Growth
			YoY
Unused loan facilities to debtors	260	259	-0.5%
Outstanding irrevocable letters of credit	1,067	1,782	66.9%
Total commitment payable	1,327	5,373	304.8%
Contingent receivables			
Guarantee from other banks	229	412	79.7%
Total contingent receivables	229	412	79.7%
Contingent payables			
Guarantees issued	5,057	4,965	-1.8%
Total contingent payables	5,057	4,965	-1.8%
Contingent payables - net	4,828	4,961	2.8%
Commitment payables and contingent payables - net	6,156	7,002	13.7%

IMPACT OF CHANGES IN INTEREST RATE ON BANK PERFORMANCE

Impact of Interest Rate Changes

Changes in interest rates have an impact towards banking industry by cutting bank interest rates for retail loans; consumers, including mortgages. Bank Indonesia has lowered the 7-Day Reverse Repo Rate (BI7DRR) by 25bps in February 2021 and maintained the BI7DRR at 3.5% until the end of 2021.

The impact of interest rates changes on the performance of the Bank can encourage more optimal credit absorption, trigger the economy to be more advanced so as to improve the Bank's performance,

of Danamon conduct planning, studies and discussions related to the Bank's capital.

Commitments and Contingencies

Danamon's loan facility commitment to customers as well as contingencies, including in the form of income in settlement and bank guarantees received.

Cumulatively, in 2021 total commitment liabilities and net contingent liabilities amounted to Rp7.0 trillion or a 13.7% increase compared to the previous year's position of Rp6.16 trillion.

Danamon's interest rate risk management regularly conducts a sensitivity analysis based on a number of scenarios to see the impact of changes in interest rates. This is important because interest rate risk is the probability of loss that may occur as a result of the opposite movement in positions *vis-à-vis* the interest rate market or the Bank's transactions.

Impact of Foreign Currencies Changes

Foreign exchange rate risk arises from on and off-balance sheet positions in both assets and liabilities through transactions in foreign currencies. Danamon measures foreign exchange rate risk in order to understand the impact of exchange rate movements on the Bank's income and capital.



Investment Properties

Danamon does not own property assets that are used for investment purposes until the period ended 31 December 2021.

Material Commitments for Capital Goods Investment

Until the end of 2021, Danamon has no material commitments related to capital goods investment. Thus, data related to the name of party making commitments; purpose of the commitments; the source of funds expected to fulfil these commitments; the currency being denominated; and the Company's plans to hedge the risk from its associated foreign currency position are not presented in this section.

Capital Expenditures Realized in The Last Fiscal Year

Danamon invests in capital goods in the form of fixed assets comprising of land, buildings, equipment, machinery, office furniture, motor vehicles and non-fixed assets such as system and infrastructure development.

Material Information and Facts Occurring After the Accountant's Report Date

Fiscal Year	AGMS date	% Net profit	Dividend per Share for series A and series B (Rp full amount)	Total Dividend Payment (Rp Billion)	Payment date	General & Mandatory Reserves (Rp Billion)
2020	30 April 2021	35%	36.08	352.7	3 June 2021	10.1
2019	23 March 2020	45%	187.55	1,833.1	24 April 2020	40.7
2018	26 March 2019	35%	143.22	1,372.8	26 April 2020	39.2

Employee and/or Management Equity Ownership Program

In 2021, Danamon did not have a share option program for the Board of Directors, Board of Commissioners or employees. Henceforth, the Bank did not provide related information regarding:

1. Number of ESOP/MSOP shares and their realization;
2. Term of time;
3. Requirements for eligible employees and/or management; and
4. Exercise price.

Realization of Proceeds from Public Offering

In 2021, Danamon as a parent company did not conduct any public offerings, either bonds or shares. Thus, information related to the total proceeds; plan for the use of proceeds; details of the use of proceeds; proceeds balance; and approval date of the GMS/RUPO

There is no material information and facts that occurred after the date of the accountant's report.

Comparison of 2021 Target and Realization

Indonesia's economy in 2021 has started to show signs for recovery, which has caused Danamon's profitability to increase compared to the previous year, although the growth was still slightly lower than the target set in the previous year due to spike in the delta variant in mid 2021. This also led to lower loan disbursement compared to the target.

Dividend Policy

Based on the decision of the Annual General Meeting of Shareholders ("AGMS") dated 30 April 2021, it was decided amongst other to distribute cash dividends for 2020 financial year, representing 35,0% of the 2020 net profit or approximately Rp352,664,900,000 or amounting to Rp36.08 per share.

The dividend payments for the last 3 financial years are as follows:

for changes in the use of proceeds (if any) was not presented.

Important Changes in The Bank and Bank Business Groups In 2021

Danamon reported that there were no important changes that occurred in the Bank and the Bank's business groups as of 31 December 2021 which affected Danamon's financial position.

Other Important Transactions in Significant Amount

There was no other important transaction in significant amounts executed by Danamon throughout 2021 other than those described in this Management Discussion and Analysis chapter.

Material Transactions Containing Conflicts of Interest

Throughout 2021, Danamon did not record transactions containing conflicts of interest.

Transactions with Affiliated Parties/Related Parties

Danamon conducts various transactions with related parties which are not conflict of interest transactions in performing its business activities. The transaction is executed fairly based on normal commercial terms such as transactions with unrelated parties. More complete information related to transactions with related parties can be seen in the attachment of 2021 audited financial report of PT Danamon Tbk (Note No. 47).

INFORMATION ON TRANSACTIONS RELATED TO INVESTMENTS, EXPANSION, DIVESTMENT, ACQUISITION AND RESTRUCTURING

Investment

Danamon did not conducted investment activities in 2021 so that information regarding purpose, transaction value and source of funds for investment activities are not presented.

Expansion

Danamon did not perform expansion activities in 2021 so that information regarding purpose, transaction value and source of funds for expansion activities are not presented.

Divestment

Danamon did not perform divestment activities in 2021 so that information regarding purpose, transaction value and source of funds for divestment activities are not disclosed.

Acquisition

Danamon did not execute acquisition activities in 2021 so that information regarding purpose, transaction value and source of funds for acquisition activities are not presented.

Restructuring

There were no debt or capital restructuring activities in 2021. Therefore, Danamon did not provide information related to restructuring activities in terms of objectives, transaction value and sources of funds for restructuring activities.



Regulatory Changes and Its Impact on the Company in 2021

Nr	BI/OJK Regulation	Description	Impact on BDI																																																													
1	PADG No.23/26/PADG/2021 About Third Amendment to PADG No.21/25/PADG/2019 Regarding Loan To Value Ratio for Property Loans, Financing To Value Ratio for Financing Property, And Down Payment For Credit or Financing Effective: January 1, 2022	<p>Material Coverage:</p> <p>1. Adjustment of LTV/FTV ratio limit for KP/PP</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Property (m2) including Green Property</th> <th colspan="3">LTV/FTV Limit Ratio (Highest)</th> </tr> <tr> <th>Bank that Met NPL/NPF Requirements</th> <th colspan="2">Bank that not Met NPL/NPF Requirements</th> </tr> <tr> <td></td> <th>KP/PP Facility I etc</th> <th>KP/PP Facility I</th> <th>KP/PP Facility II etc</th> </tr> </thead> <tbody> <tr> <td colspan="4">Land Housing</td> </tr> <tr> <td>Type > 70</td> <td>100%</td> <td>95%</td> <td>90%</td> </tr> <tr> <td>Type >21 - 70</td> <td>100%</td> <td>95%</td> <td>95%</td> </tr> <tr> <td>Type <21</td> <td>100%</td> <td>100%</td> <td>95%</td> </tr> <tr> <td colspan="4">Low Cost House</td> </tr> <tr> <td>Type > 70</td> <td>100%</td> <td>95%</td> <td>90%</td> </tr> <tr> <td>Type >21 - 70</td> <td>100%</td> <td>95%</td> <td>95%</td> </tr> <tr> <td>Type <21</td> <td>100%</td> <td>100%</td> <td>95%</td> </tr> <tr> <td>Home-Shop/ Home-Office</td> <td>100%</td> <td>95%</td> <td>90%</td> </tr> </tbody> </table> <p>2. Downpayment limitation adjustment for PKB/KKB</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Vehicle Included Motored Vehicle With Environmental Insight</th> <th colspan="2">"Downpayment Limit (Minimum)"</th> </tr> <tr> <th>Bank That Meets NPL/NPF Requirements</th> <th>Bank That Do Not Meets NPL/NPF Requirements</th> </tr> </thead> <tbody> <tr> <td>2 Wheels</td> <td>0%</td> <td>10%</td> </tr> <tr> <td>3 Wheels Or More Non Productive</td> <td>0%</td> <td>10%</td> </tr> <tr> <td>3 Wheels Or More Productive</td> <td>0%</td> <td>5%</td> </tr> </tbody> </table> <p>3. The limitation period for the LTV Ratio for KP, FTV Ratio for PP, and Advance for KKB or PKB as mentioned above is extended until December 31, 2022</p>	Types of Property (m2) including Green Property	LTV/FTV Limit Ratio (Highest)			Bank that Met NPL/NPF Requirements	Bank that not Met NPL/NPF Requirements			KP/PP Facility I etc	KP/PP Facility I	KP/PP Facility II etc	Land Housing				Type > 70	100%	95%	90%	Type >21 - 70	100%	95%	95%	Type <21	100%	100%	95%	Low Cost House				Type > 70	100%	95%	90%	Type >21 - 70	100%	95%	95%	Type <21	100%	100%	95%	Home-Shop/ Home-Office	100%	95%	90%	Types of Vehicle Included Motored Vehicle With Environmental Insight	"Downpayment Limit (Minimum)"		Bank That Meets NPL/NPF Requirements	Bank That Do Not Meets NPL/NPF Requirements	2 Wheels	0%	10%	3 Wheels Or More Non Productive	0%	10%	3 Wheels Or More Productive	0%	5%	The LTV policy is a relaxation provided by BI and is an opportunity for the Bank to grow property and automotive loans.
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2	<p>SEOJK No. 12/SEOJK.03/2021 concerning Commercial Bank Business Plan</p> <p>Effective: March 31, 2021</p>	<p>Material Coverage:</p> <ul style="list-style-type: none"> • SEOJK No.25/SEOJK.03/2016 was revoked and no-longer valid • Submission of Business Plan, Business Plan Realisation Report, and Business Plan Oversight Report online through OJK reporting system (APOLO) • adjustment of financial report projection format referring to the Integrated Commercial Banks Report; • Format adjustments based on the latest supervisory needs, including changes in the ratio and types of business activities that are the focus of the credit plan (focusing on certain sectors and/or products) • Adjustment of the plan format for product issuance and/ or implementation of new activities that become strategic in nature. <table border="1"> <thead> <tr> <th>Report Name</th> <th>Period</th> <th>Submission Timeline</th> <th>First Reporting Period via APOLO</th> </tr> </thead> <tbody> <tr> <td>Business Plan Realization Report</td> <td>Quarterly</td> <td>30 April, or 15 May for Commercial Banks without online system and has more than 100 branches as per POJK on bank business plan</td> <td>March 2021 (For business prospect 2021)</td> </tr> <tr> <td>Business Plan Oversight Report</td> <td>Half year</td> <td>31 August</td> <td>June 2021 (for Business Plan 2021)</td> </tr> <tr> <td>Business Plan</td> <td>Annual</td> <td>30 November prior to Business Plan year</td> <td>Business Plan 2022</td> </tr> </tbody> </table>	Report Name	Period	Submission Timeline	First Reporting Period via APOLO	Business Plan Realization Report	Quarterly	30 April, or 15 May for Commercial Banks without online system and has more than 100 branches as per POJK on bank business plan	March 2021 (For business prospect 2021)	Business Plan Oversight Report	Half year	31 August	June 2021 (for Business Plan 2021)	Business Plan	Annual	30 November prior to Business Plan year	Business Plan 2022	<p>Bank has submitted a Business Plan, Business Plan Realization Report and a Business Plan Supervision Report online through the OJK (APOLO) reporting system. The Bank has also referred to the LBUT and used the report format according to the latest regulations.</p>														
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3	<p>SEOJK No.14/SEOJK.03/2021 concerning Business Plans for Sharia Commercial Banks and Sharia Business Units</p> <p>Effective: April 30, 2021</p>	<p>Material Coverage:</p> <ol style="list-style-type: none"> 1. Submission of Business Plans, Business Plan Realization Reports, and Business Plan Supervision Reports online through the OJK reporting system (APOLO); 2. Adjustment of the financial report projection format to refer to the Integrated Commercial Bank Report; 3. Adjustment of the plan format for product issuance and/ or implementation of new activities that are strategic in nature. 	<p>Banks is required to adapt the new format and implementation of report submission.</p>																														
4	<p>PADG No.23/7/PADG/2021 concerning the Third Amendment to PADG No. 21/22/PADG/2019 concerning Macroprudential Intermediation Ratio (RIM) and Macroprudential Liquidity Buffer (PLM) for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units.</p> <p>Effective: May 1, 2021</p>	<p>Scope of the change as follow:</p> <p>a. Addition of Export Money Orders to the calculation of RIM, so that it becomes as follows:</p> $= \frac{\text{Loans/Financing} + \text{Corporate Bonds} + \text{Export Bills}}{\text{3rd Party Funds} + \text{Bonds Issued}}$ <p>b. The lower limit disincentive is implemented gradually starting from 1 May 2021 until 1 January 2022</p> <table border="1"> <thead> <tr> <th>NPL</th> <th>CAR</th> <th>1 May – 31 Aug '21</th> <th>1 Sep – 31 Dec '21</th> <th>1 Jan '22 onward</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>RIM < 75%</td> <td>RIM < 80%</td> <td>RIM < 84%</td> </tr> <tr> <td><5%</td> <td>≤ 14%</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td></td> <td>14% < CAR ≤ 19%</td> <td>0.1</td> <td>0.1</td> <td>0.1</td> </tr> <tr> <td></td> <td>> 19%</td> <td>0.15</td> <td>0.15</td> <td>0.15</td> </tr> <tr> <td>≥5%</td> <td>-</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	NPL	CAR	1 May – 31 Aug '21	1 Sep – 31 Dec '21	1 Jan '22 onward			RIM < 75%	RIM < 80%	RIM < 84%	<5%	≤ 14%	0	0	0		14% < CAR ≤ 19%	0.1	0.1	0.1		> 19%	0.15	0.15	0.15	≥5%	-	0	0	0	<p>BDI is necessary to make adjustments to the calculation and fulfill the Statutory Reserves in accordance with the provisions of the applicable Disincentive parameters.</p>
NPL	CAR	1 May – 31 Aug '21	1 Sep – 31 Dec '21	1 Jan '22 onward																													
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Nr	BI/OJK Regulation	Description	Impact on BDI
5	<p>Bank Indonesia Regulation Number 23/17/PBI/2021 and Board of Governors Member Regulation (PADG) No.23/31/PADG/2021 concerning the Third Amendment to Bank Indonesia Regulation Number 20/4/PBI/2018 concerning Macroprudential Intermediation Ratios and Liquidity Buffers Macroprudential for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units</p> <p>Effective: January 3, 2022</p>	<p>Fulfillment of RIM Current Accounts is applied for BUK and UUS, if RIM does not meet the RIM target, with a RIM limit of 84% < RIM < 94%, then the fulfillment of RIM Current Account can take into account the Rupiah current account balance from the BI RTGS system & Bank Indonesia Funds – Fast Payment</p>	<p>BDI is necessary and able to add the position of the end of day balance of the BI-FAST account in calculating the fulfillment of Statutory Reserves.</p>
6	<p>PBI NO. 23/8/PBI/2021 Regarding the Second Amendment to PBI No. 21/9/PBI/2019 and PADG No. 23/13/PADG/2021 concerning the Second Amendment to PADG No.21/23/PADG/2019 concerning Integrated Commercial Bank Reports</p> <p>Effective: July 1, 2021</p>	<p>Material Coverage: Adjustment of settings regarding LBUT implementation time, namely:</p> <ol style="list-style-type: none"> 1. The LBUT submission period consists of: <ol style="list-style-type: none"> a. Parallel run period for report submission and/or report correction from the end of December 2019 data to the end of December 2021 data. b. Full implementation period: submission of reports and/ correction of reports since January 2022 data. 2. Written notification is given to banks that are late and do not submit reports and/or report corrections from the end of March 2021 data to the end of December 2021 data. 	<p>The bank shall adjust the delivery of the LBUT in accordance with the PBI of the LBUT</p>

Nr	BI/OJK Regulation	Description	Impact on BDI
7	<p>1. IDIC : SE-2/DKRB/2021 concerning Adjustment of Obligations for Submission of Data Reports on Customer Based Deposit Insurance for Commercial Banks</p> <p>2. IDIC : Copy of Chief Executive Decree No. 55 of 2021 concerning Adjustment of Obligations for Submission of Commercial Bank Customer-Based Deposit Guarantee Data Reports</p> <p>Effective: August 9, 2021</p>	<p>Material Coverage: Adjustment of LPS SCV reporting submission deadline as follows:</p> <ol style="list-style-type: none"> 1. The obligation to report Raw Data follows the provisions regarding integrated Commercial Bank reporting and the provisions regarding the submission of reports through the integrated report portal; 2. The obligation to report SCV Data Per Customer to IDIC begins in the annual reporting period of 2022; and 3. The obligation to report SCV Per Bank Concise Data to IDIC starting in the January 2022 reporting period 4. During the extension of the submission deadline, administrative sanctions are not applied, but the Bank still submits reports and statements in accordance with the provisions in PLPS SCV 	<p>The Bank shall adjust the LPS SCV submission in accordance with the LPS Regulation.</p>
8	<p>POJK No. 12/POJK.03/2021 concerning Commercial Banks</p> <p>Effective: October 31, 2021</p>	<p>Material Coverage:</p> <ol style="list-style-type: none"> 1. Establishment of an Indonesian Legal Entity Bank (BHI): the paid-up capital to establish Bank BHI is set at least Rp. 10T 2. Banks with head office and domiciled overseas that will open KCBLN must fulfill Capital Equivalency Maintained Assets (CEMA) of at least Rp10T 3. Banks having their head office and domiciled abroad that will open a KPBLN must place a deposit at Bank BHI of at least IDR 3T 4. Bank Grouping Based on Core Capital, into 4 KBMI: <ol style="list-style-type: none"> a. KBMI 1: Core Capital up to Rp6T b. KBMI 2: Core Capital more than Rp6T to Rp14T c. KBMI 3: Core Capital more than Rp14T to Rp70T d. KBMI 4: Core Capital more than Rp70T 5. Grouping based on BUKU if associated with KBMI: <ol style="list-style-type: none"> a. BUKU 1 can be equated with KBMI 1; b. BUKU 2 can be equated with KBMI 1; c. BUKU 3 can be equated with KBMI 2 or KBMI 3; d. BUKU 4 can be equated with KBMI 3 or KBMI 4. 	<p>The bank has met capital requirements as a BHI. Based on the core capital owned, the Bank is KBMI 3</p>



Nr	BI/OJK Regulation	Description	Impact on BDI
9	PADG No.23/16/ PADG/2021 concerning Settlement of Bilateral Transactions between Indonesia and China Using Rupiah and Yuan through Banks Effective: September 6, 2021	Material Coverage 1. Discussion on the criteria for appointment and registration as Bank ACCD Indonesia (Appointed Cross Currency Dealer Bank) as well as evaluation and termination of the appointment of Bank ACCD Indonesia by Bank Indonesia 2. Discussion on the type of transaction, the scope of the underlying transaction, the nominal limit, and the time period for conducting the transaction (spot, forward, swap, CCS, DNDF, and other transactions as determined by Bank Indonesia) 3. Financial instruments that are prohibited from investing in the management of SNA Yuan and Sub-SNA Yuan balances (deposits, savings accounts, certificates of deposit, and other equivalent forms) 4. Periodic reporting forms mechanisms (4 forms) and submission of price quotations that must reflect fair prices and can be transacted.	BDI as an Appointed Cross Currency Dealer (ACCD), the bank is able to follow the Local Currency Settlement (LCS) transaction mechanism for Rupiah and Yuan in accordance with the applicable regulations.
10	POJK No. 17/ POJK.03/2021 Regarding the Second Amendment to the Financial Services Authority Regulation Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy Impact of the 2019 Coronavirus Disease Spread Effective: September 10, 2021	Adjustment points: <ul style="list-style-type: none"> • Banks are able to determine for debtors affected by the spread of COVID-19 until March 31, 2023: <ul style="list-style-type: none"> a. Asset quality based assessment on the accuracy of payments for credit/financing with a ceiling of up to IDR 10 billion b. current quality of restructured loans/financing determination c. quality of new credit/financing separately from existing facilities determination • Stimulus scope: <ul style="list-style-type: none"> a. The provision of education funds of less than 5% of the HR expenditure budget for banks is not only valid for 2020 and 2021, but also for 2022 b. Determination of the quality of Foreclosed Collateral (AYDA) by the bank obtained up to March 31, 2020 based on the quality of the collateral taken over the position of the end of March 2020 to March 31, 2023 c. LCR, NSFR, and Capital Conservation Buffer (CCB) valid until March 31, 2022 	Bank has in place and implemented the relaxation policy guided with OJK rules. Technical implementation followed the selective handling strategy and strict oversight to the Covid restructuring portfolio development to maintain the Bank's overall assets performance quality. The Bank always implements risk management for debtors impacted by the COVID-19. With regards to the POJK of National Economic Stimuli, herewith the relaxation policy that were not applied by BDI: 1. Determination of the Capital Conservation Buffer (CCB) is 2.5%. 2. Regarding LCR and NSFR, the Bank continues to apply internal limits by providing a buffer above the normal provisions (100%). During the stimulus period, the Bank has never had an LCR and NSFR value below the internal limit.

Nr	BI/OJK Regulation	Description	Impact on BDI
11	Bank Indonesia Regulation No. 23/16/PBI/2021 concerning the Third Amendment to Bank Indonesia Regulation Number 20/3/PBI/2018 And Regulation of Members of the Board of Governors Number 23/27/PADG/2021 concerning the Seventh Amendment to Regulation of Members of the Board of Governors Number 20/10/PADG/2018 concerning Statutory Reserves in Rupiah and Foreign Exchange for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units Effective: December 21, 2021	Adjustment on GWM calculation: a. End of day (EOD) balance on the IDR BI-RTGS account plus the balance on the BI-FAST account. b. Average EOD balance on the IDR BI-RTGS account plus the balance on the BI-FAST account in the 2 reporting periods. There is an exception for fulfilling the Primary Statutory Reserves - Rupiah (21 Dec '21 - 2 Jan '22) because BDI is a member of BI-FAST. Effective 3 January 2022, BSM is required to calculate Primary Statutory Reserves (daily and average) by taking into account the balance in the BI-FAST account.	BDI is necessary and able to add the end of day balance position of the BI-FAST account in calculating the fulfillment of Statutory Reserves.

CHANGES IN ACCOUNTING POLICIES

The following standards, amendments and interpretations became effective since 1 January 2021 and are relevant to the Bank and Subsidiary:

- PSAK 112 “Accounting for Wakaf (Endowments)”. PSAK 112 regulates the accounting treatment for wakaf transactions carried out by both nazhir and wakif in the form of organizations and legal entities, PSAK 112 can also be applied by individual nazhir;
- Amendment to PSAK 22 Business Combination. This amendment clarifies definition of a business to assist an entity determines whether a transaction is recorded as business combination or assets acquisition;
- Amendment to PSAK 71 “Financial Instruments”, Amendment to PSAK 55 “Financial Instruments: Recognition and Measurement”, Amendment to PSAK 60 “Financial Instruments: Disclosures”, Amendment PSAK 62 “Insurance Contracts”, Amendment to PSAK 73 “Lease” regarding Interest Rate Benchmark Reform
- Phase 2. Interest Rate Benchmark Reform - Phase 2 addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including impact of change in contractual cashflow or hedge accounting due to replacement of interest rate benchmark with alternative benchmark rates;
- Annual Improvements PSAK 110 “Sukuk Accounting”. This improvement provides clarification on initial recognition of investment in sukuk. This Annual Improvements PSAK 110 also impact PSAK 111 “Wa’d Accounting” which refer to PSAK 110;
- Amendment to PSAK 73 “Lease” regarding Lease Concession related to COVID-19 after 30 June 2021. This amendment extends the scope of lease concession period, which is one of the requirements for practical implementation, to 30 June 2022. This amendment became effective since 1 April 2021 with initial implementation allowed.

