#06

CORPORATE GOVERNANCE

Portfolio

CORPORATE **GOVERNANCE**

Good corporate governance is made up of the values that Danamon puts into practice consistently in pursuit of a sustainable business. These values have contributed to Danamon's success to date. The discipline of implementing robust corporate governance is maintained to add value to the shareholders and stakeholders, making Danamon as an international company that consistently creates positive contributions to Indonesia's economy.

Danamon's success to maintain its presence in the banking industry reflects the solid relations it has with its business environment. To sustain this in the long-term, the Bank needs a system that can regulate its internal and external relationships. Good corporate governance (GCG) meets this need; GCG entails processes, habits, policies, rules, and bodies that influence the Bank's operations, management, and control. The GCG system demonstrates Danamon's accountability to its shareholders and stakeholders.

BASIS FOR IMPLEMENTATION OF DANAMON'S GOVERNANCE POLICY

Danamon has an Integrated Governance Policy for the MUFG Group Financial Conglomerate which serves as a practical guide and reference in implementing the principles of good corporate governance at every activity and organizational level at Danamon and Financial Services Institutions within the MUFG Group Financial Conglomerate. These policies have been reviewed and compiled with reference to relevant laws and regulations, including the Limited Liability Company Law, Banking Law, Financial Services Authority Regulations, Bank Indonesia Regulations, Indonesian Stock Exchange Regulations and Company Articles of Association, ASEAN Corporate Governance Scorecard, Indonesian GCG General Guidelines and Indonesian Banking GCG Guidelines issued by the National Committee on Governance Policy (KNKG) as well as best practices for implementing good corporate governance.

Good Corporate Governance are the principles that underlie a process and mechanism for managing the Company, which includes the structure, process and results of the implementation of governance. The application of good corporate governance principles can contribute to improving company performance. With an inherent internal control and supervision system, including the application of adequate IT Governance and Resources in the application of GCG principles and practices, it is expected to increase the value of the firm in the long term.

COMMITMENTS AND OBJECTIVES OF THE IMPLEMENTATION OF DANAMON'S GOVERNANCE

Danamon is committed to consistently improving the quality of implementation of the principles of good corporate governance at all levels of the organization and in all aspects of its business activities, including integrated subsidiaries and related companies. Along with the development of best practices in the implementation of corporate governance, both in the banking industry and in the financial services industry, Danamon is refining its governance policies as a form of commitment to improving the quality of governance implementation at Danamon.

The implementation of good corporate governance in a sustainable manner is expected to further boost the company's performance, increase investor confidence, protect the interests of stakeholders, and optimize Danamon's added value as well as make a positive contribution to the banking industry, financial industry and the Indonesian economy.

DANAMON GOVERNANCE IMPLEMENTATION ROADMAP

Danamon consistently and continuously makes improvements in the implementation of Danamon's governance as outlined in the roadmap for the implementation of Danamon's governance. The roadmap for implementing Danamon's governance is as follows:

2013

- Disclosure of the GMS Agenda and its explanation.
- Publication of GMS Resolutions one day after the GMS is held.
- Disclosures on the Danamon website: Governance Policy, Articles of Association, Personal Investment Policy, Related Party Transaction Policy and Conflict of Interest Transactions, Shareholders and Groups.
- Improvement of Danamon's website, including bilingual.
- Complete the management profile and minutes of the GMS.
- Disclosure of Remuneration Policy for Directors and Commissioners in the Annual Report.

2014

- Align and improve the practice of implementing good corporate governance with the prevailing laws and regulations, especially with the recommendations of the Financial Services Authority as contained in the Indonesian Corporate Governance Roadmap.
- Align and improve the practice of implementing good corporate governance with the ASEAN CG Scorecard.
- Facilitate all members of the Board of Commissioners with a risk management refreshment course.
- Separated the Nomination & Remuneration Committee into 2 (two) committees, namely the Nomination Committee and the Remuneration Committee.
- Referring to the applicable regulations, adjusting the membership structure of the Audit Committee, Risk Oversight Committee, Remuneration Committee, Nomination Committee.
- Improve and update the Guidelines and Code of Conduct for the Board of Commissioners, Board of Directors, Audit Committee, Risk Oversight Committee, Nomination Committee, Remuneration Committee and Governance Committee.
- Affiliate Transaction and Conflict of Interest Policy.

2015

- Integrated Governance and Integrated Risk Management implementation through the availability of an integrated structure and infrastructure.
- Addition of Independent Commissioners to the Nomination Committee and Remuneration Committee.
- Board of Commissioners and Directors Diversity Policy, Board of Commissioners and Directors Nomination Policy, Board of Commissioners and Board of Directors Performance Assessment Policy, Board of Commissioners Performance Assessment Tools, Anti Gratification Policy (Receiving and Giving Gifts).
- Dividend payment within 30 days.
- Disclosure of candidate profiles for members of the Board of Commissioners.

2016

- Improvement of Integrated Governance implementation and improvement of Subsidiary Corporate Governance guidelines.
- Improving the implementation of Good Corporate Governance with the regulations of the Financial Services Authority regarding the Guidelines for the Governance of Public Companies.
- Improvement of the guidelines and work procedures of the Nomination and Remuneration Committee.
- Adjustment and simplification of the committees under the Board of Directors.
- Communication Policy, Board of Directors Succession Policy, Board of Directors Performance Assessment Tools.
- Improved Whistleblower Policy.

2017

- Alignment of the implementation of Danamon's governance with the regulations of the Financial Services Authority regarding the Implementation of Governance for Commercial Banks.
- Danamon website improvement.
- Policies supporting the implementation of Danamon's governance improvement

2018

- Improving the implementation of Danamon's governance.
- Review the guidelines and work procedures of the Board of Directors, Board of Commissioners, Committees under the Board of Commissioners.
- Review the Subsidiary's Corporate Governance Policy.
- Adjustment of the membership structure of the Integrated Governance Committee.
- Completion of a number of policies related to the implementation of the Anti-Money Laundering and Prevention of Terrorism Financing (APU-PPT) policies.
- Completion and updating of a number of policies related to Risk Management.
- Changes in organizational structure.

2019

- Improvement of policies supporting the implementation of corporate governance.
- Completion of guidelines and work procedures for corporate governance organs.
- Code of Conduct update.
- Changes in organizational structure.
- Adjustment of the Committee's membership structure.
- Improvement and update of a number of policies related to Risk Management and Integrated Governance.

2020

- Adjustment of the structure and members of the Financial Conglomerate.
- Adjustment of committee membership structure.
- Completion and update of guidelines and work procedures for the organs of corporate governance.
- Completion of policies related to the implementation of the Anti-Money Laundering and Prevention of Terrorism Financing (APU-PPT) policies.
- Improvement and update of a number of policies related to Risk Management and Integrated Governance.

2021

- Improvement and update of a number of policies related to Risk Management and Integrated Governance.
- Improvement and update of policies supporting the implementation of corporate governance.
- Adjustment of committee membership structure.
- Completion of a number of policies related to the implementation of the Anti-Money Laundering and Prevention of Terrorism Financing (APU-PPT) policies.
- Changes in organizational structure.

2022

- Completion and update of a number of policies related to Risk Management and Integrated Governance of the MUFG Group Financial Conglomerate.
- Updating of the Bank's Financial Conglomerate Corporation Charter.
- Completion and updating of policies supporting the implementation of Good Corporate Governance.
- Updating several guidelines and work procedures for the committees.

POLICIES, ORGANS AND IMPLEMENTATION OF **DANAMON'S GOVERNANCE**

CORPORATE GOVERNANCE POLICY

Danamon as the Main Entity prepares and establishes the Integrated Governance Policy in the MUFG Group Financial Conglomerate in Indonesia. This policy is the main guideline in implementing integrated governance that must be followed by all Entities in the MUFG Group Financial Conglomerate in Indonesia.

Bank Danamon implements Good Corporate Governance based on 5 (five) basic principles of Good Governance as follows:

Transparency

Danamon is committed to provide information disclosure which proper, clear, accurate and timely, can be compared and access by shareholders and stakeholders.

Accountability

Clear definition of function, duty and authority and responsibility in organization which is regulated reffered to each function's guidelines and rules of work. Danamon as an institution is able to take responsibilities it's performance accountably

Responsibility

Danamon is commited to comply with the law and internal regulation which are set. In addition, Danamon carries out environmental social responsibility to realize sustainable business and be recognized as good corporate citizen.

Fairness and Equality

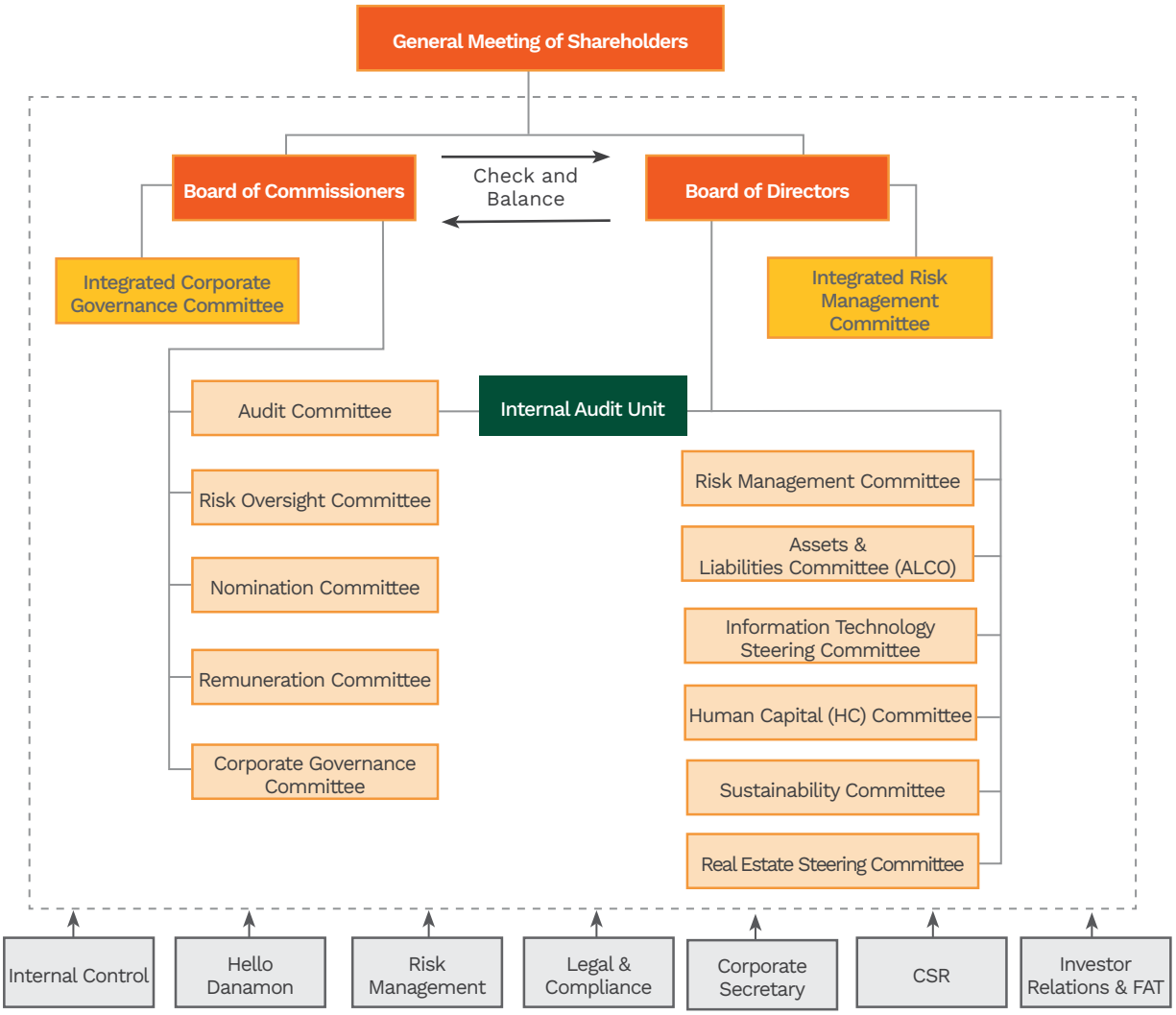
Danamon ensures all shareholders' rights and interests, both majority and minority, can be achieved. Danamon also promote fairness and equality to all stakeholders.

Independency

Danamon's organs carries out their activites independently and objectively, and avoid influence domination from any side. Danamon is commited to run it's business professionaly

CORPORATE GOVERNANCE ORGAN OF DANAMON

Danamon's governance organs were formed to support the implementation of good corporate governance principles so that they can run in a systematic and structured manner. Organs supporting the implementation of Danamon's governance have clear roles and responsibilities so as to create a check and balance control mechanism.



DANAMON CORPORATE GOVERNANCE IMPLEMENTATION

Danamon realizes that the implementation of good corporate governance is no longer a necessity, but is the main foundation and basic requirement in carrying out business activities. The implementation of good corporate governance is built on solid integrity, so that the principles of good governance can be implemented at every level of the organization, and implemented in every Danamon activity so that all operational activities can run consistently and sustainably.

The implementation of Danamon's Governance is based on 5 (five) basic principles of good governance, namely the principles of Transparency, Accountability, Responsibility, Independence and Fairness and Equality which are grouped into a governance system consisting of 3 (three) aspects of governance in the form of a Governance Structure. Manage, Governance Process and Governance Results.

Governance Structure	Governance Process	Governance Result
• The number, composition, criteria and independence of the Board of Commissioners, Board of Directors and committees of Danamon are adequate and in accordance with Danamon's needs and applicable Financial Services Authority/Bank Indonesia regulations; • Danamon as the Main Entity in the MUFG Group Financial Conglomerate formed the Integrated Governance Committee and Integrated Risk Management Committee; • The main duties, responsibilities, and functions of all levels in Danamon are adequate and set out in the Policies, Guidelines and Work Rules. Danamon's Policies, Procedures and Management Information System are available and support Danamon's operational activities; • Governance Guidelines, risk management framework, adequacy of internal control, compliance function and adequate internal audit function with appropriate external audit assignments; • Availability of policies for providing funds to related parties/providing large funds, conflicts of interest and aspects of transparency; • Strategic and business plans in line with Danamon's vision and mission	• Adequate implementation of the functions, duties and responsibilities of Danamon's organs so as to optimize the supervisory and controlling functions; • The process of replacing and appointing Commissioners, Directors and Committees in accordance with applicable regulations; • Increasing the competence of the Board of Commissioners and the Board of Directors through continuous education and training; • Disclosure of affiliated transactions, conflicts of interest by the Board of Directors and the Board of Commissioners; • Provision of funds to related parties and the provision of large funds are carried out through a normal credit approval process and taking into account the arm's length principle; • Risk management has been implemented properly so that the risks that may arise can be managed adequately; • Complete, accurate and proportional disclosure of financial, non-financial information, Danamon products, customer complaints; • The formulation of strategic and business plans is carried out in a realistic, comprehensive and measurable manner that is approved by the Board of Commissioners and communicated to shareholders and all levels of the organization.	• Danamon's positive performance includes profitability, efficiency and capital; • Danamon's activities are free from the intervention of the owner and other related parties that may cause a conflict of interest; • Disclosure of financial and non-financial conditions as well as other important information supported by Danamon's website which is informative and easily accessible to the Stakeholders; • Adequate compliance and risk management as well as follow-up on audit results according to commitments; • The Bank's Business Plan describes the sustainable growth of Danamon and provides economic and non-economic benefits for all Stakeholders.

FOCUS AND ACHIEVEMENTS OF THE IMPLEMENTATION OF DANAMON CORPORATE GOVERNANCE IN 2021

During 2021, various initiatives to strengthen the implementation of governance by aligning the implementation of governance in accordance with the laws and regulations as well as improving the structure and policies supporting governance, among others:

FINANCIAL CONGLOMERATION ALIGNMENT

In early 2020, MUFG Bank, Ltd as Danamon's Controlling Shareholder has appointed Danamon as the Main Entity in the MUFG Group Financial Conglomerate. The appointment of the Main Entity and changes to the MUFG Group Financial Conglomerate have been submitted to the Financial Services Authority ("OJK") and have been recorded in the OJK supervisory administration in March 2020.

Referring to the MUFG Group Financial Conglomerate, there is a change in the ownership of PT U Finance Indonesia ("UFI") from the previous share ownership by MUFG Bank, Ltd. and Mitsubishi-UFJ Nicos Co. Ltd. became ownership by Chailease International Co. (Hong Kong), Ltd. and PT Artha Sekawan Asia on August 31, 2021. This has also been recorded in the OJK's Financial Services Institution Licensing Information System (SIJINGGA).

Bank Danamon has reported a change in the members of the MUFG Group Financial Conglomerate to OJK through the SIPENA reporting system on December 3, 2021.

Thus, the Membership structure of the MUFG Group Financial Conglomerate is as follows.

No.	Company	Position in Financial Conglomerate	Relation with Danamon
1	PT Bank Danamon Indonesia Tbk ("Danamon")	Main Entity	-
2	PT Adira Dinamika Multi Finance Tbk ("ADMF")	Member	Subsidiary (vertical relationship)
3	MUFG Bank, Ltd. Cabang Jakarta ("MUFG Jakarta")	Member	Sister Company (horizontal relationship)
4	PT U Finance Indonesia ("UFI") [1]	Member	Sister Company (horizontal relationship)
5	PT Adira Quantum Multifinance ("AQM") [2]	Member	Subsidiary (vertical relationship)

[1] In Q3 2021 there was a change in UFI's shareholder where MUFG is no longer listed as a shareholder of UFI. The change in UFI's shareholders has been approved by the Regulator in Q4 2021. The Main Entity has submitted a letter of change MUFG Group's financial conglomerate to the Regulator in December 2021 and is currently waiting for the Regulator to record those changes.
[2] Currently in the process of completing liquidation

MUFG GRUP GROUP FINANCIAL CONGLOMERATION AGREEMENT

As a follow-up to the change in membership in the MUFG Group Financial Conglomerate, Danamon as the Main Entity made the MUFG Group Financial Conglomerate Agreement which contains, among other things, commitments and agreements related to integrated governance and integrated risk management.

CHANGES IN MEMBERSHIP OF THE COMMITTEES UNDER THE BOARD OF COMMISSIONERS

There have been changes in the membership of the Committees under the Board of Commissioners which were caused, among others, by changes in the composition of the Board of Commissioners, the end of the term of office of the Board of Commissioners in the Committees, and adjustments to the membership of the Financial Conglomerate.

REFINEMENT OF INTEGRATED GOVERNANCE POLICY

In 2021, the Bank has reviewed and refined the Integrated Governance Policy of the MUFG Group Financial Conglomerate. This policy has been conveyed to members of the MUFG Group Financial Conglomerate.

ALIGNMENT WITH MUFG POLICY

As part of MUFG, which is the world's leading financial group, Danamon implemented several new policies and adjusted several policies to align with the best practices that run at MUFG. The newly implemented policies include the Anti-Bribery and Corruption Policy and the Volcker Rule Compliance Program Policy.

REFINEMENT OF RISK MANAGEMENT POLICY

In 2021, Danamon has compiled and reviewed/reviewed several policies to accommodate the development of applicable laws and regulations related to risk management, namely:

1. Risk Management Policy – Bank and Consolidation
2. MUFG Group Financial Conglomerate Integrated Risk Management Policy
3. Market and Liquidity Risk Management Policy
4. Credit Risk Policy
5. Operational Risk Management Policy
6. Information Technology Policy
7. Capital Management Policy
8. Integrated Capital Management Policy of the MUFG Group Financial Conglomerate
9. Expected Credit Loss Policy Dh. Allowance for Impairment Losses (CKPN)
10. Sustainability Policy
11. Information Security Policy
12. Standard Product Program and Credit guide
13. Hierarchy Policy and Standard Terms

ASSESSMENT OF THE IMPLEMENTATION OF DANAMON'S **GOVERNANCE IN 2021**

The Bank continues to measure the quality of governance implementation, whether it is carried out by self-assessment or in collaboration with third parties, to obtain a more independent assessment result.

SELF ASSESSMENT OF CORPORATE GOVERNANCE IMPLEMENTATION

In accordance with POJK No.55/POJK.03/2016 regarding the Implementation of Good Corporate Governance for Commercial Banks and its implementing regulations SEOJK No.13/SEOJK.03/2017 regarding the Implementation of Good Corporate Governance for Commercial Banks, Danamon periodically conducts self-assessment on the implementation of corporate governance. The results of corporate governance implementation self-assessment is one of the coverage factors for the Bank Soundness Level Assessment using the risk approach or RBBR, both individually and on a consolidated basis which is carried out at least every semester for positions at the end of June and end of December as regulated in POJK No. 4/POJK.03/2016 regarding the Assessment of the Soundness of Commercial Banks and SEOJK No.14/SEOJK.03/2017 concerning the Assessment of the Soundness of Commercial Banks. In this regard, the Bank conducts corporate governance implementation self-assessment according to the Bank Soundness Level assessment period. The results of corporate governance implementation self-assessment have been submitted to the OJK together with the submission of the report on the results of the self-assessment of the Bank's Soundness Level.

The assessment is carried out based on the assessment factors determined under OJK regulations, including the quality of implementing the principles of corporate governance in a comprehensive and structured manner that is integrated into 3 (three) aspects of governance, namely:

1. Governance Structure
   The Governance Structure assessment aims to assess the adequacy of the structure and infrastructure of the Bank's Governance so that the process of implementing Good Governance principles produces outcomes that are in line with the expectations of the Bank's Stakeholders. Included in the Bank's Governance structure are the Board of Directors, Board of Commissioners, committees, and work units at the Bank. The Bank Governance infrastructure includes Bank policies and procedures, management information systems as well as the main tasks and functions of each organizational structure
2. Governance Process
   The Governance Process assessment aims to assess the effectiveness of the process of implementing the principles of Good Governance which is supported by the adequacy of the structure and infrastructure of the Bank's Governance so that it is expected that the Bank will show results (outcomes) that are in line with the expectations of the Bank's Stakeholders.
3. Governance Results (Governance Otcome)
   The Governance Outcome Assessment aims to assess the quality of the Bank's outcomes that meet the expectations of the Bank's Stakeholders, which is the result of the process of implementing Good Governance principles and supported by the adequacy of the Bank's Governance structure and infrastructure.

ASSESSMENT FACTORS FOR IMPLEMENTATION OF GOVERNANCE

The Bank conducts periodic self-assessment on the implementation of Good Corporate Governance principles, which includes at least 11 (eleven) factors for assessing the implementation of Governance, namely:

1. Implementation of the duties and responsibilities of the Board of Directors;
2. Implementation of the duties and responsibilities of the Board of Commissioners;
3. Completeness and implementation of committee duties;
4. Handling conflicts of interest;
5. Implementation of compliance function;
6. Implementation of the internal audit function;
7. Implementation of the external audit function;
8. Implementation of risk management including the internal control system;
9. Provision of funds to related parties and large exposures;
10. Transparency of the Bank's financial and non-financial conditions, reports on the implementation of governance and internal reporting; and
11. Bank's strategic plan.

In addition, it is necessary to pay attention to other information related to the implementation of Bank Governance other than the 11 (eleven) assessment factors for the implementation of Governance.

RESULTS OF THE 2021 GOVERNANCE IMPLEMENTATION SELF ASSESSMENT

Based on the results of the Governance implementation self assessment for the positions of June and December 2021 as follows:

	Level	Level Definition
Bank	2 (Good)	Reflecting that Danamon's management has implemented good corporate governance in general. This is reflected in the adequate compliance with the principles of corporate governance. If there are weaknesses in the application of governance principles, in general, these weaknesses are less significant and can be resolved by normal actions by Danamon's management.

During 2021, based on the results of the assessment of 11 (eleven) assessment factors for the implementation of Good Corporate Governance, the Bank has adequate governance structure and infrastructure that supports the effectiveness of the process of implementing Good Governance principles and the quality of the implementation of Good Corporate Governance principles that can meet expectations. stakeholders.

The results of the self-assessment of the implementation of Governance for the December 2021 position are as follows:

1. The number of members of the Board of Directors of Danamon is 8 (eight) people with the following composition:

No	Name	Position
1	Yasushi Itagaki	President Director
2	Honggo Widjojo Kangmasto	Vice President Director
3	Herry Hykmanto	Director
4	Rita Mirasari	Director
5	Heriyanto Agung Putra	Director
6	Dadi Budiana	Director
7	Muljono Tjandra	Director
8	Naoki Mizoguchi	Director

Michellina Laksmi Triwardhany, has resigned as Vice President Director effective September 4, 2027 which was determined through the Extraordinary General Meeting of Shareholders (EGMS) August 26, 2021. Adnan Qayum Khan, has resigned as Director effective July 24, 2021 which was stipulated through the EGMS August 26, 2021.

All Board of Directors members have obtained approval from OJK and have met the requirements for integrity, competence and financial reputation. All members of the Board of Directors do not hold concurrent positions as Commissioners, Directors or Executive Officers in other banks, companies and or institutions, except in the context of carrying out supervisory duties on investments in non-bank subsidiary companies controlled by Danamon. Based on the Personal Statement as of December 31, 2021, the concurrent position of Danamon's President Director at a Subsidiary Company as President Commissioner of PT Adira Dinamika Multifinance, Tbk is for the purpose of supervision. Restrictions on concurrent positions for members of the Board of Directors are regulated in the Board of Directors Charter and Corporate Governance Guidelines.

During the assessment period, the Bank management is carried out entirely by the Board of Directors in accordance with their authorities and responsibilities. The duties implementation and responsibilities of the Board of Directors has been equipped with clear policies and guidelines and work procedures (Charter). All audit findings and recommendations from SKAI and external auditors are always followed up by the Board of Directors.

2. The number of members of the Board of Commissioners is 8 (eight) people and the number of members of the Board of Commissioners does not exceed the number of members of the Board of Directors, with the following composition:

No	Name	Position
1	Takayoshi Futae	President Commissioner
2	J. B. Kristiadi	Vice President Commissioner (Independent)
3	Peter Benyamin Stok	Independenet Commissioner
4	Nobuya Kawasaki	Commissioner
5	Hedy Maria Helena Lapian	Independenet Commissioner
6	Takanori Sazaki	Commissioner
7	Dan Harsono	Commissioner
8	Halim Alamsyah	Independenet Commissioner

with a term of office that will end until the closing of the Annual GMS for the financial year ending on December 31, 2022, which will be held no later than June 2023, without prejudice to the right of the GMS to dismiss (them) at any time.

All Board of Commissioners members have passed the fit and proper test from the OJK. The total composition of the Independent Commissioners has complied with the provisions, namely at least 50% (fifty percent) of the total members of the Board of Commissioners. During the assessment period, there was no Independent Commissioner who became the chairman of the committee exceeding the stipulated requirements. The implementation of the duties and responsibilities of the Board of Commissioners has been carried out in accordance with its duties and responsibilities which are equipped with clear policies and guidelines and work procedures (charter). The Board of Commissioners always conducts supervision through Board of Commissioners meetings and joint meetings between the Board of Commissioners and the Board of Directors which are held periodically or from time to time. Supervision is also carried out based on reports submitted by the Board of Directors and the Committees of the Board of Commissioners. The Board of Commissioners has never been involved in the decisions of the Bank's daily operational activities.

3. Danamon already has Committees that assist the implementation of the duties of the Board of Commissioners, namely the Audit Committee, Risk Oversight Committee, Nomination Committee, and Remuneration Committee, Governance Committee, and Integrated Governance Committee with the following structure:

Name	Position in Committee	Position
Audit Committee		
Peter Benyamin Stok	Chairman	Independent Commissioner
J. B. Kristiadi	Member	Vice President Commissioner/ Independent
Halim Alamsyah	Member	Independent Commissioner
Mawar Napitupulu	Member	Independent Party
Zainal Abidin	Member	Independent Party
Risk Oversight Committee		
Hedy Maria Helena Lapian	Chairman	Independent Commissioner
Peter Benyamin Stok	Member	Independent Commissioner
Nobuya Kawasaki	Member	Commissioner
Dan Harsono	Member	Commissioner
Mawar Napitupulu	Member	Independent Party

Name	Position in Committee	Position
Zainal Abidin	Member	Independent Party
Remuneration Committee		
J. B. Kristiadi	Chairman	Vice President Commissioner/ Independent
Takayoshi Futae	Member	President Commissioner
Hedy Maria Helena Lapian	Member	Independent Commissioner
Takanori Sazaki	Member	Commissioner
Roy Fahrizal Permana	Member	Executive Officer
Nomination Committee		
J. B. Kristiadi	Chairman	Vice President Commissioner/ Independent
Takayoshi Futae	Member	President Commissioner
Hedy Maria Helena Lapian	Member	Independent Commissioner
Takanori Sazaki	Member	Commissioner
Roy Fahrizal Permana	Member	Executive Officer
Governance Committee		
Peter Benyamin Stok	Chairman	Independent Commissioner
Hedy Maria Helena Lapian	Member	Independent Commissioner
Nobuya Kawasaki	Member	Commissioner
Halim Alamsyah	Member	Independent Commissioner
Integrated Governance Committee		
Peter Benyamin Stok	Chairman	Independent Commissioner
Nobuya Kawasaki	Member	Commissioner
Halim Alamsyah	Member	Independent Commissioner
Zainal Abidin	Member	Independent Party
M. Din Syamsuddin	Member	Sharia Supervisory Board Chairman
Krisna Wijaya	Member	Representative of Adira Dinamika Multi Finance (ADMF)
Ramanathan S	Member	Representative of MUFG Jakarta
Tatsuya Ishikawa	Member	Perwakilan dari MUFG Jakarta
Andre S. Painchaud	Member	Perwakilan dari MUFG Jakarta

Committees are formed according to the provisions and needs of Danamon with a membership composition that supports the independence and implementation of the committee's duties. The duties and responsibilities of the Committees have been carried out in accordance with their duties and responsibilities which are equipped with clear policies and guidelines and work procedures (charters) which are updated regularly. The committee's working mechanism has been running well, including meetings and documentation of minutes of meetings.

4. The Bank has a policy related to handling conflicts of interest which regulates the implementation of systems and procedures for resolving conflicts of interest that binds every management and employee of the Bank. During the assessment period there were no transactions containing conflicts of interest.
5. The Bank has a Compliance Work Unit that is independent of the operational work unit, namely Regulatory Compliance. The Compliance Unit is under the responsibility of the Director in charge of the Compliance Function (Director of Compliance). The appointment of the Compliance Director has met the applicable requirements, namely being

independent and not in charge of functions that are not permitted by applicable regulations and has obtained OJK approval. The Compliance function has been implemented adequately with the support of adequate human resources.

As the Main Entity in the MUFG Group Financial Conglomerate, the Bank has an Integrated Compliance Unit (SKKT) function which is independent from other operational work units whose duties and responsibilities are carried out by Regulatory Compliance. SKKT is responsible to the Director in charge of the Compliance Function. SKKT has the task of at least monitoring and evaluating the implementation of the compliance function in each Entity in the Financial Conglomerate.

Referring to the MUFG Group Financial Conglomerate, there is a change in the ownership of PT U Finance Indonesia ("UFI") from the previous share ownership by MUFG Bank, Ltd. and Mitsubishi-UFJ Nicos Co. Ltd. became ownership by Chailease International Co. (Hong Kong), Ltd. and PT Artha Sekawan Asia on August 31, 2021. This has also been recorded in the OJK's Financial Services Institution Licensing Information System (SIJINGGA), which notification was submitted through OJK Letter No.S-4091/NB.111/2021 dated November 16, 2021. regarding the Report on the Implementation of Changes in Ownership of PT. U Finance Indonesia. In connection with the change in share ownership, Bank Danamon has reported a change in the members of the MUFG Financial Conglomerate Independent Commissioner, Representative from Adira Dinamika Multi Finance Representative from MUFG Jakarta Representative from MUFG Jakarta Andre S. Painchaud Representative from MUFG Jakarta 6. The group to OJK through SIPENA reporting system with letter number No.B.790-DIR dated December 3, 2021.

The Bank has made various efforts to ensure the Bank's compliance, among others: through strengthening the compliance function by increasing awareness and understanding of compliance (Compliance Culture), implementing Compliance Studies, conducting Regulatory Compliance Assurance (testing), monitoring the Bank's regulatory parameters and monitoring follow-up results. Regulatory checks. The Bank always refers to general business ethics standards and applicable regulations which become the Bank's culture of compliance in decision-making and the Bank's operational activities. The implementation of the duties and responsibilities of the compliance function is submitted to the OJK through the Compliance Report.

6. The Bank has established an independent Internal Audit Unit (SKAI), has the 2020 version of the Integrated Internal Audit Charter and has compiled an Internal Audit Guide (Manual Audit and Standard Audit Program). SKAI is led by the Head of SKAI who reports directly to the President Director. To support the independence of SKAI and ensure a smooth audit as well as the authority to monitor follow-up, the Head of SKAI also submits reports to the President Director, Board of Commissioners, Audit Committee, and Compliance Director.

   SKAI has independence in conducting audits and expressing views in accordance with professional standards by being impartial to the interests of other parties that are not in accordance with the laws and regulations.

   SKAI has quality human resources obtained through a structured recruitment process and adequate training so as to meet the needs of carrying out audit tasks in accordance with the scope and audit plan. The Board of Directors has established an internal control structure in each line of business. The internal audit function at the management level has been carried out based on a risk-based audit approach and according to the agreed audit schedule. The Board of Directors ensures that the follow-up on any findings of the Bank's internal audit has been carried out by the relevant work unit by referring to the policies and directions of the Board of Commissioners through the Audit Committee. There is a framework that regulates the escalation mechanism for any follow-up on audit findings that go beyond the agreed deadline.

   SKAI uses a risk-based audit approach (Risk Based Audit Approach) to determine all aspects and elements of activities that are expected to directly affect the interests of Danamon and the community. The effectiveness of the implementation of SKAI's

work and its compliance with OJK regulations is evaluated by an external party every 3 (three) years in accordance with the provisions of OJK regulations. In 2021 SKAI will be reviewed by PT Ernst & Young Indonesia ("EY"), with a review period from June 2018 to d. June 202L. The review was carried out in June 202L and the report on the results of the review was submitted to the OJK based on the cover letter No.B.550-DIR dated August 18, 2021 and the receipt of the report by OJK via the SIPENA application on August 26, 2021.

The SKAI audit plan is prepared every year and set forth in the Bank's Annual Internal Audit Plan which is approved by the President Director and the Board of Commissioners through the Audit Committee. There are no deviations in the realization of the Bank's SKAI audit plan. The realization of the 2021 Audit is in accordance with the audit plan that has been approved by the President Director and the Board of Commissioners through the Audit Committee. The realization of Danamon's SKAI audit as of 31 December 2021 was 209 entities (including 2 ADMF audit entities) or 100% of the 2021 audit plan. SKAI has planned and realized the improvement of the quality of human resource skills on a regular and continuous basis through training & certification based on the Competency Model and Curriculum and Learning Rood Map that have been prepared according to the needs of the Internal Audit function. The implementation of the audit plan and audit results are monitored closely and reported to the Board of Commissioners and the Audit Committee. The scope of SKAI inspection has covered the adequacy and effectiveness of the Bank's control system, compliance with internal and external regulations and performance quality. Reports on the implementation of the Bank's internal audit function are available and disclosed in the Bank's Annual Report. The report on the results of the SKAI examination is complete and objective and is based on a careful and impartial analysis.

7. Implementation of the external audit function has been adequate with assignments in accordance with the provisions. The appointment of AP and KAP has obtained GMS approval based on the recommendation of the Audit Committee through the Board of Commissioners. The Annual GMS 30 April 202L, appointed Elisabeth Imelda as a Public Accountant (PA) and Imelda & Partners (a member firm of the Deloitte Touche Tohmatsu Limited global network) as a Public Accounting Firm (PAF) registered with the Indonesian Institute of Public Accountants (IAPl) and OJK, Room The scope of the assignment is an audit of the consolidated financial statements of PT Bank Danamon Indonesia Tbk and its Subsidiaries for the 2021 financial year.

   The Employment Agreement ("Engagement Letter") was signed on August 16, 2021. The professional standard of public accountants used is the Auditing Standard issued by IAPl. The Public Accountant has communicated directly with the OJK (Supervisor) regarding the planning and implementation of the 2027 audit on December 8, 2021. Meanwhile, the communication on the audit results by PAF to OJK (supervisor) will be carried out in the first quarter of 2022. Assignment of audit to PA and PAF above has been carried out in accordance with OJK regulations. The audit of the consolidated financial statements of PT Bank Danamon Indonesia Tbk and its Subsidiaries for the 2021 financial year is carried out by PA and PAF registered with OJK.

   PA and PAF have met the requirements to work independently, meet the professional standards of public accountants and work agreements as well as the defined audit scope. PA and PAF have submitted a Statement of Independence to the Bank dated September 9, 2021.

8. The Bank has an organizational structure that supports the implementation of risk management and good internal control, which consists of a Risk Management Unit (SKMR), an Internal Audit Unit (SKAI), a Compliance Unit, a Risk Management Committee, a Risk Oversight Committee and a Management Committee. Integrated Risk that functions according to their respective duties and responsibilities. Bank Danamon has regularly updated the organizational structure. The Bank has a Bank Risk Management and Consolidation Policy which regulates the Risk Management Framework for Banks and Subsidiaries and the Implementation of Risk Management in a comprehensive manner for each type of risk. This policy is also complemented by its derivative policies which are made separately including Credit Risk

Policy, Operational Risk Management Policy, Market and Liquidity Risk Management Policy, Business Continuity Monagement Policy, Information Security Policy, Technology Risk Monogement Policy, and Risk Appetite Statement Policy. (RACE).

These policies are reviewed periodically so that they can be used effectively as a guide in identifying, measuring, monitoring and controlling risk. In addition, the Bank has had Risk Appetite in Group and Management, including the reduction of Risk Appetite to Line of Business and Subsidiary level.

The duties and responsibilities of the Board of Directors and the Board of Commissioners regarding Risk Management are clearly regulated in the Bank's Risk Management and Consolidation Policy. The Board of Directors establishes a Risk Management Committee to assist in carrying out its functions and responsibilities. However, the Board of Directors still plays the final responsibility for its role in monitoring the implementation of risk management. The Board of Commissioners may delegate the risk monitoring function to the Risk Oversight Committee. However, the Board of Commissioners still acts as the final person in charge of monitoring the implementation of risk management. The main role of the Risk Oversight Committee is to monitor, report, and provide recommendations to the Board of Commissioners regarding the implementation of risk management.

The internal control system in the implementation of risk management is comprehensive and adequate, including through the three-lines of defense approach, the establishment of authority to monitor policies, procedures and limits, a clear organizational structure, adequate implementation of the four eyes principle, the implementation of risk awareness and culture as well as the adequacy of procedures. for compliance with regulations. An internal audit of the risk management process is also carried out and improvements to audit findings are monitored. Risk management has been carried out adequately. This is indicated by the Bank's risk profile which is at the Low to Moderate level. The procedures and implementation of risk management have been adjusted to the objectives, size and complexity of the business and the risks faced by the Bank. Changes in policies and necessary mitigation actions will be carried out if there are events that can cause potential losses for the Bank. Bank capital is above the minimum required capital and is able to absorb the potential risk of loss that may arise. Through regular meetings of the Risk Management Committee and Risk Oversight Committee, the Board of Directors and the Board of Commissioners analyze performance and discuss issues related to risk issues, mitigation mechanisms, potential losses and follow-up improvements.

9. The Bank has policies and procedures for providing funds to related parties and providing large exposures, which are adjusted to the applicable regulations (if there are changes). The review and revision of this policy/guideline was carried out in 2020 to comply with the latest OJK regulations regarding the Maximum Lending Limit (LLL) and the Provision of Large Funds.

   Provision of funds to related parties and the provision of large funds are carried out through the normal and arms length credit approval process as stipulated in the Bank's credit policy. Provision of funds to related parties must be reviewed by the Director of Compliance and obtain approval from the Board of Commissioners. Provision of funds is approved by the Board of Directors through the Credit Committee independently and in accordance with the limit of authority to decide on credit. There are no violations and exceeding the maximum limit of lending to related parties and the provision of large funds. Danamon always monitors the maximum lending limit and diversifies the portfolio of provision of funds by taking into account the condition of Danamon's capital and applying prudential principles and applicable regulations in providing funds. Banks periodically submit reports on Provision of Funds to Related Parties properly and in accordance with the specified deadline.

10. Provisions for transparency of financial and non-financial conditions are regulated in the Bank's Governance Guidelines. The Bank always compiles and submits the Governance Implementation Report to the OJK which is part of the Bank's Annual Report with coverage according to applicable regulations. The Bank has an adequate management information system (SIM), which is supported by competent human resources and an adequate IT security system.

    The financial statements including the financial/non-financial conditions of Bank Danamon have

been published to the Stakeholders. Bank Danamon also organizes onalyst briefings on a regular basis (quarterly). Bank Danamon always announces financial and non-financial reports on a regular basis through the company's website as well as through print media and submits financial and non-financial reports to the OJK in accordance with applicable regulations.

The Bank already has an Operational Terms of Reference for Customer Protection and a Code of Ethics for Customer Service, while still regulating, among other things, transparency of information and the use of customer personal data, delivery of product information to customers. The Bank conducts a review of marketing documents such as Product Information Details, Advertisements, to ensure that the Customer obtains product and service information in a clear, transparent, not misleading, and easily accessible manner. In improving the quality of service to customers, Bank Danamon conducts self-development and training programs for marketing officers and Hello Danamon call center officers.

The Bank has informed the procedures for complaints and dispute resolution through the Corporate website. The Bank has a policy for handling customer complaints and a special unit that handles customer complaints as well as facilitating and recording customer complaints received from branches and other channels including Hello Danamon through the Corporate website.

The Annual Report and Report on the Implementation of Bank Governance have been prepared and submitted in a complete and timely manner to OJK and shareholders with the scope and content in accordance with the provisions. The Governance Implementation Report is prepared based on the results of the Bank's self-assessment on the implementation of governance at the Bank and during the assessment period there were no revisions to the governance implementation report. The results of the Bank's self-assessment are attached to the Bank's Governance Implementation Report which is part of the Bank's Annual Report.

In launching new products/services/features, Bank Danamon has conveyed and explained product information to customers in accordance with OJK regulations. The Bank conveys this information through easily accessible communication media, including through the Bank's corporate website. The Bank already has guidelines regarding the preparation of a Summary of Product and/or Service Information (RIPLAY) which refers to the RIPLAY Standard Guidelines for the Financial Services Sector issued by the OJK. The Bank also applies the provisions on the use of customer personal data in accordance with the provisions.

11. The Bank has a strategic plan in the form of a Corporate Plan and a Business Plan in accordance with the Bank's vision and mission. The Bank routinely carries out the budgeting process that is submitted to the OJK in a timely manner. The Bank's 2022-2024 Business Plan has been prepared by the Board of Directors and approved by the Board of Commissioners and is fully supported by the owners, which is reflected in the owner's commitment and efforts to maintain a healthy Bank Danamon capital, where Bank Danamon's capital ratio is maintained above the minimum ratio set by the Bank. regulators.

The Bank prepares a Business Plan by considering macro and micro conditions, risk appetite, infrastructure, strategy and taking into account the principle of prudence as well as being responsive to internal and external changes. The Bank's Business Plan is prepared by the Board of Directors and has been approved by the Board of Commissioners.

The Board of Directors has communicated the Corporate Plan and Bank Danamon's Business Plan to the Controlling Shareholders. The realization vs. the Bank's business plan in 2021 has been communicated to all employees through the representation of senior employees every quarter through a meeting forum with employees (leadership summit). The Bank will communicate the RBB 2022-2024 to senior employees of Bank Danamon through a leadership summit in early 2022. The Board of Directors consistently implements the business plans that have been set. In making the Business Plan for 2022-2024, the Bank considers aspects of the latest macroeconomic conditions.

The Board of Commissioners has carried out supervision on the implementation of the RBB through Board of Commissioners meetings and/or Joint meetings, as well as based on the supervisory report of the Board of Commissioners. The owner has a commitment to support Bank Danamon's strategic plan, among others, through an adequate

level of Bank capital. The Bank's sustainable growth is disclosed in the Bank's Business Plan.

The Bank's strategic plan has been prepared comprehensively and takes into account the business opportunities and strengths of the Bank. Adequate infrastructure, including HR, IT, office network, policies and procedures, is a supporting factor in the preparation of the Bank's strategic plan. The distribution of the Bank's profits is carried out through the decision of the General Meeting of Shareholders (GMS) with regard to capital to support the Bank's strategic plan.

The Bank's capital condition is very good with a capital adequacy ratio above the minimum requirements set by the regulator. The Bank has also implemented the Internal Capital Adequacy Assessment Process (ICAAP) in managing capital. Based on the internal assessment process, the capital adequacy ratio is well above the required level, both internally and as required by the regulator.

In general, there are no significant problems in the implementation of the GCG principles at Danamon. The principles of Good Governance have been applied in a comprehensive and structured manner to three aspects of governance, namely governance structure, governance process and governance outcome. Assessment of activities, processes, policies and strategies is carried out on an ongoing basis to achieve optimal processes and effective control.

EXTERNAL **ASSESSMENT**

ASEAN CORPORATE GOVERNANCE SCORECARD (ASEAN CG SCORECARD)

Danamon continues to make improvements in the application of good governance principles so that it is expected to provide added value for all Danamon stakeholders. One of Danamon's efforts is to use the ASEAN CG Scorecard as a guide for improving the implementation of governance principles in a sustainable manner.

The ASEAN CG Scorecard is one of the initiatives of the ASEAN Capital Market Forum (ASEAN Capital Market Forum) in the context of capital market integration of member countries of the Association of Southeast Asian Nations (ASEAN). The implementation of the ASEAN CG Scorecard has been started since 2011. The ASEAN CG Scorecard is a quantitative tool to measure the compliance of publicly listed companies in ASEAN to corporate governance guidelines according to exemplary practices based on international standards, in particular the principles of corporate governance issued by the Organization for Economic Cooperation and Development (OECD).

INDONESIAN INSTITUTE FOR CORPORATE DIRECTORSHIP (IICD)

An external assessment of the implementation of governance has been carried out by IICD on Danamon. IICD has conducted an independent assessment in which Danamon is one of the nominees and the Top 50 Issuers with the largest market capitalization (BigCap PLCs) from the IICD CG award.

ECONOMIC REVIEW TOGETHER WITH INDONESIA - ASIA INSTITUTE, PPPI AND IDEKU GROUP

Based on the results of the external assessment, the Economic Review together with the Indonesia - Asia Institute, PPPI and Ideku Group, at the GCG Award-VI-2021 event, Danamon is considered to have been able to apply the principles of good corporate governance with applicable regulations.

AWARDS FOR IMPLEMENTING **CORPORATE GOVERNANCE**

3RD. THE BEST – INDONESIA GCG AWARD - VI - 2021 CATEGORY : PUBLIC COMPANY - BANK BUKU IV

Danamon managed to become one of the companies that received an award at the Indonesia GCG Award VI – 2021 (IGCGA-VI-2021) category Public Company - Bank BUKU IV. The event was held in Zoominar due to the Covid-19 Pandemic situation on February 5, 2021, which was held by the Economic Review together with the Indonesia - Asia Institute, PPPI and Ideku Group, with the theme "Standardization of the Implementation of Sustainable GCG After the Pandemic Covid -19" . This award is given as an appreciation to companies that are considered to have been able to apply the principles of good corporate governance with applicable regulations.

THE 12TH IICD CORPORATE GOVERNANCE AWARD

Danamon is one of the nominees and the Top 50 Issuers with the largest market capitalization (BigCap PLCs) from the IICD CG award. The 12th IICD Corporate Governance Award is an annual event to give appreciation to public companies with the best GCG practices. The award will be held on May 31, 2021 at the Financial Hall (2nd floor) of CIMB Niaga, Sudirman Jakarta.

DANAMON'S CORPORATE GOVERNANCE **IMPLEMENTATION REPORT**

The Danamon Governance Implementation Report covers all aspects of the implementation of corporate governance in Danamon which is prepared with reference to the applicable laws and regulations and best practices of universally applicable governance implementation. The issuance of the report on the implementation of Danamon's governance is part of the responsibility for implementing the principle of

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders (GMS) is the highest organ in Danamon's corporate governance which is a forum for shareholders to make decisions by taking into account the articles of association and laws and regulations. Decisions taken at the GMS are based on the interests of the Bank, and are carried out fairly and transparently.

The GMS in the company consists of the Annual GMS and Other GMS (Extraordinary GMS) as follows:

1. Annual GMS (AGMS)
   a. The Annual GMS (AGM) must be held by the Board of Directors once a year, no later than June as referred to in the laws and regulations preceded by the Announcement and Invitation to the GMS;
   b. The Board of Directors submits the Annual Report to the GMS after being reviewed by the Board of Commissioners with the scope as stipulated in the Danamon's Articles of Association;
   c. The Annual GMS decides on the agenda or matters that have been proposed in accordance with the provisions of laws and regulations and Danamon's Articles of Association.
2. Extraordinary GMS (EGMS LB)
   a. The Extraordinary GMS (EGMS) is convened by the Board of Directors at any time based on the need for the benefit of Danamon as referred to in the laws and regulations and Danamon's Articles of Association, preceded by the Announcement and Invitation to the GMS;
   b. In the Extraordinary GMS, the proposed agenda may be decided in accordance with the provisions of the Articles of Association and the applicable laws and regulations.

LEGAL BASIS FOR IMPLEMENTATION OF GMS

The GMS held by Danamon is carried out with reference to Law no. 40 of 2007 concerning Limited Liability Companies, POJK No.15/POJK.04/2020 concerning Plans and Organizing of Public Company GMS and POJK No.16/POJK.04/2020 concerning Electronic Implementation of Public Company GMS, Danamon's Articles of Association and Governance Guidelines Danamon.

SHAREHOLDERS

Shareholders are owners of capital whose names are registered as shareholders in the Danamon's shareholder register. Danamon's authorized capital is divided into 22,400,000 Series A shares with voting rights, each with a nominal value of Rp. 50,000.00 per share and 17,760,000,000 Series B shares with voting rights, each with a nominal value of Rp. 500,00 per share. Of the authorized capital, 9,773,552,870 shares have been issued by shareholders, consisting of 22,400,000 series A shares and 9,751,152,870 series B shares. Shareholders are series A shareholders and series B shareholders and all shares issued by Danamon is a share in the name.

RIGHTS AND AUTHORITIES OF SHAREHOLDERS

Danamon does not divide shares into special types of shares or ordinary shares. Shareholders have equal rights and obligations. Shareholders can participate in the management of the company through the GMS. The GMS can be held at the request of the shareholders by first meeting the requirements set out in the Danamon's Articles of Association.

Shareholders have the right to participate in making decisions related to changes to the Articles of Association and other fundamental changes regarding the company, the right to participate effectively and use votes in the GMS, as well as the right to obtain information regarding the GMS including the agenda/agenda, rules and regulations. voting procedures.

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

1. Attend and vote in the GMS;
2. Obtain relevant and material information about Danamon in a timely and regular manner;
3. Obtain the method of registration of ownership;
4. Transferring or transferring shares;
5. Appoint and dismiss the Board of Directors and the Board of Commissioners;
6. Get a share in Danamon's profits; and
7. To exercise other rights and authorities based on Danamon's Articles of Association and laws and regulations.

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

RESTRICTIONS FOR SHAREHOLDERS

1. Shareholders are not allowed to intervene in the implementation of Danamon's operations and the Board of Directors and Commissioners must refuse such intervention.
2. The controlling shareholder can coordinate in the preparation of business strategies, corporate plans and business plans.
3. Supervision by the controlling shareholder can only be carried out through the GMS or policy coordination and conduct audits in accordance with the applicable laws and regulations.
4. The controlling shareholder must avoid any conflict of interest.
5. The controlling shareholder is prohibited from abusing the domination of share ownership or control which may result in a violation of the principles of corporate governance.
6. The Board of Commissioners and the Board of Directors must reject requests for information regarding Danamon from the controlling shareholder that are not in accordance with the principles of fairness and equality.
7. Shareholders are prohibited from using Danamon for their personal, family, company or business group interests in a spirit and manner that is contrary to the laws and regulations and the principles of fairness that commonly apply in the banking and financial sector.

ACCESS TO SHAREHOLDER INFORMATION

Shareholders can obtain information about Danamon through various communication media that have been facilitated by Danamon, including through the GMS, performance presentations, analyst briefings, website and email access to Investor Relations (investor.relations@danamon.co.id) and Corporate Secretary. (corporate.secretary@danamon.co.id).

MECHANISM OF VOTING AND COUNTING IN THE GMS

Danamon compiles and prepares the Rules of the GMS. The rules of the GMS are disclosed on the Danamon website, submitted and read out at the beginning of the GMS. The rules of the GMS contain procedures for voting and procedures for counting votes. Prior to the voting, the chairman of the meeting will provide the opportunity for the shareholders or their proxies to ask questions and/or opinions and have the right to ask questions and/or submit opinions to the chairman of the GMS before voting is held for each GMS agenda.

Decision making in the GMS is carried out as follows:

1. GMS decisions are taken based on deliberation for consensus. In the event that a decision based on deliberation for consensus is not reached, the decision is taken by voting.
2. Decision-making through voting must be carried out with due observance of the provisions of the quorum of attendance and quorum of decisions of the GMS as stipulated in the Danamon's Articles of Association.
3. In voting, the votes cast by the shareholders are valid for all the shares they own and the shareholders are not entitled to give power of attorney to more than one proxy for a portion of the number of shares they own with different votes.
4. In counting votes, 1 (one) share entitles its holder to cast 1 (one) vote, if a shareholder has more than 1 (one) share, the person concerned is asked to cast 1 (one) vote only and it represents the total number of shares it owns based on the voting card it has received.
5. In voting, members of the Board of Commissioners, members of the Board of Directors, and employees of Danamon are prohibited from acting as proxies of shareholders.
6. In the event that there is a GMS decision related to the distribution of cash dividends, the payment of cash dividends to the entitled shareholders is no later than 30 (thirty) days after the announcement of the summary of the minutes of the GMS that decides on the distribution of cash dividends.

2021 GENERAL MEETING OF SHAREHOLDERS

AGMS AND EGMS

In 2021, Danamon has held 1 (one) Annual General Meeting of Shareholders ("AGMS") and 1 (one) Extraordinary General Meeting of Shareholders ("EGMS"). The mechanism for organizing the 2021 AGMS and EGMS is carried out in accordance with the provisions in the Bank's Articles of Association, POJK No.15/POJK.04/2020 concerning the Plan and Organizing of the Public Company GMS and POJK No.16/POJK.04/2020 concerning the Implementation of a Public Company GMS. Electronic.

AGMS APRIL 30, 2021

Danamon held the AGMS on April 30, 2021.
The process of holding the AGMS on 30 April 2021 is as follows:

Date and Time	Friday, April 30, 2021 AGMS started at 09.30 WIB, ended at 10.41 WIB
Place	Menara Bank Danamon, Auditorium, Lantai 23, Jl. HR. Rasuna Said, Blok C No. 10, Karet Setiabudi, Jakarta 12920
Quorum (Shareholders Attendance)	In accordance with the Company's Register of Shareholders as of April 7, 2021, the number of entitled Shares is 9,773,552,870 shares. The number of shares with voting rights that were present or represented at the AGMS was 9,170,934,612 shares or 93.83% of the total shares with valid voting rights issued by the Company. Thus, it has fulfilled the requirements for the decision-making quorum for the AGMS agenda (which is more than 2/3 of the total shares with valid voting rights that have been issued by the Company. Therefore, the Meeting is valid to convene and make decisions.
AGMS Chairman	The AGMS was chaired by Johanes Berchmans Kristiadi Pudjosukanto, Deputy President Commissioner (Independent) of Danamon, in accordance with Danamon's Articles of Association and Circular Resolutions of the Board of Commissioners' Resolutions.
Board of Commissioners attendance	The Board of Commissioners who are physically present: Johanes Berchmans Kristiadi Pudjosukanto, Deputy President Commissioner (Independent) The Board of Commissioners who attended through the Webex application 1. Takayoshi Futae, President Commissioner 2. Made Sukada, Commissioner (Independent) 3. Peter Benjamin Stock Commissioner (Independent) 4. Masamichi Yasuda, Commissioner 5. Noriaki Goto, Commissioner 6. Nobuya Kawasaki, Commissioner 7. Hedy Maria Helena Lapian, Commissioner (Independent)
Sharia Supervisory Board Attendance	Sharia Supervisory Board attended through the Webex application: 1. Prof. DR. HM Din Syamsuddin, Chairman 2. Dr. Hasanudin, M. Ag., Member 3. Dr. Asep Supyadillah, M. Ag., Member
Audit Committee Attendance	The Audit Committee present through the Webex application: 1. Peter Benjamin Stok, Chairman 2. Mawar IR Napitupulu, Member (Independent Party) 3. Zainal Abidin, Member (Independent Party) Audit Committee physically attendance: Johanes Berchmans Kristiadi Pudjosukanto, Member
Presence of the Chair of the Nomination Committee and Remuneration Committee	Johanes Berchmans Kristiadi Pudjosukanto as Chairman of the Nomination Committee and Chairman of the Remuneration Committee was physically present.

Presence of the Chair of the Risk Oversight Committee	Made Sukada as Chair of the Risk Oversight Committee attended the Webex application.
Board of Directors Presence	Directors who are physically present: 1. Yasushi Itagaki, Managing Director 2. Rita Mirasari, Director 3. Muljono Tjandra, Director 4. Michellina Laksmi Triwardhany, Deputy President Director Directors who attended through the Webex application: 1. Honggo Widjojo Kangmasto, Deputy President Director 2. Herry Hykmanto, Director 3. Heriyanto Agung Putra, Director 4. Dadi Budiana, Director 5. Naoki Mizoguchi, Director 6. Adnan Qayum Khan, Director
Attendance of Director of Compliance	Rita Mirasari as Compliance Director was present.
Independent Party to calculate the quorum and vote on the resolutions of the AGMS	The Company has appointed Mala Mukti, S.H., LL.M. as a Public Notary and PT Adimitra Jasa Korpora as the Securities Administration Bureau to calculate the quorum and vote.
Number of Shareholders who asked questions and/or gave opinions at the AGMS	There were no Shareholders who asked questions and/or gave opinions at the AGMS.
AGMS and EGMS decision-making mechanisms	1. Meeting decisions are taken based on deliberation for consensus. 2. In the event that a decision based on deliberation for consensus is not reached, the decision is valid if it is approved for the entire agenda of the AGMS, by more than 2/3 (two thirds) of the total shares with voting rights who are present and/or represented at the AGMS; 3. ABSTAIN votes are deemed to have cast the same votes as the majority of shareholders who cast votes.

In relation to the holding of the GMS, Danamon's Board of Directors has made the following disclosures:

a. Notification of the AGMS plan and agenda to the Financial Services Authority ("OJK") has been made on March 2, 2021;
b. Announcement to shareholders regarding the AGMS to be held on March 9, 2021 by uploading it on the website of the Indonesia Stock Exchange ("Stock Exchange"), the website of PT Kustodian Sentral Efek Indonesia ("KSEI") and the Company's website, namely www.danamon. co.id;
c. Invitation to Shareholders regarding the AGMS has been made on March 24, 2021 and the summons on April 8, 2021 by uploading it on the Stock Exchange website, KSEI website and the Company's website;
d. Upload an explanation of the Meeting agenda, profiles of Public Accountants and Public Accounting Firms, profiles of candidates for members of the Board of Commissioners, meeting rules and other meeting materials on the Company's website.

AGMS DECISION AND REALIZATION APRIL 30, 2021

The AGMS on April 30, 2021 has decided on 6 (six) agenda items for the Meeting. All resolutions of the Meeting have been realized in 2021, as listed below:

Agenda, resolutions and realization of AGMS resolutions April 30, 2021

AGMS – First Agenda			
Approved the Company's annual report for the financial year ending 31 December 2020; To ratify the Company's financial statements for the financial year ended 31 December 2020 which have been audited by the Public Accounting Firm of Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network) as contained in the Independent Auditor's Report, dated 11 February 2021, Number 00038/ 2.1025/AU.1/07/0229-1/1/II/2021 with an unmodified opinion; Ratify the report on the supervisory duties of the Company's Board of Commissioners for the financial year ending December 31, 2020; and Provide full release and discharge of responsibilities ("volledig acquit et décharge") to: (i) the Board of Directors of the Company in carrying out their duties and responsibilities for the management as well as the duties and responsibilities of representing the Company; (ii) the Company's Board of Commissioners in carrying out their supervisory duties and responsibilities as well as their duties and responsibilities in providing advice to the Company's Directors, assisting the Company's Directors, and giving approval to the Company's Directors; and (iii) the Sharia Supervisory Board in carrying out the duties and responsibilities of supervising the sharia aspects of the implementation of the Company's business activities in accordance with sharia principles as well as providing advice and suggestions to the Company's Directors, which is carried out in the financial year ending on December 31, 2020, to the extent that The implementation of these duties and responsibilities is reflected in the Company's Annual Report for the financial year ending December 31, 2020.			
Voting result	**Total Majority Votes :** 9,170,934,612 shares or 100% **(agree)**		
	Abstain	**Disagree**	**Agree**
	2,038,198 shares or 0.02%	0 share or 0%	9,168,896,414 shares or 99.98%

AGMS – Second Agenda			
Approved the use of the Company's net profit for the financial year ending 31 December 2020 amounting to Rp1,007,614,000,000.00 (one trillion seven billion six hundred fourteen million rupiah), with details as follows: 1. 1% of Net Profit or approximately Rp. 10,076,140,000.00 (ten billion seventy six million one hundred and forty thousand rupiah) set aside for reserve funds to comply with Article 70 of the Limited Liability Company Law; 2. 35% of Net Profit or approximately Rp.352,664,900,000.00 (three hundred fifty-two billion six hundred sixty-four million nine hundred thousand rupiah) or Rp.36.08 (thirty-six point zero eight rupiah) per shares (assuming the number of shares issued by the Company on the Listing Date is not more than 9,773,552,870 (nine billion seven hundred seventy three million five hundred fifty two thousand eight hundred seventy) shares, paid as dividends for the financial year 2020, with the following conditions: following: a. Dividends will be paid to shareholders whose names are recorded in the Register of Shareholders on a date to be determined by the Company's Board of Directors (hereinafter referred to as the "Listing Date"); b. Dividends that are not taken after 5 (five) years from the date stipulated for past dividend payments are included in the Special Reserve fund. The procedure for taking dividends in the Special Reserves can be accessed on the Company's website; c. The Board of Directors will deduct dividend tax for the 2020 financial year in accordance with the tax regulations applicable to shareholders; d. The Board of Directors is hereby given the power and authority to determine matters relating to or related to the payment of dividends for the 2020 financial year, including (but not limited to: • determine the recording date to determine the shareholders of the Company who are entitled to receive dividend payments for the 2020 financial year; and • determine the date of payment of dividends for the 2020 financial year, and everything without prejudice to compliance with the regulations of the Stock Exchange where the Company's shares are listed. 3. The remaining unappropriated use of net profit for the financial year 2020 is recorded as the Company's retained earnings.		
Voting result	**Total Majority Votes : 9,170,934,612 shares or 100% (agree)**		
	Abstain	**Disagree**	**Agree**
	0 share or 0.00%	0 share or 0%	9,170,934,612 shares or 100%

AGMS – Third Agenda			
Appointed Elisabeth Imelda as Public Accountant and Imelda & Partners (a member firm of the Deloitte Touche Tohmatsu Limited) network as a Public Accountant Firm registered with the Financial Services Authority to audit the Company's consolidated financial statements for the 2021 financial year and authorize the Board of Commissioners to determine the amount of honorarium and other requirements in relation to the appointment of the Public Accountant and the Public Accounting Firm, taking into account the recommendations of the Audit Committee.			
Voting result	**Total Majority Votes : 9,170,934,612 shares or 100% (agree)**		
	Abstain	**Disagree**	**Agree**
	2,038,198 Shares or 0.02%	0 share or 0%	9,168,896,414 shares or 99.98%

AGMS – Fourth AGenda			
1. a. approve the total payment of bonuses/tantiem to be distributed to the Board of Commissioners for the financial year 2020; b. approve the determination of the total salary/honorarium and/or allowances for the Board of Commissioners for the 2021 financial year of a maximum of Rp. 16,834,707,632.00 (sixteen billion eight hundred thirty-four million seven hundred seven thousand six hundred and thirty-two rupiah) gross; and c. approve the granting of power of attorney to the Company's President Commissioner to determine the amount of bonus/tantiem during the 2020 financial year for each member of the Board of Commissioners based on the recommendation of the Remuneration Committee. 2. a. approve the total payment of bonuses/tantiem to be distributed to the Sharia Supervisory Board for the 2020 financial year; b. approve the determination of the total salary/honorarium and allowances for the Sharia Supervisory Board for the 2021 financial year at a maximum of Rp.764,639,964.00 (seven hundred sixty-four million six hundred thirty-nine thousand nine hundred and sixty-four rupiahs) gross; and c. approved the granting of power of attorney to the Board of Commissioners of the Company to determine the amount of bonus/tantiem during the financial year 2020 for each member of the Sharia Supervisory Board based on the recommendation of the Remuneration Committee. 3. a. approve the total payment of bonuses/tantieme to be distributed to the Board of Directors for the 2020 financial year; b. approve the determination of the total salary and allowances and/or other income for the Board of Directors of the Company for the fiscal year 2021 at a maximum of Rp.57,745,625,913.00 (fifty-seven billion seven hundred forty-five million six hundred twenty-five thousand nine hundred thirteen rupiah) gross; and c. approve the granting of power of attorney to the Board of Commissioners of the Company to determine the amount of bonus/tantieme during the financial year 2020 for each member of the Board of Directors based on the recommendation of the Remuneration Committee.			
Voting result	**Total Majority Votes : 9,164,348,487 shares or 99.93% (Agree)**		
	Abstain	**Disagree**	**Agree**
	0 share or 0%	6,586,125 share or 0.07%	9,164,348,487 shares or 99.93%

AGMS – Fifth Agenda

1. To honorably dismiss Mr. Masamichi Yasuda and Mr. Noriaki Goto from their respective positions as Commissioner of the Company and Mr. Made Sukada as Independent Commissioner of the Company, effective as of the closing of this AGMS with gratitude for the services that have been provided to the Company;
2. Agree to lift:
   a. Mr. Takanori Sazaki as Commissioner;
   b. Mr. Dan Harsono as Commissioner

Where the appointment of Mr. Takanori Sazaki as Commissioner and Mr. Dan Harsono as Commissioner of the Company is effective as of the date of passing the fit and proper test from the Financial Services Authority for a term of office in accordance with the remaining terms of office of members of the Board of Commissioners and Board of Directors of the Company who are currently serving. currently serving.

Accordingly, the composition of the Company's Board of Commissioners, Board of Directors and Sharia Supervisory Board is as follows:

Board of Commissioner

President Commissioner	:	Takayoshi Futae
Vice PResiden Commissioner (Independent)	:	Johanes Berchmans Kristiadi Pudjosukanto
Commissioner (Independent)	:	Peter Benyamin Stok
Commissioner	:	Nobuya Kawasaki
Commissioner (Independent)	:	Hedy Maria Helena Lapian
Commissioner	:	Takanori Sazaki*
Commissioner	:	Dan Harsono*

Board of Directors

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

Sharia Supervisory Board

Chairman	:	Prof. Dr. H.M. Din Syamsuddin
Member	:	Dr. Hasanudin, M.Ag.
Member	:	Dr. Asep Supyadillah, M.Ag.

* Effective from the date of passing the fit and proper test from the Financial Services Authority.

for the term of office until the closing of the AGMS of the Company for the financial year ending on December 31, 2022 which will be held no later than June 2023, without prejudice to the right of the GMS to dismiss at any time.

Approved to authorize the Company's Board of Directors to declare these decisions in one or more deed of AGMS resolutions made before a notary, notify the change in Company data to the Minister of Law and Human Rights of the Republic of Indonesia to obtain a letter of receipt of notification of changes to the Company's data.

Total Majority Votes : 9,073,530,602 shares or 98.93% (Agree)

Voting result	Abstain	Disagree	Agree
	3,319,600 shares or 0.04%	97,404,010 shares or 1.06%	9,070,211,002 shares or 98.90%

AGMS – Sixth Agenda			
Approved the Replacement of Action Plan Documents 2020-2021 to comply with article 31 paragraph 2 of OJK Regulation No.14/POJK.03/2017 concerning Recovery Plans for Systemic Banks.			
Voting result	**Total Majority Votes : 9,165,852,112 shares or 99.94% (Agree)**		
	Abstain	**Disagree**	**Agree**
	0 saham	5,082,500 shares or 0.06%	9,165,852,112 shares or 99.94%

EGMS 26 AUGUST 2021

Danamon held an EGMS on 26 August 2021. The process for holding the EGMS on 26 August 2021 is as follows:

Date and Time	Thursday, Augsut 26 2021 EGMS started at 14.22 WIB ended at 14.40WIB
Place	Menara Bank Danamon, Auditorium, Lantai 23, Jl. HR. Rasuna Said, Blok C No. 10, Karet Setiabudi, Jakarta Selatan 12920.
Quorum	In accordance with the Company's Register of Shareholders as of August 3, 2021, the number of shares with voting rights is 9,773,552,870 shares. The number of shareholders with voting rights who attend or are represented at the Meeting, both physically and through eASY.KSEI is 9,141,223,370 shares or 93.53% of the total shares with valid voting rights that have been issued by the Company. Thus, the meeting quorum requirements and decision-making for the agenda of the Meeting have been met (that is, by more than 2/3 of the total shares with valid voting rights that have been issued by the Company). Therefore, the Meeting is legal to hold and make decisions.
EGMS Chairman	The EGMS was chaired by Johanes Berchmans Kristiadi Pudjosukanto, Deputy President Commissioner (Independent) of Danamon, in accordance with Danamon's Articles of Association and the Circular Resolutions of the Board of Commissioners.
Attendance of the Board of Commissioners	Members of the Board of Commissioners who are physically present: Johanes Berchmans Kristiadi Pudjosukanto, Deputy President Commissioner (Independent) Members of the Board of Commissioners who attended through the Webex application and eASY.KSEI: 1. Takayoshi Futae, President Commissioner 2. Nobuya Kawasaki, Commissioner 3. Peter Benjamin Stok, Commissioner (Independent) 4. Hedy Maria Helena Lapian, Commissioner (Independent) 5. Takanori Sazaki, Commissioner 6. Dan Harsono, Commissioner
Sharia Supervisory Board Presence	Sharia Supervisory Board that attended through the Webex application and eASY.KSEI: 1. Prof. DR. HM Din Syamsuddin, Chairman 2. Dr. Hasanudin, M. Ag., Member 3. Dr. Asep Supyadillah, M. Ag., Member
Audit Committee Attendance	The Audit Committee who attended through the Webex application and eASY.KSEI: 1. Peter Benjamin Stok, Chairman 2. Mawar IR Napitupulu, Member (Independent Party) 3. Zainal Abidin, Member (Independent Party) Audit Committee physically present: 1. Johanes Berchmans Kristiadi Pudjosukanto, Member

Presence of the Chair of the Nomination Committee and the Committee Remuneration	Johanes Berchmans Kristiadi Pudjosukanto as Chairman of the Nomination Committee and Chairman of the Remuneration Committee was physically present.
Presence of the Chair of the Risk Oversight Committee	Hedy Maria Helena Lapian is present through the Webex and Easy.KSEI applications.
Board of Directors Presence	Directors who are physically present: 1. Yasushi Itagaki, Managing Director 2. Rita Mirasari, Director Directors who attended through the Webex and eASY.KSEI applications: 1. Michellina Laksmi Triwardhany, Deputy President Director 2. Honggo Widjojo Kangmasto, Deputy President Director 3. Herry Hykmanto, Director 4. Heriyanto Agung Putra, Director 5. Dadi Budiana, Director 6. Muljono Tjandra, Director 7. Naoki Mizoguchi, Director
Attendance Director of Compliance	Rita Mirasari is physically present
Independent Party to calculate the Quorum and vote on the resolutions of the EGMS	Danamon has appointed Mala Mukti, S.H., LL.M. as Notary and PT Adimitra Jasa Korpora as Securities Administration Bureau to calculate quorum and vote.
Number of Shareholders who ask questions and/or provide opinions at the EGMS	There is 1 shareholder who asked a question through the eASY.KSEI application
EGMS decision-making mechanism	1. Meeting decisions are taken based on deliberation for consensus. 2. In the event that a decision based on deliberation for consensus is not reached, the decision is taken by voting, namely based on the affirmative vote by more than 2/3 (two thirds) of the total shares with voting rights who are present and/or represented at the Meeting; 3. ABSTAIN votes are deemed to have cast the same votes as the majority of shareholders who cast votes.

In relations with the EGMS 26 August 2021 convention, the Board of Directors has carried out transparency disclosures as follows:

1. Notification of the Meeting plan and agenda to the Financial Services Authority ("OJK") dated 12 July 2021;
2. Announcement to the shareholders on the Meeting that can be taken from the Indonesia Stock Exchange website, through the PT Kustodian Sentral Efek Indonesia ("KSEI") and the Company's website, www.danamon.co.id dated 19 July 2021;
3. Invitation of the Meeting to the shareholders was carried out on 4 August 2021 that can be taken from the Indonesia Stock Exchange, KSEI and the Company websites;
4. Information disclosures to the OJK, Indonesia Stock Exchange, and the Company websites on the resignation of Adnan Qayum Khan as Director, and Michellina Laksmi Triwardhany as Vice President Director, effective as of 11 June 2021 and 3 August 2021; and
5. Took the Independent Commissioner profile and other Meeting materials in the Company website.

DECISION AND REALIZATION RESULTS OF EGMS 26 AUGUST 2021

The EGMS of 26 August 2021 has taken the decision of agenda. All meeting results have been achieved in 2021, as described below:

Agenda, resolutions and realisation of EGMS 26 August 2021

EGMS - First Agenda

1. a. Agree to appoint Mr. Dr. Halim Alamsyah as Independent Commissioner where the appointment of Mr. Dr. Halim Alamsyah as the Company's Independent Commissioner is effective as of the date of passing the fit and proper test from the Financial Services Authority for a term of office in accordance with the remaining terms of office of the current members of the Board of Commissioners and Board of Directors of the Company.
   b. Welcoming the resignation of Mrs. Michellina Laksmi Triwardhany from her position as Deputy President Director of the Company which will be effective as of September 4, 2021 and Mr. Adnan Qayum Khan from her position as Director of the Company effective July 24, 2021 with gratitude for the services that have been rendered. given to the Company. The granting of settlement and responsibility (volledig acquit et decharge) to Ms. Michellina Laksmi Triwardhany and Mr. Adnan Qayum Khan will be decided at the Annual General Meeting of Shareholders which will discuss the Company's financial statements for the financial year ending 31 December 2021.

Thus: The composition of the Company's Board of Commissioners which is effective as of the date of passing the fit and proper test from the Financial Services Authority of each Mr. Takanori Sazaki, Mr. Dan Harsono and Mr. Dr. Halim Alamsyah, are as follows:

Board of Commissioners

President Commisioner	:	Takayoshi Futae
Vice President Commissioner (Independent)	:	Johanes Berchmans Kristiadi Pudjosukanto
Commssioner (Independent)	:	Peter Benyamin Stok
Commssioner	:	Nobuya Kawasaki
Commssioner (Independent)	:	Hedy Maria Helena Lapian
Commssioner	:	Takanori Sazaki*
Commssioner Commssioner (Independent)	:	Dan Harsono*
Komisaris (Independen)		Halim Alamsyah *

Board of Directors

President Director	:	Yasushi Itagaki
Vice President Director	:	Honggo Widjojo Kangmasto
Director	:	Herry Hykmanto
Director	:	Rita Mirasari
Director	:	Heriyanto Agung Putra
Director	:	Dadi Budiana
Director	:	Muljono Tjandra
Director	:	Naoki Mizoguchi

*) effective from the date of passing the fit and proper test from OJK

for a term of office until the closing of the Company's Annual GMS for the financial year ending on 31 December 2022 without prejudice to the right of the GMS to dismiss them at any time.

2. Approved to authorize the Board of Directors of the Company to declare these decisions in one or more deed of meeting decisions made before a notary, notify the change in Company data to the Minister of Law and Human Rights of the Republic of Indonesia to obtain a letter of receipt of notification of changes to the Company's data.

	Total Majority Votes: 9,139,902,745 shares or 99.985553082% (agree)		
Voting result	**Abstain**	**Disagree**	**Agree**
	6,800 shares or 0.000074388%	1,320,625 shares or 0.014446917%	9,139,895,945 shares or 99.985478694%

All resolutions of the AGMS and EGMS in 2021 have been realized in the same year.

BOARD OF COMMISSIONERS

The Board of Commissioners is a Danamon organ whose collective duty and responsibility are to supervise and provide advice to the Board of Directors and to ensure that the company has implemented the principles of good corporate governance. The working relationship between the Board of Commissioners and the Board of Directors is a checks and balances-relationship with the principle that both organs possess an equal position and the ultimate goal of progress and the health of the company.

Members of the Board of Commissioners are appointed and dismissed by the GMS based on a transparent process and taking into consideration the recommendations of the Nomination Committee. They are also appointed for a tenure of 3 (three) years per the Articles of Association and may be reappointed.

The appointment of members of the Board of Commissioners is declared effective after being affirmed to have passed the Fit and Proper test from the Financial Services Authority. Members of the Board of Commissioners can be dismissed by the GMS although their tenure has not ended. The dismissal is conducted based on reasonable reasons and after the members of the Board of Commissioners are provided the opportunity to defend themselves.

BOARD OF COMMISSIONERS' WORK GUIDELINES AND CODE OF CONDUCT

The Board of Commissioners has the Board of Commissioners' Guidelines and Work Rules which regulate, among others, the structure and membership, independent commissioners, tenure, duties, and responsibilities of the Board of Commissioners, duties, and responsibilities of the President Commissioner, authority, work ethics, meetings, and their implementation, transparency, and reporting. The Work Guidelines and Code of Conduct are formulated by the applicable regulations, governance principles, as well as best practices for the implementation of good corporate governance and, are reviewed regularly.

BOARD OF COMMISSIONERS WORK ETHICS

a. It is prohibited to take advantage of Danamon for personal, family, and/or other parties' interests which may injure or reduce the profits and reputation of Danamon and its subsidiaries.
b. It is prohibited to take and/or receive personal benefits from Danamon other than the remuneration and other facilities stipulated in the General Meeting of Shareholders.
c. It is prohibited, directly or indirectly, to create false statements regarding material facts or not to disclose material facts, hence, the statements produced are not misleading regarding the condition of Danamon at the time the statement was constructed.
d. In conducting supervision, it is prohibited to interfere in the company's operational decision-making except for the provision of funds to related parties and other matters stipulated in Danamon's Articles of Association.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

1. The Board of Commissioners is subject to work ethics (code of conduct), applicable laws and regulations, and Danamon's internal regulations and policies.
2. The Board of Commissioners is required to perform its duties and responsibilities independently. In fulfilling the duties, the Board of Commissioners must provide sufficient time and responsibilities optimally.
3. Ensuring the implementation of good corporate governance in all Danamon business activities at all levels of the organization.
4. In conducting supervision, the Board of Commissioners is obligated to direct, monitor, and evaluate the implementation of Danamon's strategic policies.
5. The Board of Commissioners may not be involved in making decisions on Danamon's operational activities, except:
   - in terms of disbursing funds to related parties;
   - other matters stipulated in Danamon's Articles of Association and the prevailing laws and regulations.
6. The Board of Commissioners is obliged to review Danamon's vision and mission regularly.
7. To support the effectiveness of the implementation of the duties and responsibilities, the Board of Commissioners establishes:
   - Audit Committee
   - Risk Oversight Committee
   - Remuneration Committee
   - Nomination Committee
   - Corporate Governance Committee
   - Integrated Corporate Governance Committee
8. The Board of Commissioners is required to evaluate the performance of the committee annually.
9. Members of the Board of Commissioners agree to serve as members or as chairman in one of the above committees as recommended by the Nomination

Committee. The Board of Commissioners must ensure that the above committees conduct their duties effectively.

10. The Board of Commissioners is required to ensure that the Board of Directors has followed up on audit findings and recommendations from the Danamon Internal Audit Unit, external auditors, the results of the supervision of the Financial Services Authority/Bank Indonesia, and/or the results of the supervision of other authorities.
11. The Board of Commissioners is required to provide recommendations for improvements or suggestions submitted by the Audit Committee, then, submit the recommendations to the Board of Directors.
12. The Board of Commissioners is required to maintain the confidentiality of all Danamon documents, data, and information.
13. The Board of Commissioners is obligated to forewarn the Financial Services Authority no later than 7 (seven) working days after the discovery of:
    - violation of laws and regulations in the field of finance and banking; and
    - circumstances or estimates of circumstances that can jeopardize Danamon's business continuity.
14. The Board of Commissioners is required to monitor and evaluate the information technology strategic plan, encompassing reviewing the risk management policies and procedures for the use of information technology by Danamon as proposed by the Board of Directors.
15. The Board of Commissioners is required to prepare guidelines and work procedures (charter) for the Board of Commissioners, review and update the guidelines and work procedures regularly.
16. Members of the Board of Commissioners are required to enhance the competence through continuous education and training.

DUTIES AND RESPONSIBILITIES OF THE PRESIDENT COMMISSIONER

Performing the function of coordinating the implementation of the duties and responsibilities of the Board of Commissioners, encompassing:

a. receiving reports from Committees under the Board of Commissioners.
b. leading the Board of Commissioners in conducting supervisory and assurance duties, determining the urgency of the meeting invitation if the Board of Commissioners meeting is organized in less than 5 (five) days.
c. receiving power of attorney from the GMS to distribute bonuses to members of the Board of Commissioners.

AUTHORITY OF THE BOARD OF COMMISSIONERS

Authority of The Board of Commissioners is regulated in the Articles of Association, Governance Policy, as well as the Guidelines and Work Rules of the Board of Commissioners, including the following:

a. accessing documents, data, and information about Danamon's employees, funds, assets, and resources as deemed necessary,
b. communicating directly with the Board of Directors, employees, and other parties concerning the implementation of their duties and responsibilities,
c. involving independent parties other than members of the Board of Commissioners to assist in performing their duties, if necessary,
d. conducting other authorities provided by Danamon's Articles of Association and applicable laws and regulations.

NUMBER, COMPOSITION, CRITERIA, INDEPENDENCE, AND MULTIPLE POSITIONS OF MEMBERS OF THE BOARD OF COMMISSIONERS

The composition of the Board of Commissioners is as follows:

Total Composition and Criteria for the Board of Commissioners

Nr.	Name	Position
1	Takayoshi Futae	President Commissioner
2	J.B. Kristiadi	Vice President Commissioner (Independent)
3	Peter Benyamin Stok	Commissioner (Independent)
4	Nobuya Kawasaki	Commissioner
5	Hedy Maria Helena Lapian	Commissioner (Independent)
6	Takanori Sazaki	Commissioner
7	Dan Harsono	Commissioner
8	Halim Alamsyah	Commissioner (Independent)

All members of the Company's Board of Commissioners have passed the fit and proper test from the OJK.

The number of members of the Board of Commissioners of Danamon in 2021 is 8 (eight) people. This number does not exceed the number of members of the Board of Directors, which is 8 (eight).

Half or 50% of the members of the Board of Commissioners are Independent Commissioners, comprising of JB Kristiadi, Peter Benjamin Stok, Hedy Maria Helena Lapian, and Halim Alamsyah. Half of the members of the Board of Commissioners are domiciled in Indonesia. The number and composition of the Board of Commissioners is per the needs and complexity of Danamon while considering the effectiveness in decision making, and has complied with applicable laws and regulations.

The tenure of the Board of Commissioners is until the closing of the Annual General Meeting of Shareholders for the financial year ending on December 31, 2022, which will be organized no later than June 2023, without prejudice to the right of the General Meeting of Shareholders to dismiss at any time. Members of the Board of Commissioners whose tenure has ended may be reappointed by reviewing the applicable provisions. Members of the Board of Commissioners may be dismissed at any time by the GMS although their tenure has not yet ended. The dismissal is effective as of the closing of the meeting unless the GMS determines otherwise.

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

- is declared bankrupt or placed under custody based on a court decision; or
- is prohibited from serving as a member of the Board of Commissioners due to the provisions of the law or the provisions of the legislation; or
- passes away; or
- is dismissed based on the resolution of the GMS; or
- does not meet the requirements as referred to in the provisions of the legislation; or
- resigns.

Name	Position	GMS Date	Effective date (BI/OJK approval)	Tenure	Number of Appointments	Domicile
Takayoshi Futae	Commissioner	March 20, 2018	October 3, 2018	2018-2020	2x	Japan
	President Commissioner	March 26, 2019*	April 25, 2019**	2019-2020		
		March 23, 2020	April 25, 2019	2020-2022		
JB Kristiadi	Vice President Commissioner (Independent)	May 9, 2005	December 5, 2005	2005-2008 2008-2011 2011-2014 2014-2017 2017-2020	6x	Indonesia
		March 26, 2019*	April 25, 2019**	2019-2020		
		March 23, 2020	April 25, 2019	2020-2022		
Peter Benjamin Stock	Commissioner (Independent)	March 20, 2018	July 5, 2018	2018-2020	2x	Indonesia
		March 26, 2019*	April 25, 2019**	2019-2020		
		March 23, 2020	April 25, 2019	2020-2022		
Nobuya Kawasaki	Commissioner	October 1, 2019	May 20, 2020	2019-2020	2x	Japan
		March 23, 2020	May 20, 2020	2020-2022		
Hedy Maria Helena Lapian	Commissioner (Independent)	November 26, 2020	December 21, 2020	2020-2022	1x	Indonesia
Takanori Sazaki	Commissioner	April 30, 2021	August 25, 2021	2021-2022	1x	Japan
Dan Harsono	Commissioner	April 30, 2021	November 18, 2021	2021-2022	1x	Thailand
Halim Alamsyah	Commissioner (Independent)	August 26, 2021	November 15, 2021	2021-2022	1x	Indonesia

Description:

* Per the resolution of the EGMS on March 26, 2019, the Board of Commissioners has approved a change in the composition of the Board of Commissioners due to the merger process between Danamon and PT Bank Nusantara Parahyangan Tbk ("BNP").

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

INDEPENDENT COMMISSIONER REQUIREMENTS

In addition to meeting the requirements as a member of the Board of Commissioners, the Independent Commissioner of Danamon must also meet the following requirements:

1. possessing no financial, management, share ownership, and/or family relationship with members of the Board of Directors, other members of the Board of Commissioners and/or controlling shareholder, or with Danamon that may affect the person's ability to act independently,
2. not owning shares either directly or indirectly in Danamon,
3. having no business relationship either directly or indirectly related to Danamon's business activities,
4. have never been a member of the Board of Directors, member of the Board of Commissioners, member of the Sharia Supervisory Board, or held a position one level below the Board of Directors in the same Bank or other company which possesses an affiliated relationship with the Bank within the last 1 (one) year,
5. signing an independence statement that is formulated and updated regularly, including a statement concerning not having concurrent positions prohibited by the Financial Services Authority.

INDEPENDENCE OF MEMBERS OF THE BOARD OF COMMISSIONERS

All current members of the Board of Commissioners do not possess family relationships up to the second degree with fellow members of the Board of Commissioners, Directors, or controlling shareholders. Around 63% of the members of the Board of Commissioners possess no financial relationship with the controlling shareholder, and all members of the Board of Commissioners possess no financial relationship with other members of the Board of Commissioners and the Board of Directors.

Family Relations and Finance

Family and Financial Relations of Members of the Board of Commissioners with fellow members of the Board of Commissioners, Members of the Board of Directors, and Controlling Shareholders are illustrated in the table below:

Name	Position	Family Relationship with						Financial Relationship With					
		Member of the Board of Commissioners		Board of Directors		Controlling shareholders		Member of the Board of Commissioners		Board of Directors		Controlling shareholders	
		Yes	Not	Yes	Not	Yes	Not	Yes	Not	Yes	Not	Yes	Not
Takayoshi Futae	President Commissioner	-	√	-	√	-	√	-	√	-	√	√	-
JB Kristiadi	Vice President Commissioner (Independent)	-	√	-	√	-	√	-	√	-	√	-	√
Peter Benjamin Stock	Commissioner (Independent)	-	√	-	√	-	√	-	√	-	√	-	√
Nobuya Kawasaki	Commissioner	-	√	-	√	-	√	-	√	-	√	√	-
Hedy Maria Helena Lapian	Commissioner (Independent)	-	√	-	√	-	√	-	√	-	√	-	√
Takanori Sazaki	Commissioner	-	√	-	√	-	√	-	√	-	√	√	-
Dan Harsono	Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Halim Alamsyah	Commissioner (Independent)	-	√	-	√	-	√	-	√	-	√	-	√

Concurrent Position of Member of the Board of Commissioners

1. Members of the Board of Commissioners may only serve as:
   a. members of the Board of Commissioners, Directors, or executive officers in a non-financial institution/company; or
   b. members of the Board of Commissioners who are in charge as members of the Board of Directors, members of the Board of Commissioners or Executive Officers who perform supervisory functions in 1 (one) non-bank subsidiary company controlled by Danamon;

   With exceptions:
   - non-independent members of the Board of Commissioners fulfilling the functional duties of the Company's shareholders in the form of legal entities in their business groups, and/or
   - members of the Board of Commissioners serve in non-profit organizations or institutions.
   - Members of the Board of Commissioners can only become committee members in a maximum of 5 (five) committees in which they serve.

None of the Commissioners possesses concurrent positions prohibited by the Financial Services Authority regarding the implementation of governance for commercial banks, as reflected in the table below.

Concurrent Position of Member of the Board of Commissioners

Name	Position at Danamon	None
Takayoshi Futae	President Commissioner	1. Senior Managing Corporate Executive Group Head, Global Commercial Banking Business Group COO-I in Charge of Overseas Business Transformation- Mitsubishi UFJ Financial Group Inc. 2. Member of the Board of Directors, Deputy President Chief Executive, Global Commercial Banking Business Unit, Chief Operating Officer-International in Charge of Overseas Business Transformation – MUFG Bank, Ltd.
Johanes Berchmans Kristiadi Pudjosukanto	Vice President Commissioner (Independent)	1. Member of the Board of Commissioners – PT. Citra Tubindo Tbk 2. Head of the Independent National Bureaucratic Reform Team – Ministry of State Apparatus Empowerment and Bureaucratic Reform
Peter Benjamin Stock	Commissioner (Independent)	None
Nobuya Kawasaki	Commissioner	Managing Director - Mitsubishi UFJ Bank.
Hedy Maria Helena Lapian	Commissioner (Independent)	None
Takanori Sazaki	Commissioner	1. Regional Executive for Asia Pacific, Managing Executive Officer - Mitsubishi UFJ Financial Group Inc. 2. Regional Executive for Asia Pacific, Managing Executive Officer - MUFG Bank, Ltd. 3. Chairman - MUFG Bank (China) Ltd. 4. Vice Chairman, Nomination and Remuneration Committee member - Bank of Ayudhaya Public Company Limited. 5. Economic Partnership Agreements (EPA) Committee member (EPA is a small committee under JABCC) – The Japan Australia Business Cooperation Committee (JABCC)
Dan Harsono	Commissioner	None
Halim Alamsyah	Commissioner (Independent)	1. Expert in Islamic Finance and Finance – Ministry of Finance of the Republic of Indonesia 2. Member of the Audit Committee - PT Sinarmas Multi Artha – Indonesia 3. Advisor - Prudential Syariah 4. President Commissioner - PT Definitely Can Go 5. President Commissioner – Indosat Ooredoo Hutchison

SHARE OWNERSHIP OF MEMBERS OF THE BOARD OF COMMISSIONERS

Members of the Board of Commissioners submit information disclosure concerning the securities transactions of Danamon and its Subsidiaries to the Corporate Secretary at least 1 (one) working day before

the transaction and a maximum of 1 (one) working day after the transaction occurs as stipulated in the internal policy concerning the Private Securities Trading Policy and Material Non-Public Information.

As of December 31, 2021, information on the list of share ownership owned by members of the Board of Commissioners, either directly or indirectly, is as follows:

Name	Position	Share Ownership In				Description
		Danamon	Other Banks	Non-Bank Financial Institution	Company Other	
Takayoshi Futae	President Commissioner	-	-	Mitsubishi UFJ Financial Group Inc. Number of shares owned: 19,684	-	Percentage of share ownership: 0.00%
JB Kristiadi	Vice President Commissioner (Independent)	-	-	-	-	-
Peter B. Stock					1. PT Telkom (Persero) Tbk Total shares owned 153,900 2. Energi Mega Persada Tbk Total shares owned 451.125 3. Jababeka Industrial Estate Tbk Total shares owned: 33.00 4. Krakatau Steel (Persero) Tbk Total shares owned 500.00 5. Resources Alam Indonesia Tbk Total shares owned 335,000.00 6. Semen Indonesia (Persero). Total shares owned 20,500,000 7. Wahana Otto Multiartha Tbk Total shares owned 1,009,600,000 8. Waskita Beton Precast Tbk. Total shares owned 608,000.00	
Nobuya Kawasaki	Commissioner	-	-	-	-	-
Hedy Maria Helena Lapian	Commissioner (Independent)	-	CIMB Niaga Total shares owned 173,400	-	-	-
Takanori Sazaki	Commissioner (Independent)	-	-	Mitsubishi UFJ Financial Group Inc. Number of shares owned 15,234	-	0.00%
Dan Harsono	Commissioner	-	-	-	-	-

Name	Position	Share Ownership In				Description
		Danamon	Other Banks	Non-Bank Financial Institution	Company Other	
Halim Alamsyah	Commissioner (Independent)	-	Indonesian Islamic Bank 150.000	• PT Aneka Tambang. Number of shares owned 200,000 • PT Bukalapak. Number of shares owned 300,000	-	

POLICY ON DIVERSITY IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS

In the nomination process for members of the Board of Commissioners, aside from adhering to the minimum requirements, the scope and balance of knowledge, expertise, and experience, as well as diversity needs, are also taken into consideration in determining the composition of the Board of Commissioners. The optimal composition of the Board of Commissioners escalates the effectiveness of the implementation of the duties and responsibilities of the Board of Commissioners.

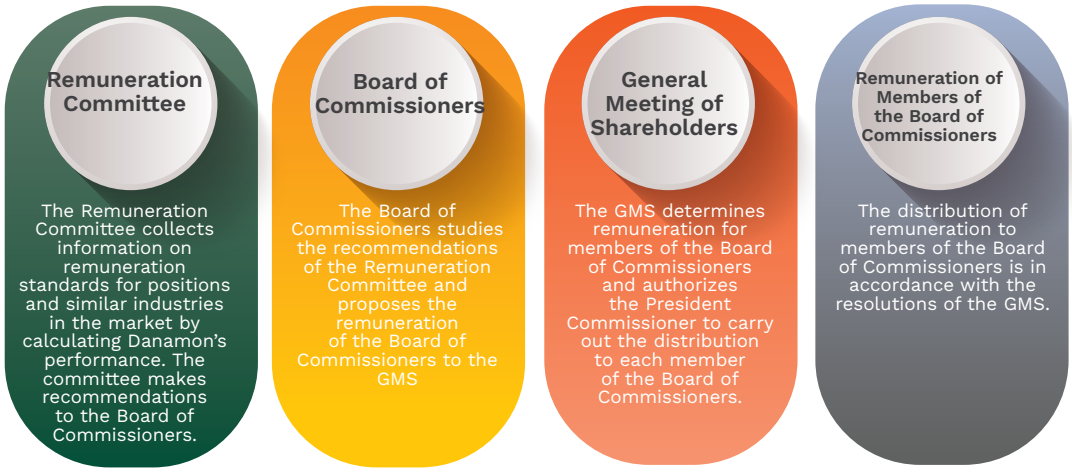
In this case, Danamon has already possessed a Diversity Policy which is employed as a reference in the nomination process for candidates for members of the Board of Commissioners. Danamon values and respects every difference in perspective, knowledge, ability, and experience of each individual, and does not discriminate against race, ethnicity, gender, and religion.

REMUNERATION FOR THE BOARD OF COMMISSIONERS

Indicators and Procedures for Determining the Remuneration of the Board of Commissioners. The amount of remuneration for members of the Board of Commissioners is determined based on the performance of each member by considering the duties and responsibilities of the Board of Commissioners.

The remuneration formulation refers to Danamon's internal policies, applicable external regulations, industry comparisons and considers Danamon's performance. The Remuneration Committee provides recommendations to the Board of Commissioners and submits them to the General Meeting of Shareholders for approval. The distribution of remuneration is administered by the President Commissioner. The GMS approves the granting of power to the President Commissioner of Danamon to determine the amount of bonus/tantieme during the 2021 financial year as well as the amount of salary or honorarium and allowances for the 2022 financial year for each member of the Board of Commissioners based on the recommendation of the Remuneration Committee.

Procedure for Determining the Remuneration of the Board of Commissioners



BOARD OF COMMISSIONERS REMUNERATION STRUCTURE

Remuneration packages which are received by members of the Board of Commissioners and the grouping of remuneration levels and the number of members of the Board of Commissioners receiving remuneration packages in 1 (one) year are disclosed in the Remuneration Policy section of this report.

BOARD OF COMMISSIONERS MEETING

Board of Commissioners Meeting Policy

a. The Board of Commissioners must organize a meeting at least 1 (one) time in 2 (months).
b. The Board of Commissioners must organize a minimum of 2 (two) Board of Commissioners meetings in a year which are physically attended by all members.
c. Meetings of the Board of Commissioners can be organized if attended by at least 75% of the members of the Board of Commissioners.
d. The Board of Commissioners must organize a meeting with the Board of Directors at least 1 (one) time in 4 (four) months.
e. Members of the Board of Commissioners must attend meetings of the Board of Commissioners at least 75% of the total meetings of the Board of Commissioners in a year. Members of the Board of Commissioners who are unable to attend the meeting physically may participate in the meeting via teleconference or video conference. The duration of the meeting must be signed by all participants attending the meeting physically or by participants participating via teleconference or video conference supported by recorded evidence.
f. The Board of Commissioners meeting is chaired by the President Commissioner. If the President Commissioner is not present, members of the Board of Commissioners who are present at the meeting are appointed to chair the meeting.
g. The Board of Commissioners must schedule the following year's meetings before the end of the year. At the meetings that have been scheduled, the meeting invitation and meeting materials must be submitted to the participants no later than 5 (five) days before the meeting is convened. If the meeting is not scheduled, the meeting materials or materials are submitted to the participants no later than before the meeting is organized.
h. The decisions of the Board of Commissioners meeting are determined by deliberation and consensus. If consensus deliberation does not occur, the decision is formulated by at least 2/3 (two-thirds) of the members of the Board of Commissioners who are present or represented at the meeting. Decisions made by 2/3 (two-thirds) are based on the principle of one person one vote.
i. The results of the Board of Commissioners meeting encompassing joint meetings of the Board of Commissioners and the Board of Directors must be asserted in the minutes of the meeting, signed by all members of the Board of Commissioners present, and submitted to all members of the Board of Commissioners and properly documented.
j. If a member of the Board of Commissioners does not sign the results of the meetings, the person concerned must state the reasons in writing in a separate letter attached to the minutes of the meeting.
k. All decisions of the Board of Commissioners are binding on all members of the Board of Commissioners. Dissenting opinions occurring in the meeting of the Board of Commissioners must be asserted clearly in the minutes of the meeting along with the reasons for the difference of opinion.
l. The Board of Commissioners may take legal and binding decisions without organizing a meeting of the Board of Commissioners, provided that all members of the Board of Commissioners approve the decision in writing.
m. In a meeting of the Board of Commissioners, a member of the Board of Commissioners may only be represented by another member of the Board of Commissioners with a power of attorney.
n. Every member of the Board of Commissioners in any way, directly or indirectly, owns a personal interest or conflict in a transaction, contract, or a proposed contract in which Danamon is a party, must assert the nature of the interest in a meeting of the Board of Commissioners and is not entitled to participate in voting associated with the transactions, contracts or proposed contracts mentioned above, unless the meeting of the Board of Commissioners determines otherwise.

FREQUENCY OF BOARD OF COMMISSIONERS MEETING

Throughout 2021, the Board of Commissioners organized 6 meetings of the Board of Commissioners and 3 times the Meetings of the Board of Commissioners inviting the Board of Directors.

Board of Commissioners Meeting Agenda

No	Meeting Date	Meeting agenda
1	January 25, 2021	• Review and Approval of Minutes of Meeting • Risk Oversight Committee Report • Audit Committee Report • Corporate Governance Committee Report
2	March 29, 2021	• Review and Approval of Minutes of Meeting • Audit Committee Report • Risk Oversight Committee Report • Nomination Committee Report
3	May 28, 2021	• Review and Approval of Minutes of Meeting • Audit Committee Report • Risk Oversight Committee Report
4	July 26, 2021	• Review and Approval of Minutes of Meeting • Audit Committee Report
		• Risk Oversight Committee Report • Corporate Governance Committee Report • Nomination Committee Report
5	September 24, 2021	• Review and Approval of Minutes of Meeting • Audit Committee Report • Risk Oversight Committee Report • Nomination Committee Report
6	November 23, 2021	• Review and Approval of Minutes of Meeting • Audit Committee Report • Risk Oversight Committee Report

Meeting of the Board of Commissioners inviting the Board of Directors:

No	Meeting Date	Meeting agenda
1	March 29, 2021	• Review and Approval of Minutes of Meeting • Business Update (CEO Update, Financial Update, Asset Quality Update) • Dividend Payment
2	July 26, 2021	• Review and Approval of Minutes of Meeting • Business Update (CEO Update, Financial Update, and Asset Quality Update) • 2021 Extraordinary General Meeting of Shareholders.
3	November 23, 2021	• Review and Approval of Minutes of Meeting • Business Update (CEO Update, Financial Update, and Asset Quality Update) • Bank Strategic Plan • Retail and Consumer Business Strategic Plan • Enabler Strategic Plan • Wholesale Business Strategic Plan

ATTENDANCE IN MEETINGS

The attendance of members of the Board of Commissioners in meetings organized during 2021 is as follows:

Commissioner	Attendance Rate in Board of Commissioners Meeting	Attendance Rate in Board of Commissioners Meeting Invites the Board of Directors
Takayoshi Futae	100%	100%
JB Kristiadi	100%	100%
Peter Benjamin Stock	100%	100%
Hedy Maria Helena Lapian	100%	100%
Nobuya Kawasaki	100%	100%

Commissioner	Attendance Rate in Board of Commissioners Meeting	Attendance Rate in Board of Commissioners Meeting Invites the Board of Directors
Takanori Sazaki	100%	100%
Dan Harsono	100%	100%
Halim Alamsyah	100%	100%

All meetings organized during 2021 fulfilled the meeting quorum requirements and were attended both physically and via teleconferencing technology by members of the Board of Commissioners. Meeting decisions are determined by deliberation and consensus, and there is no dissenting opinion in the decisions of the meetings organized during 2021. Information on the schedule, agenda, materials, results, and minutes of the meetings has been distributed to meeting participants and has been well-documented.

SCHEDULE OF THE BOARD OF COMMISSIONERS MEETING PLAN FOR 2022

At the end of 2021, the Board of Commissioners has prepared a schedule of meetings to be organized in 2022 for 6 (six) meetings of the Board of Commissioners and 3 (three) meetings of the Board of Commissioners inviting the Directors.

IMPLEMENTATIONOFDUTIESANDRECOMMENDATIONS OF THE BOARD OF COMMISSIONERS IN 2021

In conducting the supervisory function, the Board of Commissioners provides recommendations to the Board of Directors by taking into consideration the inputs from the Committee which assists and is directly responsible to the Board of Commissioners.

BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT

Performance Assessment of the Board of Commissioners Danamon possesses a performance appraisal policy employed as a guideline to assess the effectiveness of the implementation of the duties and responsibilities of the Board of Commissioners, both collegially and individually. The performance appraisal of the Board of Commissioners is implemented by considering several components, including:

STRUCTURE AND COMPOSITION OF THE BOARD OF COMMISSIONERS.

1. The effectiveness of the work program implementation of the committees under the Board of Commissioners.
2. Supervision of strategy implementation and company management.
3. Implementation of good corporate governance in Danamon.
4. Implementation of risk management and internal control in dealing with potential risks.

The individual performance assessment of the Board of Commissioners is conducted annually by the President Commissioner based on benchmarks that have been agreed upon by each member of the Board of Commissioners. The performance assessment results of members of the Board of Commissioners are one of the basic considerations for the Nomination Committee in providing recommendations to the Board of Commissioners to reappoint members of the Board of Commissioners and as a material consideration for compiling the remuneration structure of the Board of Commissioners.

ORIENTATION PROGRAM FOR NEW COMMISSIONERS

For New Commissioners, Danamon possesses an introduction program with the objective of providing an understanding of Danamon's vision, mission and Corporate Culture, code of ethics, organizational structure, line of business, Board of Commissioners' Guidelines and Work Rules, and regulations as well as banking and capital market regulations. The orientation program is administered through the On-Boarding Program and brief presentations by both management and business units and other supporting units face-to-face.

BOARD OF COMMISSIONERS TRAINING PROGRAM

Members of the Board of Commissioners are frequently provided the opportunity to enhance competence through training programs/seminars/workshops organized internally and externally. In 2021, the participation of members of the Board of Commissioners in training programs/seminars/workshops is as follows:

Training Table of Board of Commissioners

Name	Training Program	Training Organizer	Training Location	Training Date
JB Kristiadi P.	FKDKP Webinar "Effectiveness of Board of Commissioners Supervision in Maintaining Bank Compliance Towards the Era of Principle-Based Regulation"	FKDKP	Jakarta	March 25, 2021
Peter B. Stock	FKDKP Webinar "Effectiveness of Board of Commissioners Supervision in Maintaining Bank Compliance Towards the Era of Principle-Based Regulation"	FKDKP	Jakarta	March 25, 2021
Hedy Maria Helena Lapian	Webinar "The Role of the UN in Maintaining Economic & Social Stability in the Asia Pacific during the Covid-19 Pandemic"	STIE Indonesia Banking School (IBS)	Jakarta	February 5, 2021
	Webinar "Designing a Digital Technology-Based Startup Ecosystem to Contribute to National Economic Development"	STIE Indonesia Banking School (IBS)	Jakarta	February 9, 2021
	Webinar "Insurtech's Prospects in Increasing Indonesian Public Financial Inclusion	STIE Indonesia Banking School (IBS)	Jakarta	February 19, 2021
	FKDKP Webinar "Effectiveness of Board of Commissioners Supervision in Maintaining Bank Compliance Towards the Era of Principle-Based Regulation"	FKDKP	Jakarta	March 25, 2021
	Webinar "Digital Payments Policy and Regulation in a Sustainable National Payment System Ecosystem"	STIE Indonesia Banking School (IBS)	Jakarta	April 23, 2021
	Webinar "Policy on Digitalization in Indonesia's Financial Services Sector: Its Effect on Access to Finance and Protection of Personal Data"	STIE Indonesia Banking School (IBS)	Jakarta	May 7, 2021
	Webinar "Implementation of Governance, Risk & Compliance in the Digital Age: Strategy and Action"	OJK	Jakarta	June 3, 2021
	Webinar "Digital Leadership"	STIE Indonesia Banking School (IBS)	Jakarta	June 11, 2021
	Post-Covid 19: A stronger Indonesia	Congress of Indonesian Diaspora 6	Online	Aug 14, 2021
	Optimizing the Utilization of Big Data in the Development of Financial Products and Services	OJK Institute	Online	Sept 16, 2021
	Banking Transformation in the Digital Age	OJK Institute	Online	Oct 22, 2021
	Carbon Market: Global Practices	OJK Institute	Online	Nov 4, 2021
	Strategy for Digitalization of Islamic Finance and Banking to Increase Financial Inclusion of Indonesian Society	STIE Indonesia Banking School	Online	Aug 13, 2021
	Personal Data Protection Arrangement Plan to Balance the Rapid Development of Digital Technology in the Financial Services Sector	STIE Indonesia Banking School	Online	Aug 20, 2021

Name	Training Program	Training Organizer	Training Location	Training Date
	Directions for the Development of Indonesian Banking in 2022 Amid Efforts towards Banking Digitization	Banking Compliance Director Communication Forum (FKDKP)	Online	Dec 8, 2021
	Strengthening Green Finance to Respond to Climate Change Challenges and Opportunities for Financial System Stability	Infobank Institute	Online	Dec 8, 2021
Halim Alamsyah	Risk Management Certification (SMR) Lv.1	LSPP	Online	September 22, 2021
	Risk Management Certification (SMR) Lv.2	LSPP	Online	October 7, 2021
Takanori Sazaki	Certification Risk Management (Risk Management Certification – SMR) Lv. 1	LSPP	Online	June 28, 2021
Dan Harsono	Certification Risk Management (Risk Management Certification – SMR) Lv. 1	LSPP	Online	July 27, 2021

COMMITTEES UNDER THE BOARD OF COMMISSIONERS

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

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

Each committee is required to have a Committee's Guidelines and Work Rules that are prepared and reviewed periodically based on the applicable regulations. Committee members are appointed by the Board of Commissioners based on the Resolutions of the Board of Commissioners' Meetings and/or circular decisions of the Board of Commissioners. All committees are chaired by Independent Commissioners.

BOARD OF COMMISSIONERS COMMITTEE PERFORMANCE ASSESSMENT

The Board of Commissioners evaluates the performance of the committees of the Board of Commissioners based on reports on the implementation of duties and responsibilities submitted by each committee on a regular basis. The performance of the committees of the Board of Commissioners during 2021 was considered good by the Board of Commissioners and contributed to supporting the implementation of the duties and responsibilities of the Board of Commissioners.

COMMITTEE'S MEMBER PROFILE

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Takayoshi Futae 61 y.o President Commissioner	Japan citizen & Japanese domicile	• Member of Remuneration Committee • Member of Nomination Committee	September 2021-present	Finance	• Bachelor of Economics from Osaka University in Osaka, Japan, • Master's degree in Business Administration from Booth School of Business, University of Chicago, USA.

Work Experience (Position, Institution and Period of Service)

- President Commissioner of Bank Danamon, 2019-present
- Commissioner of Bank Danamon, 2018-2019
- Chief Executive Officer of MUFG Bank Asia & Oceania region, 2017
- Senior Managing Executive of BTMU 2017
- Vice Chairman of the Board of Bank of Ayudhya Plc (Krungsri), Thailand.
- Director on the Board of Security Bank Corporation, Philippines, 2016-2018.
- Regional Executive for MUFG Bank in Asia, 2018.
- Senior Managing Director – MUFG Bank, 2017.
- Corporate banking, credit and corporate advisory.
- Part of the Structured Finance Division, serving the MNCs and the non-Japanese corporates.
- Senior roles in structured finance, project and asset based finance, and corporate restructuring – 10 years.
- The Sanwa Bank, Ltd. which was a predecessor of MUFG Bank, 1983.

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
J.B. Kristiadi 75 y.o, Vice President Commissioner (Independent)	Indonesia citizen & Indonesian domicile	• Chairman of the Nomination Committee • Chairman of the Remuneration Committee • Member of the Audit Committee	September 2021-present	Finance/risk management	• PhD (Public Administration), Sorbonne University, France 1979 • Certificate (Short Course) Adam Smith Institute London 1980

Work Experience (Position, Institution and Period of Service)
- Vice President Commissioner, Danamon, 2005-present.
- Member of the Indonesian Climate Change Supervisory Board, Ministry of Forestry and Environment, 2021.
- Head of the Independent Panel Team for the Public Service Innovation Competition SK Menpan 2021
- Member of the Supervisory Board of the Jakarta French School, 2012
- Professor of Padjadjaran University, Bandung, 2007
- Commissioner, several SOEs (PT Tambang Batu Bara Bukit Asam, 1980; PT Bank Dagang Negara, 1982; PT Aneka Tambang, 1986; Bank BNI, 2005, PT Citra Tubindo, to date).
- Head of the National Bureaucratic Reform Team
- Secretary, Tax and Customs Reform Initiative Team, 2010.
- Special Staff, Minister of Finance, 2009-2011.
- Professor, Padjadjaran State University, Bandung, 2007-present.
- Chairman of the Atmajaya Foundation (Catholic University of Jakarta) 2006-2011
- Secretary General, Ministry of Finance, 2005
- Secretary General, Ministry of Communication and Information, 2003-2005.
- Deputy, Minister of State Apparatus Empowerment, 2001-2003.
- Assistant to the Coordinating Minister, Development Supervision, 1999-2001.
- Chairman, Indonesian State Administration Agency (LAN), 1990-1998.
- Director of Budget Development, Ministry of Finance of the Republic of Indonesia, 1987-1990.
- Director of State Wealth Development, Directorate General of Monetary, 1980-1987.

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Peter Benyamin Stok 72 y.o Independent commissioner	Indonesia citizen Indonesian domicile	• Chairman of the Audit Committee • Chairman of the Corporate Governance Committee • Chairman of the Integrated Corporate Governance Committee • Member of the Risk Oversight Committee	September 2021 present	Finance Banking	• Bachelor of Economics from Padjadjaran University, • Bandung Indonesia

Work Experience (Position, Institution and Period of Service)
- Independent Commissioner of Bank Danamon, 2018-present
- OJK panelist team for the fit and proper test for candidates for directors and commissioners of the Bank, 2016-2018
- President Commissioner of Bank Negara Indonesia, 2009-2015
- Commissioner of Bank Permata, 2008-2009
- President Director of Bank Niaga, 2000-2006
- President Director of Bank Dagang Negara, 1999-2000
- President Commissioner of Bank Danamon, 1998-1999
- Vice President Director at Bank Pelita, 1997-1998
- Vice President Director of Bank Niaga, 1994-1997
- Member of the Board of Directors of Bank Niaga, 1991-1994

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Nobuya Kawasaki 49 y.o Commissioner	Japan citizen Japanese domicile	• Member of Risk Oversight Committee • Member of Corporate Governance Committee • Member of Integrated Corporate Governance Committee	September 2021-present	Finance	• S2, Master of Mechanical Engineering, Keio University • S1, Bachelor of Mechanical Engineering, Keio University

Work Experience (Position, Institution and Period of Service)
- Commissioner of Bank Danamon, 2018-present
- Managing Director, Head of Global Commercial Banking Planning Division MUFG Bank Ltd., Singapore, August 2019 – Present
- Managing Director of Global Commercial Banking Planning Division MUFG Bank Ltd., Singapore, August 2018 – August 2019
- Managing Director of Planning Division for Asia & Oceania MUFG Bank Ltd., Singapore, September 2013– August 2018
- Managing Director, Vice President Mitsubishi UFJ Morgan Stanley Securities, Japan, October 2006 –September 2013
- Manager of Credit Portfolio Management Division The Bank of Tokyo Mitsubishi Ltd, Japan, October 2005 – October 2006
- Manager Mitsubishi Securities, Japan, October 2002 – October 2005
- Associate Product Development Division The Bank of Tokyo Mitsubishi Ltd, Japan, September 1998 – October 2002
- Associate Marunouchi Branch The Bank of Tokyo Mitsubishi Ltd, Japan, April 1997–September 1998

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Hedy Maria Helena Lapian 63 y.o Independent commissioner	Indonesia citizen & Indonesian domicile	• Chairman of Risk Oversight Committee • Member of Nomination Committee • Member of Remuneration Committee • Member of Corporate Governance Committee	September 2021-Present	Finance/ Risk management	• Bachelor of Accountancy from Universitas Padjajaran, Bandung 1977 • Master of Business Administration Joseph M Katz Gradute School of University of Pittsburgh, USA

Work Experience (Position, Institution and Period of Service)
- Danamon Independent Commissioner, 2020-present
- Crisis Management Advisor (April 2020-June 2020), Human Resources Director of PT CIMB Niaga Tbk, (April 2016-April 2020)
- Independent Commissioner of PT Asuransi Tokio Marine Indonesia, October 2015-March 2016
- Director of SRO Bank DBS Indonesia, May 2014-August
- Risk Management Director of PT Bank Internasional Indonesia Tbk, July 2010-March 2014
- Commercial Director at PT Bank Barclays Indonesia, January 2009-June 2010
- Country Head, Corporate and Institutional Banking at ABN AMRO Bank N.V., (September 2007-December 2008)
- Director & CFO at PT AIG Life, 2001-2006
- Managing Director Corporate & Investment Banking PT Bank Internasional Indonesia Tbk, Director American Express Bank (1994 –2000)
- Has held several non-executive positions, including ING Indonesia Bank, American Express TRS, Standard Chartered Bank and Bank of Trade, San Francisco.

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Takanori Sazaki 57 y.o Commissioner	Japan citizen Singaporean domicile	• Member of Nomination committee • Member of Remuneration Committee	September 2021-present	Finance, Banking	• Bachelor of Law Universitas Tokyo • Master Of Business Administration University of Pensylnvania

Work Experience (Position, Institution and Period of Service)
- Commissioner of Bank Danamon 2021-present
- Regional Executive Asia Pacific RegionMay 2021
- Vice President of Bank Ayudhya (Kungsri) Thailand
- Chairman of MUFG Bank (China)
- Regional Executive EMEA, 2018
- Head of Global Corporate Investment Banking Strategic, 2018
- Head of Global Compliance, 2016
- Head of Strategic Planning Office Kungsri, 2013-2015
- Director Capital Market Group, Managing Director, Group Head of Corporate Advisory Group Mitsubishi UFG Securities (USA) Inc 2003-2008
- Chief Financial Planning Manager MUFG, Tokyo

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Dan Harsono 61 y.o Commissioner	Citizen of Thailand & Thailand domicile	Member of Risk Oversight Committee	September 2021 present	Finance	• Bachelor's degree with Cum Laude predicate in Electrical and Biomedical Engineering from the University of Southern California at Los Angeles, California (1982). • Master of Business Administration in Finance and Marketing from Indiana University, Bloomington, IN, USA (1984).

Work Experience (Position, Institution and Period of Service)
- Commissioner of Bank Danamon, 2021-present
- Senior Advisor Bank Ayudhya PCL (Kungsri Bank), Bangkok, 2021
- Head of Retail & Consumer Banking Chief Marketing, Bank Ayudhya PCL (Kungsri Bank), Thailand, 2015-2020
- Head of Marketing and Branding Group Bank Ayudhya PCL (Kungsri Bank), Thailand, 2015
- Head of Marketing and International Business Development, Thailand, 2013-2015
- Head of Marketing and Cross Sell, Bank Ayudhya PCL (Kungsri Bank), Thailand 2010-2013
- Chief Marketing Officer of Bank Ayudhya PCL (Kungsri Bank), Thailand, 2007-2010
- Chief Marketing Officer, GE Money Asia Regional Office Thailand, 2005-2007
- Regional Vice President of Marketing & CRM GE Consumer Finance Asian Regional Office, Thailand, 2002-2005
- Managing Director, GE Capital Consumer Finance, Thailand 1997-2001
- Marketing and Business Development Director, GE Capital Auto Kease Head Office Singapore, 1994-1997
- Marketing and Business Development Director GE Capital Auto Lease Head Office, USA, 1992-1994
- Corporate BD Director GE Corporate Office 1990-1992

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Halim Alamsyah 65 y.o Commissioner	Indonesia citizen & Indonesia domicile	• Anggota Komite Audit • Anggota Tata Kelola • Anggota Komite Tata Kelola Terintegrasi	• Member of Audit committee • Member of Corporate Governance Committee • Member of Integrated Corporate Governance Committee	Finance	• Bachelor (S1) from Gadjah Mada University, Indonesia, Faculty of Law (1976-1981) • Bachelor (S1) from the Islamic University of Indonesia, Indonesia, Faculty of Economics and Management (1975-1980). • Master of Arts Development Economics (S2) Boston University, USA (1983-1985) • Doctoral (S3) University of Indonesia, Finance (2004-2008)

Work Experience (Position, Institution and Period of Service)
- Independent Commissioner of Bank Danamon, 2021-present
- Indosat Ooredo Hutchison President Commissioner, December 2021 – present
- Expert in Sharia Finance and Finance Ministry of Finance of the Republic of Indonesia
- Chief Commissioner Deposit Insurance Corporation (LPS) (September 2015 – September 2020)
- Deputy Governor – Bank Indonesia (June 2010 – June 2015)
- Head of Governor's Bureau – Bank Indonesia (2000)

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Mawar IR Napitupulu 59 y.o Independent party	Indonesia citizen Indonesia domicile	Member of audit committee Member of risk Oversight committee		Accountancy, Audit, Akuntansi, Audit, Finance, Risk Management	• Bachelor of Accounting, University of Indonesia, 1986 • Master of Business Administration at Katholieke Universiteit Leuven-Belgium,

Work Experience (Position, Institution and Period of Service)
- Senior Managing Partner-Public Accounting Firm Amir Abadi Jusuf, Aryanto, Mawar & Rekan-a member firm of RSM International, July 1994-present
- Lecturer at the Accounting Department, Faculty of Economics-University of Indonesia, 1985-present
- Associate Consultant-Management Institute, Faculty of Economics, University of Indonesia, 1990-1994
- Senior Auditor-SGV Utomo, Member Firm of Arthur Andersen & Co. Chase Plaza 8th Floor, Jakarta, 1986-1988
- Chairman and Member of the Supervisory Board of the Indonesian Institute of Certified Public Accountants, 2018-present
- Member of the Indonesian Audit Committee Association, 2004-present
- Member of the Indonesian Association of Curators and Administrators, 1999-present

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Zainal Abidin 66 y.o Independent Party	Indonesia citizen Indonesia domicile	• Member of the Audit Committee • Member of the Risk Oversight Committee • Member of Integrated Corporate Governance Committee	September 2021 present	• Banking supervision and inspection; • Money Market, Forex, Bond Trading and Investment, Derivatives and Foreign Exchange Management; • MSME Development, Micro Financing, Banking Training and Development; • Risk management	• Master of Arts (MA) in Economics, Williams College, Williamstown, Massachusetts, USA, 1989 • Bachelor of Economics, Faculty of Accounting, Economic Faculty, Airlangga University, Surabaya-Indonesia, 1982 • Certified Chartered Accountant (CA Indonesia)

Work Experience (Position, Institution and Period of Service)
- Independent Party, Bank Danamon, 2020-present
- President Commissioner of PT Artajasa Payment Electronics (Artajasa Payment Electronics), 2017-2020
- President Commissioner of PT Mekar Prana Indah/ Bidakara Group, September 2014-2017
- Executive Director at the Department of Credit, Supervision and Examination of BPR and MSME Development, Bank Indonesia, 2012-2013.
- Director at Directorate of Accounting and Payment System, Bank Indonesia, 2012
- Principal Researcher for Banking Regulations and Studies, Bank Indonesia, 2008-2012.
- Director at the Directorate of Bank Supervision and Examination, Bank Indonesia, 2007-2008
- Deputy Director/Head of Dealing Room/Head of Bureau of Foreign Exchange and Exchange Rate Management at the Directorate of Foreign Exchange Management, Bank Indonesia, 2001-2007
- Deputy Director of Bank Supervision and Audit, Bank Indonesia, 2001

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
M. Din Syamsuddin 63 y.o Chairman of Sharia Supervisory Board	Indonesia	Member of Integrated Corporate Governance Committee	September 2021-present	• Islamic Law (Sharia), Islamic Political Science, and Communication between religion/culture, International Relations	• (S1) Faculty of Ushuluddin UIN Syarif Hidayatullah Jakarta, 1979 • (S2) University of California Los Angeles UCLA), USA, 1988 • (S3) University of California Los Angeles (UCLA), USA, 1991

Work Experience (Position, Institution and Period of Service)
- President of the Asian Conference on Religions for Peace (ACRP) (2004-2021)
- Chairman of the MUI Advisory Council (2015-2020)
- Special Envoy of the President of the Republic of Indonesia for Interfaith and Intercultural Dialogue and Cooperation (2017-2018)
- Member of the Leadership Council of United Nation Sustainable Development Solution Network (2015-present)
- Member of the Advisory Board of King Abdulaziz International Center for Interfaith and Intercultural Dialogue (KAICIID) (2015-present)
- General Chairperson of PP Muhammadiyah (2005-2015)
- Founder and Chair of the Center for Dialogue and Cooperation among Civilizations (2007-present)
- Co-President of the World Conference of Religions for Peace (WRCP) (2006-present),
- Chair of the World Peace Forum (2006-present)
- Member of the Group for Strategic Vision Russia-Islamic World (2006-present)
- Professor of Islamic Politics, UIN Jakarta

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Roy Fahrizal Permana 48 y.o HR Executive Officer	Indonesia	• Secretary concurrently Member of the Remuneration Committee • Secretary concurrently Member of the Nomination Committee	2018-present	• Risk Management Certification (BSMR) level 1 • Human Resources Management • Rewards and Performance Management	• Master of Industrial Engineering

Work Experience (Position, Institution and Period of Service)
- Rewards Head, Bank Danamon, 2018-present
- Secretary concurrently member of Remuneration Committee and Nomination Committee, Bank Danamon, 2018-present
- Country Head of HR, Grab Indonesia, 2017-2018
- Rewards and Services Head, Bank UOB Indonesia, 2009-2017
- Secretary and member of the Remuneration and Nomination Committee, Bank UOB Indonesia, 2009-2017.
- Compensation and Benefit Head, Esia – BakrieTelecom, 2008-2009
- Managerial positions in Human Resources, including: Rewards and Performance Management, HR Operations, HR Area and Business Partner, Bank CIMB Niaga, 2003-2008
- HR Compensation and Benefit Analyst, Texmaco Group, 1998-2003
- Financial Executive, National Commercial Bank, 1998

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Krisna Wijaya 66 y.o Independent Commissioner PT Adira Dinamika Multi Finance, Tbk.	Indonesia	Member of Integrated Corporate Governance Committee	September 2021 - present	Economy and Company Governance	• (S1) Bachelor, Socio-Economic, Bogor Agricultural University • (S2) Master, Agribusiness Management, Gajah Mada University • (S3) Doctorate, Inter-Sectoral Studies, Gajah Mada University

Work Experience (Position, Institution and Period of Service)
- President Commissioner – PT Perusahaan Pengelola Asset (October 2020 – present)
- President Commissioner – PT Danareksa (12 May – 9 October 2020)
- Commissioner (Independent) – PT Adira Dinamika Multi Finance Tbk (2016 – present)
- Chairman of the Audit Committee – PT Adira Dinamika Multi Finance Tbk (2016 – present)
- Independent Commissioner PT Brilian Indah Gemilang (2019 – present)
- Member of the Assessment Team for Clarification/Presentation of Fit and Proper Assessment in the Banking Sector – Financial Services Authority (2016 – present)
- Director Indonesian Banking Development Institute (LPPI) (2016 – present)
- President Commissioner/Independent Commissioner – PT BNI Life Insurance (2015 – 2018)
- Member of the Supervisory Board – Adaro Building the Nation Foundation (2010 – present)
- Independent Commissioner, Chairman of the Audit Committee, Member of the Risk Management Committee, Nomination and Remuneration Committee, and Credit Review – PT Bank Mandiri Tbk (2010 – 2015)
- Member of the Sharia Supervisory Board – PT Jaya Proteksi Takaful (2009 – 2016)
- Member of Sharia Supervisory Board – PT Chub Syariah Insurance (2008 – present)
- Commissioner and Member of the Audit CommitteePT Bank Danamon Indonesia Tbk (2008 – 2010)
- Member of the Audit Committee – PT Mahaka Group (2006 – 2016)
- Member of Commissioner – Deposit Insurance Corporation (2005 – 2007)
- Commissioner – PT Bank Rakyat Indonesia (2005 – 2007)
- Director of Micro and Small Business – PT Bank Rakyat Indonesia (2003 – 2005)
- Director of Operations – PT Bank Rakyat Indonesia (2000 – 2003)
- Head of Education and Training Division – PT Bank Rakyat Indonesia (1996 – 2000)
- Head of Semarang Branch PT Bank Rakyat Indonesia (1994 – 1995)
- Head of Surakarta Sudirman Branch PT Bank Rakyat Indonesia (1992 – 1994)
- Head of Commercial Business Regional Office BRI Surabaya PT Bank Rakyat Indonesia (1990 – 1991)
- Senior Leasing Officer PT Bank Rakyat Indonesia (1983 – 1987)
- General Staff Candidate PT Bank Rakyat Indonesia (1980)

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Ramanathan S 43 y.o MUFG Jakarta Representative	Indian & Singaporean Domicile	Member of Integrated Corporate Governance Committee	September 2021 present	Finance	• Graduate Degree in General Law, University of Bombay, India (May 2004) • Masters Degree in Accounting and Marketing (May 2000) • Graduate Degree in Accounting and Taxation (May 1998)

Work Experience (Position, Institution and Period of Service)
- Managing Director (GM), Regional Chief Compliance Officer for Asia and Head of Compliance Office for Asia (ACO) MUFG Bank, Ltd. (June 2021 – Present)
- Managing Director (DGM), Deputy Regional Chief Compliance Officer & Head of Asia Group 1 (AG1), Compliance Office for Asia (ACO) MUFG Bank, Ltd. (March 2021 – May 2021)
- Managing Director (DGM), Chief Compliance Officer for India and Head of Asia Group 1(AG1), Compliance Office for Asia (ACO) MUFG Bank, Ltd. (February 2020 – March 2021)
- Managing Director (DGM), Chief Compliance Officer for India MUFG Bank, Ltd. (October 2017–February 2020)
- Director, Chief Compliance Officer and General Counsel – India Societe Generale, S.A. (July 2008 – October 2017)
- Head of Legal, Compliance & Secretarial Future Generali India Insurance PLC (December 2007 July 2008)
- Assistant Manager – Legal, Compliance & Secretarial HDFC Standard Life Insurance PLC (December 2005 December 2007)
- Secretarial Officer Reliance Industries PLC (December 2002 –December 2005)
- Legal & Information Technology Consultant Mega Ace Consultancy PTE (April 2000 – December 2002)
- Secretarial Trainee Alpic Finance PLC (September 1998-April 2000)

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Tatsuya Ishikawa 52 y.o MUFG Jakarta Representative	Singaporean Domicile	Member of Integrated Corporate Governance Committee	September 2021 – present	Finance/ Risk Management	Master of Engineering in Applied Systems Science, Mar. 1995 Kyoto University, Kyoto, Japan

Work Experience (Position, Institution and Period of Service)
- Managing Director, Head of Risk Management Office for Asia, Chief Risk Officer for Asia (Aug. 2019 – Present)
- Managing Director, Head of Global Market Planning Division (Jun. 2018 – Aug. 2019)
- Managing Director, Head of Market Risk Management Office (Dec. 2016 – May. 2018)
- Managing Director, Head of Treasury Department for the ASEAN region (Jun. 2013 – Dec. 2016)
- Director, International Treasury and Investment Division (Jan. 2010 – Jun. 2013)
- Various positions at the firm since started his career at Bank of Sanwa in 1995, including Manager of Bank of Japan's Institute for Monetary and Economic Studies (2001 – 2002) and Corporate Risk Management Division (1997 – 2001, 2002-2013)

Name, Age, Position	Citizenship and Domicile	Position	Period	Expertise	Qualification/Education Background
Andre S. Painchaud 50 y.o MUFG Jakarta representative	Singaporean domicile	Member of Integrated Corporate Governance Committee	September 2021 present	Finance/ risk management	Bachelor of Science from Salem State College in Salem Massachusetts, USA, in 1993. He obtained his MBA from Bentley College, Waltham, Massachusetts, USA with concentration in Finance in 1994

Work Experience (Position, Institution and Period of Service)
- Head of the Internal Audit and Credit Examination The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Audit Director, Quality Assurance for Institutional Clients Group at Citibank Singapore
- Managing Director & Head of Internal Audit for Asia region Daiwa Capital Markets, November 2008 – Juni 2013
- Securities Compliance Examiner in Boston, USA in July 1995 – April 2002

INDEPENDENT PARTY IN COMMITTEE

Independent parties are parties outside of Danamon who do not have financial, management, share ownership and/or family relationships with members of the Board of Commissioners, Directors and/or controlling shareholders or relationship with Danamon that may affect their ability to act independently. The Board of Commissioners appointed Independent Party Zainal Abidin as an independent member on the committees of the Board of Commissioners, namely the Audit Committee, Risk Oversight Committee, Integrated Corporate Governance Committee and Mawar IR Napitupulu as independent members of the Audit Committee, Risk Oversight Committee based on recommendations from the Nomination Committee. The appointed Independent Party must meet the competency and independence requirements required by the committee.Komite-Komite Dewan Komisaris

AUDIT COMMITTEE

The Audit Committee was formed to support the implementation of the duties and responsibilities of the Board of Commissioners to monitor and evaluate the planning and implementation of the audit as well as to monitor the follow-up to audit results in assessing the adequacy of internal control, including the adequacy of the financial reporting process. The Audit Committee ensures that the integrity, accuracy and adequacy of financial statements and all significant risks have been considered. The Audit Committee also supervises the effectiveness of compliance with regulations. The Audit Committee also provides recommendations for public accountants from appropriate public accounting firms and supervises their effectiveness.

Audit Committee Guidelines and Work Rules

The Audit Committee has the Audit Committee Guidelines and Work Rules that regulate matters related to the implementation of duties and responsibilities, organization, membership requirements, independence, authority, meeting conduct, work ethics, and the term of office of the Audit Committee. The Audit Committee's Guidelines and Work Rules are reviewed periodically to comply with applicable regulations and the needs of the Bank. In 2019, the Audit Committee Charter was updated.

Duties and Responsibilities of the Audit Committee

The Audit Committee has duties and responsibilities, including the following:

1. Financial reporting
   a. Reviewing financial information that will be issued by Danamon to the public and/or to the authorities, including: financial reports, projections, and other reports related to Danamon's financial information.
   b. Monitor and evaluate the compliance of financial statements with applicable accounting standards.
   c. Reviewing the adequacy of the audits carried out by public accountants to ensure that all significant risks have been considered.
   d. Examine complaints related to Danamon's accounting and financial reporting processes.

2. External Audit
   a. Recommend to the Board of Commissioners regarding the appointment, reappointment, dismissal or replacement, requirements for involvement, and remuneration of public accountants to be proposed to the Annual General Meeting of Shareholders (AGM).
   b. In preparing recommendations, the Audit Committee will consider the following:
      - Independence of Public Accountants, Public Accounting Firms and people in Public Accounting Firms.
      - Scope of audit.
      - Fees for audit services.
      - Expertise and experience of Public Accountants, Public Accounting Firms and Audit team of Public Accounting Firms.
      - Methodology, techniques, and audit facilities used by the Public Accounting Firm.
      - Benefits of fresh eye perspectives that will be obtained through the replacement of Public Accountants, Public Accounting Firms, and audit teams from Public Accounting Firms.
   c. Reviewing the scope of work and work results of public accountants, independence and objectivity of public accountants every year, and stating in the Annual Report.
      - The total amount of fees paid to the public accountant for the financial year and
      - Details of fees paid in total for audit and non-audit services, or appropriate negative statements and whether all significant risks in the Annual Report have been considered.
   d. Reviewing the audit of financial statements, significant findings, and recommendations of

public accountants and responses from the Board of Directors.

e. Evaluate the implementation of audit services on annual historical financial information by Public Accountants and/or Public Accounting Firms at least through:
   - Conformity of audit implementation by Public Accountants and/or Public Accounting Firms with applicable auditing standards;
   - Sufficient time for field work;
   - Assessment of the scope of services provided and the adequacy of the picking test; and
   - Recommendations for improvement given by the Public Accountant and/or Public Accounting Firm.
   - The results of the Audit Committee's evaluation are no later than 6 (six) months after the end of the financial year.

f. Monitor and evaluating the planning and implementation of the audit of public accountants as well as monitor the follow-up to the audit results in order to assess the adequacy of internal control, including the adequacy of the financial reporting process.

g. Monitor and evaluate the compliance of public accountants with applicable auditing standards.

3. Internal Audit
   a. Monitoring and evaluating the implementation of duties including the adequacy and effectiveness of the Internal Audit Unit functions.
   b. Reviewing the independence of the Head of the Internal Audit Unit and ensuring that the Head of the Internal Audit Unit has direct and unrestricted access to the Board of Directors, Board of Commissioners and Sharia Supervisory Board.
   c. Reviewing the scope of work and audit plans of the Internal Audit Unit, including ensuring interaction with the Board of Directors, Board of Commissioners, Sharia Supervisory Board, External Auditor, and the Financial Services Authority and other matters related to the audit.
   d. Reviewing significant findings and recommendations from the Internal Audit Unit as well as responses from the Board of Directors.
   e. Monitor and evaluating the implementation of follow-up actions by the Board of Directors on the findings of the Internal Audit Unit, Public Accountants, and audit findings from the Financial Services Authority and/or other regulators.
   f. Reviewing audit reports and ensuring that the Board of Directors takes the necessary corrective actions quickly to address control weaknesses, fraud, compliance issues with policies, laws, and regulations, or other issues identified and reported by SKAI, External Auditor, and the Financial Services Authority and or other regulators.
   g. Provide recommendations to the Board of Commissioners regarding:
      - Appointment and dismissal of the Head of SKAI
      - Approval of the Internal Audit Charter
      - Annual audit plan, scope and budget allocation of SKAI
      - Provision of SKAI's overall annual remuneration as well as performance awards.

4. Internal Control
   Reviewing and reporting to the Board of Commissioners on a regular basis, the adequacy and effectiveness of the internal controls established by the Board of Directors, including financial, operational, compliance, and information technology controls.

5. Compliance
   a. Review the compliance framework, and the scope of work and compliance function plans.
   b. Reviewing compliance with laws and regulations related to Danamon's activities.
   c. Review legal issues that may have a material impact on financial reports, related compliance policies, and reports received from regulators.

6. Others
   g. In carrying out its duties and responsibilities, the Audit Committee acts independently.
   h. The Audit Committee examines allegations of errors in the decisions of the Board of Directors meeting or irregularities in the implementation of the decisions of the Board of Directors meeting. The audit can be carried out by the Audit Committee or by an independent party appointed by the Audit Committee at the expense of Danamon.
   i. The Audit Committee must prepare, review and update the Audit Committee Charter on a regular basis.
   j. The Audit Committee is required to submit a report on the results of the study to all members of the Board of Commissioners after the report on the results of the study is completed by the

Audit Committee.

k. Provide an independent opinion in the event that there is a difference of opinion between the Board of Directors and the public accountant on the services provided.
l. Maintain the confidentiality of Danamon's documents, data and information.
m. The Audit Committee reviews and provides opinions to the Board of Commissioners regarding potential conflicts of interest in Danamon.
n. Members of the Audit Committee are required to improve competence through continuous education and training.

Authority of the Audit Committee

The Audit Committee has the following powers:

1. Investigate any issues that fall within the terms of reference, access and cooperation with the Board of Directors and the discretion to invite any director or executive officer to attend Audit Committee meetings, as well as to have reasonable resources in order to carry out their functions properly.
2. Reviewing affiliated transactions and conflicts of interest after receiving an assessment report from the Compliance Director, to ensure that these transactions are carried out with due regard to the interests of Danamon and minority shareholders and carried out fairly based on normal commercial terms.
3. If necessary, involve independent parties outside the Audit Committee to assist in carrying out their duties.
4. Invite/appoint reviewers
5. Perform other authorities given by the Board of Commissioners.
6. The Audit Committee can access documents, data, and information about Bank Danamon employees, funds, assets and company resources that are needed while taking into account the applicable confidentiality provisions.
7. The Audit Committee can communicate directly with employees, including the Board of Directors and those who carry out the functions of internal audit, risk management, and accountants regarding the duties and responsibilities of the Audit Committee.

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

Structure and Membership of the Audit Committee

The Audit Committee consists of 4 (four) people, consisting of 2 (two) Independent Commissioners (Made Sukada and Peter Benjamin Stok) and 2 (two) Independent Parties (Angela Simatupang and Yusuf Nawawi). The Audit Committee is chaired by an Independent Commissioner, namely Made Sukada. The structure and membership of the Nomination Committee has complied with the applicable regulations.

No	Name	Position in Danamon	Position in Audit Committee
1	Peter Benyamin Stok	Independent Commissioner	Chairman
2	JB Kristiadi	Independent Commissioner	Member
3	Halim Alamsyah	Independent Commissioner	Member
4	Mawar Napitupulu	Independent Party	Member
5	Zainal Abidin	Independent Party	Member

Expertise of Audit Committee Members

All members of the Audit Committee have complied with applicable regulations relating to the expertise requirements of members of the Audit Committee covering the fields of finance and/or accounting, risk management, banking and/or law, with due regard for each of them with integrity, good character and morals as stated in the statement letter. personal.

Legal Basis of Appointment

Members of the Audit Committee are appointed through Circular Decisions of the Board of Commissioners in lieu of decisions taken at the Board of Commissioners Meeting of PT Bank Danamon Indonesia, Tbk. KSR-Kom number. Corp. Sec-004 September 17, 2021.

Independence of Audit Committee Members

All members of the Danamon Audit Committee are independent (Independent Commissioners and Independent Parties). Non-independent commissioners and Directors are not allowed to become members of the Audit Committee. Members of the Audit Committee are required to comply with the Danamon Code of Ethics

Length of service

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

Policy and Implementation of Audit Committee Meetings

Audit Committee Meeting Policy

- Committee meetings are held at least once in 3 (three) months according to Danamon's needs.
- Meetings can be held if attended by at least 51% (fifty one percent) of the total members.
- Meeting decisions are taken based on the principle of deliberation and consensus. In the event that consensus deliberation does not occur, decisions are made based on a majority vote. Decisions made by majority vote are based on the principle of 1 (one) person 1 (one) vote.
- Each meeting is recorded in the minutes, properly documented, signed by all members present, and submitted to the Board of Commissioners.
- Dissenting opinions that occur in the meeting and the reasons must be clearly stated in the minutes of the meeting.

Implementation, Attendance Rate, and Meeting Agenda

Throughout 2021, the Audit Committee held 6 (six) meetings with the following attendance and meeting agenda:

Attendance of Committee Members in Meetings

Name	Attendance
Peter Benyamin Stok	100%
JB Kristiadi	100%
Halim Alamsyah	100%
Mawar Napitupulu	100%
Zainal Abidin	100%

Meeting Agenda

No	Date	Meeting Agenda
1	19 January 2021	• Minutes of Audit Committee Meeting • Update SKAI
2	23 March 2021	• Minutes of Audit Committee Meeting • Update SKAI • Anti Fraud Roadmap Strategy and Implementation
3	25 May 2021	• Minutes of Audit Committee Meeting • Update SKAI
4	21 July 2021	• Minutes of Audit Committee Meeting • Update SKAI
5	21 September 2021	• Minutes of Audit Committee Meeting • Update SKAI
6	12 November 2021	• Minutes of Audit Committee Meeting • Update SKAI

Statement of the Audit Committee on the Effectiveness of the Internal Control System

The internal control system implemented by Danamon is considered effective and adequate, as reflected in the effectiveness of the implementation of internal control functions, including internal audit, risk management, compliance, financial and operational control functions. The Audit Committee submits reports on its work implementation to the Board of Commissioners on a regular basis.

RISK OVERSIGHT COMMITTEE

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

Risk Oversight Committee Charter

Risk Oversight Committee has a Charter that stipulates matters related to the implementation of duties and responsibilities, membership, work ethics, independency,

term of office, and implementation of meetings. The Charter of Risk Oversight Committee is periodically reviewed.

Duties and Responsibilities of the Risk Oversight Committee

Risk Oversight Committee has the following duties and responsibilities:

1. Establish and periodically review /update Risk Oversight Committee Charter;
2. Provide oversight in the implementation of risk management practices;
3. Evaluate Bank's and integrated risk management policies and evaluate the appropriateness of the risk management policies and their implementation in order to provide recommendation to the BOC, at least once a year.
4. Provide independent professional opinion to the BOC and recommend to the BOD actions to be considered for further strenghtening of the risk management framework;
5. Monitor and evaluate the Risk Management Working Unit's and its committee's duties implementation in order to provide recommendations to the BOC.
6. Recommend to the BOC, the Bankwide Risk Appetite Statement (RAS) Framework, including establishment of thresholds and triggers;
7. Review all risk management policies and regulatory/ internal documents that require BOC approval, as recommended by the BOD;
8. Monitor the effectiveness of Risk Management Policies, Procedures, Tools, Limits, and Frameworks as established by the Risk Management Committee, Integrated Risk Directorate, Support Functions and Business Units.
9. Ensure accountability of BOD and Executive Officers in performing their roles and responsibilities in relation to the effective implementation of Bank's and Integrated risk management;
10. Initiate an enquiry or investigation on matters requiring independent review and assessment as related to Fraud, Conflict of Interest, Lapses in Governance, Gross Negligence, and Violations of the Code of Conduct.

Authority of the Risk Oversight Committee

The Risk Oversight Committee has the following powers:

1. Accessing required documents, data and Danamon information.
2. Communicating directly with employees, the Board of Directors and other parties related to the implementation of their duties and responsibilities.
3. Involve independent parties in order to assist the implementation of their duties if necessary.
4. Perform other authorities given by the Board of Commissioners.

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

RISK OVERSIGHT COMMITTEE STRUCTURE AND MEMBERSHIP

The Risk Oversight Committee consists of 6 (six) people, consisting of 2 (two) Independent Commissioners, 2 (two) Commissioners, 2 (two) independent parties. The structure and membership of the Risk Oversight Committee has complied with the applicable regulations.

Composition of Members of the 2021 Risk Oversight Committee

No.	Name	Position in Danamon	Position in Risk Oversight Committee
1.	Hedy Maria Helena Lapian	Independent Commissioner	Chairman
2.	Peter B. Stok	Independent Commissioner	Member
3.	Nobuya Kawasaki	Commissioner	Member
4.	Dan Harsono	Commissioner	Member
5.	Mawar Napitupulu	Independent Party	Member
6.	Zainal Abidin	Independent Party	Member

Legal Basis of Appointment

The membership composition of the Risk Oversight Committee is determined based on Circular Resolutions of the Board of Commissioners' Resolutions in lieu of decisions taken at the Board of Commissioners' Meeting of PT Bank Danamon Indonesia, Tbk. Number KSR-KOM.Corp.Sec-004 dated 17 September 2021.

Independence of Risk Oversight Committee Members

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

Length of service

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

Policy and Implementation of Risk Oversight Committee Meeting

Risk Oversight Committee Meeting Policy

- Meetings are held at least once in 3 (three) months according to Danamon's needs.
- Meetings can be held if attended by at least 51% (fifty one percent) of the members including Independent Commissioners and Independent Parties either face-to-face and/or virtual.
- Meeting decisions are taken based on the principle of deliberation and consensus. In the event that consensus deliberation does not occur, the decision is taken based on a majority vote. Decisions made based on a majority vote are based on the principle of 1 (one) person 1 (one) vote.
- Meeting decisions must be recorded in the minutes of the meeting, properly documented, signed by all members of the Committee present, and submitted to the Board of Commissioners.
- Dissenting opinions and reasons for differences that occur in Committee meetings and the reasons must be clearly stated in the minutes of the meeting.

Implementation, Attendance, and Meeting Agenda

During 2021, the Risk Oversight Committee has held 10 (ten) meetings with the following attendance and meeting agenda:

Attendance of Committee Members in Meetings

Name	Attendance
Hedy Maria Helena lapian	100%
Peter B. Stok	100%
Nobuya Kawasaki	100%
Dan Harsono	100%
Mawar Napitupulu	100%
Zainal Abidin	100%

Meeting Agenda of Risk Oversight Committee 2021

Nr.	Date	Agenda
1	21 January 2021	• Minutes of the Risk Oversight Committee Meeting • Treasury Capital Market (TCM) Update • Annual Review of Treasury Trading Limits • Credit Card Product Program Update • Update Integration Risk • Risk Heat Map 2021 • Legal Update and Litigation • Compliance Update
2	25 February 2021	• Minutes of the Risk Oversight Committee Meeting • Upgrading the Mortgage Product Program • Annual BSM Boundary Study • Integrated Capital Management Policy • Update FTP and CFP Policy • Update Integration Risk • Credit Portfolio Update • RAS & Recovery Plan Monitoring
3	25 March 2021	• Minutes of the Risk Oversight Committee Meeting • Product Update of Trade Finance Program • Credit Risk Management Initiative with MUFG • Update Credit Portfolio • RAS & Recovery Plan Monitoring • Peer Analysis • Hierarchical Policy Review
4	29 April 2021	• Minutes of the Risk Oversight Committee Meeting • Treasury Capital Market (TCM) Update • Update Integration Risk • RAS & Recovery Plan Monitoring • Compliance Update • Legal and litigation updates
5	24 June 2021	• Minutes of the Risk Oversight Committee Meeting • Update Credit Portfolio • RAS & Recovery Plan Monitoring • Peer Analysis Q1-21 • OJK Bottom Up Stress Test • MUFG Information Sharing Framework • Compliance Update
6	22 July 2021	• Minutes of the Risk Oversight Committee Meeting • Update Treasury Capital Market • Compliance Update • Legal Update and Litigation • Update Integration Risk • CCC Update related to Covid-19 • Update Sustainability Policy • Credit PP and guide • ICAAP Stress Test
7	26 August 2021	• Minutes of the Risk Oversight Committee Meeting • KAO Update Danamon Privilege Service • Update Consumer Portfolio • Update Credit Portfolio • RAS & Recovery Plan Monitoring • Regulatory Risk Profile • Peer Analysis • ICAAP Study • Compliance Update • Legal Update

Nr.	Date	Agenda
8	22 September 2021	• Minutes of the Risk Oversight Committee Meeting • Proposal limits for employee attrition • Update Credit Portfolio • RAS & Recovery Plan Monitoring • Compliance Update
9	28 October 2021	• Minutes of the Risk Oversight Committee Meeting • Update Treasury Capital Market • Annual Review of the Recovery Plan • RAS Group Study • Annual MLR Policy Review • Bank Risk Management Policy & Consolidation • Credit Portfolio Update • Update Integration Risk • Legal Update and Litigation • Compliance Update
10	19 November 2021	• Minutes of the Risk Oversight Committee Meeting • ICAAP Policy • Integration Risk Management Policy – MUFG Group • Financial Sustainability Action Plan • Update Credit Portfolio • Update Internal Rating/Scorecard • Compliance Update

Implementation of the Work Activities of the Risk Oversight Committee in 2021

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

Guidelines and Work Rules of the Nomination Committee

The Nomination Committee has the Nomination Committee Guidelines and Work Rules that regulate matters related to objectives, accountability, structure and membership, term of office, duties and responsibilities, authority, meetings and meetings, as well as reporting. The Guidelines and Work Rules of the Nomination Committee are reviewed periodically.

Duties, Responsibilities and Authorities of the Nomination Committee

DUTIES AND RESPONSIBILITIES

The Nomination Committee has duties and responsibilities, including:

1. Provide recommendations to the Board of Commissioners regarding:
   - Composition of positions for members of the Board of Commissioners and/or members of the Board of Directors
   - Policies and criteria required in the Nomination process.
   - Performance evaluation policies for members of the Board of Commissioners and/or members of the Board of Directors
2. Review, evaluate and provide recommendations regarding the system and procedure for the selection and/or replacement of members of the Board of Commissioners and Board of Directors.
3. Identify, review and recommend candidates for members of the Board of Commissioners and/or Board of Directors including the President Director to the Board of Commissioners to be submitted to the General Meeting of Shareholders for approval.
4. Recommend to the Board of Commissioners, on independent parties who will become members of the committees of the Board of Commissioners.
5. Danamon's expense, the Nomination Committee may from time to time use its authority to use the services of one or more search firms to identify candidates (including to approve the fees and requirements of the search firms).
6. Can evaluate all members of the Board of Commissioners and/or Board of Directors who will be reappointed at the General Meeting of Shareholders.
7. Assess and evaluate Candidates in the same way, regardless of gender, race, religion or the source of the initial recommendation.
8. Review and evaluate Candidates based on the minimum requirements and other criteria taking into account all facts and circumstances deemed appropriate, including, among others, the proposed

Candidate's banking knowledge and expertise, depth and breadth of professional experience or other background characteristics, their independence, and needs Board of Commissioners/ Directors.

9. Propose all candidates (both identified internally and by shareholders) who pass the evaluation to the Board of Commissioners through circular letters to be nominated as members of the Board of Commissioners/ Directors in the next General Meeting of Shareholders.
10. The official appointment of a candidate as a member of the Board of Commissioners/Directors will be made after the GMS gives approval and after all the requirements as required by regulations including but not limited to the fit and proper test of OJK and other authorities are fulfilled.
11. Evaluate and recommend candidates for members of the Board of Commissioners and Directors of subsidiaries who have a significant impact on Danamon, to the Board of Commissioners of Danamon. The Nomination Committee may give (no objection) to candidates for members of the Board of Directors of subsidiaries.
12. Assist the Board of Commissioners in assessing the performance of members of the Board of Commissioners and/or members of the Board of Directors based on the benchmarks that have been prepared as evaluation material.
13. Provide recommendations to the Board of Commissioners regarding the capacity building program for members of the Board of Commissioners and/or members of the Board of Directors.
14. Must improve competence through continuous education and training.
15. Must prepare, review and update the Nomination Committee Charter on a regular basis. The Nomination Committee Charter is available on the Danamon website.
16. Maintain the confidentiality of all Danamon documents, data and information.

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

Nomination Committee Authority

The Nomination Committee is authorized to, among others:

a. Accessing required documents, data, and information from Danamon.
b. Communicating directly with employees, the Board of Directors, and other parties related to the implementation of their duties and responsibilities.
c. Involve independent parties to assist in carrying out their duties if necessary.
d. Perform other authorities given by the Board of Commissioners.

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

Structure and Membership of the Nomination Committee

In 2021, there will be changes to the structure and membership of the Nomination Committee. Based on the GMS 30 April 2021 and based on the decision of the Nomination Committee meeting on 2 June 2021, the Nomination Committee consists of 5 (five) people, consisting of 2 (two) Independent Commissioners, 2 (two) Commissioners, and 1 (one) Executive Officer. Danamon in charge of Human Resources. The structure and membership of the Nomination Committee has complied with the applicable regulations.

Composition of Members of the 2021 Nomination Committee

No	Name	Position in Committee	Position in Nomination Committee
1	J.B. Kristiadi	Vice President Commissioner (Independent)	Chairman
2	Takayoshi Futae	President Commissioner	Member
3	Hedy Maria Helena Lapian	Independent Commissioner	Member
4	Takanori Sazaki	Commissioner	Member
5	Roy F Permana	Human Resources Executive Officer	Member

Expertise of Nomination Committee Members

All members of the Committee complied with applicable regulations relating to the expertise requirements of Committee members, taking into account the respective integrity, character and morals as outlined in a personal statement.

Legal Basis of Appointment

The members of the Nomination Committee are appointed through Circular Decisions of the Nomination Committee of PT Bank Danamon Indonesia, Tbk. Number 004/HR-Nomco/0621 dated 2 June 2021.

Independence of the Nomination Committee

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

Length of service

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

Policy and Implementation of Nomination Committee Meetings

Nomination Committee Meeting Policy

1. The Nomination Committee Meeting is held periodically at least 1 (one) time in 4 (four) months.
2. The Nomination Committee meeting can only be held if it is attended by a majority of the members of the Nomination Committee and is attended by the Chairman of the Nomination Committee including the Executive Officer in charge of Human Resources.
3. Nomination meeting decisions are taken based on the principle of deliberation and consensus.
4. In the event that consensus is not reached, decisions are made based on a majority vote. Decisions are made based on the principle of 1 (one) person 1 (one) vote.
5. Dissenting opinions that occur in the Nomination Committee meeting and the reasons must be clearly stated in the minutes of the meeting.
6. Every meeting of the Nomination Committee is recorded in the minutes, properly documented, and signed by all members of the Nomination Committee present.
7. Minutes of the Nomination Committee meeting must be submitted in writing to the Board of Commissioners.

Implementation of the Nomination Committee Meeting

During 2021, the Nomination Committee held 7 (seven) meetings with the attendance each member of the Committee as follows:

Name	Attendance
J.B. Kristiadi	100%
Takayoshi Futae	100%
Hedy Maria Helena Lapian	100%
Takanori Sazaki	100%
Roy Fahrizal Permana	100%

2021 Nomination Committee Meeting Agenda

No	Date of Meeting	Meeting Agenda
1	03 March 2021	Changes in the composition of the members of the Board of Commissioners at Bank Danamon
2	23 March 2021	Appointment of members of the Board of Commissioners at Bank Danamon
3	08 April 2021	Appointment of members of the Board of Commissioners at Bank Danamon
4	02 June 2021	Composition of members of the Board of Commissioners in each Committee at Bank Danamon
5	07 July 2021	Appointment of members of the Board of Commissioners at Bank Danamon
6	05 August 2021	Resignation of members of the Board of Directors at Bank Danamon
7	15 September 2021	Composition of members of the Integrated Corporate Governance Committee (ICGC)

Implementation of the Work Activities of the Nomination Committee in 2021

The main work activities of the Nomination Committee can be summarized as follows:

- Provide recommendations on the composition of members of the Committees of the Board of Commissioners.
- Reviewing the nominations for the appointment of members of the Board of Commissioners at Bank Danamon
- Provide recommendations on the composition of the members of the Board of Commissioners in each Committee at Bank Danamon.
- Provide recommendations on the resignation of members of the Board of Directors at Bank Danamon.
- Reviewing the nominations of candidates for

members of the Integrated Corporate Governance Committee.
- The activities and recommendations of the Nomination Committee are reported regularly to the Board of Commissioners.

REMUNERATION COMMITTEE

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

Charter of Remuneration Committee

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

Duties, Responsibilities and Authorities of Remuneration Committee

Duties and Responsibilities

Duties and responsibilities of the Remuneration Committee include:

1. Prepare policy, evaluate and provide recommendations to the Board of Commissioners regarding:
   - The structure and amount of remuneration for the Board of Commissioners, Board of Directors, and Senior Management.
   - Remuneration, including salaries, allowances, bonuses and incentives that will be given based on achievement of the predetermined objectives and targets for the President Director and other members of the Board of Directors, members of the Board of Commissioners and the Supervisory Board.
   - Remuneration, including salaries and benefits of Independent Parties.
2. Assist the Board of Commissioners to conduct performance assessment with the suitability of remuneration received by each member of the Board of Commissioners and/ or members of the Board of Directors.
3. Consider the following matters in preparing the structure, policy, and the amount of remuneration:
   - Applicable remuneration in the industry according to the business activity and business scale of Danamon in the industry.
   - Fairness of remuneration compared with peer group.
   - Duties, responsibilities, and authority of the Board of Directors and/or members of the Board of Commissioners in relation to the achievement of objectives and the performance of Danamon.
   - Target performance or the individual performance of members of the Board of Directors and/or members of the Board of Commissioners.
   - The balance of fixed and variable benefits.
   - The financial performance of Danamon and its compliance with the applicable regulations.
   - Target consideration and long-term goal strategies of Danamon.
4. Evaluate the fore mentioned structure, policies, and amount of remuneration at least 1 (one) time in 1 (one) year.
5. Evaluate and update the Charter of Remuneration Committee periodically.
6. Maintain the confidentiality of all Danamon's documents, data, and information.
7. Improve competency through continuous education and trainings.

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

Authority of the Remuneration Committee

Authorities of Remuneration Committee among others:

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

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

Structure and Membership of Remuneration Committee

In 2021, there was a change in the structure and

membership of the Remuneration Committee. Based on the decision of Nomination Committee on June 02, 2021, it was decided and approved the resignation of 1 (one) Independent Commissioner, namely Made Sukada and 1 (one) Independent Commissioner, namely Noriaki Goto and add Hedy Maria Helena Lapian dan Takanori Sazaki as new members of the Remuneration Committee.

Thus the Remuneration Committee has 5 (five) members, consists of 2 (two) Independent Commissioners, 2 (two) Commissioners, and 1 (one) Executive Officer of Danamon who is in charge of Human Resources. Structure and membership of the Remuneration Committee has fulfilled the applicable provisions.

Expertise of Remuneration Committee Members

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

Legal Basis of Appointment

Members of Nomination Committee is appointed based on the Circular Decision of the Nomination Committee of PT Bank Danamon Indonesia, Tbk. Number 004/HR-Nomco/0621 dated June 2, 2021.

Members Composition of Remuneration Committee in 2021

No.	Name	Position in Danamon	Position in Remuneration Committee
1.	J.B. Kristiadi	Vice President Commissioner (Independent)	Chairman
2.	Takayoshi Futae	President Commissioner	Member
3.	Maria Helena Hedy Lapian	Independent Commissioner	Member
4.	Takanori Sazaki	Commissioner	Member
5.	Roy F Permana	Human Resources Executive Officer	Member

Independency of Remuneration Committee

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

Length of service

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

Policy and Holding of Remuneration Committee Meetings

Policy of Remuneration Committee Meetings

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

Implementation of the Remuneration Committee Meeting

During 2021, the Remuneration Committee held 5 (five) meetings with the meeting attendance of each member of the Committee as follows:

Attendance of Committee Members

Name	Attendance
J. B. Kristiadi	100%
Takayoshi Futae	100%
Hedy Maria Helena Lapian	100%
Takanori Sazaki	100%
Roy F Permana	100%

Meeting Agenda of Remuneration Committee in 2021

No	Date of Meeting	Meeting's Main Agenda
1	17 February 2021	Performance Bonus and salary increase
2	02 June 2021	Remuneration for new members of the Board of Commissioners
3	14 June 2021	The first payment of the 2019 Long Term Incentive Program in June 2021.
4	07 July 2021	New Independent Commissioner Remuneration
5	15 December 2021	Proposed Long-Term Incentive 2021

REMUNERATION COMMITTEE WORK ACTIVITIES IMPLEMENTATION REPORT 2021

In general, the work activities of the Remuneration Committee can be summarized as follows:

- Recommend tantiem and salary increase 2021.
- Conducting studies and recommending the remuneration of new members of the Board of Commissioners
- Conducting a 2019 long-term incentive payment review.
- Reviewing and recommending remuneration for new Independent Commissioners.
- Conducting a study on the proposed 2021 Long-Term Incentive program.

The activities and recommendations of the Remuneration Committee are reported regularly to the Board of Commissioners.

CORPORATE GOVERNANCE COMMITTEE

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

Corporate Governance Committee Guidelines and Work Rules

The Corporate Governance Committee has Committee Guidelines and Work Rules that regulate matters related to objectives, accountability, structure and membership, term of office, duties and responsibilities, authorities, meetings and their implementation, and reporting. The Guidelines and Work Rules of the Corporate Governance Committee are reviewed regularly.

Duties and Responsibilities of the Corporate Governance Committee

Duties and responsibilities

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

1. Comply with Danamon's code of ethics.
2. Evaluate the governance structure and framework as well as the conformity of Danamon's governance policies.
3. Review and evaluate the principles and implementation of Danamon's governance on a regular basis and submit recommendations for improvement to the Board of Commissioners.
4. Reporting to the Board of Commissioners various non-conformances in the implementation of governance and submitting actions that can be taken for improvement.
5. Reviewing the governance report issued by Danamon to ensure the transparency and accuracy of the report and recommending improvements to the Board of Directors.
6. Submit recommendations in the context of providing endorsement by the Board of Commissioners on the governance report and Danamon's governance policies.
7. Prepare, review and update the Committee Charter on a regular basis. The Committee Charter is available on the Company's website.
8. Maintain the confidentiality of all Danamon documents, data and information.
9. Reporting on the activities of the Governance Committee to the Board of Commissioners.

Authority of the Corporate Governance Committee

The authority of the Corporate Governance Committee, among others:

1. Access necessary documents, data, and Danamon information.
2. Communicating directly with employees, the Board of Directors and other parties related to the implementation of duties and responsibilities.
3. Involve independent parties to assist in carrying out their duties if necessary.
4. Perform other authorities given by the Board of Commissioners.

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

Corporate Governance Committee Structure and Membership

The Corporate Governance Committee consists of 4 (four) people, consisting of 3 (three) Independent Commissioners and 1 (one) Commissioner.

Name	Position in Danamon	Position in Committe
Peter Benyamin Stok	Independent Commissioner	Chairman
Nobuya Kawasaki	Commissioner	Member
Hedy Maria Helena Lapian	Independent Commissioner	Member
Halim Alamsyah*	Independent Commissioner	Member

*Halim Alamsyah is appointed as committee member on September 20, 2021

Membership of the Governance Committee

All committee members comply with applicable regulations relating to the expertise requirements of the members of the Governance Committee, with due regard for each of them with good integrity, character and morals as stated in a personal statement.

Legal Basis of Appointment

Members of the Danamon Governance Committee are appointed through Circular Decisions of the Board of Commissioners in lieu of decisions taken at the Board of Commissioners Meeting, namely Number KSR-Kom. Corp.Sec-004 dated September 2021.

Independence of the Governance Committee

To uphold independence and objectivity, the Governance Committee is chaired by an Independent Commissioner, namely Peter B. Stok. Members of the Board of Directors are not allowed to become members of the Governance Committee. Members of the Governance Committee are required to comply with the Danamon Code of Ethics.

Length of service

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

Policy and Implementation of Governance Committee Meetings

Governance Committee Meeting Policy

Meetings are held in accordance with the needs of Danamon at least 1 (one) time in 1 (one) semester.

1. Attendance at least 51 (fifty one percent) of the members of the Governance Committee.
2. Meeting decisions are taken based on the principle of deliberation and consensus.
3. In the event that there is no consensus, the decision shall be determined by a majority vote. Decisions taken by majority vote are based on the principle of 1 (one) person 1 (one) vote.
4. Dissenting opinions that occur in the meeting and the reasons for the differences must be stated clearly in the minutes of the meeting.
5. Each meeting is recorded in the minutes, properly documented, signed by all members of the Governance Committee present, and submitted to the Board of Commissioners.

IMPLEMENTATION, ATTENDANCE RATE, AND MEETING AGENDA

During 2021, the Corporate Governance Committee has held 2 (two) meetings with the following levels of attendance and meeting agenda:

ATTENDACE OF COMMITTEE MEMBERS

Name	Attendance
Peter Benyamin Stok	100%
Nobuya Kawasaki	100%
Hedy Maria Helena Lapian	100%

MEETING AGENDA

No	Date of Meeting	Meeting Agenda
1	19 January 2021	1. Minutes of Meeting 2. Draft CG Self Assessment 3. Update on Bank Governance (Sharia Spin-Off and Qanun in Aceh, BOC Composition, Sharia Spin-Off and Qanun in Aceh)
2	19 July 2021	1. Minutes of Meeting 2. Draft CG Self Assessment 3. Update on Bank Governance (Sharia Spin-Off and Qanun in Aceh, BOC Composition, Sharia Spin-Off and Qanun in Aceh)

INTEGRATED GOVERNANCE COMMITTEE

Danamon as the Main Entity of the MUFG Group Financial Conglomerate formed the Integrated Governance Committee to assist the implementation of the duties of the Board of Commissioners as the Main Entity's Board of Commissioners, particularly in carrying out the supervisory function on the implementation of integrated governance in the MUFG Group Financial Conglomerate, in accordance with applicable laws and regulations. apply. The Integrated Governance Committee is responsible to the Board of Commissioners.

Integrated Governance Committee Guidelines and Work Rules

Danamon's Integrated Governance Committee has established Committee Guidelines and Work Rules that regulate matters related to objectives, accountability, structure and membership, term of office, duties and responsibilities, authority, meetings and implementation, and reporting. The Integrated Governance Committee's Guidelines and Work Rules are reviewed periodically.

Duties and Responsibilities of the Integrated Governance Committee

Duties and Responsibilities Duties and responsibilities of the Integrated Governance Committee, among others:

1. Evaluate the implementation of integrated governance at least through an assessment of the adequacy of internal control and the implementation of an integrated compliance function.
2. Provide recommendations to the Board of Commissioners of the Main Entity in terms of improving integrated governance policies.
3. Improving the competence of members through continuous education and training.
4. Have, review and update the Integrated Governance Committee Charter on a regular basis.
5. Maintain the confidentiality of all documents, data and information of the Main Entity and Subsidiaries.

Authority of Integrated Governance Committee

The authority of the Integrated Governance Committee, among others:

1. The Integrated Governance Committee has the authority to access the required documents, data and information from the Main Entity, Subsidiaries, and Related Companies, while still complying with the internal policies of each entity and the prevailing laws and regulations.
2. The Integrated Governance Committee is authorized to communicate directly with employees, the Board of Directors and other parties within the Main Entity, Subsidiaries, and Related Companies.
3. The Integrated Governance Committee is authorized to involve independent parties to assist in carrying out its duties, if necessary.
4. The Integrated Governance Committee is authorized to carry out other authorities given by the Board of Commissioners of Danamon/Main Entity.

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

Integrated Governance Committee Structure and Membership

In line with the changes to the MUFG Group Financial Conglomerate, the Integrated Governance Committee consists of 9 (nine) people, namely:

1. From the Main Entity consisting of:
   - 2 (two) Independent Commissioners.
   - 1 (one) Commissioner.
   - 1 (one) Independent Party.
   - 1 (one) Member of the Sharia Supervisory Board.
2. From the Subsidiary: 1 (one) Independent Commissioner who represents and is appointed by the Subsidiary.
3. From Related Companies: 3 (three) members of the Supervisory Board who represent and are appointed from the Related Company.

The composition of the members of this Committee has complied with the Guidelines and Work Rules of the Integrated Governance Committee as well as the requirements for the independence of the Committee members.

Expertise of Integrated Governance Committee Member

Each member has the expertise needed to carry out the committee's functions by taking into account that each has integrity, good character and morals as outlined in a personal statement.

Legal Basis of Appointment

Members of the Integrated Governance Committee are appointed through Circular Resolutions of the Directors' Resolutions in lieu of decisions taken at the Board of Directors' Meeting of PT Bank Danamon Indonesia Tbk. Number KSR-KOM.Corp.Sec-004 which is effective as of September 12021.

Independence of the Integrated Governance Committee

To uphold independence and objectivity, the Integrated Governance Committee is chaired by an Independent Commissioner, namely Peter B. Stok. Members of the Board of Directors are not allowed to become members of the Integrated Governance Committee.

Length of service

The term of office of members of the Integrated Governance Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association.

Policy and Implementation of Integrated Governance Committee Meetings

Integrated Governance Committee Meeting Policy

1. Meetings are held as needed at least 1 (one) time in 1 (one) semester.
2. Attendance at least 5(fifty one percent) of the members of the Integrated Governance Committee.
3. Meeting decisions are taken based on the principle of deliberation and consensus. In the event of no consensus, the decision is determined by a majority vote. Decisions taken by majority vote are based on the principle of 1 (one) person 1 (one) vote.
4. Dissenting opinions that occur in the meeting and the reasons for the differences must be stated clearly in the minutes of the meeting.
5. Each meeting is recorded in the minutes, properly documented, signed by all members of the Integrated Governance Committee present and submitted to the Board of Commissioners of the Main Entity.

Implementation of the Integrated Governance Committee Meeting

Implementation, Attendance Rate, and Meeting Agenda

During 2021 the Integrated Governance Committee has held 2 (two) meetings with the following levels of attendance and meeting agenda:

Attendace of Committee Members

Name	Attendance
Peter Benyamin Stok	100%
Nobuya Kawasaki	100%
Zainal Abidin	100%
M Din Syamsudin	100%
Djoko Sudyatmiko	100%

Name	Attendance
Kevin Ludwick	100%
Tatsuya Ishikawa	100%
Andre S Painchaud	100%
Adam Hartono Asihin	100%

Meeting Agenda

No	Date	Meeting Agenda
1	5 February 2021	1. Minutes of Meeting 2. Draft ICG Self-Assessment 3. Update on Financial Conglomerate Governance (Proposed revision of ICG charter, ICG Policy, Update on POJK on Financial Conglomerate, and Update on governance of subsidiaries and sister companies).
2	6 August 2021	1. Minutes of Meeting 2. Draft ICG Self-Assessment 3. Update on Financial Conglomerate Governance (Update on governance of subsidiaries and sister companies)

THE BOARD OF DIRECTORS

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

The members of the Board of Directors are appointed by the General Meeting of Shareholders (GMS) after considering the recommendations of the Nomination Committee through the Board of Commissioners. The appointment is effective from the date determined in the GMS and ends at the closing of the 3rd (third) GMS after the appointment date. If there is an addition/appointment of a member of the Board of Directors, the tenure of the member of the Board of Directors begins on the date specified in the GMS and ends on the same date as the tenure of the other members of the Board of Directors.

The Board of Directors is responsible for carrying out their duties to the GMS. In carrying out their duties, the Board of Directors is given clear authority and responsibility under the Articles of Association which is guided by the applicable laws and regulations. Members of the Board of Directors whose tenure has ended may be re-elected by the GMS for the next 3 years.

BOARD OF DIRECTORS' GUIDELINES AND WORK PROCEDURES

The Board of Directors has Guidelines and Work Rules that are compiled and reviewed regularly based on applicable regulations (Financial Services Authority/Bank Indonesia), international best practices, and best governance practices. The guidelines and work procedures of the Board of Directors contain and regulate matters relating to general provisions, membership structure, duties and responsibilities, committee formation, authority, transparency, work ethics, meetings, tenure, and reporting.

BOARD OF DIRECTORS' WORK ETHICS

Members of the Board of Directors hold the following work ethics:

1. They are prohibited to use Danamon for personal, family, and/or other party interests that may harm or reduce the profits and reputation of Danamon and its Subsidiaries.
2. They are prohibited to take and/or receive personal benefits from Danamon other than remuneration and other facilities as determined by the General Meeting of Shareholders.
3. They are prohibited to hold concurrent positions as a member of the Board of Commissioners, Board of Directors, or executive officer of a bank, company, and/or other institution. It does not include concurrent positions if the Board of Directors who is responsible for supervising investment in Danamon's Subsidiary Company, carries out functional duties as a member of the Board of Commissioners in a non-bank Subsidiary Company controlled by Danamon, as long as the dual position does not result in the person concerned neglecting the implementation of duties and responsibilities as members of the Board of Directors.
4. They are prohibited to own shares of more than 25% (twenty-five percent) either individually or jointly from the paid-up capital of Danamon and/or in another company.
5. They are prohibited to give a general power of attorney to other parties which results in the transfer of duties and functions of the Board of Directors.
6. They are forbidden to use individual advisors and/or professional services as consultants unless they meet the requirements 1) The project is specific; 2) Based on a clear contract, which at least covers the scope of work, responsibilities, and duration of work as well as costs; 3) Consultants are independent parties and have qualifications to work on special projects.
7. They are prohibited to directly or indirectly make false statements regarding material facts or to conceal material facts so that the statements made are not misleading regarding the current condition of Danamon when the statement is made.
8. They are subject to the Danamon Code of Ethics, applicable laws, and regulations, as well as Danamon's internal policies.

DISCLOSURE OF THE BOARD OF DIRECTORS

1. The Board of Directors discloses the following in the Corporate Governance Implementation Report:
   a. share ownership both in Danamon and in other banks and companies, domiciled at home and abroad;
   b. financial and family relationships with members of the Board of Commissioners, other members of the Board of Directors, and/or controlling shareholders of Danamon;
   c. remuneration and facilities received from Danamon;
   d. position in another company.

2. The Board of Directors is required to disclose Danamon's strategic policies in the field of personnel to employees.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Duties and Responsibilities of the Board of Directors, require them to:

1. be fully responsible for the implementation of Danamon's management,
2. manage Danamon with the authority and responsibility as regulated in Danamon's Articles of Association and the prevailing laws and regulations,
3. implement the principles of governance in every Danamon business activity at all levels or levels of the organization.
4. be fully responsible for setting the short and long-term strategic direction and priorities of Danamon.
5. follow up on audit findings and recommendations from Danamon's Internal Audit Unit, external auditors, results of supervision by the Financial Services Authority, Bank Indonesia, and/or results of supervision by other authorities.
6. carry out Danamon's social responsibility programs.
7. establish an Internal Audit Unit, a Risk Management Unit, and a Compliance Unit, to implement the principles of good corporate governance.
8. maintain a healthy and open relationship with the Board of Commissioners and support the Board of Commissioners in carrying out its role as a supervisory organ.
9. be responsible for the implementation of their duties to shareholders through the General Meeting of Shareholders.
10. disclose to employees regarding strategic Human Resources policies in the field of personnel.
11. provide accurate, relevant, and timely data and information to the Board of Commissioners.
12. ensure the implementation of Integrated Governance in the Financial Conglomerate as stipulated in the Integrated Governance policy.

AUTHORITY OF DIRECTORS

Representing Danamon inside and outside the court on all matters and in all events, binding Danamon with other parties and other parties with Danamon and carrying out all actions, both regarding management and ownership, but with restrictions and conditions as stated in the Articles of Association Danamon.

Performing other authorities given by Danamon's Articles of Association as well as applicable laws and regulations.

DIVERSITY POLICY IN THE COMPOSITION OF THE BOARD OF DIRECTORS

Danamon has a diversity policy that is used as a reference in the nomination process for prospective members of the Board of Directors. Danamon values and respects every difference in perspective, knowledge, ability, and experience of each individual, and does not discriminate against race, ethnicity, gender, and religion.

In the nomination process, in addition to paying attention to the minimum requirements and other criteria, the scope and balance of knowledge, expertise, and experience, as well as diversity needs, are taken into consideration by Danamon to obtain an optimal composition of the Board of Directors. The optimal composition of the Board of Directors can optimize decision-making and ultimately improve the company's performance.

BOARD OF DIRECTORS SUCCESSION POLICY

Danamon has a succession policy for members of the Board of Directors which is used to maintain continuity of leadership in the future. The implementation of succession is carried out through the identification of executive officers who have potential through the Talent Review Program. Each member of the Board of Directors is required to submit a minimum of 2 (two) replacement candidates whose competency and skill gaps will be identified and evaluated. The replacement candidates will be grouped into the talent inventory to be recommended to the Nomination Committee.

BOARD OF DIRECTORS NOMINATION POLICY

The Nomination Policy is prepared as a basis for identifying candidates for members of the Board of Directors with the best qualifications who meet the minimum requirements as stipulated in the laws and regulations and other criteria.

The process of identifying candidates for the Board of Directors is carried out by the Nomination Committee. If necessary, the Nomination Committee can use the services of a third party (search firm). The Nomination Committee conducts identification of qualified candidates, interviews, and candidate selection (including background and reference checks).

The Nomination Committee will consider knowledge, expertise, and professional experience, as well as diverse compositions without discriminating against race, ethnicity, gender, and religion in identifying candidates. The Nomination Committee proposes the selected candidate to the Board of Commissioners for approval and endorsement at the General Meeting of Shareholders. The Nomination Committee will also evaluate all members of the Board of Directors who will be reappointed at the General Meeting of Shareholders.

NUMBER, COMPOSITION, AND CRITERIA OF DIRECTORS

The composition of the Board of Directors is as follows:

No.	Name	Position
1	Yasushi Itagaki	President director
2	Honggo Widjojo Kangmasto	Vice President Director
3	Herry Hykmanto	Director
4	Rita Mirasari	Director
5	Heriyanto Agung Putra	Director
6	Dadi Budiana	Director
7	Muljono Tjandra	Director
8	Naoki Mizoguchi	Director

All members of the Board of Directors have passed the fit and proper test from OJK

The majority of the members of the Board of Directors are Indonesian citizens and all of them are domiciled in Indonesia. The Board of Directors is led by a President Director who comes from professional circles and has sufficient integrity and competence. The President Director is an independent party who has no management, ownership, and/or financial relationship as well as a family relationship with the controlling shareholder.

All members of the Board of Directors upon appointment have met the requirements for integrity, competence, and financial reputation that include; having good character and morals, having never been declared bankrupt, having never been convicted of a criminal act, and having knowledge, expertise, and experience in the operational field as an official bank executive.

NUMBER, COMPOSITION, AND CRITERIA OF DIRECTORS

Name	Position	GMS Date	Effective Date (OJK/BI Approval)	Tenure	Number of Appointments	Domicile
Yasushi Itagaki	Director	March 20, 2018	7 September 2018	2018-2020	2x	Indonesia
	Director	26 March 2019*	April 25, 2019**	2019-2020		
	President Director	October 1, 2019	December 5, 2019	2019-2020		
	President Director	March 23, 2020	December 5, 2019	2020–2022		
Honggo Widjaja Kangmasto	Vice Director	October 1, 2019	December 5, 2019	2019-2020	2x	Indonesia
	Vice Director	March 23, 2020	December 5, 2019	2020–2022		

Name	Position	GMS Date	Effective Date (OJK/BI Approval)	Tenure	Number of Appointments	Domicile
Herry Hykmanto	Director	03 April 2008	May 13, 2008	2008-2011	5x	Indonesia
				2011-2014		
				2014-2017		
				2017-2020		
		26 March 2019*	April 25, 2019**	2019-2020		
		March 23, 2020	April 25, 2019	2020-2022		
Rita Mirasari	Director	07 September 2016	14 September 2016	2016-2017	3x	Indonesia
				2017-2020		
		26 March 2019*	April 25, 2019**	2019-2020		
		March 23, 2020	April 25, 2019	2020-2022		
Heriyanto Agung Putra	Director	April 28, 2016	December 23, 2016	2016-2017	3x	Indonesia
				2017-2020		
		26 March 2019*	April 25, 2019**	2019-2020		
		March 23, 2020	April 25, 2019	2020–2022		
Dadi Budiana	Director	March 20, 2018	17 October 2018	2018-2020	2x	Indonesia
		26 March 2019*	April 25, 2019**	2019-2020		
		March 23, 2020	April 25, 2019	2020-2022		
Muljono Tjandra	Director	October 1, 2019	December 5, 2019	2019-2020	2x	Indonesia
		March 23, 2020	December 5, 2019	2020-2022		
Naoki Mizoguchi	Director	October 1, 2019	December 5, 2019	2019-2020	2x	Indonesia
		March 23, 2020	December 5, 2019	2020-2022		

* Under the resolution of the EGMS on March 26, 2019, the Board of Directors has approved a change in the composition of the Board of Directors due to the merger process between Danamon and PT Bank Nusantara Parahyangan Tbk ("BNP").

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

SCOPE OF WORK AND RESPONSIBILITIES OF EACH DIRECTOR

Each member of the Board of Directors has a field of duty and authority which is regulated by referring to the Articles of Association and Decisions of the Board of Directors. In 2021, based on the Organizational Structure, the scope of duties and responsibilities of each Member of the Board of Directors is as follows:

Directors	Duties and responsibilities
Yasushi Itagaki (President director)	Overseeing all duties and authorities of the Board of Directors and directly supervising the Internal Audit field, PT Adira Dinamika Multi Finance Tbk, Treasury Capital Market, Information Technology, Operation, Branch Control, Branch Network, Consumer Banking, Small & Medium Enterprises (SME), Bancassurance.
Honggo Widjojo Kangmasto (Vice President director)	Enterprise & Transactional Banking, Financial institutions, Treasury Sales
Herry Hykmanto (Director	Sharia Banking, Micro Banking, CREM, Business Banking Unit
Rita Mirasari (Director)	Compliance and Corporate Secretary, AML/KYC, Integrated Risk (Pjs)

Directors	Duties and responsibilities
Heriyanto Agung Putra (Director)	Human Resources
Dadi Budiana (Director)	Credit, Law, Litigation
Muljono Tjandra (Director)	Finance
Naoki Mizoguchi (Director)	Global Alliance Strategy, Digital, and Marketing

INDEPENDENCE OF THE BOARD OF DIRECTORS

All members of the Board of Directors do not have family and financial relationships which are stated in a statement letter signed by the members of the Board of Directors and updated every year. Members of the Board of Directors have fulfilled the independence requirements under the provisions of the Implementation of Good Governance which are accommodated in the Guidelines and Work Rules of the Board of Directors.

Family Relations and Financial Relations of Members of the Board of Directors

Name	Position	Family Relationship with						Financial Relationship With					
		Member of the Board of Commissioners		Board of Directors		Controlling shareholders		Member of the Board of Commissioners		Board of Directors		Controlling shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Yasushi Itagaki	President Director	-	√	-	√	-	√	-	√	-	√	-	√
Honggo Widjojo Kangmasto	Vice President Director	-	√	-	√	-	√	-	√	-	√	-	√
Herry Hykmanto	Director	-	√	-	√	-	√	-	√	-	√	-	√
Rita Mirasari	Director	-	√	-	√	-	√	-	√	-	√	-	√
Heriyanto Agung Putra	Director	-	√	-	√	-	√	-	√	-	√	-	√
Dadi Budiana	Director	-	√	-	√	-	√	-	√	-	√	-	√
Muljono Tjandra	Director	-	√	-	√	-	√	-	√	-	√	-	√
Naoki Mizoguchi	Director	-	√	-	√	-	√	-	√	-	√	-	√

CONCURRENT POSITIONS OF MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors discloses the position or other positions as outlined in a statement letter signed by the members of the Board of Directors and updated annually. It does not include concurrent positions for Directors who have supervisory responsibilities in Subsidiaries, carry out functional duties and become Board of Commissioners in Subsidiaries. All members of the Board of Directors of Danamon do not hold concurrent positions which are prohibited by OJK regulations regarding the Implementation of Good Corporate Governance for Commercial Banks.

Position of Member of Danamon's Board of Directors in Subsidiary Company

Name	Position at Danamon	Position at Subsidiary Company
Yasushi Itagaki	President Director	President Commissioner of PT Adira Dinamika Multi Finance Tbk

Name	Position at Danamon	Position at Subsidiary Company
Honggo Widjojo Kangmasto	Vice President Director	-
Herry Hykmanto	Director	-
Rita Mirasari	Director	-
Heriyanto Agung Putra	Director	-
Dadi Budiana	Director	-
Muljono Tjandra	Director	-
Naoki Mizoguchi	Director	-

SHARE OWNERSHIP OF MEMBERS OF THE BOARD OF DIRECTORS

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

Name	Position	OwnershipStock On				Description
		Danamon	Other Banks	Non-Bank Financial Institution	Other Companies	
Yasushi Itagaki	President Director	-	-	-	-	
Honggo Widjojo Kangmasto	Vice President Director	260,600	-	-	-	
Herry Hykmanto	Director	350,956	-	-	-	
Rita Mirasari	Director	164,700	-	-	-	
Heriyanto Agung Putra	Director	207,600			PT. Garuda Indonesia (Persero) Number of shares owned 207,804	
Dadi Budiana	Director	272,500	-	-	-	
Muljono Tjandra	Director	184,100	-	-	-	
Naoki Mizoguchi	Director	-	-	-	-	

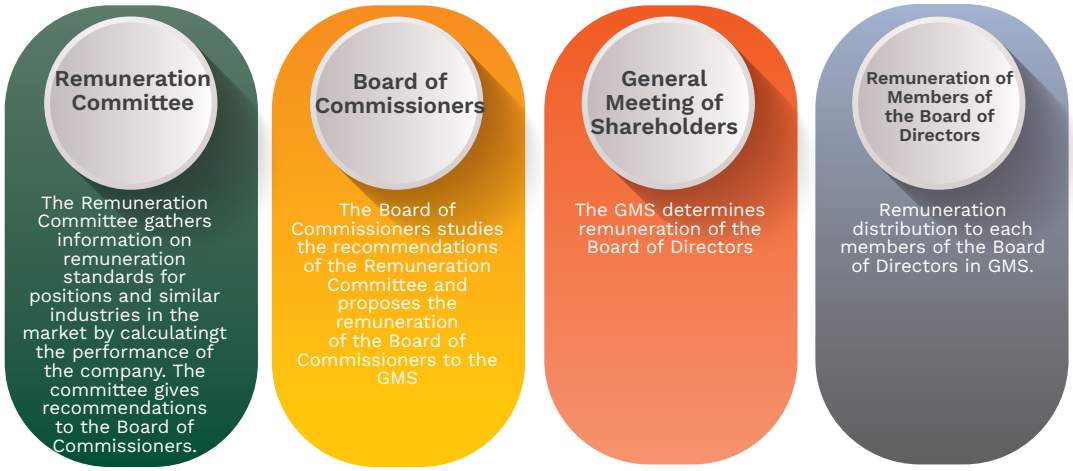
DIRECTORS' REMUNERATION

Indicators for Determining the Remuneration of the Board of Directors

Determination of remuneration for the Board of Directors is recommended by the Remuneration Committee with reference to Danamon's remuneration principles and the results of an assessment of target achievement (goal setting), applicable regulations, similar industries in the market (industry comparison), and Danamon's performance. The Committee's recommendations are submitted to the Board of Commissioners for approval from the GMS.

Procedures for Determining the Remuneration of the Board of Directors

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



REMUNERATION STRUCTURE FOR MEMBERS OF THE BOARD OF DIRECTORS

The remuneration package for members of the Board of Directors is paid regularly and the grouping of remuneration levels and the number of members of the Board of Directors who receive the remuneration package in 1 (one) year, are disclosed in the Remuneration Policy section of this report.

BOARD OF DIRECTORS MEETING

Board of Directors Meeting Policy

a. The Board of Directors is required to hold regular Board of Directors meetings at least 1 (one) time every month.
b. The Board of Directors must hold a meeting of the Board of Directors together with the Board of Commissioners periodically at least 1 (one) time in 4 (four) months.
c. The Board of Directors must schedule a meeting of the Board of Directors or a joint meeting of the Board of Directors with the Board of Commissioners for the following year before the end of the financial year.
d. Every policy and a strategic decision must be decided through a meeting of the Board of Directors with due regard to the provisions of Danamon's Articles of Association and other laws and regulations.
e. At the scheduled meeting, the meeting materials are submitted to the participants no later than 5 (five) days before the meeting is held.
f. If a meeting is held outside the schedule that has been prepared as referred to above, the meeting materials are submitted to the meeting participants no later than before the meeting is held.
g. Meeting invitations are sent to participants at least 3 (three) days before the meeting is held.
h. The President Director chaired the Board of Directors meeting. If the position of the President Director is vacant or the President Director is unable to attend the meeting of the Board of Directors, one member of the Board of Directors is selected by the member of the Board of Directors present at the meeting to chair the meeting of the Board of Directors.
i. A member of the Board of Directors may be represented at a meeting of the Board of Directors only by another member of the Board of Directors based on a power of attorney.
j. Meetings of the Board of Directors may be held if at least 75% of the members of the Board of Directors are present.
k. Decision-making in the Board of Directors meeting is based on deliberation and consensus. If consensus deliberation is not reached, the decision is made based on a majority vote. Decisions are made based on the majority of votes referring to the principle of 1 (one) person 1 (one) vote.
l. Every member of the Board of Directors who personally in any way, directly or indirectly has an interest in a transaction, contract, or proposed

contract, in which Danamon is a party, must state the nature of interest in the Board of Directors Meeting and is not entitled to participate in the decision-making on matters relating to the proposed transaction or contract unless the Board of Directors determines otherwise.

m. The results of the Board of Directors meeting must be stated in the minutes of the meeting, signed by all members of the Board of Directors present, and submitted to all members of the Board of Directors and the Corporate Secretary.

n. The results of the meeting of the Board of Directors together with the Board of Commissioners must be stated in the minutes of the meeting, signed by all members of the Board of Directors and members of the Board of Commissioners present, and submitted to all members of the Board of Directors and members of the Board of Commissioners and the Corporate Secretary.

o. If a member of the Board of Directors and/or a member of the Board of Commissioners does not sign the results of the above meetings, the person concerned must state the reasons in writing in a separate letter attached to the minutes of the meeting.

p. Dissenting opinions that occur in the meeting of the Board of Directors, must be clearly stated in the minutes of the meeting along with the reasons for the difference of opinion.

q. The Board of Directors may also take legal and binding decisions without holding a Board of Directors meeting, provided that all members of the Board of Directors agree in writing by signing a decree containing the relevant proposal. Decisions taken in this way have the same legal force as decisions taken legally at a meeting of the Board of Directors.

FREQUENCY OF BOARD OF DIRECTORS MEETINGS

Throughout 2021, the Board of Directors has held 39 meetings consisting of 36 Board of Directors Meetings and 3 (three) Board of Directors Meetings inviting the Board of Commissioners. All meeting decisions are documented in the minutes of the meeting. Decision-making in all Board of Directors meetings is carried out by deliberation and consensus and there is no dissenting opinion.

Attendance Level of Members of the Board of Directors at the Board of Directors Meeting and the Board of Directors Meeting with the Board of Commissioners

Directors	Attendance Rate in Board of Directors Meeting	Attendance Rate in Board of Directors Meeting Invites Board of Commissioners
Yasushi Itagaki	100%	100%
Honggo Widjojo Kangmasto	90%	100%
Herry Hykmanto	97%	100%
Rita Mirasari	97%	100%
Heriyanto Agung Putra	100%	100%
Dadi Budiana	97%	100%
Naoki Mizoguchi	100%	100%
Muljono Tjandra	97%	100%

Board of Directors Meeting Agenda

No	Date	Agenda
1	January 4, 2021	• D&O and BBB Insurance
2	January 13, 2021	• Review and approval of meeting minutes • Manulife Updates • CoC and NPL December 2020 • Update SKAI • Employee Value Preposition

No	Date	Agenda
3	January 20, 2021	• Appointment of Accountants and Public Accounting Firm 2021 • December 2020 Financial Performance
4	January 24, 2021	• Update Manulife collaboration fee
5	January 26, 2021	• Review and approval of meeting minutes • Laon workout case • Sharing session agile transformation
6	February 8, 2021	• Review and approval of Meeting Minutes • 2020 audit results • CoC and NPL January 2021 • Frontline and enablement/KPI Dashboard release
7	February 22, 2021	• Review and Approval of Meeting Minutes • SOS Implementation • January 2020 Financial Performance • FTP impact simulation • Monthly report on Information Technology (IT) and Business Process Reengineering (BPR) • CICD and Automation Roadmap for key application • Prapatan Office
8	March 8, 2021	• Review and Approval of Meeting Minutes • BSC 2021 • Cost allocation • CoC and NPL February 2021
9	March 18, 2021	• Covid 19 Vaccination
10	March 22, 2021	• Review and Approval of Meeting Minutes • Dividend payment • BSC 2021 • Global Roll Out (GRO) • Monthly report on Information Technology (IT) and Business Process Reengineering (BPR)
11	March 24, 2021	• Financial performance February 2021
12	April 5, 2021	• Review and Approval of Meeting Minutes • Adira Finance's transformation initiative
13	April 20, 2021	• Review and Approval of Meeting Minutes • March 2021 Financial Performance • CoC and NPL March 2021 • FX Spread Plus Action Law Suit • SME business updates • Monthly report on Information Technology (IT) and Business Process Reengineering (BPR)
14	May 3, 2021	• Review and Approval of Meeting Minutes • Kick-off RevisionBank Business Plan
15	May 24, 2021	• Review and Approval of Meeting Minutes • Financial Performance April 2021 • CoC and NPL April 2021 • Update SKAI • Application Programming Interface (API) Banking • Monthly report on Information Technology (IT) and Business Process Reengineering (BPR) • Covid 19 Vaccination
16	May 31, 2021	• Simplification project • Resolution Plan • Robotic Process Automation
17	June 7, 2021	• Review and Approval of Meeting Minutes • Revision of Bank Business Plan 2021 • Halo Danamon Plans and Projects

No	Date	Agenda
18	June 21, 2021	• Review and Approval of Meeting Minutes • CoC and NPL May 2021 • Monthly report on Information Technology (IT) and Business Process Reengineering (BPR) • Employee Value Proposition
19	June 24, 2021	Financial Performance May 2021
20	June 29, 2021	WFH special emergency situation
21	July 5, 2021	• Review and Approval of Meeting Minutes • EGMS • LLP coverage analysis • Danamon's 65th Birthday
22	July 19, 2021	• Review and Approval of Meeting Minutes • CoC and NPL June 2021 • Malware detection and prevention • Monthly report on Information Technology (IT) and Business Process Reengineering (BPR) • Simplification Project • Company Support during the Covid 19 pandemic
23	July 21, 2021	• Financial Performance June 2021
24	August 3, 2021	• Review and Approval of Meeting Minutes • Ongko Group Case
25	August 16, 2021	• Review and Approval of Meeting Minutes • Mid-year 2021 projection • CoC and NPL July 2021
26	August 24, 2021	• Financial Performance July 2021
27	August 30, 2021	• Review and Approval of Meeting Minutes • Audit 2021 Kickoff • 3 Year Plan Kickoff • Agile auditing approach at SKAI • Information Technology (IT) and Business Process Reengineering (BPR) Reports • Employee Engagement Survey • Voice of Internal Customer
28	September 13, 2021	• Review and Approval of Meeting Minutes • Project policy • BSD data center migration assessment
29	September 22, 2021	• August 2021 Financial Performance
30	September 27, 2021	• Review and Approval of Meeting Minutes • Update tax regulations • Simplification Project • CoC and NPL August 2021 • Information Technology (IT) and Business Process Reengineering (BPR) Reports
31	October 11, 2021	• Review and Approval of Meeting Minutes • New Branch Project
32	October 25, 2021	• Review and Approval of Meeting Minutes • September 2021 Financial Review Performance • CoC and NPL September 2021 • Roadmap strategy 2022 • Information Technology (IT) and Business Process Reengineering (BPR) Reports • Project Dashboard • Branch Transformation • Integration Risk Organizational Structure

No	Date	Agenda
33	November 8, 2021	• Review and Approval of Meeting Minutes • Discussion about BOC and BOD strategic meeting • Update SKAI and SKAI 2022 plan • e-money Project Status • Simplification Project
34	November 10, 2021	• 3 Year Bank Business Plans and Aspirations
35	December 6, 2021	• Review and Approval of Meeting Minutes • Receivable Write off • Harmonization of Tax Regulations • Simplification project • Risk Management Reorganization • Trademark Registration
36	December 14, 2021	• Review and Approval of Meeting Minutes • 2021 Interim Audit Results • Unrecoverable Deferred Tax Asset • 2017 tax audit status

Meeting Agenda of the Board of Directors with the Board of Commissioners

No	Meeting Date	Meeting agenda
1	January 25, 2021	• Review and Approval of Meeting Minutes • Business Updates (CEO Update, Financial Update, Asset Quality Update, and Crisis Command Center (CCC) Update • 2021 Annual General Meeting of Shareholders (AGMS)
3	May 28, 2021	• Review and Approval of Meeting Minutes • Business Update (CEO Update, Financial Update, and Asset Quality Update)
5	September 24, 2021	• Review and Approval of Meeting Minutes • Business Update (CEO Update, Financial Update, and Asset Quality Update)

2022 MEETING SCHEDULE

At the end of 2021, the Board of Directors has prepared a schedule of meetings to be held in 2022 as many as 25 (twenty-five) Board of Directors meetings and 3 (three) Board of Directors meetings inviting the Board of Commissioners

ATTENDANCE OF MEMBERS OF THE BOARD OF DIRECTORS AT THE ANNUAL GMS

The Board of Directors' accountability for the implementation of duties and responsibilities of the is conveyed to shareholders through the 2021 Annual GMS. A total of 10 (ten) members of the Board of Directors are present at the Annual GMS which will be held on April 30, 2021.

IMPLEMENTATION OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS IN 2021

The Board of Directors carries out Danamon's business activities in a directed and planned manner to fulfill its obligations to stakeholders. The Board of Directors carries out its duties and responsibilities, among others:

1. Consistently following up on the implementation of Danamon's long-term strategy that has been formulated in 2020.
2. Take steps to encourage growth with prudence principles on Danamon's main business lines which include Small & Medium Enterprises, Enterprise Banking, and Consumer Banking.
3. Through the Crisis Command Center, monitor health protocols related to COVID 19, ensure optimal health protection for employees and customers, in addition to minimum disruption in operations and services.
4. Implement the government's economic stimulus program by providing credit relaxation to customers affected by the COVID-19 pandemic in accordance with the provisions of the regulator.
5. Increase collaboration with MUFG in increasing credit, funding, process efficiency, and improving human resource capabilities.

6. Increase investment in digital technology solutions to provide excellent customer service improvements and automate operational processes to be more efficient and effective

BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

Performance Assessment Implementation Process
The performance appraisal of the Board of Directors is carried out based on the collegial work of all members of the Board of Directors on the achievement of Danamon's work plan. In addition, the performance appraisal of the Board of Directors also considers the duties and responsibilities of the Board of Directors in accordance with the laws and regulations and/or Danamon's Articles of Association.

PERFORMANCE ASSESSMENT CRITERIA

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

1. Financial performance,
2. Bank soundness level,
3. Capital,
4. Risk profile,
5. Compliance with regulations,
6. Significance of audit results,
7. Long-term goals and strategies, and
8. Implementation of corporate governance principles

APPRAISAL

The Board of Commissioners' performance assessment is carried out by the Board of Commissioners and the results of the Board of Directors' performance assessment are taken into consideration in improving the effectiveness of the Board of Directors' performance. In addition, the performance appraisal of the Board of Directors is submitted in the form of accountability for the implementation of duties and responsibilities at the Annual GMS.

PERFORMANCE ASSESSMENT OF MEMBERS OF THE BOARD OF DIRECTORS

All members of the Board of Directors have performance targets as outlined in the balance scorecard in accordance with the duties and responsibilities of each member of the Board of Directors including compliance management, risk control and human resources. Performance appraisal of members of the Board of Directors is carried out every 6 (six) months by the President Director.

OPINION OF THE BOARD OF COMMISSIONERS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS

The implementation of Danamon's strategy and the quick response of the Board of Directors succeeded in maintaining the stability of the Bank in facing the economic challenges caused by the COVID-19 pandemic. In 2021, the Bank managed to maintain positive profitability with net income after tax reaching Rp 1.57 trillion. Total loans disbursed by the Bank and its subsidiaries reached Rp 127.7 trillion, of which the Enterprise Banking segment managed to achieve an annual growth of 6%, supported by collaboration with MUFG.

From the aspect of asset quality, Danamon continues to ensure risk management that adheres to the principle of prudence, and is always guided by the risk appetite statement. As a result, Danamon managed to improve asset quality despite challenging economic conditions. The NPL ratio was at the level of 2.7%, an improvement of 0.1% from the previous year of 2.8%. In addition, the Bank also makes proactive reserves to strengthen the balance sheet. Due to this, the Bank succeeded in increasing the NPL coverage ratio to a record high at the level of 225.6%.

Danamon's capital level was successfully improved with a Capital Adequacy Ratio (CAR) recorded at 26.7%, well above the minimum level set by regulations. This gives Danamon the ability to grow as well as the strength to deal with the potential impact of the economic slowdown caused by the pandemic.
For the good achievements in 2021, as well as the dedication that continues to be shown, the Board of Commissioners expresses its highest appreciation to the entire Board of Directors.

BOARD OF DIRECTORS COMMITTEE PERFORMANCE ASSESSMENT

During 2021, the Committees under the Board of Directors have performed their functions and made contributions that support the implementation of the duties and responsibilities of the Board of Directors.

ORIENTATION PROGRAM FOR NEW DIRECTORS

Danamon has an orientation program for new members of the Board of Directors through the provision of an On-Boarding Pack and short briefings by related units face-to-face to provide a better understanding of the organization, duties, responsibilities, and processes in Danamon.

BOARD OF DIRECTORS TRAINING PROGRAM

Danamon provides opportunities for members of the Board of Directors to participate in various training programs, certifications, workshops, and conferences to develop competence, professionalism, and insight on an ongoing basis. Throughout 2021, members of the Board of Directors had attended training, certification, workshops, and conferences as follows:

Director Name	Training/ Conference/ Seminar/ Workshop	Organizer	Location	Date
Yasushi Itagaki	2021 Code of Conduct	Danamon	Online	April 5, 2021
	Webinar "Cross-Industry Collaboration for Multifinance"	Association of Indonesian Financing Companies (APPI)	Online	July 27, 2021
	Danamon Compliance 2021 – Series 1	Danamon	Online	September 21, 2021
	Danamon Compliance 2021 – Series 2	Danamon	Online	September 21, 2021
	APU-PPT: The Role of FLOD & GRO	Danamon	Online	January 4, 2021
	ORM & QA 2020	Danamon	E-learning	January 4, 2021
	Danamon Sustainability 2021	Danamon	Online	January 4, 2021
Honggo Widjojo Kangmasto	2021 Code of Conduct	Bank Danamon	E-Learning	April 12, 2021
	Socialization of Changes in PMK 98/2021 in PMK 32/2021 (National Economic Recovery Program)	Indonesia Exim Bank / LPEI	Online	May 7, 2021
	Anti-Bribery and Corruption Policy and Consumer Protection	Bank Danamon	E-learning	September 21, 2021
Herry Hykmanto	Collaborative Interactive Discussion to Support COVID-19 Vaccination	RI Ministry of Health	Online	January 15, 2021
	E-Learning Compliance 2020	Danamon	Online	January 25, 2021
	MUFG-DANAMON THE INDONESIA 2021 SUMMIT "THE FUTURE IS NOW"	MUFG-Danamon	Online	February 23, 2021
	Virtual Executive Roundtable - *Building the Next-Gen Engine to Win Millennials*	Synpulse Consulting	Online	April 15, 2021
	E-Learning ORM & QA 2020	Danamon	Online	June 9, 2021
	E-Learning Danamon Sustainability	Danamon	Online	June 9, 2021
	Halal Lifestyle Webinar with the Ministry of Tourism and the Governor of Jakarta with IPEMI	IPEMI Jakarta	Online	June 29, 2021
	Risk Management Certification – Refreshment Program	Effective Pro Consulting	Online	September 2, 2021
	1st Asia Transition Finance	McKinsey Consulting	Online	September 8, 2021
	2nd Asia Transition Finance	McKinsey Consulting	Online	September 27, 2021

Director Name	Training/ Conference/ Seminar/ Workshop	Organizer	Location	Date
Herry Hykmanto	National Seminar on Current Issues and Problems in Trade Finance in Indonesia	Bank Indonesia	Online	September 29 & 30, 2021
	Workshop on Introduction to Cooperatives and Regulations for the Establishment of USPPS/Sharia Cooperative	Danamon	Online	October 2, 2021
Rita Mirasari	The potential of MSMEs in the Central Java Region in the context of economic recovery in 2021	IBS	Jakarta	January 14, 2021
	Socialization of PBI Payment System regulatory reform	BI	Jakarta	January 15, 2021
	Building optimism after the Covid 19 pandemic "Direction of Monetary Policy, Macro-Prudential & Payment System to optimize the PEN program"	BI & Infobank	Jakarta	January 22, 2021
	Webinar launching the implementation of the goAML reporting application	PPATK	Jakarta	February 1, 2021
	Mandiri Investment Forum 2021-Reform After The Storm	Mandiri Bank	Jakarta	February 3, 2021
	Designing a digital technology-based startup ecosystem to contribute to national economic development	IBS	Jakarta	February 9, 2021
	Trainer: Level 3 (Executive) Compliance Certification Workshop re: Compliance Director Reporting"	FKDKP	Jakarta	February 19, 2021
	Webinar Gratification control and anti-bribery banking	FKDKP, OJK, PPATK	Jakarta	February 22, 2021
	MUFG-Danamon The Indonesia 2021 Summit "The Future is Now"	MUFG-Danamon	Jakarta	February 23, 2021
	Roadmap for the development of Indonesian Islamic banking 2020-2025	OJK	Jakarta	February 25, 2021
	Socialization of the implementation of digital payment transactions through QRIS	Indonesian chamber of commerce and Bank Indonesia	Jakarta	March 3, 2021
	MUFG Overseas Management Compliance Workshop	MUFG	Jakarta	July 14, 2021
	Banking Digital Transformation	OJK	Jakarta	July 15, 2021
	FGD: Juridical Analysis of Transfer of Receivables through Cessie	OJK	Jakarta	July 22, 2021
	Implementation of the Information Exchange Platform in the Context of Efforts to Prevent and Combat Criminal Acts of Terrorism in Indonesia	PPATK	Jakarta	August 2, 2021
	2nd Small Group Meeting for Compliance	BDI-FCC	Jakarta	August 3, 2021
	Socialization of the Responsibilities of Financial Services Providers (PUJK) for Fraud Actions by PUJK Employees	OJK	Jakarta	August 12, 2021
	Socialization of Banking Provisions	OJK	Jakarta	September 1, 2021

Director Name	Training/ Conference/ Seminar/ Workshop	Organizer	Location	Date
Rita Mirasari	Risk Management Certification Refreshment Program	Bank Danamon	Jakarta	September 2, 2021
	Trainer: BSMR Briefing	Bank Danamon	Jakarta	September 9, 2021
	Trainer: BSMR Briefing	Bank Danamon	Jakarta	September 13, 2021
	Level 3 Compliance Certification Workshop Trainer	FKDKP	Jakarta	September 23, 2021
	CEO Forum-The Future of Banking How Bank Stay Relevant	Perbanas	Jakarta	September 30, 2021
	Banking Transformation in the Digital Age	OJK	Jakarta	October 22, 2021
	Challenges and solutions to improve global competitiveness through digitizing value chain financing for SMEs in the sharia financial business ecosystem	OJK	Bandung	December 10, 2021
Heriyanto Agung Putra	Global HR Conference 2021	External	Online	March 23, 2021
	Effectiveness of Supervisory Board of Commissioners to maintain Bank Compliance Towards the Era of Principle-Based Regulation	External	Online	March 25, 2021
	COMPLIANCE 2020	Online	EAZY	April 16, 2021
	CODE OF CONDUCT 2021	Online	EAZY	April 16, 2021
	ANTI BRIBERY CORRUPTION (Anti-Bribery and Corruption)	Online	EAZY	April 22, 2021
	Danamon Sustainability	Online	EAZY	April 23, 2021
	Elearning ORM & QA – 2020	Online	EAZY	April 24, 2021
	Refreshment Risk Management Certification	Internal	Online	September 2, 2021
	Danamon Sustainability 2021	Online	EAZY	December 27, 2021
	APU PPT: The Role of First Line of Defense (FLOD) & Global Roll Out (GRO)	Online	EAZY	December 27, 2021
	Danamon Compliance 2021 - Series 1	Online	EAZY	December 27, 2021
	Danamon Compliance 2021 - Series 2	Online	EAZY	December 27, 2021
	HR Meet And Talk - ReThinking HR	External	Online	July 29, 2021
	The heating battle for Digital Banking Opportunity in the Asia Pacific: Can incumbents thwart the attack?	External	Online	August 11, 2021
	OJK: Invitation to Socialization on the Responsibilities of Financial Services Businesses (PUJK) for Fraud Acts of PUJK Employees	External	Online	August 12, 2021
	Talent Acquisition for Future Works	External	Online	September 15, 2021
	Strategy to Recruit Talent with High Learning Skills – Main Message	External	Online	September 15, 2021

Director Name	Training/ Conference/ Seminar/ Workshop	Organizer	Location	Date
Heriyanto Agung Putra	Indonesia HC Award & National Zoominar	External	Online	September 17, 2021
	Beyond Recovery: The Bridge to Growth	External	Online	September 21, 2021
	HR Tech Festival Asia Online 2021 - HRM Asia	External	Online	September 21, 2021
	PLN Webinar - HC Insight: Digital HR Operation: Transformation Towards Intelligence Services	External	Online	September 21, 2021
	Indonesian Chamber Of Commerce-Virtual Business Dialogue	External	Online	September 23, 2021
	SWA - Webinar Indonesia HR Future Readiness Rating 2021	External	Online	September 28, 2021
	IPB Career Day	External	Online	October 3, 2021
	ITB User Gathering	External	Online	October 25, 2021
	ITB Virtual Career Fair 21 - Redefining work to adapt to the new ways of work	External	Online	October 27, 2021
	CHRO Indonesia 2021	External	Online	October 28, 2021
	Competent Indonesian National Congress II - GNIK	External	Online	October 28, 2021
	Into the Future: Make Agility and Employee Experience Your Advantage	External	Online	November 9, 2021
	PwC: Getting Zero Trust Security Right in Today's Uncertain World	External	Online	November 16, 2021
	OTI Webinar: How to Get Great Results From Company by Strategic Alignment	External	Online	November 16, 2021
	Tanoto: Exemplary Program	External	Online	November 25, 2021
	PwC: Global Culture Survey 2021 - The link between culture and competitive advantage	External	Online	December 2, 2021
	OJK Institute: Leadership Sharing Session - HR Development in the Digital Age	External	Online	December 2, 2021
	PPM: Agile Talent & Human Capital: Preparing Organization for Dynamic Future Business Ecosystem	External	Online	November 4, 2021
	SHL: Leveraging the Value of Emerging Leaders	External	Online	December 7, 2021
	HR Expo: Organization Development Strategy	External	Online	December 9, 2021
	SWA NBO: Advancing HR Framework to Build Agile Workforce	External	Online	December 16, 2021

Director Name	Training/ Conference/ Seminar/ Workshop	Organizer	Location	Date
Dadi Budiana	2021 Code of Conduct	Bank Danamon	Online	April 1, 2021
	Danamon Sustainability 2021	Bank Danamon	Online	August 6, 2021
	Danamon Compliance 2021 – Series 1	Bank Danamon	Online	August 6, 2021
	Danamon Compliance 2021 – Series 2	Bank Danamon	Online	August 6, 2021
	Refreshment Risk Management Certification	Effectivepro	Jakarta	September 2, 2021
Muljono Tjandra	APU PPT: Customer Due Diligence (2018)	BDI	EAZY	January 18, 2021
	Risk Management Essentials	BDI	EAZY	January 25, 2021
	MUFG-DANAMON The Indonesia 2021 Summit “The Future is Now”	MUFG & BDI	Online	February 23, 2021
	Perbanas Invitation: Study of the Potential for Credit Growth in the Economic Sector in the Corporate and MSME Segments	PERBANAS	Online	February 26, 2021
	2021 Code of Conduct	BDI	EAZY	April 7, 2021
	APU PPT: The Role of First Line of Defense (FLOD) & Global Roll Out (GRO)	BDI	EAZY	June 15, 2021
	Danamon Sustainability 2021	BDI	EAZY	June 15, 2021
	Danamon Compliance 2021 - Series 1: Anti-Bribery & Corruption (ABC) and Consumer Protection.	BDI	EAZY	July 3, 2021
	(EMEA & APAC) MUFG Overseas Management Compliance Workshop	MUFG - Global Compliance Division	Online	July 14, 2021
	Danamon Compliance 2021 - Series 2	BDI	EAZY	October 11, 2021

Director Name	Training/ Conference/ Seminar/ Workshop	Organizer	Location	Date
Naoki Mizoguchi	MUFG-Danamon The Indonesia 2021 Summit "The Future Is Now"	Bank Danamon	Zoom	February 23, 2021
	Webinar - Fitch on Indonesia 2021: Navigating a Post-Pandemic World (Part 1)	The Fitch Group	Zoom	March 24, 2021
	Webinar - Fitch on Indonesia 2021: Navigating a Post-Pandemic World (Part 2)	The Fitch Group	Zoom	March 31, 2021
	BCG's CxO Virtual Conference – AMICUS	BCG	Zoom	April 28, 2021
	Digital Community Workshop Q1-21	Bank Danamon	Webex	May 19, 2021
	BCG's CxO Virtual Conference - AMICUS	BCG	Zoom	August 11, 2021
	Risk Management Certification - Refreshment Program	Bank Danamon	Webex	September 2, 2021
	Renewables in Southeast Asia: what perspectives could emerge beyond COP26	EY	Zoom	September 22, 2021
	BNP Paribas Sustainable Future Forum 2021 - Global Edition	BNP Paribas	Virtual	October 20, 2021

COMMITTEES UNDER THE BOARD OF DIRECTORS

In order to support the effectiveness of the implementation of the duties and responsibilities of the Board of Directors, the Board of Directors has committees under the Board of Directors whose task is to assist the Board of Directors in providing suggestions and recommendations that can be used as a reference in making decisions regarding the implementation of the duties and responsibilities of the Board of Directors.

The committees under the Board of Directors are as follows:

1. Risk Management Committee
2. Human Resources Committee
3. Assets & Liabilities Committee
4. Information Technology Steering Committee
5. Integrated Risk Management Committee
6. Sustainability Committee
7. Real Estate Committee

RISK MANAGEMENT COMMITTEE

STRUCTURE AND MEMBERSHIP OF THE COMMITTEE

Committee chairperson	President Director
Alternate Chairperson	Integrated Risk Director
Permanent Member	Board of Director
Non Permanent Member	• Executive Officer – Board of Management • Executive Officer

If deemed necessary, the Risk Management Committee will invite other internal parties including Subsidiaries to attend the meeting.

Risk Management Committee oversees 2 (two) Sub-Committees which are Credit Policy Sub-Committee and Information Disclosure Sub-Committee. Further explanation regarding the Sub-Committees can refer to Risk Management section.

STATUS OF VOTING RIGHTS AND DECISION MAKING

The adoption of Committee meeting resolutions shall be done by consensus. In the event a consensus cannot be reached, the adoption of resolutions shall be done by majority vote. Only permanent members will have voting rights. In the event the vote is a tie, the Committee Chairperson or Alternate Chairperson (if Committee Chairperson is unable to attend the meeting) is authorized to determine the decision.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

Risk Management Committee is responsible for evaluating and giving recommendation to President Director and the Board of Directors on matters related to:

a. Assist the Board of Directors in fulfilling its responsibility related to risk management
b. Development of risk management strategies, policies and frameworks, including the establishment of Risk Appetite parameter and thresholds, Key Risk Indicators and Risk Tolerance limits to help establish boundaries within which the Banks' management may operate towards achieving their business objectives.
c. Development of contingency plans to anticipate various risks that may emerge from time to time and enable the Bank to continue to operate even under stressed conditions.
d. Ensure Good Corporate Governance in the implementation of Risk Management, with appropriate frameworks for the timely identification, measurement and escalation of risks, and approval of exposure to Related Parties as well as deviations of business policies and/or decisions.
e. Ensure that all business and operational activities are in-line with the prevailing regulations, risk policies and procedures, with approval and oversight over exceptions, deviations and violations that may have occured.

f. Ensure that the Bank maintains sufficient provisions and reserves to protect against the realisation of potential inherent risks, as well as ensure that the Bank has sufficient disaster recovery procedures for business continuity.
g. Review of the various existing and emerging risks faced by the Bank, including:
   - Credit risk;
   - Market and Liquidity risk;
   - Operational risk and Fraud;
   - Reputational risk;
   - Information Security and Information Technology risk;
   - Legal and Litigation risk;
   - Compliance risk, including financial crime risk;
   - Strategic risk; and
   - other major risk issues periodically.
h. Implementation of risk management process and remedial actions in line with external and internal changes that may affect capital adequacy ratio and their respective risks profiles.
i. Assess the Bank's Risk organization and infrastructure to ensure that risk management processes, systems and tools are in line with the organization's development and business plan.
j. Oversee and evaluate sub-commitees under Risk Management Committee.

RISK MANAGEMENT COMMITTEE MEETING

During 2021, the Committee held 10 meetings and was attended by the following members of the Board of Directors:

Name	Position	Total Attendance of Board of Directors Members in Risk Management Committee Meetings
Yasushi Itagaki	Committee Chairperson	10
Adnan Qayum Khan	(Alternate Chairperson)	6 (resigned at the end of July 2021)
Honggo Widjojo Kangmasto	Permanent Member	10
Michellina Triwardhany	Permanent Member	6 (resigned at the beginning of September 2021)
Dadi Budiana	Permanent Member	10
Rita Mirasari	• Permanent Member • Alternate Chairman –Integrated Risk Director (acting) since RMC meeting in August 2021	10
Herry Hykmanto	Permanent Member	10
Heriyanto Agung Putra	Permanent Member	9
Naoki Mizoguchi	Permanent Member	10
Muljono Tjandra	Permanent Member	9

Risk Management Committee Meetings 2021

Month	Date	Agenda
January	January 20, 2021	Update on Risk Management, Compliance, Legal, Consumer Product, IT Security, EB Remedial
February	February 22, 2021	Update on Risk Management, Compliance, Consumer Product, IT Security
March	March 22, 2021	Update on Risk Management, Compliance, TB Product, SKAI, IT Security
April	April 26, 2021	Update Risk Management, Compliance, Legal, IT Security
June	June 21, 2021	Update on Risk Management, Compliance, Consumer, IT Security, MUFG Information Sharing Framework
July	July 19, 2021	Update on Risk Management, Compliance, Legal, SKAI, IT Security, SPM

Month	Date	Agenda
August	August 23, 2021	Update on Risk Management, Compliance, Legal, Consumer Segment, Consumer Product, Information Disclosure Sub-Committee (IDSC), HC - New Attrition Threshold Proposal, IT Security
September	September 20, 2021	Update on Risk Management, Credit Portfolio, Compliance, HC - New Attrition Threshold Proposal, SKAI
October	October 22, 2021	Update on Risk Management, Credit Portfolio, Compliance, Litigation
November	November 18, 2021	Risk Management Update, Credit Portfolio, Compliance

ASSETS & LIABILITIES COMMITTEE (ALCO)

STRUCTURE AND MEMBERSHIP OF THE COMMITTEE

Chairman	President Director
Alternate Chairman	Chief Financial Officer (CFO)
Member	Directors or appointed members of the following Division/Business Unit: • Sales & Distribution, SME and Consumer Banking • Integrated Risk • Treasury & Capital Market • Enterprise Banking & Financial Institution • Transaction Banking

STATUS OF VOTING RIGHTS AND DECISION MAKING

ALCO consists of members who have the same voting rights, if there is a member of the committee who cannot attend the meeting then he/she can appoint a replacement with voting rights. Delegation of voting rights must be obtained prior to approval from the Chairman of the Committee. The resolution of the meeting should be adopted based on the deliberation to reach a consensus. In the event no consensus can be reached, the resolution shall be adopted by means of majority voting.

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

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

a. To establish committee coverage, meeting procedures, working process and sets sub committees to support ALCO.
b. To determine the policies and guidelines for liquidity risk, interest risk, and capital management of Danamon and its subsidiary which reflect the adequacy of liquidity and capital, stable and diversified funding profile, with compliance to all regulatory requirements.
c. To determine issuance of securities or instruments in the framework of providing the Bank with adequate liquidity, capital and diversified funding structure.
d. To evaluate market condition and its likely impact on Danamon's liquidity condition, NII, and capital, and to approve best course of action.
e. To review and determine the Balance Sheet structure to improve profitability.
f. To review funding composition and to approve any change in funding strategy and alternatives including new institutional/structural funding.
g. To review the following topics on monthly basis:
   - Economic Overview and Market Outlook
   - Recent movement of the key components of the balance sheet, Yield/COF and NIM
   - Fund Transfer Pricing (FTP)
   - Funding and lending products pricing
   - Market and liquidity risk profile on the balance sheet, AFS portfolio and trading book
   - Contingency Funding Policy (CFP) monitoring
   - Capital management and other matters related to ALCO
h. On a periodic basis, review and approve the followings:
   - Market and Liquidity Risk limit framework for Balance Sheet, AFS Portfolio and Derivatives for funding
   - Liquidity and Interest Rate Risk stress test assumptions
   - Core balance calculation for interest rate risk, liquidity risk and FTP calculation
   - FTP policies and methodology
   - Contingency Funding Plan (CFP) policies
   - Rasio Intermediasi Makroprudensial (RIM) target

ASSETS & LIABILITIES COMMITTEE MEETING

During 2021, the Committee held 11 meetings and was attended by the following members:

Name	Position	Number of Attendance of Members in ALCO Committee Meetings
Yasushi Itagaki	Chairman	11
Muljono Tjandra	Alternate chairman	11
Michelina Triwardhany[1)]	Member	8
Honggo Widjojo Kangmasto	Member	10
Adnan Qayum Khan [2)]	Member	6
Andrew Suhandinata	Member	10
Herman Savio	Member	11
Rita Mirasari [3)]	Member	4

Note:
[1)] Michelina Triwardhany has resigned since September 2021
[2)] Adnan Qayum Khan has resigned since July 2021
[3)] Rita Mirasari has started to join in the ALCO meeting since July 2021 as an acting Integrated Risk Director, replacing Adnan Qayum Khan

IMPLEMENTATION OF DUTIES OF ASSETS & LIABILITIES COMMITTEE IN 2021

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

- Economic & Market Outlook
- Balance sheet management and the Bank's business direction
- Fund Transfer Pricing (FTP) Rate Management
- Review of interest rates for loans and third-party funds
- Review of market and liquidity Risk
- Management of Rasio Intermediasi Makroprudensial (RIM), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)
- Review of capital
- Professional funding management
- Available For Sale (AFS) / Fair Value-Other Comprehensive Income (FVOCI) portfolio management
- Changes on or new regulations related to liquidity and balance sheet
- Proposal and management of balance sheet limit structure
- Contingency Funding Plan (CFP)

In general, the materials are discussed in the ALCO meeting agenda as follows:

Month	ALCO Meeting	Agenda
January	29 January 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management • FTP and CASA Pricing Guidelines review • Risk Limit Review 2021
February	26 February 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management • FTP and Prime Lending Rate review • Update Danamon's Bond Programme
March	30 March 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management • FTP and Prime Lending Rate review • CFP Liquidity Stage Management

Month	ALCO Meeting	Agenda
May	5 May 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management • FTP and Prime Lending Rate review
	31 May 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management
June	29 June 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management • FTP and Prime Lending Rate review
July	30 July 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management • FTP review
August	31 August 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management • FTP and Prime Lending Rate review
September	30 September 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management • FTP review
October	29 October 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management • Prime Lending Rate review • CFP Monitoring Indicators
November	30 November 2021	• Economic & Market Outlook • Update on Balance Sheet and Market & Liquidity Risk Management • FTP and Prime Lending Rate review • CFP Liquidity Stage Management

IT STEERING COMMITTEE

COMMITTEE STRUCTURE AND MEMBERSHIP

Chairman	Finance Director
Alternate Chairman	Chief Financial Officer (CFO)
Member	• Chief Information Officer • Consumer, SME & Branch Network Director • Enterprise Banking Director • Integrated Risk Director • Global Alliance Strategy Director • Digital Head

Other Invitees depending on the areas/projects of relevance or due to Bank's strategic projects In the absence of a Director in any of the above-mentioned positions, the Committee can designate a person to be a voting member until the Director position is filled. The BoD reserves the right to change ITSC member composition at any given time.

VOTING RIGHTS STATUS AND DECISION MAKING

Each committee member has the same voting rights. The resolution of Meeting should be adopted based on the deliberation to reach a consensus. In the event no consensus can be reached, the resolution shall be adopted by means of voting, based on the approved votes of more than ½ (half) of the total votes validly cast in the said meeting.

COMMITTEE DUTIES AND RESPONSIBILITIES

The Information Technology Steering Committee (KPTI) has the following duties and responsibilities:

a. Periodically review and recommend Bank's IT strategic plan, and ensure alignment of IT projects with the strategic plan.
b. Review and recommend IT projects align with Bank's strategy that proposes by IT project prioritization team with Capex investment equal to or greater than USD 500 thousands or its equivalent in IDR.
c. Review post implementation of strategic projects & benefit realization after implementation in terms of cost and benefit. Project that approved through ITSC meeting with investment amount equal to or greater than USD 500 thousands and had implemented project will be tracked by CPS and result will be presented by respective user/LoB in ITSC meeting.
d. Ensure the allocation of adequate and proper IT resources. If required to engage a third party to assist in project implementation, ITSC should ensure that policies and procedures are in place according to bank internal policy and involve Procurement in relation to third party engagement and IT from the beginning if this related with technology to be implemented and/or used for the bank
e. Review recommendations from other sub/ working committees for matters related to Information Technology.
f. Provide recommendations for solving IT related issues that can't be resolved by the working unit of IT users and providers in an effective, efficient and timely manner.
g. Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the BoD.
h. Prepare committee's activities report every year

INFORMATION TECHNOLOGY STEERING COMMITTEE MEETING

ITSC meeting shall be held periodically 1 (one) time in 1 (one) month. ITSC meeting can also be held at other times whenever deemed necessary. ITSC meeting shall be led by the Committee Chairman. If the Committee Chairman is unable to attend the meeting, then Chairman can appoint alternate Chairman from permanent members with voting. Meeting is deemed quorum if attended by Chairman or Integrated Risk Director and attended by 2/3 of the members.

During 2021, the Committee held 15 (fifteen) meetings and was attended by the following members of the Board of Directors:

Name	Position	Total Attendance of Members of the Board of Directors in Information Technology Steering Committee Meetings
Muljono Tjandra	Chairman	15
Naoki Mizoguchi	Member	15
Thomas Sudarma	Member	8
Mahesh Ajit Ranade	Member	15
Honggo Widjojo Kangmasto	Member	7
Andreas Kurniawan	Member	7
Rita Mirasari	Member	5
Yasushi Itagaki	Member	3

2021 INFORMATION TECHNOLOGY STEERING COMMITTEE MEETING

Nr	Bulan	Tanggal Rapat	Agenda
1	January	11 January 2021	Digital Consumer Loan
2	January	29 January 2021	Omnichannel R6
3	February	24 February 2021	MUFG Group Reporting
4	March	16 March 2021	Cash Online
5	April	6 April 2021	New D – Wallet

Nr	Bulan	Tanggal Rapat	Agenda
6	May	7 May 2021	BI-Fast
7	May	7 May 2021	Nice-Actimize AML System
8	May	21 May 2021	IFRS9 Project phase 3
9	June	29 June 2021	CICD Project
10	July	1 July 2021	P2P Lending Phase 2 and 3
11	August	3 August 2021	Credit Card Digital Onboarding
12	August	3 August 2021	SME LOS Enhancement
13	September	21 September 2021	API Strategy and Execution
14	September	21 September 2021	Treasury System Upgrade
15	September	30 September 2021	IT Project Prioritization (3 years plan 2022-2024)

HUMAN CAPITAL COMMITTEE

STRUCTURE AND MEMBERSHIP OF THE COMMITTEE

Chairman	President Director
Alternate Chairman, Secretary	Human Capital Director
Member	• Vice President Director Consumer, SME & Branch Network* • Vice President Director Corporate Banking • Integrated Risk Director** • Credit Director***

Note:
* Resigned effective September 2021
** Resigned effective July 2021
*** Assign as Human Capital Committee member effective August 2021

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

STATUS OF VOTING RIGHTS AND DECISION MAKING

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

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

1. Provide strategic directions and develop general policies in the field of Human Capital including the amendments, in the areas as the following (but not limited to):
   - Human Resources Strategy
   - General Policy on Employment
   - Employee compensation and benefit
   - Performance Assessment Management, including promotion
   - Talent Management and Succession Planning
   - Organizational structure and rank level
   - Employee Training and Development
   - Corporate culture and values as well as employee engagement
   - Employee and industrial relations development
   - Alignment of policies with subsidiaries
   - Human Resources Planning
   - Organizational Health and Safety
2. Carry out other duties and responsibilities that may be granted by the Board of Directors to the HC Committee, from time to time.
3. The HC Committee may establish sub-Committees to undertake the scope of duties and responsibilities of the HC Committee.

HUMAN CAPITAL COMMITTEE MEETINGS

During 2021, the Committee held meetings and was attended by the following members of the Board of Directors:

Human Capital Committee Meetings

Name	Position	Total Attendance of Board of Directors Member in Human Resources Committee Meetings
Yasushi Itagaki	Chairman	11
Heriyanto Agung Putra	Alternate Chairman, Secretary	11
Michellina Laksmi Triwardhany	Member	6
Adnan Qayum Khan	Member	4
Honggo Widjojo Kangmasto	Member	10
Dadi Budiana	Member	5

The results of the Committee Meetings must be stated in a well-documented Minutes of the Meeting. A meeting is declared a quorum if attended by at least 2/3 of the members of the Human Resources Committee.

WORK IMPLEMENTATION OF THE HUMAN CAPITAL COMMITTEE IN 2021

The Human Resources Committee has held meetings with the following topics to discuss:

No.	Date	Agenda
1	17 February 2021	• Finalize Bellcurve End Year 2020 • Update PKB & DRK
2	02 March 2021	• Finalization Senior Promotion • Update & Discussion on CLA
3	16 April 2021	• CLA Negotiation • Karyawan Danamon Peduli • 1st Talent Council
4	18 June 2021	• Update on KDP • Update on EES 2021 • Update on BISA Value • Update on VoiC • Update on EVP
5	15 July 2021	• Update on CLA • Update Compensation align with job simplification and cost impact
6	13 August 2021	• Update EES 2021 • Update Survey Internal Customer (VoiC)
7	16 September 2021	• The 2nd Talent Council update • Risk Tolerance for attrition rate
8	15 October 2021	• 2021 Annual leave carry forward proposal • Danamon Young Leader Program
9	05 November 2021	• Update o Human Capital Management System (HCMS) • Update on HC Chatbot & WA Messenger Blast • Update on Club Membership Benefit • Top Talent Development Program
10	08 December 2021	The 3rd Talent Council
11	09 December 2021	• Update on Employee Value Proposition (EVP) • Update on Code of Conduct • Broadband Structure and Compensation Design

INTEGRATED RISK MANAGEMENT COMMITTEE

The discussion regarding the Integrated Risk Management Committee is disclosed in the Integrated Governance Report section.

SUSTAINABILITY COMMITTEE

Sustainability Committee is a committee at Board of Directors level which was established in order to implement Sustainable Finance in Bank Danamon in accordance with the provisions of the Regulator. Sustainability Committee is responsible to Board of Directors.

COMMITTEE STRUCTURE AND MEMBERSHIP

Chairman of Committee (Chairman is also as permanent member)	President Director
Alternate Chairman (Alternate Chairman is also as permanent member)	Sharia & Sustainability Finance Director
Permanent Member	• Vice President Director • Integrated Risk Director • Credit Director • Compliance Director • Global Alliance Strategy Director • Finance Director • Human Capital Director
Non-Permanent Members:	Sustainability Team
Secretary:	Credit & Enterprise Risk Management

The Board of Directors reserves the right to change the composition of this Committee at any given time. If deemed necessary the Committee may invite other parties to attend the meeting.

VOTING RIGHTS STATUS AND DECISION MAKING

The adoption of Committee meeting resolutions shall be done by consensus. In the event a consensus cannot be reached, the adoption of resolutions shall be done by majority vote. Only permanent members who have voting rights. In the event the vote is a tie, the Chairman of Committee or Alternate Chairman (if Chairman of Committee is unable to attend the meeting) is authorized to determine the decision.

COMMITTEE DUTIES AND RESPONSIBILITIES

The Sustainability Committee has the following duties and responsibilities:

a. Review and approve the priority issues, action programs and targets related to Sustainability.
b. Conduct review on the development of Sustainable Finance Action Plan (SFAP) and Sustainability Report.
c. Monitor Bank's performance development related to Sustainability, especially the implementation of SFAP to ensure the implementation is in line with the action program and its achievement according to the target.
d. Conduct review on Sustainability Policy and its amendment.
e. Review and approve the credit-related sustainability framework and guidelines and monitor their implementation.
f. Monitor the implementation of Sustainable Finance training and awareness programs in order to create a culture where Management and Employees always consider sustainable finance aspects in carrying out business and operational activities.

SUSTAINABILITY COMMITTEE MEETING

Regular meeting of Sustainability Committee is held every quarter and ad-hoc basis. The meeting is led by the Chairman of Committee. If the Chairman of Committee is unable to attend, then can be replaced by Alternate Chairman.

Each member as individual or group can call an extraordinary meeting to discuss very urgent topic(s) / problem(s) by notifying the Committee within not less than 1 x 24 hours.

Meeting of the Committee can only be convened if attended by at least 51% (fifty-one percent) of the total number of permanent members (including the Chairman of Committee or the Alternate Chairman) both physically and/or virtual.

If the meeting does not reach quorum and the agenda is urgently required to be discussed, then the meeting should be rescheduled within 24 hours. Meeting agenda is acknowledged by the Chairman of Committee or Alternate Chairman. Meeting agenda will be circulated by the Committee Secretary to all Sustainability Committee members.

Decisions or approval of Sustainability Committee meeting shall be in the form of minutes of meeting that is documented properly and signed by the Permanent Members, also attached by the list of meeting attendees. The minutes of meeting that already signed should be administrated by the Secretary. Formal decision is binding to all Sustainability Committee permanent members. The committee can also make a valid and binding decision through circulation of internal committee memorandum if an urgent decision is needed and it is not possible to conduct a meeting.

During 2021, the Committee held 1 (one) meeting and was attended by the following members of the Board of Directors:

Name	Position	Total Attendance of Permanent Members of the Committee in Sustainability Committee Meetings*
Yasushi Itagaki	Chairman	1
Herry Hykmanto	Alternate Chairman	1
Honggo Widjojo Kangmasto	Permanent Member	-
Dadi Budiana	Permanent Member	1
Rita Mirasari	Permanent Member	1
Heriyanto Agung Putra	Permanent Member	1
Naoki Mizoguchi	Permanent Member	1
Muljono Tjandra	Permanent Member	1

*The Sustainability Committee under the new Board of Directors was formed in October 2021

2021 SUSTAINABILITY COMMITTEE MEETING

Month	Committee Meeting Date	Agenda
November	2 November 2021	Approval of the Sustainability Policy, Sustainability Credit Guideline, and Sustainable Finance Action Plan, as well as updates on Disclosures related to Carbon Neutrality

REAL ESTATE STEERING COMMITTEE

Real Estate Steering Committee ("REC") of Bank Danamon acts as the apex body entrusted to help directors to monitor Real Estate related activities.

Alternate Chairman (Alternate Chairman is also as permanent member)	Chief Executive Officer (CEO)
Members	• Sharia, CREM and Micro Banking Director • Chief Financial Officer (CFO) • Global Alliance Strategy Director • Chief of Credit Officer and Legal Director

In the absence of a Director in any of the above mentioned positions, the Committee can designate a person to be a voting member until the Director position is filled. The BoD reserves the right to change "REC" member position at any given time. Other invitees depending on the areas/ projects of relevance.

VOTING RIGHTS STATUS AND DECISION MAKING

The resolution of Meeting should be adopted based on the deliberation to reach a consensus. In the event no consensus can be reached, the resolution shall be adopted by means of voting, based on the approved votes of more than ½ (half) of the total votes validly cast in the said meeting.

ROLE AND RESPONSIBILITIES

The REC Committee has the following duties and responsibilities:

a. Responsible in development planning and monitoring of Bank Danamon's Real Estate.
b. Periodically to review, recommend and decide Bank's Real Estate strategic plan, and ensure alignment of real Estate projects with the strategic plan.
c. Review, recommend and decide Real Estate policy of Asset Purchase and Selling, Development Project, Asset Optimizing and Lease Management.
d. Review all Real Estate projects align with Bank's strategy or with Capex investment more than USD 1 million or its equivalent in IDR.
e. Review policy, recommendation and decide the operation activities of office building and branches related to HSE (Health and Safety Environtment).
f. Review policy and evaluate regularly design guidelines of offices and branches.
g. Regular review on Real Estate Risk Management covering the following topics:
   - Critical/ strategic ongoing projects.
   - Health & Safety Environtment (HSE) issues.
   - Real Estate Audit finding and corrective actions.
   - Legal and permit issues related to Real Estate
h. Review recommendations from other sub/ committees for matters related to Real Estate.
i. Perform other duties and responsibilities that may from time to time assigned by the Board of Directors.
j. Provide recommendations for solving Real Estate related issues that can't be resolved by the working unit of property users and providers in an effective, efficient and timely manner.
k. Prepare REC Activities Report every year.

REC MEETING IN 2021

REC meeting shall be held periodically 3 (three) times in 1 (one) year and can also be held at other times whenever deemed necessary. REC meeting shall be led by the Committee Chairman. If the Committee Chairman is unable to attend the meeting, then Chairman can appoint alternate Chairman from permanent members with voting. Meeting is deemed quorum if attended by Chairman or appointed, namely the Sharia Director, SEMM & CREM and is attended by 2/3 of the members.

The results of the REC meeting must be stated in Minutes of Meeting and well documented. Any dissenting opinions in the REC meeting must be clearly stated in the minutes of meeting together with the reasons of the dissenting opinion. Minutes of each meeting will be kept and distributed by CREM Head to each member and Bank's Corporate Secretary.

During 2021, the Committee held 2 (two) meetings and was attended by the following members of the Board of Directors:

No	Name	Position	Total Attendance of Committee Members in Real Estate Committee Meetings
1	Yasushi Itagaki	Chairman	2
2	Herry Hykmanto (HH)	Member	2
3	Muljono Tjandra (MT)	Member	2
4	Naoki Mizoguchi (NM)	Member	2
5	Dadi Budiana (DB)	Member	2

REC MEETING IN 2021

Month	Committee Meeting Date	Agenda
March	10 March 2021	• Building Health and Sanitation • BDI Prapatan Status • Update on Satellite Office • Propose New Price of Idle Asset • Land Kebagusan (illegal occupier) • BLBI (certificate under Ministry of Finance)
August	9 August 2021	• Building Health and Sanitation • BDI Prapatan Status • Update on Satellite Office • Progress Selling of Idle Asset • Land Kebagusan (illegal occupier) • BLBI (certificate under Ministry of Finance)

AFFILIATED RELATIONSHIPS AND TRANSACTIONS OF THE BOARD OF DIRECTORS, **THE BOARD OF COMMISSIONERS AND MAIN SHAREHOLDERS**

Danamon has a Policy for Transactions with Affiliated Parties which regulates transactions with affiliated parties. This policy stipulates that the affiliate transaction process is carried out based on normal and reasonable commercial terms and does not harm the interests of Danamon or minority shareholders.
The Board of Commissioners and Board of Directors of Danamon always maintain independence and do not have conflicts of interest that could interfere with their ability to carry out their duties professionally and objectively.

AFFILIATION RELATIONSHIP BETWEEN MEMBERS OF THE BOARD OF DIRECTORS AND OTHER MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF THE BOARD OF COMMISSIONERS, MAJOR SHAREHOLDERS AND/OR CONTROLLING

All members of the Board of Directors of Danamon have no affiliation with other members of the Board of Directors, members of the Board of Commissioners and with the major and/or controlling shareholders.

AFFILIATION RELATIONSHIP BETWEEN MEMBERS OF THE BOARD OF COMMISSIONERS AND OTHER MEMBERS OF THE BOARD OF COMMISSIONERS AND THE MAJOR AND/OR CONTROLLING SHAREHOLDERS

All members of the Board have no affiliation with other members of the Board of Commissioners. There are 3 (three) Non-Independent Commissioners which have financial relationships with controlling shareholders, namely: Takayoshi Futae, Nobuya Kawasaki, Takanori Sazaki.

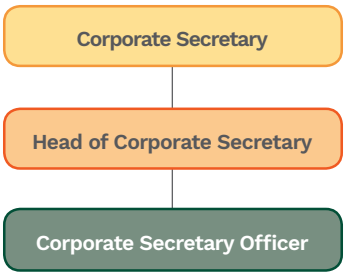
The affiliation relationship between the board members, the Board of Commissioners, and the Major and/or Controlling Shareholders has been disclosed in the table of financial and family relationships on the Board of Commissioners and the Board of Directors part in this Governance report.

The Policy for Transactions with Affiliated Parties requires members of the Board of Commissioners and the Board of Directors to disclose any planned affiliated transactions, whether carried out by themselves or their families to the Corporate Secretary. The material transaction plan will be reviewed by the Compliance Director and subsequently reported to the Audit Committee. In the event of a Conflict of Interest, the Board member of Directors and the Board member of Commissioners must abstain from the process of reviewing and approving the transaction.

CORPORATE **SECRETARY**

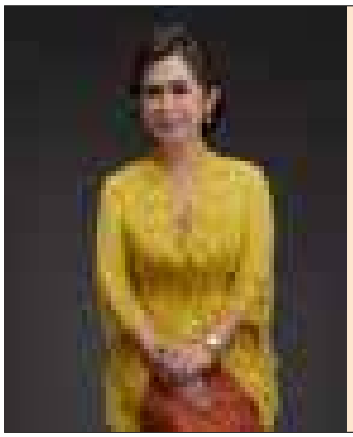
The function of the Corporate Secretary is to ensure the delivery of information on Danamon in a timely and accurate manner to all stakeholders. The Corporate Secretary is appointed and dismissed based on the decision of the Board of Directors. The Corporate Secretary has an important role in creating good communication between Danamon and shareholders and other stakeholders.

Corporate Secretary Organizational Structure



CORPORATE SECRETARY PROFILE

Rita Mirasari is a Director of Danamon who has served as Corporate Secretary of Danamon since October 24th, 2016 based on decision No.KSR-DIR.Cor.Sec-003 dated October 17th, 2016 regarding the Appointment of Corporate Secretary.



RITA MIRASARI
Corporate Secretary

Indonesian citizen, 53 years old and domiciled in Indonesia.

She completed her education and earned her Bachelor of Laws degree from the University of Indonesia. She started her career in Banking since 1991 as Legal Officer at a local bank and has extensive experience in the fields of law, compliance as well as being a corporate secretary at various leading banks in Indonesia. Her last position before joining Danamon was as a Director of Regulatory Compliance & Financial Crime Compliance HSBC, Indonesia. Currently, she is the Director of Compliance, Financial Crime Compliance and Corporate Secretary and is responsible for the Temporary Integration Risk Officer.

The full profile is listed in the Board of Directors Profile.

DUTIES AND RESPONSIBILITIES OF THE CORPORATE SECRETARY

1. Provide input to the Board of Directors and the Board of Commissioners to comply with statutory provisions in the capital market sector;
2. Play as a liaison between Danamon and shareholders, the Financial Services Authority, and other stakeholders;
3. Assist the Board of Directors and the Board of Commissioners in the implementation of corporate governance which includes:
   - information disclosure to the public, including the availability of information on the website,
   - submission of reports to the Financial Services Authority and other authorities,
   - organizing and documenting the General Meeting of Shareholders,
   - organizing and documenting meetings of the Board of Directors and/or Board of Commissioners,
   - implementation of the company orientation program for the Board of Directors and/or the Board of Commissioners.

CORPORATE SECRETARY COMPETENCY DEVELOPMENT

In 2021, various training sessions were carried out to improve the competence of the Corporate Secretary. The training sessions were as follows:

Training	Organizer	Location	Time
The Potential of MSMEs in the Central Java Region in the Context of Economic Recovery in 2021	IBS	Jakarta	Jan 14th, 2021
Socialization of PBI Payment System Regulatory Reform	BI	Jakarta	January 15th, 2021
Building Optimism after the Covid 19 Pandemic "Direction of Monetary Policy, Macro-Prudential & Payment System to Optimize the PEN Program"	BI & Infobank	Jakarta	January 22nd, 2021
Webinar Launching the Implementation of the goAML Reporting Application	PPATK	Jakarta	February 1st, 2021
Mandiri Investment Forum 2021- Reform After the Storm	Mandiri Bank	Jakarta	February 3rd, 2021
Designing a Digital Technology-Based Startup Ecosystem to Contribute to National Economic Development	IBS	Jakarta	February 9th, 2021
Trainer: "Level 3 (Executive) Compliance Certification Workshop on Compliance Director Reporting"	FKDKP	Jakarta	February 19th, 2021
Webinar Gratification Control and Anti-Bribery Banking	FKDKP, OJK, PPATK	Jakarta	February 22nd, 2021
MUFG-Danamon The Indonesia 2021 Summit "The Future is Now"	MUFG-Danamon	Jakarta	February 23rd, 2021
Roadmap for the Development of Indonesian Islamic Banking 2020-2025	OJK	Jakarta	February 25th, 2021
Socialization of the Implementation of Digital Payment Transactions through QRIS	Indonesian Chamber of Commerce and Bank Indonesia	Jakarta	March 3rd, 2021
MUFG Overseas Management Compliance Workshop	MUFG	Jakarta	July 14th,2021
Banking Digital Transformation	OJK	Jakarta	July 15th, 2021
FGD: Juridical Analysis of Transfer of Receivables through Cessie	OJK	Jakarta	July 22nd, 2021
Implementation of the Information Exchange Platform in the Context of Efforts to Prevent and Combat Criminal Acts of Terrorism in Indonesia	PPATK	Jakarta	August 2nd, 2021
2nd Small Group Meeting for Compliance	BDI-FCC	Jakarta	August 3rd, 2021
Dissemination of the Responsibilities of Financial Services Providers (PUJK) for Fraud Actions by PUJK Employees	OJK	Jakarta	August 12th, 2021
Socialization of Banking Provisions	OJK	Jakarta	September 1st, 2021
Risk Management Certification Refreshment Program	Bank Danamon	Jakarta	September 2nd, 2021
Trainer: BSMR Briefing	Bank Danamon	Jakarta	September 9th, 2021
Trainer: BSMR Briefing	Bank Danamon	Jakarta	September 13th, 2021
Level 3 Compliance Certification Workshop Trainer	FKDKP	Jakarta	September 23rd, 2021
CEO Forum-The Future of Banking How Bank Stay Relevant	Perbanas	Jakarta	September 30th, 2021
Banking Transformation in the Digital Age	OJK	Jakarta	October 22nd, 2021
Challenges and Solutions to Improve Global Competitiveness through Digitilizing Value Chain Financing for SMEs in the Sharia Financial Business Ecosystem	OJK	Bandung	December 10th, 2021

IMPLEMENTATION OF THE FUNCTIONS AND DUTIES OF THE CORPORATE SECRETARY 2021

Throughout 2021, the Corporate Secretary carried out the duties and responsibilities according to the functions appointed, including the following:

1. following capital market developments, especially regulations related to capital market regulations, and convey information regarding these developments to the Board of Commissioners, Directors, and stakeholders of Danamon.
2. organizing and documenting the General Meeting of Shareholders and Public Expose held by the Bank.
3. organizing and attending meetings of the Board of Commissioners, meetings of the Board of Commissioners attended by the Board of Directors, and meetings of the Committees at the Board of Commissioners level as well as compiling and administering the minutes of the meetings.
4. submitting reports related to provisions in the Capital Market, both periodic and incidental reports to OJK and IDX in a timely manner.
5. disclosing information per applicable laws and regulations.
6. preparing recommendations for changes to the guidelines for committee work at the Board of Commissioners and Board of Directors level related to the implementation of corporate governance.
7. making adjustments to the Articles of Association per the company's needs as well as the new laws and regulations that apply.
8. updating/adjusting the Board of Directors Charter and Board of Commissioners Charter per applicable laws and regulations and the implementation of good bank governance.
9. preparing documentation and assisting with the Fit and Proper Test process for prospective members of the Board of Directors and prospective members of the Board of Commissioners.

INFORMATION DISCLOSURE IN 2021

As a form of information disclosure, Danamon has conveyed information to the public through the Danamon website, which is available in both Indonesian and English.

Danamon also submits periodic and incidental reports to the Indonesia Stock Exchange and the Financial Services Authority, including IDXNet e-reporting and the Financial Services Authority SPE (Solid Phase Extraction).

Periodic Report

In 2021, the Periodic Reports that were reported by Danamon were as follows:

No	Report Type	Purpose	Report Period	Amount
1	BDMN Securities Holder Registration Monthly Report	OJK & IDX	Monthly	12
2	Foreign Exchange Payable Report	OJK	Monthly	12
3	Consolidated Financial Statements of the Bank and Subsidiaries	OJK & IDX	Quarterly	4
4	Annual Report	OJK & IDX	Annually	1
5	Rating Result Report/Annual Rating	OJK & IDX	Annually	2
6	Financial Statements of Controlling Shareholders	OJK	Semester	2
7	Report on the Results of the Annual Public Expose	BEI	Annually	1

Incidental Report

In 2021, Bank Danamon has disclosed 44 incidental reports to the OJK and/or IDX regulators, which reports can be viewed on the Danamon website with the following link: https://www.danamon.co.id/id/About-Danamon/Investor Information/Informasi-Aksi-Korporasi-dan-Keterbukaan-Informasi/2021

BANK COMPLIANCE **FUNCTION**

The Compliance function is one of Danamon's governance organs that plays an important role in preventive (ex-ante) efforts to minimize potential risks in Danamon's business activities. Referring to POJK No. 46/POJK.03/2017 dated 12 July 2017 concerning the Implementation of the Compliance Function of Commercial Banks, the Bank's Compliance Function includes actions to:

1. Realizing the implementation of a compliance culture at all levels of the Bank's organization and business activities.
2. Manage compliance risks faced by the Bank.
3. Ensure that the policies, provisions, systems, and procedures as well as the business activities carried out by the Bank are in accordance with the provisions of the Financial Services Authority and the provisions of laws and regulations, including sharia principles for sharia commercial banks and sharia business units.
4. Ensure bank compliance with commitments made by the Bank to Bank Indonesia, the Financial Services Authority, and/or other competent supervisory authorities.

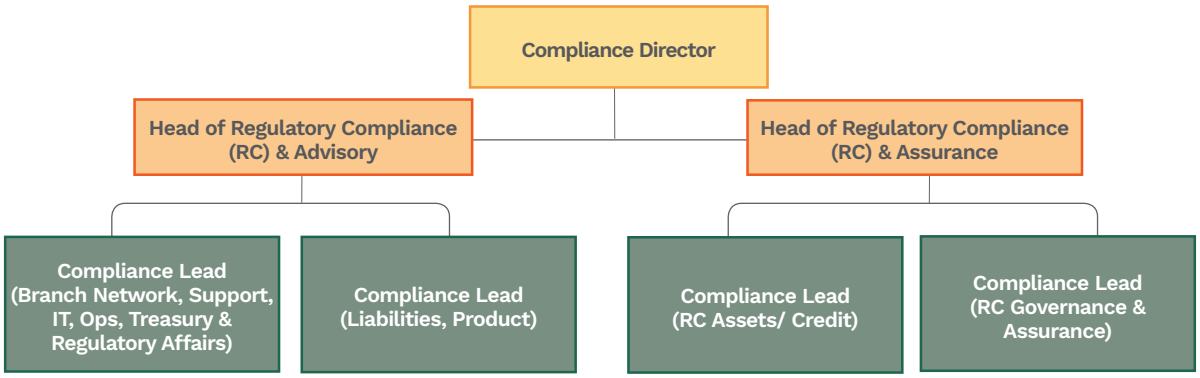
THE ROLE OF DIRECTORS AND COMMISSIONERS IN COMPLIANCE FUNCTION

The Board of Directors is required to foster and realize the implementation of a Compliance Culture at all levels of the Bank's organization and business activities. The Board of Directors is required to ensure the implementation of the Bank's Compliance Function. The Board of Commissioners is required to supervise the implementation of the Compliance Function.

COMPLIANCE DIRECTOR

Danamon has a Director who is in charge of the Compliance Function (Director of Compliance), namely Rita Mirasari. The appointment of the Director of Compliance has met the applicable requirements, namely the requirements for independence and does not supervise functions that are not permitted by applicable regulations. The Director of Compliance has obtained OJK approval and the appointment of the Director of Compliance has gone through the process as stipulated by the OJK. The full profile of the Director of Compliance can be seen in the Annual Report section of the Profile of the Board of Directors.

Danamon Compliance Unit Organization structure is as follows:



COMPLIANCE UNIT

Danamon has a Compliance Unit called Regulatory Compliance. Since January 2021, the Compliance Unit is divided into 2 (two) divisions, namely the Regulatory Compliance & Advisory Division with Palupi Aly Ibrahim as Division Head and Lie Chen as Division Head of the Regulatory Compliance & Assurance Division. The appointment has been informed to the Financial Services Authority. The two officials have adequate competence and ability in banking and have a high commitment to implementing and developing a culture of compliance. The implementation of the Bank's compliance function is carried out by the two divisions which are formed independently and have direct access to the Compliance Director. The Compliance Unit is responsible for the implementation of Danamon's compliance function.

As the Main Entity in the MUFG Group Financial Conglomerate, the Danamon Compliance Unit also carries out the function of the Integrated Compliance Unit (SKKT). The Compliance Unit has a Policy regarding the Compliance Function and the Compliance Unit based on the Decree of the Board of Directors No. KEP: DIR-COMP-020 dated December 28, 2017, which covers compliance culture, compliance function, compliance risk management, and reporting.

DUTIES AND RESPONSIBILITIES OF THE COMPLIANCE UNIT

The Duties and Responsibilities of the Compliance Work Unit include:

1. Create a compliance program in order to support the creation of a Compliance Culture in all Danamon business activities at every level of the organization;
2. Identify, measure, monitor, and control compliance risk in accordance with the implementation of risk management for Commercial Banks and Sharia Business Units and refers to the provisions of the Financial Services Authority;
3. Assessing and evaluating the adequacy and suitability of Danamon's policies, systems and procedures with respect to the implementation of the provisions of the competent authority;
4. Reviewing and/or recommending updating and improving the policies, provisions, and procedure systems owned by Danamon to comply with the provisions of the competent authorities, including Sharia principles for Sharia Business Unit;
5. Performing the function of Danamon's liaison officer with regulators, particularly those related to compliance and regulatory audits.
6. Create a training/socialization program regarding external regulations to work units in Danamon.
7. Perform other tasks related to the compliance function;
8. The Integrated Compliance Unit, among others, has the task of at least monitoring and evaluating the implementation of the compliance function in each Financial Services Institution in the Financial Conglomerate.

IMPLEMENTATION OF COMPLIANCE FUNCTION 2021

Implementation of the duties and responsibilities of the compliance function during 2021, among others:

1. Training and Socialization
   As part of efforts to build a culture of compliance, the Compliance Unit has organized various trainings and outreach for all Danamon employees. Training and socialization are carried out either through in-person meetings (classroom/online) or through e-learning methods. In connection with the COVID-19 pandemic, training and socialization are carried out virtually/online.

Training and Socialization	As Dec 31 2021
e-learning Compliance 2021	100% of Bank Danamon management and employee has followed the e-Learning Compliance 2021.
Training/ socialization to working unit	38 training/socialization
Submission of new provisions/ rules to related work units	73 new regulation The Compliance Unit cooperates with related work units to discuss the implementation of compliance with provisions, including matters that must be met and targets for implementation.

2. Compliance Review and Monitoring
   The Compliance Unit carries out a compliance review to ensure that the products, activities, and policies issued by Danamon and the program products of Subsidiaries do not conflict with applicable regulations. During 2021, the Compliance Unit has conducted 364 reviews consisting of 190 reviews in 1st semester– 2021 and 174 reviews in 2nd semester – 2021.

   In addition, the Compliance Unit also carries out Regulatory Compliance & Assurance (testing) activities to monitor Danamon's compliance risk and measure the compliance level of the work unit in carrying out its activities and compliance with regulatory regulations.

3. Monitoring of Compliance with Precautionary Provisions
   The Compliance Unit periodically monitors the compliance with Danamon's prudential provisions in the form of the main regulatory parameters, namely the ratio of LLL, Statutory Reserves, NPL, PDN, Equity and CAR. The main regulatory parameters as part of the components in measuring compliance risk can be fulfilled by Bank Danamon and Subsidiaries properly. Monitoring of the Subsidiary's compliance function is part of the Implementation of the Integrated Compliance Function. Compliance risk of Bank Danamon and its Subsidiaries can be managed properly. This is reflected in the compliance risk profile which is ranked 2 or Low to Moderate.
   During 2021, there were no violations based on the stipulated regulatory parameters.
4. Compliance Risk Management
   Compliance risk management is carried out through a process of identifying, measuring, monitoring and controlling compliance risk in accordance with the implementation of risk management. The compliance risk management strategy is implemented through a 3 (three) line of defense scheme. The Compliance Unit performs an analysis of compliance risk, both individual and consolidated Bank compliance risk, as well as integrated compliance risk.
5. Commitment to Regulators
   The Compliance Unit monitors and ensures the fulfillment of follow-up commitments related to the results of inspections carried out by the regulator on a regular basis. During 2021, all audit commitments submitted by the regulator can be fulfilled and do not exceed the agreed time limit. The Compliance Unit also acts as a liaison regarding compliance implementation for internal and external parties.
6. The implementation of the functions of the Integrated Compliance Unit is disclosed in the Integrated Governance section.

HUMAN RESOURCES DEVELOPMENT FOR COMPLIANCE UNIT

As of December 2021, the Compliance Unit is supported by 21 employees (including the Head of the Compliance Unit) with the majority having a working period of more than 5 years in the banking sector with adequate capacity. Danamon always provides opportunities for Compliance Unit employees to improve their knowledge and competence to support the implementation of their duties. All employees of the Compliance Work Unit have followed the Risk Management certification

Some of the training/training/seminar/workshop materials that have been attended by both internal and external Compliance Unit staff include:

External	Internal
Discussion on the Implementation Plan of the Indonesia-China LCS Framework with Potential Customers.	Effective Millennial Mentoring
Risk Management Certification level 3	The Power Of Data To Unleash Company Digital Growth
Discussion: Juridical Analysis of Bank's Transfer of Receivables (Cessie) in Efforts to Settle Non-performing Loans	Risk Management Certification Level 3
Webinar - Global Developments in Digital Finance	Compliance 2019
Discussion regarding the Indonesia-China LCS Implementation Plan.	Digital Banking Transformation By Utilizing Open API (Application Programming Interface)
Local Currency Settlement	Learning From The Past, Looking For The Future
FGD on the Implementation of AML & CFT Programs in Financial Conglomerates	Danamon Compliance 2021 - Series 1
Socialization of the Integrity Zone Development in the framework of a Corruption-Free Area at the Special KPPN for Receipts	Danamon Compliance 2021 - Series 2
Risk Management Certification level 2	Danamon Sustainability 2021
Socialization of POJK No.12/POJK.03/2021 concerning Commercial Banks	AML CFT : The Role of First Line of Defense (FLOD) & Global Roll Out (GRO)

External	Internal
Socialization of POJK No.13/POJK.03/2021 concerning the Implementation of Commercial Bank Products	Risk Management Certification Level 2
PBI Socialization No. 23/6/PBI/2021 regarding Payment Service Providers	APU PPT : Customer Due Diligence (2018)
PADG Socialization No. 23/15/PADG/2021 concerning the Implementation of the National Standards for Open Application Programming Payment Interfaces	Cyber Security Awareness
Webinar: Challenges After the Restructuring Is Over	How To Improve Collaboration In Digital Era?
Discussion related to LCS Campaign.	Socialization of PBI PJP No. 23/6/PBI/2021 - part 1
Socialization of Banking Provisions (POJK No.12/POJK.03/21 concerning Commercial Banks, POJK No.13/POJK.03/21 concerning Operation of Commercial Bank Products)	Applied Cognitive AI In Data & Knowledge Driven Decision Making Era
FGD Detection of IT-Based Banking Fraud Cases and Handling Mechanisms through Account Blocking Mechanisms and Rare Risk Mitigation	Terms of Payment for Import Foreign Exchange and Receipt of Export Proceeds
Governance and Financial System Stability	Workshop Operation Control & Policy 2021
Use of Local Currency in the SCS Framework to Support National Economic Recovery.	Online Workshop Balance Score Card
Prevention of Bribery through the Implementation of an Anti-Bribery Management System based on ISO 37001 and Presentation of the KPK SE on Gratification Control related to the Financial Services Industry	Blockchain And Digital Identity: The Decentralized Identity Revolution
Socialization Invitation “Implementation of Indonesian Payment System 2025: BI-FAST”	Cyber Risk Awareness: Minimizing The Risk By Maximizing Your Role
Discussion of the Plan for Issuance of Transaction Terms in the Forex Market.	Mental Health Workshop
Dissemination of BI Provisions and Preparation for Implementation of E-BOCS Interconnection with BI SSSS	Anti Bribery Corruption (Anti Penyuapan Dan Korupsi)
Discussion of the main points of regulation of transactions in the foreign exchange market.	Elearning ORM & QA - 2020
The Development of Digital Financial Innovation and Beware of Illegal Investments in Indonesia	Danamon Sustainability
Socialization of the Plan for Implementation and Testing of the System with Prospective Pilots of CCP Members.	Occupational Health and Safety
National Seminar on Banking Policy Research 2021	Banking Dispute Resolution And International Arbitration
National Seminar on Banking Policy Research 2021	Overview of Bank Danamon ISDA Schedule
RPIM Fulfillment Component Data Technical Discussion	Information Security Awareness
Banking transformation in the digital era	Risk Management Essentials
Launching of Blueprint for Digital Banking Transformation	Anti Fraud Integrity Pact
Kick Off Supervision of Operator Behavior and Socialization of BI Consumer Protection	Ethic Code 2021
Importance of Trademark Registration in Strengthening and Protecting Business	Online Market & Liquidity Risk For Non Treasury
Risk Management Certification Refreshment	Mindfulness At Work
Socialization of BI Fast Provisions	Online Training Improving Negotiation Skill

External	Internal
Tips and Trick for Submission of Application for Approval and Reporting on Retail Payment System Development	Webinar Importance of Brand Registration in Strengthening And Protecting Business
Legal Aspects of Document Retention in Banking Companies and Legal Problems	Credit Granting Process
Strengthening Green Finance in Responding to Climate Change Challenges and Opportunities for Financial System Stability	Refreshment Risk Management Certification
Webinar: Directions for the Development of Indonesian Banking in 2022 in the midst of efforts towards banking digitalization	Seminar on Legal Aspects of Document Retention in Banking Companies and Legal Problems
Socialization of LPS Guarantee Program	Employee Financial Wellness Festival 2021
Changes in Statutory Reserves, RIM and PLM in connection with BI FAST Implementation.	Cyber Risk in the Age of Banking Digitization
Launch of Financial Literacy Infrastructure	Bank Accountability Webinar in Violation of the Application of Prudential Banking
Soft Launching of Single Customer View application	Online Training Designing An Effective And Attractive Presentation

COMPLIANCE TOWARDS MAJOR REGULATIONS 2021

Parameter		Requirement	Compliance
Capital Adequacy Ratio		Min. 9% s/d <10% (risk profile rating 2)	Comply
Primer (Rp)	Primer (Rp)	Min. 3%	Comply
	Primer (USD)	Min. 4%	Comply
	Macroprudential Intermediation Ratio	80% - 92%	Comply
	Secondary/ Macroprudential Liquidity Buffer	6%	Comply
Non Performing Loan (NPL)		NPL Net Max. 5%	Comply
Net Open Position		Max. 20%	Comply
Maximum Lending Limit for Related Parties		Max. 10%	Comply
Participation Portfolio		Max. 25%	Comply
Maximum Lending Limit		There is no exceeding or violation of the provisions of the Maximum Lending Limit	Comply

DISCLOSURE OF ADMINISTRATIVE SANCTIONS BY FINANCIAL SERVICES AUTHORITIES

During 2021, there are no administrative sanctions that are material and affect the continuity of the Bank's business as well as administrative sanctions to Board of Directors members and Bank's Board of Commissioners members given by the Regulator.

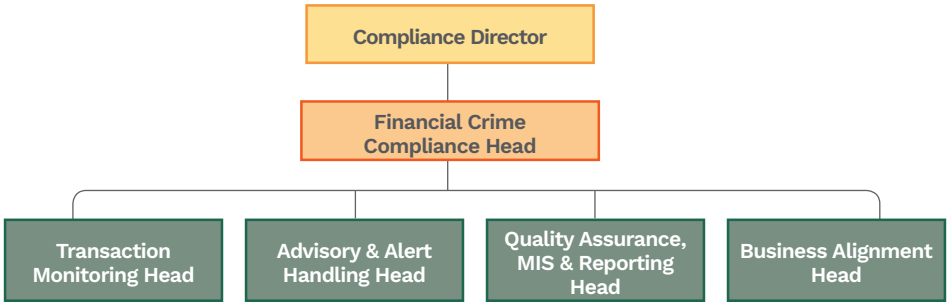
IMPLEMENTATION OF ANTI MONEY LAUNDERING (AML) AND COMBATING THE **FINANCING OF TERRORISM (CFT) PROGRAMS**

ORGANIZATION

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

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

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



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

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

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

2. **The Second Line of Defense**
   The Second Line of Defense is carried out by FCC Working Unit at the Head Office which has role and responsibilities to prepare the methods and tools that can be used by First Line to carry out its duties and responsibilities, prepare adequate policies and procedures, systems and training and ensure that First Line of Defense has carried out its functions properly.

3. The Third Line of Defense

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

IMPLEMENTATION OF AML AND CFT PROGRAM IN 2021

1. Evaluation of Policies and Procedures

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

c. Reviewed 83 draft policies and/ or new products and application forms based on request from related units at Bank Danamon to ensure compliance with the implementation of AML And CFT Program. While, there is no AML Forums disseminated to other units.

d. Publish information related to implementation of AML and CFT Program on Bank Danamon's website by providing information of Bank's General Policy, US Patriot Act, Wolfsberg AML Questionnaire.

2. Monitoring and Evaluation Process

a. Monitoring & Testing

In order to ensure the implementation of the AML and CFT programs, FCC conducted monitoring & testing in coordination with the Branch Operations team where the implementation will be carried out by the Branch Control Unit effective July 1, 2021 in accordance with the Global Roll Out Implementation, while branch inspections are in accordance with the Schedule Visit Plan Branch Control to the intended branches to assess awareness, effectiveness and quality of data on the implementation of the AML and CFT Program compared to the stipulations that govern it. In addition, FCC took the initiative to create a compliance report and customer data completeness (KYC) through the Branch AML CFT Report (BAR).

Quality Assurance has been implemented in 10 high complexity branches in the areas of Jakarta, West Java, Central Java, Bali Nusra, Sumatra, and Kalimantan.

b. Monitoring on Completion of Customer Data

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

1) During 2021, FCC conducted monitoring on the fulfillment of AML-CFT mandatory data for opening CIF and new account opening during the following year, new account opening by using old CIF during the following year.

Until December 2021, there were 310,776 CIFs out of 310,554 opening CIF (99.92%) have been completed/

2) Updating KYC Data is also a method to monitor the quality of customer data as well as Bank's commitment to OJK which both of its data target and achieved result are submitted to OJK through Compliance Director's Report in annual period.

As of December 2021, there were 27,201 CIFs (100%) have been updated as per Bank's commitment to OJK for 2021.

3) The monitoring of customer data quality through AML System (Customer Due Diligence & Watch List Filtering):

- CDD (Customer Due Diligence) alerts on the AML System if there is a significant change in the risk value and in a new account opening with high risk level or PEP. As of December 2021, has conducted monitoring on 4,200 alerts, and has requested for improvement or completeness of data/ information if there are still incomplete/ inadequate data.
- Alert WLF (Watch List Filtering), is a screening process for new CIF opening to PEP and Negative List data owned by the Bank, using the World Check database (including OFAC) and DTTOT - WMD Proliferation. As of December 2021, have

conducted analysis on 8,492 alerts of screening results. There are 18 (eighteen) positive hit alerts with PEP data that required data correction or adjustment by Branches or other relevant Business Units and 11 (eleven) alerts that have been escalated to the FCC Transaction Monitoring unit to be followed up due to negative news.

4) The Bank also conducts periodic screening of all existing CIF routinely which is one of the methods of monitoring customers to ensure there are no customers included in Negative List (DTTOT, WMD Proliferation, Negative News and OFAC). From the results of those periodic screening, there were 4,088 CIFs known as PEP/ related to PEP so that Branches or related units need to conduct data update on related CIF for their follow-up action.
5) Customer data quality monitoring is also carried out as follow-up action to customer transaction monitoring process which conducted by Transaction Monitoring Unit. As of December 2021 , there were 514 CIFs that has been sent to Branches for further customer data updating so that the data in the database is updated.

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

BAR Report is submitted to all of Regional Heads and copied to the respective director in relation to the assessment result of each Branch Network in half-yearly period.

The result of BAR Report as of December 2021 are as follows:

BAR Score during 2021 per BN Area

No	Description	As of June 2021	As of December 2021
1	Highest Score	98.16	99.59
2	Lowest Score	87.88	98.57

BAR Score during 2021 in each of the branch

No	Description	As of June 2021	As of December 2021
1	Highest Score	100	100
2	Lowest Score	75	89.69
3	Total Branches with score < 70	NIL	NIL

Based on the above results, it can be concluded that the implementation of AML CFT in all BN Areas is Good. Due to Covid-19 pandemic also needs to be taken into consideration which impacted to Branch and customer activities to follow up related to incomplete data.

3. Training and Socialization
Organizing AML CFT training programs for new employees and existing employees, including AML CFT training for Danamon Bankers Trainees, Socialization of new procedures based on GRO initiatives on QA, KYC and Sanctions processes, Refreshment of KYC procedures and Sanctions for BSM.

During 2021 FCC held 14 training sessions on the topics mentioned above. In addition to the training

and socialization, FCC also held Focus Group Discussions (FGD) 3 times during 2021 which was attended by branch frontliners with the topic of the implementation of KYC and Sanctions Procedure. During the Covid-19 pandemic, the training program was carried out via online using MS teams. As a follow-up to OJK directives regarding the understanding of anti-money laundering and funding funds for the public and employees in the financial services sector, OJK Socialization video on the Prevention of Money Laundering and Terrorism Financing has been uploaded to Bank Danamon's YouTube which can be accessed by the public and Bank intranet networks to be accessed by Bank Danamon employees.

FCC made AML-CFT e-learning related to the First Line of Defense function in the context of implementing the Global Roll Out program which was successfully completed and launched on April 30, 2021. This e-learning must be carried out by first line of defense (FLOD) staff and the second line of defense (SLOD) which is included in the Global Roll Out program. Achievement of e-learning in 2021, as many as 6,289 staff from 6,289 staff (100%) of total employees as of September 30, 2021 have participated in the e-learning.

4. Reporting

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

The number of reports and responses for information requests from external parties that have been carried out until December 2021 is as follows:

TOTAL OF REPORTING IN 2021

STR	CTR	IFTI	SIPESAT	Response Letter sent to External Parties
1,024	48,132	89,406	330,116 CIF	549

5. Management information System

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

- Screening of SWIFT transactions in Trade Operation
- Screening development for existing customers in the AML System and automation of updating watchlist data.
- AML System upgrade

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

- Improve GoAML Internal Danamon to fulfill the requirement of Go AMLPPATK.
- Develop the PEP database with PPATK
- Improve GoAML application to support SIPENDAR reporting to PPATK

6. Audit

In November 2020, the Internal Audit (SKAI) carried out an examination of the implementation of AML and CFT until May 2021. In general, the implementation of AML CFT was quite good with several follow-up plans for improvement until May 2022 covering processes, procedures and systems in the FCC, as well as related working units.

INTERNAL AUDIT UNIT (SKAI)

STRUCTURE AND POSITION OF INTERNAL AUDIT UNIT (IIAU)

Internal Audit Unit in Bank Danamon is a member of MUFG Group Financial Conglomeration Integrated Internal Audit Units (IIAU), where Bank Danamon as the Main Entity. IIAU Danamon ("IIAU") is an independent function directly responsible to the President Director. To support independency and monitoring of the implementation of internal audit programs, the Chief Internal Auditor (Head of IIAU) is also directly responsible to the Board of Commissioners through the Audit Committee. IIAU aims to provide independent and objective views in conducting assurance activities and providing consultation services to the Board of Commissioners and Board of Directors, as part of continuous control process and risk management within the company.

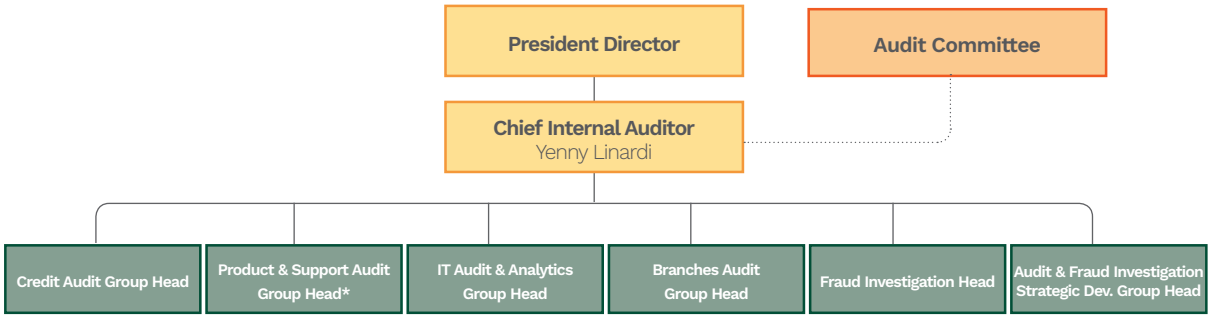
IIAU aims to be a business partner that provides added value in fostering a robust control culture to support Danamon and its subsidiaries to achieve their long-term goals by referring to the International Standards for the Professional Practices of Internal Auditing (IPPF) from The Institute of Internal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

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

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

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

IIAU Organization Structure



*Covering Treasury & Operations Audit

Appointment, Dismissal, and Legal Basis for Appointment of Head of IIAU

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

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

CHIEF INTERNAL AUDIT PROFILE

YENNY LINARDI
CHIEF INTERNAL AUDIT

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

DUTIES AND RESPONSIBILITIES OF INTEGRATED INTERNAL AUDIT UNIT (IIAU)

IIAU has duties and responsibilities, among others:

1. Develop an annual audit plan using risk-based methodology and implement the approved annual audit plan, including special tasks/projects;
2. Review and provide recommendation on the annual audit plan of subsidiaries' Internal Audit;
3. Improve the adequacy of knowledge, skills, experience, and professional certifications;
4. Monitor and review the internal audit implementation in subsidiaries;
5. Prepare and submit reports to OJK in accordance with the prevailing regulations, e.g., semi-annual reports, special report on each audit issue deemed to disrupt the continuity of the bank, report on Quality Assurance Review of IIAU by external party, and report of Information Technology audit;
6. Communicate with OJK at least once in 1 (one) year;
7. Convey compliance of sharia principles to Sharia Supervisory Board and appoint at least one (1) IIAU member who has knowledge and/or understanding of sharia banking operations;
8. Recommend corrective actions for audit findings to related units, monitor and ensure that management actions have been effectively and efficiently implemented; or Senior Management had accepted risks that could not be mitigated yet;
9. Conduct regular coordination meetings with the subsidiaries' Internal Audit at least every quarter;
10. Develop program to evaluate the quality of internal audit activities that have been performed;
11. Determine the internal audit execution strategy for subsidiaries.

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

2021 INTEGRATED INTERNAL AUDIT UNIT (IIAU) PRIORITIES

IIAU has conducted the following activities to strengthen internal audit functions in 2021:

1. Continued with audit priorities and perform continuous monitoring on high and medium risk entities, and also with extensive branch network.
2. Focus on reviewing emerging risks and risk associated to new bank initiatives and process.
3. Continued to increase auditor competency through trainings, knowledge on regulation, product and procedures, as well as risk management and audit process and professional certification.
4. Continued to develop analytic functions by continuing to develop the scope of the data analytics.
5. Completed quality assurance process (review) by external party as part of compliance to POJK No.1/POJK.03/2019 regarding the Implementation

Standard of Internal Audit Function for Commercial Banks which is conducted once every 3 (three) years; with Generally Conform result (in accordance with) the stipulated OJK regulations.

6. Continued the quality assurance process and improvement program (QAIP) by benchmarking with the internal audit best practices in banking industry (IAU Danamon) and financing industry (Internal Audit Unit ADMF).
7. Performed joint audits with Internal Audit unit of ADMF.
8. Align audit coverage and methodology with MUFG, specifically in the areas of Anti Money Laundering/ Sanctions/Anti Bribery Corruption, and Volcker rules.
9. Continue to perform its role as main entity IA of the MUFG Group Financial Conglomerate such as conduct regular meeting, monitoring planning, implementation, and evaluation of internal audit function at each entity member, as well as monitoring key internal control gaps & implementation of their resolutions in each entity member.

AUDIT PLAN AND REALIZATION AS OF DECEMBER 31, 2021

In 2021, Integrated Internal Audit Unit (IIAU) has conducted the following internal audit engagements:

1. IIAU Danamon has conducted audit in 207 entities in Danamon:

Audit Plan & Realization as of December 31, 2021

Danamon	2021 Audit Plan	2021 Audit Realization
a. Head Office Audit	41	41
b. Regional Office Audit	12	12
c. Branches Audit	154	154
Total Audit	207	207

2. Internal audit activities in Adira Dinamika Multi Finance (ADMF) were performed by the Internal Audit unit of ADMF or jointly with IIAU Danamon.

Audit Plan & Realization as of December 31, 2021

ADMF	2021 Audit Plan	2021 Audit Realization
a. Head Office Audit	7	7
b. Regional Office Audit	46	45
c. Branches Audit	130	131
Total Audit	183	183

AUDIT IN NEW NORMAL

COVID-19 pandemic has its affect to IIAU audit activities, which is mainly audit activities are limited to off-site audit to avoid physical contact as well as part of following strict health protocol set by Government and Company. Nonetheless, IIAU can overcome these obstacles by optimizing existing resources (such as data analytics and remote conferencing technologies) and adapting audit mechanism to ascertain and maintain its independence and objectivity.

DEVELOPMENT OF HUMAN RESOURCES

As of December 2021, the total number of personnel of IIAU Danamon was 136 personnel residing in the head office and regional audit offices across Jakarta, Surabaya, Medan, and Makassar. Moreover, the Internal Audit of ADMF had 62 personnel.

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

As of December 31, 2021, the following professional certifications have been obtained by IIAU staff:

International Certification	Person
Certified Internal Auditor (CIA)	6
Certified Fraud Examiner (CFE)	2
Certified Ethical Hacker (CEH)	2
Certified Information System Auditor (CISA)	3
Certified Information System Manager (CISM)	1
Financial Risk Manager (FRM)	1
Certified Anti-Money Laundering Specialist (CAMS)	1
Certified in Risk Management Assurance (CRMA)	1
Commercial Loans to Business (CLB)	25
Financial Accounting for Lenders (FAL)	24
Minimizing Problem Loans (MPL)	2
Certified Anti Fraud Manager (CAFM)	1
Certified ISO 27001:2013 Lead Auditor	1
Certified COBIT 2019 Foundation	1

National Certification	Person
Qualified Internal Auditor (QIA)	53
Risk Management Certification (SMR), Level I	107
Risk Management Certification (SMR), Level II	46
Risk Management Certification (SMR), Level III	10
Risk Management Certification (SMR), Level IV	1
A to Z Sharia Banking	4
Islamic Banking: Funding & Financing	1
Basic Financing Management Certification *(Sertifikasi Dasar Pembiayaan Managerial) by Lembaga Sertifikasi Profesi Pembiayaan Indonesia (SPPI)*	9

2021 TRAINING AND WORKSHOP

No.	IIAU	#Person YTD Dec 2021	#Training & Workshop	Mandays
1	Internal Audit Unit-Danamon	136 staff	125	8 days
2	Internal Audit Unit-ADMF	62 staff	45	10 days

COMPANY ACCOUNTANT/ EXTERNAL AUDITOR

APPOINTMENT OF COMPANY'S ACCOUNTANT

Based on AGMS Danamon that was held on April 30, 2021, approved the appointment of Elisabeth Imelda as Public Accountant (AP) and Public Accounting Firm (KAP) Imelda & Partners (member firm of Deloitte Touche Tohmatsu Limited) as KAP registered at the Indonesian Institute of Public Accountants (IAPI) and the Financial Services Authority to audit Danamon's consolidated financial statements for fiscal year 2021. As well as determined the amount of honorarium and other requirements associated to the appointment of AP and KAP by taking into account the recommendations of the Audit Committee.

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

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

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

OTHER SERVICES BESIDES FINANCIAL AUDIT

The Public Accounting Firm throughout 2021 provided services other than audit services. Other services fees that are quoted are less than the fees for audit services.

AUDIT PERIOD AND ACCOUNTANT'S HONORARIUM

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

Year	Public Accounting Firm (KAP)	Name of Accountant	Service Fee
2021	Imelda & Partners (member firm of Deloitte Touche Tohmatsu Limited)	Elisabeth Imelda	IDR 3.930 billion
2020	Tanudiredja, Wibisana, Rintis & Partners (member firm of PwC global network)	Lucy Luciana Suhenda, S.E., Ak., CPA	IDR 5.335 billion
2019	Tanudiredja, Wibisana, Rintis & Partners (member firm of PwC global network)	Drs. M. Jusuf Wibisana,M.Ec, CPA	IDR 4.405 billion
2018	Tanudiredja, Wibisana, Rintis & Partners (member firm of PwC global network)	Drs. M. Jusuf Wibisana,M.Ec, CPA	IDR 4.405 billion
2017	Tanudiredja, Wibisana, Rintis & Partners (member firm of PwC global network)	Drs. M. Jusuf Wibisana,M.Ec,CPA	IDR 4.346 billion

EFFECTIVENESS OF EXTERNAL AUDIT IMPLEMENTATION

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

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

a. Examinations have been done on all material accounts based on the applicable Public Accountant Professional Standards and in compliance with the applicable Accounting Standards in Indonesia.
b. The submission of audited consolidated financial statements.

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

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

RELATIONSHIP BETWEEN BANK, PUBLIC ACCOUNTANT, AND FINANCIAL SERVICES AUTHORITY

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

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

RISK MANAGEMENT

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

In MUFG Group Financial Conglomeration, PT Bank Danamon Indonesia, Tbk (hereinafter referred as "Danamon") is appointed to be the Main Entity and the member of Financial Conglomeration consists of Subsidiaries and Sister Companies. Below is the MUFG Group Financial Conglomeration structure:

Structure	Entity's Name	Relationship to Danamon
Main Entity	PT Bank Danamon Indonesia Tbk ("Danamon")	
Entity Member	PT Adira Dinamika Multi Finance Tbk ("ADMF")	Subsidiary (vertical relationship)
Entity Member	MUFG Bank, Ltd. Cabang Jakarta ("MUFG Jakarta")	Sister Company (horizontal relationship)
Entity Member	PT U Finance Indonesia ("UFI") 1	Sister Company (horizontal relationship)
Entity Member	PT Adira Quantum Multifinance ("AQM") 2	Subsidiary (vertical relationship)

[1] In Q3 2021, there was a change in UFI's shareholder where MUFG is no longer listed as a shareholder of UFI. The change in UFI's shareholders has been approved by the Regulator in Q4 2021. The Main Entity has submitted a letter of change of MUFG Group financial conglomeration to the Regulator in Dec 2021 and is currently waiting for the Regulator to record the change.
[2] in the process of liquidation settlement

IMPLEMENTATION OF RISK MANAGEMENT

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

1. Active supervision of Board of Directors and Board of Commissioners
2. Adequacy of risk management policies and procedures as well as risk limit setup.
3. Adequacy of risk identification, measurement, monitoring and control process as well as risk management information system
4. Internal Control System

This is in line with the practice in the banking industry and in accordance with the regulation of Financial Services Authority (OJK).

Danamon has a Risk Management function that is centralized and independent from Risk Taking Unit (RTU). The Risk Management function includes the management of the main inherent risks in the Danamon's and Subsidiaries' activities. The implementation of the risk management function is carried out by Integrated Risk Directorate which is responsible to Integrated Risk Director.

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

SUPERVISION OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

The Board of Commissioners (BOC) and Board of Directors (BOD) actively supervise the implementation of risk management through the committees:

a. Risk Oversight Committee
   With the highest authority at the Board of Commissioners level, this committee functions as a supervisory board to monitor and provide recommendations to the Board of Commissioners related to the evaluation of risk management policy and its implementation, evaluate the execution of duties of Board of Directors, Risk Management Committee and risk management working unit in the risk management implementation as well as provide independent professional opinion to the BOC and recommend to the BOD actions to be considered for further strenghtening of the risk management framework.

b. Risk Management Committee
At the Board of Directors level and is responsible for evaluating and providing recommendations to the President Director and Board of Directors related to development of risk management strategy and policy, implementation of the overall risk management process, and evaluation of significant risk issues.

Risk Management Committee oversees 2 (two) Sub-Committees as follows:

- Credit Policy Sub-Committee
  The main role of Credit Policy Sub-Committee is to review, provide inputs, monitor, and evaluate on matters related to the development and implementation of Credit Risk Policy.

- Information Disclosure Sub-Committee
  Information Disclosure Sub-Committee is established in order to comply with MUFG Bank requirement to ensure that the Sub-Committee has reviewed, deliberated and concluded the accuracy and appropriateness of financial reporting. In addition, the sub-committee need to ensure that the framework for internal control over financial reporting has been properly designed and enhanced.

EFFECTIVENESS OF THE RISK MANAGEMENT SYSTEM

Danamon manage risks both individually or consolidated, which links between strategic planning, risk appetite, business execution, risk assessment and performance evaluation, in order to optimize business growth and maximize Stakeholder value.

Danamon has set Risk Appetite Statement (RAS) which outlines the level and characteristics of risks that are able to be accepted by Danamon in carrying out its activities to achieve the objectives set by the shareholders. The application of RAS to the Line of Business and Subsidiaries has been carried out since 2017. A comprehensive review of RAS parameter and threshold is conducted periodically, at minimum once every 2 years, to ensure the suitability of RAS with internal and external business conditions. At the end of 2021, RAS review has been conducted and to be implemented in 2022.

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

The evaluation of risk management effectiveness is conducted by the working unit through self assessments, and periodic evaluations carried out by the Internal Auditor on the risk assessment methodology, adequacy of system implementation, management information systems, as well as the appropriateness of policies, procedures and limits. In 2021, the assessment of the effectiveness of Danamon and Subsidiaries' risk management is satisfactory with risk level at 2 (low to moderate).

TYPE OF RISK AND ITS MANAGEMENT

The risks managed by Danamon individually and consolidated include Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Reputation Risk, Strategic Risk, Compliance Risk, Rate of Return Risk and Investment Risk. While the risk that is managed in an integrated matter within financial conglomeration include Intra-Group Transaction Risk. Further explanation is as follows :

Credit risk
is the risk due to failure of other parties to meet its obligation to the Bank and/or Subsidiaries, including credit risk due to debtor failure, credit concentration risk, counterparty credit risk, settlement risk and country risk. Credit risk is managed through establishment of policies and procedures covering credit granting criteria, credit origination and approval, pricing, monitoring, non-performing loan management and portfolio management.

Market risk
is the risk of losses on balance sheet and off-balance sheet positions, including derivatives transactions, due to overall changes in market conditions, including the risk of option price changes. Market risk arises due to movement in market factors such as interest rate and exchange rate on Danamon's portfolio on the Asset side as well as Liabilities, in the trading book and banking book position, which has the potential to cause losses to the bank.

Operational risk
is the risk due to inadequacy and/or failed internal processes, human error, system failure, and/or the presence of external events that affect the operation activities. Operational risk management is carried out to minimize impacts that can lead to financial losses and reputation damages. Operational risk management also includes management of information security risk (including cyber security risks), technology risk, change risk management and business continuity.

- **Information Security Risk (including cyber security risk)**
  is the potential impacts that could occur due to threats and vulnerabilities associated with the operation and the use of system and/or information/data owned by the Bank in terms of Confidentiality, Integrity and Availability of information/data.
- **Technology Risk**
  Is the potential loss arising from inadequate internal control from the operation and use of Information Technology devices and / or systems to support the Bank's business and operational processes.
- **Change Risk Management**
  Is the approach to risk management aspect by providing the assistance and support to transformation project team members in order to manage the risks arisen due to change in the organization.

Liquidity risk
Is the risk due to the inability of the Bank to meet its maturing obligations from cash flow funding sources and/ or from high quality liquid assets which can be pledged, without disturbing the activities and financial condition of the Bank.

Reputation risk
is the risk due to decrease in stakeholder's level of confidence that comes from negative perceptions. Reputation Risk Management is carried out through handling of customer complaints, performing public relations functions, responding to negative news as well as communicating information required to the stakeholders. On a consolidated basis, the Bank's Reputation Risk management team works with the risk management team in the Subsidiaries.

Strategic risk
Is the risk due to inaccuracy in the making and/or implementation of strategic decisions and failure to anticipate changes in the business environment. Strategic risk management is carried out through the analysis of business strategy alignment with the business environment conditions. Strategic Risk is related to several areas: business plan, information technology and human resources.

Legal risk
is the risk caused by lawsuit and/ or weaknesses of juridical aspects. Legal risk occurs due to, among others, absence of supporting statutory regulations, or weaknesses in contract execution due to unfulfillment of elements of contact and imperfect execution of collateral document.

Compliance risk
Is the risk caused by the Bank that does not comply with and/ or does not implement the laws and regulations including Sharia Principles for sharia commercial bank and sharia business unit. Compliance risk is managed by an independent working unit that performs the compliance function.

Investment risk
is the risk due to the Bank and/ or Subsidiaries bear the loss of customer's business that is financed under a profit and loss sharing or net revenue sharing scheme. Investment risk is applied for Sharia business unit.

Rate of return risk
is the risk due to the change in the rate of return paid by the Bank to its customers as an effect of a change in rate of return received by the Bank and/or from the financing, which can affect the behavior of third party fund customers. Rate of return risk is applied for Sharia business unit.

Intra-group transaction risk
is the risk due to the dependence of an entity either directly or indirectly to other entities in a Financial Conglomeration in order to fulfill a contractual obligation of written and unwritten agreement which followed by either transferring the funds and/or not followed by transferring the funds. Intra-group transaction risk is managed by Bank together with Subsidiaries and Sister Companies.

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

ACHIEVEMENT OF INTEGRATED RISK IN 2021

Risk Management in General:

- Implementation of individual and consolidated Risk Management in the Bank and Subsidiary
- Improvement of Risk Profile report in accordance with regulatory requirements.
- Preparation and submission of Sustainable Finance Action Plan for period of 2022 – 2026 in order to fulfill POJK no. 51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies.
- Implement programs stated in the Sustainable Finance Action Plan
- Update on Risk Management Policy – Bank and Consolidated has been done.
- Update on Sustainability Policy and Sustainability Guideline related to Credit have been done.
- Update Recovery Plan in accordance with POJK No. 14/POJK.03 / 2017.
- Roll out Risk Academy on an ongoing basis as a means of risk management learning for all Bank employees through online/virtual training and various kinds of e-Learning modules related to risk management.
- Implementation of ICAAP framework that already had by the Bank continuosly.
- Conduct bank-wide stress tests according to Basel II at least once a year.
- Participate in the Joint Stress Test exercise using template and macroeconomy scenario provided by OJK and BI.
- Perform Covid-19 Thematic Stress Test to measure its impact to the Capital Adequacy and credit quality.
- Conduct various programs of Risk Culture that focus on the campaign of Three Lines of Defense implementation.
- Comprehensively review Risk Appetite Statement (RAS), including cascade it down to the Lines of Business and Subsidiaries.

Credit Risk Management:

- Monitor Internal Rating Model result for Corporate, Commercial, Financial Institution and Financing Company.
- Implement Early Warning Indicator for Corporate and Commercial line of business.
- Implement Behavior Scorecard for Small Medium Enterprise (SME) line of business to support credit process.
- Implement LLP PSAK 71 or IFRS9 Model for Corporate, Commercial, Financial Institution, Financing Company, SME, KPR, KMG, Credit Card, KTA, Micro Credit (SEMM), Auto Loan, Consumption and Investment, starting January 2020 according to OJK regulation.
- Revamp and provide guidance to implementation of Credit Risk Policy which applied bankwide in order to in line with Bank Indonesia and OJK Regulation as well as internal policy and risk appetite of Danamon.
- Revamp the memo of Stimulus regarding to Covid-19 impact in order to implement POJK No.11/ POJK.03/2020, POJK No. 48/POJK.03/2020 and OJK Letter No. S-19/D.03/2021 in Danamon, including review implementation memo on each LOB and monitor the performance of the restructured credit portfolio and the provision adequacy.
- Conducting regular review on industry classification based on the risk level (high risk restricted, high risk, medium risk, and low risk), as well as determining industry risk appetite to ensure the industry growth is align with the determined threshold.
- Stipulate authority of Credit approval in Head Office in each LOB including approval authority for Covid 19 credit restructure.
- Review EB and SME Credit Guideline as well as revise credit criteria for segments with bad performance and set caps and triggers for high risk segments.
- Limit the lending to high risk segments such as UPL.
- Stop the lending to high-risk loans in the Micro Credit (SEMM) and strengthen the collection strategy.
- Review new initiative programs in digital segment and MUFG Collaboration in order to keep in line with regulation and Danamon's risk appetite.
- Regularly review of all relevant procedures, policies and limit, and make adjustment if necessary, including any adjustments required by OJK/BI regulation and other relevant authorities.
- Regularly review of product programs, in terms of portfolio, criteria, and restrictions and other requirements, and make necessary adjustments.
- Perform backtesting periodically to assess the adequacy of credit provision. If necessary, addition of credit provision will be done based on that

backtesting results.

- Credit Quality Assurance (CQA) as a second line of defense which responsible to conduct independent forward-looking credit review/monitoring, where currently the coverage only to regional branch that has Enterprise Banking (EB) portfolio. CQA functions are to provide assurance on appropriateness of credit decision making, review adherence to credit guideline and methodology, and review process and outputs of credit approval.

Operational Risk Management, Fraud & QA:

- Improve the independence of functions and roles of operational risk manager in lines of business, support functions and Subsidiary.
- Refine the Operational Risk Management System (ORMS) application to improve the effectiveness in operational risk management comprehensively at Danamon and Subsidiary.
- Build the awareness of Operational Risk Management through e-Learning, Risk Academy module, email blast, and anti fraud awareness campaign. The purpose is to enhance awareness throughout all of management and employees on the importance of operational risk management.
- To improve implementation of ORPA (*Operational Risk Pre-Assessment*) to review the risk on new strategic initiatives including the recommendation of risk mitigation.
- To improve implementation of product/system/ process review for operational risk review including risk mitigation
- Implement Self Raise Issue to provide a tool for employees to raise an issue that potentially arise the operational risk.
- Implement an escalation mechanism for potential/ operational risk event.
- Implementation of Risk Acceptance to ensure that issues which can not be mitigated, however the process/activity will be carried out and the risk is still borne by the Bank, should be approved by relevant management.
- Enhance QA methodology and supporting system as well as improving QA Policy.
- Improve awareness regarding risk control.
- Improve the ability of early detection on the potential fraud by developing the fraud detection system and providing the Whistle-blower channel through independent third party.
- Build commitment and awareness of fraud through the obligation of the Anti-Fraud Integrity Pact signing by all Board of Directors, Board of Commissioners, and all employees of Bank Danamon.
- Review and update the anti-fraud policy and framework that is aligned with regulation.
- Update the Business Continuity Management (BCM) policy according to the latest conditions.

Technology and Information Security Risk Management:

- Updating the Bank's information security policy documents, to cover the provisions on the use of social media. Including updating the guidance documents regarding the classification of information applicable in the Bank.
- Continuing the implementation of the cyber threat modeling system or CyberThreat Modeling to carry out cyber risk identification for an application at an early stage so that it can be accommodated and mitigated properly in the application development process.
- Improve internal control processes so that they are adequate to minimize inherent and residual risks and their impacts in the management and use of Information Technology Services.
- Carry out consultation and communication functions with stakeholders related to risk management of using Information Technology Services and information security in the first line of defense.
- Develop and update the tools used to carry out the implementation cycle of the Information Technology Risk Management Policy.
- Implement Danamon's Information Security Policy in stages with priority and focus according to the approved implementation strategy, including the development of tools to improve the monitoring process.
- Continuing the implementation of the Information Security Risk Management framework for vendors who process Danamon's sensitive data classified as confidential/strictly confidential.
- Continuing the information security awareness program through various available media, including starting to update the bank's internal training materials with a new approach.

Market and Liquidity Risk Management:

- Update the Bank's Market and Liquidity Risks limit structure and policies
- Validation of the market and liquidity risk measurement methodology, including those to support Treasury new products.
- Validation from independent external party on the Bank's policies, methodologies, and reporting results produced by the ALM System related to Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and Interest Rate Risk in Banking Book (IRRBB).
- Update and enhancement of ALM System to support calculation and reporting alignment in regards of LCR, NSFR, as well as IRRBB.
- Implement Big Data as a data source used by the ALM System which is in line with the Bank's strategy of using Big Data as the main data source.
- Study and review the OJK Consultative Paper and participating Forum Group Discussion (FGD) pertaining to the Revision to the Minimum Capital Adequacy Requirement for Market Risk.
- Study and review the OJK Consultative Paper on Internal Liquidity Adequacy Assessment Process (ILAAP).

Change Risk Management:

- Has a Change Risk Management division under the Integrated Risk Directorate which responsible to collaborate with Bank-wide stakeholders involved in transformation projects to ensure risk elements (appetite, safeguard & control) are always taken into account in planning and implementing major projects.
- Ensure timely escalation of issues and proper mitigation of risks that arise directly or indirectly from the execution of various bankwide strategic transformation/change management projects.
- Supervise the development of policies, procedures and guidelines as well as governance & oversight for all significant bankwide transformation Programs and/or Change Management Projects within the second line of defense.
- Carries out PMO function if required and as assigned, in collaboration with internal and external stakeholders in planning, coordinating and monitoring the implementation of strategic transformation projects include ensuring the adequacy of project governance, risk identification and mitigation, communication and escalation to seniors management.

Provision of Funds to Related Parties and Large Exposures

Provision of Funds	Debtors	Nominal (Million IDR)
Related Parties	Subsidiaries and Core Management	1,030,346
Largest Group/Debtor	20 Groups	28,887,945

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

During 2021, there were no LLL violations or exceeds to the Related Parties, Non Related Parties either Individuals or Group Debtor and State Owned Enterprises.

LLL calculation refers to OJK regulation No. 32/POJK.03/2018 regarding Legal Lending Limit and Large Exposure for Commercial Banks and OJK Regulation No.38/POJK.03/2019 regarding Amendments of OJK Regulation No.32/POJK.03/ 2018 regarding Legal Lending Limit and Large Exposure for Commercial Bank.

INTERNAL CONTROL SYSTEM

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

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

Three Lines of Defense

Board of Commissioners Supervision		
Board of Directors Supervision		
First Line of Defense	**Second Line of Defense**	**Third Line of Defense**
• Line of Business • Operational Working Units • Other Supporting Working Units	• Integrated Risk Directorate • Regulatory Compliance Division	• Internal Audit Unit (SKAI))
Line of business, operational working units and other supporting working units are the First Line of Defense that responsible to conduct daily risk management in each working unit.	Integrated Risk Directorate and Regulatory Compliance Division have a role as the Second Line of Defense to perform risk monitoring function independently.	Internal Audit Unit has a role as the Third Line of Defense that is responsible for evaluating risk management implementation conducted by the First and Second Line of Defense.

All lines of defense should be responsible for the internal control management of each working unit in Danamon and Subsidiaries. Furthermore, Quality Assurance function in the first line of defense (business unit / supporting function) has been established to evaluate the implementation of internal control by the unit.

Assessment to each working unit have been carried out periodically. The implementation of quality assurance is regulated in the procedure (SOP) based on Danamon's Quality Assurance Policy/ Framework.

Awareness program on internal control in working units has been routinely carried out as well by the Quality Assurance function.

In principle, internal control is not only the task of the Quality Assurance function, but it is the duties and responsibilities of the entire working unit in Danamon.

EVALUATION OF EFFECTIVENESS LEVEL ON INTERNAL CONTROL SYSTEM

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

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

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

Legal Disputes involving Danamon

Cases Faced by Danamon	Total Cases		Impacts toward Danamon Conditions
	Civil	Criminal	
Telah diselesaikan [telah mempunyai kekuatan hukum yang tetap]	151	42	Case had no financial impact for Danamon
Dalam proses penyelesaian	203	42	Legal proceedings are still ongoing

Note:
Civil and criminal cases faced by Danamon during reporting year period had been submitted through court process and investigation process. Total cases recapitulation during 2021 as per data of December 2021.

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

Legal Disputes faced by members of Board of Commissioners & members of Board of Directors	Total Cases		Impacts toward Danamon Conditions
	Civil	Criminal	
Resolved [possess legally binding verdict]	2	-	None
Ongoing process	-	-	None

Permasalahan Hukum yang melibatkan Perusahaan Anak

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

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

Note:
PT Adira Quantum Multifinance is in liquidation process.

SIGNIFICANT CASES FACED BY DANAMON

The cases below have been submitted in the previous year's report, however, we can disclose it as follows:

CIVIL CASE HEIR OF EX-SHAREHOLDER

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

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

On January 3, 2018, South Jakarta District Court had given verdict where basically all of Plaintiff claims are rejected. On October 29, 2018, Jakarta High Court had given verdict where basically the Appeal request from Plaintiff was rejected and reinforce the District Court verdict. On August 15, 2019, Supreme Court of Republic of Indonesia had given verdict No. 1891 K/PDT/2019 where basically the Cassation request from Plaintiff was rejected, and reinforce the High Court and District Court verdict. On March 1, 2021, Supreme Court of Republic of Indonesia had given verdict No. 66/PK/PDT/2021 where basically the Judicial Review request from Plaintiff was rejected, therefore Bank Danamon as the winning party on all court stages, and case has legally binding verdict.

CIVIL CASE KOMALA (EKS DEBITUR SEMM)

On November 2020, Bank Danamon received another civil lawsuit on Tangerang District Court under register No. 1056/Pdt.G/2020/PN.Tng with Komalasari as Plaintiff, where she claimed that Bank Danamon had been negligent to insure the collateral for fire insurance, therefore Plaintiff suffered loss. Plaintiff demanded confiscation of Bank Danamon and Directors assets, compensation in amount of IDR 246,460,000,000 and to return the collateral. This case is still going on Tangerang District Court. This lawsuit is basically the same as previous civil lawsuits from Plaintiff, where Bank Danamon had been declared as the winning party, and one on the lawsuit had received legal and binding verdict on Cassation stage on Supreme Court of Republic of Indonesia.

In this lawsuit, Plaintiff also sued Bank Danamon Directors, namely Yasushi Itagaki as Bank Danamon President Director, Honggo Widjojo Kangmasto as Bank Danamon Vice President Director, and Rita Mirasari and Bank Danamon Director, in order for this lawsuit to avoid Nebis in idem element (lawsuit is identical with previous lawsuit). When trial is proceeding on Tangerang District Court, Plaintiff submitted request to revoke the lawsuit, and the request is granted by the panel of Judges, therefore Bank Danamon as the winning party, and case has legally binding verdict.

CIVIL CASE LAVERDE RESIDENCE MORTGAGE DEBTORS

On January 2021, Bank Danamon received civil lawsuit on Tangerang District Court under register No. 1153/Pdt.G/2020/PN.Tng with Alvin Pratito, etc. as Plaintiffs. Plaintiffs are debtors who received credit facility from Bank Danamon, and also, they are the buyers of house/shop house on Laverde Residence (Serpong Utara, Tangerang Selatan) with PT Cowell Development Tbk., as Developer. They claimed that Bank Danamon failed to fulfill the requirements for mortgage credit collateral and the disbursement of credit facility, and therefore inflict

losses to Plaintiffs. Plaintiffs demanded compensation in amount of IDR 221,336,339,188, and confiscation of Bank Danamon assets i.e. Bank Danamon HQ on Jakarta Selatan, Bank Danamon building on Matraman Jakarta Timur and Bank Danamon building on Alam Sutera Tangerang Selatan.

On August 30, 2021, Tangerang District Court had given verdict where basically all of Plaintiff claims are rejected. Plaintiffs has submitted Appeal, and on December 30, 2021 Bank Danamon had received official notification of Memory of Appeal from the court. Bank Danamon will submit Counter Memory of Appeal through Tangerang District Court.

CIVIL CASE PT BIDAKARA TARUMA SAKTI

On August 2021, Bank Danamon received civil lawsuit on Jakarta Selatan District Court under register No. 647/Pdt.G/2020/PN.Tng with PT Bidakara Taruma Sakti as Plaintiff. Plaintiff claimed that Bank Danamon had conducted acts against the law regarding the negligence of its ex-employees that causes other third party take away Plaintiff's fund. Plaintiff demanded compensation in amount of IDR 133,941,635,054, and confiscation of Bank Danamon assets i.e. Bank Danamon HQ on Jakarta Selatan. The case is still proceeding at Jakarta Selatan District Court.

TRANSPARENCY OF BANK'S FINANCIAL AND NON-FINANCIAL CONDITION

Access to company information and data in the form of financial and non-financial condition is regularly disclosed through mass media, public expose and through analyst briefing forums and websites. Reports on financial and non-financial condition are prepared and submitted to regulators and other institutions in accordance with applicable regulations. Reports on financial condition include Quarterly Published Reports, Published Financial Reports, Annual Reports and non-financial reports include Good Corporate Governance report, information on Products/ Services, Branch Networks and other non-financial information.

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

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

REMUNERATION POLICY

REMUNERATION POLICY DRAFTING PROCESS

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

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

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

SCOPE OF REMUNERATION POLICY AND ITS IMPLEMENTATION

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

REMUNERATION ASSOCIATED WITH RISK

In providing remuneration to employees, the company will consider the potential risk that may arise from all type of risks.

In the event of a risk resulting from the decision taken, the company reserves the right to extend the deferral period of the given variable.

PERFORMANCE MEASUREMENT ASSOCIATED WITH REMUNERATION

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

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

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

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

Performance bonuses are aimed to motivate and encourage employees to perform and contribute higher to Danamon.
The following guidelines are used to determine employee performance bonus:

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

REMUNERATION ADJUSTMENT ASSOCIATED WITH PERFORMANCE AND RISK

For the Executives who are appointed as Material Risk Taker (MRT) because the authority held in decision making can have a significant impact on Danamon's risk profile, a part of their annual performance bonus will be

made according to the following provision as required by OJK regulation No. 45/POJK.03/2015:
Part of the annual performance bonus is deferred at least for a period of 3 years.

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

REMUNERATION RELATED CONSULTANTS

Danamon uses consultant Willis Towers Watson as a consultant for conducting salary surveys which is conducted annually. The result of the salary survey will be used as a reference for determining employee salary. Danamon also uses the same consultant to assist in redesigning the compensation for employee.

POSITION AND NUMBER OF PARTIES CATEGORIZED AS THE MATERIAL RISK TAKER

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

REMUNERATION FOR THE REMUNERATION COMMITTEE

Remuneration Committee consists of 4 members of the Board of Commissioners and 1 officer who is in charge of Human Resources.

Total remuneration paid to all members of the Remuneration Committee during the year 2020 is IDR 18.5 billion.

REMUNERATION OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

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

Remuneration Type And Facilities	Amount Received in 1 (one) Year							
	Board Of Directors				Board Of Commissioners			
	2021		2020		2021		2020	
	No. of HC	IDR Mio	No. of HC	IDR Mio	No. of HC	IDR Mio	No. of HC	IDR Mio
Salary, bonus, Fixed allowance, tantiem, and other facilities in the form of Non Nature	10**	90,154	10	125,840	10*	24,060	6	29,220
Other facilities in the form of Nature (housing, medical insurance, etc.) which:								
a. Can be owned	10**	2,547	10	2,735	10*	1,376	6	1,070
b. Cannot be owned	10**	9,245	10	10,249	10*	2,136	6	1,562
Total	10**	101,947	10	138,824	10*	27,572	6	31,852

Note:

* From 10 Commissioners, 3 Commissioners effective resigned in April 2021 and 2 Commissioners join in August 2021.
** From 10 Directors, 2 Directors resigned in July 2021 and September 2021.

REMUNERATION OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS BASED ON INCOME LEVELS

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

Total Remuneration Per Person in 1 (one) Year ***)	Total Board of Directors		Total Board of Commissioners	
	2021**	2020	2021*	2020
Above IDR 2 billion	10	10	6	6
Above IDR 1 billion s/d IDR 2 billion	-	-	1	
Above IDR 500 million s/d IDR 1 billion	-	-	3	-
IDR 500 million and below	-	-	-	-

Note:
* From 10 Commissioners, 3 Commissioner effectively resigned in April 2021 and 2 Commissioners joined in August 2021
** From 10 Directors, 2 Directors effective resigned in July 2021 and September 2021
*** Annualized cash remuneration received

VARIABLE REMUNERATION

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

Annual performance bonus is awarded to the Board of Directors, the Board of Commissioners and the eligible employees. The amount of performance bonus every year is different which will be determined by the overall performance of Danamon, the performance of the Line of Business/ Segment and the performance of each employee.

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

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

Variable Remuneration	Total Received in 1 (one) Year											
	Board of Directors				Board of Commissioners				Employee			
	2021		2020		2021		2020		2021		2020	
	No. of HC	IDR Mio	No. of HC	IDR Mio	No. of HC	IDR Mio	No. of HC	IDR Mio	No. of HC	IDR Mio	No. of HC	IDR Mio
Total	10	25,663	10	32,118	6	8,636	6	15,877	5,148	166,147	5,073	226,642

UNCONDITIONALLY GUARANTEED VARIABLE REMUNERATION

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

DEFERRED VARIABLE REMUNERATION

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

THE HIGHEST AND LOWEST SALARY RATIO

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

Salary Comparison Ratio	2021	2020
The Highest and Lowest Employee	144.0 x	138.0 x
The Highest and Lowest Board of Directors	2.4 x	2.4 x
The Highest and Lowest Board of Commissioners	1.1 x	1.3 x
The Highest Board of Directors and the highest employee	1.6 x	1.7 x

SHARE OPTIONS

Danamon does not issue share option program for Board of Directors, Board of Commissioners, and employee during 2021.

EMPLOYMENT TERMINATION AND TOTAL NOMINAL OF SEVERANCE PAYMENT

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

Total Nominal Severance Paid Per Person in 1 (one) Year	Total Employees	
	2021	2020
Above IDR 1 Billion	28	26
Above IDR 500 Million up to IDR 1 Billion	51	15
IDR 500 Million and below	860	1,033

DETAILS OF THE AMOUNT OF REMUNERATION PROVIDED IN 1 (ONE) YEAR

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

a. Fixed Remuneration *)		
1. Cash	IDR 79,359	
2. Shares/ shares-based instrument issued by the Bank	**	
b. Variable Remuneration *)	**Undeferred**	**Ditangguhkan**
1. Tunai	Rp 35,214	Rp 4,797
2. Shares/ shares based instrument issued by the Bank	**	1,112,500 (shares)

Note:
*) Only for MRT and disclosed in million IDR

Quantitative information

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

Variable Remuneration Type *)	Remaining Deferred Variable	Total Reduction During Reporting Period		
		Caused By Explicit Adjustment (A)	Caused By Implicit Adjustment (B)	Total (A) + (B)
Cash (in IDR Mio)	IDR 8,292	-	-	-
Shares/ Shares based Instrument issued by the Bank (in number of shares and nominal in IDR Mio as conversion of number of shares)	2,313,571 shares	-	-	-

Note:
*) Only for MRT and disclosed in million rupiah

BANK'S SHARES BUY BACK AND BOND BUY BACK

There was no repurchase of both shares and bonds in 2021.

CONFLICT OF INTEREST TRANSACTIONS

There are no reports of conflict-of-interest transactions during 2021.

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

No.	Name and Position with Conflict of Interest	Name and Position of Decision Maker	Type of Transaction	Transaction Value (Million Rupiah)	Information
Nihil					

FUNDING FOR POLITICAL ACTIVITIES

Danamon has a policy that prohibits Danamon's involvement in political activities, including making donations in any form for political purposes. During 2021, there will be no funding for political activities.

FUNDING FOR SOCIAL ACTIVITIES

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

THE BANK'S **STRATEGIC PLAN**

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

Collaboration with MUFG has provided wide opportunities for the Bank and its Subsidiaries to become a unique hybrid bank, by combining the Bank's strong local capabilities and network with the support of MUFG's global network and international-scale capabilities. This includes MUFG's good relationship with multinational customers, so that the Bank can expand and improve its ability to serve customers. In 2022, the Bank will continue to focus on understanding customer needs and providing one stop solution services supported by the latest integrated technology, unique value proposition and process improvements, accompanied by growth and good risk management.

Short Term Plan

In 2022, Danamon has determined the strategic steps to be taken.

a. Credit

Balanced growth with sustainable profitability driven by loans in SME, Enterprise Banking, Consumer, and motor vehicle financing and multipurpose financing through subsidiary - PT Adira Dinamika Multi Finance (ADMF). Improvement or simplification of the credit initiation process in the SME business, which supported by technology and prudent credit policies. Community approach-based growth through several programs including: distributor financing and financial supply chain will be developed continuously, supported by MUFG collaboration. Danamon is also committed to improve its digital banking services to create customer engagement and provide a seamless experience for customers.

b. Funding

Increase third-party funds deposit to support credit growth including by: optimizing office network and customer acquisition programs through customer segmentation approach (mass market, emerging affluent and affluent), cooperation with strategic partners, subsidiary network and ecosystem approach. The Bank will continue to focus on increasing the acquisition of low-cost funds (current accounts and savings) through an institutional approach strategy.

If needed, Danamon will explore the issuance of the bond/ Medium Term Note (MTN)/ Negotiable Certificate of Deposit (NCD)/ Contingent Convertible Bond/ others in accordance with the funding requirements, market conditions and prevailing regulations of the Financial Services Authority (FSA)/ Bank Indonesia (BI) while taking into account and maintaining the Macro-prudential Intermediation Ratio (RIM) in accordance with regulatory provisions and Danamon's business strategies.

c. Non-interest income

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

d. Overhead costs

Enhance Danamon's and subsidiaries' productivity and efficiency through investment in technology to enhance digital banking, data analytics and automation capabilities, effective cost management, improvement of human resource capability and productivity in carrying out tasks, especially sales, collection and frontliners, and a review the structure of branch network to improve operational efficiency. These things are intended so that the Bank can reallocate investment in areas that are more productive and sustainable.

e. Asset quality

Maintain prudential principles in credit disbursement through adjustment and establishment of enhanced customer selection criteria and in accordance with business dynamics, periodical Portfolio Quality Review meeting , increase risk awareness through continuous credit risk training to business and risks teams, improve the "Rating System" capability by focusing on each target segment: mid-market, commercial, and corporate, gradual automation of credit process, gradually developed the Loan Origination System (LOS), and application of Early Warning Signal on mortgage and SME business. Additionally, through MUFG collaboration, the Bank

will provide credit with good quality and participate in Supply Chain financing, lending to certain SOE and large corporations and explore Financial Technology (fintech) collaboration or alternative scoring with external parties.

The Bank also implements strict and periodic monitoring of the COVID-19 restructuring portfolio, and continues to strengthen collection activities, while adhering to health protocols in pandemic situation.

f. MUFG collaboration

Collaboration and synergy with MUFG, as a global financial group and our majority shareholder, will be a catalyst for enhancing the capabilities and growth of the Bank's business. The main targets in the MUFG Collaboration will cover three areas; Business Collaboration, Digital Partnership and Platform Collaboration (framework).

Business collaboration with MUFG will be pursued by leveraging MUFG's global network, especially its strong relationships with Japanese and non-Japanese multinational companies, which have developed strong ecosystem in Indonesia.

Digital Partnerships are also a key area of collaboration with MUFG. MUFG has invested in and expanded relationships with digital start-ups in Indonesia and other Southeast Asian countries. This has helped the Bank to utilize and develop strategic partnership with digital start-ups, which aim to explore various opportunities and expand the Bank's digital business capabilities.
Collaboration Platform (framework) are intended to improve internal control in the Bank, especially in the areas of Financial Management, Compliance and Integrated Risk through the introduction and exchange of knowledge and experiences of the Bank with MUFG.

Apart from collaborating with MUFG, the Bank also intends to partner with other MUFG entities ("Partner Banks") in Asia such as the Ayudhya Bank ("Krungsri") in Thailand to improve capabilities in product development and internal control.

In order for the Bank to promote and support the MUFG Collaboration, the Global Collaboration Office (GCO) will act as project management in the Bank.

g. Networks

Despite the rapid progress of digitalization in the banking industry, the Bank still sees the importance of having a physical branch office for customers, especially for the affluent segment. The Bank has aspirations to transform its branch offices by combining the physical experience of the branch with digital, in order to increase the branch's ability to provide financial solutions to customers. However, the Bank will also continue to maintain the distribution network efficiency ratio, among others by consolidating the office network (including closing the network and merging the same activities from two adjacent networks into one network) and opening office networks in potential new business areas.

h. Prime Lending Rate (SBDK)

The Bank will support Bank Indonesia's program by maintaining the Prime Lending Rate (SBDK) and loan interest rates in 2022 at a reasonable level. This is done, among others, by increasing productivity and efficiency, maintaining credit quality and aligning the Bank's cost of funds in accordance with the development of the Bank Indonesia Interest Rate (BI Rate).

The amount of loan interest rate cannot be separated by the funding interest rate. In accordance with the Circular Letter of the Financial Services Authority Number 9/SEOJK.03/2020 concerning Transparency and Publication of Conventional Commercial Bank Reports.

Mid to Long Term Plan (3-5 years)

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

a. Credit

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

b. Funding

With MUFG collaboration, Danamon can strengthen funding by increasing third party funds from Enterprise Banking, SME, cross selling with motor vehicle financing and payroll, aside from retail banking.

Danamon will explore funding through the issuance of NCDs/continuous bonds, as well as other types of professional funding. If necessary, the Bank also plans to obtain short- and long-term funding from foreign markets. The exercise of these options will depend on the Bank's liquidity conditions, market conditions, and applicable regulations. Danamon will maintain RIM, LCR and NSFR in accordance to prevailing regulations.

c. Risk Management

The strategic steps to be undertaken in relation to risk management are keeping Danamon's growth at an acceptable and prudent level, maintaining optimal implementation of Danamon activities at "anticipated" liquidity risk level, and minimizing the "unanticipated" liquidity risk in obtaining cash flow funding sources, continuing the development and implementation of the scorecard/ internal rating model for credit risk in all business lines in stages to support the credit process, improving the implementation of operational risk management framework and strategy and operational risk awareness across all business lines and Subsidiaries, improve oversight of the implementation of the information security and technology risk management framework, including the development of existing risk assessment tools, collaborate with bank-wide stakeholders involved in the change management project to oversee the development of policies, procedures & guidelines as well as governance & oversight for all significant bank-wide transformation programs and / or Change Risk Management projects in the second line of defense area, ensuring risks are identified well before project implementation, well managed during project implementation and monitored after project completion by the Change Risk Management.

d. Operational and CREM

Continuing efforts to provide simple, fast and unique services to improve service to customers and encourage customers to use alternative networks other than branches. Continue to review business processes and continue centralizing processes to achieve efficiency. The Bank also anticipates the transmission of the Covid-19 virus by maintaining and paying attention to the cleanliness and safety of employees and customers who enter Danamon's premises and making Danamon a safe place to work.

e. Information technology

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

ACCESS COMPANY INFORMATION

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

In order to improve service and consumer protection, fulfill product and service information needs, and handle customer and/or prospective customer complaints, Danamon has prepared a communication medium through Hello Danamon. Hello Danamon can be accessed 24 hours via telephone number 1-500-090 and via email: hellodanamon@danamon.co.id, twitter: @hellodanamon.

In addition, the public can also contact:

Unit	Telephone Number	Email
Corporate Secretary	(021) 80645000 Ext. 8706; 8794	*corporate.secretary@danamon.co.id*
	(021) 80645000 Ext. 8621; 8611	*investor.relations@danamon.co.id*
Investor Relations	(021) 80645000 Ext. 8621; 8611	*investor.relations@danamon.co.id*
Corporate Communications	(021) 80645000 Ext.8301; 8328	*corporate.communications@danamon.co.id*

INVESTOR **RELATIONS**

Investor Relations is under direct supervision of the Finance Director. The role of Investor Relations includes the following financial and strategic aspects:

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

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

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

Information Disclosure for Investor during 2021

Media	Frequency	Description
Analyst presentation/ Public expose	4 times	Public Expose for media, analysts and senior management to provide final information on financial and non-financial conditions.
Financial Report	4 times	Publication of quarterly financial statements in accordance with Bapepam-LK requirements as a public company.
Annual Report	1 time	A comprehensive report to the public and stakeholders on Danamon's performance, business and other activities.
Virtual meetings	10 virtual meetings	Meetings with local/ overseas analysts/ investors to provide information on Danamon's strategy and performance.

SERVICE QUALITY & CONTACT CENTER

To improve customer-oriented services, we must always keep abreast of changes to all the growing needs and expectations of customers. Currently, companies in the service/banking sector are competing with each other to attract customers' interest, by presenting various conveniences and facilities that are added value for customers.

In order for customers to be interested in using the products and services offered, one way is to build strong Customer Centricity and Customer Relationships, so that customers will be more confident, trust, feel safe and comfortable in using these products and services.

Friendly, enthusiastic, responsive, alert, and customer-oriented services will increase customer trust and loyalty. This is a service strategy that will make Customer Stickiness so that sales will increase.

To that end, the entire Branch team and Hello Danamon Contact Center are expected to continue to contribute and collaborate in providing the best services and solutions to customers, which is supported by various initiatives from the Service Quality team, including:

SERVICE STRATEGY & DEVELOPMENT

"Nasabah Lengket, Penjualan Meroket" is a service strategy delivered through a Virtual Service Camp which was attended by Branch teams throughout Indonesia. Customer Stickiness is an important thing that needs to be improved to be able to provide positive value from customers to Danamon, namely by:

1. Be Accountable
2. Be Consistent
3. Be There for Customer
4. Create an Emotional Appeal
5. Keeps Things Simple

Various learning materials, tips, service guides, were created as a provision for front liners in implementing service strategies that have an impact on business, as well as responding to various banking needs of customers, which are created and communicated through interesting and fun methods, such as Service Podcasts, Roleplay Gamification D' Shima & Treasure Hunt, Video Learning, and many more.

SERVICE PROGRAM & ACTIVITIES

In meeting the needs of millennials and current trends, various Service Programs, Fun Activities & Virtual Events are presented to increase skills & knowledge, as well as provide motivation and appreciation for front liners who excel.

Along with changes in activities during the Covid-19 pandemic, one of the alternative methods to improve skills and knowledge, we also invite all front liners to play while learning with Digital Quiz Gamification which is carried out simultaneously through Microsoft Teams, and presents Senior Management who always provides inspiration and new insight to the entire Branch team and Hello Danamon Contact Center.

One of the developments carried out in the appreciation program from customers to front liners, namely e-Golden Ticket, was made an additional Stars Rating menu, where customers can give a Rating of 1-5 based on the service experience felt by the customer.

SERVICE IMPROVEMENT

The account opening process carried out by the Sales team is implemented digitally through a mobile tab, to increase the productivity of the Branch team and provide convenience, comfort and security for customers in transactions.

While opening accounts for customers who come to branches, there are improvements made to several piloting branches, where security officer directs customers to fill in their personal data directly and independently using mobile phones, through the website version of D-Bank Registration with the link: https://register.dbank.co.id. Then, data verification, card linking, e-channel activation and other processes are carried out by Customer Service.

SERVICE ACHIEVEMENT

In 2021, various awards that have been achieved by Danamon in the Service field are as follows:

No	Organizer	Award	Award Category	Rank
1.	Marketing Research Indonesia & Infobank	Satisfaction Loyalty and Engagement Survey 2020/2021	SLE Index 2021	1
			Loyalty Index Performance 2021	1
			Engagement Index Performance 2021	2
			Satisfaction Index Performance 2021	7
2.	Marketing Research Indonesia & Infobank	Banking Service Excellence Awards 2020/2021	Best Overall Performance	7
			Best Performance – Digital Banking	4
			Best Performance – Walk-in Channel	5
			Best Performance – Customer Service	6
			Best Performance – Teller	1
			Opening Account Website Application Performance	1
			Opening Account Mobile Application Performance	8
			Call Centre Performance	2

HELLO **DANAMON**

As an information service center that is always ready to serve customers 24 hours/7 days, Hello Danamon team located in Jakarta, Tangerang, Bekasi & Semarang, by continuing to provide the best solutions and maximum service, through telephone number 1-500-090, Twitter @hellodanamon, email: hellodanamon@danamon.co.id, and coming soon will launch banking chat feature, where customers can chat via WhatsApp with Hello Danamon.

To improve service to customers, Hello Danamon staff can now serve various transactions and also as a channel that contributes to business in increasing revenue.

Video Banking services are always ready to help customers who open accounts through D-Bank Registration. With continuous innovation and system development, the process of opening a digital account is becoming simpler, easier and more convenient for customers.

During 2021, Bank Danamon recorded 9,776 complaints, 99.97% were resolved quickly in accordance with established standard procedures. The number of customer's complaint in 2021 as follows:

No	Type of Financial Transaction	Case Resolved		In Progress		Total of Complaints
		Number of Complaint	Percentage	Number of Complaint	Percentage	
1	Funding	884	7.01%	4	0.03%	888
2	Lending	108	0.86%	4	0.03%	112
3	Payment System	11,299	89.64%	213	1.69%	11,512
4	Partnership Products	89	0.71%	1	0.01%	90
5	Other Products	3	0.02%	0	0.00%	3
	Total	12,383	98.24%	222	1.76%	12,605

CORPORATE CULTURE

Corporate culture is the values that guide, organize and control the behavior of employees, members of the Board of Directors and Board of Commissioners of Danamon in carrying out their duties and obligations to achieve goals in accordance with Danamon's Vision and Mission.

"Corporate Values" are values that are currently upheld by the Company in the course of realizing the Company's vision and mission.

Danamon's corporate value consists of Berkolaborasi, Integritas, Sigap melayani and Adaptif, which is abbreviated to BISA.

- ***Berkolaborasi***
  Aligning diversity as a force to achieve Common goals. Includes working for a purpose, a sense of belonging, and mutual respect.
- ***Integritas***
  Prioritizing professionalism, openness, responsibility and ethics as consistent performance guidelines. Include responsibilities, always be open, and be fair.
- ***Sigap Melayani***
  Provide the best service quickly, swiftly and accurately. Includes Orientation to customers, providing added value and providing the best service.
- ***Adaptif***
  Always adjust and improve the potential to be the best. Includes being competitive, innovating, and agile.

In internalizing company values, Danamon has communicated starting from awareness to all employees, explaining the behaviors of each value, giving appreciation to employees who make the company values as their daily behavior and an example for other employees, as well as changing the code of ethics, internal provisions related to recruitment, performance appraisal, work methods and culture, and so on.

To support this implementation, all employees and management are committed together in a collaborative activity with the theme Danamon Rumah Kita. It is intended that all elements in the company can unite and provide mutual support in implementing the company's values.

As an implication of these corporate values, Danamon also has the initiative to develop an Employee Values Proposition (EVP) which is a promise from the company to its employees in exchange for the effort, time, and work that employees give to the company.

1. ***Global Exposure***
   Global exposure and experiences through business collaboration and sharing of global best practices. Giving Employees the opportunities to drive innovation for Bank's sustainable growth.
2. ***Rise to Excellence***
   Builds a strong supportive and collaborative working environment that inspires new ideas.
3. ***Own the Future***
   Encourages employee to grow personally and professionally by providing development opportunities that support them to build their future career.
4. ***Wellness and Wellbeing***
   Genuinely cares for employee wellness and well-being. As a part of Danamon's family, together we support and take care of our social communities.

With the company's values and EVP, it is expected that employees can work better and be more engaged with the company so that productivity will also increase.

CODE OF CONDUCT

Danamon's Code of Conduct is an ethical value that refers to the vision, mission and values of the corporate culture. The code of conduct becomes a guideline of conduct for all management (Board of Directors, Board of Commissioners, Sharia Supervisory Board, including but not limited to parties outside of Danamon who are members of the Audit committee or Risk Management Committee) and employees in conducting daily tasks and establishing relationship with customers, colleagues and third parties. The code of conduct is expected to support the business continuity and reputation of Danamon.

THE CODE OF CONDUCT STATEMENT APPLIES AT ALL LEVELS OF CORPORATE ORGANIZATION

Management and employees without exception, must know, understand, obey, and implement the Danamon Code of Conduct. The Code of Conduct is binding and therefore violation of the Code of Conduct may be subject to sanctions of either administrative, civil or criminal in accordance with the applicable provisions and procedures. Consequences of violation of the Code of Conduct will be sanctioned up to termination of employment.

The content of the Code of Conduct includes:

- Introduction: contains things related to the background of the Code of Conduct, objectives, vision, mission, and values of Danamon.
- Zero tolerance to fraud: emphasized that the Company has zero tolerance for fraud. Management and Employees are responsible for preventing fraud and are required to implement the Integrity Pact for the Implementation of the Anti-Fraud Strategy
- Conflict of interest: to govern all matters concerning conflict of interest between personal interest and Danamon's interests, activities outside Danamon, the use of Danamon assets and personal investment.
- Danamon Information Management: to govern all matters about Danamon's information management, namely the safeguarding of Danamon information, the accuracy of Danamon's reporting and recordkeeping, Danamon's identity, social media usage and providing information to other parties.
- Anti-Money Laundering and Combating the Financing of Terrorism: Danamon's commitment to combating money laundering, financing terrorism and any other kind of crimes.
- Danamon Business ethics: to govern all matters related to work ethics, namely personal ethics in Danamon's environment, ethics with customers, ethics with third parties, ethics with regulators, ethics between management and employees, protection and use of customer facilities, relationship and associates, bribery and corruption, ethics with competitors, and sustainable growth.
- Enforcement of the Code of Conduct: requires the roles and responsibilities of management and employees, the annual statement, whistle-blowing system, violation of the Code of Conduct, and the implementation of the Code of Conduct.

Sanctions imposed during 2021

Type of Sanctions	Number of Employees
Termination of Employment	15
Warning Letter I	93
Warning Letter II	1
Warning Letter III	23
Reprimand Letter	54
Total	186

ANTI-BRIBERY AND CORRUPTION POLICY

Danamon is inseparable from relationships and interactions with customers and other related parties in carrying out banking business activities. In carrying out these interactions, Danamon has the principle of zero tolerance for bribery and corruption, including any attempt to take advantage of gifts, entertainment, and/or business hospitality, or other benefits to obtain or maintain business or obtain improper business benefits.

To support this commitment and realize the importance of taking a firm stance on handling and mitigating acts of bribery and corruption to implement good governance and business practices, in 2020, Danamon has issued an Anti-Bribery and Corruption Policy which is prepared concerning the laws and regulations, Danamon's values, and the applicable Code of Ethics, serve as clear guidelines for taking concrete actions to prevent bribery and corruption.

Danamon in principle prohibits all forms of corruption and bribery, namely:

a. **Offer, promise, and/or give** Anything of Value directly or indirectly to anyone with the intent of obtaining or retaining an improper business benefit or advantage.
b. **Request and/or receive** Anything of Value either directly or indirectly from anyone who is intended to improperly influence Management and/or Employees in performing activities on behalf of Danamon.
c. **Fake or hide books, records, accounts, or other data** related to Danamon's business, customers, service providers, vendors, suppliers, or other business partners. Every expenditure must be recorded, transparent, and equipped with adequate evidence so that the financial records are not misused to support or hide bribery and corrupt acts.
d. **Make political contributions,** personally or on behalf of Danamon.
e. **Provide job offers or job opportunities** to a candidate with the expectation that Danamon will obtain or retain an improper advantage or business opportunity.

Throughout 2021 Bank Danamon has established an Anti-Bribery and Corruption compliance program including the following control processes:

- periodic assessment of risks and controls over acts of bribery and corruption;
- due diligence and supervision of third party service providers acting on behalf of Bank Danamon (ie, intermediaries);
- reviews of gifts and hospitality, job offers or work experience, donations, sponsorships, and honoraria; as well as
- evaluation and management of risks associated with business transactions.

ANTI-FRAUD POLICY

Danamon does not tolerate acts of fraud. Strict sanctions are given to fraud perpetrators per applicable regulations. Danamon actively participates in upholding an anti-fraud culture and is committed to working with the following principles:

- Signed the Anti-fraud Integrity Pact and committed to implementing it.
- Utilizing the Danamon Whistleblowing System (WBS) channel. The identity of the reporter is guaranteed confidentiality.
- Report immediately if you find evidence, indication, or suspicion of fraud including violations of Danamon's code of ethics, procedures, rules, and regulations.
- Implement 4D rules: Discipline in implementing policies and procedures, Dual Control, Dual Custody, and Segregation of Duty in carrying out every operational activity.
- Implement 4K principles: Know Your Customer, Know Your Employee, Know Your Process and Procedures, Know What To Do.

INTERNAL **FRAUD**

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

Internal Fraud	Total Cases Involving								
	Management			Permanent Employees			Non-Permanent Employees		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Total internal fraud	-	-	-	7	13*	15	-	-	-
Completed	-	-	-	3	12	15	-	-	-
In Internal Process	-	-	-	4	-	-	-	-	-
Pending Process	-	-	-	-	-	-	-	-	-
Followed up through Legal action	-	-	-	-	-	-	-	-	-

*1 case no sanction recommendation due to related employees have been resigned/terminated in other case.

WHISTLEBLOWING **SYSTEM**

Whistleblowing System is a communication channel to facilitate whistleblower(s) to report incidents or allegations related to fraud, policy offenders, bribes/lending-borrowing money from customers, sexual harassment, theft/embezzlement, financial report fraud, illegal activity and other code of conduct violations involving Danamon employees and/or parties related to Danamon with the reporter's identity kept confidential. The whistleblowing system is a form of Danamon's commitment in supporting the implementation of good corporate governance and integrity in business practices.

In an effort to improve whistleblowing reporting system that is more independent, transparent, simple, confidential, protected and monitored for reporters, Danamon collaborates with third party in managing and providing Danamon Whistleblowing Service (WBS).

Any employee may report any deviations or suspected deviations that have taken place openly, responsibly, in good faith and without fear or worry because confidentiality is guaranteed. Danamon will protect and maintain the confidentiality of the reporter's identity.

Reports received together with the investigation results are registered every month to be reported periodically to Management and the Audit Committee. Any information that enters the whistleblower channel will be reviewed and followed up by the Whistleblower team appointed by Danamon.

WHISTLEBLOWER POLICY

Danamon has a whistleblower policy that is socialized to all employees through various media such as email blast, Danamon Portal, and Danamon website (www.danamon.co.id).

MECHANISM OF VIOLATION REPORT SUBMISSION

Danamon provides an easily accessible reporting facility through several communication channels, as follows:

- E-mail address: danamon-wbs.info@kpmg.com.sg
- Website: https://danamon-wbs.info/
- SMS/Whatsapp: 0811-825-2662
- Postal Address: KPMG Siddharta Advisory – EthicsLine BDI
- Wisma GKBI Floor 35, Jl. Jend. Sudirman 28, Jakarta 10210

POTENTIAL VIOLATIONS BY THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

Potential or suspected violations by members of the Board of Commissioners or the Board of Directors can be reported through the above communication channels and will be escalated to an independent party other than the suspected party in the report, such as the Chairman of the Audit Committee (Independent Commissioner) or Chairman of the Board of Commissioners.

PROTECTION FOR REPORTERS

Danamon provides protection to the reporters to provide security for reporters. Protection provided to reporters, among others:

a. Protection of confidentiality of the reporter's identity including information that can be used to contact the reporter.
b. Protection against retaliation from the reported party or other interested parties.
c. Protection from pressure, employee rights, lawsuits, property and physical retaliation.
d. Protection is not only for the reporter but can also be extended to family members of the reporting party.

Danamon also provides legal protection that is in line with the prevailing laws and regulations. This commitment covers protection from criminal and/or civil claims, as well as protection for personal and/or reporter's family safety from physical and/or mental threats.

MANAGING COMPLAINT, PARTY WHO MANAGES COMPLAINTS, AND IMPOSING SANCTION

Danamon appoints an independent third party in managing the Danamon WBS, including managing the follow up and administration of the complaints. Third party WBS manager will forward the report received to the Danamon WBS team to be evaluated whether it will be further processed to the investigation stage or forwarded to the appropriate party.

Investigation of potential violations is undertaken by an independent Internal Investigation Team that upholds presumption of innocence principle and objectivity. Investigation results will be the basis for the decision to take actions and/or impose sanctions in accordance with the applicable laws and regulations and/or Danamon's internal regulations to the parties or perpetrators who are proven to have committed the violations.

Reports on Investigation Results are reported to the Board of Directors and the Audit Committee periodically.

RESULT OF COMPLAINT HANDLING IN 2021

Danamon has received 11 complaint reports through WBS channels. As of the end of 2021, 7 reports had been completely investigated, of which 1 report was proven to be fraud or has violation of procedures/code of ethics and 6 reports were not proven to be fraud/violation of procedure/code of ethics. While the remaining 4 reports are still being investigated.

Complaint Received	Investigation Status of Complaints			
	Completed Investigation	Completed		Investigation in Progress
		Proven Fraud/ Violation of Procedure/ Code of Ethics	Not Proven	
11	7	1	6*	4

*4 out of 6 cases were closed without investigation based on initial validation results.

THE IMPLEMENTATION OF CORPORATE GOVERNANCE **GUIDELINES IMPLEMENTATION**

Based on POJK No. 21/POJK.04/2015 concerning Implementation of Public Company Governance Guidelines and SEOJK Number 32/SEOJK.04/2015 concerning Public Company Governance Guidelines, there are 5 (five) aspects, 8 (eight) principles and 25 (twenty five) governance recommendations submitted by OJK. Danamon as a public company has taken into account and implemented the aspects, principles and recommendations of the OJK in accordance with the applicable POJK.

IMPLEMENTATION OF 25 PUBLIC COMPANY GOVERNANCE GUIDELINES RECCOMENDATION				
Nr.	Principle	Recommendation		Description
A.	Relation Between Public Company and Shareholder in Ensuring Shareholders' Rights			
1.	General Meeting of Shareholders' Value Increament	1.1.	Public Company has a technical method or procedure for voting, both openly and privately, that prioritizes independence and the interests of shareholders.	Danamon has GMS Rules that regulate the holding of the GMS including voting procedures, decision making and voting procedures that prioritize the independence and interests of shareholders. All GMS procedures and rules are available and accessible through the Danamon website (www.danamon.co.id). Status : Fulfilled (comply)
		1.2.	All Board of Directors and Board of Commissioners' public company member attend the Annual GMS (AGM).	In connection with the COVID-19 pandemic, the AGMS which was held on April 30, 2021 and the EGMS on August 26, 2021, were held in compliance with the applicable health guidelines and procedures from the Government. The AGMS was attended by all members of the Board of Directors and Board of Commissioners who were arranged to attend some physically and some attend online to comply with health protocols. whole, Status: Fulfilled (comply)
		1.3.	Minutes' summary of the GMS is available on the Public Company Website for at least 1 (one) year.	Danamon uploads a minutes' summary of the GMS on the 2 (two) working day after the GMS is held. The minutes' summary of the GMS from 2015 to date is available on the Danamon website, both in Indonesian and in English. Status : Fulfilled (comply)
2.	Improving the Quality of Public Company Communication with Shareholders or Investors	2.1	The Public Company has a communication policy with shareholders or investors.	Danamon has a communication policy that regulates the process of providing information to shareholders and the investment community in a fair and timely manner about Danamon, so that it can assess the strategy, development, operations and financial performance of Danamon, as well as enable shareholders and the investment community to be actively involved with Danamon. Status: Terpenuhi (comply)
		2.2	The Public Company discloses the Public Company's communication policies with shareholders or investors on the Website.	The Communication Policy has been made available to the public, including Danamon's Shareholders or Investors, which can be accessed through the Danamon website. Status: Fulfilled (comply)

IMPLEMENTATION OF 25 PUBLIC COMPANY GOVERNANCE GUIDELINES RECCOMENDATION				
Nr.	Principle		Recommendation	Description
B.	Board of Commissioner Function and Role			
3.	Strengthening the Membership and Composition of the Board of Commissioners	3.1	The determination of the number of members of the Board of Commissioners takes into account the conditions of the Public Company.	The number, composition and structure of the Board of Commissioners has complied with the provisions and is in accordance with the size and complexity of Danamon's business by taking into account the provisions of the Financial Services Authority Regulation (POJK) Number 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies and POJK Number 34/ POJK.04/2014 concerning the Nomination and Remuneration Committee for Issuers or Public Companies. At the end of 2021, Danamon's Board of Commissioners consists of 8 (eight) people, of which 50% of the total Board of Commissioners are Independent Commissioners. The number of members of the Board of Commissioners does not exceed the number of members of the Board of Directors, amounting to 8 (eight) people. Status: Fulfilled (comply)
		3.2	The determination of the composition of the members of the Board of Commissioners takes into account the diversity of expertise, knowledge, and experience required.	Danamon has a diversity policy for members of the Board of Commissioners. The composition and structure of the members of the Board of Commissioners of Danamon has taken into account the knowledge, expertise and experience in order to optimize the implementation of the supervisory function of the Board of Commissioners. Status: Fulfilled (comply)
4.	Improving the Quality of Duties and Responsibilities of the Board of Commissioners	4.1	The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners.	Danamon memiliki Kebijakan Penilaian Kinerja terhadap Dewan Komisaris yang disusun sebagai pedoman untuk menilai kinerja dalam pelaksanaan tugas dan tanggung jawab Dewan Komisaris. Status: Terpenuhi (comply)
		4.2	The self-assessment policy to assess the performance of the Board of Commissioners is disclosed through the Public Company Annual Report.	Danamon has a policy for evaluating the performance of the Board of Commissioners. The performance appraisal policy is disclosed in the Annual Report and is available on the Danamon website. Status: Fulfilled (comply)

IMPLEMENTATION OF 25 PUBLIC COMPANY GOVERNANCE GUIDELINES RECCOMENDATION				
Nr.	Principle	Recommendation		Description
		4.3	The Board of Commissioners has a policy regarding the resignation of members of the Board of Commissioners if they are involved in financial crimes.	Board of Commissioners of Danamon who are involved in financial crimes are required to resign from the Board of Commissioners. The obligation to resign is regulated in the Guidelines and Work Rules of the Board of Commissioners. Status: Fulfilled (comply)
		4.4	The Board of Commissioners or the Committee that carries out the Nomination and Remuneration function shall formulate a succession policy in the process of nominating members of the Board of Directors.	The Board of Commissioners of Danamon has a Nomination Committee and a Remuneration Committee that assists the implementation of the duties of the Board of Commissioners related to the function of nomination and remuneration for members of the Board of Commissioners and members of the Board of Directors of Danamon. Danamon has a Board of Directors Succession Policy in place to maintain leadership continuity in the future. Status: Fulfilled (comply)
C.	Board of Directors Function and Role			
5.	Strengthening the Membership and Composition of the Board of Directors	5.1	The determination of Board of Directors number takes into account the condition of the Public Company and its effectiveness in decision making.	The number, composition and structure of the Board of Directors have complied with the requirements and in accordance with the size and complexity of Danamon's business. As of December 31, 2021, Danamon's Board of Directors consists of 8 (eight) people. The number of members of the Board of Directors is the same as the number of members of the Board of Commissioners. Status: Fulfilled (comply)
		5.2	The determination of Board of Directors composition takes into account the diversity, expertise, knowledge and experience required.	Danamon has a diversity policy for members of the Board of Directors. The composition and structure of the members of the Board of Directors have taken into account the knowledge, expertise and experience that are in accordance with the needs of the company, so as to optimize decision making and improve the company's performance. Status: Fulfilled (comply)
		5.3	Members of the Board of Directors in charge of accounting or finance have expertise and/or knowledge in accounting.	Danamon's Finance Director holds a Bachelor's degree in Accounting and is a Certified Public Accountant – Indonesia. Status: Fulfilled (comply)
6.	Improving the Quality of Implementation of the Duties and Responsibilities of the Board of Directors	6.1	The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors.	Danamon has a performance appraisal policy for the Board of Directors as a guideline to assess the effectiveness of the implementation of the duties and responsibilities of the Board of Directors. Status: Fulfilled (comply)

IMPLEMENTATION OF 25 PUBLIC COMPANY GOVERNANCE GUIDELINES RECCOMENDATION				
Nr.	Principle	Recommendation		Description
		6.2	The self-assessment policy to assess the performance of the Board of Directors is disclosed in the Public Company's annual report.	Danamon has a policy for evaluating the performance of the Board of Directors. The performance appraisal policy is disclosed in the Annual Report and is available on the Danamon website. Status: Fulfilled (comply)
		6.3	The Board of Directors has a policy regarding the resignation of members of the Board of Directors if they are involved in financial crimes.	Members of the Board of Directors who are involved in financial crimes are required to resign. The obligation to resign is regulated in the Guidelines and Work Rules of the Board of Directors. Status: Fulfilled (comply)
D.	Stakeholders Participation			
7.	Improving Corporate Governance Aspects through Stakeholder Participation	7.1	The Public Company has a policy to prevent insider trading.	In an effort to prevent Insider Trading, Danamon has a Private Securities Trading Management Policy (PEP) and Material Non Public Information (IMNP). Status: Fulfilled (comply)
		7.2	The Public Company has an anti-corruption and anti-fraud policy.	Danamon has a Code of Ethics that prohibits Management and Employees from committing bribery and corruption in any form. In addition, Danamon also has an Anti-Bribery and Corruption Policy which regulates the prohibition of acts of bribery and corruption for all management and employees. Bank Danamon has an Anti-Fraud Management Policy which sets out a fraud risk management strategy. Status: Fulfilled (comply)
		7.3	The Public Company has an anti-corruption and anti-fraud policy. The Public Company has a policy regarding the selection and capacity building of suppliers or vendors.	Danamon has a Procurement Policy that regulates restrictions and ethics in dealing with business partners or vendors in the procurement of goods and services. This policy is available and disclosed on the Danamon website. Status: Fulfilled (comply)
		7.4	The Public Company has a policy regarding the fulfillment of creditors' rights.	The fulfillment of the rights of creditors in the form of depositors (customers who place their funds in the company) is regulated through a customer protection policy and a customer service code of ethics that regulates: • The right to obtain a sufficient explanation of the product characteristics • The right to access the terms and conditions of fund products • Ease of transacting through branches, e-banking services or other means determined by the Bank • Earn profit/interest in accordance with applicable regulations. • Procedures for handling and resolving customer complaints Status: Fulfilled (comply)

IMPLEMENTATION OF 25 PUBLIC COMPANY GOVERNANCE GUIDELINES RECCOMENDATION				
Nr.	Principle		Recommendation	Description
		7.5	Public Companies have a whistleblowing system policy.	Danamon has an Anti Fraud Management Policy and Framework as well as a Fraud Handling Policy which regulates the whistleblowing system. The management of the Danamon whistleblowing system is managed by a third party to ensure independence in its implementation. Status: Fulfilled (comply)
		7.6	The Public Company has a policy of providing long-term incentives to the Board of Directors and employees.	Danamon has a Remuneration Policy. Status: Fulfilled (comply)
E.	Information Disclosure			
8.	Improving the Implementation of Information Disclosure	8.1	Public Companies utilize the use of information technology more broadly than the Website as a medium for information disclosure.	Danamon continues to improve information disclosure media including on the website to provide opportunities for shareholders and other stakeholders to easily access information about Danamon. Media: User Name: Situs Web : www.danamon.co.id Twitter : @Danamon @HelloDanamon (layanan nasabah) Facebook : Bank Danamon Instagram : @mydanamon LinkedIn : Bank Danamon Indonesia YouTube : Bank Danamon Status: Fulfilled (comply)
		8.2	The Public Company Annual Report discloses the ultimate beneficial owner in the Public Company's share ownership of at least 5% (five percent), in addition to the disclosure of the final beneficial owner in the Public Company's share ownership through the major and controlling shareholders.	The Annual Report reveals the main and controlling shareholders, the 20 largest shareholders, and the profile of the shareholder group above 5% (five percent). Status: Fulfilled (comply)

STATEMENT OF GOOD GOVERNANCE PRINCIPLES IMPLEMENTATION

Danamon has implemented the principles of good corporate governance. During 2021 there were no material violations of the applicable laws and regulations.

INTEGRATED **GOVERNANCE**

IMPLEMENTATION AND IMPLEMENTATION REPORT

"ADAPT" is one of the most important factors to deal with the various changes that occur in all Financial Services Institutions (FSI) within the MUFG Group Financial Conglomerate. The adaptation process carried out by FSI in the MUFG Group Financial Conglomerate always applies the principles of good corporate governance so that it can continuously improve the quality of integrated governance implementation. With the implementation of good integrated governance, it is hoped that the MUFG Group Financial Conglomerate can increase added value for all stakeholders and all FSI in the MUFG Group Financial Conglomerate have good and healthy fundamentals so that they are able to actively participate in the recovery of the Indonesian economy.

Danamon has been appointed as the Main Entity in the MUFG Group Financial Conglomerate by MUFG Bank, Ltd as the Controlling Shareholder of Danamon. As the Main Entity in the MUFG Group Financial Conglomerate, Danamon prepares a report on the implementation of integrated governance as stipulated in the Financial Services Authority (OJK) Regulation No. 18/POJK.03/2014 dated 18 November 2014 concerning the Implementation of Integrated Governance for Financial Conglomerates and OJK Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 concerning the Implementation of Integrated Governance for Financial Conglomerates.

MUFG GROUP INTEGRATED GOVERNANCE IMPLEMENTATION PRINCIPLES

PRINCIPLE OF OPENNESS

a. The Main Entity and FSI in the MUFG Group Financial Conglomerate are obliged to disclose material and relevant information in a clear, accurate and timely manner, as well as comparable and easily accessible to shareholders and stakeholders.
b. The principle of openness adopted by the Main Entity and FSI in the MUFG Group Financial Conglomerate does not reduce the obligation to comply with bank and/or company secrecy provisions in accordance with applicable laws and regulations, restrictions on job secrecy, and personal rights.

ACCOUNTABILITY PRINCIPLE

a. The Main Entity and FSI in the MUFG Group Financial Conglomerate must establish clear responsibilities for each company organ that are in line with the company's vision, mission, business goals, and strategy, and believe that all company organs have competencies in accordance with their responsibilities.
b. The Main Entity and FSI in the MUFG Group Financial Conglomerate must ensure that there is a check and balance system in the management of the company. All levels of the company's organization have performance measures based on agreed measures, and are consistent with corporate values, business goals, and company strategy.

RESPONSIBILITY PRINCIPLE

a. The Main Entity and FSI in the MUFG Group Financial Conglomerate must adhere to ethical values, prudential principles, and laws and regulations and internal policies that have been set in order to maintain business continuity.
b. The Main Entity and FSI in the MUFG Group Financial Conglomerate must act as good corporate citizens in carrying out social responsibilities including caring for the environment.

INDEPENDENCE PRINCIPLE

a. The management of the Main Entity and FSI in the MUFG Group Financial Conglomerate is carried out professionally and independently, and free from conflicts of interest, influence or pressure from any party that is not in accordance with the laws and regulations, ethical values and principles. healthy business operation.
b. In making decisions, the Main Entity and FSI in the MUFG Group Financial Conglomerate must be objective and free from any pressure from any party, and are committed to running their business by prioritizing professionalism.

FAIRNESS PRINCIPLE

a. The Main Entity and FSI in the MUFG Group Financial Conglomerate must always pay attention to the interests of all stakeholders based on equality and fairness (equal treatment).
b. The Main Entity and FSI in the MUFG Group Financial Conglomerate must provide opportunities for all stakeholders to provide input and express opinions for the interests of the company and have equal access to information in accordance with the principle of transparency.

MUFG FINANCIAL CONGLOMARATE GROUP

MEMBERSHIP STRUCTURE

Based on letter No. SR-63/PB.32/2020 dated March 30, 2020, the financial conglomerate of the MUFG Group has been recorded and administered by the Financial Services Authority. The membership of the MUFG Financial Conglomerate Group is as follows.

No.	Company	Position in Financial Conglomerate	Relation With Danamon
1	PT Bank Danamon Indonesia, Tbk	Main Entity	-
2	MUFG Bank cabang Jakarta	Member	Related Company
3	PT Adira Dinamika Multi Finance, Tbk	Member	Subsidiary
4	PT U Finance Indonesia	Member	Related Company
5	PT Adira Quantum Multi Finance (dalam proses likuidasi)	Member	Subsidiary

Based on the Extraordinary GMS of PT Adira Quantum Multi Finance (Adira Quantum) as outlined in the Deed of Statement of Shareholders' Decision No.126 dated August 22, 2017 drawn up before Hasbullah Abdul Rasyid, SH, M.Kn, Notary in Jakarta, it was stated that Adira Quantum had discontinued operational activities and is in the process of liquidation. Based on the decision letter of the OJK Board of Commissioners dated December 21, 2017 No.KEP-103/D.05/2017, OJK has revoked Adira Quantum's business license. As of the publication of this report, Adira Quantum is still in the process of completing the liquidation process.

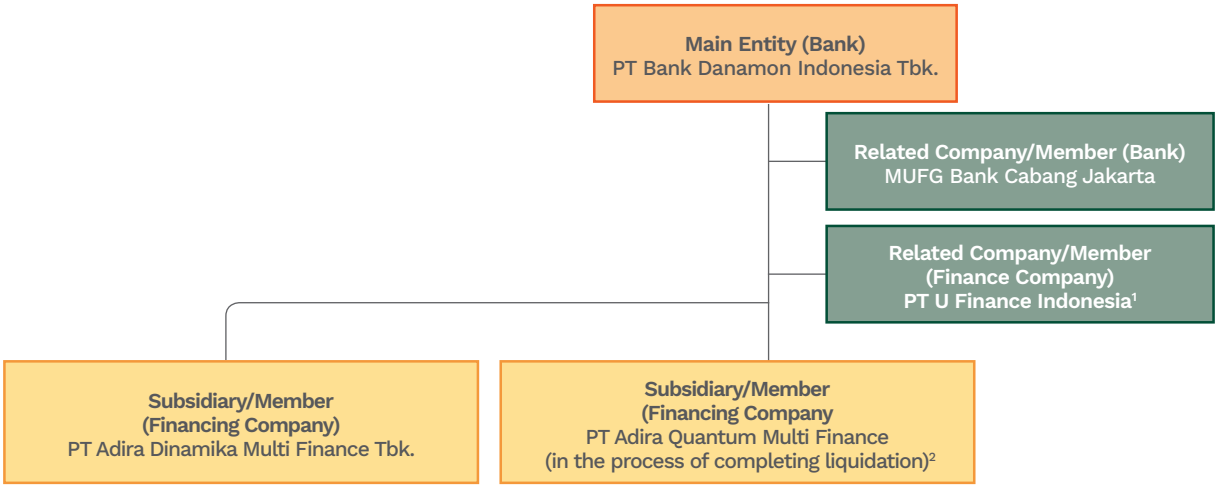
Referring to the MUFG Group Financial Conglomerate, there is a change in the ownership of PT U Finance Indonesia ("UFI") from the previous share ownership by MUFG Bank, Ltd. and Mitsubishi-UFJ Nicos Co. Ltd. became ownership by Chailease International Co. (Hong Kong), Ltd. and PT Artha Sekawan Asia on August 31, 2021. This has also been recorded in the OJK's Financial Services Institution Licensing Information System (SIJINGGA). In connection with the change in UFI's share ownership Bank Danamon has reported a change in the members of the MUFG Group Financial Conglomerate to OJK through the SIPENA reporting system on December 3, 2021.

Amendments to the Corporate Charter must be signed by all members in the MUFG Group Financial Conglomerate. UFI has submitted a letter to the Main Entity ("BDI") to be removed from the MUFG Group Financial Conglomerate on December 13, 2021 and all members of the MUFG Group Financial Conglomerate have signed a letter to terminate UFI Membership as a member of the MUFG Group Financial Conglomerate. Thus, the membership structure of the MUFG Group Financial Conglomerate as of 31 December 2021 is as follows:

No.	Company	Position in Financial Conglomerate	Relation With Danamon
1	PT Bank Danamon Indonesia, Tbk	Main Entity	-
2	MUFG Bank cabang Jakarta	Member	Related Company
3	PT Adira Dinamika Multi Finance, Tbk	Member	Subsidiary
4	PT Adira Quantum Multi Finance (dalam proses penyelesaian likuidasi)	Member	Subsidiary

MUFG GROUP FINANCIAL CONGLOMERATE STRUCTURE

The structure of the MUFG Group financial conglomerate as of 31 December 2021 is as follows.

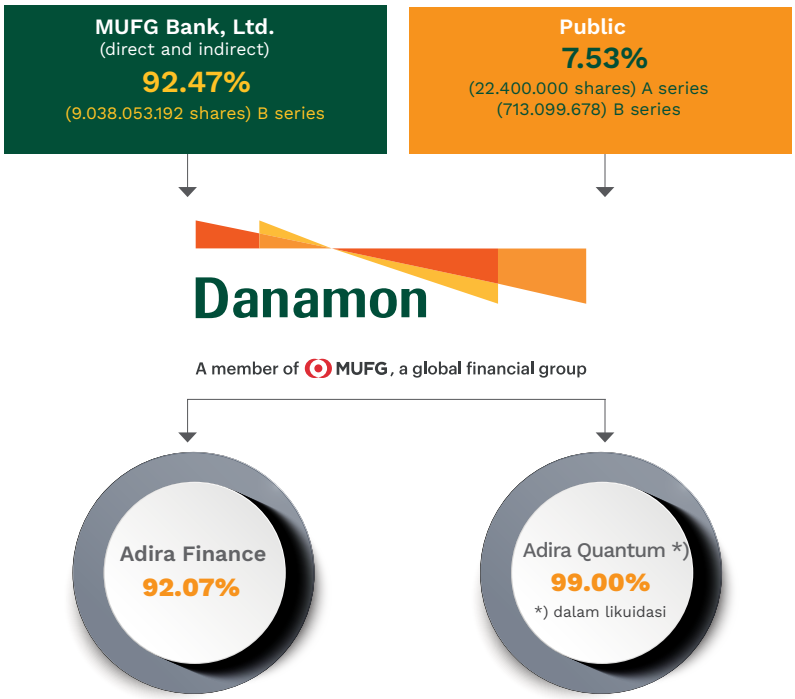


[1] In Q3 2021 there was a change in UFI's shareholder where MUFG is no longer listed as a shareholder of UFI. The change in UFI's shareholders has been approved by the Regulator in Q4 2021. The Main Entity has submitted a letter of change MUFG Group's financial conglomerate to the Regulator in December 2021 and is currently waiting for the Regulator to record those changes.
[2] Currently in the process of completing liquidation

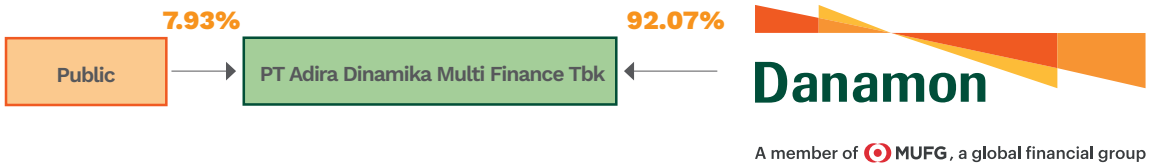
SHAREHOLDER STRUCTURE

The shareholders of each member of the conglomerate up to the ultimate controlling shareholder are as follows:

Main Entity Shareholder Structure - PT Bank Danamon Indonesia Tbk



SUBSIDIARY OWNERSHIP STRUCTURE - PT ADIRA DINAMIKA MULTI FINANCE TBK ("ADIRA FINANCE")



Ownership Structure of Related Companies – MUFG Bank Jakarta branch

The Bank is a branch office of MUFG Bank, Ltd. Japan (Headquarters) and Mitsubishi UFJ Financial Group, Inc. (MUFG) is the parent entity and the main shareholder of the Head Office of the Bank and its subsidiaries.

MANAGEMENT STRUCTURE

All members of the Board of Directors and Board of Commissioners of each entity of the MUFG Group Financial Conglomerate meet the requirements of integrity, competence, and financial reputation. The following is the management structure of each Entity in the MUFG Group Financial Conglomerate as of December 31, 2021:

MAIN ENTITY MANAGEMENT STRUCTURE

PT Bank Danamon Indonesia, Tbk

The composition of the members of the Board of Commissioners and the Board of Directors of the Main Entity as of December 31, 2021 is as follows:

PT Bank Danamon Indonesia, Tbk.			
Board of Commissioner		Board of Directors	
1. Takayoshi Futae	President Commissioner	1. Yasushi Itagaki	President Director
2. J.B. Kristiadi	Vice President	2. Honggo Widjojo Kangmasto	Vice President Director
3. Peter B. Stok	Commissioner (Independent)	3. Herry Hykmanjto	Director
4. Nobuya Kawasaki	Commissioner(Independent)	4. Rita Mirasari	Director
5. Hedy Maria Helena Lapian	Commissioner	5. Heriyanto Agung Putra	Director
6. Takanori Sazaki	Commissioner (Independent)	6. Dadi Budiana	Director
7. Dan Harsono	Commissioner	7. Muljono Tjandra	Director
8. Halim Alamsyah	Commissioner	8. Naoki Mizoguchi	Director

SUBSIDIARY MANAGEMENT STRUCTURE

PT Adira Dinamika Multi Finance Tbk.

The composition of the members of the Board of Commissioners and Board of Directors of PT Adira Dinamika Multi Finance, Tbk, as of December 31, 2021 is as follows:

PT Adira Dinamika Multi Finance, Tbk			
Board of Commissioner		Board of Directors	
1. Yasushi Itagaki	President Commissioner	1. Hafid Hadeli	President Director
2. Krisna Wijaya	Independent Commissioner	2. Ho Lioeng Min	Director
3. Manggi Taruna Habir	Independent Commissioner	3. I Dewa Made Susila	Director
4. Eng Heng Nee Philip	Commssioner	4. Swandajani Gunadi	Director
5. Muliadi Rahardja	Commssioner	5. Niko Kurniawan Bonggowarsito	Director
6. Congsin Congcar	Commssioner	6. Harry Latif	Director
		7. Jin Yoshida	Director

RELATED COMPANY MANAGEMENT STRUCTURE

MUFG Bank Jakarta branch

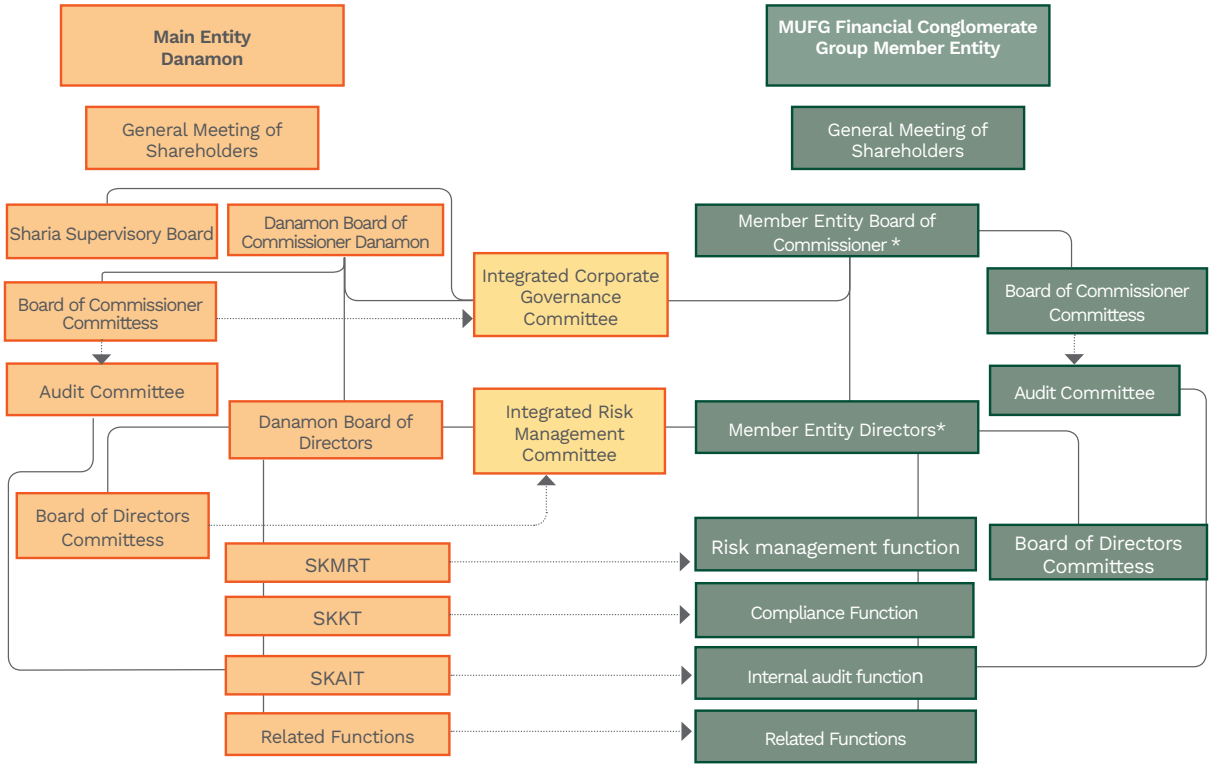
The composition of the members of the Supervisory and Management Board of MUFG Bank Jakarta branch as of 31 December 2021 is as follows:

MUFG Bank Jakarta Branch			
Supervisory Board		Management	
1. Ramanathan S	Managing Director (GM), Regional Chief Compliance Officer for Asia and Head of Compliance Office for Asia (ACO)	1. Daisuke Ejima	Country Head of Indonesia
2. Andre Painchaud	Managing Director of Asia Internal Audit Office (AIAO)	2. Mahendra Rendiantama	Head of Risk Management for Indonesia
3. Tatsuya Ishikawa	Managing Director, Head of Risk Management Office for Asia, Chief Risk Officer for Asia (ARMO)	3. Dadi Arief Darmawan	Head of HR & Banking Operations for Indonesia
4. Yukinobu Saeki	Managing Director, Head of Planning Office for Asia (POA)	4. Yansen Darmaputraa	Head of Systems for Indonesia
		5. Akira Shimomiya	Deputy Head of Japanese Corporate Banking for Indonesia
		6. Pancaran Effendi	Head of Global Corporate & Institutional Banking for Indonesia
		7. Masao Kojima	Head of Internal Control for Indonesia
		8. Marchelius S Mario	Head of Compliance for Indonesia

INTEGRATED GOVERNANCE ORGANS

The MUFG Group Financial Conglomerate builds an integrated governance body to ensure that the principles of governance are implemented properly. The integrated governance organs of the MUFG Group Financial Conglomerate are as follows:

MUFG GROUP FINANCIAL CONGLOMERATE INTEGRATED GOVERNANCE ORGAN



* can be adjusted to the organs within the Member Entities of the MUFG Group Financial Conglomerate by considering the type of FSI, the needs of the company, the Articles of Association and the prevailing laws and regulations according to their respective business sectors.

Coordination and Supervision Function

Note:
IRMU : Integrated Risk Management Unit
ICU : Integrated Compliance Unit
IIAU : Integrated Internal Audit Unit
The implementation of the governance organs in each FSI within the MUFG Group Financial Conglomerate, including the Board of Commissioners Committee and the Board of Directors Committee is disclosed in the annual report of each FSI.

INTEGRATED GOVERNANCE POLICY

Danamon already has Integrated Governance Guidelines which are the Terms of Reference for the implementation of Governance for Danamon as the Main Entity as well as the Terms of Reference for the implementation of Governance for Subsidiaries and Related Companies in the MUFG Group Financial Conglomerate. In early 2021, the MUFG Group Financial Conglomerate Integrated Governance Policy update was published. This policy can be accessed through the Bank's Corporate Website. The Bank as the Main Entity in the MUFG Group Financial Conglomerate has also submitted information on the updated Policy to Subsidiaries and Related Companies in the MUFG Group Financial Conglomerate.

The Integrated Governance Policy was prepared by the Main Entity's Board of Directors and approved by the Main Entity's Board of Commissioners and obtained recommendations from the Governance Committee, Integrated Governance Committee, and Main Entity Board of Commissioners. The scope of the Integrated Governance Policy includes:

a. MUFG Group Financial Conglomerate Integrated Governance Policy Part I :
   - Introduction (including background, objectives for implementing integrated governance, policy scope, references, definitions, general provisions, and policy maintenance)
   - Integrated governance principles
   - Vision, mission, values of corporate culture and business ethics
   - Guidelines for implementing integrated governance (including the criteria for the Financial Conglomerate, the structure of the Financial Conglomerate, the corporate charter, the duties and responsibilities of the Main Entity and the duties and responsibilities of the Members of the Financial Conglomerate)
   - Integrated governance organs (including the Main Entity Board of Commissioners, Main Entity Board of Directors, Integrated Governance Committee, Integrated Compliance Unit, Integrated Internal Audit Unit, Integrated Risk Management)
   - Reports, disclosures and assessments (including integrated governance implementation reports and disclosures, integrated governance implementation self-assessment methods and sanctions)

b. MUFG Group Financial Conglomerate Integrated Governance Policy Part II :
   - Introduction (including background, objectives for implementing governance, policy scope, references, definitions, general provisions, and policy maintenance)
   - Basic principles and scope of corporate governance
   - Commitment to implementing good corporate governance
   - Company vision, mission and values
   - Business ethics and code of conduct
   - Corporate governance structure/organs (including shareholders, General Meeting of Shareholders, Board of Commissioners, Board of Directors, Sharia Supervisory Board, Committees of the Board of Commissioners, Compliance Function, Corporate Secretary Function, Risk Management Function, Internal Audit Function, and Audit Function external)
   - Principal policies related to the implementation of corporate governance (including corporate strategic plans, anti-bribery and corruption policies, conflict of interest management, policies for managing private securities trading and material non-public information, related party and affiliated party transactions, provision of funds to related parties, procurement policy, remuneration policy, ownership and confidentiality of information, transparency and disclosure of information, whistle-blowing system, relationship with stakeholders, and corporate social responsibility)
   - Assessment and reporting (including self-assessment and corporate governance implementation reports and corporate annual reports)

BOARD OF COMMISSIONERS OF MAIN ENTITY

The Main Entity's Board of Commissioners, apart from fulfilling the requirements as a member of the Bank's Board of Commissioners, also has an understanding of the main business activities and main risks of entities in the Financial Conglomerate. There are 8 (eight) members of the Main Entity's Board of Commissioners as of December 31, 2021, of which 4 (four) people or 50% of them are Independent Commissioners. All members of the Main Entity's Board of Commissioners have passed the fit and proper test from the Financial Services Authority.

Main Entity Board of Commissioner	Position	GMS Approval Date	OJK Approval Date
Takayoshi Futae	President Commissioner	23 March 2020	25 April 2019
J.B Kristiadi P.	Vice President Commissioner/ Independent Commissioner	23 March 2020	25 April 2019
Peter Benyamin Stok	Independent Commissioner	23 March 2020	25 April 2019
Nobuya Kawasaki	Commissioner	23 March 2020	20 May 2020
Hedy Maria Helena Lapian	Independent Commissioner	26 November 2020	21 December 2020
Takanori Sazaki	Commissioner	30 April 2021	25 August 2021
Dan Harsono	Commissioner	30 April 2021	18 November 2021
Halim Alamsyah	Independent Commissioner	26 August 2021	15 November 2021

DUTIES AND RESPONSIBILITIES OF THE MAIN ENTITY BOARD OF COMMISSIONERS

The duties and responsibilities of the Board of Commissioners of the Main Entity in the financial conglomerate of the Danamon Group are regulated in the Integrated Governance Policy. Duties and responsibilities of the Main Entity Board of Commissioners include:

1. Supervise the implementation of Integrated Governance with the duties and responsibilities of at least:
   a. Supervise the implementation of Governance in each Entity to comply with the Integrated Governance Policy;
   b. Supervise the implementation of the duties and responsibilities of the Main Entity Board of Directors, as well as provide direction or advice to the Main Entity Board of Directors on the implementation of the Integrated Governance Policy; and
   c. Evaluating the Integrated Governance Policy and directing the improvement of the Policy.
2. Establish an Integrated Governance Committee in order to support the effectiveness of the implementation of its duties.
3. Holding regular meetings at least 1 (one) time each semester with the following provisions:
4. Main Entity Board of Commissioners meeting can be held via video conference;
5. The results of the meeting of the Board of Commissioners of the Main Entity are stated in the minutes of the meeting and well documented.
6. Dissenting opinions that occur in the meeting of the Board of Commissioners of the Main Entity are clearly stated in the minutes of the meeting along with the reasons for the difference of opinion.

IMPLEMENTATION OF DUTIES AND RESPONSIBILITIES OF THE MAIN ENTITY BOARD OF COMMISSIONERS IN 2021

Main Entity Board of Commissioners duties impelementation in supervising the implementation of integrated governance is assisted by the Integrated Governance Committee. The Integrated Governance Committee evaluates the implementation of integrated governance and reports its implementation to the Board of Commissioners.

During 2021, 2 (two) Board of Commissioners meetings have been held whose agenda is to discuss the Integrated Governance Committee report related to the implementation of integrated governance which includes, among others, the results of the integrated

governance self-assessment, discussions regarding the Main Entities in the financial conglomerate, Integrated Governance Policies Danamon Group, updating the Charter of the Integrated Governance Committee, as well as updating the implementation of the governance of Subsidiaries.

BOARD OF DIRECTORS OF MAIN ENTITY

The Main Entity's Board of Directors, apart from meeting the requirements as a member of the Bank's Board of Directors, also has an understanding of the main business activities and main risks of the entities in the Financial Conglomerate. There are 8 (eight) members of the Board of Directors of the Main Entity as of December 31, 2021. The majority of members of the Board of Directors of the Main Entity have had a career in banking for more than 25 years, both national and international banks and have at least 5 (five) years of experience as Executive Officer/Director of the company. All members of the Board of Directors have passed the fit and proper test and have obtained approval from the Financial Services Authority.

Main Entity Board of Directors	Position	GMS Approval Date *)	OJK Approval Date
Yasushi Itagaki	President Director	23 March 2020	5 December 2019
Honggo Widjojo Kangmasto	Vice President Director	23 March 2020	5 December 2019
Heriyanto Agung Putra	Director	23 March 2020	25 April 2019
Herry Hykmanto	Director	23 March 2020	25 April 2019
Dadi Budiana	Director	23 March 2020	25 April 2019
Rita Mirasari	Director	23 March 2020	25 April 2019
Muljono Tjandra	Director	23 March 2020	5 December 2019
Naoki Mizoguchi	Director	23 March 2020	5 December 2019

*) Re-appointment of all members of the Board of Directors at the Annual GMS March 23, 2020

DUTIES AND RESPONSIBILITIES OF THE MAIN ENTITY BOARD OF DIRECTORS

Board of Directors of the Main Entity duties and responsibilities in the financial conglomerate of Danamon Group are regulated in the Integrated Governance Policy and the Guidelines and Work Orders (Charter) of the Board of Directors. The duties and responsibilities of the Board of Directors of Danamon as the Main Entity are as follows:

1. Ensure the implementation of Integrated Governance in the Financial Conglomerate with the duties and responsibilities of at least:
   a) Develop Integrated Governance Policy;
   b) Directing, monitoring and evaluating the implementation of the Integrated Governance Policy; and
   c) Following up on the direction or advice of the Board of Commissioners of the Main Entity in order to improve the Integrated Governance Policy.
2. Ensure that audit findings and recommendations from the Integrated Internal Audit Unit, External Auditor, the results of the supervision of the Financial Services Authority and/or the results of the supervision of other authorities have been followed up by the Entities in the Financial Conglomerate.
3. Responsible for carrying out the supervisory function of the Entities in the Financial Conglomerate.

IMPLEMENTATION OF MAIN ENTITY DIRECTORS DUTIES AND RESPONSIBILITIES IN 2021

In 2021, the Main Entity's Board of Directors with input, recommendations and directions from the Board of Commissioners and the Integrated Governance Committee has updated the Danamon Group's Integrated Governance Policy.

The Board of Directors of the Main Entity will submit the enhanced Danamon Group Integrated Governance Policy to the respective Directors of the Subsidiary Company in the Financial Conglomerate for follow up.

The Board of Directors carries out the supervisory function of entities in financial conglomerates through reports and meetings held during 2021 with topics of discussion on Subsidiary Companies, implementation of integrated governance and/or integrated risk management. The Board of Directors through reports and held meetings also ensures follow-up and improvement on audit findings and recommendations from the Integrated Internal Audit Unit, External Auditor, results of supervision by the Financial Services Authority and/or results of supervision by other authorities.

During 2021, there was no follow-up to the fulfillment of audit results from the regulator that passed the agreed time limit.

In order to support the effectiveness of the implementation of supervisory duties, the Main Entity's Board of Directors is also a member of the Board of Commissioners in subsidiary companies, namely as follows:

Name	Position in Main Entity (Danamon)	Position in Financial Conglomerate Subsidiary Company
Yasushi Itagaki	President Director	President Commissioner PT Adira Dinamika Multi Finance Tbk

INTEGRATED GOVERNANCE COMMITTEE

Danamon as the Main Entity has established an Integrated Governance Committee in accordance with Financial Services Authority Regulation No. 18/POJK.03/2014 concerning Implementation of Integrated Governance for Financial Conglomerates and Financial Services Authority Regulation No. 45/POJK.03/2020 concerning Financial Conglomerates. The Integrated Governance Committee was formed to support the effective implementation of the duties of the Main Entity Board of Commissioners and assist the Main Entity Board of Commissioners in the supervisory function related to the implementation of integrated governance within the Danamon Group.

The Integrated Governance Committee was first established by the Board of Commissioners and was established based on the Decree of the Board of Directors No. Kep: DIR-Corp.Sec.-004 dated 12 August 2015 regarding the Establishment of the Integrated Governance Committee. The composition of the members of the Integrated Governance Committee currently refers to KSR-KOM.Corp.Sec-004 dated 17 September 2021.

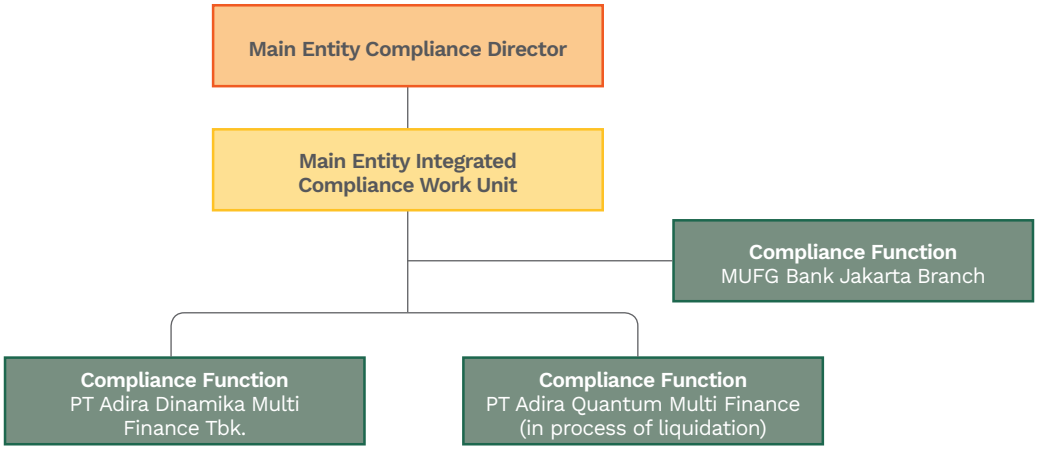
Further details regarding the Guidelines and Work Rules of the Integrated Governance Committee, Duties, Responsibilities, Authority, Structure, Membership, Expertise and Legal Basis of Appointment, Independence of Committee members, Term of Office, Policy and Implementation of Integrated Governance Committee Meetings, and Implementation of Duties The Integrated Governance Committee in 2021 can be seen in the Corporate Governance Implementation Report in the Integrated Governance Committee section.

INTEGRATED COMPLIANCE WORK UNIT

The implementation of the Integrated Compliance Unit (ICU) function is carried out by the existing Danamon Compliance Unit. The Compliance Unit is formed independently and is under the responsibility of the Director in charge of the Compliance Function (Director of Compliance). The structure and infrastructure is adequate so that it can support the implementation of the ICU function to coordinate, monitor and evaluate the compliance function of all entities in the MUFG Group Financial Conglomerate.

STRUCTURE AND POSITION OF THE INTEGRATED COMPLIANCE UNIT

In line with the changes in the members of the MUFG Group financial conglomerate, the structure and position of the Integrated Compliance Unit is as follows:



DUTIES AND RESPONSIBILITES OF INTEGRATED COMPLIANCE UNIT

Integrated Compliance Unit has the task of at least monitoring and evaluating the implementation of the compliance function in each Entity in the Financial Conglomerate.

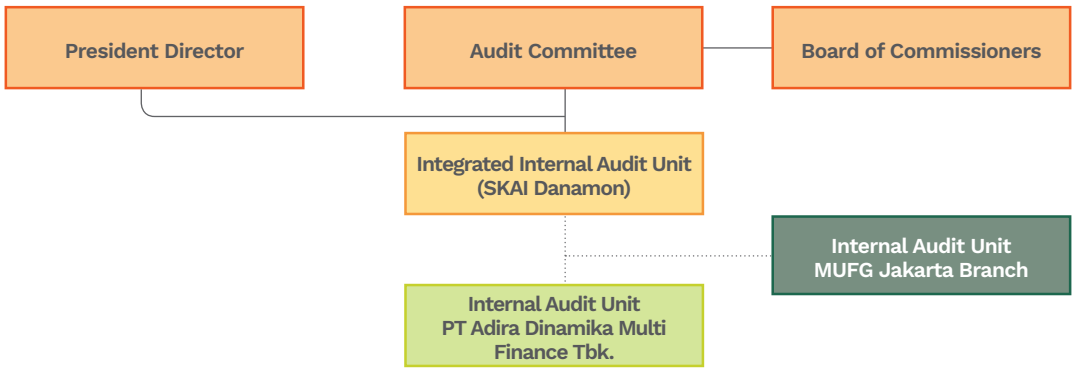
IMPLEMENTATION OF INTEGRATED COMPLIANCE UNIT DUTIES AND RESPONSIBILITIES IN 2021

During 2021, the Integrated Compliance Unit has carried out its duties and responsibilities, including:

- Carry out the duties and responsibilities of the Compliance Unit, which can be seen in the Governance Report of the Compliance Work Unit section.
- Ensure that the compliance function of each FSI within the MUFG Group Financial Conglomerate is established independently and is supported by adequate compliance policies or guidelines.
- Coordinate and monitor the implementation of the compliance function of Subsidiaries, including providing consultative functions on compliance implementation.
- Ensure the Subsidiary's compliance with regulatory parameters on a regular basis.
- Reviewing the report on the implementation of the compliance function submitted by the Subsidiary Company on a quarterly basis.
- Coordinate and report changes in members of the financial conglomerate to the Financial Services Authority.
- Submitting new regulations to Subsidiaries.
- Monitor the implementation of the compliance function of the Related Company based on reports submitted to the Main Entity Compliance Unit on a regular basis.
- Monitor follow-up/improvement commitments on audit results conducted by the Financial Services Authority.
- Conducting an integrated compliance risk assessment and compiling an integrated compliance risk profile report.
- Coordinate the assessment and preparation of the results of the integrated governance self-assessment on a semi-annual basis.

INTEGRATED INTERNAL **AUDIT UNIT**

Structure and Position of Integrated Internal Audit Unit (IIAU)



Bank Danamon ("Danamon") as the main entity in MUFG Group Financial Conglomerate has an Integrated Internal Audit Unit ("IIAU"), an independent unit from other operating units, which the implementation of its duties and responsibilities carried out by IIAU Danamon. IIAU reports to Bank Danamon President Director and the Board of Commissioners via Audit Committee, and monitors the implementation of internal audit of each entity in Financial Conglomerate. U Finance was no longer part of the conglomeration started from 3 December 2021.

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

Further details of IIAU including duties and responsibilities, 2021 internal audit priorities as well as plans and realization of audits as of December 31, 2021 can be seen in the Corporate Governance Report in the section of Internal Audit Unit (SKAI).

IMPLEMENTATION OF INTEGRATED **RISK MANAGEMENT**

INTEGRATED RISK MANAGEMENT POLICY OF MUFG GROUP FINANCIAL CONGLOMERATION AND THE IMPLEMENTATION

Danamon as the Main Entity has Integrated Risk Management Policy of MUFG Group Financial Conglomeration which prepared based on the prevailing Financial Services Authority (OJK) regulations, and is reviewed on regular basis. Integrated Risk Management Policy of MUFG Group Financial Conglomeration is the main policy which covers risk management framework and as guidance for the implementation of integrated risk management in MUFG Group Financial Conglomeration. Danamon's Integrated Risk Directorate is responsible for developing overall risk management strategies that include policy, methodology, framework, limit and procedure as well as controls periodically. In 2021, review on this policy has been done.

The implementation of Integrated Risk Management is carried out as follows:

a. Active Supervision of the Board of Directors and Board of Commissioners of the Main Entity
   The implementation of Integrated Risk Management involves active supervision and oversight from the Board of Directors and Board of Commissioners of Danamon as the Main Entity. In supporting the effective integrated risk management implementation, the Board of Directors and Board of Commissioners of the Main Entity should understand the risk in the Financial Conglomeration, develop the risk culture, and ensure the implementation of risk management in entities within Financial Conglomeration. In the implementation, Integrated Risk Management Committee has been established in the Financial Conglomeration.

b. Integrated Risk Management Organization
   In order to implement a comprehensive and effective Integrated Risk Management, the Main Entity has established Integrated Risk Management Committee and Integrated Risk Management Unit.

   1) Integrated Risk Management Committee
      The membership of the Integrated Risk Management Committee consists of Main Entity's Integrated Risk Director, Main Entity's Compliance Director, Main Entity's Credit Director, Directors who represent Subsidiary and Sister Companies and related Executive Officers as nominated. The Chairman of Committee is Main Entity's Integrated Risk Director.

      Integrated Risk Management Committee meetings are held regularly. Each member as an individual or group can request an extraordinary meeting to discuss a very important topic/ issue. The Integrated Risk Management Committee meeting is chaired by the Chairman of the Committee.

   2) Integrated Risk Management Working Unit
      Danamon as the Main Entity has established an Integrated Risk Directorate which is a Risk Management Working Unit that has risk management roles and responsibilities in Danamon individually, as well as an Integrated Risk Management Unit in implementing integrated risk management in Financial Conglomeration.

      The Integrated Risk Directorate is an independent unit from the risk-taking units and reports to the Integrated Risk Director, who then reports directly to the President Director.

      In carrying out its function as an Integrated Risk Management Unit, Danamon Integrated Risk Directorate coordinates with the Risk Management Unit in each entity in the Financial Conglomeration. Authority and responsibility of the Integrated Risk Management Unit, among others:
      - Provide input to Main Entity's Board of Directors and the Integrated Risk Management Committee in the preparation and improvement of the Integrated Risk Management Policy.
      - Monitor the implementation of Integrated Risk Management Policy including to develop the procedures and tools for risk identification, measurement, monitoring, and control.
      - Conduct risk monitoring in the Financial Conglomeration by monitoring the risk profile of each entity in the Financial Conglomeration, both in individual and in integrated manner, including the risk level for each type of risk in an integrated manner.

- Conduct individual stress testing on Main Entity and/or coordinate the consolidated stress testing implementation with Subsidiary that consolidated to Main Entity (Vertical Financial Conglomeration/ Controlling Shareholder).
- Conduct periodically review on risk assessment methods, adequacy of management information systems implementation, and the accuracy of policies, procedures and limit of integrated risks.
- Review the proposals of new line of business that are strategic and significantly affect Financial Conglomeration's risk exposures. New line of business can be in the form of an entity that is part of Financial Conglomeration enter in a new market segment that can increase the risk exposure of Financial Conglomeration.
- Provide the information to IRMC regarding the matters that need to be followed up related to the evaluation of Integrated Risk Management implementation.
- Prepare and deliver the integrated risk profile report regularly to Integrated Risk Director and Integrated Risk Management Committee.

INTEGRATED RISK MANAGEMENT COMMITTEE

STRUCTURE AND MEMBERSHIP OF THE COMMITTEE

Chairman	Integrated Risk Director of the Main Entity (Danamon)
Permanent Member	• Compliance Director of the Main Entity (Danamon) • Credit Director of the Main Entity (Danamon) • Representative and appointed Director from each Subsidiary and Sister Companies • Appointed Division Heads in Integrated Risk Management Working Unit
Permanent Invitee	Chief Internal Auditor of Main Entity (Danamon)

STATUS OF VOTING RIGHTS AND DECISION MAKING

The Committee Meeting Resolutions shall be adopted based on consensus principle. In the event there is no consensus, the resolution shall be determined based on majority vote in which 1 (one) entity can cast for 1 (one) vote. In the event the vote is a tie, the Chairman of Committee is authorized to determine the decision.

ROLES AND RESPONSIBILITIES OF THE INTEGRATED RISK MANAGEMENT COMMITTEE

The main role of Integrated Risk Management Committee is to evaluate and give the recommendation to Main Entity's BOD related to:

a. Preparation of the integrated risk management policy, framework and guideline, and periodic improvement based on evaluation of the implementation.
b. Evaluation of the effectiveness of the implementation of integrated risk management policies, frameworks and guidelines
c. Identification of issues that may impact financial, compliance/regulatory, legal, and reputation risks for the Financial Conglomeration based on—data/information being shared by Financial Conglomeration members.
d. Escalation of all risk related matters that require the attention of the Directors of the Main Entity or entities within the Financial Conglomeration.
e. Asssessment of key risks in the entities and across entities within Financial Conglomeration including the formulation of strategies to deal with existing and emerging risk issues

ATTENDANCE OF MEMBER IN THE INTEGRATED RISK MANAGEMENT COMMITTEE MEETING

During 2021, Integrated Risk Management Committee has held 2 meetings i.e. in February and August 2021.

The following is the attendance of committee members in meetings during 2021:

Committee Member	Title	Number of Member Attendance in Committee Meeting
Adnan Qayum Khan	Danamon's Integrated Risk Director	1 (resign at the end of Jul 2021)
Rita Mirasari	Danamon's Compliance Director and Integrated Risk Director (acting – since IRMC August 2021)	2
Dadi Budiana	Danamon's Credit Directtor	2
Ho Lioeng Min	Director of PT Adira Dinamika Multi Finance, Tbk	2
Marchelius Santiaji Mario	Director of MUFG Bank, Ltd. Jakarta Branch	2
Yuji Ueda	Director of PT U Finance Indonesia	2
Iwan Dharmawan	Danamon's Credit & Enterprise Risk Management Division Head	1 (resign at the end of Aug 2021)
Eunice Kurniawan	Danamon's Operational Risk Management, Fraud & QA Division Head	2
Ari Priyatna	Danamon's Market & Liquidity Risk Management Division Head	2

Meetings and Agenda of Integrated Risk Management Committee Meeting

Date	Agenda
February 10, 2021	• Integrated Capital Management Policy for Financial Conglomeration • Integrated Risk Profile H2 2020 • Integrated Risk Management Policy (IRMP) of MUFG Group Financial Conglomeration • Intra-Group Transaction Policy • Integrated Risk Profile Guideline • OJK Audit related to Liquidity • IFRS9 Update • Phishing Email Exercise (PEX) 2020 Summary Results Update • Integrated Capital Adequacy • Adira Finance Update • MUFG Bank Jakarta Update • U Finance Indonesia Update • Data Request by OJK
August 13, 2021	• Integrated Risk Profile H1 2021 • Potential change of MUFG Financial Conglomeration Structure • Annual Review of Integrated Risk Management Policy (IRMP) • Integrated Capital Adequacy • Adira Finance Update • MUFG Bank Jakarta Update • U Finance Indonesia Update

IMPLEMENTATION OF DUTIES OF INTEGRATED RISK MANAGEMENT COMMITTEE IN 2021

Important activities carried out by the Integrated Risk Management Committee during 2021 are:

a. Approval of the Integrated Risk Profile
b. Update and Approval of the Integrated Capital Management Policy for Financial Conglomeration
c. Subsidiary Update
d. Sister Companies Update
e. Update on Integrated Risk Management Policy
f. Intra-Group Transaction Policy Update
g. Integrated Risk Profile Guideline Update
h. Update of OJK Audit related to Liquidity
i. Update related to Financial Conglomeration
j. Update on IFRS 9
k. Update on Integrated Capital Adequacy

INTRA-GROUP TRANSACTION POLICY

Intra-group transaction risk is the risk due to the dependence of an entity either directly or indirectly to other entities in a Financial Conglomeration in order to fulfill a contractual obligation of written or unwritten agreement which followed by either transfer the funds or not.

The implementation of Intra-Group Transaction Risk Management is carried out by taking into account inter-entity transaction activities in the Financial Conglomeration. Danamon as the Main Entity has regulated the implementation of intra-group transaction risk management in the Intra-Group Transaction Policy which is regularly reviewed. Intra-group transaction limits are determined through coordination between Danamon as the Main Entity, Subsidiary and Sister Companies as members of the Financial Conglomeration.

The implementation of Intra-Group Transaction Risk Management is carried out through risk identification, measurement, monitoring and control, and management information system. Intra-Group Transaction Risk, among others, can be arisen from:

- Cross ownership between entities within the Financial Conglomeration.
- Centralized management of short-term liquidity.
- The guarantee, loans, and commitments that are provided or obtained by an entity from another entity within the Financial Conglomeration.
- The exposure to the controlling shareholder, including the loan and off-balance sheet such as the guarantee and commitment.
- Asset purchases or sales to other entity within the Financial Conglomeration.
- Risk transfer through re-insurance.
- The transactions to transfer third party's risk exposures between the entities within the Financial Conglomeration.

INTEGRATED GOVERNANCE IMPLEMENTATION **SELF ASSESSMENT**

Self-Assessment Results Implementation of Integrated Governance Position June and December 2021	
Rating	**Rating Definition**
2	The Financial Conglomerate is considered to have implemented Integrated Governance which is generally good. This is reflected in adequate compliance with the implementation of Integrated Governance principles. If there are weaknesses in the implementation of Integrated Governance, in general these weaknesses are less significant and can be resolved by normal actions by the Main Entity and/or FSI

Based on the self-assessment conducted, Danamon already has an adequate integrated governance structure and infrastructure so that the principles of integrated governance can be implemented effectively. This is reflected in the following indicators:

Indicator	Self Assessment Summary
Main Entity Board of Director	• Main Entity's Board of Directors consists of 8 (eight) member. Members of the Main Entity's Board of Directors have met the requirements of integrity, competence, and financial reputation. All members of the Board of Directors of the Main Entity have obtained approval from OJK. • Accepted the resignation of Michellina Laksmi Triwardhany from his position as Deputy President Director of the Main Entity effective September 4, 2021 and Adnan Qayum Khan from his position as Director of the Main Entity effective July 24, 2021 through the EGMS on August 26, 2021. • With the resignation of Adnan Qayum Khan as Integrated Risk Director at the Main Entity, the Integrated Risk Unit will be under the Main Entity Compliance Director until a definitive Integrated Risk Director is appointed. As of January 1, 2022, the Risk Management Unit in the Main Entity is under Dadi Budiana. • As the Main Entity, Bank Danamon places members of the Board of Directors as members of the Board of Commissioners of the Subsidiary Company for the purpose of supervision. Yasushi Itagaki (President Director of the Main Entity), where he serves as President Commissioner of PT Adira Dinamika Multi Finance, Tbk. • All audit findings and recommendations from SKAI, external auditors, results of OJK supervision and/or results of supervision by other authorities are always followed up by the Board of Directors of the Main Entity.
Main Entity Board of Commissioner	• Main Entity's Board of Commissioners members have met the requirements for integrity, competence, and financial reputation. All members of the Main Entity's Board of Commissioners have obtained approval from OJK. • Main Entity's Board of Commissioner consists of 8 (eight) member and the number of members of the Main Entity's Board of Commissioners does not exceed the number of members of the Main Entity's Board of Directors. • Throughout 2021, the Main Entity Board of Commissioners has held 6 (six) meetings of the Main Entity Board of Commissioners and 6 (six) Joint Meetings with the Main Entity Board of Directors.
Integrated Governance Committee	• There are 9 (nine) members of the Integrated Governance Committee, consisting of 5 (five) representatives from the Main Entity, 1 (one) person from the Subsidiary Company, and 3 (three) representatives from Related Companies. • The Integrated Governance Committee is chaired by an Independent Commissioner who is also the chairman of the Danamon Governance Committee. • The results of the self-assessment of the implementation of integrated governance which includes the internal control function and the implementation of the compliance function in an integrated manner are evaluated by the Integrated Governance Committee on a regular basis in the Integrated Governance Committee meeting.

Indicator	Self Assessment Summary
Integrated Compliance Unit	• The Danamon Compliance Unit performs its function as an Integrated Compliance Unit (ICU). • Since January 2021, the Danamon Compliance Unit is divided into 2 (two) divisions, namely the Regulatory Compliance & Advisory Division and the Regulatory Compliance & Assurance Division. The implementation of the functions of the Integrated Compliance Unit is carried out by the two divisions which were formed independently and have direct access to the Director in charge of the Compliance Function (Director of Compliance). • The Integrated Compliance Unit is independent from other operational work units and is not in a position to face a conflict of interest in carrying out its duties and responsibilities. • The Danamon Compliance Unit is supported by employees who have adequate qualifications.
Integrated Audit Unit	• The implementation of the function of the Integrated Internal Audit Unit (IIAU) is carried out by the Danamon Internal Audit Unit (IAU). • Membership of the Integrated Internal Audit Unit (IIAU) includes SKAI Danamon as the Main Entity SKAI with members consisting of SKAI Adira Finance ("Subsidiaries") and SKAI MUFG Jakarta ("Related Entities"). • IIAU is independent of other operational work units. • IIAU is led by the Head of IIAU who reports directly to the President Director. To support the independence of IIAU and ensure the smooth running of the audit as well as the authority to monitor follow-up actions, the Head of IIAU also submits reports to the President Director, Board of Commissioners, Audit Committee, and Compliance Director. • IIAU has monitored the implementation of internal audits on the SKAI members of the MUFG Group Financial Conglomerate through regular meetings and reports submitted by the internal audit units of each member of the MUFG Group Financial Conglomerate, as well as conducting Quality Assurance Reviews on audit activities at the Subsidiary SKAI.
Implementation of Integrated Risk Management	• Bank Danamon as the Main Entity in the financial conglomerate has an organizational structure that supports the implementation of adequate integrated risk management. IIAU, Integrated Risk Management Unit, Integrated Compliance Unit, Risk Management Committee, Risk Oversight Committee, and Integrated Risk Management Committee have been formed and function according to their respective duties and responsibilities. Bank Danamon as the Main Entity has regularly updated the organizational structure. • Bank Danamon already has an Integrated Risk Management Policy for the MUFG Group Financial Conglomerate which regulates the framework and implementation of integrated risk management for the Financial Conglomerate. This policy is also complemented by its derivative policies which are made separately including Credit Risk Policy, Operational Risk Management Policy, Market and Liquidity Risk Policy, Information Security Policy, Technology Risk Management Policy, Business Continuity Management Policy, Intra-Group Transaction Policy and Policy Risk Appetite Statement (RAS). Bank Danamon has implemented Group RAS and has RAS Cascading to be implemented in Banks and Subsidiaries (PT Adira Dinamika Multi Finance Tbk – ADMF). • In the integrated governance process, the implementation of Integrated Risk Management involves active supervision and supervision from the Board of Directors and Board of Commissioners of Bank Danamon as the Main Entity. The authorities and responsibilities of the Board of Commissioners and Board of Directors of Bank Danamon as the Main Entity regarding the implementation of Integrated Risk Management have been clearly regulated in the Integrated Risk Management Policy of the MUFG Group Financial Conglomerate. • The internal control system in the implementation of integrated risk management in the Main Entity and FSI in the Financial Conglomerate is comprehensive and adequate, among others through the determination of authority, monitoring of policies, procedures and limits, a clear organizational structure, implementation of risk awareness and culture as well as the adequacy of procedures for compliance compliance with regulations. • The effectiveness of risk management implementation, including the adequacy of policies, procedures and management information systems is reviewed and reviewed regularly. An internal audit of the integrated risk management process is also carried out and improvements to audit findings will be monitored.
Integrated Governance Guidelines	• Bank Danamon as the Main Entity already has Integrated Governance Guidelines which is an Integrated Governance Framework for the Main Entity as well as an Integrated Governance Framework for other Financial Services Institutions (FSI) within the MUFG Group Financial Conglomerate. • In Semester I 2021, the Integrated Governance Guidelines have been updated and can be accessed through the Bank's Corporate Website. Bank Danamon as the Main Entity in the MUFG Group Financial Conglomerate has also conveyed information on the update of the Policy to other FSIs within the MUFG Group Financial Conglomerate. • Each Entity in the MUFG Group Financial Conglomerate has implemented the principles of governance in accordance with the Integrated Governance Policy.

SHARIA BUSINESS UNIT (UUS) GOVERNANCE

SHARIA BUSINESS UNIT (UUS) GOVERNANCE

INTRODUCTION

The implementation of Corporate Governance in Bank Danamon's Sharia Business Unit (UUS Danamon) is based on 5 (five) basic principles of Good Corporate Governance (GCG), namely:

1. Transparency: Transparency in presenting material and relevant information, and transparency in the decision-making process.
2. Accountability: Clarity of functions and accountability of the Bank's organs for effective management of the Bank.
3. Responsibility: Compliance with the prevailing laws and regulations and the principles of sound bank management.
4. Professionalism: Having the competence, ability to act objectively and free from influence or pressure from any party and a strong commitment to the development of the sharia banking business.
5. Fairness: Justice and equality in fulfilling the rights of stakeholders in accordance with agreements and prevailing laws and regulations.

The implementation of GCG principles is the commitment of all the Company's organs to support the improvement of the Company's performance and protect the interests of stakeholders while continuously upholding sharia principles (sharia compliance) in carrying out sharia business activities.

The Company's consistency in implementing GCG is reflected in compliance with laws and regulations, risk management implementation, improved internal control in all work units and optimization of UUS Danamon's performance.

UUS DANAMON INITIATIVES

In 2021, UUS Danamon utilized leveraging strategy by optimizing the use of our parent bank's infrastructure and office network, enabling the sale of all UUS Danamon's products throughout the parent's bank Branch Network. Some of the important steps taken in 2021 are as follow:

a. Providing financial solutions for customers through a comprehensive range of unique sharia-based products and services.
b. Appointed as LKS-PWU (Cash Waqf Recipient) by the Ministry of Religious Affairs in 2020-2021. UUS Danamon also maintained the mandate of the National Hajj Fund Management Agency (BPKH) to manage Hajj funds with functions as recipient bank, investment partner bank, fund deposit bank and fund management bank. With these licenses, UUS Danamon can accept cash waqf and serve prospective pilgrims from opening an account to registering for Hajj.
c. Launched the On-Boarding Sharia Digital as an important milestone for our digital platform and the Digital Cash Waqf through Social Banking.
d. In terms of financing, we continued to develop our unique financing product, Sharia Leasing, which provides more benefits to customers, especially commercial segment and corporate segment customers.
e. In line with innovative product development, we were intensively promoting UUS Danamon's flagship products throughout Bank Danamon's new distribution network.
f. Continued to improve the productivity of our people by increasing knowledge and capabilities, especially in product promotion and sharia banking.
g. Continued to improve risk management and good corporate governance. We have upgraded and refined our infrastructure and technology to be more integrated, resulting in improved customer service from minimizing and integrating several processes in the parent bank's system.
h. Converted 4 conventional branches into sharia branches in NAD province, following the enactment of the Aceh Qonun regulation.

We have conducted several programs to promote Islamic financial literacy to consumers and the public. The following programs have been organized by UUS Danamon to support Islamic financial literacy during the 2021 period as many as 21 programs. Details of the schedule and program can be seen in Appendix 1.

1. SHARIA SUPERVISORY BOARD (DPS)

1.1 Composition of DPS

In 2021, UUS Danamon's DPS consisted of 3 (three) persons:

a. Prof. Dr. H .M. Din Syamsuddin, MA. (Chairman)
b. Dr. K.H. Hasanudin, M.Ag. (Member)
c. Dr. Asep Supyadillah, M.Ag. (Member)

1.2 Concurrent Positions of DPS Members in Other Sharia Financial Institutions

All DPS members have met the requirements to hold concurrent positions as stipulated in Bank Indonesia regulation No. 11/10/PBI/2009 concerning Sharia Business Units. Details of concurrent positions of UUS Danamon's DPS members are as follow:

Name	Position in Other Companies	Name of Company
Prof. Dr. H. M. Din Syamsuddin, MA. (Chairman)	-	-
Dr. K.H. Hasanudin, M.Ag. (Member)	DPS Chairman DPS Chairman DPS Chairman DPS Chairman	a) Toyota Astra Finance Services Syariah b) PT. Sarana Multigriya Finansial (UUS) c) Bank Syariah Indonesia (BSI) d) PT Trimegah Asset Management
Dr. Asep Supyadillah, M.Ag. (Member)	DPS Chairman DPS Chairman DPS Member	a) PT Capital Life Syariah b) PT Asuransi Jiwa Generali Indonesia (UUS) c) PT. Fintek Karya Nusantara (Link Aja Syariah)

1.3 DPS Work Programs for 2021

UUS Danamon's DPS work programs for 2021 are as follow:

a. Conducting at least 12 (twelve) DPS meetings during the year to discuss issues concerning sharia principles, new product proposals and requests for opinions regarding several conditions that occur in the field.
b. Conducting periodic reviews, including supervision on the fulfillment of sharia principles on the mechanism for funding and financing activities as well as UUS services through customer sampling, drawing samples from both funding and financing customers.
c. Establishing good coordination with Syariah & CREM Assurance – UUS Danamon in carrying out all UUS Danamon's DPS activities (such as requests for DPS Opinions), examining and requesting explanations from authorized UUS Danamon officials regarding matters deemed necessary.
d. Preparing semiannual DPS Supervisory Reports to be submitted to OJK with copies to DSN-MUI, the Board of Commissioners, the Director of UUS Danamon, Internal Audit Unit and Compliance Division.
e. Increasing information/knowledge about sharia and banking by continuously optimizing DPS members' potentials through training and workshops for the development and progress of UUS Danamon.
f. Providing advice and recommendations for the Director of UUS Danamon in particular and Bank Danamon's management in general in order to improve, fulfill sharia principles and develop and grow UUS Danamon.

1.4 Realization of DPS Work Programs in 2021

a. There were 16 (sixteen) monthly regular DPS meetings held during the year. Details of time, place, meeting agenda and attendance can be seen in Appendix 2. DPS Members' attendance rate is as follows:

Name	Total Attendance
Prof. Dr. H. M. Din Syamsuddin, MA.	15
Dr. K.H. Hasanudin, M.Ag.	15
Dr. Asep Supyadillah, M.Ag.	16

The DPS meetings convened in 2021 have complied with Bank Indonesia and OJK regulations. Decisions at DPS meetings were made based on deliberation to reach a consensus. Meeting resolutions have been recorded in the Meeting Minutes, fully documented and submitted to the Director and or the Bank's management to be implemented.

b. In order to periodically evaluate the fulfillment of sharia principles in 2021, data from 171 customers were taken, from which DPS conducted sampling on 104 customers, both funding and financing customers. The criteria of the customers are as follow:

Customer Data Presented	Customer Data Sampling
129 Funding Customers;	71 Funding Customers;
Funding Customers;	Financing Customers
5 Employee Cooperative Customers;	5 Employee Cooperative Customers;
11 SME Customers;	10 SME Customers;
0 BPRS Customers;	0 BPRS Customers;
7 Enterprise Banking (EB) Customers;	7 Enterprise Banking (EB) Customers;
19 Consumer Customers.	11 Consumer Customers.

c. In 2021, DPS coordinated with Syariah & CREM Assurance – UUS Danamon to support its function as DPS, including issuing the following 29 (twenty-nine) DPS Opinions:

Nr.	ISSUE/TOPIC
1	Sharia Opinion on 2020 Benevolence Funds SOP
2	Sharia Opinion on the Implementation of Cash Waqf by Non-Muslim Waqifs
3	Sharia Opinion on Hajj Community Marketing Program - Wadiah RTJH Savings Product
4	Sharia Opinion on Bancassurance Activity Program Product Addendum
5	Sharia Opinion on the Use of Conventional (Existing) Current Accounts for Sharia Financing Facilities: Disbursement & Debiting Profit Sharing
6	Sharia Opinion on Waqf Challenge Activity
7	Sharia Opinion on Sharia Unit Link Insurance Product MiSmart Solution Syariah (Mission Syariah)
8	Sharia Opinion on Aligning Conventional Current Accounts with Sharia Current Accounts
9	Sharia Opinion on Aligning Sharia Planned Savings iB (TPS iB)
10	Sharia Opinion on the Implementation of Sharia Planned Savings Account Opening & Routine Social Fund Transfer Registration via Third Parties
11	Sharia Opinion on MRPA (Master Risk Participation Agreement)
12	Sharia Opinion on IMBT Scheme for Toll Road Financing (case study: Indonesia Investment Authority (INA))
13	Sharia Opinion on Qurban with Waqf Benefit Partnership Program with Yayasan Daarut Tauhiid
14	Sharia Opinion on the 2021 Community Program and the 2021 Online Debit Program
15	Sharia Opinion on Home Construction or Renovation Financing with MMQ Scheme
16	Sharia Opinion on Mushaf Al Quran Waqf Program on the Social Banking Platform
17	Sharia Opinion on Savings with Cashback Benefit Program Tied to Sukuk SR015 Purchase and Using Sharia Accounts for Conventional Investment Products

Nr.	ISSUE/TOPIC
18	Sharia Opinion on Da'wah Vehicle & Water Well Waqf Program on the Social Banking Platform
19	Sharia Opinion on Seasonal Program for PT Pelabuhan Samudra Palaran (PSP)
20	Sharia Opinion on BPR/BPRS Prize Program
21	Sharia Opinion on Sale of Sharia Mutual Fund Products
22	Sharia Opinion on Sharia Debtor Auction
23	Sharia Opinion regarding Information on Development of Sharia Account Opening Using Digital Services for Existing Customers (ETB)
24	Sharia Opinion on Sharia Money Order Trade Supplier Financing (TSF) [OJK's Format]
25	Sharia Opinion on TPS Account Opening & Routine Fund Transfer Registration via Third Parties [OJK's Format]
26	Sharia Opinion on Water Well Waqf Program to UUS Danamon's partner Nazirs
27	Sharia Opinion on Mushaf Al-Quran Waqf Program to UUS Danamon's partner Nazirs
28	Sharia Opinion on Sharia Hajj Planned Savings Tabungan Rencana Haji iB (TRH) and Sharia Planned Savings (TPS) Loyalty Programs for 2021
29	Sharia Opinion on Rooftop Solar Panel (PLTS Atap) Financing [OJK's Format]

d. Report the results of DPS supervision every 6 (six) months to OJK with copies to DSN-MUI, the Board of Commissioners, the Director of UUS Danamon, Internal Audit Work Unit and Compliance Division of Bank Danamon.

e. In 2021, UUS Danamon's DPS members attended the following training/workshop to develop/optimize their potential as DPS members:

Nr.	TRAINING/WORKSHOP
1	2021 Pra Ijtima' Sanawi (Annual Meeting) of Sharia Supervisory Board (DPS), Islamic Banking Sector, held on 4-5 October 2021 via Zoom Cloud Meetings.
2	2021 Ijtima' Sanawi (Annual Meeting) of Sharia Supervisory Board (DPS), held on 2-3 December 2021 via Zoom Cloud Meetings.

f. Provided advice and recommendations to the Director of UUS Danamon at regular monthly DPS meetings or on certain occasions in order to improve, fulfill sharia principles and develop and grow UUS Danamon.

1.5 DPS Supervision

The results of DPS supervision are reported to OJK through the DPS Supervisory Report (LHP) with copies of the report sent to the Compliance Division, Internal Audit Unit, the Board of Directors & Commissioners of PT Bank Danamon Indonesia, Tbk and the National Sharia Council – Indonesian Ulema Council (DSN-MUI). The DPS issued 2 (two) reports for FY2021: the 2021 Mid-Year LHP and 2021 End-of-Year LHP. The LHP consists of:

- Financial report, information regarding branch or office network, products, human resources and regular meetings with UUS Danamon's management during the supervision period.
- Report on the implementation of follow-up on compliance of the Bank's products and services with DSN-MUI fatwa.
- Working paper of DPS supervision on the Bank's activities & product development.
- Information regarding DPS opinions that were issued during the supervision period.

In addition to supervision, DPS also provided recommendations and advice to both the Board of Directors of PT Bank Danamon Indonesia, Tbk and UUS Danamon's management in the form of DPS opinions issued according to management's needs.

1.6 DPS Charter

The DPS Charter is reviewed periodically. UUS Danamon continuously aligns the Charter with the prevailing rules and regulations and their updates.

1.7 DPS Remuneration

Remuneration and other facilities for UUS Danamon's DPS members are proposed by Bank Danamon's Remuneration Committee and approved by Bank Danamon's General Meeting of Shareholders. Total remuneration and other facilities for DPS members in 2021 is as follow:

Amount of Remuneration and Other Facilities	Amount Received in 1 Year (gross)	
	Persons	Rupiah
1. Remuneration	3	1,008,004,074
2. Other facilities	3	Health insurance (includes dependents)
Amount of Remuneration per person in 1 year	Number of DPS	
Above 2 billion Rupiah	-	
Between 1 billion and 2 billion Rupiah	-	
Above 500 million rupiah up to 1 billion Rupiah	-	
Below Rp 500 million	3	

2. DIRECTOR OF UUS

The Director of UUS Danamon has done the following in the implementation of GCG:

a. Coordinating with all organization levels of UUS Danamon to carry out recommendations or input from DPS originating from routine meeting results and the DPS Supervisory Reports.
b. Coordinating with all directorate levels of Bank Danamon for the development and expansion of UUS Danamon business, including operational coordination and marketing of sharia products through Sharia Service at Bank Danamon's branch offices.
c. Ensuring UUS Danamon's soundness level was in accordance with OJK regulation.
d. Coordinating with BI and OJK.
e. Becoming a member of the Risk Management Committee.

3. LIST OF CONSULTANTS AND LEGAL ADVISORS

In 2021, UUS Danamon did not use Consultant and Legal Advisor services.

4. INTERNAL FRAUD

In 2021, there were no internal fraud cases at UUS Danamon.

Internal Fraud in one year	Number of cases perpetrated by					
	BoC/BoD		Permanent Employee		Contract Employee	
	2020	2021	2020	2021	2020	2021
Total fraud	Nil	Nil	Nil	Nil	Nil	Nil
Resolved	Nil	Nil	Nil	Nil	Nil	Nil
In process to be resolved internally	Nil	Nil	Nil	Nil	Nil	Nil
Pending follow-up	Nil	Nil	Nil	Nil	Nil	Nil
Escalated to legal action	Nil	Nil	Nil	Nil	Nil	Nil

5. LEGAL ISSUES

The following is the status of legal issues at UUS Danamon in 2021:

Legal case	Total case	
	Civil	Criminal
Resolved (the case has a legally binding judgement)	Nil	Nil
In progress	Nil	Nil
Total	Nil	Nil

6. UUS DANAMON ACTIVITIES

UUS Danamon carried out 2 (two) activities: the distribution of benevolence funds for social purposes and UUS Danamon's achievements in Indonesian banking, with details as follow:

6.1 Distribution of Benevolence Funds for Social Purposes

Referring to Law No. 21 of 2008 concerning Sharia (Islamic) Banking Chapter II Principle, Objective and Function, Islamic banks also carry out social functions as stated in article 4 paragraph 2: "The Sharia (Islamic) Bank and UUS may conduct out social functions in the form of baitul mal institution, receiving fund from zakat, infaq, sadaqah, grant, or other social funds and distribute it to a zakat managing organization." It is in line with DSN-MUI Fatwa No. 123/DSN-MUI/XI/2018 concerning the Use of Non-Halal Income for Sharia Financial Institutions, Sharia Business Institutions and Sharia Economic Institutions. In carrying our social functions, UUS Danamon made 63 donations that were distributed to institutions, foundations, mosques/musallas and eligible individuals, totaling Rp680,613,507. Details of these activities can be seen in Appendix 3.

6.2 UUS Danamon Achievements

UUS Danamon received the following recognition in 2021:

1. The 2021 Bank Service Excellence Monitor (BSEM) Survey Award in Infobank Magazine May 2021 issue:
   - 3rd place in the "Overall Walk-In Channel" category
   - 3rd place in the "Teller" category
   - 3rd place in the "Customer Service" category
   - 5th place in the "Security Guard" category
   - 5th place in the "Most Comfortable Branch" category

2. The 2021 Infobank Digital Brand Award:
   - 1st place in the "Sharia Business Unit with Total Assets < Rp500 Trillion" category
   - 3rd place for "Best Service Excellence - Sharia Business Unit" category based on 2021 BSEM survey

7. NON-HALAL INCOME AND USE

UUS Danamon did not have any non-halal income in 2021.

8. 2021 GCG SELF-ASSESSMENT RESULTS OF UUS DANAMON

Based on the working paper for self-assessment of GCG implementation at UUS Danamon in 2021, below are summaries of the calculation for the 2021 composite score and the 2021 GCG self-assessment results.

Summary Table of Composite Score Calculation for FY2021

Nr.	Factor	Rating (a)	Weight (b)	Score (a) x (b)
1	Implementation of duties and responsibilities of the Director of UUS	2	35.0%	0.70
2	Implementation of duties and responsibilities of the DPS	2	20.0%	0.40
3	Implementation of sharia principles in funding and financing activities and providing services	2	10.0%	0.20
4	Distribution of funds to core financing customers and deposit of funds by core depositors	2	10.0%	0.20

Nr.	Factor	Rating (a)	Weight (b)	Score (a) x (b)
5	Transparency of financial and non-financial conditions, GCG implementation report and internal reporting	1	25.0%	0.25
	Composite Score		100%	1.75
	Grade: ~~Very Good~~/**Good**/~~Satisfactory/Unsatisfactory/Poor~~			

Summary of UUS Danamon GCG Self Assessment Results for FY2021

Nr.	Factor	Rating (a)	Weight (b)	Score (a) x (b)	Grade
1	Implementation of duties and responsibilities of the Director of UUS The Director of UUS Danamon passed Bank Indonesia's (BI) fit & proper test, was independent, had no conflict of interest & his appointment was reported to BI. The Director of UUS Danamon was responsible for managing UUS Danamon, following up on DPS recommendations & providing data for DPS supervision.	2	35%	0.70	Good
2	Implementation of duties and responsibilities of the DPS • The DPS consisted of 3 persons, all had adequate integrity, competence and financial reputation and were appointed through the GMS based on the recommendation of the Nomination Committee and DSN-MUI with a term not exceeding the Board of Directors/Board of Commissioners. Concurrent positions of the DPS members have complied with Bank Indonesia provisions. • DPS assessed and ensured products and operational guidelines of UUS Danamon have complied with sharia principles and submitted supervisory reports in accordance with Bank Indonesia provisions. • DPS held 16 (sixteen) meetings in 2021. Meetings decisions were based on deliberation to reach a consensus, well-documented and presented as recommendations to be followed up by UUS Danamon's management. • Concurrent positions as DPS members in other sharia financial institutions as well as remuneration/other facilities for the DPS have been reported in the GCG Implementation Report. Members of the DPS did not hold concurrent positions as consultants in any Sharia (Islamic) Commercial Banks (BUS)/UUS Danamon. In accordance with the DPS Charter, DPS members did not take advantage of UUS Danamon for personal gain.	2	20%	0.40	Good
3	Implementation of sharia principles in funding and financing activities and providing services. • Every product launched by UUS Danamon was reviewed by the Sharia Assurance Unit of Bank Danamon's Compliance Division and asked for an opinion from the DPS to ensure compliance with DSN – MUI Fatwa. • UUS Danamon's funding and financing activities and products, as well as services, have complied with DSN–MUI Fatwa and OJK/BI provisions, including by conducting periodic reviews of product policies & internal audits.	2	10%	0.20	Good

Nr.	Factor	Rating (a)	Weight (b)	Score (a) x (b)	Grade
4	Distribution of funds to core financing customers and deposit of funds by core depositors. • UUS Danamon has applied the prudential principle in distributing funds, especially to Core Customers, following OJK/BI provisions. • UUS Danamon did not provide special treatment for Core Financing Customers and Core Depositors. Treatment of core customers followed the general policies of UUS Danamon. • UUS Danamon funding/financing program products have been reviewed periodically in accordance with the Bank regulations. • Detailed lists of Core Financing Customers and Core Depositors have been submitted to the Financial Services Authority in accordance with applicable regulations.	2	10%	0.20	Good
5	Transparency of financial and non-financial conditions, GCG implementation reports and internal reporting. • UUS Danamon has prepared Quarterly Published Financial Statements and announced them in national newspapers and on the website in accordance with OJK/BI provisions. • UUS Danamon has outlined the targets, strategies and policies for developing UUS Danamon in the Bank's Business Plan (RBB) and has disclosed information on the development of UUS Danamon's business in the Bank's RBB Realization Report and Annual Report. • UUS Danamon has conducted GCG Self-Assessment, prepared a GCG Implementation Report in accordance with OJK/BI regulations. • UUS Danamon had good internal reporting and was able to present data/information from the core system and the supporting system. The reporting system was supported by trained and experienced human resources and an adequate IT security system according to Bank Danamon's IT Security procedures.	1	25%	0.25	Very Good
	Composite Score		100%	1.75	Good
		Grade: ~~Very Good~~/**Good**/~~Satisfactory/Unsatisfactory/Poor~~			

GENERAL CONCLUSIONS

Based on the results of the GCG self-assessment for FY2021, UUS Danamon received a "Good" grade with a composite score of 1.75.

The implementation of GCG at UUS Danamon in 2021 has met the following GCG provisions:

1. Consistently maintaining compliance with applicable regulations and implementing sharia principles in the sharia unit's funding and financing activities and services.
2. Increasing third-party funds by optimizing Sharia Branch office network function and Sharia services (office channeling) through the main bank's office network while continuously upholding the prudential principle and increasing our people's knowledge on sharia principles.
3. Consistently applying the prudential principle and independence based on sharia principles in our financing and funding activities.
4. Transparency of financial and non-financial conditions, GCG implementation reports and internal reporting were conducted periodically and transparently in accordance with applicable regulations.
5. The Director of UUS Danamon has met the required criteria, including having competency in the field of sharia and being fully committed to the development of UUS Danamon and following up

on recommendations from the DPS and routinely providing data on the growth and condition of UUS Danamon every month through regular DPS meetings.

6. UUS Danamon's DPS has carried out its duties and responsibilities, including having a good reputation and competence, conducting regular DPS meetings and providing opinions, recommendations and reviews of UUS Danamon products, as well as preparing DPS Supervisory Report every semester.

On a sustainable basis (sustainable growth), UUS Danamon will continue to make improvements related to increasing human resources productivity, accompanied by improved sharia banking knowledge and skills, provision of a more effective information management system, improvement of work process and procedure and optimization of the potential of the main bank's office network (office channeling) in order to achieve the targeted performance, thereby providing benefits for all stakeholders and protecting the interests of stakeholders.

The abovementioned improvement efforts are carried out while continuously upholding GCG principles and the prudential principle as well as optimization of the DPS performance in the implementation of sharia principles, accompanied by more effective communication between the DPS and the Director of UUS Danamon and improved compliance, risk management and internal audit functions.

Finally, the support of Bank Danamon with its robust infrastructure, extensive service network and good brand awareness will boost UUS Danamon's competitiveness in the Sharia Banking industry while maintaining the consistent implementation of sharia banking principles.

Sharia Business Unit
PT Bank Danamon Indonesia, Tbk.

Herry Hykmanto
Sharia Director

APPENDIX 1

Table of Details schedule and program of Islamic Financial Literacy 2021

Nr.	Date	Program
1	Virtual Zoom, March 5, 2021	Product Launching of Cash Waqf & Social Banking "Youth Talkshow, Dare to Contribute & Blessing with Danamon Syariah
2	Virtual MS Teams, March 23, 2021	Webinar Vaccine Dissemination with the Ministry of Health and Sharia Kopkar
3	Virtual MS Teams, May 4, 2021	Danamon Syariah Ramadhan Fair together About Danamon Employee Cash Waqf
4	Virtual Zoom, May 5, 2021	Halal Lifestyle Webinar with LAZ Al Azhar
5	Virtual Zoom, May 9, 2021	Community Kopkar Event in the Month of Ramadhan 2021 Socialization of Sharia Cooperatives
6	Virtual Zoom, June 29, 2021	Sharia Socialization Finance Webinar, Jakarta Anniversary "Indonesian Muslim Entrepreneurs Association
7	Virtual MS Teams, May 6, 2021	Community Kopkar Event in Ramadan 2021 regarding Cash Waqf
8	Virtual Zoom, May 9, 2021	Cash Waqf is the Solution of Eternal Charity Together with Daarut Tauhiid's Morning MQ Study
9	Virtual Zoom, June 29, 2021	Sponsorship of the Jakarta Anniversary Webinar "Indonesian Muslim Entrepreneurs Association"
10	Virtual Zoom, July 13, 2021	MQTV Live Daarut Tauhiid "Ease of Sacrifice with Danamon Syariah
11	Virtual MS Teams, 30 July 2021	Danamon's 65th Anniversary "Collaboration Festival - 650 Minutes of Action and Collaboration Talkshow"
12	Virtual Zoom, August 24, 2021	Indonesian Journalists Association's Family Association Webinar on Islamic Financial Literacy
13	Virtual MS Teams, October 2, 2021	Workshop on Introduction to Cooperatives & Regulations for the establishment of USPPS/Sharia Cooperatives
14	Virtual Zoom, October 12, 2021	Webinar Wake Up Waqf – It's Time for Young People to Be Pioneers of Kindness with Dompet Dhuafa
15	Semarang Offline Event, October 15, 2021	Digitalization Support Cooperation Between Danamon Syariah and PERBAMIDA
16	Virtual Expo , 18 October – 2 November 2021	Financial EXPO Financial Inclusion Month (BIK) 2021 with OJK
17	Virtual Zoom, October 23, 2021	National Santri Day Webinar with Nahdlatul Ulama (NU) East Java Land and Waqf Institution with the theme "Movement of Money Waqf in Indonesia"
18	JCC, 27 & 28 October 2021	Indonesia Halal Showcase ISEF 2021 with BI
19	Virtual Zoom, 27 November 2021	IGI West Java National Webinar "Danamon Syariah with the Theme of Presentation of Sharia Financial Literacy"
20	Offline Event Surabaya, December 2, 2021	National Conference (Munas) PERBAMIDA Seminar All over Indonesia - Support for Digitalization of Bank Danamon for BPR/BPRS & Markets
21	Virtual Zoom, Bandung, 18 Dec 2021	Support for the implementation of Islamic Financial Literacy at the Muswil of the Indonesian Teachers Association (IGI) West Java Province in 2021

APPENDIX 2

Table of Details of Time, Place and Agenda of DPS Meetings in 2021

Nr.	Date & Location	Agenda	Attendees	Unit
1	Thursday, 28 January 2021 via MS Teams	1. Update on the Financial Performance of UUS Danamon – FY2020 Financial Report 2. Sharia Opinion Discussion regarding Cash Waqf Nazir Partnership, Account Opening via Danamon's Partner (Third Party) Application, Hajj Savings & Cash Waqf Marketing Program for 2021, DL Junior iB & Youth iB, D-Save iB Wadiah	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Herry Hykmanto 5. Refita Rulli Arief 6. Yatno Sukendar 7. Isabella Aritonang 8. Budhi Hernandi 9. Sutarto Anto 10. Anindito A. 11. Albi Ariza 12. Sara Zathira 13. Fajar 14. Dadan Setiawan 15. Dedy Setiadi 16. Niken Indah 17. Merisa Ardini	DPS DPS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS
2	Thursday, 4 February 2021 via MS Teams	Discussion on Kelola Mina Laut (KML) Productive Waqf Scheme	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Yatno Sukendar 5. Dadan Setiawan 6. Dedy Setiadi 7. Niken Indah Tri P 8. Merisa Ardini 9. Sutarto Anto 10. Achmadijan Firdaus 11. Dwi Rachmawaty 12. Anindito	DPS DPS DPS UUS UUS UUS UUS UUS UUS UUS UUS UUS
3	Friday, 19 March 2021 via MS Teams	Sharia Opinion Discussion regarding: 1. New initiative: Alignment of Sharia Planned Savings Account Tabungan Perencanaan Syariah (TPS iB) 2. New initiative: Alignment of Enterprise Banking Products (Conventional Current Account and Sharia Current Account) 3. Definition of Ziswaf 4. Waqf Referral Program 5. TRH/TPS Referral Program 6. Community Customer Gimmick Program 7. Community High Achievers Scholarship Program 8. Young Family Hajj Bundling Program	Prof. Dr. H. M Din Syamsuddin Dr. K.H. Hasanudin, M.Ag. Dr. Asep Supyadillah, M.Ag. Yatno Sukendar Dadan Setiawan Dedy Setiadi Niken Indah Tri P Siti Chodidjah Merisa Ardini Dwi Rachmawati Anindito Al Muttaqien Albi Ariza Sara Zathira Siregar Moza Adidharma 15. Nurmalahayati Setyabudi	DPS DPS DPS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS

Nr.	Date & Location	Agenda	Attendees	Unit
4	Thursday, 30 April 2021 via MS Teams	Extension of Product Program (PP) for Sharia Rural Bank (BPRS) and Employee Cooperative (Kopkar)	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Yatno Sukendar 5. Sutarto 6. Achmadijan Firdaus 7. Dadan Setiawan 8. Dedy Setiadi 9. Niken Indah Tri P 10. Siti Chodidjah 11. Merisa Ardini	DPS DPS DPS UUS UUS UUS UUS UUS UUS UUS UUS
5	Friday, 21 May 2021 via MS TEAMS	April 2021 Financial Report Sharia Opinion Discussion regarding: 1. Tabungan Barokah Savings Account Scheme 2. Implementation of Sharia Planned Savings Account Tabungan Perencanaan Syariah (TPS) Account Opening Registration and Routine Transfers via Third Parties	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Dadan Setiawan 5. Niken Indah Tri P 6. Siti Chodidjah 7. Merisa Ardini 8. Sutarto Anto 9. Arief Budiman 10. Muhammad Akbar Refo 11. Triadi Iwan	DPS DPS DPS UUS UUS UUS UUS UUS UUS UUS UUS
6	Thursday, 17 June 2021 via MS TEAMS	Provision of Core System for Sharia Employee Cooperative Toll Road Financing Scheme between INA and Bank Danamon	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Yatno Sukendar 5. Yusuf Pratama 6. Dwibangga Guskarna 7. Sari Utami 8. Pinka Langlang Dewi 9. Dadan Setiawan 10. Dedy Setiadi 11. Siti Chodidjah 12. Merisa Ardini 13. Nia Febriyanti 14. Sutarto Anto 15. Achmadijan Firdaus	DPS DPS DPS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS
7	Monday, 28 June 2021 via MS TEAMS	Master Risk Participant Agreement (MRPA)	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Yatno Sukendar 5. Isabella Aritonang 6. Christina Batubara 7. Raditi Ariestarini 8. Wita Jesiska 9. Kasso Hamka 10. Dadan Setiawan 11. Dedy Setiadi 12. Siti Chodidjah 13. Merisa Ardini 14. Niken Indah Tri P 15. Nia Febriyanti 16. Sutarto Anto	DPS DPS DPS UUS UUS Legal Legal Legal UUS UUS UUS UUS UUS UUS UUS UUS

Nr.	Date & Location	Agenda	Attendees	Unit
8	Friday, 23 July 2021 via MS TEAMS	Corporate Waqf Program and Cash Waqf Payroll Auto Debit Program for Employees	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Dadan Setiawan 5. Dedy Setiadi 6. Siti Chodidjah 7. Niken Indah Tri P 8. Merisa Ardini 9. Sutarto Anto 10. Albi Ariza 11. Kezia Ivana 12. Masnun Nadia	DPS DPS DPS UUS UUS UUS UUS UUS UUS UUS DBT DBT
9	Friday, 30 July 2021 via MS TEAMS	Home Construction & Renovation Financing with MMQ Scheme	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Dadan Setiawan 5. Dedy Setiadi 6. Siti Chodidjah 7. Niken Indah Tri P 8. Merisa Ardini 9. Sutarto Anto 10. Nia Febrianty 11. Retno Utaminingsih 12. Retnani Gumilang	DPS DPS DPS UUS UUS UUS UUS UUS UUS UUS Compliance Compliance
10	Friday, 13 August 2021 via MS TEAMS	Discussion on DPS Sampling Test for the First Semester of 2021	1. Dr. K.H. Hasanudin, M.Ag. 2. Dr. Asep Supyadillah, M.Ag. 3. Yatno Sukendar 4. Dadan Setiawan 5. Merisa Ardini	DPS DPS UUS UUS UUS
11	Thursday, 19 August 2021 via MS TEAMS	1. Financial Highlights - YTD June 2021 2. Updates on Existing Issues in UUS, and Issues related to UUS and Bank Danamon Activities	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. Asep Supyadillah, M.Ag. 3. Herry Hykmanto 4. Refita Rulli Arief 5. Isabella Aritonang 6. Yusuf Pratama 7. Indrayana LS 8. Dadan Setiawan 9. Dedy Setiadi 10. Niken Indah Tri P 11. Moza Adidharma 12. Merisa Ardini 13. Dannis Seniar Yullea	DPS DPS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS UUS
12	Friday, 3 September 2021 via MS TEAMS	1. Savings with Cashback Benefit Program Tied to Sukuk SR015 Purchase and Using Sharia Accounts for Conventional Investment Products 2. Da'wah Vehicle & Water Well Waqf Program on the Social Banking Platform 3. Seasonal Program for PT Pelabuhan Samudra Palaran (PSP) 4. BPR/BPRS Prize Program	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Dwi Rachmawati 5. Sara Zathira S 6. Albi Ariza 7. Dadan Setiawan 8. Merisa Ardini 9. Siti Chodidjah 10. Dedy Setiadi	DPS DPS DPS UUS UUS UUS UUS UUS UUS UUS

Nr.	Date & Location	Agenda	Attendees	Unit
13	Monday, 20 September 2021 via MS TEAMS	Sale of Receivables (Cessie) of Sharia Debtors	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Yatno Sukendar 5. Raditi Ariestarini 6. Christina Batubara 7. Reza Rusly 8. Dani Pustaka 9. Handojo Pamudji 10. Joseph Christian 11. Indrayana LS 12. Hari Wardhana 13. Sutarto Anto 14. Dadan Setiawan 15. 15. Merisa Ardini	DPS DPS DPS UUS Legal Legal Cr.Cons/SME Remedial Remedial Risk UUS Remedial UUS UUS UUS
14	Friday, 8 October 2021 via MS TEAMS	Discussion of DPS Opinions: 1. Deposit Profit Sharing 2. National Payment Gateway (GPN) Card 3. Information Services for Customers 4. 4. Follow-up to the Sharia Employee Cooperative (Kopkarsyah) Workshop	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Nurshanty Wijaya 5. Dadan Setiawan 6. Merisa Ardini 7. Dedy Setiadi 8. Niken Indah Tri P 9. Siti Chodidjah 10. Albi Ariza	DPS DPS DPS UUS UUS UUS UUS UUS UUS UUS
15	Thursday, 25 November 2021 via MS TEAMS	Follow-up Discussion on Sale of Receivables (Cessie) of Sharia Debtors	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Yatno Sukendar 5. Dadan Setiawan 6. Raditi Ariestarini 7. Christina Batubara 8. Anton Priyono 9. Hari Wardhana 10. Handojo Pamudji 11. Dani Pustaka 12. Sutarto Anto 13. Achmadijan Firdaus 14. Dedy Setiadi 15. Niken Indah Tri P 16. Siti Chodidjah 17. Merisa Ardini	DPS DPS DPS UUS UUS Legal Legal EarlyWarning Remedial Remedial Remedial UUS UUS UUS UUS UUS UUS
16	Friday, 17 December 2021 via MS TEAMS	Solar Panel Financing Scheme	1. Prof. Dr. H. M Din Syamsuddin 2. Dr. K.H. Hasanudin, M.Ag. 3. Dr. Asep Supyadillah, M.Ag. 4. Yatno Sukendar 5. Yusuf Pratama 6. Sutarto Anto 7. Achmadijan Firdaus 8. Nia Febriyanti 9. Dadan Setiawan 10. Niken Indah Tri P 11. Mochammad Rosyid	DPS DPS DPS UUS UUS UUS UUS UUS UUS UUS UUS
12. Note: DBT is the abbreviation for Danamon Banking Trainee				

APPENDIX 3

Table of Distribution of UUS Danamon Benevolence Funds in 2021

Nr	Date	Fund Recipient	Purpose	Amount
1	22 January 2021	Musholla Al-Hidayah	Construction of Musholla Al-Hidayah, Bogor	10,000,000
2	22 January 2021	LAZ Al Azhar	Basic Food Assistance for Natural Disaster Victims via LAZ Al Azhar	20,000,000
3	28 January 2021	Masjid As-Salam	Renovation of As-Salam Mosque, East Jakarta	19,500,000
4	11 February 2021	Yayasan Dompet Dhuafa Republika	January 2021 Donation to Procure Basic Food Packages for Flood and Landslide Disaster Victims via Yayasan Dompet Dhuafa Republika	20,000,000
5	15 February 2021	UUS Danamon	Donation for Teachers to Facilitate Teaching and Learning Process at Yayasan Daarut Tauhiid	3,000,000
6	15 February 2021	UUS Danamon	Donation for Teachers to Facilitate Teaching and Learning Process at Yayasan Daarut Tauhiid	17,935,500
7	5 March 2021	UUS Danamon	Donation for Orphans to Nazir Lembaga Nahdlatul Ulama	10,000,000
8	5 March 2021	UUS Danamon	Donation for Orphans to Nazir Al Azhar	10,000,000
9	5 March 2021	UUS Danamon	Donation for Orphans to Nazir Dompet Dhuafa	10,000,000
10	5 March 2021	UUS Danamon	Donation for Orphans to Nazir Daarut Tauhiid	10,000,000
11	10 March 2021	Masjid Nurul Anwar	Donation to Procure Sound System (Worship Infrastructure and Facilities) for Nurul Anwar Mosque, West Java	5,000,000
12	10 March 2021	Masjid Al Awwabin	Worship Infrastructure and Facilities Assistance for Al Awwabin Mosque	7,000,000
13	15 March 2021	BDS Lhokseumawe	Donation for Orphans to BDS Lhokseumawe	2,000,000
14	16 March 2021	Masjid Jami Al Bashor	Donation to Renovate Al Bashor Jami Mosque	5,000,000
15	17 March 2021	BDS Bireun	Donation for Orphans to BDS Bireun	2,000,000
16	17 March 2021	BDS Langsa	Donation for Orphans to BDS Langsa	2,000,000
17	17 March 2021	Masjid Ridha Muhammadiyah	Donation to Renovate Ridha Muhammadiyah Mosque, Sulawesi	5,000,000
18	29 March 2021	Yayasan Halawatil Qur'an As-Syafi'i	Donation to Provide Education on Islamic Boarding School Digitalization for 200 Islamic Boarding Schools in Banten Province, Yayasan Halawatil Qur'an As-Syafi'i	5,000,000
19	29 March 2021	MAN Insan Cendekia	Donation to Provide Basic Food to MAN Insan Cendekia	5,000,000
20	30 March 2021	Musholla Al Husna	Donation to Build Musholla Al Husna	5,000,000
21	7 April 2021	Musholla Al Ikhlas [Ministry of Religious Affairs Klaten, Central Java]	Donation to Renovate Musholla Al Ikhlas [Ministry of Religious Affairs Klaten Office, Central Java]	2,500,000
22	20 April 2021	Management of Indonesian Journalist Association Headquarter	Donation for Orphans; Management of Indonesian Journalist Association Headquarter	10,500,000
23	21 April 2021	UUS Danamon	Donation for Ramadan 1442 H Activities, UUS Danamon	20,000,000
24	21 April 2021	BDS Lapros	Donation for Ramadan 1442 H Activities; BDS Lap Ros	7,500,000

Nr	Date	Fund Recipient	Purpose	Amount
25	22 April 2021	Hayoo Peduli Indonesia	Donation to Build Santri Dormitory; Hayoo Peduli Indonesia	5,000,000
26	26 April 2021	BDS Banda Aceh Safiatudin	Donation for Orphans; BDS Banda Aceh Safiatudin	10,000,000
27	28 April 2021	Management of Muhammadiyah Wage Branch	Donation for Ramadan 1442 H Activities; Management of Muhammadiyah Wage Branch	1,100,000
28	28 April 2021	Kopkar PT Yamaha Musical Products Indonesia	Donation for Orphans; Employee Cooperative of PT Yamaha Musical Products Indonesia	5,000,000
29	28 April 2021	BDS Ciracas	Donation for Ramadan 1442 H Activities; BDS Ciracas	5,000,000
30	6 May 2021	Yayasan Daruttaqwa Berlan SDIT Harapan Ummat	Donation for Ramadan 1442 H Activities at Harapan Ummat Integrated Islamic Primary School	3,000,000
31	11 May 2021	BDS Lhokseumawe	Donation for Orphans around BDS Lhokseumawe	2,000,000
32	27 May 2021	Yayasan Pondok Pesantren Bahrul Ulum Tambakberas	COVID-19 Pandemic Assistance in the Form of Antigen Swab Test Kit, Yayasan Pondok Pesantren Bahrul Ulum Tambakberas	10,000,000
33	27 May 2021	Yayasan Syauqi Semarang	COVID-19 Pandemic Assistance in the Form of Antigen Swab Test Kit, Yayasan Syauqi Semarang	10,000,000
34	27 May 2021	Dayah Modern Yayasan Pendidikan Arun (Damora)	COVID-19 Pandemic Assistance in the Form of Antigen Swab Test Kit, Dayah Modern Yayasan Pendidikan Arun (Damora)	10,000,000
35	18 May 2021	Masjid Jami Nurul Huda	Donation to Renovate Nurul Huda Jami Mosque, West Java	4,000,000
36	24 June 2021	Ahmad Chairul Syah	Donation of School Supplies for Orphans/ Underprivileged Children for Odd and Even Semesters of 2021/2022 School Year to Chairul Syah's Foster Children	24,490,000
37	14 July 2021	LAZ Al Azhar	Qurban Assistance for the Underprivileged, LAZ AL Azhar	19,278,000
38	28 July 2021	Pondok Pesantren Al Falah	Donation for Fire Disaster at Al Falah Islamic Boarding School, South Kalimantan	20,000,000
39	31 July 2021	Yayasan Pesantren Khusus Yatim Assyafi'iyah Jakarta	COVID-19 Pandemic Assistance in the Form of Antigen Swab Test Kit for 100 santris, Yayasan Pesantren Khusus Yatim Assyafi'iyah Jakarta	16,000,000
40	12 August 2021	Kemenag Kota Balikpapan	Basic Food Donation for People Infected with COVID-19 to Ministry of Religious Affairs Balikpapan City Office	1,000,000
41	20 August 2021	Rumah Qur'an Muara Ukhuwah	Donation to Build Rumah Qur'an Muara Ukhuwah, Cipinang Muara, Jakarta	20,000,000
42	8 October 2021	Yayasan Pesantren Khusus Yatim Assyafi'iyah Jakarta	Donation to Procure Books/Stationery and Basic Necessities for Santris at Yayasan Pesantren Khusus Yatim Assyafi'iyah Jakarta	10,000,000
43	14 October 2021	YPI Darul Ulum Al Jarkasih	Donation for the Construction of Madrasah Diniyah Takmilliyah Awwaliyah buildings/classrooms at YPI Darul Ulum Al Jarkasih, Sukabumi, West Java	20,000,000

Nr	Date	Fund Recipient	Purpose	Amount
44	14 October 2021	Ponpes Taqdirur Rahman	Donation to Build Taqdirur Rahman Islamic Boarding School, Sukabumi, West Java	10,000,000
45	18 October 2021	Universitas Negeri Jakarta (FE)	Donation for Social Activities at Yayasan Panti Asuhan Al Mawardiyah, East Jakarta	4,000,000
46	11 November 2021	SDN 12 Rawamangun School Committee, Jakarta	COVID-19 Pandemic Assistance in the Form of Antigen Swab Test Kit to Teachers of SDN 12 Rawamangun, Jakarta	12,000,000
47	12 November 2021	Masjid Jami Al Ikhlas	Donation to Build Al Ikhlas Jami Mosque	10,000,000
48	12 November 2021	Masjid Al Ubudiyah	Donation to Build the Canopy of Al Ubudiyah Mosque	14,310,000
49	12 November 2021	Rumah Qur'an Muara Ukhuwah	Donation for the Construction of Rumah Qur'an Muara Ukhuwah Building's First Floor	20,000,000
50	17 November 2021	Yayasan Dompet Dhuafa	Donation to Provide Hospital Beds & Stretchers for Hasym Ashari Hospital, Jombang - Yayasan Dompet Dhuafa	20,000,000
51	18 November 2021	Yayasan KHM Hasyim Asy'ari	Education Assistance for Santris at Tebuireng Islamic Boarding School, Jombang - KHM Hasyim Asy'ari	20,000,000
52	26 November 2021	Indonesian Teacher Association, West Java	Donation for Sharia Financial Literacy Program - Indonesian Teacher Association, West Java	15,000,000
53	1 December 2021	Yayasan Daarut Tauhiid Bandung	Donation to Procure Table Tennis Table (Extracurricular Education Facilities) - Yayasan Daarut Tauhiid, Bandung	8,000,000
54	1 December 2021	Yayasan Daarut Tauhiid Bandung	Donation to Procure Table Tennis Table (Extracurricular Education Facilities) - Yayasan Daarut Tauhiid, Bandung	4,000,000
55	1 December 2021	Masjid Jami At Taqwa	Donation to Renovate At Taqwa Jami Mosque – Larangan, Banten	17,500,000
56	7 December 2021	UUS Danamon	Donation for Orphans to Al Azhar	3,000,000
57	7 December 2021	UUS Danamon	Donation for Orphans to Ponpes Asy Syafiiyah	3,000,000
58	16 December 2021	Masjid Al Ihsan Jakapermai Bekasi	Donation for Circumcision Event- Al Ihsan Mosque, Jakapermai, Bekasi	5,000,000
59	16 December 2021	Yayasan Nurul Fikri Makassar	Donation for Fire Disaster at Nurul Fikri Islamic School, Makassar - Yayasan Nurul Fikri Makassar	15,000,000
60	16 December 2021	Indonesian Teacher Association, West Java Region	Donation for Sharia Financial Literacy Event at the Regional Meeting of Indonesian Teacher Association of West Java Region	10,000,000
61	22 December 2021	LAZ Al Azhar	Donation for Semeru Eruption Disaster - LAZ Al Azhar	15,000,000
62	22 December 2021	Yayasan Dompet Dhuafa Republika	Donation for Semeru Eruption Disaster - Yayasan Dompet Dhuafa Republika	15,000,000
63	23 December 2021	Asbisindo	Donation for Semeru Eruption Disaster from Danamon Syariah - ASBISINDO	50,000,007
			Total	680,613,507