



# CORPORATE GOVERNANCE









# CORPORATE GOVERNANCE



“

**D**anamon believes that it can achieve good long-term performance throughout its various business endeavors by maintaining a high and consistent commitment to implementing good governance on an ongoing basis.

”

Its existence in the banking industry cannot be separated from its surrounding area. As such, harmony between Danamon and this environment is necessary. Towards this end, transparency and sound bank management can boost trust between various parties, including shareholders and stakeholders.

As such, a management system that has a long-term approach and is based on good corporate governance is necessary to deal with the company's internal and external factors.

#### **DANAMON'S GOVERNANCE POLICIES: IMPLEMENTATION BASIS**

Danamon has an MUFG Group Financial Conglomeration Integrated Governance Policy that serves as a guideline and practical reference for implementing good corporate governance principles in all of its activity. This policy applies to Danamon's entire organizational level, as well as applying in general for any Financial Services Institution within the MUFG Group Financial Conglomeration.

The laws and regulations that serve as the bases and guidelines for implementing corporate governance include the following:

- Indonesian laws on areas such as Limited Liability Companies, Capital Markets and Banking.
- Financial Services Authority Regulations (POJK) and Financial Services Authority Circular Letters (SEOJK)
- The ASEAN Corporate Governance Scorecard (ACGS) issued by the ASEAN Capital Market Forum (ACMF).
- Indonesian General Guidelines for Good Corporate Governance (GCG) issued by the National Committee on Governance Policy (KNKG).
- The Company's Articles of Association and General Meeting of Shareholders (GMS) resolutions.
- Other best practices related to good corporate governance implementation.

Good Corporate Governance is defined as the principles that underlie the processes and mechanisms for managing the Company. This includes the structures, processes and results of implementing governance. Good corporate governance can contribute to improving a company's performance. Internal control and supervision systems--such as having adequate IT Governance and Resources for better implementing GCG principles and practices--can increase a company's value in the long term.

#### **DANAMON'S GOVERNANCE IMPLEMENTATION: COMMITMENTS AND OBJECTIVES**

Danamon is committed to consistently improving the way it implements its good corporate governance principles at all levels of its organization and throughout all aspects of its business activities. This includes its activities at its Subsidiaries and its Related Companies.

Through its development of best corporate governance implementation practices in banking and finance, Danamon has perfected its governance policies. This serves as a form of its commitment to improve its quality of governance implementation.

Its ongoing implementation of good corporate governance is expected to further boost the company's performance, raise confidence among investors, protect the interests of stakeholders, and optimize Danamon's added value so that it can provide positive contributions to the banking industry, financial industry and the Indonesian economy.



## DANAMON'S GOVERNANCE IMPLEMENTATION: ROADMAP

Danamon consistently and continuously makes improvements in its governance implementation methods, as can be seen outlined in its governance road-map, the details of which are as follows:

### 2013

- GMS Agenda Disclosure and Explanation.
- Publishing GMS resolutions the day after the GMS was held.
- Disclosing Danamon's Governance Policy, Articles of Association, Personal Investment Policy, Related Party Transaction Policy and Transactions containing Conflicts of Interest, Shareholders and Groups on the company's website.
- Improving Danamon's website. This included an addition of bilingual features.
- Filling out management profiles and GMS minutes.
- Disclosing its Remuneration Policies for the Board of Directors and Board of Commissioners in its Annual Report.

### 2014

- Perfecting the alignment of its good corporate governance implementation with applicable laws and regulations, especially with the recommendations of the Financial Services Authority (as contained in the Indonesian Corporate Governance Road Map).
- Aligning its good corporate governance implementation with the ASEAN CG Scorecard.
- Providing all Board of Commissioners members with a refreshment training course on risk management.
- Separating the Nomination & Remuneration Committee into 2 (two) committees: the Nomination Committee and the Remuneration Committee.
- Adjusting the membership structures of the Audit Committee, Risk Oversight Committee, Remuneration Committee, and the Nomination Committee using applicable regulations as references.
- Refining and updating its charters 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 integrated structures and infrastructure.
- Adding Independent Commissioners to the Nomination Committee and Remuneration Committee.
- A Diversity Policy for the Board of Commissioners and Directors, a Nomination Policy for the Board of Commissioners and Directors, a Performance Appraisal Policy for the Board of Commissioners and Directors, a Performance Assessment Tool for the Board of Commissioners, and an Anti-Gratification Policy (on Receiving and Giving Gifts).
- Payment of dividends within 30 days.
- Disclosing candidate profiles for Board of Commissioners members.

### 2016

- Improving the implementation of Integrated Governance and improving Corporate Governance guidelines for Subsidiaries.
- Improving governance implementation through the use of Financial Services Authority regulations on "Guidelines for Governance of Public Companies".
- Refining Nomination Committee and Remuneration Committee work guidelines and procedures.
- Adjusting and simplifying committees under the Board of Directors.
- Communication Policy, Board of Directors Succession Policy, Board of Directors Performance Assessment Tools.
- Improved Whistleblower Policy.

**2017**

- Aligning Danamon's governance implementation with the Financial Services Authority regulations on "Implementation of Governance for Commercial Banks".
- Improving Danamon's website.
- Refining policies that supported Danamon's governance implementation.

**2018**

- Improving Danamon's governance implementation.
- Reviewing charters for the Board of Directors, Board of Commissioners, and Committees under the Board of Commissioners.
- Reviewing Subsidiary Governance Policies.
- Adjusting the Integrated Governance Committee's membership structure.
- Improving a number of policies related to Anti-Money Laundering and Preventing Terrorism Financing (AML-CFT) policies.
- Refining and updating a number of policies related to Risk Management.
- Making changes to Danamon's organizational structure.

**2019**

- Refining policies supporting corporate governance implementation.
- Refining guidelines and work procedures for corporate governance organs.
- Updating the Code of Ethics.
- Making changes to Danamon's organizational structure.
- Adjusting Committee membership structures.
- Refining and updating a number of policies related to Risk Management and Integrated Governance.

**2020**

- Adjusting the structure and members of the Financial Conglomeration.
- Adjusting the membership structure of committees.
- Refining and updating guidelines and work rules for corporate governance organs.
- Improving a number of policies related to Anti-Money Laundering and Preventing Terrorism Financing (AML-CFT) policies.
- Refining and updating a number of policies related to Risk Management and Integrated Governance.

**2021**

- Refining and updating a number of policies related to Risk Management and Integrated Governance.
- Improving and updating a number of policies supporting corporate governance implementation.
- Adjusting the membership structure of committees.
- Improving a number of policies related to Anti-Money Laundering and Preventing Terrorism Financing (AML-CFT) policies.
- Making changes to Danamon's organizational structure.

**2022**

- Refining and updating a number of policies related to Risk Management and Integrated Governance for all of MUFG Group Financial Conglomeration's entities in Indonesia.
- Updating the Bank's Financial Conglomeration Corporate Charter.
- Refining and updating policies supporting corporate governance implementation.
- Updating several guidelines and working procedures for committees.

**2023**

- Updating Danamon's Code of Ethics.
- Improving a number of policies related to Anti-Money Laundering and Preventing Terrorism Financing (AML-CFT) policies.
- Refining and updating a number of policies related to Risk Management and Corporate Governance.



# DANAMON'S POLICIES, ORGANS AND GOVERNANCE IMPLEMENTATION

## CORPORATE GOVERNANCE POLICY

Danamon is a Main Entity of MUFG Group Financial Conglomeration that is responsible for preparing and determining its own Integrated Governance Policy within Indonesia. This policy serves the main guideline for implementing integrated governance that all Entities of MUFG Group Financial Conglomeration in Indonesia have to follow. In December 2022, this Integrated Governance Policy was further refined.

Danamon carries out its governance based on the following 5 (five) basic principles of Good Governance:



### Transparency

Danamon is committed to providing adequate, clear, accurate and timely disclosure of information that is comparable and easily accessible to shareholders and stakeholders.



### Accountability

Danamon is committed to providing clarity in all of its functions, duties, authorities and responsibilities for all aspects within its organization. It does this in such a way that has been regulated according to each function's guidelines and work procedures. As an institution, Danamon can be held accountable for its performance.



### Responsibility

Danamon is committed to complying with established laws and regulations and to its internal policies. In addition, Danamon also realizes its responsibility to society and the environment, as well as its responsibility to achieve long-term business continuity, and to being recognized as a good corporate citizen.



### Independence

Danamon's organs carry out their activities independently and objectively, and avoid any dominating influences from any party. Danamon is committed to prioritizing professionalism in running its business.

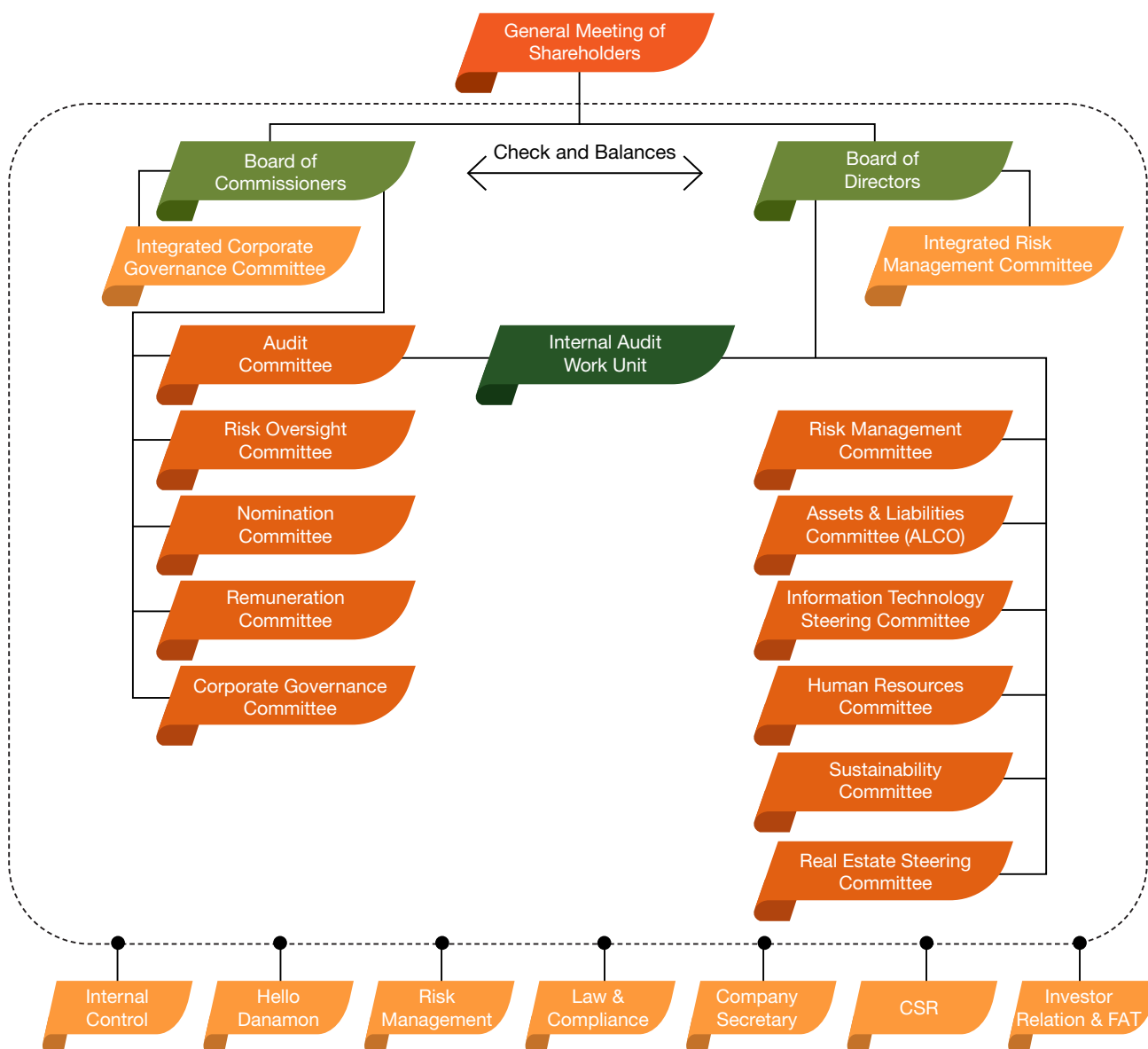


### Fairness and Equality

Danamon always ensures that the rights and interests of all shareholders, both majority and minority, can be fulfilled. Danamon also always provides fair and equal treatment to all of its stakeholders.

## DANAMON'S GOVERNANCE ORGANS

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



## DANAMON'S GOVERNANCE IMPLEMENTATION

Danamon realizes that the good corporate governance implementation is not merely just a necessity, but rather one of the main foundations and basic requirements for carrying out its business activities. Good corporate governance implementation is built on a baseline of solid integrity that allows such governance to be implemented throughout all level of the organization, and for it to be carried out throughout all of Danamon's activity in such a way that allows all operational activities to run consistently and continuously.

This system of governance implementation is based on the 5 (five) basic principles of good governance: Transparency, Accountability, Responsibility, Independence, and Fairness and Equality. Each of these principles are grouped in a governance system that consists of 3 (three) governance aspects: Governance Structure, Governance Processes and Governance Outcomes.





## GOVERNANCE STRUCTURE

- The number of people, the composition, the criteria and the independence of Danamon's Board of Commissioners, Board of Directors and committees all have to be adequate and designed in accordance with Danamon's needs and in accordance with applicable Financial Services Authority/Bank Indonesia regulations;
- Danamon, as a Main Entity in MUFG Group Financial Conglomeration, has to establish an Integrated Governance Committee and an Integrated Risk Management Committee;
- The main duties, responsibilities and functions of all levels at Danamon have to be designed in an adequate manner that is specified in Policies, Guidelines and Work Rules. The Policies, Procedures and Management Information Systems of Danamon have to be available and support Danamon's operational activities;
- There has to be adequate Governance Guidelines and risk management frameworks, as well as adequacy in internal controls, compliance functions and internal audit functions, with external audits being assigned in accordance with the company's requirements;
- There has to be policies for providing funds to related parties, for the large provision of funds, for conflicts of interest and for aspects of transparency;
- There has to be strategic and business plans that are in line with Danamon's vision and mission.

## GOVERNANCE PROCESS

- There has to be adequate implementation of the functions, duties and responsibilities of Danamon's organs so as to optimize the company's oversight and control functions;
- The process of replacing and appointing Board of Commissioners, Board of Directors and Committee members has to be done in accordance with applicable regulations;
- There has to be efforts to boost the competence of Board of Commissioners and Board of Directors members through continuous education and training;
- There has to be disclosure of affiliated transactions and conflicts of interest from the Board of Directors and Board of Commissioners;
- The provision of funds to related parties and provision of large funds is to be carried out through a normal credit approval process and has to take an "arm's length" principle into account;
- Risk management has to be properly implemented so that risks that may arise can be managed adequately;
- There has to be complete and accurate disclosure of information when it comes to financial and non-financial matters, Danamon products, and customer complaints;
- Strategic and business plans have to be 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.

## GOVERNANCE RESULTS

- Danamon's positive performance includes profitability, efficiency and capital;
- Danamon's activities have to be free from the intervention of owners and other related parties that may cause a conflict of interest;
- Disclosure of financial and non-financial conditions (as well as other important forms of information) have to be available on Danamon website's in a way that is informative and easily accessible to Stakeholders;
- There has to be adequate compliance and risk management as well as follow-ups on audit results done in accordance with Danamon's commitments;
- The Bank's Business Plan has to be describe Danamon's sustainable growth and provides economic and non-economic benefits for all Stakeholders.

# DANAMON'S GOVERNANCE IMPLEMENTATION IN 2022: FOCUS AND ACHIEVEMENTS

Danamon continues to do its part to apply good governance principles across various aspects at all levels of its organization.

Its various initiatives in 2022 saw it strengthening its governance implementation by harmonizing its governance with laws and regulations. It also improved its structure and policies for supporting governance. These efforts include the following:

## INTEGRATED GOVERNANCE POLICY REFINEMENTS

In 2022, the Bank updated its MUFG Group Financial Conglomeration Integrated Governance Policy. This policy update has been submitted to all members of the MUFG Group Financial Conglomeration and informed to all employees via email blasts. The update can also be accessed through Danamon's website.

## FINANCIAL CONGLOMERATION AGREEMENT

As a follow-up to a membership change in MUFG Group Financial Conglomeration in which PT U Finance was no longer a member, Danamon (as a Main Entity) entered into an MUFG Group Financial Conglomeration Agreement that contained commitments and agreements related to integrated governance and risk management. All President Directors of Financial Services Institutions within MUFG Group Financial Conglomeration have approved of this Financial Conglomeration Agreement. This MUFG Group Financial Conglomeration Agreement was made on March 16, 2022.

## DANAMON CORPORATE CHARTER UPDATES

Danamon (as a Main Entity) already has the MUFG Group Financial Conglomeration Corporate Charter as stipulated in POJK No.45/POJK.03/2020 concerning Financial Conglomerations.

In the event that there are any changes to this corporate charter, the Main Entity in question is required to submit documents on these changes to the Financial Services Authority no later than 1 (one) month after the changes are signed.

Because there was a change in ownership of PT U Finance (with it no longer being a member of the MUFG Group Financial Conglomeration), changes to the MUFG Group Financial Conglomeration Corporate Charter were made. These changes were approved by the Board of Directors of Danamon and by directors of all Financial Services Institution members within MUFG Group Financial Conglomeration on March 16, 2022. Information on changes to this Corporate Charter was submitted to the Financial Services Authority on March 17, 2022.

## REFINEMENTS FOR COMMITTEE CHARTERS UNDER THE BOARD OF COMMISSIONERS

In 2022, the Bank reviewed and refined its Integrated Governance Committee Charter, its Governance Committee Charter, its Audit Committee Charter and its Risk Oversight Committee Charter. Refinements to these charters were made in order to align the various committees with the latest changes in conditions.



### REFINEMENTS FOR COMMITTEE CHARTERS UNDER THE BOARD OF DIRECTORS

Danamon has reviewed and refined the Risk Management Committee Charter, Integrated Risk Management Committee Charter, ALCO Committee Charter, HR Committee Charter, Real Estate Committee Charter and Sustainability Committee Charter. Refinement of the Committee Charter is carried out to align with the latest condition.

### CHANGES IN THE MEMBERSHIP OF COMMITTEES UNDER THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

Committees at Danamon are formed in accordance with the provisions and needs of Danamon. The membership composition of these committees has to support them in independently carrying out their duties. Danamon experienced changes in the membership of its committees under the Board of Commissioners and Board of Directors. These changes were made in accordance with the Bank's latest conditions and in accordance with changes to MUFG Group Financial Conglomeration's membership.

### ALIGNMENT WITH MUFG POLICY

As it is a part of MUFG (which is a leading financial group), Danamon has updated its Anti-Bribery and Corruption Policy in order to align itself with the latest MUFG Anti-Bribery and Corruption (ABC) Global Standards. This policy update has been informed via email blasts to all employees.

### RISK MANAGEMENT POLICY REFINEMENTS

In 2022, Danamon compiled and conducted a review of several of its policies to adjust to developments in applicable laws and regulations regarding risk management.



# ASSESSMENT OF DANAMON'S GOVERNANCE IMPLEMENTATION IN 2022

The Bank always measures the quality of its governance implementation, either through self-assessments or through collaborations with third parties as a means of obtaining more independent assessment results.

## CORPORATE GOVERNANCE: SELF ASSESSMENT

In accordance with POJK No.55/POJK.03/2016 (concerning Implementation of Governance for Commercial Banks) and SEOJK No.13/SEOJK.03/2017 (concerning Implementation of Governance for Commercial Banks), Danamon periodically conducts its own assessments for its corporate governance implementation. The results of these self-assessments serve as one of the coverage factors for assessing Bank Soundness Levels using a risk-based bank rating (or RBBR). This self-assessment is done both individually and on a consolidated basis and is carried out at least every semester at the end of June and the end of December, as stipulated in POJK No. 4/POJK.03/2016 (concerning Ratings of Commercial Bank Soundness Levels) and SEOJK No.14/SEOJK.03/2017 (concerning Ratings of Commercial Bank Soundness Levels).

The Bank conducts a self-assessment of its governance implementation according to a Bank Soundness Rating period. The results of these self-assessments have been submitted to the Financial Services Authority together with submissions on reports for the results of self-assessments of the Bank's Soundness Level.

These assessments are carried out based on assessment factors stipulated within Financial Services Authority regulations. These factors include measuring the quality of corporate governance principle implementation in a comprehensive and structured manner. These assessments are divided into 3 (three) aspects of governance:

### 1. Governance Structure

The Governance Structure Assessment aims to assess the adequacy of the Bank's Governance structure and infrastructure so that the process of implementing the principles of Good Governance produces outcomes that are in line with expectations from the Bank's Stakeholders. Included in the Bank's Governance structure are the Board of Directors, Board of Commissioners, and the Bank's committees and work units. The Bank's Governance infrastructure includes the Bank's policies and procedures, its information systems management, as well as the main tasks and functions of each organizational structure with the Bank.

### 2. Governance Process

The Governance Process Assessment aims to assess the effectiveness of the process of good governance principle implementation. These principles are applied with the help of the Bank's Governance structures and infrastructure, which have been designed in such a way that the Bank will show results (outcomes) that are in line with expectations from the Bank's Stakeholders.

### 3. Governance Outcome

The Governance Outcome Assessment aims to assess the quality of Bank outcomes that meet the expectations of Stakeholders. These outcomes happen as a result of implementing Good Governance principles in ways that are supported by the adequacy of the Bank's Governance structures and infrastructure.

## GOVERNANCE IMPLEMENTATION: ASSESSMENT FACTORS

Danamon's commitment to implementing governance as a way of maintaining its business continuity can be seen through its constant efforts to improve its governance implementation. Its efforts in 2022 towards this end include the following:

### A. SELF-ASSESSMENTS ON INDIVIDUAL GOVERNANCE

Danamon carried out self-assessments for individual governance implementation on a semi-annual basis. These assessments contain at least 11 (eleven) factors for evaluating the Good Corporate Governance implementation. These factors include the following:

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. Implementation and comprehensiveness of committee duties;
4. The methods of handling conflicts of interest;
5. Implementation of compliance functions;
6. Implementation of the internal audit functions;
7. Implementation of the external audit functions;
8. Implementation of risk management, including internal control systems;
9. The provision of funds to related parties and large exposures;



10. Transparency when it came to the Bank's financial and non-financial conditions, and reports on governance implementation and internal reporting; and
11. The Bank's strategic plans.

In addition, it is necessary to pay attention to other information related to the Bank's governance implementation beyond these 11 (eleven) factors.

#### 2022 Governance Implementation Self Assessment: Results

The results of Danamon's self-assessments on governance implementation for June and December 2022 are as follows:

| Individual Governance Implementation: Self-Assessment Results<br>Positions: As of June and December 2022 |          |   |
|--|----------|---|
|  | Rating   | Rating Definition   |
| Bank   | 2 (Good) | This rating indicates that Danamon's management has implemented good levels of corporate governance in general. It means that it has adequately fulfilled principles of corporate governance. If there were any weaknesses in the implementation of these governance principles, then these weaknesses were generally considered less significant and could be resolved through normal actions from Danamon's management. |

Based on its assessment results that reviewed 11 (eleven) assessment factors for governance implementation, Danamon has achieved adequate levels of governance structures and infrastructure in 2022 that supported the effectiveness of its Good Governance implementation process. Its quality of implementing governance principles was able to meet the expectations of stakeholders.

## B. INTEGRATED GOVERNANCE SELF ASSESSMENT

In addition to conducting individual self-assessments, Danamon also conducted collective self-assessments on its implementation of Governance based on POJK No.18/POJK.03/2014 and SEOJK No. 15/SEOJK.03/2015 (concerning Integrated Governance).

These self-assessments are carried out semi-annually (in June and December) by assessing 7 (seven) integrated governance assessment factors, specifically:

1. The duties and responsibilities of the Main Entity's Board of Directors.
2. The duties and responsibilities of the Main Entity's Board of Commissioners.
3. The duties and responsibilities of the Integrated Governance Committee.
4. The duties and responsibilities of the Integrated Compliance Unit.
5. The duties and responsibilities of the Integrated Internal Audit Work Unit.
6. Integrated Risk Management Implementation.
7. Preparation and Implementation of Integrated Governance Guidelines.

The results of Danamon's Integrated Governance self-assessments in semester I and semester II of 2022 are as follows:

| Integrated Governance Implementation: Self-Assessment Results in 2022<br>Positions: As of June and December 2022 |          |  |
|--|----------|--|
|  | Rating   | Rating Definition  |
| Bank   | 2 (Good) | This rating means that the Financial Conglomerate is deemed to have implemented Integrated Governance that is generally considered good. It means that the company has adequately fulfilled the implementation of Integrated Governance principles. If there were any weaknesses in this implementation of Integrated Governance, these weaknesses were generally not considered significant and could be resolved through normal actions from the Main Entity and/or Financial Services Institutions. |

Based on its results from assessing these 7 (seven) factors, the MUFG Group Financial Conglomerate can be said to have adequate levels of governance structures and infrastructure in 2022 that supported the effectiveness of its Good Integrated Governance implementation process. Its quality of implementing governance principles was able to meet the expectations of stakeholders.

# EXTERNAL ASSESSMENTS

## ASEAN CORPORATE GOVERNANCE SCORECARD (ASEAN CG SCORECARD)

Danamon continued to make improvements in its implementation of good governance principles so that it could provide added value for all Danamon stakeholders. One of its efforts saw it using the ASEAN CG Scorecard as a guide for improving its implementation of sustainable governance principles.

The ASEAN CG Scorecard is an ASEAN Capital Market Forum initiative for integrating the capital markets of ASEAN member countries that has been used since 2011. This scorecard serves as a quantitative tool to measure the compliance of public companies in ASEAN with corporate governance guidelines according to exemplary practices that are based on international standards (such as corporate governance principles issued by the Organization for Economic Cooperation and Development (OECD)).

## INDONESIAN INSTITUTE FOR CORPORATE DIRECTORSHIP (IICD)

The IICD has conducted its own external assessment of Danamon's governance implementation. It included Danamon as one of its IICD Corporate Governance (CG) award nominees and Top 50 Issuers with the largest market capitalization (BigCap PLCs).





# GOVERNANCE IMPLEMENTATION: REWARDS

**TOP GRC AWARDS 2022 FROM THE INDONESIAN GRC ASSOCIATION, THE INDONESIA RISK MANAGEMENT PROFESSIONAL ASSOCIATION (IRMAPA), AND THE INSTITUTE OF COMPLIANCE PROFESSIONAL INDONESIA (ICOPI).**

Danamon won four awards at the prestigious TOP GRC 2022 event for its commitment and achievements in the areas of Governance, Risk and Compliance (GRC).

These four awards are:

- TOP GRC Awards 2022 - #4 Stars.
- The Most Committed GRC Leader 2022 - Yasushi Itagaki, President Director.
- The High Performing Board of Commissioners on GRC 2022; And.
- The High Performing Corporate Secretary on GRC 2022 - Rita Mirasari, Compliance Director.

The TOP GRC Awards recognizes companies that are considered to have comprehensive Governance, Risk and Compliance (GRC) systems and infrastructure that are successful in implementing Good Corporate Governance (GCG), Risk Management, and Compliance Management and that support sustainable business growth. The awards ceremony took particular notice of successful governance efforts made throughout the COVID-19 pandemic.

## DANAMON'S GOVERNANCE IMPLEMENTATION REPORT

Danamon's Governance Implementation Report covers all aspects of the Bank's governance implementation efforts that were done with reference to applicable laws and regulations and universally applicable best practices of governance implementation. These reports on Danamon's governance implementation serve as part of its corporate responsibility for implementing the principle of transparency to stakeholders and for complying with applicable laws and regulations.

# GENERAL MEETING OF SHAREHOLDERS

## GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders (GMS) is a Public Company organ with specific authority that has not been granted to the Board of Directors or the Board of Commissioners, as is referenced in laws on Limited Liability Companies and/or the Articles of Association of Public Companies.

The GMS consists of an Annual GMS and other forms of GMSes (specifically, the Extraordinary GMS)

### 1) Annual GMS (AGMS)

- a. A Public Company must hold an AGMS once a year. It must be done no later than 6 (six) months after closing its books, as is referenced in the laws and regulations. An AGMS must be preceded by an Announcement and Call for a GMS;
- b. The Board of Directors is required to submit an Annual Report to the GMS after having it be reviewed by the Board of Commissioners, with the scope of the report being stipulated in laws, regulations and Danamon's Articles of Association;
- c. The AGMS is responsible for coming to decisions on any submitted agenda or matters in accordance with the provisions of laws, regulations and Danamon's Articles of Association.

### 2) Extraordinary GMS (EGMS)

- a. A Public Company is to hold an EGMS at any time in accordance with its needs and for the benefit of Danamon, as is referenced in laws, regulations and Danamon's Articles of Association. An EGMS must be preceded by an Announcement and Call for the GMS;
- b. The EGMS is responsible for deciding on the proposed agenda in accordance with the provisions of the laws, regulations and Danamon's Articles of Association.

## Legal Basis for Implementing the GMS

Danamon's way of implementing its GMS is done with reference to the following: Law No. 40 of 2007 concerning Limited Liability Companies, Financial Services Authority Regulation (POJK) No.15/POJK.04/2020 concerning Plans and Implementation of the General Meeting of Shareholders

of Public Companies, POJK No.16/POJK.04/2020 concerning Implementation of Electronic General Meetings of Shareholders of Public Companies, Danamon's Articles of Association, Danamon's Governance Guidelines.

## SHAREHOLDERS

Shareholders are owners of capital whose names are registered as shareholders within Danamon's shareholders' registry. Danamon's authorized capital amounts to 17,782,400,000 shares. These consist of 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 Rp 500.00 per share. Of this capital, shareholders have 9,773,552,870 shares which consist of 22,400,000 series A shares and 9,751,152,870 series B shares. Shareholders consist of holders of series A shares and holders of series B shares. All shares issued by Danamon are registered shares.

## Rights and Authorities of Shareholders

Danamon does not divide its shares into special types of shares or ordinary shares. Shareholders all have equal rights and obligations. Shareholders can participate in managing the company through the GMS. A GMS can be held at the request of shareholders. It must first fulfill all requirements stipulated in laws, regulations and Danamon's Articles of Association.

Shareholders have the right to participate in making decisions related to amendments to the Articles of Association and other fundamental changes regarding the company. Shareholders also have the right to participate effectively and use votes in the GMS, as well as the right to obtain information regarding the GMS, which includes information on meeting agendas, as well as rules and procedures for voting.

Danamon protects the rights of its shareholders and helps to ensure that the basic rights of shareholders are upheld. The basic rights of shareholders include:

1. Attending and voting at the GMS;
2. Obtaining relevant and material information about Danamon in a timely and regular manner;



3. Obtaining ownership registration methods;
4. Transferring shares;
5. Appointing and dismissing the Board of Directors and Board of Commissioners;
6. Receiving shares in Danamon's profits;
7. Exercising other rights and authorities based on laws, regulations and Danamon's Articles of Association;
8. The full rights and authorities of shareholders are regulated in Danamon's Articles of Association, which can be accessed through Danamon's website ([www.danamon.co.id](http://www.danamon.co.id)).

#### Limitations for Shareholders

1. Shareholders are not allowed to intervene in the execution of Danamon's operations. The Board of Directors and the Board of Commissioners must reject any interventions of this sort.
2. Controlling shareholders can coordinate in arranging business strategies, corporate plans and business plans.
3. Supervision by controlling shareholders can only be carried out through the GMS. Policy coordination and conducting audits have to be done in accordance with applicable laws and regulations.
4. Controlling shareholders must avoid conflicts of interest.
5. Controlling shareholders are prohibited from abusing their dominance or control of share ownership in ways that may violate corporate governance principles.
6. The Board of Commissioners and Board of Directors must refuse requests for information regarding Danamon from controlling shareholders that are inconsistent with principles of fairness and equality.
7. Shareholders are prohibited from using Danamon for personal, family, company or business group interests in spirits and manners that are contrary to laws and regulations and to the principle of fairness that commonly applies in issues involving the banking and financial sectors.

#### Shareholder Access to Information

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

#### GMS Voting Mechanisms and Vote Counting

Danamon has compiled and prepared a Code of Conduct for its GMS, which is available on Danamon's website. This code, which is delivered and read out at the start of a GMS, contains the procedures for how voting is to be done and counted. Before any votes are held, the chairperson for a particular GMS will provide an opportunity for shareholders (or their proxies) to ask questions and/or share their opinions. They have the right to ask questions and/or submit their opinions to the chairperson of the GMS before votes are held for each agenda item of the GMS.

Decision making in the GMS is carried out in the following manner:

1. GMS decisions are taken based on deliberation as a way to reach a consensus. In the event that a decision based on deliberation to reach a consensus is not reached on a particular agenda item, a vote will be taken on the specific agenda in question.
2. Decision-making through voting is to be carried out with due observance of the GMS' attendance quorum and decision quorum, as stipulated in Danamon's Articles of Association.
3. When it comes to voting, the votes cast by the shareholders apply to all of the shares they own. Shareholders are not entitled to give power of attorney to more than one attorney for a portion of the number of shares they own with different votes.
4. When it comes to counting votes, 1 (one) share gives the holder the right to cast 1 (one) vote. If a shareholder has more than 1 (one) share, the person concerned is asked to vote only 1 (one) time. A vote represents the entire number of shares a shareholder owns based on the voting cards the shareholder receives.
5. When it comes to voting, members of the Board of Commissioners, members of the Board of Directors and Danamon employees are prohibited from acting as shareholder proxies.
6. In the event that there was a GMS decision related to the distribution of cash dividends, then the payment of cash dividends to the entitled shareholders was to be done no later than 30 (thirty) days after a summary of the minutes of the GMS deciding the distribution of cash dividends has been announced.



## GENERAL MEETING OF SHAREHOLDERS IN 2022

### AGMS Implementation

In 2022, Danamon held 1 (one) Annual General Meeting of Shareholders ("AGMS"). The mechanism for holding this 2022 AGMS was carried out in accordance with the provisions found in Danamon's Articles of Association, POJK No.15/POJK.04/2020 concerning the Plan and Implementation of a General Meeting of Shareholders of a Public Company, and POJK No.16/POJK.04/2020 concerning Implementation of Electronic General Meetings of Shareholders of Public Companies.

The process for holding the 2022 AGMS was as follows:

|  |   |
|--|---|
| <b>Date and Time</b>   | Friday, March 25, 2022<br>The AGMS was held from 09:45 WIB to 11:07 WIB   |
| <b>Place</b>   | Bank Danamon Tower, Auditorium, 23 <sup>rd</sup> Floor, Jl. HR. Rasuna Said, Block C No. 10, Karet Setiabudi, Jakarta 12920   |
| <b>Quorum<br/>(Shareholder Attendance)</b>                                 | In accordance with the Company Shareholder Registry as of March 1, 2022, the number of entitled shares was 9,773,552,870 shares. The number of shares with voting rights that attended or were represented at the AGMS was 9,137,641,661 shares or 93.4935% of the total shares with valid voting rights issued by the Company. As such, the AGMS' legal requirements for quorums and decision-making have been met (i.e. more than 2/3 of the total number of shares with valid voting rights issued by the Company). This AGMS is considered legal for conducting and making decisions. |
| <b>AGMS Chairman</b>   | The AGMS was chaired by Johannes Berchmans Kristiadi Pudjosukanto, Vice President Commissioner (Independent) of Danamon, in accordance with Danamon's Articles of Association and Circular Resolutions of the Board of Commissioners.   |
| <b>Board of Commissioners Attendance</b>                                   | Board of Commissioners members who were physically present:<br>Johanes Berchmans Kristiadi Pudjosukanto, Vice President Commissioner (Independent)<br><br>Board of Commissioners members present at the AGMS through the Webex application<br>1. Takayoshi Futae, President Commissioner<br>2. Peter Benjamin Stok, Independent Commissioner<br>3. Takanori Sazaki, Commissioner<br>4. Dan Harsono, Commissioner<br>5. Nobuya Kawasaki, Commissioner<br>6. Hedy Maria Helena Lapien, Independent Commissioner<br>7. Halim Alamsyah, Independent Commissioner                              |
| <b>Sharia Supervisory Board Attendance</b>                                 | Sharia Supervisory Board members present at the AGMS through the Webex application:<br>1. Dr. Hasanudin, M. Ag., Member<br>2. Dr. Asep Supyadillah, M. Ag., Member  |
| <b>Audit Committee Attendance</b>  | Audit Committee members present at the AGMS through the Webex application:<br>1. Peter Benjamin Stok, Chairman<br>2. Johannes Berchmans Kristiadi Pudjosukanto, Member*<br>3. Mawar IR Napitupulu, Member (Independent Party)<br>4. Zainal Abidin, Member (Independent Party)<br>) physically present   |
| <b>Nomination Committee and Remuneration Committee Chairman Attendance</b> | Johanes Berchmans Kristiadi Pudjosukanto, as Chairman of the Nomination Committee and Chairman of the Remuneration Committee, was physically present.   |
| <b>Risk Oversight Committee Chairman Attendance</b>                        | Hedy Maria Helena Lapien, as Chairman of the Risk Oversight Committee, was present via the Webex application.   |
| <b>Board of Directors Attendance</b>                                       | Board of Directors members physically present:<br>1. Yasushi Itagaki, President Director<br>2. Rita Mirasari, Director<br>3. Muljono Tjandra, Director<br><br>Board of Directors members present through the Webex application:<br>1. Honggo Widjojo Kangmasto, Vice President Director<br>2. Herry Hykmanto, Director<br>3. Heriyanto Agung Putra, Director<br>4. Dadi Budiana, Director<br>5. Naoki Mizoguchi, Director   |



|  |   |
|--|---|
| Director of Compliance Attendance  | Rita Mirasari, as Compliance Director, physically present.  |
| Independent Party responsible for calculating the quorum and votes on AGMS resolutions | The company 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 votes.  |
| Number of Shareholders asking questions and/or sharing opinions at the AGMS            | There were no Shareholders who raised questions and/or shared opinions at the AGMS.   |
| AGMS decision-making mechanisms  | <ol style="list-style-type: none"> <li>1. Decisions at the meeting were made based on deliberation to reach a consensus.</li> <li>2. In the event that a decision based on deliberation to reach a consensus was not reached on an agenda item, a vote will be taken on the agenda item in question. Decisions are valid if they were approved by more than 2/3 (two-thirds) of the total number of shares with voting rights present or represented at the AGMS;</li> <li>3. Abstain voters were considered to have cast the same vote as the votes of the majority of shareholders who cast votes.</li> </ol> |

## 2022 AGMS PHASES

| Phase  | Date              | Reporting Media  |
|--|-------------------|--|
| Announcement of the Plan for the Annual General Meeting of Shareholders (AGMS) of PT Bank Danamon Indonesia Tbk to OJK | February 7, 2022  | OJK and IDXnet Electronic Reporting Facilities                                   |
| Announcement of the Annual General Meeting of Shareholders (AGMS) of PT Bank Danamon Indonesia Tbk                     | February 15, 2022 | OJK and IDXnet Electronic Reporting Facilities, eASY.KSEI, and Danamon's Website |
| Invitation to the Annual General Meeting of Shareholders (AGMS) of PT Bank Danamon Indonesia Tbk                       | March 2, 2022     | OJK and IDXnet Electronic Reporting Facilities, eASY.KSEI, and Danamon's Website |
| Implementation of the AGMS of PT Bank Danamon Indonesia Tbk  | March 25, 2022    | -  |
| Submission of Summary of Minutes of the Annual General Meeting of Shareholders (AGMS) of PT Bank Danamon Indonesia Tbk | March 29, 2022    | OJK and IDXnet Electronic Reporting Facilities, eASY.KSEI, and Danamon's Website |
| Submission of the Minutes of the Annual General Meeting of Shareholders (AGMS) of PT Bank Danamon Indonesia Tbk        | April 22, 2022    | OJK and IDXnet Electronic Reporting Facilities and Danamon's Website             |

The Company has uploaded information disclosure regarding its 2022 AGMS on the Company's website. These disclosures include an explanation of the Meeting agenda items, profiles of Public Accountants and Public Accounting Firms, profiles of prospective members of the Board of Commissioners, profiles of prospective members of the Board of Directors, meeting rules and other meeting materials.

## Resolutions and Realizations of 2022 AGMS

The AGMS has made decisions on 5 (five) agenda items for the Meeting. All decisions of the Meeting were realized in 2022, with the details of each agenda item listed below:

| AGMS – First Agenda   |
|---|
| <ol style="list-style-type: none"> <li>1. Approved the Company's Annual Report for the fiscal year that ended on December 31, 2021;</li> <li>2. Ratified the Company's Consolidated Financial Statements for the fiscal year that ended on December 31, 2021, which have been audited by the Public Accounting Firm Imelda &amp; Rekan (a member firm of Deloitte Touche Tohmatsu Limited) as contained in the Independent Auditor's Report, dated January 28, 2022, Number 00015/2.1265/ AU.1/07/0849-1/1/2022 with an unmodified opinion;</li> <li>3. Ratified the Supervisory Task Report of the Company's Board of Commissioners for the fiscal year that ended on December 31, 2021; and</li> <li>4. Provided full release and discharge ("volledig acquit et décharge") to: (i) the Board of Directors of the Company in carrying out their duties and responsibilities for the management and duties and responsibilities of representing the Company; (ii) the Company's Board of Commissioners in carrying out supervisory duties and responsibilities as well as duties and responsibilities in providing advice to the Company's Board of 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 and providing advice and suggestions to the Board of Directors of the Company, which was carried out in the fiscal year that ended on December 31, 2021, as long as the implementation of these duties and responsibilities was reflected in the Company's Annual Report for the fiscal year that ended on December 31, 2021.</li> </ol> |

| Voting Result | Total Abstain and Agree Votes: 9,137,536,461 shares or 99.9988% |                              |                                     |
|---------------|---|------------------------------|-------------------------------------|
|               | Abstain   | Disagree                     | Agree                               |
|               | 228,000 shares<br>or 0.0025%                                    | 105,200 shares<br>or 0.0012% | 9,137,308,461 shares<br>or 99.9963% |

#### AGMS – Second Agenda

Approved the use of the Company's net profit for the fiscal year that ended on December 31, 2021 in the amount of Rp 1,573,113,000,000.00 (one trillion five hundred seventy three billion one hundred and thirteen million rupiah) with the following details:

1. 1% (one percent) of Net Profit or approximately Rp 15,731,130,000.00 (fifteen billion seven hundred thirty-one million one hundred thirty thousand rupiah) was set aside for reserve funds to comply with Article 70 of the Limited Liability Company Law;
2. 35% (thirty-five percent) of Net Profit or approximately Rp 550,589,550,000.00 (five hundred fifty billion five hundred eighty-nine million five hundred fifty thousand rupiah) or Rp 56.33 (fifty-six point thirty three rupiah) per share (assuming the number of shares issued by the Company on the Recording Date was not more than 9,773,552,870 (nine billion seven hundred seventy-three million five hundred fifty-two thousand eight hundred and seventy) shares, paid as dividends for the fiscal year 2021, with the following conditions:
  - a. Dividends were paid to shareholders whose names were recorded in the Shareholders Registry on a date that was to be determined by the Board of Directors of the Company (hereinafter referred to as the "Recording Date");
  - b. Dividends that were not taken after 5 (five) years from the date determined for the payment of past dividends, were included in the Special Reserve Fund. The procedures for making dividends in the Special Reserves can be accessed on the Company's website;
  - c. The shareholder dividend tax was to follow the applicable tax regulations;
  - d. The Board of Directors was given the power and authority to determine matters concerning or related to the implementation of dividend payments for the 2021 fiscal year, including (but not limited to):
    - 1) determining the Recording Date for the Company's shareholders who were entitled to receive dividend payments for the 2021 fiscal year; and
    - 2) determining the date for the implementation of dividend payments for the 2021 fiscal year, and all matters without prejudice to compliance with the Stock Exchange regulations where the Company's shares were listed.
3. The remaining net profit for the 2021 fiscal year that was not determined for its use was recorded as the Company's retained earnings.

| Voting Result | Total Abstain and Agree Votes: 9,137,353,261 shares or 99.9968% |                              |                                     |
|---------------|---|------------------------------|-------------------------------------|
|               | Abstain   | Disagree                     | Agree                               |
|               | 44,800 shares<br>or 0.0005%                                     | 288,400 shares<br>or 0.0032% | 9,137,308,461 shares<br>or 99.9963% |

#### AGMS – Third Agenda

1. Re-appoint Elisabeth Imelda as a Public Accountant and Imelda & Rekan (a member firm of the Deloitte Touche Tohmatsu Limited network) as a Public Accounting Firm registered with the Financial Services Authority to audit the Company's consolidated financial statements for the 2022 fiscal year;
2. Authorize to the Board of Commissioners to:
  - a. determine the amount of honorarium and other requirements in connection with the appointment of the Public Accountant and the Public Accountant Office, and
  - b. Determining the replacement Public Accountant Office and/or Public Accountant in the event that Public Accountant Office Imelda & Rekan (a member firm of the Deloitte Touche Tohmatsu Limited) network and/or Public Accountant Elisabeth Imelda for whatever reason could not complete the audit process of the Company's Financial Statements for the 2022 fiscal year.

| Voting Result | Total Abstain and Agree Votes: 9,137,353,261 shares or 99.9968% |                              |                                     |
|---------------|---|------------------------------|-------------------------------------|
|               | Abstain   | Disagree                     | Agree                               |
|               | 44,800 shares<br>or 0.0005%                                     | 288,400 shares<br>or 0.0032% | 9,137,308,461 shares<br>or 99.9963% |



**AGMS – Fourth Agenda**

1. a. Approving the total bonus/tantiem payments to be distributed to the Board of Commissioners for the 2021 fiscal year;
- b. Approving the total amount of salary/honorarium and/or allowances for the Board of Commissioners for the 2022 fiscal year to be Rp 17,572,130,220.00 (seventeen billion five hundred seventy-two million one hundred thirty thousand two hundred and twenty rupiah) gross; and
- c. Approving the granting of the powers of attorney to the President Commissioner of the Company to determine the amount of bonus/tantiem for the 2021 fiscal year for each member of the Board of Commissioners based on the recommendations of the Remuneration Committee.
2. a. Approving the total bonus/tantiem payments to be distributed to the Sharia Supervisory Board for the 2021 fiscal year;
- b. Approving the total amount of salary/honorarium and allowances for the Sharia Supervisory Board for the 2022 fiscal year to be a maximum of Rp 769,015,854.00 (seven hundred sixty-nine million fifteen thousand eight hundred and fifty-four rupiah) gross; and
- c. Approving the granting of the power of attorney to the Company's Board of Commissioners to determine the amount of bonus/tantiem for the 2021 fiscal year for each member of the Sharia Supervisory Board based on the recommendations of the Remuneration Committee.
3. a. Approving the total bonus/tantiem payments to be distributed to the Board of Directors for the 2021 fiscal year;
- b. Approving the total amount of salaries and allowances and/or other income for the Board of Directors of the Company for the 2022 fiscal year to be a maximum of Rp 58,237,400,016.00 (fifty eight billion two hundred thirty seven million four hundred thousand and sixteen rupiah) gross ; and
- c. Approving the granting of the power of attorney to the Company's Board of Commissioners to determine the amount of bonus/tantiem for the 2021 fiscal year for each member of the Board of Directors based on the recommendations of the Remuneration Committee.

| Voting Result | Total Abstain and Agree Votes: 9,137,353,261 shares or 99.9968% |                              |                                     |
|---------------|---|------------------------------|-------------------------------------|
|               | Abstain   | Disagree                     | Agree                               |
|               | 51,600 shares<br>or 0.0005%                                     | 288,400 shares<br>or 0.0032% | 9,137,301,661 shares<br>or 99.9963% |

**AGMS – Fifth Agenda**

1. a. Approving the termination of the term of office of Mr. Takayoshi Futae from his position as President Commissioner of the Company and Mr. Takanori Sazaki as Commissioner of the Company as of the closing of this Meeting, with thanks for the services that have been provided to the Company.
- b. Agreeing to appoint:
  - 1) Mr. Kenichi Yamato as President Commissioner;
  - 2) Mr. Shuichi Yokoyama as Commissioner.

Wherein the appointment of Mr. Kenichi Yamato as President Commissioner and Mr. Shuichi Yokoyama as Commissioner of the Company was effective from the date of passing the fit and proper test from the Financial Services Authority, for a term of office that was in accordance with the remaining term of office of the currently serving members of the Company's Board of Commissioners at the moment.

- c. Approving the appointment of Mr. Hafid Hadeli as Vice President Director of the Company, wherein the appointment of Mr. Hafid Hadeli was to be effective after (i) his resignation as President Director of PT Adira Dinamika Multi Finance, Tbk. ("ADMF") was approved by the General Meeting of Shareholders ("GMS") of ADMF and (ii) passing the fit and proper test from the Financial Services Authority, for a term of office that was in accordance with the remaining term of office of the currently serving members of the Board of Directors of the Company.
- d. Approving the appointment of Mr. Thomas Sudarma as Director of the Company, effective from the date of passing the fit and proper test from the Financial Services Authority, for a term of office that was in accordance with the remaining term of office of the currently serving members of the Company's Board of Directors.

## AGMS – Fifth Agenda

As a result, the composition of the members of the Company's Board of Commissioners and Board of Directors is as follows:

**Board of Commissioners**

|   |   |
|---|---|
| President Commissioner                    | : Kenichi Yamato*                                     |
| Vice President Commissioner (Independent) | : Prof. Dr. Johaness Berchmans Kristiadi Pudjosukanto |
| Independent Commissioner                  | : Peter Benyamin Stok                                 |
| Commissioner                              | : Nobuya Kawasaki                                     |
| Independent Commissioner                  | : Hedy Maria Helena Lapian                            |
| Commissioner                              | : Dan Harsono   |
| Independent Commissioner                  | : Halim Alamsyah                                      |
| Commissioner                              | : Shuichi Yokoyama*                                   |

**Board of Directors**

|                         |                            |
|-------------------------|----------------------------|
| President Director      | : Yasushi Itagaki          |
| Vice President Director | : Honggo Widjojo Kangmasto |
| Vice President Director | : Hafid Hadelj**           |
| Director                | : Herry Hykmanto           |
| Director                | : Rita Mirasari            |
| Director                | : Heriyanto Agung Putra    |
| Director                | : Dadi Budiana             |
| Director                | : Muljono Tjandra          |
| Director                | : Naoki Mizoguchi          |
| Director                | : Thomas Sudarma*          |

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

\*\* (i) Effective after the resignation as President Director of PT Adira Dinamika Multi Finance ("ADMF") is approved by the ADMF GMS and (ii) passing the fit and proper test from the Financial Services Authority.

For a term of office until the closing of the Company's Annual General Meeting of Shareholders (GMS) for the fiscal year ending on December 31, 2022, which is to be held no later than June 2023, without prejudice to the right of the GMS to terminate at any time.

- Agreeing to authorize the Board of Directors of the Company to state these decisions in a deed of statement of meeting decisions (or more) made before a notary, to notify the changes to the Company's data to the Minister of Law and Human Rights of the Republic of Indonesia, and to obtain a letter of receipt of notification of these changes to the Company's data.

| Voting Result | Total Abstain and Agree Votes: 9,137,536,461 shares or 99.9988% |                              |                                     |
|---------------|---|------------------------------|-------------------------------------|
|               | Abstain   | Disagree                     | Agree                               |
|               | 228,100 shares<br>or 0.0025%                                    | 105,200 shares<br>or 0.0012% | 9,137,308,361 shares<br>or 99.9963% |



## RESOLUTIONS AND REALIZATIONS OF PREVIOUS YEAR GMS

In 2021, Danamon held 2 (two) GMS sessions: An AGMS on April 30, 2021 and the EGMS on August 26, 2021.

## DECISIONS AND REALIZATIONS OF THE AGMS OF APRIL 30, 2021

The AGMS of April 30, 2021, made decisions on 6 (six) agenda items for the Meeting. All decisions of the Meeting were realized in 2021, with the details of them listed below:

### AGMS – First Agenda

Approving the Company's Annual Report for the fiscal year ending on December 31, 2020; Ratifying the Company's Financial Statements for the fiscal year ending on December 31, 2020, which have been audited by the Public Accounting Firm Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC's global network) as contained in the Independent Auditor's Report, dated February 11, 2021, Number 00038/ 2.1025/AU.1/07/0229-1/1/II/2021 with an unmodified opinion; Ratifying the report on the supervisory duties of the Company's Board of Commissioners for the fiscal year ending on December 31, 2020; and Providing full release and release 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 and 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, assisting, and giving approval to the Company's Board 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 and providing advice and suggestions to the Board of Directors of the Company, all of which was carried out in the fiscal year ending on December 31, 2020, insofar as the implementation of these duties and responsibilities was reflected in the Company's Annual Report for the fiscal year ending on December 31, 2020.

| Voting Result | Total Abstain and Agree Votes: 9,170,934,612 shares or 100% |                |                                   |
|---------------|---|----------------|-----------------------------------|
|               | Abstain   | Disagree       | Agree                             |
|               | 2,038,198 shares<br>or 0.02%                                | 0 shares or 0% | 9,168,896,414 shares<br>or 99.98% |

### AGMS – Second Agenda

Approving the use of the Company's net profit for the fiscal year ending on December 31, 2020 in the amount of Rp 1,007,614,000,000.00 (one trillion seven billion six hundred and fourteen million rupiah), with the following details:

- 1% (one percent) of Net Profit or approximately Rp 10,076,140,000.00 (ten billion seventy-six million one hundred and forty thousand rupiah) was to be set aside for reserve funds to comply with Article 70 of the Limited Liability Company Law;
- 35% (thirty five percent) 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 share, assuming the number of shares issued by the Company on the Recording Date was not more than 9,773,552,870 (nine billion seven hundred seventy three million five hundred fifty two thousand eight hundred and seventy) shares, paid as dividends for the 2020 fiscal year, with the following conditions:
  - Dividends were to be paid to shareholders whose names were recorded Shareholders Registry on a date that was to be determined by the Board of Directors of the Company (hereinafter referred to as the "Recording Date");
  - Dividends that were not taken after 5 (five) years from the date determined for the payment of past dividends, were to be included in the Special Reserve Fund. The procedures for making dividends in the Special Reserves can be accessed on the Company's website;
  - The Board of Directors was to deduct the dividend tax for the 2020 fiscal year in accordance with tax regulations that apply to shareholders;
  - The Board of Directors was given the power and authority to determine matters concerning or related to the implementation of dividend payments for the 2020 fiscal year, including (but not limited to):
    - Determining the record date to determine the Company's shareholders who are entitled to receive dividend payments for the 2020 fiscal year; and
    - Determining the implementation date of dividend payments for the 2020 fiscal year, and all matters without prejudice to compliance with the Stock Exchange regulations where the Company's shares were listed.
- The remaining net profits for the 2020 fiscal year that were not determined for use were recorded as the Company's retained earnings.

| Voting Result | Total Abstain and Agree Votes: 9,170,934,612 shares or 100% |                   |                              |
|---------------|---|-------------------|------------------------------|
|               | Abstain   | Disagree          | Agree                        |
|               | 0 shares or 0.00%   | 0 shares or 0.00% | 9,170,934,612 shares or 100% |

## AGMS – Third Agenda

Appointing Elisabeth Imelda as a Public Accountant and Imelda & Rekan (a member firm of the Deloitte Touche Tohmatsu Limited network) as a Public Accounting Firm registered with the Financial Services Authority to audit the Company's consolidated financial statements for the 2021 fiscal year and to authorize the Board of Commissioners to determine the amount of honorarium and other requirements in connection with the appointment of the Public Accountant and the Public Accounting Firm, all while taking into account the recommendations of the Audit Committee.

| Voting Result | Total Abstain and Agree Votes: 9,170,934,612 shares or 100% |                   |                                |
|---------------|---|-------------------|--------------------------------|
|               | Abstain   | Disagree          | Agree                          |
|               | 2,038,198 shares or 0.02%                                   | 0 shares or 0.00% | 9,168,896,414 shares or 99.98% |

## AGMS – Fourth Agenda

1. a. Approving the total bonus/tantiem payments that were to be distributed to the Board of Commissioners for 2020 fiscal year;
- b. Approving the total amount of salary/honorarium and/or allowances for the Board of Commissioners for the 2021 fiscal year to be Rp 16,834,707,632.00 (sixteen billion eight hundred thirty-four million seven hundred seven thousand six hundred and thirty two rupiahs) gross; and
- c. Approving the granting of the power of attorney to the President Commissioner of the Company to determine the amount of bonus/tantiem for the 2020 fiscal year for each member of the Board of Commissioners based on the recommendations of the Remuneration Committee.
2. a. Approving the total bonus/tantiem payments that were to be distributed to the Sharia Supervisory Board for the 2020 fiscal year;
- b. Approving the total amount of salary/honorarium and allowances for the Sharia Supervisory Board for the 2021 fiscal year to be a maximum of Rp 764,639,964.00 (seven hundred sixty-four million six hundred thirty nine thousand nine hundred and sixty four rupiah) gross; and
- c. Approving the granting of power of attorney to the Company's Board of Commissioners to determine the amount of bonus/tantiem for the 2020 fiscal year for each member of the Sharia Supervisory Board based on the recommendations of the Remuneration Committee.
3. a. Approving the total bonus/tantiem payments that were to be distributed to the Board of Directors for the 2020 fiscal year;
- b. Approving the total amount of salaries and allowances and/or other income for the Board of Directors of the Company for the 2021 fiscal year in the amount 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. Approving the granting of the power of attorney to the Company's Board of Commissioners to determine the amount of bonus/tantiem for the 2020 fiscal year for each member of the Board of Directors based on the recommendations of the Remuneration Committee.

| Voting Result | Total Abstain and Agree Votes: 9,164,348,487 shares or 99.93% |                           |                                |
|---------------|---|---------------------------|--------------------------------|
|               | Abstain   | Disagree                  | Agree                          |
|               | 0 shares or 0%  | 6,586,125 shares or 0.07% | 9,164,348,487 shares or 99.93% |



**AGMS – Fifth Agenda**

1. a. Respectfully dismissing Mr. Masamichi Yasuda and Mr. Noriaki Goto from their respective positions as Commissioners of the Company and Mr. Made Sukada as Independent Commissioners of the Company, as of the closing of this AGMS with thanks for the services that have been provided to the Company;
- b. Agreeing to appoint:
  1. Mr. Takanori Sazaki as Commissioner;
  2. Mr. Dan Harsono as Commissioner

Wherein the appointment of Mr. Takanori Sazaki as Commissioner and Mr. Dan Harsono as Commissioner of the Company was effective from the date of passing the fit and proper test from the Financial Services Authority, for a term of office that was in accordance with the remaining term of office of the current members of the Board of Commissioners and Directors of the Company currently serving.

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

**Board of Commissioners:**

|   |  |
|---|--|
| President Commissioner                    | : Takayoshi Futae                          |
| Vice President Commissioner (Independent) | : Johanes Berchmans Kristiadi Pudjosukanto |
| Independent Commissioner                  | : Peter Benyamin Stok                      |
| Commissioner                              | : Nobuya Kawasaki                          |
| Independent Commissioner                  | : Hedy Maria Helena Lopian                 |
| 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**

|             |                                 |
|-------------|---------------------------------|
| Chairperson | : 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 a term of office until the closing of the Company's AGMS for the fiscal year that ended on December 31, 2022, which was to be held no later than June 2023, without prejudice to the right of the GMS to terminate at any time.

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

| Voting Result | Total Abstain and Agree Votes: 9,073,530,602 shares or 98.93% |                               |                                   |
|---------------|---|-------------------------------|-----------------------------------|
|               | Abstain   | Disagree                      | Agree                             |
|               | 3,319,600 shares<br>or 0.04%                                  | 97,404,010 shares<br>or 1.06% | 9,070,211,002 shares<br>or 98.90% |

**AGMS – Sixth Agenda**

Approving an update of the 2020-2021 Action Plan Document to comply with Article 31, Paragraph 2 of Financial Services Authority Regulation No.14/POJK.03/2017 concerning Recovery Plans for Systemic Banks.

| Voting Result | Total Abstain and Agree Votes: 9,165,852,112 shares or 99.94% |                              |                                   |
|---------------|---|------------------------------|-----------------------------------|
|               | Abstain   | Disagree                     | Agree                             |
|               | 0 shares  | 5,082,500 shares<br>or 0.06% | 9,165,852,112 shares<br>or 99.94% |

## DECISIONS AND REALIZATIONS OF EGMS ON AUGUST 26, 2021

The EGMS on August 26, 2021 managed to come to a decision on its meeting agenda and all meeting decisions were realized in 2021, with the details of these decisions listed below:

### EGMS - First Agenda

1. a. Approving to appoint Mr. Dr. Halim Alamsyah as Independent Commissioner, wherein the appointment of Dr. Halim Alamsyah as Independent Commissioner of the Company was to be effective from the date of passing the fit and proper test from the Financial Services Authority, for a term of office in accordance with the remaining term of office of the currently serving members of the Board of Commissioners and Directors of the Company.
- b. Accepting the resignation of Mrs. Michellina Laksmi Triwardhany from her position as Vice President Director of the Company, which was to be effective from September 4, 2021, and Mr. Adnan Qayum Khan from his position as Director of the Company, which was to be effective from July 24, 2021, with thanks for their services that has been given to the Company. As for the granting of settlement and responsibility (volledig acquit et decharge) to Mrs. Michellina Laksmi Triwardhany and Mr. Adnan Qayum Khan, the matter was to be decided at the Annual General Meeting of Shareholders that discussed the Company's financial statements for the fiscal year ending on December 31, 2021.

As such, the composition of the Company's Board of Commissioners, which was to be effective from the date of passing the fit and proper test from the Financial Services Authority of Mr. Takanori Sazaki, Mr. Dan Harsono and Mr. Dr. Halim Alamsyah, is as follows:

#### Board of Commissioners

|   |   |
|---|---|
| President Commissioner                    | : Takayoshi Futae                           |
| Vice President Commissioner (Independent) | : Johannes Berchmans Kristiadi Pudjosukanto |
| Independent Commissioner                  | : Peter Benyamin Stok                       |
| Commissioner                              | : Nobuya Kawasaki                           |
| Independent Commissioner                  | : Hedy Maria Helena Lopian                  |
| Commissioner                              | : Takanori Sazaki*                          |
| Commissioner                              | : Dan Harsono*                              |
| Independent Commissioner                  | : Halim Alamsyah *                          |

\*) effective from the date of passing the fit and proper test from the Financial Services Authority

#### 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          |

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

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

| Voting Result | Total Abstain and Agree Votes: 9,139,902,745 shares or 99.985553082% |                                     |  |
|---------------|--|-------------------------------------|--|
|               | Abstain  | Disagree                            | Agree                                    |
|               | 6,800 shares<br>or 0.000074388%                                      | 1,320,625 shares<br>or 0.014446917% | 9,139,895,945 shares<br>or 99.985478694% |



# BOARD OF COMMISSIONERS

The Board of Commissioners is an organ of the Issuer or Public Company that, in accordance with Danamon's Articles of Association, is tasked with carrying out general and/or specific supervision of (and providing advice to) the Board of Directors.

The Board of Commissioners has collective duties and responsibilities for supervising and providing advice to the Board of Directors and for ensuring that the Company implements principles of good corporate governance. The working relationship between the Board of Commissioners and the Board of Directors is one of checks and balances. Both organs are of equal stature and share the ultimate goal of furthering Danamon's progress and health as a company.

Members of the Board of Commissioners are appointed and dismissed by the GMS based on a transparent process that takes into account recommendations from the Nomination Committee. In accordance with the Articles of Association, Board of Commissioners members are appointed for a term of 3 (three) years and can be reappointed.

Appointments for Board of Commissioners members are declared effective if they pass a fit-and-proper test from the Financial Services Authority. The GMS can dismiss a board member even though their term of office has not ended. These dismissals require reasonable justifications and can only be done after the board member up for dismissal in question is given the opportunity to defend themselves.

## BOARD OF COMMISSIONERS: CHARTER

The Board of Commissioners has its own guidelines and work rules that regulate things like the board's roles and accountability, its structure and membership, its independent commissioners, its terms of office, its duties and responsibilities, its levels of authority, its work ethics, its meetings and the way these meetings ought to be carried out, its transparency, and its reporting. The design of this charter is based on applicable regulations, governance principles, and best practices for implementing good corporate governance and is reviewed periodically.

## BOARD OF COMMISSIONERS: ETHICS

a. Members are prohibited from taking advantage of Danamon for personal or family interests (and/or the interests of other parties) in such a way that may harm or reduce the profits and reputation of Danamon and its subsidiaries.

- b. Members are prohibited from taking and/or receiving personal benefits from Danamon other than remuneration and other facilities determined at the General Meeting of Shareholders.
- c. Members are prohibited from making direct or indirect false statements regarding material facts. They are also prohibited from not disclosing material facts. All of this is necessary to avoid misleading statements about the condition of Danamon.
- d. Members are prohibited from interfering in the company's operational decisions unless it involves the provision of funds to related parties or any other matters that grant it authority stipulated in Danamon's Articles of Association.

## BOARD OF COMMISSIONERS: DUTIES AND RESPONSIBILITIES

1. The Board of Commissioners adheres to a code of conduct, applicable laws and regulations, and to Danamon's internal regulations and policies.
2. The Board of Commissioners must carry out its duties and responsibilities independently. In carrying out its duties, the members of Board of Commissioners must provide themselves with sufficient time to carry out their duties and responsibilities optimally.
3. Ensuring good corporate governance implementation throughout all of Danamon's business activities at all levels of the organization.
4. In carrying out supervision, the Board of Commissioners is required to direct, monitor, and evaluate Danamon's strategic policy implementation.
5. The Board of Commissioners may not be involved in making decisions about Danamon's operational activities, except in the following specific activities:
  - The provision of funds to related parties;
  - Other matters stipulated in the Articles of Association of Danamon and within applicable laws and regulations.
6. The Board of Commissioners is required to periodically review Danamon's vision and mission.
7. In order to support the effectiveness of carrying out its duties and responsibilities, the Board of Commissioners is required to form the following committees:
  - Audit Committee
  - Risk Oversight Committee
  - Remuneration Committee
  - Nomination Committee
  - Corporate Governance Committee
  - Integrated Corporate Governance Committee

8. The Board of Commissioners is required to annually evaluate the performance of these committees.
9. Members of the Board of Commissioners are required to sit as a member or as a chairman of one of the aforementioned committees, as recommended by the Nomination Committee. The Board of Commissioners must ensure that these committees carry out their duties effectively.
10. The Board of Commissioners must ensure that the Board of Directors has followed up on audit findings and recommendations from Danamon's Internal Audit Work Unit, from external auditors, from the results of supervision by the Financial Services Authority/Bank Indonesia, and/or from the results of supervision by other authorities.
11. The Board of Commissioners is required to make recommendations on improvements or suggestions submitted by the Audit Committee and to submit these recommendations to the Board of Directors.
12. The Board of Commissioners must maintain the confidentiality of all of Danamon's documents, data and information.
13. The Board of Commissioners must notify the Financial Services Authority no later than 7 (seven) working days after finding any instance of:
  - Violations of laws and regulations in the field of finance and banking.
  - Circumstances that may endanger the continuity of Danamon's business.
14. The Board of Commissioners is required to monitor and evaluate Danamon's information technology strategic plan, including reviewing risk management policies and procedures proposed by the Board of Directors related to the use of information technology by Danamon.
15. The Board of Commissioners is required to prepare guidelines and work procedures (a charter) for the

Board of Commissioners and to periodically review and update these work guidelines and procedures.

16. Members of the Board of Commissioners must improve their competence through continuous education and training.

### PRESIDENT COMMISSIONER: DUTIES AND RESPONSIBILITIES

To serve as the coordinator for the Board of Commissioners as it carries out its duties and responsibilities. These coordinating functions include the following:

- a. Receiving reports from Committees under the Board of Commissioners.
- b. Leading the Board of Commissioners in carrying out its supervisory and assurance duties, determining the urgency of a situation if a Board of Commissioners meeting is to be held in less than 5 (five) days.
- c. Receiving power of attorney from the GMS to distribute bonuses to Board of Commissioners members.

### BOARD OF COMMISSIONERS: AUTHORITY

The authority of the Board of Commissioners is regulated by the Articles of Association, Governance Policy, and the Board of Commissioners Charter. This authority includes the following:

- a. Accessing to documents, data and information about Danamon employees, funds, assets and resources, as deemed necessary.
- b. Directing communication with the Board of Directors, employees and other parties regarding how they have carried out their duties and responsibilities.
- c. Involving independent parties outside the Board of Commissioners to assist the board in carrying out its duties, if such help is deemed necessary.
- d. Carrying out other forms of authority granted to it by the Articles of Association of Danamon and by applicable laws and regulations.

### BOARD OF COMMISSIONERS: MEMBERS, COMPOSITION AND CRITERIA

Structure, number and composition of Danamon Board of Commissioners is as follows:

| No. | Name                       | Position                                  |
|-----|----------------------------|---|
| 1   | Kenichi Yamato             | President commissioner                    |
| 2   | J.B Kristiadi Pudjosukanto | Vice President Commissioner (Independent) |
| 3   | Peter Benyamin Stok        | Independent Commissioner                  |
| 4   | Nobuya Kawasaki            | Commissioner                              |
| 5   | Hedy Maria Helena Lopian   | Independent Commissioner                  |
| 6   | Dan Harsono                | Commissioner                              |
| 7   | Halim Alamsyah             | Independent Commissioner                  |
| 8   | Shuichi Yokoyama           | Commissioner                              |

All members of the Company's Board of Commissioners have passed the Financial Services Authority's fit-and-proper test.





As of December 31, 2022, Danamon's Board of Commissioners totaled in at 8 (eight) people. This did not exceed the number of Board of Directors members, which totaled in at 10 (ten) people.

Half or 50% of Board of Commissioners members are Independent Commissioners – specifically, J.B. Kristiadi Pudjosukanto, Peter Benyamin Stok, Hedy Maria Helena Lopian and Halim Alamsyah. Half or 50% of Board of Commissioners members are domiciled in Indonesia. The membership and composition of the Board of Commissioners are both in accordance with the needs and complexity of Danamon. Both have also taken into account effectiveness in decision making and compliance with applicable laws and regulations.

The term of office of the current Board of Commissioners is set to last until the closing of the Annual General Meeting of Shareholders for the financial year that ended on December 31, 2022. This meeting is to be held no later than June 2023, without prejudice to the right of the General Meeting of Shareholders to carry out a termination at any time. Board of Commissioners members whose terms of office

have ended may be reappointed by taking into account applicable provisions. Board of Commissioners members can be dismissed at any time by the General Meeting of Shareholders even if their term of office has not ended. This termination is considered effective since the closing of the meeting, unless the General Meeting of Shareholders determines otherwise.

The term of office of a member of the Board of Commissioners will automatically end if the member of the Board of Commissioners fulfills any of the following conditions:

- Declares bankruptcy or is placed under guardianship based on a court decision; or
- Is prohibited from serving as a member of the Board of Commissioners because of statutory provisions or provisions of laws and regulations; or
- Death; or
- Is dismissed based on GMS decisions; or
- Does not meet the requirements as referred to in the provisions of laws and regulations; or
- Resigns.

| Name                           | Position  | GMS Date          | Effective Date<br>(Based on approval<br>from Bank Indonesia/<br>Financial Services<br>Authority) | Term<br>of Office   | Number<br>of Times<br>Appointed | Residency |
|--------------------------------|---|-------------------|--|---|---------------------------------|-----------|
| Kenichi Yamato                 | President<br>Commissioner                       | March 25, 2022    | July 8, 2022   | 2022 – 2023   | 1x                              | Japan     |
| J.B. Kristiadi<br>Pudjosukanto | Vice President<br>Commissioner<br>(Independent) | May 9, 2005       | December 5, 2005   | 2005-2008<br>2008-2011<br>2011-2014<br>2014-2017<br>2017-2020 | 6x                              | Indonesia |
|                                |   | March 26, 2019*   | April 25, 2019**   | 2019-2020   |                                 |           |
|                                |   | March 23, 2020    | April 25, 2019   | 2020 - 2023   |                                 |           |
| Peter Benyamin<br>Stok         | Independent<br>Commissioner                     | 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 - 2023   |                                 |           |
| Nobuya Kawasaki                | Commissioner                                    | October 1, 2019   | May 20, 2020   | 2019-2020   | 2x                              | Japan     |
|                                |   | March 23, 2020    | May 20, 2020   | 2020 – 2023   |                                 |           |
| Hedy Maria<br>Helena Lopian    |   | November 26, 2020 | December 21, 2020  | 2020 - 2023   | 1x                              | Indonesia |
| Dan Harsono                    | Independent<br>Commissioner                     | April 30, 2021    | November 18, 2021  | 2021-2023   | 1x                              | Thailand  |
| Halim Alamsyah                 | Commissioner                                    | August 26, 2021   | November 15, 2021  | 2021-2023   | 1x                              | Indonesia |
| Shuichi<br>Yokoyama            | Independent<br>Commissioner                     | March 25, 2022    | July 8, 2022   | 2022 – 2023   | 1x                              | Japan     |

Description:

\* According to an EGMS resolution from March 26, 2019, changes in the Board of Commissioners' composition have been approved due to a merger process between Danamon and PT Bank Nusantara Parahyangan Tbk ("BNP").

\*\* All members of the Board of Commissioners have passed the Financial Services Authority's fit-and-proper test. This is based on Financial Services Authority (OJK) Letter No. S-122/PB.12/2019 dated April 25, 2019 regarding the Submission of the Decision of the Board of Commissioners of the Financial Services Authority regarding the Merger of PT Bank Nusantara Parahyangan Tbk into PT Bank Danamon Indonesia Tbk and the PKK Results of the Management of PT Bank Danamon Indonesia Tbk (the result of the merger).

## INDEPENDENT COMMISSIONER REQUIREMENTS

In addition to fulfilling all the usual requirements to be a Board of Commissioners member, an Independent Commissioner of Danamon must also fulfill the following conditions

1. They must have no financial, management, share ownership and/or familial relationships with Board of Directors members, with other Board of Commissioners members, and/or with controlling shareholders. Any kind of relationship with Danamon that may affect their ability to act independently is forbidden.
2. They must not own shares in Danamon (either directly or indirectly).
3. They must not have direct or indirect business relationships in relation to Danamon's business activities.
4. They must not have served as a Board of Directors member, a Board of Commissioners member, a Sharia Supervisory Board member, or have held a position one level below the Board of Directors at the same Bank or at other companies that have had any kind of affiliation with the Bank within the last 1 (one) year.
5. All Independent Commissioners must sign a statement of independence. This statement must be prepared

and updated regularly and must include a statement regarding the commissioner not having any concurrent positions that are prohibited by the Financial Services Authority.

## BOARD OF COMMISSIONERS: INDEPENDENCE OF MEMBERS

All of the current Board of Commissioners members do not have any kind of family relations to the second degree with other members of the Board of Commissioners, with Board of Directors members, or with Controlling Shareholders. A total of 63% (sixty-three percent) of Board of Commissioners members have no financial relationship with the controlling shareholder. No Board of Commissioners members have any financial relationship with other members of the Board of Commissioners and with Board of Directors members.

## FAMILY RELATIONSHIPS AND FINANCES

The nature of each Board of Commissioners member's familial and financial relationships with other Board of Commissioners members, with Board of Directors members, and with Controlling Shareholders, can be seen in the following table:

| Name                       | Position                                  | Familial Relationships with    |    |                            |    |                          |    | Financial Relationships with   |    |                            |    |                          |    |
|----------------------------|---|--------------------------------|----|----------------------------|----|--------------------------|----|--------------------------------|----|----------------------------|----|--------------------------|----|
|                            |   | Board of Commissioners Members |    | Board of Directors Members |    | Controlling Shareholders |    | Board of Commissioners Members |    | Board of Directors Members |    | Controlling Shareholders |    |
|                            |   | Yes                            | No | Yes                        | No | Yes                      | No | Yes                            | No | Yes                        | No | Yes                      | No |
| Kenichi Yamato             | President Commissioner                    | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | √                        | -  |
| J.B Kristiadi Pudjosukanto | Vice President Commissioner (Independent) | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Peter Benyamin Stok        | Independent Commissioner                  | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Nobuya Kawasaki            | Commissioner                              | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | √                        | -  |
| Hedy Maria Helena Lopian   | Independent Commissioner                  | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Dan Harsono                | Commissioner                              | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Halim Alamsyah             | Independent Commissioner                  | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Shuichi Yokoyama           | Commissioner                              | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | √                        | -  |



## BOARD OF COMMISSIONERS: CONCURRENT POSITIONS OF ITS MEMBERS

Members of the Board of Commissioners can only serve as:

- Members of the Board of Commissioners, members of the Board of Directors, or Executive Officers in 1 (one) non-financial institution/company.
- Members of the Board of Commissioners, members of the Board of Directors, or Executive Officers that carry out supervisory functions in 1 (one) non-Bank subsidiary company controlled by Danamon.
- Members of Committees for no more than 5 (five) Committees where the person in question is serving.

The following does not count as concurrent positions for members of the Board of Commissioners:

- Non-Independent members of the Board of Commissioners carrying out the functional duties of the Bank's shareholders in the form of legal entities in their business group, and/or

- Members of the Board of Commissioners holding positions in non-profit organizations or institutions.

This is only as long as the person concerned does not neglect the implementation of their duties and responsibilities as a Board of Commissioners member at Danamon.

Danamon's Board of Commissioners members have disclosed any concurrent positions they hold in their individual Statement Letters. No member has any concurrent positions other than the ones permitted by regulations regarding governance implementation for commercial banks.

Information on concurrent positions for Board of Commissioners members as of December 31, 2022, can be seen in the table below.

| Name                        | Position at Danamon                       | Position in Other Institution/Company  |
|-----------------------------|---|--|
| Kenichi Yamato              | President Commissioner                    | <ol style="list-style-type: none"> <li>Managing Corporate Executive Group Head, Global Commercial Banking Business Group, Group Deputy COO-I Regional Executive for Asia - Mitsubishi UFJ Financial Group Inc.</li> <li>Member of the Board of Directors, Managing Executive Officer Chief Executive, Global Commercial Banking Business Unit Deputy COO I Regional Executive for Asia – MUFG Bank, Ltd.</li> <li>Director at the Security Bank Corporation</li> <li>Director at MUFG Bank (China), Ltd</li> </ol> |
| J.B. Kristiadi Pudjosukanto | Vice President Commissioner (Independent) | Head of the National Bureaucratic Reform Independent Team – Ministry of Administrative Reform and Bureaucratic Reform  |
| Peter Benyamin Stok         | Independent Commissioner                  | -  |
| Nobuya Kawasaki             | Commissioner                              | Managing Director - Mitsubishi UFJ Bank  |
| Hedy Maria Helena Lopian    | Independent Commissioner                  | Independent Commissioner – PT Supra Boga Lestari Tbk   |
| Dan Harsono                 | Commissioner                              | <ol style="list-style-type: none"> <li>Senior Advisor, Bank of Ayudhya Public Company Limited</li> <li>Advisor, Krungsri Leasing Service Co., Ltd</li> <li>Advisor, Mitsubishi UFJ Financial Group</li> <li>Advisor, SB Finance Company, INC. (Philippines)</li> <li>Director, Allianz Ayudhya Assurance PCL. (AZAY)</li> <li>Director Aetna Health Insurance (Thailand) PCL</li> <li>Director Pak Sabai Co., Ltd</li> <li>Chairman Hatta Bank PLC</li> </ol>  |
| Halim Alamsyah              | Independent Commissioner                  | <ol style="list-style-type: none"> <li>Expert in Finance and Sharia Finance - Ministry of Finance of the Republic of Indonesia</li> <li>Member of the Audit Committee - PT Sinarmas Multi Artha Tbk</li> <li>Sharia Prudential Advisor</li> <li>President Commissioner – PT Indosat Tbk</li> </ol>   |

| Name             | Position at Danamon | Position in Other Institution/Company   |
|------------------|---------------------|---|
| Shuichi Yokoyama |                     | <ol style="list-style-type: none"> <li>1. Managing Corporate Executive Group CRO - Mitsubishi UFJ Financial Group Inc.</li> <li>2. Member of the Board of Directors, Managing Executive Officer CRO (Chief Risk Officer) in charge of Corporate Risk Management Division and Credit Policy &amp; Planning Division, Chief Credit Officer – MUFG Bank, Ltd</li> <li>3. Member of the Board of Directors – Mitsubishi UFJ Securities Holdings Co., Ltd</li> <li>4. Member of the Board of Directors – MUFG Union Bank, N.A</li> <li>5. Member of the Study Group on International Financial Regulations</li> <li>6. Member of the Japan Risk Forum</li> </ol> |

### SHARE OWNERSHIP OF MEMBERS OF THE BOARD OF COMMISSIONERS

The following are details involving both direct and indirect share ownership for each member of the Board of Commissioners at Danamon, Other Banks, Non-Bank Financial Institutions and other Companies (as of December 31, 2022):

| Name                         | Position                                  | Share Ownership |            |                                       |  | Detail |
|------------------------------|---|-----------------|------------|---------------------------------------|--|--------|
|                              |   | Danamon         | Other Bank | Non-Bank Financial Institution        | Other Company  |        |
| Kenichi Yamato               | President Commissioner                    | -               | -          | Mitsubishi Financial Inc. Owns shares | UFJ Group 8,006  | -      |
| J. B. Kristiadi Pudjosukanto | Vice President Commissioner (Independent) | -               | -          | -                                     | -  | -      |
| Peter Benyamin Stok          | Independent Commissioner                  |                 |            |                                       | <ul style="list-style-type: none"> <li>- PT Telkom (Persero) Tbk Owns 153,900 shares</li> <li>- PT Energi Mega Persada Tbk Owns 451,125 shares</li> <li>- PT Kawasan Industri Jababeka Tbk Owns 33 shares</li> <li>- PT Krakatau Steel (Persero) Tbk Owns 500 shares</li> <li>- PT Resources Alam Indonesia Tbk Owns 335,000 shares</li> <li>- PT Semen Indonesia (Persero) Tbk Owns 20,500 shares</li> <li>- PT Wahana Otomotif Multiartha Tbk Owns 1,009,600 shares</li> <li>- PT Waskita Beton Precast Tbk Owns 608,000 shares</li> </ul> |        |





| Name                     | Position                 | Share Ownership |   |  |               | Detail |
|--------------------------|--------------------------|-----------------|---|--|---------------|--------|
|                          |                          | Danamon         | Other Bank  | Non-Bank Financial Institution   | Other Company |        |
| Nobuya Kawasaki          | Commissioner             | -               | -   | -  | -             |        |
| Hedy Maria Helena Lapian | Independent Commissioner | -               | PT Bank CIMB Niaga Tbk Owns 173,400 shares        | -  | -             |        |
| Dan Harsono              | Commissioner             | -               | -   | -  | -             |        |
| Halim Alamsyah           | Independent Commissioner | -               | PT Bank Syariah Indonesia Tbk Owns 150,000 shares | - PT Aneka Tambang Tbk Owns 200,000 shares<br>- PT Bukalapak.com Tbk Owns 300,000 shares | -             |        |
| Shuichi Yokoyama         | Commissioner             | -               | -   | Mitsubishi UFJ Financial Group Inc. Owns 39,800 shares                                   | -             |        |

## POLICY ON DIVERSITY IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS

Beyond taking into account things like minimum requirements, scope and balance of knowledge, expertise and the levels of experience for all Board of Commissioners members, the nomination process for members of this board also has to factor in diversity as another important aspect. Having an optimal membership composition that takes all of these things into account will make it easier for the Board of Commissioners to carry out its duties and responsibilities.

Towards this end, Danamon has a Diversity Policy that it uses as reference in its process of nominating candidates for serving as Board of Commissioners members. Danamon appreciates and respects differences in the points of view, knowledge, ability and experiences of each individual. It does not discriminate against race, ethnicity, gender and religion.

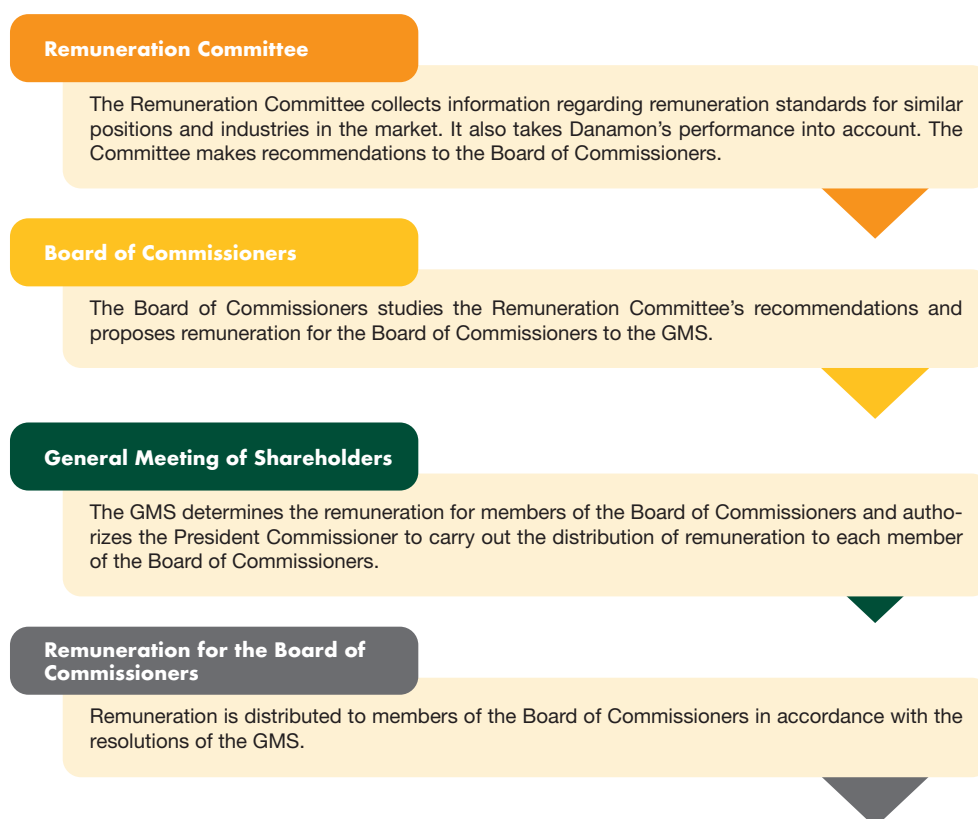
## REMUNERATION FOR THE BOARD OF COMMISSIONERS

### Board of Commissioners: Indicators and Procedures for Determining Remuneration

Remuneration for Board of Commissioners members is judged based on each member's performance in carrying out the duties and responsibilities of the Board of Commissioners.

This remuneration formulation process uses Danamon's internal policies, applicable external regulations and industry comparisons as points of reference. It also takes into account Danamon's performance. The Remuneration Committee provides recommendations to the Board of Commissioners that are submitted to the General Meeting of Shareholders for approval. The distribution process for remuneration is carried out by the President Commissioner. The General Meeting of Shareholders approved the granting of the power of attorney to the President Commissioner of Danamon to determine the amount of bonuses, salaries and allowances for the 2023 financial year for each member of the Board of Commissioners, using the Remuneration Committee's recommendations as a basis.

## PROCEDURE FOR DETERMINING THE REMUNERATION OF THE BOARD OF COMMISSIONERS



### BOARD OF COMMISSIONERS: REMUNERATION STRUCTURE

Information regarding remuneration packages received by the Board of Commissioners can be found disclosed in the Remuneration Policy section of this report, as can any information regarding the grouping of remuneration levels and the number of Board of Commissioners members receiving remuneration packages in 1 (one) year.

### BOARD OF COMMISSIONERS MEETING BOARD OF COMMISSIONERS MEETING POLICY

- The Board of Commissioners is required to hold meetings at least once every 2 (two) months.
- The Board of Commissioners is required to hold at least 2 (two) Board of Commissioners meetings in a year that has all members attending in person.
- Board of Commissioners' meetings can be held if they are attended by at least 75% of Board of Commissioners members.
- The Board of Commissioners must hold meetings with the Board of Directors at least once every 4 (four) months.
- Board of Commissioners' members must attend at least 75% of the total Board of Commissioners meetings in a year. Members of the Board of Commissioners

unable to attend meetings in person can participate in meetings via teleconference or video conference. Meeting minutes must be signed by all participants who attend the meeting physically. Members who participate via teleconference or video conference must do the same through recorded evidence.

- Board of Commissioners' meeting is chaired by the President Commissioner. If the President Commissioner is not present, a member of the Board of Commissioners who is present at the meeting is appointed to chair the meeting.
- The Board of Commissioners must schedule meetings for the following year before the end of the financial year. Meeting invitations and meeting materials must be submitted to participants no later than 5 (five) days before a meeting is held. In the event that a meeting is not scheduled, meeting materials or materials shall be submitted to the participants no later than before the meeting is held.
- Decisions made at Board of Commissioners' meetings are taken by way of deliberation for consensus. In the event that deliberation for consensus does not happen, decisions are determined by at least a 2/3 (two-thirds) majority of Board of Commissioners members present or represented at the meeting. Decisions made by 2/3



- (two-thirds) of the majority are based on the principle of one person, one vote.
- i. The results of these Board of Commissioners meetings (including joint meetings between the Board of Commissioners and the Board of Directors) must be recorded in the meeting minutes and must also be signed by all members of the Board of Commissioners who are present. These minutes are also required to be submitted to all members of the Board of Commissioners and be properly documented.
  - j. In the event that a Board of Commissioners member does not sign the results of the meeting, the person concerned must state their reasons in writing in a separate letter attached to the meeting minutes.
  - k. All decisions of the Board of Commissioners are binding for all members of the Board of Commissioners. Dissenting opinions that occur in Board of Commissioners' meeting must be clearly stated in the meeting minutes along with the reasons for these differences of opinion.
  - l. The Board of Commissioners may make valid and binding decisions without holding a Board of Commissioners meeting, provided that all Board of Commissioners members approve of the decisions in writing.
  - m. In a Board of Commissioners meeting, a member of the Board of Commissioners can only be represented by another member of the Board of Commissioners who has been given the power of attorney.
  - n. If a Board of Commissioners member in any way (whether directly or indirectly) has a personal interest or conflict in a transaction, contract or a proposed contract where Danamon is a party, it is then considered obligatory to state the nature of this conflict of interest in a Board of Commissioners meeting. The member in question also does not have the right to participate in voting related to the conflicting transaction, contract or contract proposal mentioned above, unless the Board of Commissioners meetings determine otherwise.

## FREQUENCY OF BOARD OF COMMISSIONERS MEETING

Throughout 2022, the Board of Commissioners held 6 (six) meetings and 3 (three) other meetings that invited the Board of Directors.

### BOARD OF COMMISSIONERS: MEETING AGENDA

| No | Meeting Date       | Meeting Agenda  |
|----|--------------------|---|
| 1  | January 31, 2022   | <ul style="list-style-type: none"> <li>• Meeting Minutes Review and Approval</li> <li>• Risk Oversight Committee Report</li> <li>• Audit Committee Report</li> <li>• Corporate Governance Committee Report</li> </ul> |
| 2  | March 25, 2022     | <ul style="list-style-type: none"> <li>• Meeting Minutes Review and Approval</li> <li>• Audit Committee Report</li> <li>• Risk Oversight Committee Report</li> </ul>  |
| 3  | May 30, 2022       | <ul style="list-style-type: none"> <li>• Meeting Minutes Review and Approval</li> <li>• Audit Committee Report</li> <li>• Risk Oversight Committee Report</li> </ul>  |
| 4  | July 25, 2022      | <ul style="list-style-type: none"> <li>• Meeting Minutes Review and Approval</li> <li>• Audit Committee Report</li> <li>• Risk Oversight Committee Report</li> <li>• Corporate Governance Committee Report</li> </ul> |
| 5  | September 22, 2022 | <ul style="list-style-type: none"> <li>• Meeting Minutes Review and Approval</li> <li>• Audit Committee Report</li> <li>• Risk Oversight Committee Report</li> </ul>  |
| 6  | November 22, 2022  | <ul style="list-style-type: none"> <li>• Meeting Minutes Review and Approval</li> <li>• Audit Committee Report</li> <li>• Risk Oversight Committee Report</li> </ul>  |

**BOARD OF COMMISSIONERS: MEETING AGENDA (WITH BOARD OF DIRECTORS)**

| No | Meeting Date           | Meeting Agenda  |
|----|------------------------|---|
| 1  | March 25, 2022         | <ul style="list-style-type: none"> <li>Meeting Minutes Review and Approval</li> <li>Business Updates (CEO Updates, Financial Updates, and Asset Quality Updates)</li> </ul>   |
| 2  | July 25, 2022          | <ul style="list-style-type: none"> <li>Meeting Minutes Review and Approval</li> <li>Business Updates (CEO Updates, Financial Updates, and Asset Quality Updates)</li> </ul>   |
| 3  | November 21 & 22, 2022 | <ul style="list-style-type: none"> <li>Meeting Minutes Review and Approval</li> <li>Business Updates (CEO Updates, Financial Updates, and Asset Quality Updates)</li> <li>3 Year Plan Bankwide</li> <li>3 Year Plan Consumer Business and Enabler</li> <li>3 Year Plan Wholesale Business and Enabler</li> <li>3 Year Plan Enabler</li> </ul> |

**ATTENDANCE RATES IN MEETINGS**

The following are details regarding the attendance rates of Board of Commissioners 'members throughout meetings held in 2022:

| Commissioner               | Attendance Rate at Board of Commissioners Meetings<br>(Out of a Total of 6 Meetings) | Attendance Rate at Board of Commissioners Meetings that Invited the Board of Directors<br>(Out of a Total of 3 Meetings) |
|----------------------------|--|--|
| Kenichi Yamato*            | 5/5  | 2/2  |
| J.B Kristiadi Pudjosukanto | 6/6  | 3/3  |
| Peter Benyamin Stok        | 6/6  | 3/3  |
| Nobuya Kawasaki            | 6/6  | 3/3  |
| Hedy Maria Helena Lapian   | 6/6  | 3/3  |
| Dan Harsono                | 6/6  | 3/3  |
| Halim Alamsyah             | 6/6  | 3/3  |
| Shuichi Yokoyama*          | 4/5  | 2/2  |

\* Kenichi Yamato and Shuichi Yokoyama were respectively appointed as President Commissioner and Commissioner at the AGMS on March 25, 2022.

All meetings held during 2022 met quorum requirements and were attended both physically and via teleconference by Board of Commissioners members. Meeting decisions were made by deliberation for consensus. There were no dissenting opinions made throughout any of these meetings in 2022. Information on the schedules, agendas, materials, results and meeting minutes for each meeting has been distributed to meeting participants and has been well documented.

**BOARD OF COMMISSIONERS: MEETING PLAN SCHEDULE FOR 2023**

The Board of Commissioners has prepared a schedule of planned meetings to be held in 2023 that encompasses 6 (six) Board of Commissioners meetings and 3 (three) Board of Commissioners meetings that will invite the Board of Directors.

**BOARD OF COMMISSIONERS: DUTIES AND RECOMMENDATIONS IN 2022**

In carrying out its supervisory function, the Board of Commissioners provides recommendations to the Board of Directors. It does this by taking into account inputs from the committees which assist (and are directly responsible to) the Board of Commissioners.

**BOARD OF COMMISSIONERS: PERFORMANCE ASSESSMENT**

Danamon has a performance appraisal policy that is used as a guideline for assessing the effectiveness of the Board of Commissioners in its efforts to carry out its duties and responsibilities. It assesses their efforts both on a collective level and on an individual level. Performance assessments for Board of Commissioners are carried out by taking several factors into consideration, including the following:

1. Structure and composition of the Board of Commissioners.
2. Effectiveness of committee work program implementation under the Board of Commissioners.





3. Oversight of the company's strategy and management.
4. Good corporate governance implementation in Danamon.
5. Risk management and internal control in dealing with potential risks.

Individual performance assessments for Board of Commissioners members is done annually by the President Commissioner based on benchmarks that have been agreed upon by each member of the Board of Commissioners. The results of these individual evaluations for Board of Commissioners members serve as 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. It also serves as material for consideration in preparing the Board of Commissioners' remuneration structure.

## ORIENTATION PROGRAMS FOR NEW COMMISSIONERS

Danamon has an induction program for new Board of Commissioners members. This program is designed to provide an understanding of Danamon's vision, mission and Corporate Culture, its code of ethics, organizational structure, its line of business, its charter, as well as banking and capital market regulations. This orientation program is carried out through an On-Boarding Program and through brief face-to-face presentations by both management and business units and other support units.

## BOARD OF COMMISSIONERS: TRAINING PROGRAMS

Members of the Board of Commissioners are always given the opportunity to improve their individual competence levels through training programs/seminars/workshops held both internally and externally. Details involving the participation of Board of Commissioners' members in training/seminar/workshop programs throughout 2022 are as follows:

| Name                       | Training/Conference/Seminar/Workshop  | Organizer  | Location         | Date              |
|----------------------------|---|--|------------------|-------------------|
| Kenichi Yamato             | Banking Risk Management - Level 1 Commissioner  | Banking Professional Certification Institute (LSPP)            | Offline, Jakarta | May 19, 2022      |
|                            | The Indonesia 2023 Summit   | Danamon  | Offline, Jakarta | October 27, 2022  |
| J.B Kristiadi Pudjosukanto | Seminar Speaker: Opportunities and Challenges of Digitizing Government Administration Through Thematic RB | Ministry of the State Secretariat of the Republic of Indonesia | Offline, Jakarta | August 10, 2022   |
|                            | The Indonesia 2023 Summit   | Danamon  | Offline, Jakarta | October 27, 2022  |
|                            | Pembicara Seminar: Refleksi Membangun Sistem Merit  | State Civil Apparatus Commission                               | Offline, Jakarta | November 28, 2022 |
|                            | Pembicara Seminar: Peluang dan Tantangan Digitalisasi Administrasi Pemerintah Melalui RB Tematik          | National Bureaucratic Reform Independent Team (TIRBN)          | Offline, Jakarta | December 12, 2022 |
| Peter B. Stok              | Refreshment Risk Management Level 2   | Risk Management Certification Body (BSMR)                      | Offline, Jakarta | March 2, 2022     |
|                            | The Indonesia 2023 Summit   | Danamon  | Offline, Jakarta | October 27, 2022  |
| Nobuya Kawasaki            | The Indonesia 2023 Summit   | Danamon  | Offline, Jakarta | October 27, 2022  |
| Hedy Maria Helena Lopian   | Digital Talent Preparation Strategy to Support Digital Transformation in the Financial Services Industry  | Financial Services Authority (OJK)                             | Online           | January 6, 2022   |

| Name             | Training/Conference/Seminar/Workshop   | Organizer   | Location         | Date               |
|------------------|--|---|------------------|--------------------|
|                  | Digital Bank Transformation and Challenges in Supporting Indonesia's Economic Growth   | STIE Indonesia Banking School                       | Online           | February 11, 2022  |
|                  | G20 Finance Track Side Events: Scalling Up The Utilization of Sustainable Financial Instruments  | Bank Indonesia                                      | Offline, Jakarta | February 18, 2022  |
|                  | Banking Risk Management - Level 5  | National Professional Certification Agency (BNSP)   | Offline, Jakarta | February 22, 2022  |
|                  | The Impact of Climate Change on Financing Aspects and Insurance Premiums Based on Green Economy  | Financial Services Authority (OJK)                  | Online           | February 24, 2022  |
|                  | Challenges in Crime Mitigation and Cyber Security Enhancement in the Financial Services Industry                                       | Financial Services Authority (OJK)                  | Online           | March 10, 2022     |
|                  | Carbon Market – Guide to Global Offsetting Mechanism   | Financial Services Authority (OJK)                  | Online           | May 12, 2022       |
|                  | Banking Agility – Building Resilience and Growing from Failure   | Financial Services Authority (OJK)                  | Online           | July 14, 2022      |
|                  | The DNA of Next-Generation Digital Banking, Disruption and Innovation in Core Banking to Build The Customer-Centric Bank of The Future | Infobank  | Offline, Jakarta | July 14, 2022      |
|                  | Metaverse in Banking   | Financial Services Authority (OJK)                  | Online           | September 15, 2022 |
|                  | The Indonesia 2023 Summit  | Danamon   | Offline, Jakarta | October 27, 2022   |
| Dan Harsono      | The Indonesia 2023 Summit  | Danamon   | Offline, Jakarta | October 27, 2022   |
| Halim Alamsyah   | The Indonesia 2023 Summit  | Danamon   | Offline, Jakarta | October 27, 2022   |
| Shuichi Yokoyama | Banking Risk Management - Level 1 Commissioner   | Banking Professional Certification Institute (LSPP) | Offline, Jakarta | May 13, 2022       |
|                  | The Indonesia 2023 Summit  | Danamon   | Offline, Jakarta | October 27, 2022   |



# COMMITTEES UNDER THE BOARD OF COMMISSIONERS

The Board of Commissioners has 6 (six) committees that help to support it in performing its duties and responsibilities. These committees are:

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

Each of these committees is required to have its own Work Guidelines and Rules. These guidelines and rules must be compiled and reviewed periodically in accordance with all applicable regulations. The members of each of these committees are appointed by the Board of Commissioners

through the use of either a Board of Commissioners Meeting Decision or a Board of Commissioners Circular Decision (or both). Each of these committees are required to have an Independent Commissioner as its chairperson.

## BOARD OF COMMISSIONERS: COMMITTEE PERFORMANCE ASSESSMENTS

The Board of Commissioners evaluates the performance of each of its committees by using performance reports that these committees send them on a regular basis. In terms of how these committees performed as a whole throughout 2022, the Board of Commissioners is of the opinion that they did well and did their part to help the Board of Commissioners perform its duties and responsibilities.

## COMMITTEE MEMBER PROFILES

| Name, Age and Position   | Citizenship & Residency                        | Position   | Period  | Expertise                    | Qualifications/ Educational Background  |
|--|--|--|---|------------------------------|---|
| <b>Kenichi Yamato</b><br>54 years old<br><br>President Commissioner  | - Japanese citizen<br>- Japanese residency     | - Member of the Remuneration Committee<br><br>- Member of the Nomination Committee                             | July 8, 2022 - Present<br><br>July 8, 2022 - Present  | Banking and Finance Industry | BA Degree, Department of Economics, The University of Tokyo (1991).   |
| <b>Work Experience (Position, Organization and Term of Office)</b> <ul style="list-style-type: none"> <li>- President Commissioner, PT Bank Danamon Indonesia Tbk, 2022 – present</li> <li>- Managing Corporate Executive Group Head, Global Commercial Banking (GCB) Business Group, Group Deputy COO-I Regional Executive for Asia - Mitsubishi UFJ Financial Group Inc , April 2022 - Present</li> <li>- Member of the Board of Directors, Managing Executive Officer Chief Executive, Global Commercial Banking (GCB) Business Unit Deputy COO I Regional Executive for Asia – MUFG Bank, Ltd., June 2022 - present</li> <li>- Director of Security Bank Corporation, April 2022 - present</li> <li>- Director of MUFG Bank (China), Ltd., August 2022 – present</li> <li>- President MUFG Bank (China), Ltd., August 2019 - March 2022</li> <li>- General Manager of MUFG Bank Hong Kong Branch</li> <li>- Head of the Japanese Corporate Banking for Asia</li> <li>- Predecessor Bank MUFG, Bank of Tokyo, 1991</li> </ul> |  |  |   |                              |   |
| Name, Age and Position   | Citizenship & Residency                        | Position   | Period  | Expertise                    | Qualifications/ Educational Background  |
| <b>J. B. Kristiadi Pudjosukanto</b><br>76 years old<br><br>Vice President Commissioner (Independent)   | - Indonesian citizen<br>- Indonesian residency | - Nomination Committee Chairperson<br><br>- Remuneration Committee Chairperson<br><br>- Audit Committee Member | January 2007 - Present<br><br>January 2007 – Present<br><br>March 2011 – 2016<br>April 2020 - Present | Finance/Risk Management      | - PhD (Public Administration), Sorbonne University, France in 1979<br>- Certificate (Short Course) Adam Smith Institute London 1980 |

**Work Experience (Position, Organization and Term of Office)**

- Deputy President Commissioner, PT Bank Danamon Indonesia Tbk, 2005 - Present
- Member of the Indonesian Climate Change Supervisory Board, Ministry of Forestry and Environment, 2021
- Leader of an Independent Panel Team for a Public Service Innovation Competition, Ministry of Administrative and Bureaucratic Reform, 2021
- Member of the Jakarta French School Supervisory Board (Jakarta French Middle School), 2012
- University of Indonesia (UI) Lecturer, Professor at Padjadjaran University Bandung, 2007
- Commissioners at several state-owned enterprises (PT Tambang Batu Bara Bukit Asam, 1980; PT Bank Dagang Negara, 1982; PT Aneka Tambang, 1986; Bank BNI, 2005)
- Commissioner at PT Citra Tubindo Tbk, 2010 – June 2022
- Chairman of the National Bureaucratic Reform Team, Ministry of Administrative and Bureaucratic Reform
- 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 for Administrative Reform, 2001 - 2003
- Assistant to Coordinating Minister, Development Supervision, 1999 - 2001
- Chairman, Republic of Indonesia State Administration Agency (LAN), 1990 - 1998
- Director of Budget Development, Ministry of Finance, Republic of Indonesia, 1987 – 1990
- Director of State Wealth Development, Directorate General of Monetary Affairs, 1980 – 1987

| Name, Age and Position   | Citizenship & Residency                        | Position                                      | Period   | Expertise           | Qualifications/ Educational Background                                 |
|--|--|---|--|---------------------|--|
| <b>Peter Benyamin Stok</b><br>73 years old<br><br>Independent Commissioner | - Indonesian citizen<br>- Indonesian residency | - Audit Committee Chairperson                 | December 2018 – present                          | Finance and Banking | Bachelor of Economics from Padjadjaran University, Bandung - Indonesia |
|  |  | - Corporate Governance Committee Chairperson  | April 2020 – present                             |                     |  |
|  |  | - Integrated Corporate Governance Committee   | April 2020 – present                             |                     |  |
|  |  | - Chairperson Risk Oversight Committee Member | December 2018 – 2019<br>September 2021 - present |                     |  |

**Work Experience (Position, Organization and Term of Office)**

- Independent Commissioner, PT Bank Danamon Indonesia Tbk, 2018-present
- Financial Services Authority panelist team member for fit-and-proper-test implementation for any Board of Directors and Board of Commissioners candidates of the Bank, 2016-2018
- President Commissioner, PT Bank Negara Indonesia Tbk, 2009-2015
- Commissioner, PT Bank Permata Tbk, 2008-2009
- President Director, PT Bank CIMB Niaga Tbk, 2000-2006
- President Director, Bank Dagang Negara, 1999-2000
- President Commissioner, PT Bank Danamon Indonesia Tbk, 1998-1999
- Vice President Director at Bank Pelita, 1997-1998
- Vice President Director of PT Bank CIMB Niaga Tbk, 1994-1997
- Board of Directors member, PT Bank CIMB Niaga Tbk, 1991-1994



| Name, Age and Position                                     | Citizenship & Residency  | Position   | Period   | Expertise | Qualifications/ Educational Background   |
|--|--|--|--|-----------|--|
| <b>Nobuya Kawasaki</b><br>50 years old<br><br>Commissioner | <ul style="list-style-type: none"> <li>- Japanese citizen</li> <li>- Japanese residency</li> </ul> | <ul style="list-style-type: none"> <li>- Nomination Committee Member</li> <li>- Remuneration Committee Member</li> <li>- Risk Oversight Committee Member</li> <li>- Corporate Governance Committee Member</li> <li>- Integrated Corporate Governance Committee Member</li> </ul> | <ul style="list-style-type: none"> <li>October 2022 – present</li> <li>October 2022 – present</li> <li>April 2020 – present</li> <li>April 2020 – present</li> <li>April 2020 – present</li> </ul> | Finance   | <ul style="list-style-type: none"> <li>- Master of Mechanical Engineering, Keio University</li> <li>- Bachelor of Mechanical Engineering, Keio University</li> </ul> |

**Work Experience (Position, Organization and Term of Office)**

- Commissioner, PT Bank Danamon Indonesia Tbk, 2019 – present
- Managing Director, Mitsubishi UFJ Bank, 2016 – 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 of The Bank of Tokyo Mitsubishi Ltd, Japan, October 2005 – October 2006
- Manager of Mitsubishi Securities, Japan, October 2002 – October 2005
- Associate of the Product Development Division at The Bank of Tokyo Mitsubishi Ltd, Japan, September 1998 – October 2002
- Associate at Marunouchi Branch of The Bank of Tokyo Mitsubishi Ltd, Japan, April 1997 – September 1998

| Name, Age and Position  | Citizenship & Residency  | Position  | Period   | Expertise               | Qualifications/ Educational Background  |
|---|--|---|--|-------------------------|---|
| <b>Hedy Maria Helena Lopian</b><br>64 years old<br><br>Independent Commissioner | <ul style="list-style-type: none"> <li>- Indonesian citizen</li> <li>- Indonesian residency</li> </ul> | <ul style="list-style-type: none"> <li>- Risk Oversight Committee Chief</li> <li>- Nomination Committee Member</li> <li>- Remuneration Committee Member</li> <li>- Corporate Governance Committee Member</li> </ul> | <ul style="list-style-type: none"> <li>September 2021 - Present</li> <li>September 2021 - Present</li> <li>September 2021 - Present</li> <li>September 2021 - Present</li> </ul> | Finance/Risk Management | <ul style="list-style-type: none"> <li>- Bachelor of Accounting from Padjadjaran University, Bandung in 1977</li> <li>- Master of Business Administration from the Joseph M. Katz Graduate School of Business at University of Pittsburgh, USA</li> </ul> |

**Work Experience (Position, Organization and Term of Office)**

- Independent Commissioner, PT Bank Danamon Indonesia Tbk, 2020 – present
- Independent Commissioner, PT Supra Boga Lestari Tbk, May 2022 – present
- Crisis Management Advisor (April 2020 – June 2020), Human Resources Director of PT Bank CIMB Niaga Tbk, (April 2016 – April 2020)
- Independent Commissioner, PT Asuransi Tokio Marine Indonesia, October 2015 – March 2016
- SRO Director, PT Bank DBS Indonesia, May 2014 – August 2014
- Director of Risk Management, PT Bank Internasional Indonesia Tbk, July 2010 – March 2014
- Commercial Director, 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, PT AIG Life, 2001–2006
- Managing Director of Corporate & Investment Banking, PT Bank Internasional Indonesia Tbk, March 2000 – December 2001
- Director, American Express Bank (1994 –2000)
- She has held several non-executive positions, including ones at ING Indonesia Bank, American Express TRS, Standard Chartered Bank and Bank of Trade, San Francisco.



| Name, Age and Position                                 | Citizenship & Residency  | Position                        | Period                   | Expertise | Qualifications/ Educational Background   |
|--|--|---------------------------------|--------------------------|-----------|--|
| <b>Dan Harsono</b><br>62 years old<br><br>Commissioner | <ul style="list-style-type: none"> <li>- Thai citizen</li> <li>- Thai residency</li> </ul> | Risk Oversight Committee Member | September 2021 - Present | Finance   | <ul style="list-style-type: none"> <li>- Bachelor degree with Cum Laude rating in Electrical and Biomedical Engineering from the University of Southern California in Los Angeles, California (1982).</li> <li>- Master of Business Administration in Finance and Marketing from Indiana University, Bloomington, IN, USA (1984).</li> </ul> |

**Work Experience (Position, Organization and Term of Office)**

- Commissioner, PT Bank Danamon Indonesia Tbk, 2021-present
- Senior Advisor, Bank Ayudhya PCL (Kungsri Bank), Bangkok, 2021 - present
- Advisor, Kungsri Leasing Service Co., Ltd, January 2021 – present
- Advisor, Mitsubishi UFJ Financial Group, April 2021 – present
- Advisor, SB Finance Company Inc., Philippines, January 2021 – present
- Director, Allianz Ayudhya Assurance PCL (AZAY), January 2022 – present
- Director, Aetna Health Insurance (Thailand) PCL, May 2022- present
- Director, Pak Sabai Co., Ltd, January 2020 – present
- Chairman, Hatta Bank PLC, September 2016 – December 2022
- 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, 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 Lease 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 and Position  | Citizenship & Residency  | Position  | Period   | Expertise | Qualifications/ Educational Background   |
|---|--|---|--|-----------|--|
| <b>Halim Alamsyah</b><br>65 years old<br><br>Independent Commissioner | <ul style="list-style-type: none"> <li>- Indonesian citizen</li> <li>- Indonesian residency</li> </ul> | <ul style="list-style-type: none"> <li>- Audit Committee Member</li> <li>- Corporate Governance Committee Member</li> <li>- Integrated Corporate Governance Committee Member</li> </ul> | <ul style="list-style-type: none"> <li>September 2021 - Present</li> <li>September 2021 - Present</li> <li>September 2021 - Present</li> </ul> | Finance   | <ul style="list-style-type: none"> <li>- Bachelor's Degree, Gadjah Mada University, Indonesia, Department of Law (1976 - 1981)</li> <li>- Bachelor's Degree, Islamic University of Indonesia, Department of Management Economics (1975 - 1980).</li> <li>- Master of Arts in Development Economics, Boston University, USA (1983-1985)</li> <li>- Doctoral Degree in Finance, University of Indonesia (2004-2008)</li> </ul> |

**Work Experience (Position, Organization and Term of Office)**

- Independent Commissioner, PT Bank Danamon Indonesia Tbk, 2021 - present
- President Commissioner, PT Indosat Tbk, December 2021 – present
- Expert in Finance and Sharia Finance, Ministry of Finance of the Republic of Indonesia
- President Commissioner, PT Pasti Bisa Maju, August 2022
- Chief Commissioner, Deposit Insurance Corporation (LPS), September 2015 – September 2020
- Deputy Governor, Bank Indonesia, June 2010 – June 2015
- Head of the Governor's Bureau of Bank Indonesia, 2000



| Name, Age and Position  | Citizenship & Residency  | Position  | Period   | Expertise   | Qualifications/ Educational Background  |
|---|--|---|--|---|---|
| <b>Mawar I.R. Napitupulu</b><br>60 years old<br><br>Independent Party | <ul style="list-style-type: none"> <li>- Indonesian citizen</li> <li>- Indonesian residency</li> </ul> | <ul style="list-style-type: none"> <li>- Audit Committee Member</li> <li>- Risk Oversight Committee Member</li> </ul> | <ul style="list-style-type: none"> <li>April 2020 – Present</li> <li>April 2020 - Present</li> </ul> | Accounting, Audit, Finance, Risk Management and Control | <ul style="list-style-type: none"> <li>- Bachelor of Accounting, University of Indonesia, 1986</li> <li>- Master of Business Administration, Katholieke Universiteit Leuven – Belgium 1990</li> </ul> |

**Work Experience (Position, Organization and Term of Office)**

- Independent Party, PT Bank Danamon Indonesia Tbk, 2020 - present
- Senior Managing Partner, Public Accounting Firm Amir Abadi Jusuf, Aryanto, Mawar & Partners (a member firm of RSM International), July 1994 - present
- Accounting Lecturer at the Department of Economics and Business, University of Indonesia, 1985 - present
- Associate Consultant, Institute of Management, Department of Economics, University of Indonesia, 1990 - 1994
- Senior Auditor, SGV Utomo, Member Firm of Arthur Andersen & Co., Jakarta, 1986 - 1988
- Chairwoman and Member of the Supervisory Board at the Indonesian Institute of Certified Public Accountants, 2018 - present
- Member, Indonesian Audit Committee Association, 2004 - present
- Member, Association of Indonesian Curators and Administrators, 1999 – present

| Name, Age and Position  | Citizenship & Residency  | Position  | Period   | Expertise  | Qualifications/ Educational Background   |
|---|--|---|--|--|--|
| <b>Zainal Abidin</b><br>67 years old<br><br>Independent Party | <ul style="list-style-type: none"> <li>- Indonesian citizen</li> <li>- Indonesian residency</li> </ul> | <ul style="list-style-type: none"> <li>- Audit Committee Member</li> <li>- Risk Oversight Committee Member</li> <li>- Integrated Corporate Governance Committee Member</li> </ul> | <ul style="list-style-type: none"> <li>April 2020 – Present</li> <li>April 2020 – Present</li> <li>April 2020 – Present</li> </ul> | <ul style="list-style-type: none"> <li>- Banking supervision and inspections;</li> <li>- Money Markets, Forex, Bond Trading and Investment, Derivatives and Foreign Exchange Management;</li> <li>- MSME Development, Microfinances, Banking Training and Development;</li> <li>- Risk management</li> </ul> | <ul style="list-style-type: none"> <li>- Bachelor of Economics, Department of Economics, Airlangga University, 1982</li> <li>- Master of Arts, Development Economics, Williams College, Williamstown, Massachusetts, USA, 1989</li> <li>- Certified Chartered Accountant (CA - Indonesia)</li> </ul> |

**Work Experience (Position, Organization and Term of Office)**

- Independent Party, PT Bank Danamon Indonesia Tbk, 2020 - present
- Independent Commissioner, PT Krom Bank Indonesia Tbk, September 2022 - present
- President Commissioner, PT Artajasa Pembayaran Elektronis, 2017-2020
- President Commissioner, PT Mekar Prana Indah – Bidakara Group, September 2014 - 2017
- Executive Director at the Department of Credit, Rural Bank Supervision and Inspection and MSME Development, Bank Indonesia, 2012-2013.
- Director, Directorate of Accounting and Payment Systems, Bank Indonesia, 2012
- Key Researcher for Banking Regulations and Studies, Bank Indonesia, 2008 - 2012.
- Director, Directorate of Bank Supervision and Examination, Bank Indonesia, 2007 - 2008
- Deputy Director/Head of Dealing Rooms/Head of Foreign Exchange and Exchange Rate Management Bureau at the Directorate of Foreign Exchange Management, Bank Indonesia, 2001 - 2007
- Deputy Director of Bank Supervision and Examination, Bank Indonesia, 2001

| Name, Age and Position   | Citizenship & Residency  | Position   | Period                  | Expertise   | Qualifications/ Educational Background  |
|--|--|--|-------------------------|---|---|
| <b>M. Din Syamsuddin</b><br>64 years old<br><br>Chairman of the Sharia Supervisory Board | <ul style="list-style-type: none"> <li>- Indonesian citizen</li> <li>- Indonesian residency</li> </ul> | Integrated Corporate Governance Committee Member | November 2015 - present | Islamic Law (Sharia) Studies, Islamic Political Science, and Interfaith/Cultural Communication, International Relations | <ul style="list-style-type: none"> <li>- Bachelor's Degree from IAIN Syarif Hidayatullah Jakarta, 1979</li> <li>- Master of Arts (1988) and Ph.D from University of California Los Angeles (UCLA), USA, 1991</li> </ul> |

**Work Experience (Position, Organization and Term of Office)**

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

| Name, Age and Position  | Citizenship & Residency                        | Position  | Period                  | Expertise  | Qualifications/ Educational Background    |
|---|--|---|-------------------------|--|---|
| <b>Roy Fahrizal Permana</b><br>47 years old<br><br>HR Executive Officer | - Indonesian citizen<br>- Indonesian residency | - Secretary (concurrently also serving as a member) of the Remuneration Committee | December 2018 - Present | - Risk Management Certification (Risk Management Certification Agency) level 1   | Master's Degree in Industrial Engineering |
|   |  | - Secretary (concurrently also serving as a member) of the Nomination Committee   | December 2018 - Present | - Human Resources Management<br>- Rewards and Performance Management<br>- Industrial Relations, HR Policy, Human Resources Business Partner, and HR Operation and Services |   |

**Work Experience (Position, Organization and Term of Office)**

- Rewards Head, Bank Danamon, 2018 - present
- Secretary (concurrently also serving as a member) of the Remuneration and Nomination Committee, Bank Danamon, 2018 - present
- HR Country Head, 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 Benefits Head, Esia - Bakrie Telecom, 2008 - 2009
- Managerial positions in Human Resources, including: Rewards and Performance Management, HR Operation, HR Area and Business Partner, Bank CIMB Niaga, 2003 - 2008
- HR Compensation and Benefits Analyst, Texmaco Group, 1998-2003
- Financial Executive, National Commercial Bank, 1998

| Name, Age and Position  | Citizenship & Residency                        | Position   | Period                   | Expertise                          | Qualifications/ Educational Background   |
|---|--|--|--------------------------|------------------------------------|--|
| <b>Krisna Wijaya</b><br>67 years old<br><br>Independent Commissioner at PT Adira Dinamika Multi Finance, Tbk. | - Indonesian citizen<br>- Indonesian residency | Integrated Corporate Governance Committee Member | September 2021 - Present | Economics and Corporate Governance | - Bachelor of Agriculture, Bogor Agricultural Institute, Department of Agribusiness<br>- Master of Management, Gajah Mada University, Department of Agribusiness<br>- Doctoral Program, Interdisciplinary Studies, Gajah Mada University, 2009 |

**Work Experience (Position, Organization and Term of Office)**

- President Commissioner, PT Perusahaan Pengelola Aset, October 2020 - present
- President Commissioner, PT Danareksa, May 2019 - October 2020
- Independent Commissioner, PT Adira Dinamika Multi Finance, Tbk., 2016 – present
- Chairman of the Audit Committee, PT Adira Dinamika Multi Finance, Tbk., 2016 - 2021
- Independent Commissioner, PT Mahaka Radio Integra Tbk, 2017 - 2019
- Independent Commissioner, PT Brilian Indah Gemilang, 2019 - present
- A member of the Assessment Team for Clarification/Presentations on Fit and Proper Tests 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 Foundation for Building the Nation, 2010 now
- 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 the Sharia Supervisory Board, PT Chub Syariah Insurance, 2017 - present
- Commissioner and member of the Audit Committee, PT Bank Danamon Indonesia Tbk, 2008 – 2010
- Member of the Audit Committee, PT Mahaka Group, 2006 - 2016
- Commissioner Member/Chief Executive, Deposit Insurance Corporation, 2005 - 2007
- Commissioner, PT Bank Rakyat Indonesia, Tbk, 2005 - 2007
- Director of Micro and Small Enterprises, PT Bank Rakyat Indonesia Tbk, 2003 - 2005
- Operational Director, PT Bank Rakyat Indonesia Tbk, 2000 - 2003
- Head of the Education and Training Division, PT Bank Rakyat Indonesia Tbk, 1996 - 2000
- Head of Semarang Branch, PT Bank Rakyat Indonesia Tbk, 1994 - 1995
- Head of Surakarta Sudirman Branch, PT Bank Rakyat Indonesia Tbk, 1992 - 1994
- Head of the Commercial Business Regional Office at BRI Surabaya, PT Bank Rakyat Indonesia Tbk, 1990 - 1991
- Senior Leasing Officer, PT Bank Rakyat Indonesia Tbk, 1983 - 1987
- General Staff Candidate, PT Bank Rakyat Indonesia Tbk, 1980

| Name, Age and Position   | Citizenship & Residency  | Position   | Period                 | Expertise  | Qualifications/ Educational Background  |
|--|--|--|------------------------|--|---|
| <b>Christopher Mark Davies</b><br>42 years old<br><br>Representative from MUFG Jakarta | <ul style="list-style-type: none"> <li>- Nationality – British/Chinese/ Hong Kong ID cardholder.</li> <li>- Hong Kong residency</li> </ul> | Integrated Corporate Governance Committee Member | October 2022 - Present | <ul style="list-style-type: none"> <li>- Certified AML Professional (CAMLPP) – Hong Kong Institute of Banks, 2019 – present</li> <li>- Compliance</li> <li>- Regulatory Compliance</li> <li>- Compliance Control Room</li> </ul> | <ul style="list-style-type: none"> <li>- Master's Degree, Law LLM International Business Law, University of Wales, Aberystwyth (UWA)</li> </ul> |

**Work Experience (Position, Organization and Term of Office)**

- MUFG Bank, Ltd, June 2018 – present
  - Managing Director, Regional Chief Compliance Officer & Head of Compliance Officer for Asia, July 2022 - present
  - Managing Director Head of Regulatory Compliance Dept. – Compliance Office for Asia, June 2018 - present
  - Managing Director, Deputy Regional Chief Compliance Officer – Compliance Office for Asia, June 2021 - July 2022
  - Managing Director, Head of Asia Group 2 and Joint Deputy Regional Chief Compliance Officer, Feb 2020 - May 2021
- Rabobank HK Branch, May 2015 - May 2018,
  - Head of Compliance, HK and Head of Control Room Asia
- Royal Bank of Scotland Plc, Hong Kong, July 2013 - May 2015
  - Director, Banking Compliance APAC & Head of Conduct & Regulatory Affairs, Hong Kong
- CLSA Limited, October 2011 - July 2013, Head of Compliance Control Room
- Royal Bank of Scotland NV and Plc, Hong Kong, May 2007 - October 2011
  - Head of Control Room Compliance, Asia Pacific (APAC), May 2010 - October 2011
  - Manager Control Room Compliance, Asia Pacific (APAC), March 2009 - May 2010
  - Assistant Manager, Control Room Compliance, Asia Pacific (APAC), May 2007 - March 2009
- Lloyds TSB (Financial Markets Division), October 2004 - May 2007
  - Assistant Manager, Compliance, May 2006 - May 2007
  - Associate - Compliance, October 2004 - May 2006
- HSBC Stockbroker services, Customer Service Representative and Order Capture - January 2004 - August 2004
- HSBC Hong Kong, Summer Compliance Internship program - 2000 (3 months)

| Name, Age and Position  | Citizenship & Residency  | Position   | Period                 | Expertise   | Qualifications/ Educational Background   |
|---|--|--|------------------------|---|--|
| <b>Yasuhiko Togo</b><br>47 years old<br><br>Representative from MUFG Jakarta  | <ul style="list-style-type: none"> <li>- Japanese citizen</li> <li>- Singaporean residency</li> </ul>    | Integrated Corporate Governance Committee Member | October 2022 - Present | <ul style="list-style-type: none"> <li>- Financial Resource Management</li> <li>- HR Management</li> <li>- Performance &amp; Reward Management</li> <li>- Credit &amp; Risk Management</li> </ul> | Economics, Bachelor of Art, Keio University Japan, 1998  |
| <b>Work Experience (Position, Organization and Term of Office)</b> <ul style="list-style-type: none"> <li>- CRO for Asia, MUFG Bank, Ltd, May 2022 – present</li> <li>- Head of Financial Resource Management, Corporate Planning Division, MUFG Bank, Ltd, May 2020 – April 2022</li> <li>- Head of Strategic Planning and Governance, Global Human Resources for Asia, MUFG Bank, Ltd, January 2017 – April 2020</li> <li>- Head of Performance &amp; Reward for Asia, Global Human Resources for Asia, MUFG Bank, Ltd, 2017 – 2019</li> <li>- Senior Manager, Global Human Resources Office, Bank of Tokyo – Mitsubishi UFJ, April 2015 – January 2017</li> <li>- Senior Manager, Asian Credit Portfolio Management Office, Bank of Tokyo – Mitsubishi UFJ, March 2012 – January 2015</li> <li>- Manager, Credit Portfolio Management Division, Bank of Tokyo – Mitsubishi UFJ, April 2007 – March 2012</li> <li>- Manager, Structuring Business Group and Planning &amp; Risk Control, Mitsubishi UFJ Securities International plc, February 2002 – March 2007</li> <li>- Officer, The Bank of Tokyo – Mitsubishi, Ltd, April 1998 – February 2002</li> </ul> |  |  |                        |   |  |
| Name, Age and Position  | Citizenship & Residency  | Position   | Period                 | Expertise   | Qualifications/ Educational Background   |
| <b>Andre S. Painchaud</b><br>51 years old<br><br>Representative from MUFG Jakarta   | <ul style="list-style-type: none"> <li>- Singaporean citizen</li> <li>- Singaporean residency</li> </ul> | Integrated Corporate Governance Committee Member | June 2021 - Present    | <ul style="list-style-type: none"> <li>- Compliance</li> <li>- Internal Audit and Credit Examination</li> <li>- Quality Assurance for Institutional Clients Group</li> </ul>                      | Bachelor of Science from Salem State College in Salem Massachusetts, USA, in 1993. He obtained his MBA from Bentley College, Waltham, Massachusetts, USA, with a concentration in Finance, in 1994 |
| <b>Work Experience (Position, Organization and Term of Office)</b> <ul style="list-style-type: none"> <li>- Head of Internal Audit and Credit Examination (Singapore) - The Bank of Tokyo-Mitsubishi UFJ, Ltd, November 2017 – present</li> <li>- Audit Director, Quality Assurance for Institutional Clients Group at Citibank Singapore</li> <li>- Managing Director &amp; Head of Internal Audit for Asia region - Daiwa Capital Markets, November 2008 – June 2013</li> <li>- Securities Compliance Examiner in Boston, USA in July 1995 – April 2002</li> </ul>  |  |  |                        |   |  |





## INDEPENDENT PARTIES WITHIN THE COMMITTEES

An “individual party” refers to persons outside of Danamon who have no financial, managerial, share ownership-based and/or familial relationships with members of the Board of Commissioners, the Board Directors and/or controlling shareholders, nor do they have any other sorts of relationships with Danamon that may affect their ability to act independently. The Board of Commissioners appointed Zainal Abidin as one such independent party. He is an independent member of the committees of the Board of Commissioners -- specifically, the Audit Committee, Risk Oversight Committee and the Integrated Corporate Governance Committee. The board also appointed Mawar I.R. Napitupulu as another independent party. She is an independent member of the Audit Committee and the Risk Oversight Committee. She was chosen based on recommendations from the Nomination Committee. Any Independent Party appointed must meet the competency and independence requirements required by the committees.

## BOARD OF COMMISSIONERS COMMITTEES

### AUDIT COMMITTEE

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

#### Audit Committee Guidelines and Work Rules

The Audit Committee has the Audit Committee Charter that stipulates matters relevant to the implementation of duties and responsibilities, organization, membership requirements, independency, authority, meeting proceedings, work ethics, and term of office of the Audit Committee. The Audit Committee Charter is reviewed periodically so that they are in accordance with the applicable provisions and needs of the Bank. In 2022 an update was made to the Audit Committee Charter.

## Duties and Responsibilities of Audit Committee

The Audit Committee has the following duties and responsibilities:

### 1. Financial reporting

- a. Review financial information that will be released to the public and/or regulators, among others: financial reports, projections, and other reports relevant to Danamon’s financial information.
- b. Monitor and evaluate the compliance of financial report with existing accounting standards.
- c. Provide an independent opinion in the event of a difference of opinion between the management and the accountant on the services provided.
- d. Review complaints relevant to Danamon’s accounting processes and financial reporting.
- e. Maintain the confidentiality of documents, data and information of Issuers or Public Companies.

### 2. External Audits

- a. Recommend the Board of Commissioners regarding appointments, reappointments, dismissals or replacements, requirements of involvement, and the remuneration of the public accountant to be proposed at the Annual General Meeting of Shareholders (AGMS).
- b. In preparing recommendations, Audit Committee will take the following matters into account:
  - Independence of the Public Accountant, Public Accounting Firm and the insider in the Public Accounting Firm.
  - The scope of the audit.
  - Audit service benefits.
  - Expertise and experience of the Public Accountant, Public Accounting Firm and Audit team of the Public Accounting Firm.
  - Methodology, techniques and audit facilities used by the Public Accounting Firm.
  - Benefits of fresh eye perspectives that will be obtained through replacing the Public Accountant, Public accounting firm and audit team from the Public Accounting Firm.
- c. Review the audited financial reports, significant findings, and recommendations of the public accountant and feedback from the Board of Directors.
- d. Evaluate the implementation of audit services for annual historical financial information by Public Accountants and/ or Public Accounting Firm at least through:

- Conformity of audit implementation by Public Accountants and/ or Public Accounting Firms with applicable audit standards.
- Adequacy of time for field work.
- Assessment of coverage of services provided and adequacy of the sampling.
- Recommendations for improvements provided by Public Accountants and/ or Public Accounting Firms.

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

- e. Monitor and evaluate the planning and implementation of the public accountant's audit as well as monitor the follow-up of audit results in order to assess the adequacy of internal controls including the adequacy of the financial statement process.
- f. Monitor and evaluate public accountant's compliance with the existing audit standards.
- g. Review the adequacy of audit performed by the Public Accountant to ensure that all significant risks have been considered.

### 3. Internal Audit

- a. Monitor and evaluate the implementation of internal audit activities including the adequacy and effectiveness of the Internal Audit Working Unit.
- b. Review the independence of the Head of the Internal Audit Working Unit. The Head of the Internal Audit Working Unit must have direct and unlimited access to the Board of Directors, Board of Commissioners, and Sharia Supervisory Board.
- c. Review the scope of work and audit plan of the Internal Audit Working Unit, including interaction with the Board of Directors, Board of Commissioners, Sharia Supervisory Board, External Auditors, and Indonesia Financial Service Authority and other matters relevant to audit implementation.
- d. Review significant findings and recommendations from Internal Audit Working Unit as well as feedback from the Board of Directors.
- e. Monitor and evaluate the follow-up actions by the Board of Directors on the findings of the Internal Audit Working Unit, Public Accountant, and audit findings from Financial Services Authority and/ or other regulators.
- f. Review audit reports and ensure the Board of Directors take corrective actions that are needed quickly to resolve weaknesses in control, fraud,

issues of compliance with policies, laws and regulations, or other problems identified and reported by Internal Audit Working Unit, External Auditors, and the Financial Services Authority and or other regulator.

- g. Provide recommendations to the Board of Commissioners regarding:
  - Appointment and dismissal of the Head of Internal Audit Working Unit
  - Approval of Internal Audit Charter
  - Annual audit plan, scope and budget allocation of the Internal Audit Working Unit
  - Granting of overall SKAI annual remuneration and performance awards.
  - Appointment of an independent quality assurance from an external party to review the performance of SKAI.

### 4. Internal Control

Review and report regularly to the Board of Commissioners regarding the adequacy and effectiveness of internal control specified by the Board of Directors, including control of finance, operations, compliance and control of information technology.

### 5. Compliance

- a. Review the compliance framework, scope of work, and compliance plans.
- b. Review compliance to the laws and regulations related to Danamon activities.
- c. Review legal cases with possible material consequences to the financial reports, relevant compliance policies, and reports received from the regulators.

### 6. Others

- a. In conducting its duties and responsibilities, the Audit Committee acts independently.
- b. The Audit Committee examines possible inaccuracies in decisions made at Board of Directors meetings or possible deviations in the implementation of decisions made at the meetings of the Board of Directors. The audit may be carried out by the Audit Committee or by an independent party appointed by the Audit Committee at Danamon's expense.
- c. The Audit Committee must prepare, review, and update the Charter of the Audit Committee on a regular basis.
- d. The Audit Committee must submit reports of review results to all members of the Board of Commissioners after the review results are completed by the Audit Committee.



- e. The Audit Committee reviews and offers opinions to the Board of Commissioners regarding potential conflicts of interest.
- f. The Audit Committee must enhance their competencies through continuous education and trainings.

#### Authority of Audit Committee

The Audit Committee has the following authority:

1. Investigate any issue included in its terms of reference, has access to and collaborate with the Board of Directors, has the flexibility to invite any Director or executive officers to attend meetings with the Audit Committee, as well as has adequate human resources to properly carry out its duties.
2. Review affiliate transactions and conflict of interest transactions based on assessments made by the Compliance Director, to ensure that such transactions are conducted by taking into account the interests of Danamon and the minority shareholders and are performed in a fair manner based on normal commercial terms.
3. Involve independent parties to assist in performing duties where necessary.

4. Invite/ appoint reviewers
5. Exercise other authorities provided by the Board of Commissioners.
6. Access Danamon's documents, data, and information about employees, funds, assets and company resources that are needed while still observing the provisions on confidentiality that apply.
7. Communicate directly with employees, including the Board of Directors and those who carry out the functions of internal audit, risk management, and accountants related to the duties and responsibilities of the Audit Committee.

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

##### Structure and Membership of Audit Committee

The Audit Committee has 5 (five) members, consisting of 3 (three) Independent Commissioners (Peter Benyamin Stok, J.B. Kristiadi Pudjosukanto and Halim Alamsyah) and 2 (two) Independent Parties (Mawar Napitupulu and Zainal Abidin). The Audit Committee is chaired by an Independent Commissioner, namely, Peter Benyamin Stok. The structure and membership of the Audit Committee are all in compliance with applicable regulations.

#### AUDIT COMMITTEE: STRUCTURE AND MEMBERSHIP IN 2022

| No | Name                       | Position at Danamon      | Position at the Audit Committee |
|----|----------------------------|--------------------------|---------------------------------|
| 1  | Peter Benyamin Stok        | Independent Commissioner | Chairman                        |
| 2  | J.B Kristiadi Pudjosukanto | 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 provisions related to expertise requirements for members of the Audit Committee. These provisions cover the fields of finance and/or accounting, risk management, banking and/or law. The requirements also take into account the integrity, character and good morals of each individual member, with each trait having been covered in each member's personal statement letters.

#### Legal Basis of Appointment

Members of the Audit Committee were appointed through a Circular Decree of the Board of Commissioners, specifically, Number KSR-KOM.CORSEC.10.2022.005 dated October 3, 2022. These appointments were also stipulated in another Circular Decree of the Board of Directors,

specifically, Number KSR.DIR.CORSEC.10.2022.012 dated October 3, 2022.

#### Independence of Audit Committee Members

All of the members of Danamon's Audit Committee are independent (Independent Commissioners and Independent Parties). Non-independent commissioners and directors are not permitted to become members of the Audit Committee. Members of the Audit Committee are obligated to comply with Danamon's 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. A member may only be re-elected for the next 1 (one) period.

## Policies and Implementation of Audit Committee's Meetings

### Audit Committee Meeting Policy

- Committee meetings are to be held at least once every 3 (three) months in accordance to Danamon's needs.
- Meetings can only be held if they are attended by at least 51% (fifty one percent) of the committee's total members.
- Decisions at these meetings are to be made based on the principle of deliberation for consensus. In the event that no deliberation for consensus happens, decisions are to be taken based on majority votes. Decisions taken by majority vote are to be based on the principle

of 1 (one) person being eligible for 1 (one) vote.

- Each meeting is recorded in the minutes of each of these meetings. They are to be properly documented, signed by all members present, and submitted to the Board of Commissioners.
- Differences of opinion (dissenting opinions) that occur at these meeting (and any reasons for such dissension) must be stated clearly in the minutes of these meetings.

### Implementation, Attendance Rate, and Meeting Agendas

Throughout 2022, the Audit Committee held 6 (six) meetings with the following details when it came to attendance levels and meeting agendas:

### AUDIT COMMITTEE: ATTENDANCE RATE OF MEMBERS

| Name                       | Meeting Attendance Rate |
|----------------------------|-------------------------|
| Peter Benyamin Stok        | 6/6                     |
| J.B Kristiadi Pudjosukanto | 6/6                     |
| Halim Alamsyah             | 5/6                     |
| Mawar Napitupulu           | 6/6                     |
| Zainal Abidin              | 6/6                     |

### AUDIT COMMITTEE MEETING AGENDAS FOR 2022

| No | Meeting Date       | Meeting Agendas  |
|----|--------------------|--|
| 1  | January 25, 2022   | <ul style="list-style-type: none"> <li>- 2021 Internal Control Systems in Enhancement</li> <li>- Audit Rating Distribution by Entity Categories</li> <li>- Corrective Action Follow-Up Status</li> <li>- Internal Fraud Case Update</li> <li>- Danamon Whistleblower Disclosure Report</li> <li>- Data Analytics Update</li> <li>- 2021 Internal Quality Assurance Review</li> </ul> |
| 2  | March 22, 2022     | <ul style="list-style-type: none"> <li>- Internal Audit Update</li> <li>- Internal Fraud Cases and ABC Policy Violation Cases</li> <li>- Intergrated Internal Audit – 2021 Coordination Meeting</li> </ul>   |
| 3  | May 24, 2022       | <ul style="list-style-type: none"> <li>- Internal Audit Update</li> <li>- Internal Fraud Case Update</li> <li>- Whistleblower Disclosure Report</li> <li>- Data Analytics – Consumer New Acquisition Program</li> </ul>  |
| 4  | July 19, 2022      | <ul style="list-style-type: none"> <li>- Internal Audit Update</li> <li>- Internal Fraud Case Update</li> <li>- Whistleblower Disclosure Report</li> </ul>   |
| 5  | September 19, 2022 | <ul style="list-style-type: none"> <li>- Internal Audit Update</li> <li>- Proposed Changes on 2022 Internal Audit Plan</li> <li>- Audit Observation (Draft) - MUFG AIAO Audit on Audit</li> <li>- Internal Fraud Case Update</li> <li>- Whistleblower Disclosure Report</li> </ul>   |
| 6  | November 15, 2022  | <ul style="list-style-type: none"> <li>- Internal Audit Update</li> <li>- 2022 Integrated Internal Audit Charter</li> <li>- 2022 Audit Committee Charter</li> <li>- 2023 SKAI Danamon Audit Plan</li> <li>- Internal Fraud Case Update</li> <li>- Whistleblower Disclosure Report</li> <li>- Data Analytics</li> </ul>   |



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

Danamon's internal control system operates in an effective and adequate manner, as is evidenced by the way in which its internal control functions (including internal audit, risk management, compliance, financial and operational control functions) all run equally as effectively. The Audit Committee regularly submits reports on the implementation of its work to the Board of Commissioners.

### RISK OVERSIGHT COMMITTEE

The Risk Oversight Committee was formed in order to monitor the implementation of PT Bank Danamon Indonesia Tbk's risk management function. The purpose of this monitoring is to comply with Financial Services Authority Regulation No. 55/POJK.03/2016, which encompasses the subject of governance implementation for commercial banks. The Risk Oversight Committee is a risk committee at the level of the Board of Commissioners.

The Risk Oversight Committee is responsible for carrying out Danamon's risk oversight function and for providing independent professional recommendations and opinions to the Board of Commissioners regarding risk management frameworks and policies that are consistent with Danamon's risk appetite levels.

#### Risk Oversight Committee: Charter

Risk Oversight Committee has a Charter that stipulates matters related to the implementation of duties, responsibilities, membership, independency, term of office, authority, reporting and implementation of meetings. The Charter of Risk Oversight Committee is periodically reviewed.

#### Risk Oversight Committee: Duties and Responsibilities

The Risk Oversight Committee has the following list of duties and responsibilities:

1. Establish and periodically review /update Risk Oversight Committee Charter;
2. Conduct oversight in the implementation of risk management practices;
3. Evaluate Danamon's risk management policy, specifically, its Bank and Consolidated Risk Management Policy (RMP) at least once a year
4. Evaluate the conformity between the risk management policy and the implementation of Bank's policies.
5. Evaluate Danamon's integrated risk management policy, specifically, the MUFG Group Financial Conglomeration Integrated Risk Management Policy (IRMP) at least once a year.

6. Evaluate the implementation of integrated risk management policies carried out by Main Entity Board of Directors
7. Provide independent professional opinions to the Board of Commissioners and recommendations on potential Board of Directors actions that can be done to strengthen the company's risk management framework;
8. Conduct oversight and evaluation towards implementation of Risk Management Committee and Risk Management Working Unit.
9. Providing the Board of Commissioners with recommendations on the Risk Appetite Statement (RAS) framework, including thresholds for Danamon's RAS Group;
10. Review all risk management policies and documents addressed to regulators and internal parties that require approval from the Board of Commissioners, as recommended by the Board of Directors;
11. Monitor the effectiveness of Risk Management Policies, Procedures, Tools, Limits, and Frameworks prepared by the Board of Directors, the Risk Management Directorate, and by the Support Work Units and Business Work Units that are reviewed and recommended through the Risk Management Committee.
12. Ensure accountability of Board Of Directors and Executive Officers in performing their roles and responsibilities in relation to the effective implementation of Bank's and Integrated risk management;
13. Initiate an enquiry or investigation on matters requiring independent review and assessment related to Fraud, Conflict of Interest, Lapses in Governance, Gross Negligence, Violations of the Code of Conduct, and AML (anti-bribery/corruption and Anti-Money Laundering).

#### Risk Oversight Committee: Authority

The Risk Oversight Committee has the following types of authority:

1. To access necessary Danamon's documents, data, and information.
2. To communicate directly with employees, Directors, and other parties related to the implementation of duties and responsibilities.
3. Engage independent parties to assist the implementation of its duties when required.
4. Perform any other authority granted by the Board of Commissioners.



## Risk Oversight Committee: Structure, Membership, Expertise and Legal Basis for Appointment

### Risk Oversight Committee: Structure and Membership

The Risk Oversight Committee consists of 6 (six) people, of whom 2 (two) are Independent Commissioners, 2 (two) are Commissioners, and 2 (two) are independent parties. The structure and membership of the Risk Oversight Committee have complied with applicable provisions.

#### RISK OVERSIGHT COMMITTEE: MEMBERSHIP COMPOSITION IN 2022

| No | Name                     | Position at Danamon      | Position at the Audit Committee |
|----|--------------------------|--------------------------|---------------------------------|
| 1  | Hedy Maria Helena Lopian | Independent Commissioner | Chairman                        |
| 2  | Peter Benyamin 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 Risk Oversight Committee's membership composition is determined based on Board of Commissioners Circular Decision Number KSR-KOM.CORSEC.10.2022.005 dated October 3, 2022 and reappointed base on Board of Directors Circular Decision Number KSR.DIR.CORSEC.10.2022.012 dated October 3, 2022.

### Risk Oversight Committee: Independence of its Members

In an effort to maintain independence and objectivity, the majority of this committee's members are Independent Commissioners and Independent Parties. Members of the Board of Directors are not permitted to become Risk Oversight Committee members.

### Duration of Service

The term of office for a committee member may not be longer than the term of office of the Board of Commissioners (as stipulated in the Articles of Association).

### Risk Oversight Committee: Meeting Policies and Implementation

#### Risk Oversight Committee: Meeting Policies

- Meetings of the Risk Oversight Committee are to be held at least once every 3 (three) months, or according to the needs of the Bank.
- The minimum attendance of the Risk Oversight Committee's meeting (quorum of the meeting) is 51%

(fifty one percent) from the members including 1 (one) Independent Commissioner(s) and 1 (one) Independent Parties both physically and/or virtually.

- The meeting is led by the Committee Chairman. In the case when Committee Chairman is unable to attend, the Committee Chairman may appoint the other Risk Oversight Committee members as the alternate to lead the meeting.
- Decisions at these meetings are to be taken based on the principle of deliberation for consensus. In the event that deliberation for consensus does not take place, decisions are to be based on a majority vote. Decisions taken by majority vote are to be based on the principle of 1 (one) person getting 1 (one) vote.
- Risk Oversight Committee meeting decisions shall be noted in the minutes of meeting, well documented, signed by all members of the Risk Oversight Committee in attendance, and submitted to the BOC.
- Dissenting opinions (and reasons for these differences) that occur throughout a Risk Oversight Committee meeting must be clearly stated in the minutes of the meeting.

#### Implementation, Attendance Rates and Meeting Agendas

Throughout 2022, the Risk Oversight Committee held 9 (nine) meetings with the following details when it came to attendance levels and meeting agendas:

**RISK OVERSIGHT COMMITTEE ATTENDANCE RATES OF MEETINGS IN 2022**

| Name                     | Meeting Attendance Rate |
|--------------------------|-------------------------|
| Hedy Maria Helena Lopian | 9/9                     |
| Peter Benyamin Stok      | 9/9                     |
| Nobuya Kawasaki          | 9/9                     |
| Dan Harsono              | 9/9                     |
| Mawar Napitupulu         | 9/9                     |
| Zainal Abidin            | 9/9                     |

**RISK OVERSIGHT COMMITTEE MEETING AGENDAS IN 2022**

| No | Meeting Date      | Meeting Agendas  |
|----|-------------------|--|
| 1  | January 27, 2022  | <ol style="list-style-type: none"> <li>Minutes of Risk Oversight Committee Meetings</li> <li>Treasury Capital Market (TCM) Update</li> <li>MLR Update on Treasury Trading Limit Review</li> <li>Credit Portfolio Update – December 2021</li> <li>Semester Overview - ICAAP</li> <li>Risk Profile Q4 - 2021</li> <li>Compliance Update</li> <li>CCC Update – Anticipating Covid-19 Omnicron</li> </ol>  |
| 2  | February 25, 2022 | <ol style="list-style-type: none"> <li>Minutes of Risk Oversight Committee Meetings</li> <li>Treasury Capital Market (TCM) Update – Contingency Funding Plan (CFP) Annual Review</li> <li>Integrated Risk Management Policy (IRMP) and Integrated Capital Management Policy (ICMP) Updates</li> <li>RAS Metric Update</li> <li>Credit Portfolio Update – January 2022</li> <li>Integration, Consolidation and Sharia Risk Profile – Q4 2021</li> <li>Operational Risk Management (ORM), Market and Liquidity Risk Management and Information Risk Management (IRM) Updates</li> <li>Credit Card and Mortgage 2022 Product Program (PP) Renewal</li> <li>Compliance Update</li> <li>Enterprise Banking (EB) Portfolio Update</li> </ol> |
| 3  | April 28, 2022    | <ol style="list-style-type: none"> <li>Treasury Capital Market (TCM) Update</li> <li>RAS Policy Update</li> <li>RAS Metric Update – Single Exposure Tier 1 Capital</li> <li>MLR Policy Update</li> <li>RMC and CPC Charter Updates</li> <li>Credit Portfolio Update – March 2022</li> <li>Peer Analysis Q4 - 2021</li> <li>Risk Profile Q1 - 2022</li> <li>ORM, MLRM, and IRM Updates</li> <li>Compliance Update</li> </ol>  |
| 4  | May 27, 2022      | <ol style="list-style-type: none"> <li>2022 Credit Risk Policy (CRP) Renewal</li> <li>Credit Portfolio Update – April 2022</li> <li>Risk Profile Q1 - 2022</li> <li>Compliance Update</li> <li>Sharia Spin Off Update</li> </ol>   |
| 5  | June 29, 2022     | <ol style="list-style-type: none"> <li>Available For Sale (AFS) Portfolio</li> <li>Held To Maturity (HTM) Portfolio Establishment</li> <li>ROC Charter</li> <li>Credit Portfolio Update – May 2022</li> <li>Peer Analysis Q1 - 2022</li> <li>High Inflation Stress Test</li> <li>Risk Management Model Update</li> <li>MUFG Information Sharing Framework (ISF) Update</li> <li>Compliance Update</li> </ol>   |

| No | Meeting Date       | Meeting Agendas   |
|----|--------------------|---|
| 6  | July 21, 2022      | <ol style="list-style-type: none"> <li>1. Treasury Capital Market (TCM) Update</li> <li>2. Limits of Related Parties for Consumer Loans</li> <li>3. Dormant Account Update</li> <li>4. 2022 UPL Product Renewal Program</li> <li>5. ICAAP Stress Test – First Half 2022</li> <li>6. Credit Portfolio Update – June 2022</li> <li>7. Regulatory Risk Profile Q2 – 2022</li> <li>8. ORM, MLRM and IRM Updates</li> <li>9. Compliance Update</li> </ol>  |
| 7  | September 20, 2022 | <ol style="list-style-type: none"> <li>1. Recovery Strategy for Old Vintage WO Accounts in EB and SME</li> <li>2. Mortgage A-Score Developments</li> <li>3. AP1 Discussion</li> <li>4. Credit Portfolio Update – August 2022</li> <li>5. Peer Analysis Q2 - 2022</li> <li>6. Compliance Update</li> <li>7. Legal Updates</li> <li>8. Adira Finance Cyber Security Incident</li> </ol>   |
| 8  | October 28, 2022   | <ol style="list-style-type: none"> <li>1. Treasury Capital Market (TCM) Update</li> <li>2. RAS Group – Earnings Volatility Threshold Review</li> <li>3. 2022 - 2023 Recovery Plan Annual Review</li> <li>4. 2022 Resolution Plan</li> <li>5. Related Party Limits for Market Linked Deposit (MLD) Products</li> <li>6. Credit Portfolio Update – September 2022</li> <li>7. Operational Risk Management (ORM)</li> <li>8. Market and Liquidity Risk Management (MLRM)</li> <li>9. Information Risk Management (IRM)</li> <li>10. Compliance Update</li> </ol>   |
| 9  | November 18, 2022  | <ol style="list-style-type: none"> <li>1. The impact of reduced MEV on the Bank's credit portfolio</li> <li>2. Fraud cases due to the outbranch process</li> <li>3. Dormant Accounts</li> <li>4. Sustainable Finance Action Plan (SFAP) 2023-2027</li> <li>5. Bank &amp; Consolidation Risk Management Policy</li> <li>6. Changes in Credit Risk Policy</li> <li>7. Compliance Update</li> <li>8. Risk Profile Q3 - 2022</li> <li>9. Credit Portfolio Update – October 2022</li> <li>10. Peer Analysis Q3 - 2022</li> <li>11. 2022 End of Year Credit Parameters</li> <li>12. EB Update</li> <li>13. Stress Test</li> </ol> |

#### Risk Oversight Committee: Work Activities in 2022

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



## NOMINATION COMMITTEE

The Nomination Committee is a committee that assists the Board of Commissioners in its functions and duties. Specifically, the committee helps to review and assess nominations for members of the Board of Directors and members of the Board of Commissioners. The Nomination Committee answers to the Board of Commissioners.

### Nomination Committee: Charter

The Nomination Committee has its own work guidelines and rules that regulate matters related to its objectives, accountability, structure and membership, its term of office, its duties and responsibilities, authorities, its meetings and the way its meetings have to be carried out, and its reporting. The Nomination Committee Charter is reviewed periodically.

### Duties and Responsibilities Nomination Committee

The Nomination Committee has the following duties and responsibilities:

1. The Nomination Committee provides recommendations to the Board of Commissioners regarding the following matters:
  - Everything related to the organizational structure for members of the Board of Commissioners and/or members of the Board of Directors
  - The policies and criteria required to be nominated as a member of these boards
  - Performance evaluation policies for members of the Board of Commissioners and/or members of the Board of Directors
2. The Nomination Committee reviews, evaluates and provides recommendations regarding the systems and procedures for selecting and/or replacing members of the Board of Commissioners and members of the Board of Directors.
3. The Nomination Committee identifies, reviews and recommends prospective members of the Board of Commissioners and/or Board of Directors (including the President Director) to the Board of Commissioners. Its recommendations are to be submitted to the General Meeting of Shareholders for approval.
4. The Nomination Committee provides the Board of Commissioners with recommendations on Independent parties who are to become members of the committees of the Board of Commissioners.
5. At Danamon's expense, the Nomination Committee may from time to time use its authority to employ the services of one or more search firms to identify candidates (it also can use its authority to approve fees and requirements for said search firms).
6. The Nomination Committee can evaluate all members of the Board of Commissioners and/or members of the Board of Directors who will be reappointed at the General Meeting of Shareholders.
7. The Nomination Committee reviews and evaluates the Candidates in the same way, regardless of gender, race, religion or the source of the initial recommendation.
8. The Nomination Committee reviews and evaluates the candidates based on requirements and other criteria that take into consideration all facts and circumstances deemed appropriate. These appropriate criteria include the proposed Candidate's banking knowledge and expertise, their depth and breadth of professional experience or other background characteristics, and their levels of independence. The criteria also takes into account the needs of the Board of Commissioners/Directors.
9. The Nomination Committee provides recommendations on all candidates (both identified internally and by shareholders) who pass the evaluation phase to the Board of Commissioners through circular letters that nominate them as members of the Board of Commissioners/members of the Board of Directors at the next General Meeting of Shareholders.
10. The official process of appointing candidates as members of the Board of Commissioners/members of the Board of Directors will be done out after the General Meeting of Shareholders gives its approval and after all requirements as required by regulations (including, but not limited to, the Financial Services Authority's fit-and-proper test or tests from other authorities) have been fulfilled.
11. The Nomination Committee provides the Board of Commissioners of the Bank with evaluations and recommendations for potential members of the Board of Commissioners and members of the Board of Directors for Bank subsidiaries that have a significant impact on the Bank.
12. The Nomination Committee can give "no objection" to candidates for members of the Board of Directors for subsidiary companies.
13. The Nomination Committee assists the Board of Commissioners in evaluating the performance of members of the Board of Commissioners and/or members of the Board of Directors. It does this based on benchmarks that have been prepared as evaluation materials.
14. The Nomination Committee provides recommendations to the Board of Commissioners in regards to capacity building programs for members of the Board of Commissioners and/or members of the Board of Directors.

15. Members of the Nomination Committee must improve competence through continuous education and training.
  16. The Nomination Committee is required to prepare, review and update the Nomination Committee Charter on a regular basis. The Nomination Committee Charter is available through Danamon's website.
  17. Members of the Nomination Committee are required to maintain the confidentiality of all Danamon documents, data and information.
- b. When it comes to the implementation of its duties and responsibilities, the Nomination Committee has the authority to communicate directly with employees, members of the Board of Directors and other parties.
  - c. If necessary, the Nomination Committee has the authority to involve independent parties to assist the committee in carrying out its duties.
  - d. The Nomination Committee has the authority to exercise other authorities granted to it by the Board of Commissioners.

The Nomination Committee is required to provide reports to the Board of Commissioners on the implementation of its duties and responsibilities. It is also required to do the same for the nomination procedures that it has carried out. The report is to be a part of a larger report on the implementation of the duties of the Board of Commissioners and is to be submitted at the GMS.

#### Nomination Committee: Authority

The Nomination Committee has the following types of authority:

- a. The Nomination Committee has the authority to access the necessary documents, data and information from Danamon.

#### Nomination Committee: Structure, Membership, Expertise and Legal Basis for Appointment

##### Nomination Committee: Structure and Membership

The year 2022 saw changes being made to the structure and membership of the Nomination Committee. In accordance with decisions made at the GMS of March 25, 2022, and with a Nomination Committee meeting on September 15, 2022, the Nomination Committee is to consist of 5 (five) people, of whom 2 (two) are to be Independent Commissioners, 2 (two) are to be Commissioners, and 1 (one) is to be an Executive Officer of Danamon in charge of Human Resources. The structure and membership of the Nomination Committee are all in compliance with the applicable regulations.

#### NOMINATION COMMITTEE: COMPOSITION OF ITS MEMBERS IN 2022

| No | Name                       | Position at Danamon                       | Position on the Nomination Committee |
|----|----------------------------|---|--------------------------------------|
| 1  | J.B Kristiadi Pudjosukanto | Vice President Commissioner (Independent) | Chairman                             |
| 2  | Kenichi Yamato             | President Commissioner                    | Member                               |
| 3  | Hedy Maria Helena Lopian   | Independent Commissioner                  | Member                               |
| 4  | Nobuya Kawasaki            | Commissioner                              | Member                               |
| 5  | Roy F. Permana             | Human Resources Executive Officer         | Member                               |

#### Nomination Committee: Expertise of its Members

All members of the Committee comply with applicable provisions related to expertise requirements for members of the Committee. Its compliance has taken into account each individual member's integrity, character and morals (as stated in personal statements from each member).

#### Legal Basis of Appointment

The current members of the Nomination Committee were appointed through Nomination Committee Circular Decree Number 005/HR-Nomco/0922 dated September 15, 2022, Board of Commissioners Circular Decree Number KSR-KOM.CORSEC.10.2022.005 dated October 3, 2022,

Board of Directors Circular Decree Number KSR.DIR.CORSEC.10.2022.012 dated October 3, 2022.

#### Nomination Committee: Independence

The Nomination Committee is chaired by an Independent Commissioner, specifically, J.B. Kristiadi Pudjosukanto. This was done in order to uphold independence and objectivity. Members of the Board of Directors are not allowed to become members of the Nomination Committee. Members of the Nomination Committee are obligated to comply with Danamon's Code of Ethics.



**Length of Service**

The term of office for members of the Nomination Committee is not allowed to be longer than a term of office for the Board of Commissioners, as stipulated in the Articles of Association of Danamon. A member can be re-elected only for the next 1 (one) period.

**Nomination Committee: Meeting Policies and Implementation****Nomination Committee: Meeting Policies**

1. Meetings of the Nomination Committee are to be held regularly at least once every 4 (four) months.
2. A Nomination Committee meeting can only be held if it is attended by a majority of the members of the Nomination Committee and if it is attended by the Chairperson of the Nomination Committee and the Executive Officer in charge of Human Resources.
3. The Nomination Committee generates its decisions through the principle of deliberation for consensus.
4. In the event that there is no consensus, decisions are to be taken based on a majority vote. Decisions taken by this majority vote are to be based on the principle of 1 (one) person getting 1 (one) vote.
5. Dissenting opinion that occur within Nomination Committee meetings must be stated clearly in the minutes of those meetings (as well as the reasons for those dissenting views).
6. Each Nomination Committee meeting is to be recorded in minutes, properly documented, and signed by all members of the Nomination Committee present.
7. Minutes of the Nomination Committee meetings must be submitted in writing to the Board of Commissioners.

**Execution, Attendance Rate and Meeting Agenda**

Throughout 2022, the Nomination Committee held 8 (eight) meetings with the following rate of attendance for each member:

**ATTENDANCE RATE OF NOMINATION COMMITTEE MEETINGS IN 2022**

| Name                        | Attendance Rate |
|-----------------------------|-----------------|
| J.B. Kristiadi Pudjosukanto | 8/8             |
| Kenichi Yamato*             | 5/5             |
| Shuichi Yokoyama**          | 2/2             |
| Takayoshi Futae**           | 3/3             |
| Takanori Sazaki**           | 3/3             |
| Hedy Maria Helena Lapien    | 8/8             |
| Nobuya Kawasaki***          | 4/4             |
| Roy F. Permana              | 8/8             |

**Information:**

\* Appointment as a Commissioner was announced at the GMS on March 25, 2022

\*\* Resignation as a member of the Board of Commissioners was announced at the GMS on March 25, 2022

\*\*\* Appointed as a member (replacing Shuichi Yokoyama) according to the committee's approval on September 15, 2022

**NOMINATION COMMITTEE: MEETING AGENDAS IN 2022**

| No | Meeting Date       | Meeting Agendas   |
|----|--------------------|---|
| 1  | February 24, 2022  | Appointment of a new Deputy President Director of Bank Danamon      |
| 2  | March 8, 2022      | Appointment of a new Director of Bank Danamon                       |
| 3  | March 16, 2022     | Appointment of the new President Commissioner of Bank Danamon       |
| 4  | August 11, 2022    | Changes in ICG Committee members                                    |
| 5  | September 15, 2022 | Changes to the composition of Bank Danamon Committee members        |
| 6  | September 29, 2022 | Nominating an ADMF Commissioner as a representative of Bank Danamon |
| 7  | October 13, 2022   | The new candidate for Bank Danamon's Chief Information Officer      |
| 8  | November 22, 2022  | Nominating a new Director of Bank Danamon                           |

**Nomination Committee: Work Activities in 2022**

The Nomination Committee's work activities throughout 2022 can be summarized through the following:

- Provided membership composition-related recommendations for Board of Commissioners committees.
- Conducted reviews of nominees for the President Commissioner and Commissioners at Danamon
- Provided membership composition recommendations for Board of Commissioners members in each Committee at Danamon.
- Provided recommendations for appointing members of the Board of Directors at Danamon.
- Carried out a study on the nomination of ICG Committee candidate members.
- Provided recommendations for the nomination of ADMF commissioners as representatives of Danamon.
- Provided recommendations for Chief Information Officer candidates at Danamon.
- Activities and recommendations from the Nomination Committee are reported regularly to the Board of Commissioners.



## REMUNERATION COMMITTEE

The Remuneration Committee is a committee that assists the Board of Commissioners in its functions and duties, specifically, when it comes to the remuneration policy and remuneration structures of the Board of Commissioners, Sharia Supervisory Board, Independent Parties, Board of Directors and certain members of Senior Management. The Remuneration Committee is responsible to the Board of Commissioners for the effectiveness of Danamon's remuneration framework and policies and structures.

### Remuneration Committee: Charter

The Remuneration Committee has its own guidelines and work rules that regulate matters related to its objectives, accountability, structure and membership, its term of office, its duties and responsibilities, its authorities, meetings and rules for carrying out meetings, and its reporting. The Remuneration Committee Charter is reviewed periodically.

### Duties and Responsibilities Remuneration Committee

The Remuneration Committee has the following duties and responsibilities:

1. Formulating policies, and evaluating and providing the Board of Commissioners with recommendations when it comes to:
  - Structure and amount of remuneration for the Board of Commissioners and Directors and (if necessary) for Senior Management members.
  - Remuneration, including salaries, benefits, bonuses and incentives that will be given to the President Director and other members of the Board of Directors, members of the Board of Commissioners and the Sharia Supervisory Board based on their reaching of established goals and targets.
  - Remuneration, including salaries and allowances, for Independent Parties.
2. Assisting the Board of Commissioners in evaluating the performance of each member of the Board of Commissioners and/or members of the Board of Directors according to the remuneration each member receives.
3. Paying attention to the following matters when going about compiling the structure, policies, and amount of Remuneration:
  - Remuneration has to be in accordance with the business activities and business scale of Danamon within the industry
  - Remuneration has to take into consideration fairness when compared to peer groups
  - The duties, responsibilities and authorities of Board of Directors and/or Board of Commissioners members are related to achievements in Danamon's goals and performance
  - The performance targets or the performance of each Board of Directors and/or Board of Commissioners member
  - A balance between fixed and variable benefits
  - Danamon's financial performance and compliance with applicable regulations
  - Taking Danamon's long-term goals and strategies into consideration.
4. Evaluating the structure, policies, and amount of remuneration as referred to above at least once per year.
5. Reviewing and updating its work charter regularly.
6. Maintaining the confidentiality of all Danamon documents, data and information.
7. Improving competency through continuous education and training.

The Remuneration Committee is required to report on the implementation of its duties and responsibilities (as well as report on the remuneration procedures it has carried out) to the Board of Commissioners. The report is to be part of a larger report on the Board of Commissioners' implementation of its duties and is submitted at the GMS.

### Remuneration Committee: Authority

The Remuneration Committee has the following types of authority:

1. Accessing documents, data and information about employees, Senior Management, the Board of Directors and/or the Board of Commissioners.
2. Communicating directly with employees, the Board of Directors and other parties related to the implementation of their duties and responsibilities.
3. Involving independent parties to assist the committee in carrying out its duties (if necessary).
4. Carrying out other forms of authorities granted to it by the Board of Commissioners.

## Remuneration Committee: Structure, Membership, Expertise and Legal Basis for Appointment

### Remuneration Committee: Structure and Membership

The year 2022 saw changes to the Remuneration Committee's structure and membership. These changes were made on the basis of a decision from a Nomination Committee meeting on September 15, 2022. It was at this meeting that saw the committee deciding on (and approving) the resignation of 1 (one) member of the President Commissioner, specifically, Takayoshi Futae

and 1 (one) Commissioner (Takanori Sazaki). The meeting also added Nobuya Kawasaki as a new member of the Remuneration Committee.

As a result, the Remuneration Committee now consists of 5 (five) people, of whom 2 (two) are Independent Commissioners, 2 (two) are Commissioners, and 1 (one) is a Danamon Executive Officer in charge of Human Resources. The structure and membership of the Remuneration Committee have complied with all applicable regulations.

### REMUNERATION COMMITTEE: MEMBERSHIP COMPOSITION IN 2022

| No | Name                        | Position at Danamon                       | Position on the Remuneration Committee |
|----|-----------------------------|---|--|
| 1  | J.B. Kristiadi Pudjosukanto | Vice President Commissioner (Independent) | Chairman                               |
| 2  | Kenichi Yamato              | President Commissioner                    | Member                                 |
| 3  | Hedy Maria Helena Lopian    | Independent Commissioner                  | Member                                 |
| 4  | Nobuya Kawasaki             | Commissioner                              | Member                                 |
| 5  | Roy F. Permana              | Human Resources Executive Officer         | Member                                 |

### Remuneration Committee: Expertise of its Members

All members of the Remuneration Committee have complied with applicable provisions related to expertise requirements for members of the Remuneration Committee. These requirements also take into account the integrity, character and good morals of each individual member, with each trait having been covered in each member's personal statement letters.

### Legal Basis of Appointment

The current members of the Remuneration Committee were appointed through Circular Decree of the Nomination Committee Number 005/HR-Nomco/0922 dated September 15, 2022, Circular Decree of the Board of Commissioners Number KSR-KOM.CORSEC.10.2022.005 dated October 3, 2022. The current member appointments have also been stipulated in Circular Decree of the Board of Directors Number KSR.DIR.CORSEC.10.2022.012 dated October 3, 2022.

### Remuneration Committee: Independence

The Remuneration Committee is chaired by an Independent Commissioner, specifically, J.B. Kristiadi Pudjosukanto, as a means of upholding the committee's independence and objectivity. Members of the Board of Directors are not permitted to serve as members of the Remuneration Committee. Members of the Remuneration Committee are obligated to comply with Danamon's Code of Ethics.

### Duration of Service

A Remuneration Committee member's term of office may not be longer than the term of office of the Board of Commissioners, as stipulated in the Articles of Association. In addition, a committee member is only allowed to be re-elected for the next 1 (one) period.

### Remuneration Committee: Meeting Policies and Implementation

#### Remuneration Committee: Meeting Policies

- Remuneration Committee meetings are to be held regularly at least once every 4 (four) months.
- The Remuneration Committee meeting can only be held if it is attended by a majority of Nomination Committee members and if it is attended by the Chair of the Nomination Committee and the Executive Officer in charge of Human Resources.
- Meeting decisions are to be taken based on the principle of deliberation for consensus.
- In the event that there is no consensus, the decision is to be determined by a majority vote. Decisions taken with a majority vote are to be made based on the principle of 1 (one) person getting 1 (one) vote. Dissenting opinions that occur at the meeting (and the reasons for any such dissension) must be clearly stated in the minutes of the meetings.



- e. Each meeting is to be recorded in the minutes, properly documented, and signed by all members of the Remuneration Committee present, and the minutes of the meeting are to be submitted in writing to the Board of Commissioners.

#### Implementation, Attendance Rates, and Meeting Agenda

Throughout 2022, the Remuneration Committee held 9 (nine) meetings, with the following details of each member's meeting attendance rates:

#### REMUNERATION COMMITTEE: MEETING ATTENDANCE RATES

| Name                        | Attendance Rate |
|-----------------------------|-----------------|
| J.B. Kristiadi Pudjosukanto | 9/9             |
| Kenichi Yamato*             | 4/4             |
| Shuichi Yokoyama**          | 1/1             |
| Takayoshi Futae**           | 5/5             |
| Takanori Sazaki**           | 5/5             |
| Hedy Maria Helena Lapian    | 9/9             |
| Nobuya Kawasaki***          | 3/3             |
| Roy F. Permana              | 9/9             |

##### Information:

\* Appointment as a Commissioner was announced at the GMS on March 25, 2022

\*\* Resignation as a member of the Board of Commissioners was announced at the GMS on March 25, 2022

\*\*\* Appointed as Nominaton Committee member (replacing Shuichi Yokoyama) according to the Nomination Committee's approval on September 15, 2022

#### REMUNERATION COMMITTEE: MEETING AGENDAS IN 2022

| No | Meeting Date      | Meeting Agendas  |
|----|-------------------|--|
| 1  | February 16, 2022 | 2021 Performance Bonuses and 2022 Salary Increases                   |
| 2  | February 24, 2022 | Remuneration for the New Vice President Director                     |
| 3  | March 8, 2022     | Remuneration for the New Director                                    |
| 4  | March 16, 2022    | Remuneration for the President Commissioner and the New Commissioner |
| 5  | March 18, 2022    | Harmonization of Changes to Indonesian Tax Regulations               |
| 6  | June 17, 2022     | 2019 Long Term Incentives, second payment of March 23, 2022          |
| 7  | October 13, 2022  | Remuneration for Bank Danamon's New Chief Information Officer        |
| 8  | November 22, 2022 | Remuneration for Bank Danamon's New Director                         |
| 9  | December 8, 2022  | LTI Grants in 2022   |

#### Remuneration Committee: Work Activities in 2022

The work activities of the Remuneration Committee in 2022 can be summarized with the following details:

- Recommended tantiem and salary increases for 2022
- Carried out studies and provided recommendations on remuneration for new Vice President Directors and Directors
- Carried out studies and provided recommendations on remuneration for new President Commissioners and Commissioners
- Carried out studies on the harmonization of new tax regulations

- Carried out a review of long-term incentive payments in 2019
- Carried out studies provided recommendations on remuneration for the Chief Information Officer
- Carried out studies provided recommendations on remuneration for new directors
- Carried out a review of the proposed 2022 Long-Term Incentive program.

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

## CORPORATE GOVERNANCE COMMITTEE

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

### Corporate Governance Committee Guidelines and Work Rules

The Corporate Governance Committee has its own set of guidelines and work rules that regulate matters related to its objectives, accountability, structure and membership, its term of office, its duties and responsibilities, its authorities, its meetings and way these meetings are meant to be carried out, and its reporting. The Corporate Governance Committee Charter is reviewed periodically.

### Duties and Responsibilities of Corporate Governance Committee

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

1. Compliance with Danamon's code of ethics.
2. Evaluating Danamon's governance structure and framework as well as the suitability of its governance policies.
3. Reviewing and evaluating the principles and implementation of Danamon's governance on a regular basis and submitting recommendations for improvement to the Board of Commissioners.
4. Reporting various discrepancies in the implementation of governance to the Board of Commissioners and recommending actions that can be taken for improvement.

5. Reviewing Danamon's governance report to ensure the transparency and accuracy of the report and submitting recommendations for improvements to the Board of Directors.
6. Delivering recommendations to the Board of Commissioners for its endorsement of Danamon's governance reports and governance policies.
7. Preparing, reviewing and updating the Committee Charter on a regular basis. The Committee Charter is available on the Company's website.
8. Maintaining the confidentiality of all Danamon documents, data and information.
9. Reporting the activities of the Corporate Governance Committee to the Board of Commissioners.

### Authority of Corporate Governance Committee

The Corporate Governance Committee's authority encompasses the following:

1. Accessing the necessary Danamon documents, data and information.
2. Communicating directly with employees, the Board of Directors and other parties relevant to the implementation of its duties and responsibilities.
3. Involving independent parties to assist the committee in carrying out its duties (if necessary).
4. Carrying out other forms of authorities granted to it by the Board of Commissioners.

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

#### Structure and Membership of Corporate Governance Committee

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

## CORPORATE GOVERNANCE COMMITTEE MEMBERSHIP COMPOSITION IN 2022

| Name                     | Position at Danamon      | Position on the Corporate Governance Committee |
|--------------------------|--------------------------|--|
| Peter Benjamin Stok      | Independent Commissioner | Chairman                                       |
| Nobuya Kawasaki          | Commissioner             | Member   |
| Hedy Maria Helena Lapian | Independent Commissioner | Member   |
| Halim Alamsyah           | Independent Commissioner | Member   |





### Expertise of Members Corporate Governance Committee

All committee members are obligated to comply with applicable provisions related to skill requirements for Corporate Governance Committee members. These requirements also take into account each member's respective integrity, character and good morals (all of which are referenced in each member's personal statement).

### Legal Basis of Appointment

The current members of the Corporate Governance Committee were appointed through Circular Decree of the Board of Commissioners Number KSR-KOM. CORSEC.10.2022.005 dated October 3, 2022. These appointments have been stipulated in Circular Decree of the Board of Directors Number KSR.DIR.CORSEC.10.2022.012 dated October 3, 2022.

### Independence of Corporate Governance Committee

The Corporate Governance Committee is chaired by an Independent Commissioner, specifically, Peter Benjamin Stok, as a means of upholding its independence and objectivity. Members of the Board of Directors are not permitted to serve as members of the Governance Committee. Governance Committee members are obligated to comply with Danamon's Code of Ethics.

### Duration of Service

A Governance Committee member's term of office may not be longer than the term of office of the Board of Commissioners, as stipulated in the Articles of Association.

Furthermore, a member may be re-elected only for the next 1 (one) period.

### Policy and Implementation of Corporate Governance Committee Meetings

#### Meeting Policy of Corporate Governance Committee

1. Meetings are to be held according to Danamon's needs, or at least once per semester.
2. Meetings are to have a minimum attendance of 51% (fifty one percent) of the Corporate Governance Committee's members.
3. Meeting decisions are to be taken based on the principle of consensus deliberation.
4. In the event that there is no consensus, the decision is determined by a majority vote. Decisions taken with a majority vote are made based on the principle of 1 (one) person 1 (one) vote.
5. Dissenting opinions that occurred at the meeting and the reasons for the differences must be clearly stated in the minutes of the meeting.
6. Each meeting is to be recorded in minutes, properly documented, signed by all members of the Corporate Governance Committee present, and submitted to the Board of Commissioners.

### Implementation, Attendance Level, and Meeting Agendas

Throughout 2022, the Corporate Governance Committee held 2 (two) meetings with the following attendance rates for each member:

#### ATTENDANCE RATES OF CORPORATE GOVERNANCE COMMITTEE MEMBERS IN 2022

| Name                     | Meeting Attendance Rate |
|--------------------------|-------------------------|
| Peter Benjamin Stok      | 2/2                     |
| Nobuya Kawasaki          | 2/2                     |
| Hedy Maria Helena Lapian | 2/2                     |
| Halim Alamsyah           | 2/2                     |

#### MEETINGS AGENDA OF CORPORATE GOVERNANCE COMMITTEE IN 2022

| No | Meeting Date     | Meeting Agendas   |
|----|------------------|---|
| 1  | January 19, 2022 | <ol style="list-style-type: none"> <li>1. Draft CG Self Assessment – Semester II 2021</li> <li>2. Qanun in Aceh</li> <li>3. Composition of the BOC and the composition of BOC Committees</li> <li>4. 2022 GMS</li> </ol>              |
| 2  | July 19, 2022    | <ol style="list-style-type: none"> <li>1. Draft CG Self Assessment – Semester I of 2022</li> <li>2. Proposed Revision of the GC Committee Charter</li> <li>3. Composition of the BOC and the composition of BOC Committees</li> </ol> |

## INTEGRATED CORPORATE GOVERNANCE COMMITTEE

Danamon formed an Integrated Corporate Governance Committee as a means of assisting the Board of Commissioners in the implementation of its duties, particularly when it comes to carrying out the oversight functions for MUFG Group Financial Conglomeration's integrated governance implementation. This is all done in accordance with applicable laws and regulations. The Integrated Corporate Governance Committee is responsible to the Board of Commissioners.

### Integrated Corporate Governance Committee: Charter

The Danamon Integrated Corporate Governance Committee has its own guidelines and work rules that regulate matters related to its objectives, accountability, structure and membership, its term of office, its duties and responsibilities, its authority, meetings and way meetings have to be implemented, and its reporting. The Integrated Corporate Governance Committee Charter is reviewed periodically.

### Integrated Corporate Governance Committee: Duties and Responsibilities

#### Duties and Responsibilities

The duties and responsibilities of the Integrated Corporate Governance Committee encompass the following:

1. Evaluating the implementation of integrated governance by assessing the adequacy of internal control and implementing Danamon's compliance function in an integrated manner.
2. Providing the Main Entity's Board of Commissioners with recommendations for improving integrated governance policies.
3. Improving the competence of members through continuous education and training.
4. Owning, reviewing and updating the Integrated Corporate Governance Committee Charter on a regular basis.
5. Maintaining the confidentiality of all documents, data and information of both the Main Entity and Subsidiaries.

### Integrated Corporate Governance Committee: Authority

The authority of the Integrated Corporate Governance Committee encompasses the following:

1. The Integrated Corporate Governance Committee has the authority to access documents, data and information needed from Main Entities, Subsidiaries and Related Companies, while still complying with each entity's internal policies and applicable laws and regulations.
2. The Integrated Corporate Governance Committee has the authority to communicate directly with employees, the Board of Directors and other parties from the Main Entity, Subsidiaries and Related Companies.
3. The Integrated Corporate Governance Committee has the authority to involve independent parties to assist the committee in carrying out its duties (if necessary).
4. The Integrated Corporate Governance Committee has the authority to carry out other forms of authorities granted to it by the Board of Commissioners of Danamon's Main Entity.

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

#### Integrated Corporate Governance Committee: Structure and Membership

In line with changes from the MUFG Group Financial Conglomeration, the Integrated Corporate Governance Committee now consists of 9 (nine) people composed of the following:

1. It has to have the following members from the Main Entity:
  - a. 2 (two) Independent Commissioners.
  - b. 1 (one) Commissioner.
  - c. 1 (one) Independent Party.
  - d. 1 (one) member of the Sharia Supervisory Board.
2. It has to have 1 (one) Independent Commissioner from a Subsidiary who represents (and is appointed by) the Subsidiary.
3. It has to have the following members from Related Companies:
  - 3 (three) members of the Supervisory Board who represent (and are appointed by) the Related Company.



The committee's membership composition has complied with the Integrated Corporate Governance Committee Charter and has paid heed to any independence requirements for members.

#### INTEGRATED CORPORATE GOVERNANCE COMMITTEE MEMBERSHIP COMPOSITION IN 2022

| Name                    | Position at Danamon                                       | Position on the Corporate Governance Committee |
|-------------------------|---|--|
| Peter Benyamin Stok     | Independent Commissioner                                  | Chairman                                       |
| Nobuya Kawasaki         | Commissioner  | Member   |
| Halim Alamsyah          | Independent Commissioner                                  | Member   |
| M. Din Syamsudin        | Chairman of the Sharia Supervisory Board                  | Member   |
| Zainal Abidin           | Independent Party   | Member   |
| Krisna Wijaya           | Representative from PT Adira Dinamika Multi Finance, Tbk. | Member   |
| Christopher Mark Davies | Representative from MUFG Jakarta                          | Member   |
| Andre S Painchaud       | Representative from MUFG Jakarta                          | Member   |
| Yasuhiko Togo           | Representative from MUFG Jakarta                          | Member   |

#### Integrated Corporate Governance Committee: Expertise of its Members

Each member has the expertise needed to carry out the committee's functions. The committee's compliance has taken into account each individual member's integrity, character and morals (as stated in personal statements from each member).

#### Legal Basis of Appointment

The current members of the Integrated Corporate Governance Committee were appointed through Circular Decree of the Board of Commissioners Number KSR-KOM.CORSEC.10.2022.005 dated October 3, 2022. These appointments have been stipulated in Circular Decree of the Board of Directors Number KSR.DIR.CORSEC.10.2022.012 dated October 3, 2022.

#### Integrated Corporate Governance Committee: Independence

The Integrated Corporate Governance Committee is chaired by an Independent Commissioner, specifically, Peter Benyamin Stok, as a means of upholding the committee's independence and objectivity. Members of the Board of Directors are not allowed to serve as members of the Integrated Corporate Governance Committee.

#### Duration of Service

An Integrated Corporate Governance Committee member's term of office may not be longer than the term of office of the Board of Commissioners, as stipulated in the Articles of Association.

#### Integrated Corporate Governance Committee: Meeting Policies and Implementation

##### Integrated Corporate Governance Committee: Meeting Policies

1. Meetings are to be held as needed, or at least once per semester.
2. Each committee meeting is to be attended by at least 51% (fifty one percent) of the Integrated Corporate Governance Committee's members.
3. Meeting decisions are taken based on the principle of consensus deliberation. In the event that there is no consensus, any decision made is to be determined by a majority vote. Decisions taken with a majority vote are made based on the principle of 1 (one) person getting 1 (one) vote.
4. Dissenting opinions that occur throughout these meetings must be clearly stated in the minutes of the meeting (as well as the reasoning for any such dissension).
5. Each meeting is to be recorded in minutes, properly documented, and signed by all members of the Integrated Corporate Governance Committee present. This documentation is also to be submitted to the Main Entity's Board of Commissioners.

#### Implementation, Attendance Rates, and Meeting Agendas

Throughout 2022, the Integrated Corporate Governance Committee held 2 (two) meetings, with the following details in terms of attendance rates and meeting agendas for each meeting:

## INTEGRATED CORPORATE GOVERNANCE COMMITTEE: MEETING ATTENDANCE RATES IN 2022

| Name                    | Meeting Attendance Rates |
|-------------------------|--------------------------|
| Peter Benyamin Stok     | 2/2                      |
| Nobuya Kawasaki         | 2/2                      |
| Halim Alamsyah          | 2/2                      |
| M Din Syamsudin         | 2/2                      |
| Zainal Abidin           | 2/2                      |
| Krisna Wijaya           | 1/2                      |
| Christopher Mark Davies | -                        |
| Andre S Painchaud       | 2/2                      |
| Yasuhiko Togo           | -                        |

\* Christopher Mark Davies and Yasuhiko Togo have been committee members since October 3, 2022

## MEETINGS AGENDA INTEGRATED CORPORATE GOVERNANCE COMMITTEE IN 2022

| No | Meeting Date     | Meeting Agendas   |
|----|------------------|---|
| 1  | February 4, 2022 | <ol style="list-style-type: none"> <li>1. ICG Self-Assessment – Semester II 2021</li> <li>2. Financial Conglomeration Structure Update</li> <li>3. Adira Finance Corporate Governance Update</li> <li>4. MUFG Jakarta Management Update</li> </ol>  |
| 2  | August 5, 2022   | <ol style="list-style-type: none"> <li>1. ICG Self-Assessment – Semester I 2022</li> <li>2. New Member of the ICGC Committee</li> <li>3. Revision of the ICGC Charter</li> <li>4. Updating the Corporate Charter – Financial Conglomeration</li> <li>5. Adira Finance Corporate Governance Update</li> <li>6. MUFG Jakarta Management Update</li> </ol> |



# THE BOARD OF DIRECTORS

The Board of Directors is an organ of an Issuer/Public Company that is authorized and fully responsible for the management of said Issuer/Public Company for the benefit of that Issuer/Public Company. It does this in accordance with the provisions of the Issuer's/Public Company's Articles of Association and the Issuer's/Public Company's aims and objectives. It also represents the Issuer/Public Company, both inside and outside courts of law.

The process of appointing Board of Directors members is carried out by the General Meeting of Shareholders (GMS) after taking recommendations from the Nomination Committee (through the Board of Commissioners) into consideration. Appointments are valid from the date determined in the GMS and ends at the closing of the 3rd (third) GMS after the original date of appointment. If there is an addition or a new member of the Board of Directors later down the line, the term of office for new Board of Directors member begins on the date specified in the GMS and ends on the same date as the term of office of the other Board of Directors members.

The Board of Directors is accountable for carrying out their duties to the GMS. In carrying out its duties, the Board of Directors is given clear measures of authority and responsibilities in accordance with the Articles of Association that in turn are guided by applicable laws and regulations. Board of Directors members whose term of office have ended may be re-elected by the GMS for the next 3 years.

## BOARD OF DIRECTORS: CHARTER

The Board of Directors has its own set of guidelines and work rules that are compiled and reviewed periodically in accordance with applicable regulations (Financial Services Authority/Bank Indonesia), international best practices and best governance practices. The Board of Directors' Charter contains and regulates matters related to the board's general provisions, its roles and accountability, its structure and membership, its duties and responsibilities, its committee formations, its authority, its transparency, its work ethics, its meetings and how these meetings are to be carried out, its term of office, and its reporting.

## BOARD OF DIRECTORS: WORK ETHICS

Members of the Board of Directors have the following codes when it comes to work ethics:

1. Members are prohibited from using Danamon for personal or familial interests, and/or the interests of other parties that may harm or reduce the profits and reputation of Danamon and its Subsidiaries.
2. Members are prohibited from taking and/or receiving personal benefits from Danamon other than remuneration and facilities specifically determined by the General Meeting of Shareholders.
3. Members are prohibited from having concurrent positions as a member of the Board of Commissioners, Board of Directors, or as Executive Officers at other banks, companies and/or institutions. However, it isn't considered a concurrent position if a Board of Directors member carries out functional duties as a member of the Board of Commissioners in a non-bank Subsidiary controlled by Danamon and if this position does not result in the member in question neglecting their duties and responsibilities as Board of Directors members.
4. Members are prohibited from owning shares of more than 25% (twenty five percent) of paid-up capital at other Banks and/or companies, either individually or through joint ownership.
5. Members are prohibited from having family relations to the second degree with fellow Board of Directors members and/or Board of Commissioners members.
6. Members are prohibited from giving general power of attorney to other parties that would result in the transfer of duties and functions of the Board of Directors.
7. Members are prohibited from using individual advisers and/or professional services as consultants unless they meet the following requirements: 1) Special project; 2) Based on a clear contract, which at least includes the scope of work, responsibilities and duration of work and costs; 3) The consultant must be an independent party and has the qualifications to work on said special project.
8. Members are prohibited from either directly or indirectly making false statements regarding material facts. Members are also prohibited from not disclosing material facts that lead to misleading statements regarding the condition of Danamon during the time that statement was made.
9. Members are subject to Danamon's Code of Ethics, applicable laws and regulations, as well as Danamon's internal policies.

## BOARD OF DIRECTORS: DISCLOSURE

1. The Board of Directors is required to disclose the following within its Corporate Governance Implementation Report:
  - a. Any shareholders of 5% or more in Danamon as well as in other banks and companies, regardless of whether they be domiciled inside and outside the country;
  - b. Financial and familial relations with Board of Commissioners members, with the Board of Directors members and/or with Danamon's controlling shareholders;
  - c. Remuneration and facilities received from Danamon;
  - d. Positions in another company.
2. The Board of Directors is required to disclose Danamon's strategic employment policies to employees.

## BOARD OF DIRECTORS: DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Board of Directors include the following:

1. Full responsibility for managing Danamon.
2. Managing Danamon with specific levels of authority and responsibility stipulated in Danamon's Articles of Association and in applicable laws and regulations.
3. Implementing the principles of governance in all Danamon business activities at all levels of the organization.
4. Taking full responsibility for setting Danamon's short term, long term strategic direction and priorities.
5. Follow up on audit findings and recommendations from Danamon's Internal Audit Unit, external auditors, monitoring results from the Financial Services Authority, Bank Indonesia and/or monitoring results from other authorities.
6. Running Danamon's social responsibility programs.
7. Establishing an Internal Audit Work Unit, Risk Management Work Unit and Risk Management Committee, and a Compliance Work Unit, in order to implement the principles of good corporate governance.
8. Maintaining a healthy and open relationship with the Board of Commissioners and supporting the Board of Commissioners in carrying out its role as a supervisory organ.
9. The board is accountable for the implementation of its own duties to shareholders through the General Meeting of Shareholders.
10. Disclosing strategic Human Resources policies in the field of staffing to employees.
11. Providing accurate, relevant and timely data and information to the Board of Commissioners.
12. Ensuring the implementation of Integrated Governance in the Financial Conglomeration as stipulated in Danamon's Integrated Governance policy.

## BOARD OF DIRECTORS: AUTHORITY

1. Representing Danamon both inside and outside courts of law on all matters and at all events, binding Danamon with other parties and other parties with Danamon and carrying out all necessary actions, both regarding management and ownership, but while doing so with restrictions and conditions as stated in Danamon's Articles of Association.
2. Carry out other authorities granted to it by the Articles of Association of Danamon and the applicable laws and regulations.

## BOARD OF DIRECTORS: COMPOSITIONAL DIVERSITY POLICY

Danamon has a diversity policy that it uses in the process of nominating candidates for Board of Directors members. Danamon appreciates and respects every difference in point of view, knowledge, ability and experience of each individual, and does not discriminate against race, ethnicity, gender and religion.

Beyond just paying attention to the minimum requirements, Danamon's nomination process takes into account things like scope and balance of knowledge, expertise and experience as well as diversity requirements necessary to create an optimal Board of Directors composition. Optimal composition can lead to better decision making and will ultimately improve company performance.

## BOARD OF DIRECTORS: SUCCESSION POLICY

Danamon has a succession policy for Board of Directors members. This policy is designed to maintain continuity of leadership in the future. This succession process is carried out by identifying 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 who will be evaluated and have their competence and skill gaps identified. The replacement candidates will be grouped in a talent inventory to be recommended to the Nomination Committee.

## BOARD OF DIRECTORS: NOMINATION POLICY

The Nomination Policy is structured as a basis for identifying potential candidates for becoming Board of Directors members. Individuals chosen have the best possible qualifications and meet the minimum requirements as stipulated in laws, 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 may use the services of a third party (search firm). The Nomination Committee conducts identification of candidates who meet the requirements, interviews them and then shortlists candidates (with background and reference checks).

The Nomination Committee will take factors like knowledge, expertise and professional experience into consideration, as well as the diversity (without discriminating against race, ethnicity, gender and religion in identifying candidates) into account. The Nomination Committee proposes the selected candidates to the Board of Commissioners for approval and ratification at the General Meeting of Shareholders. The Nomination Committee also evaluates all Board of Directors members who will be reappointed at the General Meeting of Shareholders.

### BOARD OF DIRECTORS: NUMBERS, COMPOSITION AND CRITERIA

The composition, numbers and criteria of Board of Directors members are as follows:

| No | Name                     | Position                |
|----|--------------------------|-------------------------|
| 1  | Yasushi Itagaki          | President Director      |
| 2  | Honggo Widjojo Kangmasto | Vice President Director |
| 3  | Hafid Hadeli             | Vice President Director |
| 4  | Herry Hykmanto           | Director                |
| 5  | Rita Mirasari            | Director                |
| 6  | Heriyanto Agung Putra    | Director                |
| 7  | Dadi Budiana             | Director                |
| 8  | Muljono Tjandra          | Director                |
| 9  | Naoki Mizoguchi          | Director                |
| 10 | Thomas Sudarma           | Director                |

All Board of Directors members have passed the Financial Services Authority's fit-and-proper test.

Danamon's Board of Directors consist of more than 3 (three) members which is 10 (ten) members. This number exceeds the number of Board of Commissioners which is 8 (eight) members. The majority of Board of Directors members are Indonesian citizens, all of whom are domiciled in Indonesia.

The Board of Directors is led by a President Director who comes from a professional background and has adequate levels of integrity and competence. The President Director is an independent party who has no management, share

ownership, financial and/or familial relationships with Danamon's controlling shareholders.

All members of the Board of Directors have the integrity, competence and financial reputation, good character and morals that is required for one to be a Board of Directors members. None of them have ever been declared bankrupt, nor have any of them ever been convicted of criminal acts. All members have knowledge, expertise and experience in operations as an executive officer for a bank.

| Name                     | Position                | GMS Date        | Effective Approval Date from the Financial Services Authority (OJK)/ Bank Indonesia (BI) | Term of Office | Number of Appointments | Domicile  |
|--------------------------|-------------------------|-----------------|--|----------------|------------------------|-----------|
| Yasushi Itagaki          | Director                | March 20, 2018  | September 7, 2018  | 2018-2020      | 2x                     | Indonesia |
|                          |                         | March 26, 2019* | April 25, 2019**   | 2019-2020      |                        |           |
|                          | President Director      | October 1, 2019 | December 5, 2019   | 2019-2020      |                        |           |
|                          |                         | March 23, 2020  | December 5, 2019   | 2020 – 2023    |                        |           |
| Honggo Widjaja Kangmasto | Vice President Director | October 1, 2019 | December 5, 2019   | 2019-2020      | 2x                     | Indonesia |
|                          |                         | March 23, 2020  | December 5, 2019   | 2020 – 2023    |                        |           |
| Hafid Hadeli             | Vice President Director | March 25, 2022  | July 8, 2022   | 2022 – 2023    | 1x                     | Indonesia |

| Name                  | Position | GMS Date           | Effective Approval Date from the Financial Services Authority (OJK)/ Bank Indonesia (BI) | Term of Office                                   | Number of Appointments | Domicile  |
|-----------------------|----------|--------------------|--|--|------------------------|-----------|
| Herry Hykmanto        | Director | April 03, 2008     | May 13, 2008   | 2008-2011<br>2011-2014<br>2014-2017<br>2017-2020 | 5x                     | Indonesia |
|                       |          | March 26, 2019*    | April 25, 2019**   | 2019-2020  |                        |           |
|                       |          | March 23, 2020     | April 25, 2019   | 2020-2023  |                        |           |
|                       |          |                    |  |  |                        |           |
| Rita Mirasari         | Director | September 07, 2016 | September 14, 2016   | 2016-2017<br>2017-2020                           | 3x                     | Indonesia |
|                       |          | March 26, 2019*    | April 25, 2019**   | 2019-2020  |                        |           |
|                       |          | March 23, 2020     | April 25, 2019   | 2020-2023  |                        |           |
|                       |          |                    |  |  |                        |           |
| Heriyanto Agung Putra | Director | April 28, 2016     | December 23, 2016  | 2016-2017<br>2017-2020                           | 3x                     | Indonesia |
|                       |          | March 26, 2019     | April 25, 2019**   | 2019-2020  |                        |           |
|                       |          | March 23, 2020     | April 25, 2019   | 2020-2023  |                        |           |
|                       |          |                    |  |  |                        |           |
| Dadi Budiana          | Director | March 20, 2018     | October 17, 2018   | 2018-2020  | 2x                     | Indonesia |
|                       |          | March 26, 2019*    | April 25, 2019**   | 2019-2020  |                        |           |
|                       |          | March 23, 2020     | April 25, 2019   | 2020 – 2023                                      |                        |           |
|                       |          |                    |  |  |                        |           |
| Muljono Tjandra       | Director | October 1, 2019    | December 5, 2019   | 2019-2020  | 2x                     | Indonesia |
|                       |          | March 23, 2020     | December 5, 2019   | 2020-2023  |                        |           |
|                       |          |                    |  |  |                        |           |
|                       |          |                    |  |  |                        |           |
| Naoki Mizoguchi       | Director | October 1, 2019    | December 5, 2019   | 2019-2020  | 2x                     | Indonesia |
|                       |          | March 23, 2020     | December 5, 2019   | 2020-2023  |                        |           |
|                       |          |                    |  |  |                        |           |
|                       |          |                    |  |  |                        |           |
| Thomas Sudarma        | Director | March 25, 2022     | July 8, 2022   | 2022 – 2023                                      | 1x                     | Indonesia |

## Description:

\* This was done based on a decision made during the EGMS of March 26 2019, which approved a compositional change in the Board of Directors' membership due to a merger process between Danamon and PT Bank Nusantara Parahyangan Tbk ("BNP").

\*\* This was done based on Financial Services Authority (OJK) Letter No. S-122/PB.12/2019 dated April 25 2019, which stipulated that all of Danamon's Board of Directors members have passed the OJK's fit-and-proper test.

## BOARD OF DIRECTORS: SCOPE AND RESPONSIBILITIES OF EACH MEMBER

Each Board of Directors members has their own specific duties and authority, as stipulated in the company's Articles of Association and within various Board of Directors decisions.

The duties and responsibilities of Board of Directors members throughout 2022 were as follows:

| Board of Directors Member                           | Duties and Responsibilities  |
|---|--|
| Yasushi Itagaki<br>President Director               | Overseeing the Board of Directors in its entirety. Managing and directly supervising the Internal Audit Work Unit, the Treasury Capital Market, Corporate Strategy, and overseeing PT Adira Dinamika Multi Finance, Tbk. |
| Honggo Widjojo Kangmasto<br>Vice President Director | Wholesale Banking Group (Enterprise Banking & Financial Institutions, and Small and Medium Enterprises), Transaction Banking, Treasury Sales, Information Technology, Operations   |
| Hafid Hadeli<br>Vice President Director             | Consumer Banking Group, Branch Networks, supervising PT Adira Dinamika Multi Finance, Tbk.   |
| Herry Hykmanto<br>Director                          | Sharia Banking, CREM, Credit (Small & Medium Enterprises, Consumer Banking, and Mass Markets)  |
| Rita Mirasari<br>Director                           | Compliance, Financial Crime Compliance, Corporate Secretary, Legal and Litigation.   |
| Heriyanto Agung Putra<br>Director                   | Human Resources  |
| Dadi Budiana<br>Director                            | Risk management  |



| Board of Directors Member   | Duties and Responsibilities                |
|-----------------------------|--|
| Muljono Tjandra<br>Director | Finance                                    |
| Naoki Mizoguchi<br>Director | Global Alliance Strategy                   |
| Thomas Sudarma<br>Director  | Enterprise Banking & Financial Institution |

### BOARD OF DIRECTORS: INDEPENDENCE OF ITS MEMBERS

All members of the Board of Directors are free of familial and financial relationships with one another, as stated in a statements signed by Board of Directors members that are renewed every year. Board of Directors members have also fulfilled all independence requirements in accordance with provisions for good governance implementation that are accommodated within the Board of Directors Charter

### BOARD OF DIRECTORS: FAMILIAL AND FINANCIAL RELATIONSHIPS OF ITS MEMBERS

| Name                     | Position                | Familial Relations With        |    |                            |    |                          |    | Financial Relations With       |    |                            |    |                          |    |
|--------------------------|-------------------------|--------------------------------|----|----------------------------|----|--------------------------|----|--------------------------------|----|----------------------------|----|--------------------------|----|
|                          |                         | Board of Commissioners Members |    | Board of Directors Members |    | Controlling Shareholders |    | Board of Commissioners Members |    | Board of Directors Members |    | Controlling Shareholders |    |
|                          |                         | Yes                            | No | Yes                        | No | Yes                      | No | Yes                            | No | Yes                        | No | Yes                      | No |
| Yasushi Itagaki          | President Director      | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Honggo Widjojo Kangmasto | Vice President Director | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Hafid Hadeli             | Vice President Director | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Herry Hykmanto           | Director                | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Rita Mirasari            | Director                | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Heriyanto Agung Putra    | Director                | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Dadi Budiana             | Director                | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Muljono Tjandra          | Director                | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Naoki Mizoguchi          | Director                | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |
| Thomas Sudarma           | Director                | -                              | √  | -                          | √  | -                        | √  | -                              | √  | -                          | √  | -                        | √  |

### BOARD OF DIRECTORS: CONCURRENT POSITIONS OF ITS MEMBERS

The Board of Directors discloses any other positions its members have in a signed statement letter that is renewed every year. These concurrent positions do not include concurrent positions for Board of Directors members who have supervisory responsibilities at Subsidiaries, or for those who become Board of Commissioners members at Subsidiaries. All of Danamon's Board of Directors members have no concurrent positions, as they are prohibited according to Financial Services Authority (OJK) regulations on governance implementation for commercial banks.

| Name                     | Position at Danamon     | Position in Subsidiaries  |
|--------------------------|-------------------------|---|
| Yasushi Itagaki          | President Director      | President Commissioner of PT Adira Dinamika Multi Finance, Tbk. |
| Honggo Widjojo Kangmasto | Vice President Director | -   |
| Hafid Hadeli             | Vice President Director | Commissioner of PT Adira Dinamika Multi Finance, Tbk.           |

| Name                  | Position at Danamon | Position in Subsidiaries |
|-----------------------|---------------------|--------------------------|
| Herry Hykmanto        | Director            | -                        |
| Rita Mirasari         | Director            | -                        |
| Heriyanto Agung Putra | Director            | -                        |
| Dadi Budiana          | Director            | -                        |
| Muljono Tjandra       | Director            | -                        |
| Naoki Mizoguchi       | Director            | -                        |
| Thomas Sudarma        | Director            | -                        |

### BOARD OF DIRECTORS: SHARE OWNERSHIP OF ITS MEMBERS

Details regarding any direct and indirect ownership of shares among each Board of Directors members at Danamon and at other banks, non-bank financial institutions and companies as of December 31, 2022, are as follows:

| Name                     | Position                | Share Ownership At |  |                                 |   | Details |
|--------------------------|-------------------------|--------------------|--|---------------------------------|---|---------|
|                          |                         | Danamon            | Other Banks                                | Non-Bank Financial Institutions | Other Companies                                       |         |
| Yasushi Itagaki          | President Director      | -                  | -  | -                               | -   |         |
| Honggo Widjojo Kangmasto | Vice President Director | 552,600 shares     | -  | -                               | -   |         |
| Hafid Hadeli             | Vice President Director | -                  | PT Bank Central Asia Tbk<br>100,000 shares | -                               | -   |         |
| Herry Hykmanto           | Director                | 463,356 shares     | -  | -                               | -   |         |
| Rita Mirasari            | Director                | 223,100 shares     | -  | -                               | -   |         |
| Heriyanto Agung Putra    | Director                | 293,700 shares     | -  | -                               | PT. Garuda Indonesia (Persero) Tbk.<br>207,804 shares |         |
| Dadi Budiana             | Director                | 421,400 shares     | -  | -                               | -   |         |
| Muljono Tjandra          | Director                | 297,900 shares     | -  | -                               | -   |         |
| Naoki Mizoguchi          | Director                | -                  | -  | -                               | -   |         |
| Thomas Sudarma           | Director                | 240,600 shares     | -  | -                               | -   |         |

### BOARD OF DIRECTORS: REMUNERATION

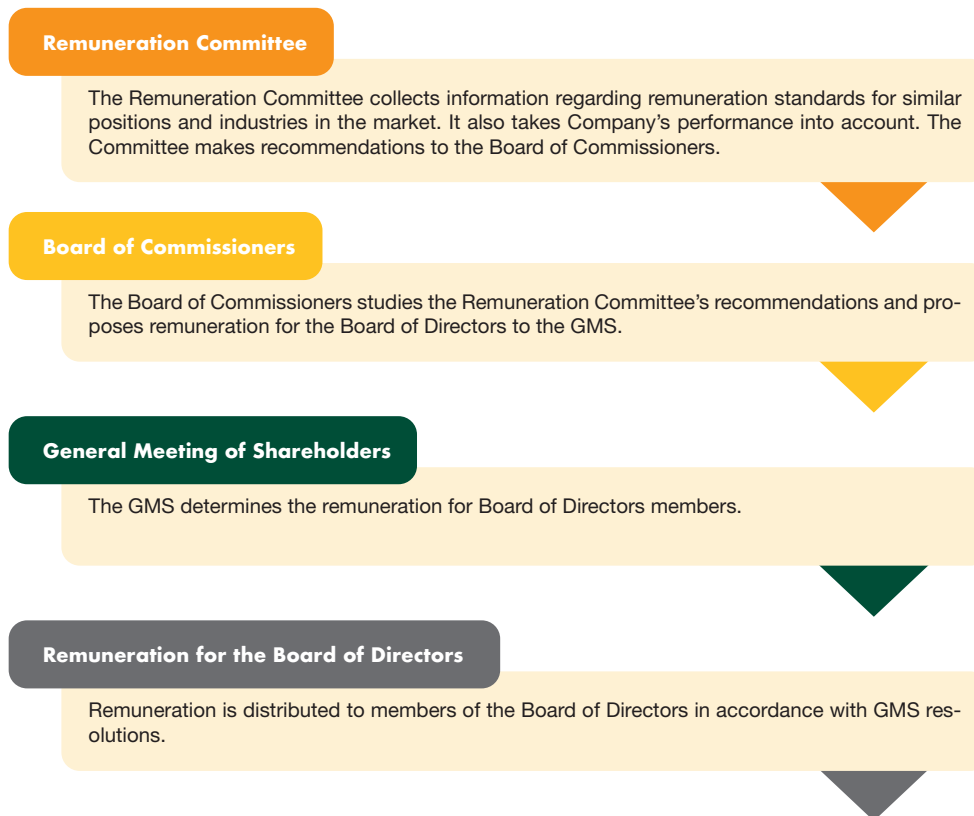
#### Board of Directors: Indicators and Procedures for Determining Remuneration

The process of determining remuneration for Board of Directors members makes use of Remuneration Committee recommendations. These recommendations use Danamon's remuneration principles, the results of company goal assessments, applicable regulations, industry comparisons, and Danamon's own company performance as points of reference. These committee recommendations are then submitted to the Board of Commissioners for later approval by the GMS.



### Board of Directors: Procedure for Determining Remuneration

The following explains the process of determining remuneration for Board of Directors members:



### BOARD OF COMMISSIONERS: REMUNERATION STRUCTURE

Board of Directors members are paid regularly with remuneration packages. Any information regarding the groupings of remuneration levels and the number of Board of Directors members receiving remuneration packages in 1 (one) year can be found disclosed in the Remuneration Policy section of this report.

### BOARD OF DIRECTORS: MEETINGS

The Board of Directors' meeting policies include the following:

- The Board of Directors is required to hold regular Board of Directors meetings at least once every month, or whenever deemed necessary.
- The Board of Directors is required to hold regular Board of Directors and the Board of Commissioners joint meetings at least once every 4 (four) months.
- The Board of Directors is required to schedule Board of Directors meetings as well as joint meetings between the Board of Directors and the Board of Commissioners for the following year before the end of the current financial year.
- All strategic policies and decisions must be decided at a Board of Directors meeting with due observance

for the provisions of Danamon's Articles of Association and other laws and regulations.

- Meeting materials are to be delivered to participants before the meeting in question is held.
- The President Director is required to lead Board of Directors meetings. In the event that the position of President Director is vacant or the President Director is unable to attend a specific Board of Directors meeting, the Vice President Director is required to lead the Board of Directors meeting. In the event that the position of Vice President Director is vacant or the Vice President Director is unavailable, a Board of Directors member elected by and from the Board of Directors present at the meeting is required to lead the meeting.
- A Board of Directors member can only be represented at a Board of Directors meeting by another Board of Directors member through the power of attorney.
- A Board of Directors meeting can be held if at least 75% of Board of Directors members attend.
- Decisions made during Board of Directors meetings are carried out through deliberation as a way of reaching a consensus. In the event that such consensus deliberation does not occur, the decision is then done by a majority voting that requires more than 50% of votes to be in the affirmative in order to reach a decision.

- j. Each Board of Directors member present has the right to cast 1 (one) vote and an additional 1 (one) vote for any other Board of Directors member he represents.
- k. Any Board of Directors member who in any way (either directly or indirectly) has a personal interest in a proposed transaction or contract that has Danamon as one of the parties must state the nature of their interest in a Board of Directors meeting. In addition, these members are not entitled to participate in voting on matters relating to the proposed transaction or contract, unless the Board of Directors determines otherwise.
- l. Board of Directors meetings can be held in person or by use of teleconference or video-conference technology, or through other electronic media.
- m. All results of Board of Directors meetings must be recorded in meeting minutes. These minutes have to be signed by all present Board of Directors members. These minutes also have to be submitted to all Board of Directors members and to the Company Secretary.
- n. All results of Board of Directors and Board of Commissioners joint meetings must be recorded in meeting minutes. These minutes have to be signed by all present Board of Directors and Board of Commissioners members. These minutes have to be submitted to all Board of Directors and Board of Commissioners members and to the Corporate Secretary.
- o. Any dissenting opinions that occur at Board of Directors meetings must be clearly stated in the meeting minutes, along with the reasons for these differences of opinion.
- p. The Board of Directors can also make valid and binding decisions without convening a Board of Directors meeting, provided that all Board of Directors members agree with these decisions in writing by signing a decision letter that contains the proposal concerned. Decisions taken in this way have the same legal force as decisions taken legally at a Board of Directors meetings.

### BOARD OF DIRECTORS: FREQUENCY OF MEETINGS

Throughout 2022, the Board of Directors held 32 (thirty two) meetings and another 3 (three) meetings that invited the Board of Commissioners. All the decisions and results of these meetings have been documented through meeting minutes. Decision making throughout all of these Board of Directors meetings is carried out by deliberation for consensus. There were no instances of dissenting opinions in any of the meetings.

### BOARD OF DIRECTORS: MEETING AGENDAS

| No | Meeting Date      | Meeting Agendas   |
|----|-------------------|---|
| 1  | January 10, 2022  | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Annual Report and Sustainability Report 2021 – Proposed Message and Communication Title</li> <li>Branch Transformation – Temporary Design</li> </ul>   |
| 2  | January 24, 2022  | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Preparing for the 2022 Annual General Meeting of Shareholders</li> <li>Financial Performance in December 2021</li> <li>CoC and NPL in December 2021</li> <li>Internal Audit Work Unit (SKAI) Update</li> <li>2021 Audit Report</li> <li>Simplification Project Update</li> </ul> |
| 3  | February 7, 2022  | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Dividend Payment Proposal</li> <li>Cloud Knowledge Sharing</li> </ul>  |
| 4  | February 15, 2022 | <ul style="list-style-type: none"> <li>BSC 2022</li> <li>Tax Status Update</li> </ul>   |
| 5  | February 21, 2022 | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>New RWA Credit Risk Basel III</li> <li>CoC and NPL in January 2022</li> <li>Risk culture awareness survey</li> <li>Information Technology (IT) and Business Process Re-engineering (BPR) monthly reports</li> </ul>  |
| 6  | February 23, 2022 | <ul style="list-style-type: none"> <li>Financial Performance in January 2022</li> </ul>   |
| 7  | March 7, 2022     | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Restrictions on the Use of Email</li> <li>Simplification Project Update</li> </ul>   |





| No | Meeting Date       | Meeting Agendas  |
|----|--------------------|--|
| 8  | March 21, 2022     | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• Simplification Project Update</li> <li>• Financial Performance in February 2022</li> <li>• CoC and NPL in February 2022</li> <li>• Internal Audit Work Unit (SKAI) Update</li> <li>• Information Technology (IT) and Business Process Re-engineering (BPR) monthly reports</li> </ul>       |
| 9  | April 18, 2022     | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• In Depth Peer Banks Analysis</li> <li>• CoC and NPL in March 2022</li> <li>• Information Technology (IT) and Business Process Re-engineering (BPR) monthly reports</li> <li>• CCC Update</li> <li>• MUFG Group Compliance Helpline (WBS) and Transferring WBS over to Compliance</li> </ul> |
| 10 | April 20, 2022     | <ul style="list-style-type: none"> <li>• Financial Performance in March 2022</li> <li>• Sharia Spin Off Plans</li> </ul>   |
| 11 | May 23, 2022       | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• CoC and NPL in April 2022</li> <li>• Sharia Spin Off Update</li> <li>• Internal Audit Work Unit (SKAI) Update</li> <li>• Information Technology (IT) and Business Process Re-engineering (BPR) monthly reports</li> </ul>   |
| 12 | May 25, 2022       | <ul style="list-style-type: none"> <li>• Financial Performance in April 2022</li> </ul>  |
| 13 | May 30, 2022       | <ul style="list-style-type: none"> <li>• SOX's first year of implementation</li> </ul>   |
| 14 | June 6, 2022       | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• Cost-to-Serve Analysis</li> </ul>   |
| 15 | June 7, 2022       | <ul style="list-style-type: none"> <li>• 2022 Business Plan Revisions</li> </ul>   |
| 16 | June 20, 2022      | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• Financial Performance in May 2022</li> <li>• CoC and NPL in May 2022</li> <li>• Information Technology (IT) and Business Process Re-engineering (BPR) monthly reports</li> </ul>  |
| 17 | July 4, 2022       | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• Bank Danamon share price analysis</li> <li>• Simplification Project Update</li> </ul>   |
| 18 | July 18, 2022      | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• Financial Performance in June 2022</li> <li>• Internal Audit Work Unit (SKAI) Update</li> <li>• Information Technology (IT) and Business Process Re-engineering (BPR) monthly reports</li> <li>• Public Exposure in 2022</li> </ul>   |
| 19 | August 1, 2022     | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• Digital Bank Analysis</li> <li>• Strategic Workshop and Planning Cycle</li> </ul>   |
| 20 | August 15, 2022    | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• Kicking off the 3 Year Plan (2023 – 2025)</li> <li>• Mentor Director for Regions</li> <li>• Simplification Project Update</li> </ul>  |
| 21 | August 24, 2022    | <ul style="list-style-type: none"> <li>• Financial Performance in July 2022</li> </ul>   |
| 22 | August 30, 2022    | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• Cost allocation</li> <li>• CoC and NPL in July 2022</li> <li>• Information Technology (IT) and Business Process Re-engineering (BPR) monthly reports</li> <li>• Adira Finance – Cyber Security Incident</li> <li>• 2022 Audit Kick-Off</li> </ul>   |
| 23 | September 15, 2022 | <ul style="list-style-type: none"> <li>• Meeting Minutes: Review and Approval</li> <li>• Adira Finance – Cyber Security Incident Update</li> <li>• Internal Audit Work Unit (SKAI) Update</li> <li>• Sectoral and regional trends in Indonesia</li> <li>• Employee Engagement Survey</li> </ul>  |

| No | Meeting Date       | Meeting Agendas  |
|----|--------------------|--|
| 24 | September 26, 2022 | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Financial Performance in August 2022</li> <li>CoC and NPL in August 2022</li> <li>Information Technology (IT) and Business Process Re-engineering (BPR) monthly reports</li> <li>Marketing Campaigns Themes</li> </ul>  |
| 25 | October 24, 2022   | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Financial Performance in September 2022</li> <li>Updated tax appeals and tax provisions</li> <li>Written off Fiscal Loans</li> <li>CoC and NPL in September 2022</li> <li>Red Teaming Exercise</li> <li>Rainbow Project's Final Structure</li> <li>Broadband and compensation structures</li> </ul> |
| 26 | November 7, 2022   | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Internal Audit Work Unit (SKAI) Update</li> <li>Bank Product Name</li> <li>IIMS 2023</li> <li>Forum Manager</li> <li>Simplification Project</li> </ul>  |
| 27 | November 9, 2022   | <ul style="list-style-type: none"> <li>Year Plan (2023 - 2025)</li> </ul>  |
| 28 | November 14, 2022  | <ul style="list-style-type: none"> <li>Indonesia Fund – MUIP</li> </ul>  |
| 29 | November 24, 2022  | <ul style="list-style-type: none"> <li>IT Strategy Plan (2023 - 2026)</li> </ul>   |
| 30 | November 28, 2022  | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Financial Performance in October 2022</li> <li>CoC and NPL in October 2022</li> <li>Operational Risk Incidents</li> </ul>   |
| 31 | December 12, 2022  | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>2022 Annual Report Theme</li> </ul>   |
| 32 | December 15, 2022  | <ul style="list-style-type: none"> <li>2021 Interim Audit Results</li> <li>Analyzing Peer Banks</li> </ul>   |

#### THE BOARD OF DIRECTORS: AGENDAS FOR MEETINGS THAT INVITED THE BOARD OF COMMISSIONERS

| No | Meeting Date       | Meeting Agendas  |
|----|--------------------|--|
| 1  | January 31, 2022   | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Business Updates (CEO Updates, Financial Updates, Asset Quality Updates)</li> <li>Annual General Meeting of Shareholders (AGMS) 2022</li> </ul> |
| 2  | May 30, 2022       | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Business Updates (CEO Updates, Financial Updates, and Asset Quality Updates)</li> <li>Sharia Spin Off</li> </ul>                                |
| 3  | September 22, 2022 | <ul style="list-style-type: none"> <li>Meeting Minutes: Review and Approval</li> <li>Business Updates (CEO Updates, Financial Updates, and Asset Quality Updates)</li> </ul>   |

#### MEETING ATTENDANCE RATES

The attendance rates of Board of Directors members for meetings held during 2022 are as follows:

| Board of Directors       | Attendance Rates at Board of Directors Meetings (Out of a Total of 32 Meetings) | Attendance Rates at the Board of Directors Meetings that Invited the Board of Commissioners (Out of a Total of 3 Meetings) |
|--------------------------|---|--|
| Yasushi Itagaki          | 30/32   | 3/3  |
| Honggo Widjojo Kangmasto | 32/32   | 3/3  |
| Hafid Hadeli*            | 21/24   | 3/3  |
| Herry Hykmanto           | 25/32   | 3/3  |
| Rita Mirasari            | 31/32   | 3/3  |



| Board of Directors    | Attendance Rates at Board of Directors Meetings (Out of a Total of 32 Meetings) | Attendance Rates at the Board of Directors Meetings that Invited the Board of Commissioners (Out of a Total of 3 Meetings) |
|-----------------------|---|--|
| Heriyanto Agung Putra | 31/32   | 3/3  |
| Dadi Budiana          | 29/32   | 2/3  |
| Muljono Tjandra       | 32/32   | 3/3  |
| Naoki Mizoguchi       | 32/32   | 3/3  |
| Thomas Sudarma*       | 22/24   | 3/3  |

\* Hafid Hadeli and Thomas Sudarma were respectively appointed as Vice President Director and Director at the AGMS of March 25, 2022.

## MEETING SCHEDULE FOR 2023

At the end of 2022, the Board of Directors prepared a schedule for the 26 (twenty six) meetings and the 3 (three) meetings with the Board of Commissioners that it will hold in 2023.

## DIRECTORS: ATTENDANCE OF MEMBERS AT THE ANNUAL GMS

The Board of Directors conveyed its accountability in carrying out its duties and responsibilities to shareholders through the 2022 Annual GMS. All Board of Directors members were present at this event, which was held on March 25, 2022.

## Board of Directors: Duties and Responsibilities in 2022

The Board of Directors carries out Danamon's business activities in a guided and planned manner to fulfill its obligations to stakeholders. Its duties and responsibilities include the following:

1. Carrying out long-term strategies formulated from back in 2021 in a consistent manner.
2. Taking steps to encourage growth with prudential principles for Danamon's primary areas of business (which include Small & Medium Enterprises, Enterprise Banking, and Consumer Banking).
3. Using its Crisis Command Center to monitor health protocols related to COVID 19 and ensuring optimal health and safety for its employees and customers, in addition to minimizing disruptions to Danamon's operations and services.
4. Doing its part to carry out the government's economic stimulus program by providing a relaxation in credit standards to customers affected by the COVID-19 pandemic in accordance with regulatory provisions.
5. Collaborating with MUFG to boost credit, funding, process efficiency, and improve human resource capabilities.
6. Increasing investment in digital technology solutions to provide excellent customer service improvements and automate operational processes (so that they become more efficient and effective).

## Board of Directors: Performance Assessment

### How performance assessments are done

The Board of Directors is assessed based on the extent to which the collective work of all of its members has accomplished Danamon's work plans. In addition, performance assessments for the Board of Directors also take into account how it has carried out its duties and responsibilities in accordance with laws, regulations and Danamon's Articles of Association.

### Performance Assessment Criteria

The criteria for assessing the Board of Directors' performance are based on the board's overall achievements in Finance, Franchise Building, Risk and Control, Human Capital and Danamon Core Values. Specifically, these criteria encompass the following:

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

### Assessment Implementation

The Board of Commissioners is responsible for evaluating the Board of Directors' performance. The results of these evaluations are used to think up ways to boost the Board of Director's future performance. These results are also presented to the Annual GMS as a way of demonstrating the accountability of the Board of Directors in the implementation of its duties and responsibilities.

## Board of Directors: Performance Assessment of its Members

Each Board of Directors member has their own performance targets set forth in a balanced scorecard that measures duties and responsibilities. This includes its management

in areas such as compliance, risk control and human resources. These member assessments are carried out every 6 (six) months by the President Director.

### The Board of Commissioners' Opinion on the Board of Directors's Performance

Thanks to its quick responses and its strategy implementation, the Board of Directors was able to maintain Danamon's stability as it faced economic challenges that have arisen as a result of the COVID-19 pandemic. Throughout 2022, the Bank managed to maintain positive profitability through a post-tax net income of Rp3.3 trillion. Total loans disbursed by the Bank and its subsidiaries reached Rp144.9 trillion, with Danamon's Enterprise Banking and Consumer Banking segments each managing to achieve an annual growth of 18% through the support of MUFG collaborations.

In terms of asset quality, Danamon continued to ensure that its risk management adhered to prudential principles. This risk management was always guided by the company's risk appetite statement. As a result, Danamon was able to

improve on its asset quality despite challenges in economic conditions. The NPL ratio was at the level of 2.6%. This marked an improvement of 0.1% from the previous year's 2.7%. In addition, the Bank also made proactive reserves to strengthen its balance sheet. Thanks to this, the Bank was able to succeed in increasing its NPL coverage ratio to a record high of 230.8%.

Danamon's capital level was successfully increased with a recorded Capital Adequacy Ratio (CAR) of 26.3%. This number was far above the minimum level requirements from regulators. This provided Danamon with the ability to grow as well as the strength to deal with the potential impact of the economic slowdown that happened due to the pandemic.

The Board of Commissioners would like to extend its highest levels of appreciation for all Board of Directors members for all of these accomplishments they've made throughout 2022, and for all of its continued dedication towards the company.

## ORIENTATION PROGRAM FOR NEW DIRECTORS

Danamon has an orientation program for new Board of Directors members. It delivers this program through an On-Boarding Pack and providing new members with brief face-to-face meetings with related units to provide a deeper understanding of Danamon's organization, the board's duties and responsibilities, as well as various company processes.

## BOARD OF DIRECTORS: TRAINING PROGRAMS

Danamon regularly provides opportunities for Board of Directors members to participate in various training and certification activities, as well as workshops and conferences to develop their competency, professionalism and insights. Throughout 2022, Board of Directors members have participated in the following activities related to training:

| Director Name   | Training/Conference/<br>Seminar/Workshop                                | Organizer                         | Location         | Date               |
|-----------------|---|-----------------------------------|------------------|--------------------|
| Yasushi Itagaki | Danamon Sustainability 2021   | Danamon                           | Online           | January 4, 2022    |
|                 | E-Learning ORM & QA 2020  | Danamon                           | Online           | January 4, 2022    |
|                 | AML-CFT: Peranan First Line of Defense (FLOD) and Global Roll Out (GRO) | Danamon                           | Online           | January 4, 2022    |
|                 | Code of Ethics 2022   | Danamon                           | Online           | April 19, 2022     |
|                 | Refreshment Training for Risk Management Level 5 Certification (BSMR)   | PT EfektifPro Knowledge Source    | Online           | July 6, 2022       |
|                 | Danamon Compliance 2022   | Danamon                           | Online           | July 11, 2022      |
|                 | Refreshment Sertifikasi Treasury  | ACI Financial Markets Association | Online           | July 16, 2022      |
|                 | Sharia Spin Off Workshop  | PWC                               | Offline, Jakarta | September 15, 2022 |
|                 | Prioritazion and Support to Agile Transformation Workshop               | AT Kearney                        | Offline, Jakarta | October 10, 2022   |
|                 | APU PPT and Sanctions   | Danamon                           | Online           | November 10, 2022  |



| Director Name               | Training/Conference/<br>Seminar/Workshop  | Organizer  | Location         | Date                  |
|-----------------------------|---|--|------------------|-----------------------|
|                             | Online Seminar: Global Economic Uncertainty Challenges in 2023  | Association of Indonesian Financing Companies (APPI) | Online           | November 29, 2022     |
| Honggo Widjojo<br>Kangmasto | Danamon Sustainability 2021   | Danamon  | Online           | January 4, 2022       |
|                             | AML-CFT: The Roles of First Line of Defense (FLOD) and Global Roll Out (GRO)                                  | Danamon  | Online           | January 4, 2022       |
|                             | ORM & QA  | Danamon  | Online           | January 4, 2022       |
|                             | Cyber Security Awareness  | Danamon  | Online           | January 4, 2022       |
|                             | Agile Transformation Workshop (1 <sup>st</sup> Part)  | AT Kearney   | Online           | January 6, 2022       |
|                             | Strengthening Strategy Execution for 2023 and onward  | AT Kearney   | Offline, Jakarta | August 2, 2022        |
|                             | Sharia Spin Off Workshop  | PWC  | Offline, Jakarta | August 11, 2022       |
|                             | Danamon Compliance 2022   | Danamon  | Online           | September 15, 2022    |
|                             | Prioritization and Support to Agile Transformation Workshop (2 <sup>nd</sup> Part)                            | AT Kearney   | Offline, Jakarta | September 11, 2022    |
|                             | Decarbonization Seminar (Introduction of the Decarbonization Initiatives and Solutions for Industry Sector)   | MHI, MUFG dan Danamon                                | Offline, Jakarta | September 7, 2022     |
|                             | Prioritization and Support to Agile Transformation Workshop (3 <sup>rd</sup> Part)                            | AT Kearney   | Offline, Jakarta | September 29, 2022    |
| Hafid Hadeli                | Online Seminar: Finance Industry's Recovery Momentum  | Association of Indonesian Financing Companies (APPI) | Online           | October 10, 2022      |
|                             | Level 5 Risk Management Certificate, Banking Professional Certification Institute (LSPP)                      | LSPP   | Online           | March 1, 2022         |
|                             | Implementation of Good Corporate Governance   | GPS & Partners – Consulting Group                    | Online           | April 21, 2022        |
|                             | Enterprise Risk Management  | GPS & Partners – Consulting Group                    | Online           | September 8, 2022     |
|                             | Risk Management for Commercial and Sharia Banks   | GPS & Partners – Consulting Group                    | Online           | September 8, 2022     |
|                             | Masterclass – WOBI on Customer Experience Strategy, World of Business Ideas (WOBI), speaker: Martin Lindstrom | WOBI   | Online           | September 8, 2022     |
| Herry Hykmanto              | Undangan BI - G20 Side Event : Scaling Up The Utilization of Sustainable Financial Instruments                | Bank Indonesia                                       | Offline, Jakarta | September 27–28, 2022 |
|                             | ICC Standards for Sustainable Trade and Trade Finance   | ICC Paris  | Online           | February 18, 2022     |
|                             | Speaker at Al Azhar Study - “Digital Transformation: Encouraging Growth in Islamic Finance”                   | Universitas Al-Azhar Jakarta                         | Offline, Jakarta | March 23, 2022        |
|                             | Workshop SME Credit Risk  | Danamon  | Online           | April 5, 2022         |
|                             | Virtual Danamon Group Leadership Summit   | Danamon  | Online           | June 21, 2022         |
|                             | Corporate Strategy Workshop 2023  | Danamon  | Offline, Jakarta | August 10, 2022       |
|                             | PPI Seminar - Implementation of Green Banking and Investment  | PPI Jepang   | Online           | August 11, 2022       |
|                             | 2 <sup>nd</sup> part of BOM Prioritization and Support to Agile Transformation Workshop                       | Danamon  | Offline, Jakarta | September 3, 2022     |

| Director Name | Training/Conference/<br>Seminar/Workshop  | Organizer   | Location            | Date               |
|---------------|---|---|---------------------|--------------------|
|               | Financial Services Authority (OJK) - Workshop on Strategic Issues in Sharia Bank Development  | OJK   | Offline, Jawa Barat | September 7, 2022  |
|               | Bank Indonesia - Seminar Nasional Trade Finance   | Bank Indonesia  | Offline, Jakarta    | September 8, 2022  |
|               | Decarbonization Seminar with Mitsubishi Heavy Industry (MHI)  | Danamon - MHI   | Offline, Jakarta    | September 14, 2022 |
|               | 3 <sup>rd</sup> part of BOM Prioritization and Support to Agile Transformation Workshop   | Danamon   | Offline, Jakarta    | September 29, 2022 |
|               | The Indonesia 2023 Summit   | MUFG-Danamon-Adira  | Offline, Jakarta    | October 10, 2022   |
|               | Online Leadership Summit Year-End 2022  | Danamon   | Online              | October 27, 2022   |
|               | PT. Pertamina Patra Niaga - IMBT Syariah Funding Scheme   | PT. Pertamina Patra Niaga (PPN)   | Offline, Jawa Barat | December 2, 2022   |
| Rita Mirasari | Danamon Sustainability 2021   | Danamon   | Online              | January 10, 2022   |
|               | Elearning ORM & QA - 2020   | Danamon   | Online              | January 10, 2022   |
|               | G20 - International Seminar on Digital Financial Inclusion - Keynote Speech : Doni P. Joewono   | Financial Services Authority (OJK) – World Bank   | Offline, Jakarta    | February 2, 2022   |
|               | Mandiri Investment Forum 2022   | Bank Mandiri  | Offline, Jakarta    | February 9, 2022   |
|               | Webinar Big Data Analytics for Money Laundering Detection   | Financial Transaction Reports and Analysis Center (PPATK)   | Online              | February 10, 2022  |
|               | Digital Bank Transformations & Its Challenges in Supporting Indonesia's Economic Growth - Mr. Heru Kristiyana   | IBS   | Offline, Jakarta    | February 11, 2022  |
|               | Speaker on "Trade Based Money Laundering": Sanction Aspects of Trade-Based Money  | ICC   | Offline, Jakarta    | March 8, 2022      |
|               | Mentoring To Inspire program  | Dynargie consultant   | Offline, Jakarta    | March 10, 2022     |
|               | Invitation to Participate in a Talk Show Titled "Preventing Criminals from Taking Over the Country"   | Financial Transaction Reports and Analysis Center (PPATK) & Banking Compliance Director Communication Forum (FKDKP) | Offline, Jakarta    | March 22, 2022     |
|               | Opportunities and Challenges of the Financial Sector's Digital Transformation and Green Financing as a New Economic Driver in the Context of Accelerating Economic Recovery | Financial Services Authority (OJK)  | Offline, Jakarta    | March 24, 2022     |
|               | Implementation of a Risk-Based Anti-Money Laundering and Prevention of Terrorism Financing (AML-CFT) Program in the Context of Preparing for a MER Indonesia On-Site Visit  | Financial Services Authority (OJK)  | Offline, Jakarta    | March 29–30, 2022  |
|               | Global Economic Challenges & Banking Resilience in Indonesia  | Deposit Insurance Corporation (LPS)   | Offline, Jakarta    | April 12, 2022     |
|               | Preventing Weapons of Mass Destruction Funding for the Public Sector in Indonesia   | PPATK   | Offline, Jakarta    | April 26, 2022     |





| Director Name         | Training/Conference/<br>Seminar/Workshop   | Organizer  | Location         | Date              |
|-----------------------|--|--|------------------|-------------------|
|                       | Sustainability - Climate Risk & Financial Stability, and its Relationship with Indonesia's Green Taxonomy                        | FKDKP,OJK, WWF Indonesia, EY, CIMB Niaga & BRI   | Offline, Jakarta | May 12, 2022      |
|                       | Increasing the productivity and funding of MSMEs in the Tourism and Creative Economy Sector                                      | INDEF  | Offline, Jakarta | June 3, 2022      |
|                       | Risk and Compliance Training   | Danamon  | Online           | July 14, 2022     |
|                       | FGD - OJK Destination Statement Formulation for 2022-2027  | OJK  | Offline, Jakarta | July 25, 2022     |
|                       | Agile Transformation Priorities & Sponsorship  | Danamon  | Offline, Jakarta | August 2, 2022    |
|                       | Trends and Challenges of Anti-Money Laundering in the Digital Age  | OJK  | Offline, Jakarta | August 25, 2022   |
|                       | Webinar on Consumer Protection in the Digitalization Era, Implementation of Market Conduct Supervision and Its Impact on Banking | Banking Compliance Director Communication Forum (FKDKP), Financial Services Authority (OJK), BCA & BRI                                 | Online           | August 31, 2022   |
|                       | 3 <sup>rd</sup> part of BOM Prioritization and Support to Agile Transformation Workshop  | Danamon  | Offline, Jakarta | October 10, 2022  |
|                       | Danamon Compliance 2022  | Danamon  | Online           | October 10, 2022  |
|                       | APU PPT & Sanctions  | Danamon  | Online           | October 10, 2022  |
|                       | LPS Sharing session - Kerangka Manajemen Risiko Usaha  | LPS  | Offline, Jakarta | October 18, 2022  |
|                       | Membangun Resiliensi Perbankan dalam Menghadapi Tantangan di Tahun 2023  | Banking Compliance Director Communication Forum (FKDKP), Financial Services Authority (OJK), Mandiri, BTN, NSI, CIMB Niaga & Allo Bank | Offline, Jakarta | December 12, 2022 |
| Heriyanto Agung Putra | SEPAKAD (Danamon Information Security Learning Series) - Series 1  | Internal   | Online           | December 12, 2022 |
|                       | Code of Ethics 2022  | Internal   | Online           | July 15, 2022     |
|                       | Experiential Training for Squad Leads  | Internal   | Offline, Jakarta | April 25, 2022    |
|                       | Fire Chat Session  | Internal   | Offline, Jakarta | Sept. 6, 2022     |
|                       | Equip employees with in-demand skills to keep your business competitive  | External   | Online           | September 8, 2022 |
|                       | Dunamis: Introducing FranklinCovey's All Access Pass: Leverage Learning Impact to Business Results                               | External   | Online           | May 24, 2022      |
|                       | Objective Key Results Workshop   | Internal   | Offline, Jakarta | May 25, 2022      |
|                       | Dunamis: Leverage Learning Impact to Business Results  | External   | Online           | June 8, 2022      |
|                       | Intipesan: Reskilling & Upskilling Strategy  | External   | Online           | June 16, 2022     |
|                       | Intipesan: Workforce Planning Strategy   | External   | Offline, Jakarta | June 29, 2022     |
|                       | SAP SouthEast Asia HR Connect 2022: Change work for good   | External   | Online           | July 20, 2022     |

| Director Name   | Training/Conference/<br>Seminar/Workshop  | Organizer              | Location         | Date               |
|-----------------|---|------------------------|------------------|--------------------|
|                 | Agile Transformation Priorities & Sponsorship Workshop                                  | Internal               | Offline, Jakarta | July 21, 2022      |
|                 | Corporate Strategy Workshop 2023  | Internal               | Offline, Jakarta | August 2, 2022     |
|                 | CHRO Advisory Board (CAB) Insider Hour: Metaverse 101 Virtual Session (APJ)             | External               | Online           | August 11, 2022    |
|                 | 2 <sup>nd</sup> part of BOM Prioritization and Support to Agile Transformation Workshop | Internal               | Offline, Jakarta | August 24, 2022    |
|                 | ETHRWorld: Decoding EX, Talent and Culture to Build a Future-Ready Workforce            | External               | Online           | September 7, 2022  |
|                 | 3 <sup>rd</sup> part of BOM Prioritization and Support to Agile Transformation Workshop | Internal               | Offline, Jakarta | September 20, 2022 |
|                 | CHRO: Building a Skill-Based Talent Strategy to Fuel Your Organization                  | External               | Online           | October 10, 2022   |
| Dadi Budiana    | APU PPT: Peranan First Line of Defense (FLOD) & Global Roll Out (GRO)                   | Danamon                | Online           | January 4, 2022    |
|                 | ORM & QA  | Danamon                | Online           | January 4, 2022    |
|                 | SEPAKAD (Seri Pembelajaran KeAmanan informasi Danamon) - Seri 1                         | Danamon                | Online           | June 30, 2022      |
|                 | Danamon Compliance 2022   | Danamon                | Online           | July 1, 2022       |
|                 | Anti Fraud Awareness dan Pakta Integritas Anti-Fraud 2022                               | Danamon                | Online           | July 5, 2022       |
|                 | Agile Transformation Priorities & Sponsorship Workshop (Part 1)                         | AT Kearney             | Online           | August 2, 2022     |
|                 | APU PPT & sanctions   | Danamon                | Online           | August 30, 2022    |
|                 | Customer Centric  | Danamon                | Online           | September 6, 2022  |
|                 | BOM Prioritization and Support to Agile Transformation Workshop (Part 2)                | AT Kearney             | Offline, Jakarta | September 7, 2022  |
|                 | EIR Handbook  | Danamon                | Online           | September 9, 2022  |
|                 | BOM Prioritization and Support to Agile Transformation Workshop (Part 3)                | AT Kearney             | Offline, Jakarta | October 10, 2022   |
|                 |   |                        |                  |                    |
| Muljono Tjandra | SEPAKAD (Seri Pembelajaran KeAmanan informasi Danamon) - Seri 1                         | Danamon                | Online           | April 27, 2022     |
|                 | Risk Management Certification - Refreshment Program Lv.5                                | Danamon & Efektif Pro  | Online           | July 6, 2022       |
|                 | Anti Fraud Awareness dan Pakta Integritas Anti Fraud 2022                               | Danamon                | Online           | July 11, 2022      |
|                 | Danamon Compliance 2022   | Danamon                | Online           | July 15, 2022      |
|                 | Agile Transformation Priorities & Sponsorship Workshop                                  | Danamon                | Offline, Jakarta | August 2, 2022     |
|                 | 2 <sup>nd</sup> part of BOM Prioritization and Support to Agile Transformation Workshop | Danamon                | Offline, Jakarta | September 7, 2022  |
|                 | Economist Workshop with Mr. Tom Joyce, MUFG Global Head of Capital Market Strategist    | Danamon & MUFG Jakarta | Offline, Jakarta | September 21, 2022 |
|                 | APU PPT & Sanctions   | Danamon                | Offline, Jakarta | October 10, 2022   |
|                 | 3 <sup>rd</sup> part of BOM Prioritization and Support to Agile Transformation Workshop | Danamon                | Online           | November 9, 2022   |
|                 | E-Learning Customer Centric   | Danamon                | Online           | November 9, 2022   |
|                 | EIR Handbook  | Danamon                | Online           | November 9, 2022   |
|                 |   |                        |                  |                    |
| Naoki Mizoguchi | E-Learning Risk Management Esentials  | Danamon                | Online           | April 8, 2022      |
|                 | E-Learning Kode Etik 2022   | Danamon                | Online           | July 8, 2022       |
|                 | (APAC/Partner Bank) MUFG Overseas Management Compliance Workshop                        | MUFG                   | Online           | August 2, 2022     |



| Director Name  | Training/Conference/<br>Seminar/Workshop  | Organizer   | Location           | Date               |
|----------------|---|---|--------------------|--------------------|
|                | Agile Transformation Priorities & Sponsorship Workshop                                      | AT Kearney  | Offline, Jakarta   | September 7, 2022  |
|                | 2nd part of Board of Management Prioritization and Support to Agile Transformation Workshop | AT Kearney  | Offline, Jakarta   | October 6, 2022    |
|                | e-Learning APU PPT & Sanctions  | Danamon   | Online             | October 10, 2022   |
|                | 3rd part of Board of Management Prioritization and Support to Agile Transformation Workshop | AT Kearney  | Offline, Jakarta   | October 12, 2022   |
|                | GCB Partner Bank Workshop   | MUFG Singapore                                      | Offline, Singapore | October 26, 2022   |
|                | Coffee Talk Session "The Recent Development in Global Market" with Mr. Hiroshi Watanabe     | Danamon & MUFG Tokyo                                | Offline, Jakarta   | December 20, 2022  |
|                | E-Learning Compliance   | Danamon   | Online             | December 23, 2022  |
|                | E-Learning SEPAKAD  | Danamon   | Online             | December 23, 2022  |
| Thomas Sudarma | Code of Ethics  | Danamon   | Online             | April 6, 2022      |
|                | Manajemen Risiko Perbankan Level 5  | Banking Professional Certification Institute (LSPP) | Online             | April 8, 2022      |
|                | BDI & ADMF Strategy Workshop  | BDI & ADMF  | Offline, Jakarta   | August 11, 2022    |
|                | Danamon Group Leadership Summit 1H-2022   | Danamon   | Online             | August 10, 2022    |
|                | 2 <sup>nd</sup> Part of BOM Prioritization & Support to Agile Transformation Workshop       | AT Kearney  | Offline, Jakarta   | September 7, 2022  |
|                | BOM Workshop - Sharia Spin Off with PWC   | PWC   | Offline, Jakarta   | September 15, 2022 |
|                | 3 <sup>rd</sup> Part of BOM Prioritization & Support to Agile Transformation Workshop       | AT Kearney  | Offline, Jakarta   | October 10, 2022   |
|                | GCB Partner Bank Collaboration Workshop   | MUFG  | Offline, Singapore | October 12, 2022   |
|                | The Indonesia 2023 Summit: Rebuild the Economy  | Danamon – MUFG – Adira Finance                      | Offline, Jakarta   | October 27, 2022   |
|                | Leadership Summit Year-End 2022   | Danamon   | Online             | December 2, 2022   |
|                | APU PPT & Sanctions   | Danamon   | Online             | December 29, 2022  |
|                | Danamon Compliance 2022   | Danamon   | Online             | December 29, 2022  |
|                | Anti-Fraud Awareness & Pakta Integritas 2022  | Danamon   | Online             | December 2022      |

# COMMITTEES UNDER THE BOARD OF DIRECTORS

The Board of Directors has a number of committees that help it carry out its duties and responsibilities more effectively. These committees provide the board with recommendations and advice that it can use to make better decisions. These committees are:

These committees are:

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

## Committee Charters

Each committee under the Board of Directors has its own unique set of guidelines and work procedures that they use as references that are binding for every committee member. These Committee Charters regulate things like membership, duties and responsibilities, reporting, and how meetings are meant to be carried out. Each committee's guidelines and work procedures are constantly updated in accordance with developments at Danamon and with applicable regulations.

## RISK MANAGEMENT COMMITTEE

### Structure and Membership of the Committee

|                    |   |
|--------------------|---|
| Committee Chairman | President Director                        |
| Permanent Member   | Board of Directors                        |
| Permanent Invitees | Board of Management and Executive Officer |

The alternate to the Chairman will follow the prevailing Board of Directors' circular resolution concerning duties and authorities of the Board's members.

The 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 is available in the Risk Management section.

### Status of Voting Rights and Decision Making

The adoption of the Committee's meeting resolutions shall be done by consensus. In the event that 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 that the vote is a tie, the Committee's Chairman or Alternate Chairman (if the Committee's Chairman is unable to attend the meeting) is authorized to determine the resolutions.

### Roles and Responsibilities of the Committee

The risk Management Committee is responsible for evaluating and giving recommendations to the President Director and the Board of Directors on matters related to:

- a. Assisting the Board of Directors in fulfilling its responsibilities related to Risk Management

- b. Development of Risk Management strategies, policies and frameworks, including the establishment of Risk Appetite parameters 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. Ensuring 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. Ensuring all business and operational activities are complied with prevailing regulations, risk policies and procedures, with approval and oversight over exceptions, deviations and violations that may have occurred.



- f. Ensuring the Bank maintains sufficient provisions and reserves to protect against the realization of potential inherent risks, as well as ensuring the Bank has sufficient disaster recovery procedures for business continuity.
- g. Review of various existing and emerging risks faced by the Bank, including:
- Credit risk;
  - Market and Liquidity risk;
  - Operational risk and Fraud risk;
  - 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 are likely to have an impact on capital adequacy ratio and their respective risk profiles.
- i. Assessing 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-committees under the Risk Management Committee.

#### Risk Management Committee Meetings

During 2022, the Committee held 9 meetings, which were attended by members of the Board of Directors as follows:

| Name                     | Position           | Attendance of Members of Board of Directors in Risk Management Committee Meeting |
|--------------------------|--------------------|--|
| Yasushi Itagaki          | Committee Chairman | 8  |
| Honggo Widjojo Kangmasto | Permanent Member   | 8  |
| Hafid Hadeli*            | Permanent Member   | 4  |
| Thomas Sudarma*          | Permanent Member   | 4  |
| Dadi Budiana             | Permanent Member   | 8  |
| Rita Mirasari            | Permanent Member   | 7  |
| Herry Hykmanto           | Permanent Member   | 9  |
| Heriyanto Agung Putra    | Permanent Member   | 9  |
| Naoki Mizoguchi          | Permanent Member   | 9  |
| Muljono Tjandra          | Permanent Member   | 9  |

Description:

\*) Effective become Director and the Committee's member since July 2022

#### RISK MANAGEMENT COMMITTEE MEETING AGENDA IN 2022

| Month     | Meeting            | Agenda  |
|-----------|--------------------|---|
| January   | January 24, 2022   | Matters arising from previous ROC meeting, Risk Management, Compliance and CCC update           |
| February  | February 23, 2022  | ADMF, Risk Management, Consumer Business, Compliance, EB Remedial update.                       |
| April     | April 25, 2022     | Risk Management and Compliance update.  |
| May       | May 23, 2022       | Risk Management, BCM and Compliance update  |
| June      | June 27, 2022      | Risk Management, Financial Controller, MUFG Information Sharing Framework and Compliance update |
| July      | July 20, 2022      | Risk Management, Consumer and Compliance update   |
| September | September 16, 2022 | Matters arising from previous RMC and ROC meeting, Risk Management, Compliance and ADMF update  |
| October   | October 24, 2022   | Risk Management, Consumer - Wealth Management Business and Compliance update                    |
| November  | November 15, 2022  | Risk Management, EB Business & Risk and Compliance update                                       |

## ASSETS & LIABILITIES COMMITTEE (ALCO)

### Structure and Membership

|                      |  |
|----------------------|--|
| Chairman             | President Director   |
| Alternative Chairman | Chief Financial Officer (CFO)  |
| Members              | Vice President Directors and Directors and/or members that were appointed from the following Divisions/Business Units: <ul style="list-style-type: none"> <li>• Sales &amp; Distribution, SME and Consumer Banking</li> <li>• Risk Management</li> <li>• Treasury &amp; Capital Market</li> <li>• Enterprise Banking &amp; Financial Institution</li> <li>• Transaction Banking</li> </ul> |

### Voting Rights and Decision Making

The ALCO Committee consists of members with equal voting rights. If a committee member is unable to attend a meeting, he/she can appoint a replacement with voting rights. The delegation of voting rights to such a replacement must first obtain approval from the committee's chairperson.

Committee decisions are taken based on deliberation for consensus. In the event that there is no deliberation for consensus, decisions are made based on a majority vote.

### Roles and Responsibilities

ALCO's and responsibilities include the following:

- Establish committee coverage, meeting procedure, working process and sets sub-committee to support ALCO.
- Determine the policies and guidelines for liquidity risk, interest rate risk, foreign exchange risk and capital management of Danamon and its subsidiary that reflect the adequacy of liquidity and capital, stable and diversified funding profile, with compliance to all regulatory requirements.
- Determine issuance of securities or other debt instruments in the framework of providing the Bank with adequate liquidity, capital and diversified funding structure.
- Evaluate market condition and its impact on Bank liquidity condition, NII, and capital, and to approve best course of action.
- Review and determine the Balance Sheet structure to improve Bank profitability.
- Review funding composition and approve any changes in funding strategy and alternatives including new institutional/structural funding.
- Reviewing the following topics monthly basis:
  - Economic Overview and Market Outlook
  - Recent movements of key components in the bank's balance sheet, Yield/COF and NIM
  - Funds Transfer Pricing (FTP)
  - Funding & lending products pricing
  - Market and liquidity risk profiles on balance sheets, banking book portfolios and trading books
  - Contingency Funding Policy (CFP) monitoring
  - Capital management and other matters related to ALCO
- Periodically reviewing and approve ing the following matters:
  - 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 liquidity risk, interest rate risk and FTP calculation
  - FTP policies and methodologies
  - Contingency Funding Plan (CFP) policies
  - Rasio Intermediasi Makroprudensial (RIM) targets





## Meetings

During 2022, the Committee held 11 (eleven) meetings and was attended by the following Board of Directors members:

| Name                         | Position                 | Number of ALCO members present |
|------------------------------|--------------------------|--------------------------------|
| Yasushi Itagaki              | Chairperson              | 10                             |
| Muljono Tjandra              | Alternative Chairpersons | 10                             |
| Honggo Widjojo Kangmasto     | Member                   | 9                              |
| Dadi Budiana <sup>1)</sup>   | Member                   | 9                              |
| Hafid Hadel <sup>2)</sup>    | Member                   | 4                              |
| Thomas Sudarma <sup>2)</sup> | Member                   | 4                              |
| Andrew Suhandinata           | Member                   | 10                             |
| Herman Savio                 | Member                   | 11                             |

Description:

1) Dadi Budiana has been an ALCO member since January 2022

2) Hafid Hadel and Thomas Sudarma were ALCO members since August 2022

## Implementation of Duties of Assets & Liabilities Committee in 2022

ALCO convened meetings with discussion materials that encompassed the following subjects:

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

In general, these aforementioned materials were discussed throughout ALCO meetings with the following agenda details:

| Month    | ALCO Meeting Date | Agenda   |
|----------|-------------------|--|
| January  | January 28, 2022  | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• FTP review</li> <li>• Risk limit review for 2022</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> </ul>                     |
| February | February 25, 2022 | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• FTP review</li> <li>• Prime lending rate review</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> </ul>                      |
| March    | March 29, 2022    | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> </ul>   |
| April    | April 28, 2022    | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• FTP review</li> <li>• Regulation update</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> </ul>                              |
| May      | May 31, 2022      | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• FTP review</li> <li>• Regulation update</li> <li>• Risk limit review</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> </ul> |

| Month     | ALCO Meeting Date  | Agenda   |
|-----------|--------------------|--|
| June      | June 30, 2022      | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• FTP review</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> </ul>   |
| July      | July 29, 2022      | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• FTP review</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> </ul>   |
| August    | August 29, 2022    | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• FTP review</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> </ul>   |
| September | September 30, 2022 | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• FTP Review</li> <li>• Prime Lending Rate review</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> <li>• CFP Monitoring Indicators</li> </ul> |
| October   | October 31, 2022   | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• FTP review</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> </ul>   |
| November  | 28 November 2022   | <ul style="list-style-type: none"> <li>• Economic &amp; Market Outlook</li> <li>• FTP review</li> <li>• Prime Lending Rate review</li> <li>• Update on Balance sheets, Market and Liquidity Risk Management.</li> </ul>                                      |



## HUMAN RESOURCES COMMITTEE

### Human Resources Committee: Structure and Membership

|                                    |  |
|------------------------------------|--|
| Chairperson                        | President Director   |
| Alternative Chairperson, Secretary | Human Resources Director   |
| Member                             | <ul style="list-style-type: none"> <li>• Vice President Director of Enterprise Banking</li> <li>• Vice President Director of Consumers, SMEs &amp; Branch Networks*</li> <li>• Risk Management Director</li> </ul> |

Information:

\* Has been a member of the Human Resources Committee since July 2022

The Human Resources Committee consist of three Board of Directors members, as shown in the table above. The Human Resources Committee is responsible to the Board of Directors, and regularly reports its activities to the Board of Directors.

#### Voting Rights and Decision Making Status

Each committee member has equal voting rights. Any decision made during Human Resources Committee meetings must have unanimous approval. In the event that such a unanimous decision cannot be obtained, then a majority vote is required. The committee's chairperson has the final say on all decisions.

#### Human Resources Committee: Duties and Responsibilities

1. Providing strategic directions and creating general policies in the field of Human Resources. These include changes to the following areas:
  - Human Resources Strategy
  - General employment policies
  - Employee compensation and benefits
  - Performance appraisal management, including promotions
  - Talent management and succession planning
  - Organizational structure and rank levels

- Training and development of workers
- Corporate culture and values, as well as employee engagement
- Labor and industry relations
- Aligning subsidiary policies with company policies
- Human resource planning
- Organizational health and safety
- Employee issues related to the Code of Ethics and discipline by way of reports from the Disciplinary Committee or other Committees

2. Carrying out other duties and responsibilities that the Board of Directors may assign to the HR Committee from time to time.
3. The HR Committee may form sub-committees to help it carry out its duties and responsibilities. These sub-committees include the Disciplinary Committee.
4. Ensuring disciplinary actions, including for violations of laws and regulations, harmful actions, negligence, fraud, and so on.

#### Human Resources Committee: Meetings

Throughout 2022, the Committee held 12 (twelve) meetings, with the following details in terms of attendance rates for each member:

| Name                     | Position                           | HR Committee Meeting Attendance Rates |
|--------------------------|------------------------------------|---------------------------------------|
| Yasushi Itagaki          | Chairperson                        | 12                                    |
| Heriyanto Agung Putra    | Alternative Chairperson, Secretary | 12                                    |
| Honggo Widjojo Kangmasto | Member                             | 11                                    |
| Hafid Hadeli*            | Member                             | 11                                    |
| Dadi Budiana             | Member                             | 9                                     |

Information:

\* Has been a member of the HR Committee since July 2022

The results of each committee meeting must be recorded through well-documented meeting minutes. A meeting is declared a quorum if it has at least two-thirds of all Human Resources Committee members attending.

### Human Resources Committee: Meeting Agendas in 2022

The Human Resources Committee's meetings had the following topics of discussion:

| No. | Date              | Agendas  |
|-----|-------------------|--|
| 1   | January 20, 2022  | 1. PMS End Year 2021<br>2. Harmonizing Changes in Income Tax Regulation  |
| 2   | February 11, 2022 | 1. Update on KDP<br>2. Update on the Disciplinary Committee<br>3. Broadband Structure & Compensation   |
| 3   | March 11, 2022    | 1. Proposing Promotions to grade 0<br>2. Finalization of Promotion Committee Recommendations   |
| 4   | April 8, 2022     | 1. CLA Negotiation Update<br>2. Union Profile<br>3. Disciplinary Committee Report & Update<br>4. D'Club  |
| 5   | May 27, 2022      | CLA Proposal For Benefit Improvement   |
| 6   | May 31, 2022      | The 1 <sup>st</sup> Talent Council for 2022 :<br>1. Progress Update From the 3 <sup>rd</sup> Talent Council 2021 (Dec 8, 2021)<br>2. L1 – L2 Organization Structure Highlights as of Apr. 2022<br>3. BOD/BOM Succession Plan<br>4. L2 + Selected L3 Talent Progress and Highlight<br>5. DBT Update |
| 7   | June 15, 2022     | 1. Working Arrangement<br>2. Update on CLA   |
| 8   | August 31, 2022   | 1. CLA Progress<br>2. Disciplinary Committee<br>3. Danamon: Our Home<br>4. Medical Insurance Benefit Improvements<br>5. Gasoline Reimbursement For Working Trips<br>6. Recreation/Team Building Funds<br>7. Voice of Internal Customers (VoIC)<br>8. Danamon Innovation Race (DIR)                 |
| 9   | September 9, 2022 | 1. Eazy Next Gen<br>2. EES Results 2022<br>3. DBT Career Progression Framework<br>4. Improvements for Medical Insurance Benefits   |
| 10  | October 17, 2022  | VoIC Results   |
| 11  | November 14, 2022 | 2 <sup>nd</sup> Talent Council 2022  |
| 12  | December 9, 2022  | 1. 2023 Mass Leave Arrangement and 2022 Leave Carry Forward<br>2. Update on Improving Premiums of Medical Benefits<br>3. Broadband Structure Implementation Progress Report<br>4. Post-Pandemic Working Arrangement  |



## INFORMATION TECHNOLOGY (IT) STEERING COMMITTEE

### Structure and Membership of the Committee\*

|          |  |
|----------|--|
| Chairman | Finance Director   |
| Member   | <ul style="list-style-type: none"> <li>• Chief Information Officer (CIO)</li> <li>• Vice President Director **</li> <li>• Risk Management Director</li> <li>• Global Alliance Strategy Director</li> <li>• Digital Head</li> </ul> |

Other invitations depend on the relevance of each area

|        |   |
|--------|---|
| Member | <ul style="list-style-type: none"> <li>• BDI Director and Subsidiary</li> <li>• BDI Business Head and Subsidiary</li> <li>• BDI Head Support Function and Subsidiary</li> <li>• President Director</li> </ul> |
|--------|---|

\*) Committee structure and membership valid as of June 2021

\*\*) 2 people according to the bank's organizational structure

### Status of Voting Rights and Decision Making

Each Committee member has equal voting rights. Decision making in the Committee meetings is conducted with the aim of reaching consensus. In the event that deliberation does not reach consensus, decision making is based on voting by the affirmative vote of more than ½ (half) of the total valid votes in the meeting.

### Duties and Responsibilities

The Committee has duties and responsibilities, among others:

- Periodically review and recommend Danamon's IT strategy plan, and ensure that IT projects are in line with their strategic plans.
- Review and recommend IT projects in accordance with Danamon's strategy that has been proposed by the IT project prioritization team which has a Capex investment value equal to or greater than USD 500 thousands or total cost ownership (TCO) equal to or greater than USD 2 million over 5 years, or its equivalent Rp.
- Reviewing the post-implementation of strategic projects & the benefits of their realization after implementation in terms of costs and benefits. Projects that are approved through the KPTI meeting with an investment equal to or greater than USD 500 thousands or total cost ownership (TCO) equal to or greater than USD 2 million over 5 years and had been implemented project will be tracked by Financial Planning (FP) and the results will be presented by the relevant user/LoB in the KPTI meeting.

- Ensure proper and good allocation of IT resources. If you wish to collaborate with a third party to assist the smooth implementation of the project, then KPTI must ensure that the process of selecting and appointing a third party is in line with Danamon's policies and procedures and must involve the Procurement team and involve IT from the start when it comes to the technology to be implemented and/or or use in Danamon.
- Reviewing recommendations from other sub/committees for matters related to Information Technology.
- Provide recommendations to solve IT-related problems that cannot be resolved by the user work unit and IT administrators effectively, efficiently and on time.
- Perform other duties and responsibilities delegated by the Board of Directors from time to time.
- Prepare annual committee activity reports.

### IT Steering Committee Meeting

During 2022, the Committee held 13 (thirteen) meetings. The meetings were 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 | 13  |
| Mahesh Ajit Ranade             | Member   | 12  |
| Honggo Widjojo Kangmasto       | Member   | 13  |
| Hafid Hadeli <sup>*)</sup>     | Member   | 9   |
| Dadi Budiana                   | Member   | 10  |
| Naoki Mizoguchi                | Member   | 11  |
| Andreas Kurniawan              | Member   | 13  |
| Yasushi Itagaki <sup>**)</sup> | Member   | 3   |

<sup>\*)</sup> Hafid Hadeli joined ITSC on April 8, 2022

<sup>\*\*)</sup> Was superior to Michellina Triwardhany (Vice President Director for Consumer & SME) who resigned on September 3, 2021 and was a member until April 7, 2022

### Implementation of Duties of Information Technology Steering Committee in 2022

The Information Technology Steering Committee held meetings with discussion materials as follow

| No | Date               | Agenda  |
|----|--------------------|---|
| 1  | January 19, 2022   | Cost Benefit Tracking for Project 2021  |
| 2  | February 8, 2022   | Budget Approval for Multi Currency Account Project  |
| 3  | February 25, 2022  | Budget Approval for CFT4 - Core Payment Performance and Performance Testing Project   |
| 4  | April 8, 2022      | Budget Approval for 10 Squad for 2022 Projects  |
| 5  | April 19, 2022     | <ul style="list-style-type: none"> <li>ITSC Charter Update</li> <li>Budget approval for the following: <ul style="list-style-type: none"> <li>4 Infra project tech refresh project</li> <li>Basel 3 Project</li> <li>Base24 Upgrade Project</li> </ul> </li> </ul>  |
| 6  | June 14, 2022      | <ul style="list-style-type: none"> <li>Cost Benefit Tracking Project for the following: <ul style="list-style-type: none"> <li>Streamline E2E SME Loan Process MVP 1 Project</li> <li>BI-Fast Phase 1 Update Project</li> <li>Frontline Enablement Project</li> <li>Banking Chat Project</li> <li>Result Project Video Banking</li> </ul> </li> <li>Proposal to add projects with TCO ≥USD2mn to the scope of ITSC review, and to amend the ITSC Charter</li> </ul> |
| 7  | June 21, 2022      | Budget Approval for Hardware Refreshment HSM PS10K Project  |
| 8  | July 19, 2022      | Budget Approval for the following: <ul style="list-style-type: none"> <li>DCC Re-Architect Project</li> <li>Green Taxonomy Project</li> </ul>   |
| 9  | August 10, 2022    | Budget Approval for the following: <ul style="list-style-type: none"> <li>Marketing Orchestration Project</li> <li>Budget Approval for Base24 upgrade Project</li> </ul>  |
| 10 | August 22, 2022    | Cost Benefit Tracking for Enhancement FCC FCR Phase 1 – SPRINT 1 & 2  |
| 11 | September 28, 2022 | Budget Approval for the following: <ul style="list-style-type: none"> <li>Payment Compliance - BI FAST phase 2</li> <li>Readiness for Adira Onboarding</li> <li>New Branch Transformation</li> </ul>  |
| 12 | November 24, 2022  | Rencana Strategi Teknologi Informasi  |
| 13 | December 20, 2022  | Cost Benefit Tracking Project for the following: <ul style="list-style-type: none"> <li>TSMG – Payment Improvement (Cash Online)</li> <li>Digital - Streamline End To Customer Loan</li> </ul>  |





## SUSTAINABILITY COMMITTEE

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

### Committee Structure and Membership

|   |  |
|---|--|
| Chairman of Committee<br>(Chairman is also as permanent member) | President Director   |
| Permanent Members   | <ul style="list-style-type: none"> <li>• Vice President Director</li> <li>• Sharia &amp; Sustainability Finance Director</li> <li>• Compliance Director</li> <li>• Global Alliance Strategy Director</li> <li>• Finance Director</li> <li>• Human Capital Director</li> <li>• Enterprise Banking &amp; Financial Institution Director</li> </ul> |
| Permanent Invitees  | <ul style="list-style-type: none"> <li>• Risk Management Director</li> <li>• Chief Strategy Officer</li> <li>• SME Business Head</li> <li>• Consumer Business Head</li> <li>• Sustainability Team</li> </ul>   |
| Secretary   | Credit & Enterprise Risk Management  |

The alternate to the Chairman of the Committee will follow the prevailing BOD circular resolution concerning duties and responsibilities of BOD members. The Board of Directors reserves the right to change the composition of this Committee at any given time.

### 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

Sustainability Committee assist the Board of Directors in fulfilling its responsibility on the implementation of Sustainable Finance in the Bank, as follows:

- Review and approve the priority issues, action programs and targets related to Sustainability initiatives.
- Conduct review on the development of Sustainable Finance Action Plan (SFAP) and Sustainability Report.
- Monitor the development of Bank's Sustainability achievement, in line with the SFAP.
- To ensure sufficiency of sustainability policies, ensure the quality of policies implementation including compliance to the regulatory requirement.
- 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 the Committee. If the Chairman of the Committee unable to attend, the Chairman 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 virtually. 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 Secretary to all Sustainability Committee members. Decisions or approvals of Sustainability Committee meeting shall be properly documented in the form of minutes of meeting and signed by the Permanent Members. The minutes of meeting that is already signed should be administered by the Secretary. The Sustainability Committee permanent members are formally bound by its

decision. Under urgent circumstances where a meeting is not possible to be conducted, the Committee can make valid and binding decision through circulation of internal committee memorandum.

During 2022, the Committee held 4 (four) meetings attended by the following members of the Committee:

| Name                     | Position         | Total Attendance of Permanent Members of the Committee in Sustainability Committee Meetings* |
|--------------------------|------------------|--|
| Yasushi Itagaki          | Chairman         | 4  |
| Honggo Widjojo Kangmasto | Permanent Member | 4  |
| Hafid Hadeli*            | Permanent Member | 2  |
| Herry Hykmanto           | Permanent Member | 4  |
| Dadi Budiana**           | Permanent Member | 2  |
| Rita Mirasari            | Permanent Member | 4  |
| Heriyanto Agung Putra    | Permanent Member | 3  |
| Naoki Mizoguchi          | Permanent Member | 4  |
| Muljono Tjandra          | Permanent Member | 4  |
| Thomas Sudarma*          | Permanent Member | 2  |

\* Effective become Director and committee member since July 2022.

\*\* Risk Management Director is a Permanent Invitee of the Sustainability Committee based on the Sustainability Committee charter which effective since 25 May 2022.

#### 2022 SUSTAINABILITY COMMITTEE MEETING

| Month    | Committee Meeting Date | Agenda   |
|----------|------------------------|--|
| February | February 18, 2022      | <ul style="list-style-type: none"> <li>Sustainable Finance Action Plan (SFAP) Progress</li> <li>2021 Sustainability Report</li> <li>Sustainable Finance Portfolio</li> <li>Carbon Neutrality on Own Operations</li> </ul>  |
| April    | April 25, 2022         | <ul style="list-style-type: none"> <li>Sustainability Committee Charter Approval</li> <li>Join Professional Organization related to Sustainable Finance</li> <li>SFAP Progress</li> <li>Sustainable Finance Portfolio Dashboard</li> <li>Green Taxonomy Implementation</li> <li>Solar Panel Update</li> <li>Electric Vehicle Initiative</li> </ul>           |
| August   | August 2, 2022         | <ul style="list-style-type: none"> <li>Climate Risk Sharing Session</li> <li>SFAP Progress</li> <li>Sustainable Finance Portfolio Dashboard</li> <li>Alignment with MUFG Environmental &amp; Social Policy</li> </ul>  |
| November | November 2, 2022       | <ul style="list-style-type: none"> <li>Decarbonization and Sustainable Finance Portfolio Dashboard</li> <li>Sustainable Finance Implementation and Strategy Review</li> <li>Sustainable Finance Action Plan 2023-2027 Progress and Action Plan</li> <li>Update on Environmental &amp; Social Policy</li> <li>Green Taxonomy Implementation Update</li> </ul> |



## INTEGRATED RISK MANAGEMENT COMMITTEE

### Structure and Membership of the Committee

|                   |   |
|-------------------|---|
| Chairman          | Risk Management Director of the Main Entity (Danamon)   |
| Permanent Member  | <ul style="list-style-type: none"> <li>Compliance Director of the Main Entity (Danamon)</li> <li>Director in charge of Credit for SME and Mass Market of the Main Entity (Danamon)</li> <li>Appointed Director from Subsidiary and Sister Company</li> <li>Appointed Division Heads in Integrated Risk Management Working Unit</li> </ul> |
| Permanent Invitee | Internal Auditor of Main Entity (Danamon)   |

Alternative Chairperson: Refer to BOD circular resolution concerning duties and authorities of BOD members

### 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 or Alternate Chairman (in absence of the Chairman) 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:

- Preparation of the integrated risk management policy, framework and guideline, and periodic improvement based on evaluation of the implementation.
- Evaluation of the effectiveness of the implementation of integrated risk management policies, frameworks and guidelines
- 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.

- Escalation of all risk related matters that require the attention of the Directors of the Main Entity or entities within the Financial Conglomeration.
- Assessment 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
- Review and approve semi annual integrated risk profile report
- Preparation of the integrated capital management policy and strategy within Financial Conglomeration including review of the integrated capital report.
- Knowledge sharing/lessons learned between entities in the Financial Conglomeration so that it can improve the implementation of integrated risk management to be more effective.

### Attendance of member in the Integrated Risk Management Committee Meeting

During 2022, Integrated Risk Management Committee has held 2 meetings: i.e. in February and August 2022.

The following is the attendance of committee members in meetings during 2022:

| Committee Member     | Title   | Number of Member Attendance in Committee Meeting                 |
|----------------------|---|--|
| Dadi Budiana         | Danamon's Risk Management Director                              | 2  |
| Rita Mirasari        | Danamon's Compliance Director                                   | 2  |
| Herry Hykmanto*      | Director in charge of Credit for SME and Mass Market            | 1  |
| Ho Lioeng Min        | Director of PT Adira Dinamika Multi Finance, Tbk.               | 1<br>(resigned in June 2022, and replaced by I Dewa Made Susila) |
| I Dewa Made Susila   | Director of PT Adira Dinamika Multi Finance, Tbk.               | 1  |
| Mahendra Rendiantama | Director of MUFG Bank, Ltd. Jakarta Branch                      | 2  |
| Enriko Sutarto       | Danamon's Credit & Enterprise Risk Management Division Head     | 2  |
| Eunice Kurniawan     | Danamon's Operational Risk Management, Fraud & QA Division Head | 2  |
| Ari Priyatna         | Danamon's Market & Liquidity Risk Management Division Head      | 2  |

\* Effective to be a committee member since April 2022

## MEETINGS AND AGENDA OF INTEGRATED RISK MANAGEMENT COMMITTEE MEETING

| Date              | Agenda   |
|-------------------|--|
| February 14, 2022 | <ul style="list-style-type: none"> <li>- Integrated Risk Profile H2 2021</li> <li>- Integrated Risk Management Policy (IRMP) of MUFG Group Financial Conglomeration</li> <li>- IRMC Charter</li> <li>- Update Integrated Capital Management Policy</li> <li>- Updated Weights for Integrated Risk Profile &amp; New Threshold of Intragroup Transaction.</li> <li>- Integrated Capital Adequacy</li> <li>- IFRS9 Update</li> <li>- Information Risk Management Update</li> <li>- Adira Finance Update</li> <li>- MUFG Bank Jakarta Update</li> </ul> |
| August 12, 2022   | <ul style="list-style-type: none"> <li>- Integrated Risk Profile H1 2022</li> <li>- Intragroup Transaction Policy</li> <li>- Integrated Capital Adequacy</li> <li>- Adira Finance Update</li> <li>- MUFG Bank Jakarta Update</li> </ul>  |

**Implementation of Duties of Integrated Risk Management Committee in 2021**

Important activities carried out by the Integrated Risk Management Committee during 2021 are:

- Review of the Integrated Risk Profile
- Update of the Integrated Capital Management Policy for Financial Conglomeration
- Subsidiary Update
- Sister Company Update
- Update on Integrated Risk Management Policy
- Intra-Group Transaction Policy Update
- Integrated Risk Profile Guideline Update
- Update related to Financial Conglomeration
- Update on IFRS 9
- Sharing session on Common Risk Assessment Standard
- Update on Integrated Capital Adequacy
- Update on MUFG LLL

**INTRA-GROUP TRANSACTION POLICY**

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, either written or unwritten which can be followed or not followed by transferring the of funds.

Intra-Group Transaction Risk Management implementation is carried out by considering 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 periodically 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.

Intra-Group Transaction Risk Management implementation 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.
- The purchase or sales of asset to other entity in Financial
- Risk transfer through re-insurance.
- The transaction to shift the third party's risk exposure between the entities within a Financial Conglomeration.



## REAL ESTATE COMMITTEE

The Real Estate Steering Committee (“REC”) is a senior management committee that assists the Board of Directors when it comes to strategic planning and supervision for any activities involving real estate.

### Real Estate Committee: Structure and Membership

|                       |  |
|-----------------------|--|
| Committee Chairperson | President Director   |
| Members               | <ul style="list-style-type: none"> <li>• Sharia Director, SEMM &amp; CREM</li> <li>• Chief Financial Officer (CFO)</li> <li>• Global Alliance Strategy Director</li> <li>• Compliance, Legal &amp; Litigation Director</li> <li>• Vice President Director</li> </ul> |

In the event that there is a vacancy for any of these aforementioned positions, the committee may appoint a replacement member with voting rights until the vacant position in question is filled. The Board of Directors has the right to change this committee’s membership composition at any time. Other invitations to the committee depend on the relevance of any given area/project.

### Voting Rights and Decision Making Status

Meetings are carried out with the purpose of coming to decisions by way of consensus and deliberation. In the event that no such consensus occurs, then decisions are to be made by majority voting, with a requirement of more than ½ (half) of the total valid votes at each meeting being an affirmative vote.

### Real Estate Committee: Duties and Responsibilities

The Real Estate Committee has the following duties and responsibilities:

- A responsibility to plan and supervise Danamon’s real estate development
- Periodically reviewing, recommending and deciding on the Bank’s strategic plans when it comes to real estate, as well as ensuring that the Bank’s real estate projects are in line with its strategic plans.
- Reviewing, recommending and deciding on the Bank’s real estate policies when it comes to things like the purchasing and selling of assets, development projects, asset optimization and leasing processes.
- Reviewing the development of all real estate projects that are in line with the Bank’s strategy or that have a capital expenditure investment value of over USD 1 million (or its equivalent value in Rupiah).
- Reviewing, recommending and deciding on the Bank’s policies when it comes to the operational activities of office and branch buildings related to Occupational Health and Safety.

- Reviewing and periodically evaluating policies involving the standardized design implementation of office and branch buildings.
- Periodically reviewing risk management in real estate, which includes:
  - Important/strategic ongoing projects
  - Occupational safety and security issues
  - Real Estate audit findings and follow-up improvements.
  - Licensing and legal status issues related to real estate.
- Reviewing recommendations from other working committees and sub-committees on real estate-related matters.
- Carrying out other duties and responsibilities that the Board of Directors may assign to the Real Estate Committee from time to time.
- Providing recommendations for resolving real estate-related and property-related problems that real estate work units and organizers are unable to resolve in an effective, efficient and timely manner.
- Preparing annual committee activity reports.

### Real Estate Committee: Meetings

The Real Estate Committee holds periodic meetings 3 (three) times per year. Meetings can also be held at other times, as deemed necessary. Each of the committee’s meetings is led by a chairperson. If the chairperson is unable to attend, then they may appoint an alternative chairperson from a current committee member who has voting rights. The meeting is considered a quorum if it was attended by the chairperson (or an alternative chairperson, specifically the Director of Sharia, SEMM & CREM) and if it was attended by two-thirds of all the committee’s members

The results of any given Real Estate Committee meeting must be written down through well-documented meeting minutes. Any kind of dissenting opinions raised throughout these meetings must be recorded in the meeting minutes, along with the reasons for such dissension. These meeting minutes will be stored and distributed by the CREM Chief to each committee member and to the Bank's Corporate Secretary.

Throughout 2022, the Committee held 1 (one) meeting that had the following attendance for Board of Directors members:

| Name                 | Position | Total Attendance of REC Members in REC Meetings |
|----------------------|----------|---|
| Yasushi Itagaki      | Chairman | 1   |
| Herry Hykmanto (HH)  | Member   | 1   |
| Muljono Tjandra (MT) | Member   | 1   |
| Naoki Mizoguchi (NM) | Member   | 1   |
| Rita Mirasari (RM)   | Member   | 1   |
| Hafid Hadeli (HHF)   | Member   | 1   |

#### REAL ESTATE COMMITTEE: MEETING AGENDAS IN 2022

| Meeting Date   | Agenda  |
|----------------|---|
| March 30, 2022 | <ul style="list-style-type: none"> <li>- JLL Capital Market</li> <li>- Façade Renovation Abdul Muis &amp; Matraman</li> <li>- Branch Refreshment Project</li> <li>- Progress on the Selling of Idle Assets</li> <li>- New CREM Structure</li> <li>- Land Kebagusan</li> <li>- BLBI (certificate under Ministry of Finance)</li> </ul> |





# AFFILIATED RELATIONSHIPS AND AFFILIATED TRANSACTIONS FOR THE BOARD OF DIRECTORS, BOARD OF COMMISSIONERS AND MAJOR SHAREHOLDERS

Danamon's Policy on Transactions with Affiliated Parties stipulate that any of the company's affiliated transactions are to be done based on normal and reasonable commercial terms that do not harm Danamon's interests or that of its minority shareholders.

Its Board of Commissioners and Board of Directors have always maintained their independence. Neither has any kind of conflicting interest that could interfere with their ability to carry out their duties in professional and objective manners.

## **The Board of Directors' affiliated relationships: with other Board of Directors members, with Board of Commissioners members, and with Major and/or Controlling Shareholders**

None of Danamon's Board of Directors members have any kind of affiliation with other members of the Board of Directors, with members of the Board of Commissioners and with major and/or controlling shareholders.

## **The Board of Commissioners' affiliated relationships: with other Board of Commissioners members, with Board of Directors members, and with Major and/or Controlling Shareholders**

None of Danamon's Board of Commissioners members have any kind of affiliation with other Board of Commissioners members. Danamon has 3 (three) Non-Independent Commissioners who have financial relationships with the controlling shareholders, specifically: Kenichi Yamato, Nobuya Kawasaki, and Shuichi Yokoyama.

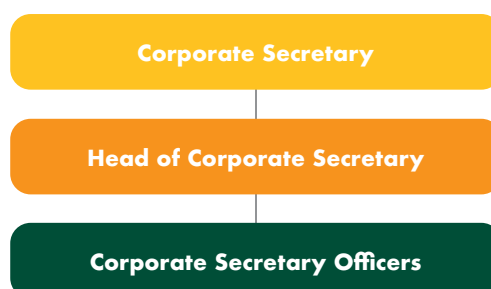
Affiliate relationships between members of the Board of Directors, Board of Commissioners and Major and/or Controlling Shareholders have been disclosed in a financial and family relations table that can be found in the Board of Commissioners' and Board of Directors' sections of this Governance report.

Danamon's Policy on Transactions with Affiliated Parties requires Board of Commissioners and Board of Directors members to disclose any plans for affiliated transactions to the Corporate Secretary. This is to be done regardless of whether the transaction will be carried out by themselves or by their families. Material transaction plans will be reviewed by the Compliance Director and will then be reported to the Audit Committee. In the event a conflicting interest is found, the Board of Directors or Board of Commissioners member concerned must abstain from the process of reviewing and approving the transaction in question.

# CORPORATE SECRETARY

Danamon's Corporate Secretary is responsible for delivering material information about the Company in a prompt and accurate manner. Appointed and dismissed by the Board of Directors, the Corporate Secretary serves an important role in ensuring good communication between the company, shareholders and stakeholders.

## CORPORATE SECRETARY: ORGANIZATIONAL STRUCTURE



### Corporate Secretary Profile

Rita Mirasari has served as Danamon's Corporate Secretary since October 24, 2016. Her basis of appointment was Board of Directors Decision No.KSR-DIR.Cor.Sec-003, which was published on October 27, 2016. In addition to serving as the company's Corporate Secretary, she is also a director at Danamon.



### RITA MIRASARI

#### Corporate Secretary

Citizenship: Indonesian. Age: 53. Domiciled: Indonesia.

After earning a Bachelor's Degree in Law from the University of Indonesia, Mirasari commenced her career in the world of banking in 1991 as a legal officer at a local bank. Prior to her current position as Danamon's Compliance Director and as Corporate Secretary, she was a Director of Regulatory Compliance and Financial Crime Compliance at HSBC Indonesia. Throughout her career, Mirasari has accumulated extensive experience in the fields of corporate law and compliance and has also served as a corporate secretary at various leading banks in Indonesia. She currently is Danamon Compliance Director in charge of Compliance, Financial Crime Compliance, Corporate Secretary, Legal and Litigation.

### Corporate Secretary: Duties and Responsibilities

1. Giving the Board of Directors and Board of Commissioners the input they need to ensure proper compliance with statutory provisions in the capital markets sector.
2. Serving as a liaison between Danamon, shareholders, the Financial Services Authority and other stakeholders.
3. Assisting the Board of Directors and Board of Commissioners with various issues related to corporate governance, such as:
  - Public disclosures, an example of which would be about ensuring the availability of information about Danamon on the company's website.
  - Submitting reports to authorities such as the Financial Services Authority.
  - Carrying out and documenting the General Meeting of Shareholders.
  - Organizing and documenting Board of Directors and/or Board of Commissioners' meetings.
  - Conducting orientation programs for members of the Board of Directors and/or the Board of Commissioners.



### Corporate Secretary: Competency Development

Throughout 2022, Mirasari participated in many training activities to further develop her skills as the Corporate Secretary at Danamon. The following is a list of the activities:

| Training Activity   | Organizer                                      | Location         | Date              |
|---|--|------------------|-------------------|
| Danamon Sustainability 2021   | Danamon  | Online           | January 10, 2022  |
| Elearning ORM & QA - 2020   | Danamon  | Online           | January 10, 2022  |
| G20 - International Seminar on Digital Financial Inclusion - Keynote Speech: Doni P.Joewono   | OJK – World Bank                               | Offline, Jakarta | February 2, 2022  |
| Mandiri Investment Forum 2022   | Bank Mandiri                                   | Offline, Jakarta | February 9, 2022  |
| Webinar Big Data Analytics for Money Laundering Detection   | PPATK  | Online           | February 10, 2022 |
| The Transformation of Digital Banking and Challenges to Supporting Economic Growth in Indonesia - Mr. Heru Kristiyana   | IBS  | Offline, Jakarta | February 11, 2022 |
| A talk on “Trade-Based Money Laundering” (Sanctions on Trade-Based Money)   | ICC  | Offline, Jakarta | March 8, 2022     |
| Mentoring To Inspire program  | Dynargie consultant                            | Offline, Jakarta | March 10, 2022    |
| Participating in a Talkshow on “Preventing Criminals from Ruling the Country”   | PPATK & FKDKP                                  | Offline, Jakarta | March 22, 2022    |
| Opportunities and Challenges in the Digital Financial Sector and Green Finance as a New Player in the Economy to Accelerate Economic Recovery                             | OJK  | Offline, Jakarta | March 24, 2022    |
| Risk-based implementation of the Anti-Money Laundering and Prevention of Terrorism Funding (AML-CFT) program as part of preparing for an on-site visit from MER Indonesia | OJK  | Offline, Jakarta | March 29-30, 2022 |
| Challenges to the Global Economy & Banking Resilience in Indonesia  | LPS  | Offline, Jakarta | April 12, 2022    |
| Preventing the Proliferation of Funding for Weapons of Mass Destruction for the Indonesian Public Sector  | PPATK  | Offline, Jakarta | April 26, 2022    |
| Sustainability - Climate Risk & Financial Stability, and its Relationship with Indonesia’s Green Taxonomy   | FKDKP,OJK, WWF Indonesia, EY, CIMB Niaga & BRI | Offline, Jakarta | May 12, 2022      |
| Boosting the productivity and funding of MSMEs in the Tourism and Creative Economy Sector   | INDEF  | Offline, Jakarta | June 3, 2022      |
| Risk and Compliance Training  | Danamon  | Online           | July 14, 2022     |
| FGD - OJK Destination Statement Formulation for 2022-2027   | OJK  | Offline, Jakarta | July 25, 2022     |
| Agile Transformation Priorities & Sponsorships  | Danamon  | Offline, Jakarta | August 2, 2022    |
| Anti-Money Laundering Trends and Challenges in the Digital Age  | OJK  | Offline, Jakarta | August 25, 2022   |
| Webinar on Consumer Protection in the Digitalization Era, Implementation of Market Conduct Supervision and Its Impact on Banking  | FKDKP, OJK, BCA & BRI                          | Online           | August 31, 2022   |
| 3 <sup>rd</sup> part of BOM Prioritization and Support for Agile Transformation (Workshop)  | Danamon  | Offline, Jakarta | October 10, 2022  |
| Danamon Compliance 2022   | Danamon  | Online           | October 10, 2022  |
| APU PPT & Sanctions   | Danamon  | Online           | October 10, 2022  |

| Training Activity  | Organizer   | Location         | Date              |
|--|---|------------------|-------------------|
| LPS Sharing Session - Business Risk Management Framework | LPS   | Offline, Jakarta | October 18, 2022  |
| Building Banking Resilience in Facing Challenges in 2023 | FKDKP, OJK, Mandiri, BTN, NSI, CIMB Niaga & Allo Bank | Offline, Jakarta | December 12, 2022 |

### Corporate Secretary: Duties and Functions in 2022

Mirasari carried out her duties and responsibilities as Corporate Secretary throughout 2022, with the activities detailed as follows:

- Kept up with capital market developments, especially when it came to regulations related to capital markets. She also conveyed information regarding these developments to the Board of Commissioners, the Board of Directors and to Danamon stakeholders.
- Organized and documented the General Meeting of Shareholders. She did the same for the Bank's Public Expose.
- Organized and attended various meetings (Board of Commissioners meetings, Board of Commissioners meetings that saw the attendance of the Board of Directors, committee meetings). She also prepared the minutes of meetings for these numerous gatherings.
- Submitted reports related to Capital Market provisions, as well as timely periodic and incidental reports to the OJK and the IDX.
- Carried out information disclosures in accordance with applicable laws and regulations.
- Prepared recommendations for changes to Board of Commissioners and Board of Directors committee work procedure guidelines related to the implementation of corporate governance.
- Made adjustments to the Articles of Association in accordance with the needs of the company, as well as in accordance with new laws and regulations that applied.
- Updated/adjusted the Board of Directors and Board of Commissioners Charter in accordance with applicable laws and regulations, as well as in accordance with good banking governance implementation.
- Prepared documentation for (and assisted with) Fit and Proper Test procedures for prospective members of the Board of Directors and the Board of Commissioners.

### Information Disclosure in 2022

As a form of information disclosure, Danamon conveyed information to the public in 2022 through its website, which is available in Indonesian and English. Danamon has also submitted periodic and incidental reports to the Indonesia Stock Exchange and the Financial Services Authority, including through the use of the Issuer and Public Company Integrated Electronic Reporting Facility (SPEIDXnet).

### Periodic Reports

The following is a list of the periodic reports Danamon submitted throughout 2022:

| No | Report Type  | Submission Destination | Reporting Period | Amount |
|----|--|------------------------|------------------|--------|
| 1  | BDMN Securities Holder Registration Monthly Report                             | OJK & IDX              | Monthly          | 12     |
| 2  | Foreign Exchange Debt Report   | OJK                    | Monthly          | 12     |
| 3  | Consolidated Financial Statements (Unaudited) of the Bank and its Subsidiaries | OJK & IDX              | Quarterly        | 3      |
| 4  | Consolidated Financial Statements (Audited) of the Bank and its Subsidiaries   | OJK & IDX              | Annual           | 1      |
| 5  | Annual Report  | OJK & IDX              | Annual           | 1      |
| 6  | Controlling Shareholders' Financial Statements                                 | OJK                    | Per Semester     | 2      |
| 7  | Annual Public Expose Results Report  | IDX                    | Annual           | 1      |

### Incidental Reports

Danamon disclosed 27 incidental reports throughout 2022 to OJK and/or IDX regulators. Information on these disclosures can be seen at Danamon's website through the following link: <https://www.danamon.co.id/id/About-Danamon/Investor-Information/Information-Corporate-Action-and-Information-Disclosure/2022>.



# COMPLIANCE FUNCTION

Danamon's compliance function uses POJK No. 46/POJK.03/2017 (dated July 12, 2017), a regulation that governs the implementation of compliance functions for commercial banks, as a reference. This function serves as a governance organ that plays an important and preventative role in minimizing risks to Danamon's business activities. Its duties towards this end include:

1. Realizing the implementation of compliance culture at all of Danamon's levels of organization and business activities.
2. Managing compliance risks the Bank faces.
3. Ensuring that the Bank's policies, provisions, systems and procedures and business activities all comply with Financial Services Authority provisions and laws and regulations, which include sharia principles for sharia commercial banks and sharia business units.
4. Ensuring Danamon's compliance with Bank Indonesia, the Financial Services Authority, and/or other authorized supervisory authorities.

## The Board of Directors' and Commissioners' Role in Danamon's Compliance Function

The Board of Directors is required to nurture and realize the implementation of a compliance culture at all levels of Danamon's organization and business activities. The Board of Directors must also ensure that the Bank's Compliance Function is implemented.

The Board of Commissioners is required to supervise the implementation of Danamon's Compliance Function. Active supervision of this is done by providing advice to improve the implementation quality of the Bank's Compliance Function and by evaluating this function's implementation at least 2 (two) times a year.

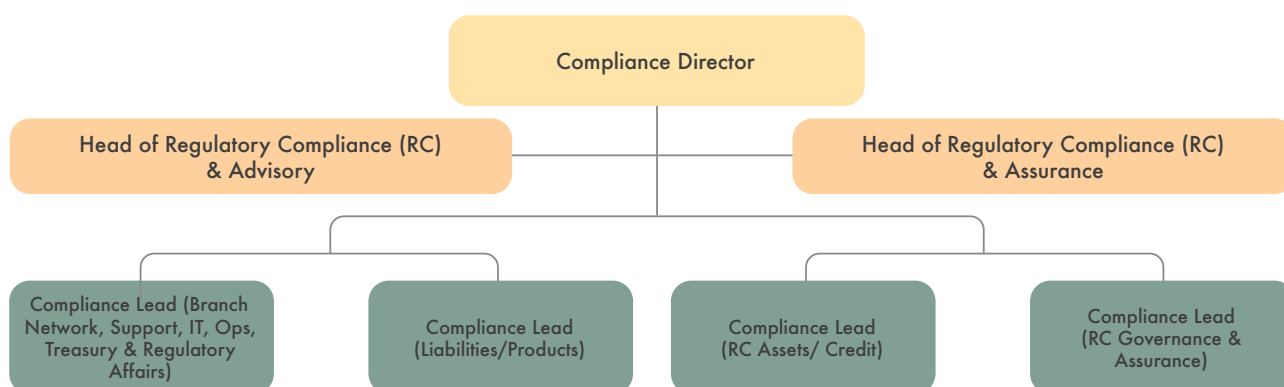
## Compliance Director

Danamon has a Director in charge of the Compliance Function (referred to as a Compliance Director). The current Compliance Director is Rita Mirasari. Her appointment has met all the applicable requirements -- specifically, independence requirements and the requirement to not oversee functions that applicable regulations do not permit overseeing.

The Compliance Director has obtained the Financial Services Authority's (OJK's) approval. Her appointment process was also done according to OJK regulations. The Compliance Director's full profile can be seen in the Profile of the Board of Directors section of this Annual Report.

## Compliance Work Unit's Organizational Structure

The organizational structure of Danamon's Compliance Work Unit is as follows.



### Compliance Work Unit

Danamon has a Compliance Work Unit it refers to as “Regulatory Compliance”. Ever since January 2021, this work unit has been divided into 2 (two) divisions: the Regulatory Compliance & Advisory Division (with Division Chief Palupi Aly Ibrahim) and the Regulatory Compliance & Assurance Division (with Division Chief Lie Chen). The Financial Services Authority has been informed of these two being appointed to lead these divisions. These two officials have adequate competence and capability in banking matters and have a high commitment to implementing and developing a compliance culture. The Bank’s compliance function is carried out by these independently-formed divisions that have direct access to the Compliance Director. The Compliance Work Unit is responsible for implementing Danamon’s compliance function.

### Integrated Compliance Work Unit

Danamon, which is a Main Entity of MUFG Financial Conglomeration Group, has an Integrated Compliance Unit (“SKKT”) that is independent from other operational work units. Its duties and responsibilities are carried out by Danamon’s Compliance Work Unit (“Regulatory Compliance”).

The Integrated Compliance Unit is responsible to the Danamon director in charge of the Compliance Function. This unit is tasked with monitoring and evaluating the compliance function’s implementation within each entity in a Financial Conglomeration, which in this case is specifically the MUFG Financial Conglomeration Group.

The Integrated Compliance Unit coordinates with each of the different compliance functions of different members of the Financial Conglomeration and ensures corrective actions on compliance issues faced by each of these members. This includes ensuring compliance with follow-up actions from regulatory audit findings. The Integrated Compliance Unit conducts its own assessment of Compliance Risk Management implementation in accordance with internal regulations and methodologies.

### Compliance Function Policy

The Compliance Work Unit has policies that include compliance culture, compliance function, compliance risk management, and reporting. This policy serves as a guideline for implementing the Bank’s compliance function.

### Compliance Work Unit: Duties and Responsibilities

The Compliance Work Unit’s duties and responsibilities include:

1. Creating a compliance program in order to support the creation of a compliance culture in all of Danamon’s business activities at every level of its organization;
2. Identifying, measuring, monitoring and controlling compliance risk in accordance with risk management implementation for Commercial Banks and Sharia Business Units. All of this is to be done in ways that use Financial Services Authority provisions as references;
3. Assessing and evaluating the adequacy and suitability of Danamon’s policies, provisions, systems and procedures for implementing provisions from authorities;
4. Reviewing and/or recommending updates and improvements to Danamon’s policies, provisions, procedural systems to comply with the provisions of authorities, including Sharia principles for Sharia Business Units;
5. Serving as Danamon’s liaison officer with regulators, especially for those related to the implementation of compliance and the implementation of regulatory audits;
6. Create training/outreach programs regarding external provisions for Danamon’s work units.
7. Performing other tasks that bear relation to the compliance function;
8. The Integrated Compliance Work Unit also has the task of at least monitoring and evaluating the implementation of compliance functions at each of the Financial Conglomeration’s financial services institutions.

### Compliance Work Unit: Work Plan in 2022

1. Working to instill a Compliance Culture including through Anti-Money Laundering and Countering the Financing of Terrorism (AML-CFT) outreach to all employees in work units throughout Danamon’s Head Office, Regional Offices and Branch Offices. This was done through effort such as disseminating regulations, developing e-learning modules and maintaining regulatory databases on Danamon’s compliance portal.
2. Carrying out compliance studies on new policies and products.
3. Carrying out its consultative and liaison officer functions.
4. Assistance in applying for the approval of new products from regulators.
5. Coordinating and monitoring regulatory compliance at related work units.





6. Monitoring the Bank's follow-up commitments on inspection results (audits) from regulators (Financial Services Authority and Bank Indonesia).
7. Aligning internal policies with MUFG's Global Best Practices.
8. Compiling and/or reviewing the Bank's internal policies to align with developments and changes in regulations.
9. Developing various monitoring and testing activities to ensure compliance with applicable regulations, including monitoring Danamon's national economic recovery program implementation.
10. Monitoring the implementation of integrated compliance and integrated governance for financial services institutions within the domain of MUFG Financial Conglomeration Group.
11. Developing the competence and knowledge of the Human Resources Compliance Unit by providing it with

opportunities to attend training activities, seminars and workshops.

12. Carrying out regular quality assurance activities for various work units to ensure that Danamon's business activities comply with applicable regulations.

### Compliance Function: Work Implementation in 2022

The Compliance Function's efforts to carry out its duties and responsibilities throughout 2022 included the following:

#### 1. Training and Outreach

As part of its efforts to build a compliance culture, the Compliance Unit organized various training and outreach activities for all Danamon employees. These activities are typically carried out either through face-to-face meetings (classrooms/online) or through e-learning methods. However, due to the COVID-19 pandemic, training and outreach was done virtually/online.

| Training and Outreach                                       | As of December 31, 2022   |
|---|---|
| e-learning Compliance 2022                                  | 100% of Bank Danamon's management and employees have completed "e-Learning Compliance 2022".  |
| Training/outreach to work units                             | <ul style="list-style-type: none"> <li>Semester 1 - 2022 = 7 training/outreach activities</li> <li>Semester 2 - 2022 = 24 training/outreach activities</li> </ul>   |
| Submitting new provisions/regulations to related work units | <ul style="list-style-type: none"> <li>Semester 1 - 2022 = 16 new provisions</li> <li>Semester 2 - 2022 = 40 new provisions</li> </ul> <p>The Compliance Work Unit worked closely with related work units to discuss the fulfillment and implementation of compliance provisions. It also discussed matters that had to be resolved and implementation targets.</p> |

#### 2. Compliance Reviews and Monitoring

The Compliance Unit carried out compliance reviews to ensure that neither Danamon's products, activities and policies, nor its Subsidiaries' product programs conflicted with applicable regulations. Throughout 2022, the Compliance Work Unit conducted 324 reviews that consisted of 148 reviews in Semester 1 of 2022 and 176 reviews in Semester 2 of 2022.

In addition, the Compliance Work Unit also carried out various forms of Regulatory Compliance & Assurance testing activities to monitor Danamon's compliance risk and to measure its work units' levels of compliance as they carry out their activities. It also monitors their compliance with regulations.

#### 3. Monitoring Compliance with Precautionary Provisions

The Compliance Work Unit periodically monitored for compliance with Danamon's prudential provisions. It did this through a number of main regulatory parameters, specifically, the LLL, GWM, NPL, PDN, Equity and CAR ratios. These main regulatory parameters (as part of the components for measuring compliance risk) were properly fulfilled by both Danamon and its Subsidiaries. Monitoring of the Subsidiary's compliance function is also part of the Integrated Compliance Function's implementation of its duties. The compliance risks of both Danamon and its Subsidiaries were managed properly. This can be seen in how Danamon's Compliance Risk Profile was ranked 2 (or categorized as "Low to Moderate").

#### 4. Compliance Risk Management

Compliance risk management was carried out through a process of identifying, measuring, monitoring and controlling for compliance risks in accordance with risk management implementation. This compliance risk management strategy was carried out through a “3 Lines of Defense” program. The Compliance Work Unit conducted analyses of Danamon’s compliance risk in terms of individual and consolidated compliance risk. It also carried out analyses of Danamon’s integrated compliance risk.

#### 5. Commitment to Regulators

The Compliance Work Unit monitored and ensured the fulfillment of follow-up commitments related to the results of regular inspections done by regulator. Throughout 2022, all audit result commitments submitted by regulators were fulfilled and did not go over the agreed-upon time limits. The Compliance Work Unit also served as a liaison regarding compliance implementation for both internal and external parties.

6. The implementation of the Integrated Compliance Work Unit’s functions is disclosed in the Integrated Governance section of this Annual Report.

#### Compliance Work Unit: Human Resources Development

As of December 2022, the Compliance Work Unit consists of 19 employees (including the Head of the Compliance Unit). The majority of these employees have had more than 5 years worth of working experience in banking. Danamon always provides opportunities for Compliance Work Unit employees to improve their knowledge and competence as a way of better supporting the implementation of their duties. All Compliance Work Unit employees have received Risk Management certification.

Some of the internal and external training/seminar/workshop activities that Compliance Work Unit members have attended include:

| No       | Training/Seminars/Workshop Attended in 2022  |
|----------|--|
| External |  |
| 1        | Outreach for Rewrite SIUL Reporting.   |
| 2        | Outreach for Members of the Board of Board of Governors (PADG) Provision No.23/29/PADG/2021 on the the Fourth Amendment to PADG No.20/15/PADG/2018 on the Implementation of Instant Fund Settlements Through the BI-RTGS System.                     |
| 3        | Implementation of Financial Services Authority Regulation (POJK) No.13/POJK.03/2021 concerning Implementation of BARa Series 1 Commercial Bank Products: (Discussion #1: Bank Obligations in Developing Methodologies for Determining New Products). |
| 4        | G20 Side Event Series - Digital Payment Innovation.  |
| 5        | Online - Socialization for Minimum Capital Adequacy Requirement (KPMM) Credit Risk Standard Approaches.  |
| 6        | G20 Side Event Series - Synergy on Safeguarding the Momentum.  |
| 7        | Financial Transaction Reports and Analysis Center (PPATK) and BU Coordination Meeting regarding SIPESAT Data Submission via goAML.   |
| 8        | Green Economy Outlook 2022.  |
| 9        | Voluntary Disclosure Program (PPS) - PMK 196/PMK.03/2021.  |
| 10       | NFT - Between Blockchain and Cryptocurrency: Risks & Opportunities.  |
| 11       | The Impact of Climate Change on Financing and Insurance Premium.   |
| 12       | Implementation of POJK No.13/POJK.03/2021 concerning the Implementation of Commercial Bank Products (Discussion #2: Product Risk Assessments).   |
| 13       | Understand the Basics of Postponement of Debt Payment Obligations (PKPU) & Bankruptcy  |
| 14       | Implementation of POJK No.13/POJK.03/2021 concerning the Implementation of Commercial Bank Products (Discussion #3: OJK & BI Licensing Determination Process).   |
| 15       | Rupiah Payment and Money Management System (SPPUR) Certification: Between Obligations and Requirements to Meet Service Standards.  |
| 16       | Local Currency Settlement Webinar: Authority and Banking Support and Benefits of the LCS Scheme for Business Players.  |
| 17       | Coordination the Formation of a Local Currency Settlement (LCS) Task Force.  |
| 18       | Sustainability - Climate Risk and Financial Stability, and its Linkages to Indonesia's Green Taxonomy.   |
| 19       | Carbon Market Guide to Global Offsetting Mechanism.  |
| 20       | Outreach for Bank Indonesia's Macroprudential Inclusive Financing Ratio (RPIM) Policy and Tradable Government Securities (SBN) as instruments for fulfilling the RPIM policy.  |
| 21       | Outreach Invitation for Phase 2 of National Standard API Payment (SNAP) Implementation to the Next Mover.  |



| No | Training/Seminars/Workshop Attended in 2022   |
|----|---|
| 22 | National Convention on Drafting National Work Competency Standards (SKKNI) for the Field of Compliance.   |
| 23 | Outreach for the Implementation of Chasing the Achievements of Indonesia's Young Generation (KREASIMUDA) activities   |
| 24 | Focus Group Discussion (FGD) regarding the Relevance and Effectiveness of Banking Regulations and the Conversion of Banking Regulations towards Principle-based Regulations.  |
| 25 | BARa Sharing Session-Basel III Reform: Fundamental Review of Trading Book (FRTB) Implementation, Methodology & Challenges.  |
| 26 | My location - OJK   |
| 27 | Agile Risk and Compliance Training for Wave 1 Squads.   |
| 28 | Outreach for POJK No.6/POJK.07/2022 concerning Consumer and Community Protection in the Financial Services Sector.  |
| 29 | Agile Risk and Compliance Training for Wave 2 Squads.   |
| 30 | ASPI discussion related to PADG No.24/7/PADG/2022 concerning Implementation of Payment Systems by Payment Service Providers and Payment System Infrastructure Providers.  |
| 31 | Outreach for POJK Number 11/POJK.03/2022 concerning the Implementation of Information Technology by Commercial Banks.   |
| 32 | Coaching Clinic Application for SNAP Approval (private).  |
| 33 | Coaching Clinic Implementation of SNAP Phase 2.   |
| 34 | Digital Transformation Webinar on Employment.   |
| 35 | Digital Governance: Prerequisites to Support Digital Transformation.  |
| 36 | Banking Risk Management Level 1   |
| 37 | Trends and Challenges of Anti-Money Laundering in the Digital Age.  |
| 38 | Banking Risk Management Level 2   |
| 39 | Discussion regarding the PADG for Payment Service Providers (PJP) and Payment Infrastructure Providers (PIP) with Bank Indonesia  |
| 40 | Succeeding in Transforming Banking in a Digital World: A Road Path to Success   |
| 41 | Discussion on Strategies to Accelerate the Implementation and Presentation of SNAP Verification Document Submission Guidelines and Requirements.  |
| 42 | Webinar on the Implementation of the Code of Ethics and the Implementation of Treasury Certification for Market Players and the Benefits of SBK for the Fulfillment of RPIM.  |
| 43 | Hearing Meeting on a POJK Draft concerning the Second Amendment to POJK No. 11/POJK.03/2016 concerning Minimum Capital Adequacy Requirements.   |
| 44 | Socialization on Implementing the 2022 Self Assessment.   |
| 45 | Hearing Meeting on a POJK Draft regarding the Use of Public Accountant Services and Public Accounting Firms in Financial Service Activities.  |
| 46 | Corporate Wide Learning - Mindfulness at Work   |
| 47 | SNAP Implementation Discussion.   |
| 48 | Outreach for Financial Inclusion Month 2022.  |
| 49 | National Seminar - Trade Finance at the Central Banking Service Festival Bank Indonesia (CB-Fest_ BI) 2022.   |
| 50 | Technical Outreach for the Licensing Process at Bank Indonesia Regarding Integrated Licensing Services Related to Commercial Bank Operational Relationships (PPTBU) in the framework of Sharia Business Unit (UUS) Spin Offs and Conventional Bank Conversions to Sharia Commercial Banks (BUS) |
| 51 | Governance and Financial System Stability   |
| 52 | Outreach Discussion on the Implementation of the second generation of the Student and Youth Savings Program (SiMUDA).   |
| 53 | Banking Risk Management Certification - 1.  |
| 54 | Socialization of PADG PJP and PIP.  |
| 55 | Agile Foundation  |
| 56 | CCSP Cert Prep: 6 Legal, Risk, & Compliance   |
| 57 | Meeting related to Investor Identity Single Number (SID) - KSEI   |
| 58 | SNAP Coaching Clinic  |
| 59 | Dissemination of Data Structure and OJK Online Reporting Application (Apolo) Minimum Capital Adequacy Requirement (KPM) Report Module and RWA Basel III Reforms   |
| 60 | Implications of the Personal Data Protection Law on Consumer Protection Aspects within the Financial Services Sector  |
| 61 | Outreach Invitation for the Adjustment of Reporting of Bank Foreign Exchange Activities (LLD) in Order to Accommodate the Need for Relaxation of Local Currency Settlement (LCS) Transactions   |
| 62 | Coaching Clinic Invitation to Accelerate Approval for the Implementation of SNAP PJP Next Mover   |

| No       | Training/Seminars/Workshop Attended in 2022  |
|----------|--|
| 63       | OJK Institute, Idea Talks Volume 1 "Towards the In-Depth Understanding of Climate Change, Sharia Insurance, and Crypto Assets"   |
| 64       | LCS: Transaction Data Reported Through LBUT BI-ANTASENA.   |
| 65       | Level 2 Risk Management Certification Debriefing and Examination   |
| 66       | One-Stop Licensing Through Licensing FO  |
| 67       | Coaching Clinic Implementation for SNAP Second Mover   |
| 68       | Presentation of the Financial Services Authority Regulation Draft (RPOJK) on Human Resource Quality Development for Commercial Banks                                   |
| 69       | SNAP BI Coaching Clinic  |
| 70       | Outreach for POJK No.19 of 2022 concerning Special Treatment for Financial Service Institutions in Certain Regions and Sectors in Indonesia Affected by Disasters      |
| 71       | Outreach for POJK No.22 of 2022 concerning Equity Participation Activities by Commercial Banks   |
| 72       | Further Outreach for SNAP Migration Document Requirements and Progress Evaluations for the Acceleration of Submitting Approval for SNAP PJP Next Mover Implementation. |
| 73       | ABC Related Workshops  |
| 74       | National Convention for the Indonesian National Qualifications Framework (RKKN) in Compliance  |
| 75       | Monitoring of SNAP Implementation for the Second Mover   |
| 76       | Outreach for the OBOX Application's Data Enhancement Structure   |
| 77       | Outreach for Health Insurance Facilities   |
| Internal |  |
| 1        | New Business Continuity Management   |
| 2        | New Fraud Awareness  |
| 3        | Payment Operation  |
| 4        | E-learning: ORM & QA   |
| 5        | Danamon Sustainability   |
| 6        | Risk Management Certification Level 1  |
| 7        | Risk Management Certification Level 2  |
| 8        | Refreshment Risk Management Certification  |
| 9        | Digital Transformation Program - By IMD  |
| 10       | E-Learning: SEPAKAD (Danamon Information Security Learning Series) - Series 1  |
| 11       | E-Learning: Code of Ethics 2022  |
| 12       | APU PPT (Basic) : Customer Due Diligence.  |
| 13       | Learning Festival Danamon 2022   |
| 14       | E-Learning Danamon Compliance 2022   |
| 15       | E-Learning Anti-Fraud Awareness and Anti-Fraud Integrity Pact 2022   |
| 16       | E-Learning Volcker Rule 2022   |
| 17       | E-Learning Customer Centric  |
| 18       | E-Learning Anti Bribery Corruption (Anti-Bribery and Anti-Corruption)  |
| 19       | E-Learning Danamon Sustainability  |
| 20       | E-Learning APU PPT & Sanctions   |
| 21       | Treasury Product Knowledge   |
| 22       | Online Training Socialization for Squad Member in Risk & Compliance Role.  |
| 23       | E-Learning: Occupational Safety and Health   |
| 24       | E-Learning: Cyber Security Awareness.  |
| 25       | E-Learning: Risk Management Essentials.  |
| 26       | E-Learning: The Credit Granting Process.   |
| 27       | E-Learning: EIR Handbook.  |
| 28       | Fireside Chat with Mr. Hafid Hadeli - Customer Centricity & Innovation for Risk & Compliance Roles, PM and Marketing   |
| 29       | Business Email Compromise (BEC)  |

**Compliance with Primary Regulations in 2022**

| Parameters   |   | Conditions                                    | Compliance |
|--|---|---|------------|
| Capital Adequacy Ratio                             |   | Minimum of 9% to <10% (risk profile rating 2) | Complied   |
| Statutory Reserves (GWM)                           | Primer (Rp)                                 | Min. 9% (before Incentif)                     | Complied   |
|  | Primer (USD)                                | Min. 4%                                       | Complied   |
|  | Macroprudential Intermediation Ratio        | 84% - 94%                                     | Complied   |
|  | Secondary/ Macroprudential Liquidity Buffer | 6%  | Complied   |
| Non-Performing Loan (NPL)                          |   | NPL Net Maximum of 5%                         | Complied   |
| Net Open Position (PDN)                            |   | Maximum of 20%                                | Complied   |
| Legal Lending Limit (BMPK) for Related Parties     |   | Maximum 10% of Bank's Capital                 | Complied   |
| Participation Portfolio                            |   | Maximum 35% of Bank's Capital                 | Complied   |
| Legal Lending Limit (BMPK) for Not Related Parties |   | Maximum 25% of Bank's Core Capital            | Complied   |

The following is the Bank's strategic plan for mitigating compliance risks related to its compliance function implementation for 2023:

- Continuing to maintain Danamon's awareness for the importance of Compliance Culture, which will include the implementation of Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT) to all employees throughout work units at Danamon's Head Office, Regional Offices and Branch Offices, among others through the dissemination of regulations and the development of e-learning and by maintaining regulatory databases on Danamon's compliance portal.
- Carrying out compliance studies for new policies, products, and for the provision of funds to parties related to the Bank and the provision of funds to parties not related to the Bank (within certain limits).
- Carrying out its consultative and liaison officer functions.
- Assisting in the process of applying for the approval of new products from regulators.
- Coordinating and monitoring regulatory compliance at related work units.
- Monitoring the Bank's follow-up commitments on inspection results (audits) from regulators (Financial Services Authority and Bank Indonesia).
- Aligning various internal policies with MUFG's Global Best Practices.
- Compiling and/or reviewing the Bank's internal policies to align with developments and changes in regulations.
- Developing various monitoring and testing activities to ensure compliance with applicable regulations.
- Monitoring the implementation of integrated compliance and integrated governance for financial services institutions within the domain of MUFG Financial Conglomeration Group.
- Developing the competence and knowledge of the Human Resources Compliance Unit by providing it with opportunities to attend training activities, seminars and workshops.
- Carrying out regular quality assurance activities for various work units to ensure that Danamon's business activities comply with applicable regulations.

#### DISCLOSURE OF ADMINISTRATIVE SANCTIONS FROM THE FINANCIAL SERVICES AUTHORITY

Throughout 2022, there were no administrative sanctions that affected the continuity of the Bank's business, nor were there administrative sanctions against Board of Directors and Board of Commissioners members delivered by regulators.

# ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM (AML-CFT) PROGRAM IMPLEMENTATION

## ORGANIZATION

The Board of Directors and the Board of Commissioners have been vigilant in their commitment to fully supporting Anti Money Laundering and Combating the Financing of Terrorism (AML-CFT) programs. Towards this end, they have always complied with Financial Services Authority (OJK) and Financial Transaction Reports and Analysis Center (PPATK) provisions on the matter, as well as complied with any other applicable and related laws and regulations for preventing both terrorism financing and money laundering.

The Board of Commissioners does its part by actively supervising the Board of Directors and ensuring that the latter carries out its responsibilities related to preventing money laundering and terrorism financing. These responsibilities include ones made towards the OJK and the PPATK. They also include delivering reports to regulators in accordance with applicable regulations.

When it comes to AML-CFT program implementation, Danamon's Financial Crime Compliance (FCC) Work Unit is in charge of coordination. This unit reports directly to the Compliance Director and has the following organizational structure:



As part of MUFG group, Danamon continuously and progressively conducts alignment processes to the global standard. FCC division also regularly reviews business processes, to adapt with the consequence of ever-increasing demand from the Regulators to always improve the quality of reports. Thus, FCC applies adjustments to the organization structure, as to maintain the independence and work governance of each work units in FCC.

The Company incessantly endeavors to improve the quality of its AML-CFT program implementation. Its improvement efforts towards this end include active management supervision, policy improvements, organizing training programs and upgrading its information systems.

It uses a "Three Lines of Defense" concept as a framework for implementing its AML-CFT efforts.

### 1. First Line of Defense

The first line of defense is the most important one for preventing criminal acts of money laundering and terrorism financing. It detects the possibilities of these crimes to happen, and identifies the weaknesses and vulnerabilities in business units, operational units and control units that carry out the company's daily activities at the front line.





## 2. Second Line of Defense

The second line of defense is the the FCC work unit in head office. It prepares methods and tools that the first line of defense can use to carry out its duties and responsibilities through policies, procedures, systems and forms of adequate training that ensure this first line of defense can carry out its duties effectively and properly.

## 3. Third Line of Defense

The third line of defense is manned by internal and external auditors that work to ensure the effective implementation of AML-CFT programs throughout both the first and second lines of defense.

### AML-CFT Programs in 2022

#### 1. Evaluation of Policies and Procedures

- a. The Bank issued 18 internal regulations related to implementing AML-CFT programs as a means of complying with OJK provisions and other legal regulations related to AML-CFT.
- b. Reviewed 160 draft policies, new products and application forms based on requests from various work units of Danamon to ensure compliance with the implementation of the AML and CFT programs.
- c. Published information related to AML-CFT program implementation on the company's website. The site also includes information on other things such as the Bank's General Policy, the US Patriot Act, and the Wolfsberg Anti-Money Laundering (AML) Questionnaire.

#### 2. Monitoring and Evaluation Process

##### a. Quality Assurance

The FCC Work Unit carried out various forms of monitoring and testing by coordinating with the Head Office and Branch Control Operations teams in order to ensure that AML-CFT programs were being implemented across the company, as part of the Global Roll Out implementation. The branch monitoring activities were carried out along with the Schedule Visit Plan to the targeted branches by Branch Control team, in order to assess the awareness, effectiveness and data quality of the AML-CFT program implementation, based on the related regulations. FCC Work Unit also took on the initiative to produce a rapport of compliance to KYC and customer data completeness, named as Branch AML-CFT Report (BAR).

These quality assurance efforts in 2022 were carried out at 16 different high complexity branches located throughout Jakarta, West Java, Central Java, East Java, Bali Nusa Tenggara (Bali Nusra), Sumatra, Kalimantan and Sulawesi, Maluku, and Papua (Sulampua). These quality assurance efforts were also carried out in the Head Office, which consisted of Trade Finance division, the treasury. The results of these inspections will be discussed in the first quarter of 2023.

##### b. Monitoring of Customer Data Completeness

Monitoring the quality and completeness of customer data was done using the following methods:

- 1) Danamon took care to monitor mandatory AML-CFT data fulfillment requirements whenever a new Customer Information File (CIF) was opened in 2022. Danamon also did the same for monitoring any openings of new accounts that used old CIF data in 2022. As of December 2022, of the 508,853 total CIF accounts opened, the number of CIF accounts that had complete data was 508,310, or 99.89%.
- 2) Data Update was also one of the methods to monitor the customer data quality. The Bank has an annual commitment to OJK, in which the Bank submits the KYC Data Update's target and achievement progress to OJK on annual basis through the Compliance Director's Report. As of December 2022, a Data Update of 29,637 CIF (100%) has been carried out from a set target of 29,637 CIF.
- 3) The quality of customer data was monitored through Danamon's AML System (Customer Due Diligence & Watch List Filtering):
  - An Alert CDD (Customer Due Diligence) notification on the AML System would happen whenever there was a significant change in risk value and for any new account opened with a high level of risk or for Politically Exposed Persons (PEP).
  - As of December 2022, the Bank conducted monitoring for 4,505 instances of alert notifications and would make requests for corrections or completeness of data and information if the data or information in question was still considered insufficient.

- Alert WLF (Watch List Filtering) is a screening process for opening new CIF accounts for PEPs and for people who were part of any kind of Negative Lists. This process would make use of a World-Check database (that included OFAC), a List of Suspected Terrorists and Terrorist Organizations (DTTOT), and information on WMD Proliferation.
  - As of December 2022, the Bank carried out analyses of 16,805 alert notifications for this screening process. There were 78 (seventy eight) positive hit alerts for PEP data that required data correction or adjustment by branches or other related work units, as well as 25 alerts that were escalated to the FCC Transaction Monitoring Unit for follow-ups due to negative news.
- 4) The Bank also routinely screened all existing CIFs to find out whether or not customers were PEPs. It also did this to ensure no customers were part of any Negative Lists (DTTOT, WMD Proliferation, Negative News and OFAC). As of end of 2022, some 3,015 CIFs were related to things like PEPs and negative news related to AML-CFT and Sanctions. As a result, the Bank carried out various forms of data corrections and adjustments, while branches and relevant work units performed follow-ups. There was a decrease in the amount of CIF screening results on account of CIFs that were already screened in the period prior to December 2022.
- 5) The quality of customer data was also monitored as part of follow-ups to the Transaction Monitoring Unit's monitoring of customer transactions. As of December 2022, branches were requested to update or adjust data on 705 CIFs to ensure that the Company's database had the latest and most updated data available.
- c. Branch AML CFT Report (BAR)
- In order to ensure that all branches properly carried out AML-CFT provisions and had proactive control systems in place for customer data quality, and to guarantee that Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) were done in accordance to both the Bank's risk appetite and applicable regulations, the Bank has its own Branch AML-CFT Report (BAR) program. This report is delivered to all regional heads of offices with Board of Directors notes on annually assessments that have been carried out on BN branches.

Based on data for BAR reports for June 2022 and December 2021, the following information can be gleaned:

• **BAR Score per BN Area**

| No. | Information   | Position at the end of June 2022 | Position at the end of December 2021 |
|-----|---------------|----------------------------------|--------------------------------------|
| 1   | Highest score | 97.73                            | 99.59                                |
| 2   | Lowest score  | 90.14                            | 98.57                                |

• **BAR Score Per Branch**

| No. | Information                           | Position at the end of June 2022 | Position at the end of December 2021 |
|-----|---------------------------------------|----------------------------------|--------------------------------------|
| 1   | Highest score                         | 99.89                            | 100                                  |
| 2   | Lowest score                          | 84.82                            | 89.69                                |
| 3   | Branches with a score of less than 70 | None                             | None                                 |

These results indicate that AML-CFT provisions were well applied across all BN Areas of Danamon. It should be noted that the Covid-19 pandemic was a factor that limited the ability of branches and customer to follow up on incomplete data.

**3. Training and Outreach**

Danamon organized various online and offline training programs on the subject of AML-CFT for both new and existing employees. This included AML-CFT training for Danamon Bankers Trainee program, dissemination of new procedures for quality assurance, Know Your Customer (KYC) and sanctions, as well as knowledge refreshments on KYC and Sanctions procedures for



BSM. Throughout 2022, the FCC Work Unit organized 10 training sessions on these topics. The FCC Work Unit has also served as a training instructor for two training activities organized by rural banks on the subject of AML-CFT.

In August 2022, the FCC Work Unit carried out an e-learning activity to refresh employee knowledge on AML-CFT sanctions that was mandatory for all Danamon employees. As of December 2022, 100% of Danamon's management and employees have completed this e-learning activity (with a September 2022 cut-off data for employees).

In November 2022, the FCC Work Unit organized an AML-CFT Training activity that saw it inviting instructors from PPATK. The activity was held offline and was attended by members of various directorates at Danamon.

#### 4. Reporting

Danamon has carried out various reporting activities in accordance with regulations. These reports include: Suspicious Financial Transaction Reports (LTKM), Cash Financial Transaction Reports (LTKT), Financial Transaction Reports from and to Overseas (LTKL/IFTI), and Integrated Service User Information System Reports (SIPESAT).

In addition to these reports, Danamon has also provided replies/responses to requests for data and information from external parties, such as PPATK, the Corruption Eradication Committee (KPK), Bank Indonesia, the police and other third parties.

The following details the number of reports and responses to requests for information from external parties made as of December 2022:

| Total Number of Reports Made in 2022 |        |        |             |                                      |
|--------------------------------------|--------|--------|-------------|--------------------------------------|
| LTKM                                 | LTKT   | IFTI   | SIPESAT     | Responses to External Party Requests |
| 1,062                                | 42,628 | 95,851 | 426,063 CIF | 622                                  |

#### 5. Information Systems Management

Danamon has made improvements to its monitoring and screening application for customer transactions/profiles (AML System) in order to improve its control over (and its effectiveness towards) identifying suspicious financial transactions using parameters that are adjusted periodically. These improvements include:

- Screening of SWIFT transactions in its Trade Operations
- Improvements on its screenings for existing customers in its AML System and automated its watch-list data updating process.
- Upgrading its AML System version

In addition, Danamon has also made improvements to its PPATK reporting application as a way of increasing its control and the accuracy and completeness of information in its PPATK reports. These efforts consist of:

- Improvements for Danamon's internal GoAML reporting application, specifically for Actor and Account Logic.
- Improvements to the PPATK database for PEPs.
- Improvements for Danamon's GoAML application to automate Suspicious Transaction Reporting (STR)/Information System for Suspected Terrorism Financing (SIPENDAR) PPATK-Phase 1 reporting.

#### 6. Audits

On September 26, 2022, the company's Internal Audit unit conducted an inspection of Danamon's AML-CFT programs carried out as of November 11, 2022. The unit's report on this audit covered the period spanning November 1, 2020 to July 31, 2022. The audit process is entering the finalization stage and the final report will be distributed in January 2023.

# INTERNAL AUDIT WORKING UNIT (SKAI)

## STRUCTURE AND POSITION OF INTERNAL AUDIT WORKING UNIT (IIAU)

Internal Audit Working Unit in PT Bank Danamon Indonesia Tbk ("Danamon") is a member of MUFG Group Financial Conglomeration Integrated Internal Audit Working Units (IIAU), where 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.

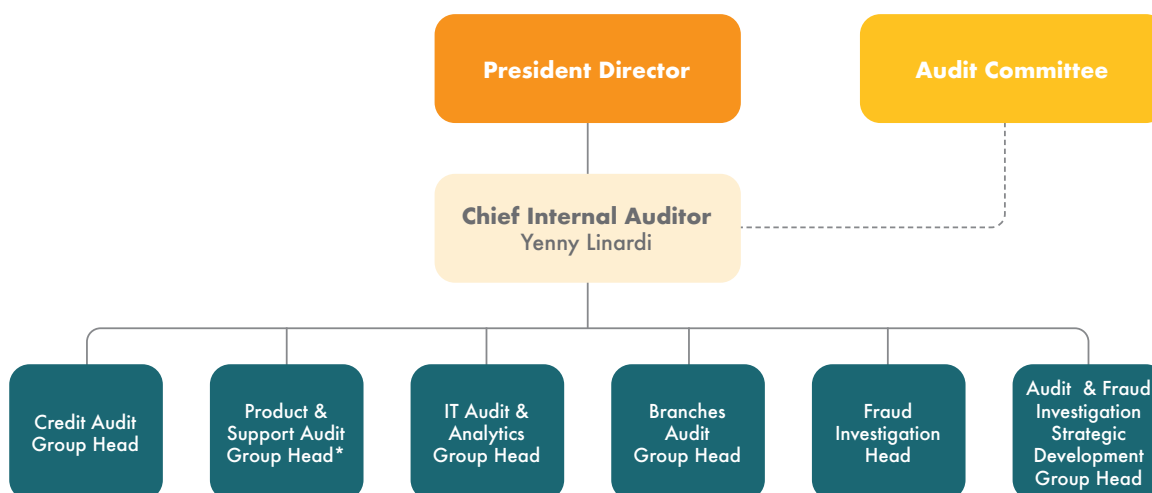
IIAU aims to be a business partner that provides added value in fostering a robust control culture to support Danamon and its subsidiaries to achieve their long-term goals by referring to the International Standards for the Professional Practices of Internal Auditing (IPPF) from The Institute of Internal 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 Working 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 Auditor Profile****YENNY LINARDI**

Chief Internal Auditor

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

**Duties and Responsibilities of Integrated Internal Audit Working Unit (IIAU)**

IIAU has duties and responsibilities, among others:

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

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

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

**2022 Integrated Internal Audit Working Unit (IIAU) Priorities**

IIAU has conducted the following activities to strengthen internal audit functions in 2022:

- a. Continued with audit priorities and perform continuous monitoring on high and medium risk entities, and also with extensive branch network.
- b. Focus on reviewing emerging risks and risk associated to new/developing bank initiatives and process.

- c. Gradually implement agile audit approach to improve audit process, thus more nimble and iterative.
- d. Continued to increase auditor competency through trainings, knowledge on regulation, product and procedures, as well as risk management and audit process and professional certification.
- e. Continued to develop analytic functions by continuing to develop the scope of the data analytics.
- f. 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).
- g. Performed joint audits with Internal Audit unit of ADMF.
- h. Align audit coverage and methodology with MUFG, specifically in the areas of Sarbanes-Oxley Act (SOX), Anti Money Laundering/Sanctions/Anti Bribery Corruption, and Volcker rules.

- In quarter 3 2022, MUFG (Internal Audit Office for Asia/AIAO) resided in Singapore has completed audit on SKAI Danamon, to evaluate and determine recommendations for remediation and benchmark SKAI Danamon's current audit practices against the MUFG audit methodology/practices for Asia region. The overall audit result is assessed as "Some Improvements Needed", and has been submitted to OJK on September 30, 2022.
- i. Continue to perform its role as main entity IA of the MUFG Group Financial Conglomeration 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, 2022

In 2022, Integrated Internal Audit Unit (IIAU) has conducted the following internal audit engagements:

1. IIAU Danamon has conducted audit in 198 entities in Danamon:

#### AUDIT PLAN & REALIZATION AS OF DECEMBER 31, 2022

| Danamon                  | 2022<br>Audit Plan | 2022<br>Audit Realization |
|--------------------------|--------------------|---------------------------|
| a. Head Office Audit     | 38                 | 39*                       |
| b. Regional Office Audit | 13                 | 13                        |
| c. Branches Audit        | 145                | 146*                      |
| <b>Total Audit</b>       | <b>196</b>         | <b>198*</b>               |

\* Including Special Review Credit Operation Support and Thematic Audit on Account Opening at 10 branches, which were not included in 2022 Audit Plan.

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

#### AUDIT PLAN & REALIZATION AS OF DECEMBER 31, 2022

| Danamon                  | 2022<br>Audit Plan | 2022<br>Audit Realization |
|--------------------------|--------------------|---------------------------|
| a. Head Office Audit     | 6                  | 9*                        |
| b. Regional Office Audit | 26                 | 25*                       |
| c. Branches Audit        | 146                | 149*                      |
| <b>Total Audit</b>       | <b>178</b>         | <b>183*</b>               |

\* For Head Office audit, the difference between audit realization and audit plan due to joint audit which were performed between Internal Audit ADMF with SKAI Danamon, the audit entities were not included in audit plan. While for Region and Branches audit, the difference due to changes in audit focus based on periodic review on entities' risk level.





### Development of Human Resources

As of December 2022, the total number of personnel of IIAU Danamon was 128 personnel residing in the head office and regional audit offices across Jakarta, Surabaya, Medan, and Makassar. Moreover, the Internal Audit of ADMF had 61 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, 2022, the following professional certifications have been obtained by IIAU staff:

| International Certification   | # Person |
|---|----------|
| Certified Internal Auditor (CIA)  | 8        |
| Certified Fraud Examiner (CFE)  | 2        |
| Certified Ethical Hacker (CEH)  | 2        |
| Certified Information System Auditor (CISA)   | 4        |
| 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)  | 23       |
| Financial Accounting for Lenders (FAL)  | 25       |
| Minimizing Problem Loans (MPL)  | 2        |
| Certified Anti Fraud Manager (CAFM)   | 1        |
| Certified Professional Management Accountant (CPMA)   | 1        |
| Chartered Accountant (CA)   | 1        |
| Certified ISO 27001:2013 Lead Auditor   | 1        |
| Certified COBIT 2019 Foundation   | 1        |
| Certified in Cybersecurity  | 1        |
| ISO/IEC 27001 Information Security Associate Issued   | 1        |
| Governance, Risk and Compliance Professional (GRCP)   | 1        |
| Governance Risk Compliance Auditor (GRCA)   | 1        |
| Certified Information Technology Auditor Professional (CITAP)   | 1        |
| National Certification  | # Person |
| Qualified Internal Auditor (QIA)  | 48       |
| Risk Management Certification (SMR), Level I  | 100      |
| Risk Management Certification (SMR), Level II   | 42       |
| Risk Management Certification (SMR), Level III  | 10       |
| Risk Management Certification (SMR), Level IV   | 1        |
| Bank Internal Audit Certification – Auditor level   | 2        |
| 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) | 8        |

### 2022 TRAINING AND WORKSHOP

| No. | IIAU                         | #Person<br>YTD Dec 2022 | #Training & Workshop | Mandays |
|-----|------------------------------|-------------------------|----------------------|---------|
| 1   | Internal Audit Unit- Danamon | 128 staff               | 99                   | 13 days |
| 2   | Internal Audit Unit-ADMF     | 61 staff                | 41                   | 13 days |

# CORPORATE ACCOUNTANT/ EXTERNAL AUDITOR

## Corporate Accountant Appointment Process

Pursuant to the resolutions of Danamon's Annual General Meeting of Shareholders held on March 25, 2022, Elisabeth Imelda was appointed as a Public Accountant (PA), and Imelda & Partners (a member firm of Deloitte Touche Tohmatsu Limited) was appointed as a Public Accounting Firm (KAP). The firm is registered at both the Indonesian Institute of Certified Public Accountants and the Financial Services Authority. This allows the firm to serve as auditor for Danamon's consolidated financial statements for the financial year of 2022. Any matters pertaining to honorarium or other terms in relation to these appointments have to take into account the recommendations of the Audit Committee.

The decision to appoint PA and/or KAP for the sake of providing audit services on annual historical financial information was made by the General Meeting of Shareholders by considering the proposal of the Board of Commissioners.

Proposals for appointing PA and/or KAP recommended by the Board of Commissioners have also taken into account recommendations from the Audit Committee. In

preparing these recommendations, the Audit Committee has considered the following criteria:

- Independence of PA and/or KAP, as well as the independence of those working in these KAP;
- Audit scope;
- Audit service fees;
- Expertise and experience of PA, KAP, and the audit teams of the KAP;
- Methodology, techniques, and audit facilities are used by KAP;
- Benefits of having fresh-eyed perspectives from replacing several members of the KAP's audit team;
- Potential risks involved when using audit services from the same KAP consecutively for long periods of time.

## Other Services Beyond Financial Auditing

Throughout 2022, the Public Accounting Firm has provided other services beyond auditing services. The cost of these other services that were provided was altogether not greater than the cost of audit services.

## Audit Period and Accountant Fee Value

The audit fee values (honoraria) for AP and/or KAP that provided financial audit services are as follows:

| YEAR | PUBLIC ACCOUNTING FIRM  | NAME OF ACCOUNTANT (INDIVIDUALS)      | AUDIT FEE        |
|------|---|---------------------------------------|------------------|
| 2022 | Imelda & Partners<br>(a member firm of Deloitte Touche Tohmatsu Limited)            | Elisabeth Imelda                      | Rp 3.930 billion |
| 2021 | Imelda & Partners<br>(a member firm of Deloitte Touche Tohmatsu Limited)            | Elisabeth Imelda                      | Rp 3.930 billion |
| 2020 | Tanudiredja, Wibisana, Rintis & Partners<br>(member firm of the PwC global network) | Lucy Luciana Suhenda,<br>S.E.,Ak.,CPA | Rp 5.335 billion |
| 2019 | Tanudiredja, Wibisana, Rintis & Partners<br>(member firm of the PwC global network) | Drs. M. Jusuf Wibisana,<br>M.Ec, CPA  | Rp 4.405 billion |
| 2018 | Tanudiredja, Wibisana, Rintis & Rekan<br>(member firm of the PwC global network)    | Drs. M. Jusuf Wibisana,<br>M.Ec, CPA  | Rp 4.405 billion |

**External Audit Implementation Effectiveness**

The Audit Committee has reviewed the effectiveness of the audit implementation process. This review included its ensuring that audits were implemented in a way that took into account an external auditor's provisions, professional standards, work agreements, audit scope, and independence. The Audit Committee regularly holds meetings with Public Accountants and/or Public Accountant Firms to discuss progress and the inspection processes being carried out.

Audits carried out by a Public Accountant and/or a Public Accounting Firm on Danamon's consolidated financial statements have been carried out independently, professionally and objectively. The process has ensured the following:

- a. That examinations have been carried out on all material accounts based on applicable Professional Standards for Public Accountants and compliance with applicable Accounting Standards in Indonesia.
- b. That submissions of audited consolidated financial statements were accompanied by Letters of Recommendation to Management (if any).

Any evaluations by the Audit Committee for AP and/or KAP (for the way they have implemented their audit services on annual historical financial information) are carried out with the following criteria in mind:

1. AP and/or KAP's conformity with applicable audit standards;
2. The amount of time they were given for field work;
3. Assessments for the scope of services that they provided and the adequacy of samples used; and
4. AP and/or KAP's recommendations for improvement.

**Relations Between Bank, Public Accountants and Financial Services Authority**

Danamon as the audited party openly provide the data and information required by Public Accountants and/or Public Accounting Firms for the purpose of the examination. Auditors (Public Accountants and/or Public Accounting Firms) independently carry out inspections and submit suggestions and recommendations for improvements to Danamon's Management for follow-ups.

Communication and cooperation with external auditors is always carried out related to issues of accounting policies and fair presentation of financial statements. The audit results have been communicated by Public Accountant and/or Public Accounting Firm to Management, the Audit Committee and the Financial Services Authority.

# RISK MANAGEMENT

Danamon continuously improves risk management implementation within the Bank and its Subsidiaries to be in line with regulation development, risk and business complexity. Risk management implementation 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<br>(vertical relationship)       |
| Entity Member | MUFG Bank, Ltd. Cabang Jakarta (“MUFG Jakarta”)    | Sister Company<br>(horizontal relationship) |
| Entity Member | PT Adira Quantum Multifinance (“AQM”) <sup>1</sup> | Subsidiary<br>(vertical relationship)       |

Description:

<sup>1</sup> 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:

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

This is in line with the practice in the banking industry and in accordance with prevailing 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 Risk Management Directorate.

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:

- 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. Moreover, the Committee is formed to provide independent professional opinion to the BOC and recommendation actions to the BOD in order to further strengthen the risk management framework.



b. Risk Management Committee

This committee is at the Board of Directors level and is responsible for evaluating and providing recommendations to the President Director and Board of Directors related to the risk management strategy, policy development, 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 individually, consolidated and integrated, which include 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.

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, include 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 2022, 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:

|  |   |  |
|--|---|--|
| <b>Credit Risk</b><br>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.      |   |  |
| <b>Market Risk</b><br>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. | <b>Operational Risk</b><br>is the risk due to inadequacy and/or failed internal processes, human error, system failure, and/or the presence of external events that affect the operation activities. Operational risk management is carried out to minimize impacts that can lead to financial losses and reputation damages. Operational risk management also includes management of information security risk (including cyber security risks), technology risk, and business continuity. | <b>Information Security Risk (including cyber security risk)</b><br>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.  |
| <b>Liquidity Risk</b><br>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.  | <b>Technology Risk</b><br>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.  | <b>Reputation Risk</b><br>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. |
| <b>Compliance Risk</b><br>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.  | <b>Strategic Risk</b><br>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.  | <b>Legal Risk</b><br>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 contract and imperfect execution of collateral document and litigation processes (lawsuits or police reports) at the Bank and Subsidiaries.  |
| <b>Rate of Return Risk</b><br>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.   | <b>Investment Risk</b><br>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.   | <b>Intra-group transaction risk</b><br>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, either written or unwritten which can be followed or not followed by transfer of 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 RISK MANAGEMENT IN 2022

### 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 2023 – 2027 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, Consolidated and Integrated.
- Update on Sustainability Guideline related to Credit.
- Update on Legal Lending Limit and Large Exposure Guideline.
- 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 continuously.
- Conduct bank-wide stress tests according to Basel II at least once a year.
- Participate in the Joint Stress Test exercise using template and macroeconomy scenario provided by OJK and BI.
- Perform Covid-19 Thematic Stress Test to measure its impact to the Capital Adequacy and credit quality on NPL ratio.
- Conduct various programs of Risk Culture that focus on the campaign of Three Lines of Defense implementation.
- 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, Auto Loan, Consumption and Investment, starting January 2020 according to OJK regulation.
- Update and provide guidance regarding the implementation of bankwide Credit Risk Policy to ensure alignment with Regulatory regulations (OJK and BI), internal policies and Danamon's risk appetite.
- Revamp Stimulus Memo regarding the Impact of Covid-19 align with the most recent POJK, including review implementation memos in each LOB and monitor the performance of the restructured credit portfolio and the adequacy of the provision.
- 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 the credit policies of each LOB, evaluate credit criteria adapted with current business development and setting limits 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.
- Conduct regular reviews of all policies and procedures in accordance with the regulation stipulated by the regulators (OJK and BI) and other authorities.

- Regularly review of product programs, in terms of portfolio, criteria, and restrictions, and other requirements.
- 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. CQA review credit decisions result to ensure the process and credit analysis are in accordance with current regulations. In addition, CQA conducts periodic validation of the internal credit rating model to ensure the feasibility of the model under current conditions.
- Alternative Credit Scoring assessment to support the credit process in the consumer segment.
- Implement an escalation mechanism for potential/operational risk event and review operational risk matrix level.
- 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 by optimized the use of data analytic method.
- Improve awareness regarding risk control and conduct a survey to know the risk awareness maturity level of the working unit.
- Improve the ability of early detection on the potential fraud by developing the fraud detection system that has been implemented on AMEX card and D-Bank PRO transactions 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 Danamon that carried out through the updated anti-fraud awareness e-learning module.
- 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.

#### **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 ORM tool methodologies such as the RCSA methodology, Risk Events, recording of operational risk losses.
- Refine the Operational Risk Management System (ORMS) process and application to improve the effectiveness in of comprehensive operational risk management 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 mechanism to provide a tool for employees to raise an issue that potentially arises the operational risk.

#### **Technology and Information Security Risk Management:**

Improving the risk management process related to the services provided by the use of Information Technology, to adequately minimize the inherent and residual risk including its impact within the Information Technology services and implementation through advisory function of technology services as well as Information Security and communication to the related stakeholders in the relevant risk taking units, as follows:

- Information Technology risk parameters preparation as part of the self-assessment process in relation to determining the risk materiality of new services/products/activities to be reported and/or for licensing to the Financial Services Authority (OJK).
- Assessment and gap analysis activity in preparing Cyber Risk Management Policy establishment in accordance with the cyber risk management framework in fulfilling POJK No. 11/POJK.03/2022 concerning Implementation of Information Technology (PTI) and other provisions.



- Development of simplification process in risk assessment activities related to new services/products/activities and other Information Technology initiatives that use the waterfall methodology.
- Information technology risk assessment to provide support in developing new digital-based services/products/activities owned by the Bank with an agile methodology.
- Develop and update risk management tools to carry out the implementation of the information technology risk management cycle.
- Update the Cyber Security Incident Response document as a guide in escalation, communication, and coordination when cyber incidents occur.
- Update and adjust the framework and standard operating procedures that regulate the activities of the risk assessment process for third parties who manage the Bank's confidential information.
- Preparation of guidelines for the information usage in Digital Partnership activities, which regulate conditions and factors in the use of information to minimize the risk of loss/leakage of information.
- Facilitate the piloting activity of Cyber Threat Modeling with their respective methods to identify cyber risks for touchpoint applications.
- Review and update of the Information Asset Register, including information assets, information classification, and mitigation controls, which are owned by critical units.
- Red Teaming Exercise simulation activities with the aim of identifying potential cyber risks as early as possible and mitigating actions that can be taken to reduce the level of risks that arise through a series of activities that reflect real-world scenarios of cyber-attacks.
- Risk Management related to information leakage by enhancing the security function of the email system through data leakage prevention (DLP) mechanisms.

**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.
- ALM system update and enhancement to support alignment of LCR, NSFR and IRRBB calculation and reporting.
- Actively involve directly both in providing input and reviewing the SEOJK draft no.23 /SEOJK.03/2022 concerning Calculation of Risk Weighted Assets for Market Risk for Commercial Banks
- Involved in Quantitative Impact Study (QIS) Internal Liquidity Adequacy Assessment Process (ILAAP).
- Improved the IRRBB calculation methodology using 10 years of historical data.
- Developing an ALM system with a dynamic method for dynamic simulation of liquidity risk.
- Conducting data mapping for the calculation of Risk Weighted Assets for Market Risk for Commercial Banks (FRTB).

## PROVISION OF FUNDS TO RELATED PARTIES AND LARGE EXPOSURES

| No. | Provision of Funds    |                                  |                      |
|-----|-----------------------|----------------------------------|----------------------|
|     | Provision of Funds    | Debtors                          | Nominal (Million Rp) |
| 1   | Related Parties       | Subsidiaries and Core Management | 1,582,134            |
| 2   | Largest Group/ Debtor | 20 Groups                        | 41,668,722.30        |

Danamon limits the concentration of loans to individuals, groups or industrial sectors in order to reduce Concentration Risk on certain party which is one of the causes of bank business failure. The provision of funds to related parties and Subsidiaries is conducted on an arm's-length basis and in accordance with prevailing regulation and required to obtain Compliance Review (HKK) from the Compliance Working Unit and approval from the Board of Commissioners.

During 2022, 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  |
| <ul style="list-style-type: none"> <li>Line of Business</li> <li>Operational Working Units</li> <li>Other Supporting Working Units</li> </ul>  | <ul style="list-style-type: none"> <li>Risk Management Directorate</li> <li>Regulatory Compliance Division</li> </ul>                                       | <ul style="list-style-type: none"> <li>Internal Audit Working Unit (SKAI)</li> </ul>   |
| 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. | Risk Management Directorate and Regulatory Compliance Division have a role as the Second Line of Defense to perform risk monitoring function independently. | Internal Audit Working Unit has a role as the Third Line of Defense that is responsible for evaluating risk management implementation conducted by the First and Second Line of Defense. |

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

# LEGAL ISSUES FOR DANAMON, ITS LEADERSHIP AND SUBSIDIARIES

All legal issues and civil cases that Danamon and its Subsidiaries have faced throughout the reporting year of this Annual Report have been submitted through the courts

## Legal Issues Involving Danamon

| Cases Danamon is Facing                          | Number of Cases |          | Impact on Danamon's Conditions  |
|--|-----------------|----------|---|
|  | Civil           | Criminal |   |
| Has been resolved<br>[has permanent legal force] | 137             | 31       | The cases in question have had no financial impact on Danamon   |
| Is in the process of completion                  | 186             | 32       | The legal process has yet to reach a level of legal enforcement for these cases, resulting in no obligations to Danamon |

### Description:

All civil and criminal cases Danamon faced throughout the year of this report have been submitted through judicial and investigative processes. The data for total cases in 2022 according encompasses data as of December 2022.

## Legal issues Involving Board of Commissioners and the Board of Directors Members

| Commissioners and Board of Directors members     | Number of Cases |          | Impact on Danamon's Conditions |
|--|-----------------|----------|--------------------------------|
|  | Civil           | Criminal |                                |
| Has been resolved<br>[has permanent legal force] | -               | -        | None                           |
| Is in the process of completion                  | -               | -        | None                           |

## Legal Issues Involving Subsidiaries

| Legal Case Involving PT Adira Dinamika Multi Finance | Number of Cases |          | Impact on the Subsidiary's Conditions |
|--|-----------------|----------|---------------------------------------|
|  | Civil           | Criminal |                                       |
| Has been resolved<br>[has permanent legal force]     | -               | -        | None                                  |
| Is in the process of completion                      | -               | -        | None                                  |

## Permasalahan Hukum yang melibatkan Perusahaan Anak

| Legal Case Involving PT Asuransi Adira Dinamika  | Number of Cases |          | Impact on the Subsidiary's Conditions |
|--|-----------------|----------|---------------------------------------|
|  | Civil           | Criminal |                                       |
| Has been resolved<br>[has permanent legal force] | -               | -        | None                                  |
| Is in the process of completion                  | -               | -        | None                                  |





# IMPORTANT MATTERS FACING DANAMON

The following are important matters Danamon faced throughout 2022, with some of these cases being continuations of cases that began years prior.

## **Civil Case: Laverde Residence Home Ownership Loan (KPR) Debtors**

The Plaintiffs (hereinafter referred to as “Debtors”) are house/shop buyers at Laverde Residence (North Serpong, South Tangerang) with PT Cowell Development Tbk (as the Developer). These Debtors received Home Ownership Loan (KPR) facilities from Danamon. They filed a civil lawsuit because PT Cowell Development Tbk (as the Developer) did not immediately split the master certificate for housing that was purchased.

The plaintiffs demanded Rp221,336,339,188 in compensation, as well as and collateral confiscation requests for Bank Danamon’s head office building in South Jakarta, for Bank Danamon’s building in Matraman, East Jakarta, and for Bank Danamon’s building in Alam Sutera, South Tangerang.

These Debtors’ claims were rejected after examination processes from both the local District Court and the High Court. As of the date of this report, Danamon has yet to receive any information on whether the Plaintiffs have filed a cassation request.

## **Civil Case: PT Bidakara Taruma Sakti**

PT Bidakara Taruma Sakti (hereinafter referred to as the “Customer”) is a Danamon customer. It filed a lawsuit against Danamon on the grounds that Danamon had committed an unlawful act due to the negligence of its former employees, which resulted in a third party disbursing the plaintiff’s funds.

The plaintiff demanded Rp133,941,635,054 in compensation, as well as a collateral confiscation request in the form of Danamon’s head office building.

The South Jakarta District Court rejected all of the Customer’s claims. This led to the Customer submitting an

appeal. A decision at the appeal level punished Danamon with a payment of Rp18 billion.

In response to this decision, Danamon submitted a cassation request to the Supreme Court of the Republic of Indonesia. The case is currently still being examined at the Supreme Court.

## **Civil Case: PT Fireworks Ventures Ltd**

The plaintiff, PT Fireworks Ventures Ltd, is a cessie credit purchaser from PT Millennium Anlantic Securities that purchased credit assets from the Indonesian Bank Restructuring Agency (BPPN).

PT Fireworks Ventures Ltd filed its lawsuit on account of Danamon (as the Facility Agent and Syndicated Credit Guarantee Agent during a restructuring period) not submitting PT Griya Wijaya Prestige’s credit guarantee certificate that led to credit being transferred to PT Fireworks Ventures Ltd.

The plaintiff demanded Rp3,415,699,324,000 in compensation and a collateral confiscation request in the form of Danamon’s head office building.

In its decision, the South Jakarta District Court stated it had no authority to deal with this issue. The case is currently still under appeal at the DKI Jakarta High Court.

## **Civil Case: PT Pelayaran Borneo Karya Swadiri**

PT Pelayaran Borneo Karya Swadiri is a Danamon Debtor. It claimed that Danamon had committed an unlawful act due to the fact that it had violated statutory provisions through its use of foreign currency in a credit facility agreement that led to the credit agreement being canceled.

The plaintiff demanded Rp60,183,708,728 in compensation. This lawsuit was revoked by PT Pelayaran Borneo Karya Swadiri on January 13, 2023, in accordance with a South Jakarta District Court order.

# 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](http://www.danamon.co.id)) :

| Type of Information              | Published | Contents  |
|----------------------------------|-----------|---|
| <b>Financial Information</b>     |           |   |
| 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                     |
| <b>Informasi Non Keuangan</b>    |           |   |
| Products/Services                | Ad hoc    | Information on products and services that are offered   |
| Branch Network                   | Ad hoc    | Information on Branch Offices   |
| Management and Ownership         | Ad hoc    | Information on the management and ownership structure   |
| Policies on Corporate Governance | Ad hoc    | Information on corporate governance policies of Danamon   |
| Corporate Governance Report      | Annually  | Information on corporate governance implementation of Danamon and result of corporate governance assessment |



# REMUNERATION POLICY

## Remuneration Policy Drafting Process

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

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

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

## Scope of remuneration policy and its implementation

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

## Remuneration associated with risk

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

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

## Performance measurement associated with Remuneration

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

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

1. Danamon implements a 'Clean Wage' system where there is only a salary without any other allowances.
2. Danamon uses salary structure as a guide for minimum and maximum salary for a level.

3. The payment reference of a position in the market is based on:
  - Corporate business strategy
  - Benchmark Study in the market for a suitable position
4. The amount of employee salary differs based on:
  - Skill Competency
  - Performance
  - Experience
  - Scarcity of position in the market
5. For employees with the lowest salary should consider the provisions of the minimum wage of the relevant area of the employee's work location.

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

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

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

## Remuneration adjustment associated with performance and risk

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

1. Part of the annual performance bonus is deferred at least for a period of 3 years.

- The deferred portion is divided into cash and in the form of shares/shares-based instrument.
- 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.
- 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.
- If a Danamon Executive (the Board of Directors/ Board of Management) voluntarily resigns, the deferred portion that has not yet matured will be forfeited.
- 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 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 Rp18.8 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 |               |              |               |
|   | 2022                            |                | 2021         |                | 2022                   |               | 2021         |               |
|   | Number of HC                    | Rp Mio         | Number of HC | Rp Mio         | Number of HC           | Rp Mio        | Number of HC | Rp Mio        |
| Salary, bonus, Fixed allowance, tantiem, and other facilities in the form of Non Nature | 10*                             | 97,856         | 10           | 90,154         | 10**                   | 22,822        | 10           | 24,060        |
| Other facilities in the form of Nature (housing, medical insurance, etc.) which:        |                                 |                |              |                |                        |               |              |               |
| a. Can be own   | 10*                             | 2,610          | 10           | 2,547          | 10**                   | 1,466         | 10           | 1,376         |
| b. Cannot be own  | 10*                             | 8,034          | 10           | 9,245          | 10**                   | 1,610         | 10           | 2,136         |
| <b>Total</b>  | <b>10*</b>                      | <b>108,500</b> | <b>10</b>    | <b>101,947</b> | <b>10**</b>            | <b>25,898</b> | <b>10</b>    | <b>27,572</b> |

Description:

\* From 10 Directors, 2 Directors join in March 2022.

\*\* From 10 Commissioners, 2 Commissioners effective resigned in March 2022 and 2 Commissioners join in March 2022.

#### 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<br>***) | Total Board of Directors |      | Total Board of Commissioners |      |
|---|--------------------------|------|------------------------------|------|
|   | 2022**                   | 2021 | 2022*                        | 2021 |
| Above Rp2 billion                                     | 10                       | 10   | 5                            | 6    |
| Above Rp1 billion s/d Rp2 billion                     | -                        | -    | 3                            | 1    |
| Above Rp500 million s/d Rp1 billion                   | -                        | -    | 2                            | 3    |
| Rp500 million and below                               | -                        | -    | -                            | -    |

## Description:

\* From 10 Directors, 2 Directors join in March 2022.

\*\* From 10 Commissioners, 2 Commissioners effective resigned in March 2022 and 2 Commissioners join in March 2022.

\*\*\* 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 |         |       |         |
|                       | 2022                           |        | 2021 |        | 2022                   |        | 2021 |        | 2022     |         | 2021  |         |
|                       | # HC                           | Rp Mio | # HC | Rp Mio | # HC                   | Rp Mio | # HC | Rp Mio | # HC     | Rp Mio  | # HC  | Rp Mio  |
| Total:                | 10                             | 27,802 | 10   | 25,663 | 10                     | 8,578  | 6    | 8,636  | 5,157    | 247,078 | 5,148 | 166,147 |

### 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 in accordance to OJK regulation.

### 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                                 | 2022    | 2021    |
|---|---------|---------|
| The Highest and Lowest Employee                         | 111,9 x | 144,0 x |
| The Highest and Lowest Board of Directors               | 2,4 x   | 2,4 x   |
| The Highest and Lowest Board of Commissioners           | 1,3 x   | 1,1 x   |
| The Highest Board of Directors and the highest employee | 1,7 x   | 1,6 x   |

### Share options

Danamon does not issue share option program for Board of Directors, Board of Commissioners, and employee during 2022.

### 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 |      |
|---|-----------------|------|
|   | 2022            | 2021 |
| Above Rp1 Billion                                       | 45              | 28   |
| Above Rp500 Million up to Rp1 Billion                   | 57              | 51   |
| Rp500 Million and below                                 | 716             | 860  |

### 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   | Rp81.047 |
| 2. Shares/ shares based instrument issued by the Bank | N/A      |

| Variable Remuneration *)                              | Undeferred | Deferred           |
|---|------------|--------------------|
| 1. Cash   | Rp39,369   | Rp5,321            |
| 2. Shares/ shares based instrument issued by the Bank | N/A        | 1,301,000 (shares) |

Description:

\*) Only for MRT and disclosed in million Rp

### Quantitative information

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

| Variable Remuneration Type  | Remaining Deferred Variable* | Total Reduction During Reporting Period |                                   |                 |
|---|------------------------------|---|-----------------------------------|-----------------|
|   |                              | Caused By Explicit Adjustment (A)       | Caused By Implicit Adjustment (B) | Total (A) + (B) |
| 1. Cash (in Rp Mio)   | Rp10,584                     | -                                       | -                                 | -               |
| 2. Shares/ Shares based Instrument issued by the Bank (in number of shares and nominal in Rp Mio as conversion of number of shares) | 2,643,215 shares             | -                                       | -                                 | -               |

Description:

\*) 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 2022.

## TRANSACTIONS WITH CONFLICTS OF INTEREST

There were no conflict of interests within any of the transactions Danamon carried out throughout 2022.

Transactions involving conflicts of interest are regulated in Danamon's policies for Transactions with Affiliated Parties,

Related Parties and Transactions Containing Conflicts of Interest. If there is a conflict of interest in a transaction, the member of the Board of Directors/Commissioner with a conflict of interest must abstain from reviewing and approving the transaction in question.

| No  | Name and Position of the Individual with a Conflict of Interest | Name and Position of the Decision Maker | Transaction Type | Transaction Value (Millions of Rupiah) | Information |
|-----|---|---|------------------|--|-------------|
| Nil |   |   |                  |  |             |

### FUNDS FOR POLITICAL ACTIVITIES

Danamon has a policy that prohibits it from involvement in political activities. This includes making any kind of donations for political ends. Throughout 2022, there were no reported instances of funds being used for political activities at Danamon.

### FUNDS FOR SOCIAL ACTIVITIES

All funding for Danamon's social activities has been disclosed in the Corporate Social Responsibility section of this Annual Report.

# BANK'S STRATEGIC PLAN

Danamon's strategic plan is based on a vision: "We Care and Enable Millions to Prosper", because 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. In 2023, 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 2023, 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 build customer engagement and provide a seamless experience for customers.

### b. Funding

Grow third-party funds deposit to support credit growth including by: optimizing digital banking service for mass market customers and branch network for emerging affluent (Danamon Optimal) and affluent segment (Danamon Privilege), 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/ Negotiable Certificate of Deposit (NCD) in accordance with the funding requirements, market conditions and prevailing regulations of the Financial Services Authority (FSA)/ Bank Indonesia (BI) while considering 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 provision of bancassurance, wealth management, cash management, trade finance, FX, retail bonds and other products.

### d. Overhead costs

The Bank and Subsidiaries will continue to maintain operational cost efficiency, which will ultimately support a healthy and sustainable level of profitability. At the same time, investment to maintain long-term growth will also be implemented as a priority for the business strategy going forward. Cost efficiency will continue to be carried out carefully to enable the Bank to balance and align short, medium and long term needs in making these various investments through investment in technology to enhance digital banking, data analytics and automation capabilities, along with branch network footprint.

**e. Asset quality**

Maintain prudent principles in credit disbursement through adjustment and establishment of enhanced customer selection criteria and in accordance with business dynamics, periodical Portfolio Quality Review, 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, develop the Loan Origination System (LOS), and application of Early Warning Signal on mortgage and SME business. Additionally, through MUFG collaboration, the Bank will distribute loan and participate in Supply Chain financing, lending to SOE and large corporations and explore Financial Technology (fintech) collaboration or alternative scoring with external parties.

**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 startups in Indonesia and other Southeast Asian countries. This has helped the Bank to utilize and develop strategic partnership with digital startups, 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.

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

**g. Networks**

Despite the rapid progress of digitalization in the banking industry, the Bank still sees the importance of having physical branch offices 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 capabilities, 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 branch network (including closing the network and merging the same activities from two adjacent networks into one network) and opening 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 2023 at a reasonable level. This is done 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. The Bank’s efforts to maintain the SBDK include 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).

### 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, improve oversight of the implementation of the information security and technology risk management framework.

#### 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 supports the Government in anticipating 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. In addition, Danamon also Sustainability Finance activity in infrastructure by on the roofs of several office buildings, reducing carbon gas emissions through efficient use of electricity, water and paper, as well as installing electric car electronic vehicle chargers in certain buildings.

#### 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 TO COMPANY INFORMATION

Danamon provides its stakeholders with convenience in accessing information regarding Danamon through communication media such as Press Releases and Analyst Briefing Booklets. In addition, Danamon also provides information on its products, services, investor information, office networks, financial reports, annual reports, its corporate governance and social activities, its corporate actions and other information through its website (<http://www.danamon.co.id>). All information is available in both Indonesian and English.

Danamon also has another channel for the public to communicate with it. In order to improve its consumer services and protection, fulfill customer needs for information on products and services, and to handle complaints from customers and/or prospective customers, the company uses its Hello Danamon service. Hello Danamon can be accessed 24 hours via telephone (1-500-090), email ([hellodanamon@danamon.co.id](mailto:hellodanamon@danamon.co.id)), and Twitter (@hellodanamon).

In addition, the public can also contact:

| Unit                     | Telephone Number               | Email  |
|--------------------------|--------------------------------|--|
| Corporate Secretary      | (021) 80645000 Ext. 8706; 8794 | <a href="mailto:corporate.secretary@danamon.co.id">corporate.secretary@danamon.co.id</a>           |
| Investor Relations       | (021) 80645000 Ext. 8621; 8611 | <a href="mailto:investor.relations@danamon.co.id">investor.relations@danamon.co.id</a>             |
| Corporate Communications | (021) 80645000 Ext.8301; 8328  | <a href="mailto:corporate.communications@danamon.co.id">corporate.communications@danamon.co.id</a> |

## INVESTOR RELATIONS

Investor Relations is under direct supervision of the Chief Strategy Officer. 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 stakeholders.

- 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 Chief Strategy Officer.

Information about Danamon's performance update and strategy can be accessed through the website [www.danamon.co.id](http://www.danamon.co.id).

### INFORMATION DISCLOSURE FOR INVESTOR DURING 2022

| Media                                  | Frequency   | Description   |
|--|-------------|---|
| Analyst presentation/<br>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 times     | A comprehensive report to the public and stakeholders on Danamon's performance, business and other activities.                  |
| Meetings                               | 15 meetings | Meetings with local/ overseas analysts/ investors to provide information on Danamon's strategy and performance.                 |

# CORPORATE COMMUNICATIONS

Corporate Communications Unit is responsible for managing communication between Danamon and public, through mass media. Corporate Communications contributes to the development of effective, accurate, concise, and reliable communications with the following scope of objectives and responsibilities:

- Building and maintaining Danamon's image in society through the function of public relations.
- Carry out the communication function of Danamon's management to public through mass media, both printed and electronic media.
- Perform the external communication function, including creating messages, determining the form of communication, and providing information to third parties.
- Act as the initial point of contact for public who need information about Danamon.

## MEDIA SOSIAL

Danamon's official social media and website are:

- Twitter : @danamon, @HelloDanamon (customer service)
- Facebook : Bank Danamon
- Instagram : @mydanamon
- LinkedIn : PT Bank Danamon Indonesia, Tbk.
- YouTube : Bank Danamon
- Website : [www.danamon.co.id](http://www.danamon.co.id)





# SERVICE QUALITY & CONTACT CENTER

A customer-centric mindset is one of the keys to understanding any situation, perception and expectation involving customers. It is for this reason that we continue to strive to improve our quality of services in a way that allows us to answer every customer need, provide the best solutions, and serve as advisors to customers.

In order to make Danamon the bank of choice for customers, we need to provide what we call “BeDA” (Best Solutions, Digital Mindsets & Agile Services) in an appropriate, timely and prepared manner to customers. Doing all of with our spirit of “Right for the Heart, Good for the Soul” service will allow Danamon to become the bank of choice for customers.

Consistency in providing the best services must of course also be accompanied by knowledge and skills that are always up to date from our employees on the front lines. It is for this reason that we continue our work in carrying out various service initiatives that are designed to improve, hone and strengthen our customer-centric culture at Danamon in a way that can have an impact on the reliability of our frontliners. This can also generate customer comfort and trust in Danamon.

## Service Strategy, Program & Development

In our Virtual Service Camp activities that branch teams attend annually, we present members with materials that promote the spirit of “Right for the Heart, Good for the Soul” services. This theme serves as a continuation of a previous theme that studied how to bring customers stickiness to Danamon. All of this was done in accordance with a service strategy that aimed to continue strengthening our Service Engagement so that we could achieve our goals of creating a customer-centric culture.

In order to be able to provide “Right for the Heart, Good for the Soul” services, we are expected to abide by “BeDA”, which encompasses:

- **Best Solution** (Appropriate): Creating products and services that provide the best solutions.
- **Digital Mindset** (Prepared): Developing synergistic attitudes and behaviors in the digital era.
- **Agile Service** (Timely): Responding proactively, with focus and with continuous improvement.

This goal is realized through the following slogans: “**SAT**”, “**SET**” and “**WOS**”

- **SAT** (Serving people is my passion, Active Listening, Think more do more)

- **SET** (Start small think bigger, Energize Others, Transformation for future)
- **WOS** (Willingness to be responsible, Open collaboration with customer, Smart response)

Various service guides, learning materials, service programs and communication tools have been created to support the implementation of our service strategies. They include:

- Customer Centricity e-Learning: These were created to boost a sense of understanding for the roles and responsibilities of Danamon employees in meeting and understanding the needs, expectations, and mindset of customers;
- Japanese Business Manners in the form of “Omotenashi Training”: These are presented as an interesting insights in implementing services that are in accordance with Japanese culture;
- The latest in Yel-Yel Services: These are designed to campaign for frontliners to inspire them to always serve wholeheartedly and in a timely and friendly manner that is able to provide solutions;
- Super Service Animated Series: An animated video series that provides references and inspiration when it comes to service processes and various tips that can be implemented at branches;
- Mouse Pads with the latest designs: used by frontliners in branches, as part of raising awareness in implementing “Right for the Heart, Good for the Soul” services.

## Service Improvement

There have been enhancements made to the CRM (Customer Relationship Management) application used by frontliners, whether at Branches, Contact Centers or the Head Office that have given it more user-friendly design.

These enhancements make it easy for frontliners to input information, requests and complaints from customers. It has also added several features for CRM Services.

The e-Registration application that was used to record the stock of goods at branches and the Head Office has been replaced with a new and more reliable system.

Apart from that, several improvements or automation processes were carried out, such as an inter-branch Stock Out and Stock In and integration with the Core Banking System for ordering Debit/ATM Cards. This was so that branches did not need to input things manually.

Improvements were made not only to the system, but also to processes or provisions/policies. Among them were the Dummy User ID for BSM (Branch Service Manager) which allowed operational processes at branches to continue to run; simplification of forms at branches; and the replacing of Debit/ATM Cards and requests for e-channel services for customers who were abroad. All of these things aimed

at continuing to provide the best service to customers, and to maintain customer loyalty and satisfaction, so that it would have an impact on business growth.

### Service Achievements

Throughout 2022, Danamon won the following service sector awards:

| No | Name of Organizer                       | Award Title  | Award Category                       | Rank |
|----|---|--|--------------------------------------|------|
| 1. | Marketing Research Indonesia & Infobank | Satisfaction Loyalty and Engagement Survey 2021/2022 | SLE Index 2022                       | 5    |
|    |   |  | Satisfaction Index 2022              | 3    |
|    |   |  | Satisfaction Index 2022 Teller       | 2    |
| 2. | Marketing Research Indonesia & Infobank | Banking Service Excellence Awards 2021/2022          | Best Overall Performance             | 7    |
|    |   |  | Best Performance in Digital Banking  | 8    |
|    |   |  | Best Performance in Walk-in Channels | 3    |
|    |   |  | Best Performance in Customer Service | 3    |

## CONTACT CENTER

As an information service center, Hello Danamon is on duty 24/7. It always responds to the needs of each customer and manages interactions with customers via its telephone number (1-500-090), its Twitter account (@hellodanamon), its email (hellodanamon@danamon.co.id), and through its latest information service by way of live chat via WhatsApp (08581 1500 090).

Hello Danamon is a channel for customers to obtain information about products & services, as well as a means to submit complaints. In order to satisfy customer expectations and provide the best solutions, continuous training is provided to Hello Danamon Agents through various Service Development methods, Programs &

Fun Activities to improve skills and knowledge, through engagement, as well as through the provision motivation and appreciation for Agents that have excelled at their work.

To make it easier and more convenient for customers, we have also provided Video Banking services that can help customers verify account openings through D-Bank Registration. We have also continued to develop various digital account opening process systems.

Throughout 2022, there were 14,192 customer complaints. Some 95.89% of the total complaints have been resolved according to established standard procedures.

The details of these customer complaints in 2022 are as follows:

| No    | Financial Transaction Type | Resolved |            | Being Processed |            | Number of Complaints |
|-------|----------------------------|----------|------------|-----------------|------------|----------------------|
|       |                            | Amount   | Percentage | Amount          | Percentage |                      |
| 1     | Fundraising                | 1,029    | 7.25%      | 2               | 0.01%      | 1,031                |
| 2     | Distribution of Funds      | 97       | 0.68%      | 2               | 0.01%      | 99                   |
| 3     | Payment Systems            | 12,339   | 86.94%     | 579             | 4.08%      | 12,918               |
| 4     | Cooperation Products       | 144      | 1.01%      | 0               | 0.00%      | 144                  |
| Total |                            | 13,609   | 95.89%     | 583             | 4.11%      | 14,192               |

Total of Complaints and Percentage of Completion

| Years | Total of Complaints | Number of Resolved Complaints End of Year | Percentage of Completion End of Year |
|-------|---------------------|---|--------------------------------------|
| 2022  | 14,192              | 13,609                                    | 95.89%                               |
| 2021  | 12,605              | 12,383                                    | 98.24%                               |
| 2020  | 14,752              | 14,327                                    | 97.12%                               |



# CORPORATE CULTURE

Corporate culture is the values that serve as guidelines, order and control over 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 upheld by the Company currently in the course of realizing the Company's vision and mission.

Danamon's Corporate Values consist of Collaborating, Integrity, Alert to serve and Adaptive, which is abbreviated as BISA.

- **Collaborate**  
Aligning diversity as a strength to achieve common goals. This includes working towards a goal, a sense of belonging, and mutual respect.
- **Integrity**  
Prioritizing professionalism, openness, responsibility and ethics as guidelines for consistent performance. Include responsibility, always be open, and be fair.
- **Alert Serving**  
Providing the best service quickly, swiftly and accurately. Includes Customer/customer/customer oriented, providing added value, and providing the best service.
- **Adaptive**  
Always adjust and improve self-potential to be the best. Includes being competitive, innovating, and agile.

In internalizing the corporate values, Danamon has communicated from awareness to all employees, explaining the behaviors of each of the values, giving appreciation to employees who make the company's values 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 an initiative to develop an Employee Values Proposition (EVP), which is a commitment from the company to its employees to provide value in return for the work that employees provide for the company.

The Company's EVP is GROW which means "Growing" and stands for:

## 1. Global Exposure (Get Global Experience)

Danamon is committed to offering me global exposure and experience through business collaboration and knowledge sharing on best business practices.

With the expertise and skills that I have, I will take this opportunity to drive innovation to support the Bank's sustainable growth.

## 2. Rise to Excellence (Achieve the Best Performance)

Danamon has aspirations to build a supportive and collaborative work environment where this inspires me to generate new ideas and make a significant contribution through outstanding performance.

## 3. Own Your Future

Danamon encourages me to grow personally and professionally by providing various development opportunities that support my commitment to building a future career.

## 4. Wellness & Wellbeing (Reach Prosperity)

Danamon sincerely cares about my health and well-being, where as part of the Danamon family and a form of social responsibility, together we support and protect the social community.

With the existence of company values and EVP, it is expected that employees can work better and be more engaged with the company so that productivity also increases.

# 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, Bribery and Corruption, protection and use of customer facilities, relationship and associates, bribery and corruption, and ethics with competitors.
- Enforcement of the Code of Conduct: requires the roles and responsibilities of management and employees, the annual statement, whistle-blowing system, violation of the Code of Conduct, and the implementation of the Code of Conduct.

## SANCTIONS IMPOSED DURING 2022

| Type of Sanctions         | Number of Employees |
|---------------------------|---------------------|
| Termination of Employment | 31                  |
| Warning Letter I          | 115                 |
| Warning Letter II         | 4                   |
| Warning Letter III        | 49                  |
| Reprimand Letter          | 70                  |
| <b>Total</b>              | <b>269</b>          |



# ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

In carrying out banking business activities, Danamon is inseparable from the intertwined relationships and interactions with customers and other parties. As a member of the MUFG financial group, Danamon is committed to perform business activities in a transparent and responsible manner based on ethical business practices and compliance with the applicable laws. Danamon has principles and policies of zero tolerance for acts of violation and corruption including any attempt to take advantage of gifts, entertainment, hospitality or other means to gain profit or maintain improper business.

To support the commitment to anti-bribery and corruption and to realize the importance of a firm attitude towards handling and overcoming acts of bribery and corruption, Danamon has an Anti-Bribery and Corruption Policy. This policy was prepared with reference to Danamon's values and code of ethics, laws and global practices of the MUFG Financial Group.

Danamon's Anti-Bribery and Corruption Policy forbid all forms of bribery and corruption, as follows:

- a. **Offering, promise and/or give** (anything of value either directly or indirectly to anyone with the intention of obtaining or retaining improper business benefits or advantages.
- b. **Requesting and/or receiving** anything of value either directly or indirectly from anyone that is intended to improperly influence Danamon's Management and/or employees in carrying out their activities on behalf of Danamon.

- c. **Forgery or conceal** books, records or other data relating to Danamon's business activities, customers, service providers, vendors, suppliers or other business partners. Every expenditure must be recorded, transparent and accompanied by sufficient evidence so that the financial records are not misused to support or conceal acts of bribery and corruption.
- d. **Committing political contributions** personally or on behalf of Danamon.
- e. **Providing job offers or job opportunities** to candidates with the intention that Danamon will obtain and retain an improper business advantage or opportunity.

Danamon has also established a compliance program for the implementation of the Anti-Bribery and Corruption Policy through the following control processes:

- Periodic risk assessment and risk control for acts of bribery and corruption;
- Due diligence and supervision of third-party service providers acting on behalf of Danamon;
- Assessment review of gifts, hospitality, job offers, donations, sponsorships and honorariums;
- Evaluation and management of risks associated with business transactions.

Danamon sustainably conducts socialization, email blasts and e-learning related to the Anti-Bribery and Corruption Policy to all Management and Employees and publishes the implementation of the Anti-Bribery and Corruption Policy through the Danamon website which can be accessed by the public.

At the end of 2022 Danamon has reviewed and updated the Anti-Bribery and Corruption Policy.

# ANTI-FRAUD POLICY

Danamon is committed to upholding a “Zero Tolerance For Fraud” principles. Strict sanctions are administered to perpetrators of fraud in accordance with applicable regulations. Danamon actively participates in upholding an anti-fraud culture with the following principles:

- Management actively watches out for risks of fraud by setting a maximum tolerance threshold for fraud losses in its Risk Appetite Statement parameters, by intensifying anti-fraud awareness campaigns, and by intensifying any strict sanctions for those that have perpetrated fraud.
- All Danamon employees and members of management are required to sign an Anti-Fraud Integrity Pact that is part of an Anti-Fraud Awareness electronic learning module that all Danamon employees must partake in.
- Danamon utilizes a Whistleblowing System (WBS) channel provided by an independent party. The identity of the reporter is guaranteed confidentiality. This channel is disseminated every month via email blasts to all Danamon employees.
- All Danamon employees are encouraged to make use of a “Speak-Up” culture and to immediately speak up if they find evidence, indications, or suspect any kind of fraud, including violations of Danamon’s code of ethics, procedures, rules, and regulations.
- Implementing “4D” rules: Discipline in implementing policies and procedures, Dual Control, Dual Custody, and Segregation of Duty in carrying out all operational activities.
- Implementing “4K” principles: Know Your Customer, Know Your Employee, Know Your Processes and Procedures, and 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 Rp100,000,000 (one hundred million rupiah):

| Internal Fraud                   | Total Cases Involving |      |      |                     |      |      |                         |      |      |
|----------------------------------|-----------------------|------|------|---------------------|------|------|-------------------------|------|------|
|                                  | Management            |      |      | Permanent Employees |      |      | Non-Permanent Employees |      |      |
|                                  | 2022                  | 2021 | 2020 | 2022                | 2021 | 2020 | 2022                    | 2021 | 2020 |
| Total internal fraud             | -                     | -    | -    | 7                   | 7    | 13*  | -                       | -    | -    |
| Completed                        | -                     | -    | -    | 6                   | 7    | 12   | -                       | -    | -    |
| In Internal Process              | -                     | -    | -    | 1                   | -    | -    | -                       | -    | -    |
| Pending Process                  | -                     | -    | -    | -                   | -    | -    | -                       | -    | -    |
| Followed up through Legal action | -                     | -    | -    | -                   | -    | -    | -                       | -    | -    |

\* There is 1 case with 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.

## **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 2022

Danamon has received 5 complaint reports through WBS channels. As of the end of 2022, 4 reports had been completely investigated, of which 3 reports were proven to be fraud or have violation of procedures/code of conduct and 1 report was not proven to be fraud/violation of procedure/code of ethics. While the remaining 1 report is still being investigated.

| #Complaint Received | Investigation Status of Complaints |  |            |                           |
|---------------------|------------------------------------|--|------------|---------------------------|
|                     | #Completed Investigation           | Completed  |            | Investigation in Progress |
|                     |                                    | Proven Fraud/<br>Violation of Procedure/<br>Code of Ethics | Not Proven |                           |
| 5                   | 4                                  | 3  | 1          | 1                         |



# PUBLIC COMPANY GOVERNANCE GUIDELINES

The Company continues to have its organization be guided by Public Company Governance Guidelines that are outlined in Financial Services Authority (OJK) regulations and circular letters (specifically, POJK No. 21/POJK.04/2015 concerning the Implementation of Public Company Governance Guidelines and SEOJK Number 32/SEOJK.04/2015 concerning Public Company Governance Guidelines). These OJK regulations cover 5 aspects, 8 principles and 25 recommendations on how corporate governance ought to be implemented. The following are details on these guidelines.

| 25 GOVERNANCE GUIDELINES FOR PUBLIC COMPANIES:<br>IMPLEMENTATION STATUS                       |  |   |  |
|---|--|---|--|
| No.   | Principles   | Recommendations   | Details  |
| <b>A. How Public Company Relations with Shareholders Guarantee the Rights of Shareholders</b> |  |   |  |
| 1.  | Getting more value out of the General Meetings of Shareholders (GMS) | <p>1.1. Public companies are required to have both open and closed technical methods/procedures for voting designed to prioritize independence and the interests of shareholders.</p> <p>1.2. All members of a Public Company's Board of Directors and Board of Commissioners are to attend the Annual GMS (AGMS).</p> <p>1.3. Summaries of the meeting minutes of a GMS have to be made available on the Public Company's website for at least 1 (one) year.</p> | <p>Public companies have both open and closed technical methods/procedures for voting that are designed to prioritize independence and the interests of shareholders.</p> <p>Danamon has GMS rules that regulate the way general meetings of shareholders are carried out. These rules include regulations on voting procedures, decision making and vote counting procedures that promote independence and the interests of shareholders. All details regarding GMS procedures and rules can be seen through Danamon's website (<a href="http://www.danamon.co.id">www.danamon.co.id</a>).</p> <p>Status : Fulfilled (complied)</p> <p>Danamon's AGMS for 2022 was held on March 25, 2022. It was carried out in compliance with applicable government health guidelines and procedures.</p> <p>All members of both the Board of Directors and the Board of Commissioners attended this AGMS. The nature of their attendance at this year's AGMS was a mixture of both physical and online-based attendance as a way of complying with health protocols.</p> <p>Status : Fulfilled (complied)</p> <p>Danamon uploads its GMS minutes summaries on the 2<sup>nd</sup> (second) working day after a GMS is held.</p> <p>Summaries of the GMS minutes that Danamon has held from 2015 to the present day are available on Danamon's website, both in Indonesian and in English.</p> <p>Status : Terpenuhi (comply)</p> |

### 25 GOVERNANCE GUIDELINES FOR PUBLIC COMPANIES: IMPLEMENTATION STATUS

| No. | Principles  | Recommendations   | Details  |
|-----|---|---|--|
| 2.  | Improving a Public Company's Communication Quality with Shareholders or Investors | 2.1   | <p>The Public Company has to have a communication policy for communicating with shareholders or investors.</p> <p>Danamon has a communication policy that regulates the way in which it provides information about Danamon to shareholders and the investment community. It delivers this information in a fair and timely manner, allowing shareholders and the investment community to evaluate Danamon's strategy, development, operations and financial performance, and to enable them to be actively involved with Danamon.</p> <p>Status: Terpenuhi (comply)</p>  |
|     |   | 2.2   | <p>The Public Company has to disclose its policy for communicating with shareholders or investors on its website.</p> <p>Danamon's Communication Policy has been made publicly available (including to Danamon Shareholders or Investors) through the Bank's website.</p> <p>Status : Fulfilled (complied)</p>   |
|     |   | <b>B. The Board of Commissioners: Functions and Roles</b> |  |
| 3.  | Strengthening the Membership and Composition of the Board of Commissioners        | 3.1   | <p>The method of determining how many members the Board of Commissioners should have must be done by taking the Public Company's condition into consideration.</p> <p>Danamon's Board of Commissioners has complied with all the applicable provisions (specifically, POJK Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies and POJK Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies) when it comes to its number of members, its membership composition and its structure, all of which were designed in accordance with the size and complexity of Danamon's business.</p> <p>As of the end of 2022, Danamon's Board of Commissioners consists of 8 (eight) people, with 50% of them being Independent Commissioners. The number of members this board has does not exceed the number of members of the Board of Directors, which totals in at 10 (ten) people.</p> <p>Status : Fulfilled (complied)</p> |
|     |   | 3.2   | <p>Determining the Board of Commissioners' membership composition has to take into account any requirements when it comes to knowledge, experience and diversity of skills.</p> <p>Danamon has its own composition diversity policy for Board of Commissioners members.</p> <p>In its process of nominating members of the Board of Commissioners, in addition to paying attention to the minimum job requirements, Danamon also takes into account a candidate's scope and balance of knowledge, as well as expertise and experience. Danamon also takes diversity needs into consideration in determining the composition of the Board of Commissioners.</p> <p>The composition and structure of members of the Board of Commissioners of Danamon has taken into account knowledge, expertise and experience, all with the aim of optimizing the Board of Commissioners' supervisory role.</p> <p>Status : Fulfilled (complied)</p>  |



### 25 GOVERNANCE GUIDELINES FOR PUBLIC COMPANIES: IMPLEMENTATION STATUS

| No. | Principles   | Recommendations                                |   | Details  |
|-----|--|--|---|--|
| 4.  | Improving the Way the Board of Commissioners Carries Out its Duties and Responsibilities | 4.1  | The Board of Commissioners has to have a self-assessment policy to evaluate the Board of Commissioners' performance.  | Danamon has a Performance Appraisal Policy for its Board of Commissioners that serves as a guideline for assessing the board's performance in carrying out its duties and responsibilities.<br><br>Status : Fulfilled (complied)   |
|     |  | 4.2  | The Board of Commissioners' self-assessment policy has to be disclosed in the Public Company's Annual Report.   | Danamon has a Performance Appraisal Policy for its Board of Commissioners that is disclosed in Danamon's Annual Report and is available on its website.<br><br>Status : Fulfilled (complied)   |
|     |  | 4.3  | The Board of Commissioners has to have a policy regarding the resignation of Board of Commissioners members if they are involved in financial crimes.   | Members of Danamon's Board of Commissioners involved in financial crimes must resign from the Board of Commissioners. The obligation to resign is regulated in the Board of Commissioners' Charter.<br><br>Status : Fulfilled (complied)   |
|     |  | 4.4  | The Board of Commissioners (or the committees that carry out the Nomination and Remuneration functions) has to develop a succession policy in the nomination process for Board of Directors members.            | The Board of Commissioners of Danamon has a Nomination Committee and a Remuneration Committee that assists the Board of Commissioners with carrying out duties related to the nomination and remuneration functions for members of the Board of Commissioners and members of the Board of Directors.<br><br>Danamon has a Board of Directors Succession Policy to maintain the continuity of its leadership.<br><br>Status : Fulfilled (complied)                    |
|     |  | C. The Board of Directors: Functions and Roles |   |  |
| 5.  | Strengthening the Membership and Composition of the Board of Directors                   | 5.1  | The method of determining the how many members the Board of Directors should have must be done while taking into account the Public Company's condition so that the board can be effective in making decisions. | In terms of numbers, composition and structure, the way the Board of Directors is organized is in compliance with legal requirements. The board is designed in such a way that takes into account Danamon's size and business complexity.<br><br>As of December 31, 2022, Danamon's Board of Directors has a total of 10 (ten) people. The board's number of members is more than the number of Board of Commissioners members.<br><br>Status : Fulfilled (complied) |
|     |  | 5.2  | The method of determining the Board of Directors' membership composition has to take into account requirements on diversity, expertise, knowledge and experience.   | Danamon has a diversity policy for members of the Board of Directors.<br><br>The way the board's membership is structured is designed in such a way that has taken into account whatever knowledge, expertise and experience is required by the company. It's a structure that is designed to optimize decision making and improve the company's performance.<br><br>Status : Fulfilled (complied)   |
|     |  | 5.3  | Members of the Board of Directors in charge of accounting or finance have to have expertise and/or knowledge in accounting.   | Danamon's Finance Director holds a Bachelor's degree in Accounting and is a Certified Public Accountant in Indonesia.<br><br>Status : Fulfilled (complied)   |

### 25 GOVERNANCE GUIDELINES FOR PUBLIC COMPANIES: IMPLEMENTATION STATUS

| No.                          | Principles   | Recommendations |   | Details   |
|------------------------------|--|-----------------|---|---|
| 6.                           | Improving the Way the Board of Directors Carries Out its Duties and Responsibilities | 6.1             | The Board of Directors has to have a self-assessment policy for assessing the Board of Directors' performance.  | Danamon has a Board of Directors performance appraisal policy that serves as a guideline for assessing how effective the Board of Directors has been in carrying out its duties and responsibilities.<br><br>Status : Fulfilled (complied)  |
|                              |  | 6.2             | The Board of Directors' self-assessment policy has to be disclosed in the Public Company's annual report.   | Danamon has a Board of Directors performance appraisal policy that is disclosed in Danamon's Annual Report and is available on its website.<br><br>Status : Fulfilled (complied)  |
|                              |  | 6.3             | The Board of Directors has to have a policy regarding the resignation of any Board of Directors members in case they are involved with financial crimes | Members of Danamon's Board of Directors involved in financial crimes must resign. The obligation to resign is regulated in the Board of Directors' Charter.<br><br>Status : Fulfilled (complied)  |
| D. Stakeholder Participation |  |                 |   |   |
| 7.                           | Improving Corporate Governance Aspects through Stakeholder Participation             | 7.1             | The Public Company has to have policies to prevent insider trading.   | In an effort to prevent Insider Trading, Danamon has a Personal Securities Trading Management (PEP) policy and a Non-Public Material Information (IMNP) policy.<br><br>Status : Fulfilled (complied)  |
|                              |  | 7.2             | The Public Company has to have anti-corruption and anti-fraud policies.   | Danamon has a Code of Ethics that prohibits members of management and employees from partaking in any form of bribery and corruption. In addition, Danamon also maintains and updates an Anti-Bribery and Corruption Policy that regulates these aforementioned prohibitions for all members of management and employees.<br><br>Bank Danamon has an Anti-Fraud Management Policy that determines its strategy for managing any risks of fraud.<br><br>Status : Fulfilled (complied)  |
|                              |  | 7.3             | The Public Company has to have policies for selecting suppliers or vendors and for building up their capacities.  | 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 Danamon's website.<br><br>Status : Fulfilled (complied)  |
|                              |  | 7.4             | The Public Company has to have policies on fulfilling creditor rights.  | When it comes to fulfilling the rights of creditors (in the form of depositors, or customers who place their funds in the company), Danamon has a customer protection policy and a customer service code of ethics that regulate the following:<br>- The right to obtain an adequate explanation of a product's characteristics.<br>- The right to access a product's terms and conditions.<br>- Convenience for transactions through branches, e-banking services or other facilities, as determined by the Bank.<br>- Obtaining profits/interest in amounts that are in accordance with applicable regulations.<br>- Procedures for handling and resolving customer complaints<br><br>Status : Fulfilled (complied) |





### 25 GOVERNANCE GUIDELINES FOR PUBLIC COMPANIES: IMPLEMENTATION STATUS

| No.                       | Principles  | Recommendations | Details  |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
|---------------------------|---|-----------------|--|-------|----------|---------|-------------------|---------|--|----------|--------------|-----------|------------|----------|---------------------------------|---------|--------------|
|                           |   | 7.5             | <p>The Public Company has to have a whistleblowing system policy.</p> <p>Status : Fulfilled (complied)</p>   |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
|                           |   | 7.6             | <p>The Public Company has to have policies for providing long-term incentives to the Board of Directors and to employees.</p> <p>Status : Fulfilled (complied)</p>   |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
| E. Information Disclosure |   |                 |  |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
| 8.                        | Improving the Way Information is Disclosed  | 8.1             | <p>Public Companies have to disclose information by making use of information technology in ways that go beyond just websites.</p> <table><thead><tr><th>Media</th><th>Username</th></tr></thead><tbody><tr><td>Website</td><td>www.danamon.co.id</td></tr><tr><td>Twitter</td><td>@Danamon<br/>@HelloDanamon (customer service)</td></tr><tr><td>Facebook</td><td>Bank Danamon</td></tr><tr><td>Instagram</td><td>@mydanamon</td></tr><tr><td>LinkedIn</td><td>PT Bank Danamon Indonesia, Tbk.</td></tr><tr><td>YouTube</td><td>Bank Danamon</td></tr></tbody></table> <p>Status : Fulfilled (complied)</p> | Media | Username | Website | www.danamon.co.id | Twitter | @Danamon<br>@HelloDanamon (customer service) | Facebook | Bank Danamon | Instagram | @mydanamon | LinkedIn | PT Bank Danamon Indonesia, Tbk. | YouTube | Bank Danamon |
|                           |   | Media           | Username   |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
|                           |   | Website         | www.danamon.co.id  |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
| Twitter                   | @Danamon<br>@HelloDanamon (customer service)  |                 |  |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
| Facebook                  | Bank Danamon  |                 |  |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
| Instagram                 | @mydanamon  |                 |  |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
| LinkedIn                  | PT Bank Danamon Indonesia, Tbk.   |                 |  |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
| YouTube                   | Bank Danamon  |                 |  |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
| 8.2                       | <p>The Public Company; Annual Report has to disclose the ultimate beneficial owner in the Public Company who has a share ownership of at least 5% (five percent). It also has to disclose the ultimate beneficial owner in the Public Company who has share ownership through the main and controlling shareholders.</p> <p>Status : Fulfilled (complied)</p> |                 |  |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |
|                           |   |                 |  |       |          |         |                   |         |  |          |              |           |            |          |                                 |         |              |

### STATEMENT ON IMPLEMENTING GOOD GOVERNANCE PRINCIPLES

In carrying out its business activities, Danamon has implemented the principles of good corporate governance and is committed to continuing these practices in a transparent, accountable, responsible and independent manner that pays attention to equality, fairness and sustainability. All of this is done in order to accomplish Danamon's established business plans. Throughout 2022, there were no material violations of any applicable laws and regulations.



# INTEGRATED **CORPORATE GOVERNANCE**



# INTEGRATED GOVERNANCE IMPLEMENTATION REPORT

Danamon is always implementing good corporate governance principles as a way of constantly improving its quality when it comes to integrated governance implementation. Having the ability to adapt remains one of the most important traits for dealing with the various changes that take place across all Financial Service Institutions within MUFG Group Financial Conglomeration. This adaptation process is always done in a way that also pays heed to the implementation of good corporate governance principles. This way, all of the Conglomeration's Financial Services Institutions can continue to improve the quality of their integrated governance implementation.

It is precisely through this method of implementing good integrated governance that the Conglomeration believes it can provide added value for all stakeholders and establish good and healthy fundamentals that help it to participate in aiding the Indonesian economy recovery process.

Leading the way throughout all of this is Danamon, the Conglomeration's appointed Main Entity. As a Main Entity, Danamon has a duty to prepare reports on its implementation of integrated governance, as has been mandated by the Financial Services Authority (OJK), through OJK Regulation (POJK) No. 18/POJK.03/2014 dated November 18, 2014 (concerning the Implementation of Integrated Governance for Financial Conglomerations). Other applicable regulations regarding this matter include OJK Circular Letter (SEOJK) No. 15/SEOJK.03/2015 dated May 25, 2015 (concerning the Implementation of Integrated Governance for Financial Conglomerations) and POJK No. 45/POJK.03/2020 dated October 16, 2020 (concerning Financial Conglomerations). These provisions regulate the establishment of a Financial Conglomeration, the appointment of a Main Entity in a Financial Conglomeration, the implementation of integrated governance in a comprehensive and effective manner, and requirements for Main Entities to prepare Corporate Charters.

## MUFG GROUP'S INTEGRATED GOVERNANCE PRINCIPLES

### Principle of Transparency

- a. Main Entities and Financial Services Institutions within the Conglomeration are required to disclose material and relevant information in a clear, accurate and timely manner that is comparable and easily accessible to shareholders and stakeholders.
- b. The principle of transparency adopted by Main Entities and Financial Services Institutions within the Conglomeration does not diminish their obligations to comply with banking provisions and/or company secrecy provisions that are in accordance with applicable laws and regulations, nor does it diminish their obligations when it comes to paying heed to confidentiality limitations and personal rights

### Principle of Accountability

- a. Main Entities and Financial Services Institutions within the Conglomeration must establish clear responsibilities for each company organ. These responsibilities must be aligned with the company's vision, mission, business objectives and strategy. All company organs are required to have the right competence in accordance with their specific responsibilities.
- b. Main Entities and Financial Services Institutions within the Conglomeration must ensure that there is a checks-and-balances system when managing the company. All levels of the company's organization have to have ways of measuring performance based on agreed-upon metrics. All of these levels also have to be consistent with corporate values, business goals and corporate strategies.

### Principle of Responsibility

- a. Main Entities and Financial Services Institutions within the Conglomeration must adhere to ethical values, prudential principles, laws, regulations and internal policies in order to maintain their business continuity.
- b. Main Entities and Financial Services Institutions within the Conglomeration must serve as good corporate citizens by implementing social responsibility, which includes caring for the environment.



### Principle of Independence

- a. Management of Main Entities and Financial Services Institutions within the Conglomeration is to be carried out in a manner that is professional, independent and free from conflicts of interest, influences or pressure from any parties in ways that are not in accordance with laws and regulations, ethical values and with principles of sound business operations.
- b. In making decisions, Main Entities and Financial Services Institutions within the Conglomeration must be objective and free from any external pressure or influence. They must also be committed to running their business in a way that prioritizes professionalism.

### Principle of Fairness

- a. Main Entities and Financial Services Institutions within the Conglomeration must always pay attention to the interests of all stakeholders. They must also apply fair and equal treatment to all stakeholders.
- b. Main Entities and Financial Services Institutions within the Conglomeration must allow opportunities for all stakeholders to provide input and express their opinions for the benefit of the company. They must also provide stakeholders with equal access to information in accordance with the principle of transparency.

## MUFG GROUP FINANCIAL CONGLOMERATION

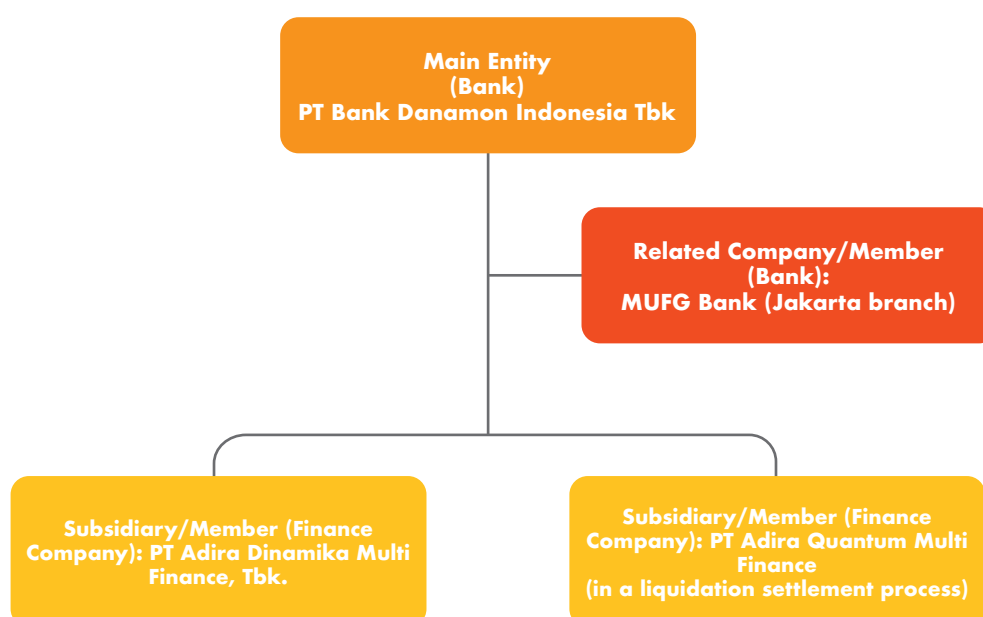
### Membership Structure

Details on the membership composition of MUFG Group Financial Conglomeration are as follows.

| No. | Company   | Position within the Financial Conglomeration | Relationship with Danamon |
|-----|---|--|---------------------------|
| 1   | PT Bank Danamon Indonesia Tbk   | Main Entity                                  | -                         |
| 2   | MUFG Bank (Jakarta branch)  | Member                                       | Related Company           |
| 3   | PT Adira Dinamika Multi Finance, Tbk.   | Member                                       | Subsidiary                |
| 4   | PT Adira Quantum Multi Finance (in the process of going through a liquidation settlement) | Member                                       | Subsidiary                |

### MUFG Group Financial Conglomeration: Structure

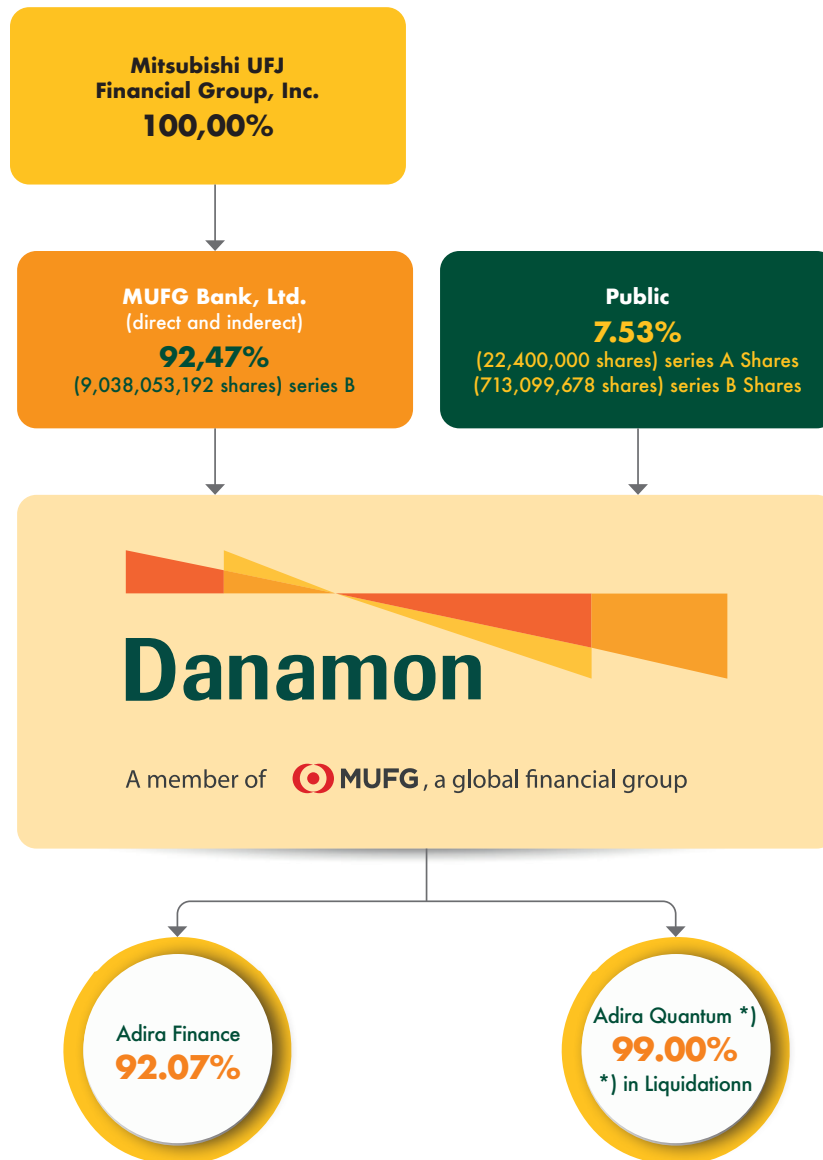
The structure of MUFG Group Financial Conglomeration as of December 31, 2022, is as follows.





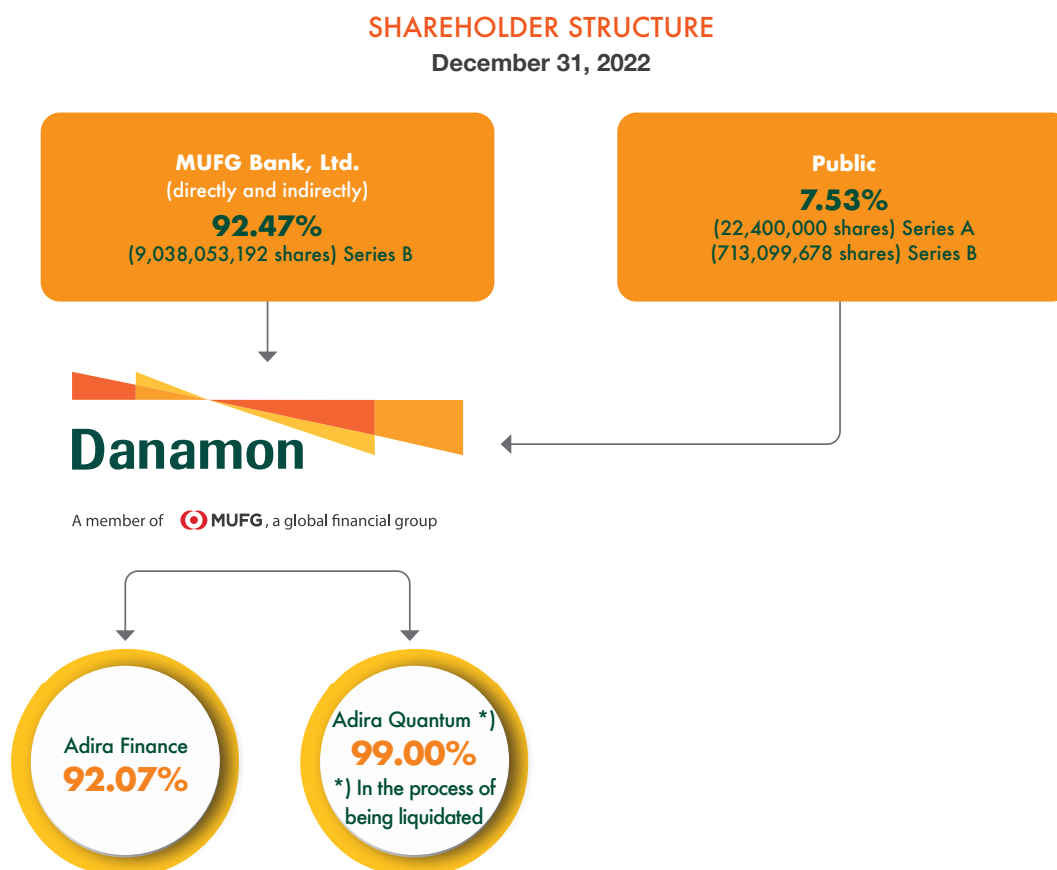
## SHARE OWNERSHIP STRUCTURE

The current shareholding structure in MUFG Group Financial Conglomeration (right up to the ultimate shareholder) is as follows:



## MAIN ENTITY'S SHARE OWNERSHIP STRUCTURE – PT BANK DANAMON INDONESIA TBK

Danamon's shareholder structure as of December 31, 2022 is as follows:



## SUBSIDIARY'S OWNERSHIP STRUCTURE: PT ADIRA DINAMIKA MULTI FINANCE, TBK. ("ADIRA FINANCE")



### Related Company's Ownership Structure: MUFG Bank (Jakarta branch)

This bank is a branch office of MUFG Bank, Ltd. Japan (Head Office). Meanwhile, Mitsubishi UFJ Financial Group, Inc. (MUFG) is the parent entity and a major shareholder of the Bank's Head Office and subsidiaries.

## MANAGEMENT STRUCTURE

All Board of Directors members and Board of Commissioners members at every one of MUFG Group Financial Conglomeration's entities meet all the necessary requirements when it comes to integrity, competence and financial reputation.

The following is the management structure of each one of the Conglomeration's entities as of December 31, 2022:





## MAIN ENTITY'S MANAGEMENT STRUCTURE

### PT Bank Danamon Indonesia Tbk

The membership compositions of the Main Entity's Board of Commissioners and Board of Directors as of December 31, 2022, are as follows:

| PT Bank Danamon Indonesia Tbk |   |                          |                         |
|-------------------------------|---|--------------------------|-------------------------|
| Board of Commissioners        |   | Board of Directors       |                         |
| Kenichi Yamato                | President Commissioner                    | Yasushi Itagaki          | President Director      |
| J.B. Kristiadi Pudjosukanto   | Vice President Commissioner (Independent) | Honggo Widjojo Kangmasto | Vice President Director |
| Peter Benyamin Stok           | Independent Commissioner                  | Hafid Hadeli             | Vice President Director |
| Nobuya Kawasaki               | Commissioner                              | Herry Hykmanto           | Director                |
| Hedy Maria Helena Lopian      | Independent Commissioner                  | Rita Mirasari            | Director                |
| Dan Harsono                   | Commissioner                              | Heriyanto Agung Putra    | Director                |
| Halim Alamsyah                | Independent Commissioner                  | Dadi Budiana             | Director                |
| Shuichi Yokoyama              | Commissioner                              | Muljono Tjandra          | Director                |
|                               |   | Naoki Mizoguchi          | Director                |
|                               |   | Thomas Sudarma           | Director                |

Details involving the memberships of Danamon's Board of Commissioners, Sharia Supervisory Board and Board of Directors can be seen through the Company Profile Chapter of this Annual Report.

## SUBSIDIARY'S MANAGEMENT STRUCTURE

### PT Adira Dinamika Multi Finance, Tbk.

The membership compositions of Adira Dinamika Multi Finance's Board of Commissioners and Board of Directors as of December 31, 2022, are as follows:

| PT Adira Dinamika Multi Finance, Tbk. |                          |                                 |                    |
|---------------------------------------|--------------------------|---------------------------------|--------------------|
| Board of Commissioners                |                          | Board of Directors              |                    |
| 1. Yasushi Itagaki                    | President Commissioner   | 1. I Dewa Made Susila           | President Director |
| 2. Krisna Wijaya                      | Independent Commissioner | 2. Swandajani Gunadi            | Director           |
| 3. Manggi Taruna Habir                | Independent Commissioner | 3. Niko Kurniawan Bonggowarsito | Director           |
| 4. Eng Heng Nee Philip                | Commissioner             | 4. Jin Yoshida                  | Director           |
| 5. Congsin Congcar                    | Commissioner             | 5. Harry Latif                  | Director           |
| 6. Hafid Hadeli                       | Commissioner             |                                 |                    |

## RELATED COMPANY'S MANAGEMENT STRUCTURE

### MUFG Bank (Jakarta branch)

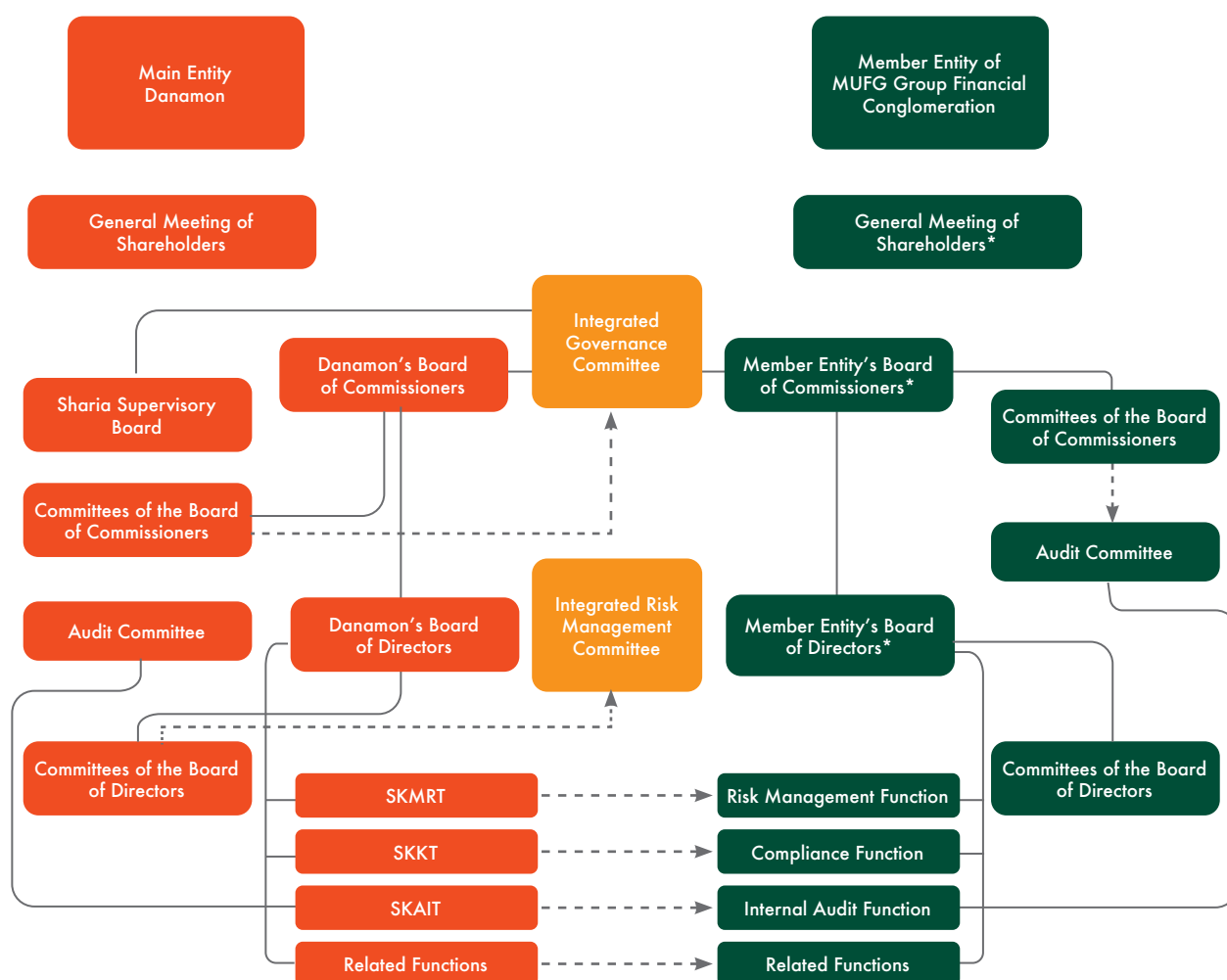
The membership compositions of the Supervisory Board and the Management Board of MUFG Bank (Jakarta branch) as of December 31, 2022, are as follows:

| MUFG Bank (Jakarta branch) |   |                         |  |
|----------------------------|---|-------------------------|--|
| Supervisory Board          |   | Management Board        |  |
| 1. Christopher Mark Davies | Managing Director (GM), Regional Chief Compliance Officer for Asia and Head of Compliance Office for Asia (ACO) | 1. Kazushige Nakajima   | 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. Yasuhiko Togo           | 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 Darmaputra    | Head of Systems for Indonesia                                  |
|                            |   | 5. Tadanobu Hirano      | Head of Japanese Corporate Banking for Indonesia               |
|                            |   | 6. Pancaran Effendi     | Head of Global Corporate & Institutional Banking for Indonesia |
|                            |   | 7. Michiyasu Yatabe     | Head of Internal Control for Indonesia                         |
|                            |   | 8. Marchelius S Mario   | Head of Compliance for Indonesia                               |

## INTEGRATED GOVERNANCE ORGANS

MUFG Group Financial Conglomeration has developed a number of integrated governance organs to ensure that it properly implements governance principles. The details of these organs are as follows:

### MUFG GROUP FINANCIAL CONGLOMERATION'S INTEGRATED GOVERNANCE ORGANS



\* This information can be adjusted to organs at MUFG Group Financial Conglomeration's Member Entities by taking into account the type of Financial Services Institution, company needs, Articles of Association and applicable laws and regulations (in accordance with each business sector).

-----> Coordination and Supervisory Function

#### Description:

SKMRT: Integrated Risk Management Work Unit

SKKT: Integrated Compliance Work Unit

SKAIT: Integrated Internal Audit Work Unit

The way in which governance organs are implemented in each of the Financial Services Institutions within MUFG Group Financial Conglomeration -- including organs such as the Board of Commissioners' Committees and the Board of Directors' Committees -- is disclosed in the annual reports of each of these Financial Services Institutions.



## INTEGRATED GOVERNANCE POLICY

MUFG Group Financial Conglomeration has Integrated Governance Guidelines that serve as Terms of Reference for implementing all things related to governance for both Danamon (as a Main Entity) and for Subsidiaries and Related Companies within the Conglomeration.

In December 2022, the Bank issued an update to MUFG Group Financial Conglomeration's Integrated Governance Policy. This updated policy can be accessed through the Bank's Corporate Website. The Bank (as a Main Entity of the Conglomeration) has also conveyed information regarding this policy update to Subsidiaries and Related Companies within MUFG Group Financial Conglomeration.

This Integrated Governance Policy was formulated by the Main Entity's Board of Directors and was approved by the Main Entity's Board of Commissioners. It has also received input from the Governance Committee, the Integrated Governance Committee and the Main Entity's Board of Commissioners. The scope of the Integrated Governance Policy includes the following:

1. MUFG Group Financial Conglomeration's Integrated Governance Policy (Part I):
  - An introduction (which includes the background, the objectives of implementing integrated governance, policy scopes, references, definitions, general provisions, and policy maintenance)
  - Integrated governance principles  
Vision, mission, corporate culture values and business ethics
  - Guidelines for integrated governance implementation (which includes the Conglomeration's criteria, the Conglomeration's structure, the corporate charter, the Main Entity's duties and responsibilities, and the duties and responsibilities of Conglomeration members)
  - Integrated governance organs (which includes the Main Entity's Board of Commissioners, the Main Entity's Board of Directors, an Integrated Governance Committee, Integrated Compliance Work Unit, Integrated Internal Audit Work Unit, and

Integrated Risk Management)

- Reports, disclosures and assessments (which includes reports and disclosures on the implementation of integrated governance, as well as self-assessment methods for the implementation of integrated governance, and sanctions)
2. MUFG Group Financial Conglomeration's Integrated Governance Policy (Part II):
    - An introduction (which includes the background, the objectives of implementing integrated governance, policy scopes, references, definitions, general provisions, and policy maintenance)
    - Basic principles and corporate governance scope
    - Commitment to implementing good corporate governance
    - The company's vision, mission and values
    - Business ethics and code of conduct
    - Corporate governance structure/organs (which includes shareholders, the General Meeting of Shareholders, the Board of Commissioners, the Board of Directors, the Sharia Supervisory Board, Committees of the Board of Commissioners, a Compliance Function, a Corporate Secretary Function, a Risk Management Function, an Internal Audit Function, and an external Audit Function)
    - Primary policies related to the implementation of corporate governance (which includes strategic corporate plans, anti-bribery and anti-corruption policies, ways of managing conflicts of interest, policies for managing private securities trading and material non-public information, transactions for related parties and affiliated parties, the provision of funds to related parties, procurement policies, remuneration policies, ownership and confidentiality of information, information transparency and disclosure, whistle-blowing systems, stakeholder relations, and corporate social responsibility)
    - Assessment and reporting (which includes self-assessments and reports on corporate governance implementation, as well as the company's Annual Report)

## MAIN ENTITY'S BOARD OF COMMISSIONERS

The Main Entity's Board of Commissioners has to have an understanding of the various primary business activities that entities within the Conglomeration undertake, as well as major risks that entities within the Conglomeration have to face.

The total number of people that serve as members of the Main Entity's Board of Commissioners as of December 31, 2022, totaled in at 8 (eight) people, of which 4 (four) of them (or 50%) were Independent Commissioners.

All of the Main Entity's Board of Commissioners members have passed the Financial Services Authority's fit-and-proper test.

Details involving the memberships of Danamon's Board of Commissioners can be seen through the Company Profile Chapter of this Annual Report.

### Main Entity's Board of Commissioners: Duties and Responsibilities

The duties and responsibilities of the Main Entity's Board of Commissioners are regulated within the Conglomeration's Integrated Governance Policy. They include the following:

1. Supervising Integrated Governance implementation, with duties and responsibilities that include:
  - a. Supervising governance implementation within each Entity so that they all behave in accordance with the Conglomeration's Integrated Governance Policy;
  - b. Supervising the Main Entity's Board of Directors in its implementation of its duties and responsibilities, and to provide this board with guidance and advice on Integrated Governance Policy implementation; and
  - c. Evaluating Integrated Governance Policy and working to improve this policy.
2. Establishing an Integrated Governance Committee in order to help the board be more effective in carrying out its duties.
3. Holding regular meetings at least once every semester with the following provisions:
  - a. The Main Entity's Board of Commissioners meetings can be held by way of video conference;
  - b. All results from the Main Entity's Board of Commissioners meetings are to be stated within meeting minutes and are to be properly

documented.

- c. Any dissenting opinions that are raised within the Main Entity's Board of Commissioners meetings are to be clearly stated in the meeting minutes (along with the actual reasons for these differences of opinion).

### Main Entity's Board of Commissioners: Implementation of its Duties and Responsibilities in 2022

The Main Entity's Board of Commissioners is assisted by the Integrated Governance Committee in carrying out its duties with regards to the subject of integrated governance, which include duties like supervising the implementation of integrated governance. The Integrated Governance Committee evaluates the implementation of integrated governance and reports its results to the Board of Commissioners. Throughout 2022, the Main Entity's Board of Commissioners held 6 (six) Main Entity's Board of Commissioners Meetings, as well as 3 (three) Main Entity's Board of Commissioners Meetings that saw it inviting the Main Entity's Board of Directors members. There were 2 (two) Main Entity's Board of Commissioners meetings with agenda items that discussed the Governance Committee's reports.

## MAIN ENTITY'S SHARIA SUPERVISORY BOARD

### The duties and responsibilities of the Main Entity's Sharia Supervisory Board

1. Ensuring the implementation of integrated corporate governance does not conflict with sharia principles.
2. Supervise Financial Services Institution activities in accordance with the sharia principles.

Details involving the memberships of Danamon's Sharia Supervisory Board can be seen through the Company Profile Chapter of this Annual Report.

## MAIN ENTITY'S BOARD OF DIRECTORS

The Main Entity's Board of Directors, has to have an understanding of the main business activities that the Conglomeration's entities have to undergo, as well as an understanding of the major risks that these entities within the conglomeration have to face. As of December 31, 2022, there were 10 (ten) members of the Main Entity's Board of Directors.

The majority of the Main Entity's Board of Directors members have had careers in the banking sector for more than 25 years, whether at national or international banks. Each member has spent at least 5 (five) years as Executive Officers/Directors of the company. All Board of Directors members have passed the Financial Services Authority's fit-and-proper test and have obtained the authority's approval.



Details involving the memberships of Danamon's Board of Directors can be seen through the Company Profile Chapter of this Annual Report.

#### **Main Entity's Board of Directors: Duties and Responsibilities**

The duties and responsibilities of the Main Entity's Board of Directors are regulated within the Integrated Governance Policy (and within the Board of Directors Charter). They include the following:

1. Ensuring the implementation of Integrated Governance with duties and responsibilities that include:
  - a. Compiling Integrated Governance Policies;
  - b. Directing, monitoring and evaluating the Integrated Governance Policy's implementation; And
  - c. Following up on guidance or advice from the Main Entity's Board of Commissioners in order to improve the Integrated Governance Policy.
2. Ensuring that audit findings and recommendations from the Integrated Internal Audit Work Unit (or from External Auditors, from the results of supervision by the Financial Services Authority and/or from the results of supervision by other authorities) have been followed up by Entities within the Conglomeration.
3. Being responsible for carrying out its function of supervising Entities within the Conglomeration.

#### **Main Entity's Board of Directors: Implementation of its Duties and Responsibilities in 2022**

In 2022, the Main Entity's Board of Directors updated MUFG Group Financial Conglomeration's Integrated Governance Policy with the help of inputs, recommendations and guidance from the Board of Commissioners and from the Integrated Governance Committee.

The Main Entity's Board of Directors has submitted this updated policy to Directors of Subsidiaries within the Conglomeration for use as guidelines.

The Board of Directors carried out its function of overseeing entities within the Conglomeration through reports and meetings it held during 2022.

The Board of Directors used these reports and meetings to also guarantee that follow-ups and improvements on audit findings and recommendations (from the Integrated Internal Audit Work Unit, from External Auditor, from results of supervision by the Financial Services Authority and/or from the results of supervision by other authorities) were carried out.

Throughout 2022, there were no follow-ups for fulfilling regulatory audit results that exceeded any agreed-upon time limits.

In order to support the effectiveness of its ability to carry out its supervisory duties, the Main Entity's Board of Directors members also served as members of the Board of Commissioners for subsidiaries, the details of which are as follows:

| Name            | Position in the Main Entity (Danamon) | Position in Subsidiary Companies that are Conglomeration Members |
|-----------------|---------------------------------------|--|
| Yasushi Itagaki | President Director                    | President Commissioner at PT Adira Dinamika Multi Finance, Tbk.  |
| Hafid Hadeli    | Vice President Director               | Commissioner at PT Adira Dinamika Multi Finance, Tbk.            |

## INTEGRATED CORPORATE GOVERNANCE COMMITTEE

Danamon (as a Main Entity) has formed an Integrated Governance Committee in accordance with POJK No. 18/POJK.03/2014 (concerning the Implementation of Integrated Governance for Financial Conglomerations), SEOJK No. 15/SEOJK.03/2015 dated May 25, 2015 (concerning the Implementation of Integrated Governance for Financial Conglomerations) and POJK No. 45/POJK.03/2020 (concerning Financial Conglomerations).

The Integrated Corporate Governance Committee was formed to help support the Main Entity's Board of Commissioners in effectively carrying out its duties. It was also designed to help this board with its function of overseeing the implementation of integrated governance within Financial Conglomerations MUFG Group.

Further details regarding the Guidelines and Working Procedures of this Integrated Corporate Governance Committee (as well as its duties, responsibilities, authorities, structure, membership, legal basis for appointing members, independence of committee members, terms of office, policies, rules for organizing Integrated Corporate Governance Committee meetings, and implementation of duties in 2022) can be seen in the Corporate Governance Implementation Report in the Integrated Corporate Governance Committee section.

## DANAMON CORPORATE CHARTER UPDATES

Danamon (as a Main Entity) already has the MUFG Group Financial Conglomerations Corporate Charter as stipulated in POJK No.45/POJK.03/2020 concerning Financial Conglomerations. Because there was a change in ownership of PT U Finance (with it no longer being a member of the MUFG Group Financial Conglomerations), changes to the MUFG Group Financial Conglomerations Corporate Charter were made. These changes were approved by the Board of Directors of Danamon and by directors of all Financial Services Institution members within MUFG Group Financial Conglomerations on March 16, 2022. Information on changes to this Corporate Charter was submitted to the Financial Services Authority on March 17, 2022.



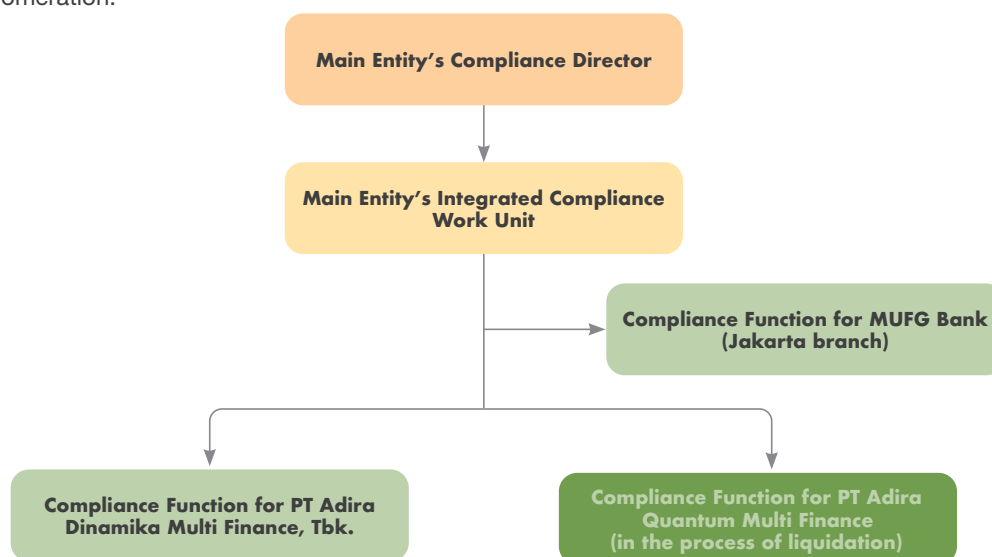


# INTEGRATED COMPLIANCE WORK UNIT

The Integrated Compliance Work Unit's function is carried out by Danamon's Compliance Work Unit. The Compliance Work Unit was formed independently and serves under the Compliance Director. The structure and infrastructure of this work unit are sufficient enough to support the implementation of Integrated Compliance Work Unit functions for coordinating, monitoring and evaluating the compliance functions of all entities within the Conglomeration.

## Integrated Compliance Work Unit: Structure and Position

In line with changes made to the Conglomeration's membership, the structure and position of the Integrated Compliance Work Unit are as follows:



## Integrated Compliance Work Unit: Duties and Responsibilities

The Integrated Compliance Work Unit has tasks that include monitoring and evaluating the implementation of compliance functions for each entity within the Conglomeration.

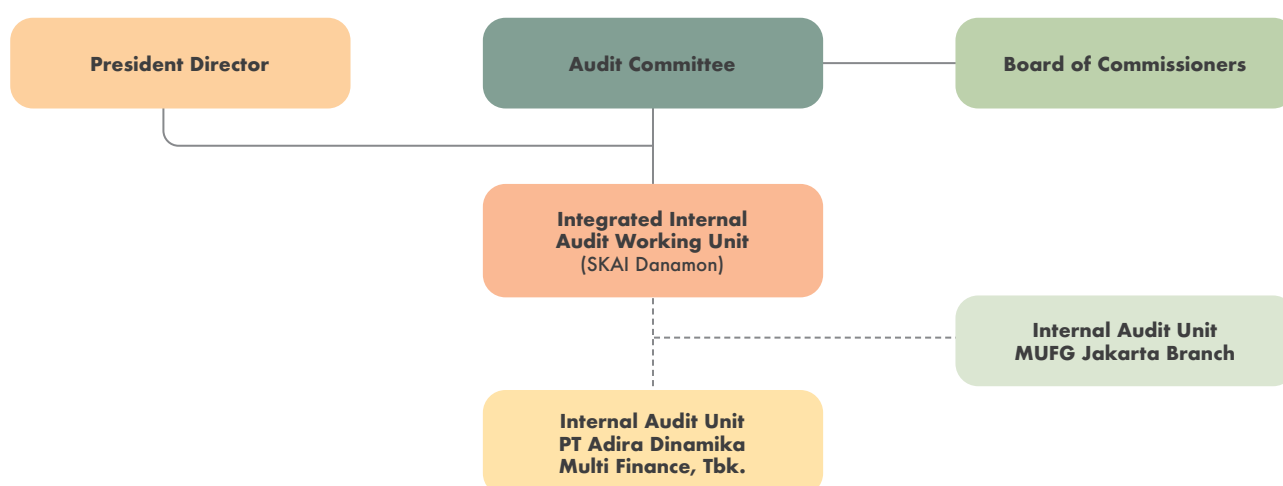
### Integrated Compliance Work Unit: Implementation of its Duties and Responsibilities in 2022

Throughout 2022, the Integrated Compliance Work Unit carried out the following duties and responsibilities:

- Carrying out the Compliance Work Unit's duties and responsibilities (the details of which can be seen in the Governance Report of the Compliance Work Unit section).
- Making sure that the compliance functions of each Financial Services Institutions within the Conglomeration are established independently and have the support of adequate compliance policies and guidelines.
- Coordinating and monitoring in relation to compliance function implementation for Subsidiaries (which includes providing these Subsidiaries with a consultations for compliance implementation).
- Regularly ensuring that Subsidiaries comply with regulatory parameters.
- Reviewing quarterly compliance function implementation reports submitted by Subsidiaries.
- Coordinating and reporting changes within members of the Financial Conglomeration to the Financial Services Authority.
- Delivering new regulations to Subsidiary companies.
- Regularly monitoring compliance function implementation for Related Companies through reports submitted to the Main Entity's Compliance Work Unit.
- Monitoring follow-up efforts/improvement commitments for the results of audits carried out by the Financial Services Authority.
- Performing integrated compliance risk assessments and preparing integrated compliance risk profile reports.
- Organizing assessments and compiling the results of integrated governance self-assessments on a semi-annual basis.

# INTEGRATED INTERNAL AUDIT WORKING UNIT

## STRUCTURE AND POSITION OF INTEGRATED INTERNAL AUDIT WORKING UNIT (IIAU)



PT Bank Danamon Indonesia Tbk (“Danamon”) as the main entity in MUFG Group Financial Conglomeration has an Integrated Internal Audit Working 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 Danamon President Director and Board of Commissioner via Audit Committee, and monitors the implementation of internal audit of each entity in Financial Conglomeration.

Since August 12, 2019, Integrated Internal Audit Working Unit (IIAU) has been led by Yenny Linardi as Chief Internal Auditor (Head of SKAI) replacing Nathan Tanuwidjaja as

an acting Head of SKAI, based on appointment letter No. B.194/HCKP/0819. 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, 2022 internal audit priorities as well as plans and realization of audits as of December 31, 2022 can be seen in the Corporate Governance Report in the part 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 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 integrated risk management implementation in MUFG Group Financial Conglomeration. Danamon's Risk Management Directorate is responsible for developing risk management strategies that include policy, methodology, framework, limit, procedure and controls periodically. In 2022, review on Integrated Risk Management policy has been done.

The implementation of Integrated Risk Management is carried out as follows:

a. Active Supervision of Main Entity's Board of Directors and Board of Commissioners

Integrated Risk Management implementation 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

To ensure comprehensive and effective Integrated Risk Management implementation, the Main Entity has established Integrated Risk Management Committee and Integrated Risk Management Working Unit.

1) Integrated Risk Management Committee

The membership of the Integrated Risk Management Committee consists of Main Entity's Risk Management Director, Main Entity's Compliance Director, Main Entity's Director in charge of Credit for SME and Mass Market, Directors who represent Subsidiary and Sister Company, and related

Executive Officers as nominated. The Chairman of Committee is Main Entity's Risk Management Director.

Integrated Risk Management Committee meetings are held regularly at least bi-annually. 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 Risk Management Directorate as a Risk Management Working Unit with roles and responsibilities in the implementation of risk management in Danamon and Subsidiary individually and consolidated. This working unit also functioned as an Integrated Risk Management Working Unit in implementing integrated risk management within Financial Conglomeration.

The Risk Management Directorate is an independent unit from the risk taking units and reports to the Risk Management Director, who reports directly to the President Director.

In carrying out its function as an Integrated Risk Management Working Unit, Danamon Risk Management Directorate coordinates with the Risk Management working unit in each entity in the Financial Conglomeration. Authority and responsibility of the Integrated Risk Management Working Unit, as follows:

- Provide input to Main Entity's Board of Directors and the Integrated Risk Management Committee in Integrated Risk Management Policy preparation and enhancement.
- Monitor Integrated Risk Management Policy implementation including to develop the procedures and tools for risk identification enhancement, 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 periodic review on risk assessment methods, adequacy of management information systems implementation, and the accuracy of the policies, procedures and limit of integrated risks.
- Review the new strategic line of business proposal and Financial Conglomeration's significant risk exposures. New line of business can be form as Financial Conglomeration entity in a new market segment that can increase Financial Conglomeration risk exposure.
- Provide the information to IRMC regarding followed up matters 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 GOVERNANCE IMPLEMENTATION: SELF-ASSESSMENT REPORT FOR 2022

The Main Entity carries out self-assessments on its Integrated Governance implementation and submits reports on these assessments every semester at the end of June and December.

Its self assessments in 2022 saw it evaluating 3 (three) aspects of Integrated Governance: the structure, processes and results of Integrated Governance.

1. Assessments for Integrated Governance structures are designed to evaluate the Integrated Governance structure's adequacy so that the Integrated Governance implementation process produces results that are in line with stakeholder expectations.
2. Assessments for the Integrated Governance process are designed to evaluate the effectiveness of the Integrated Governance implementation process (which has the support of adequate Integrated Governance structure) so that it provides results that are in line with stakeholder expectations.
3. Assessments for Integrated Governance results are designed to evaluate the quality of results that meet stakeholder expectations (including qualitative and quantitative aspects).

These self-assessments have 7 (seven) integrated governance assessment factors that evaluate integrated governance implementation, specifically:

1. The duties and responsibilities of the Main Entity's Board of Directors.
2. The duties and responsibilities of the Main Entity's Board of Commissioners.
3. The duties and responsibilities of the Integrated Governance Committee.
4. The duties and responsibilities of the Integrated Compliance Unit.
5. The duties and responsibilities of the Integrated Internal Audit Work Unit.
6. Integrated Risk Management Implementation.
7. Preparation and Implementation of Integrated Governance Guidelines.



In addition, these self-assessments also pay attention to other information related to the implementation of Integrated Governance.

### INTEGRATED GOVERNANCE IMPLEMENTATION: SELF-ASSESSMENT RESULTS IN 2022

The following are the results of Danamon's self-assessments for Integrated Governance implementation in Semester I and II of 2022:

| Integrated Governance Implementation: Self-Assessment Results in 2022<br>Positions: As of June and December 2022 |  |
|--|--|
| Rating   | Rating Definition  |
| 2  | This rating means that the Financial Conglomeration is deemed to have implemented Integrated Governance that is generally considered good. It means that the company has adequately fulfilled the implementation of Integrated Governance principles. If there were any weaknesses in this implementation of Integrated Governance, these weaknesses were generally not considered significant and could be resolved through normal actions from the Main Entity and/or Financial Services Institutions. |

Based on its results from assessing these 7 (seven) factors, the MUFG Group Financial Conglomeration can be said to have adequate levels of governance structures and infrastructure in 2022 that supported the effectiveness of its Good Integrated Governance implementation process. Its quality of implementing governance principles was able to meet the expectations of stakeholders.





SHARIA BUSINESS UNIT (UUS)  
**GOVERNANCE**





# SHARIA BUSINESS UNIT (UUS) GOVERNANCE

## INTRODUCTION

Any action involving the implementation of Corporate Governance within Danamon's Sharia Business Units (UUS Danamon) is carried out based on the following 5 (five) basic principles of Good Corporate Governance (GCG):

1. **Transparency:** Being transparent in conveying materials and relevant information, as well as in the decision-making process.
2. **Accountability:** A clarity of functions and accountability for the Bank's organs so that management can run daily routine effectively.
3. **Responsibility:** Having the Bank's management conform to applicable laws and regulations, and with the principles of sound bank management.
4. **Professional:** Being competent and able to act objectively, while also being free from the influence of any party and having a high level of commitment to the development of Danamon's sharia banking business.
5. **Fairness:** Specifically, fairness and equality in fulfilling the rights of stakeholders based on agreements and on applicable laws and regulations.

All company organs are committed to implementing these GCG principles as a way of helping the company to improve and perform better. These principles are also implemented as a way of protecting the interests of stakeholders in a way that still pays attention to sharia compliance when carrying out sharia business activities.

The company's consistency in implementing GCG can be seen in its compliance with laws and regulations, its implementation of risk management, its improvement of internal controls in all of its work units and its optimization of its UUS performance.

## UUS DANAMON INITIATIVES

In line with the parent bank strategy and in accordance with the Financial Services Authority (OJK) directions to boost the growth of the sharia banking industry in an aggressive and quality manner, Danamon Syariah continues to strive to improve its business performance and growth by implementing a leveraging strategy that optimizes the

use of infrastructure and office networks owned by the parent bank. By implementing the parent bank's leveraging strategy, all Sharia products can be sold throughout the Bank Danamon Indonesia (BDI) office network.

Several important steps that have been taken towards this end since 2022 and will continue in 2023 are as follows:

- a. Changes to the sales and distribution model to be more customer-centric and not only focus on products (product-centric).
- b. Boosting the productivity of Human Resources (HR), accompanied by a boosting of their knowledge and capabilities when it comes to sharia banking as well as intensive socialization of sharia products.
- c. Continuing to improve risk management and corporate governance through improvements to policies and other support systems.
- d. Integrated refinements and improvements in terms of infrastructure and technology so as to improve service levels to customers. This is done through the minimizing of manual processes and through integrating several processes with the main bank system.
- e. Strengthening collaboration and synergy with the parent bank and MUFG as the controlling shareholder to increase business growth, both in financing and funding.  
Appointment of Danamon Syariah as a Hajj Fund Management Agency (BKPH) Partner with the following functions: Serving as a Recipient Bank for Hajj Pilgrimage Deposits (BPS BPIH), as a Placement Bank, as an Investment Partner Bank and as a Benefit Management Bank since 2018.
- f. Focusing on disseminating Danamon Syariah's superior products, specifically, Sharia Leasing, Hajj Planning Savings (TRH), Hajj Pilgrimage Savings Account (RTJH), Social Banking Services, Umrah Savings, and sharia insurance products specifically, Prima Amanah Protection and Sacrificial Animal (Qurban) Savings throughout the new distribution network.
- g. Opening Accounts through Digital Banking.
- h. Establishing a license as a Sharia Financial Institution Recipient of Waqf Cash (LKS-PWU) from the Ministry of Religious Affairs and the launching of a waqf cash digital service through social banking.

- i. Implementation of Qonun Aceh by converting 4 conventional branches into sharia branches.
- j. Sustainable financing development, specifically, Solar Panel financing and electric vehicle financing through cooperation with third parties and collaboration with ADMF.

The following are 10 programs that have been organized by UUS Danamon in boosting Islamic financial literacy to consumers and the public throughout 2022. The details of these programs can be seen in Appendix 1.

## 1. SHARIA SUPERVISORY BOARD (DPS)

### 1.1 Sharia Supervisory Board Composition and Members

In 2022, the total number of members at UUS Danamon's Sharia Supervisory Board is 3 (three). The composition of this DPS is as follows:

- a. Prof. DR. H. M. Din Syamsuddin, MA. (Chairman)
- b. Dr. Hasanudin, M.Ag. (Member)
- c. Dr. Asep Supyadillah, M.Ag. (Member)

### 1.2 Concurrent Positions of DPS Members in Other Islamic Financial Institutions

All DPS members have fulfilled concurrent position requirements that have been outlined in Bank Indonesia Regulation No.11/10/PBI/2009 concerning Sharia Business Units. The concurrent positions of DPS members are as follows:

| Name   | Position in Other Companies                                  | Company Name   |
|--|--|--|
| Prof. DR. H. M. Din Syamsuddin, MA. (Chairman) | -  | -  |
| Dr. Hasanudin, M.Ag. (Member)                  | DPS Chairman<br>DPS Chairman<br>DPS Chairman<br>DPS Chairman | Bank Syariah Indonesia (BSI)<br>Toyota Astra Finance Services Syariah<br>PT. Sarana Multigriya Finansial (UUS)<br>PT Trimegah Asset Management (UUS) |
| Dr. Asep Supyadillah, M.Ag. (Member)           | DPS Chairman<br>DPS Chairman<br>DPS Member                   | PT Capital Life Syariah<br>PT Asuransi Jiwa Generali Indonesia (UUS)<br>PT. Fintek Karya Nusantara (Link Aja Syariah)                                |

### 1.3 DPS Work Program in 2022

The DPS of UUS Danamon in 2022 had the following work programs:

- a) Holding meetings at least 12 (twelve) times a year to discuss issues regarding sharia principles, to submit new products or to request opinions on several conditions that have occurred in the field.
- b) Conducting regular reviews, including monitoring the fulfillment of sharia principles on the mechanisms for raising funds and channeling funds as well as UUS services by means of sampling both funding-based customers and financing customers.
- c) Establishing good cooperation with Sharia & CREM Assurance - UUS Danamon in carrying out all UUS Danamon's DPS activities (such as DPS Opinion Requests), and examining and requesting clarification from authorized UUS Danamon officials regarding matters deemed necessary.
- d) Generating a DPS Supervision Report every 6 (six) months to be submitted to the OJK with copies to sent to DSN-MUI, the Board of Commissioners, the UUS Danamon Board of Directors, the Internal Audit Work Unit and the Compliance Division.



- e) Gaining information/knowledge about sharia and banking by continuously optimizing the potential of the Sharia Supervisory Board through various training and workshop activities for the development and progress of UUS Danamon.
- f) Providing advice and recommendations to the Board of Directors of UUS Danamon in particular and the management of Danamon in general. The type of advice and recommendations include topics involving improvement, compliance with sharia principles and the development and growth of UUS Danamon.

#### 1.4 DPS Work Realization in 2022

- a) DPS has held 20 (twenty) routine meetings in 2022. Details for the time, place, meeting agenda and attendance for each of these meetings can be seen in Appendix 2. The attendance rates of each DPS member are as follows:

| Name                                   | Total Attendance in Meetings |
|--|------------------------------|
| 1. Prof. Dr. H. M. Din Syamsuddin, MA. | 17                           |
| 2. Dr. Hasanudin, M.Ag.                | 20                           |
| 3. Dr. Asep Supyadillah, M.Ag.         | 20                           |

DPS meetings held throughout 2022 have complied with Bank Indonesia and OJK regulations. Decisions throughout DPS meetings are made based on deliberation for consensus. The resolutions of these meeting have been recorded in Minutes of Meetings and have been fully documented and submitted to the Board of Director and/or Bank management for implementation.

- b) DPS has conducted sampling tests on 135 funding and financing customers from a data pool of 224 customers as a way to evaluate its compliance with sharia principles throughout 2022. The details of this sampling test are as follows:

| Presented Customer Data   | Sampled Customer Data   |
|---|---|
| 122 Funding customers;<br>Financing:<br>10 Employee Cooperative Customers;<br>18 SME Customers;<br>1 Islamic People's Financing Bank (BPRS) customer;<br>10 Enterprise Banking (EB) Customers<br>11 Consumer Customers<br>52 Adira Joint Financing (JF) customers | 68 Funding customers;<br>Financing:<br>6 Employee Cooperative Customers;<br>14 SME Customers;<br>1 Islamic People's Financing Bank (BPRS) customer;<br>8 Enterprise Banking (EB) Customers<br>6 Consumer Customers<br>32 Adira Joint Financing (JF) customers |

- c) Throughout 2022, DPS has coordinated with Sharia & CREM Assurance - UUS Danamon to support its function as a Sharia Supervisory Board. It has issued 34 (thirty four) DPS Opinions, the details of which are as follows:

| No | PROBLEM/TOPIC  |
|----|--|
| 1  | Sharia Opinion on the Fleximax Corpora Product iB  |
| 2  | Sharia Opinion on the Member Get Member (MGM) Program  |
| 3  | Sharia Opinion on the Imposing of Cash Back Prizes in Funding Programs   |
| 4  | Sharia Opinion on the Imposing of Cash Back Prizes on Funding Programs to Other GLs (separate from GL Profit Sharing & Marcomm Expenses)   |
| 5  | Sharia Opinion on Information for the Development of Sharia Account Openings through Digital Channels for Existing Customers (ETB)   |
| 6  | Sharia Opinion on Prize Programs in the form of Wadiah Savings & Waqf Transactions   |
| 7  | Sharia Opinion on Sales Services or Distribution Partners of Sukuk Products for State Sharia Securities (SBSN) issued by the government by Bank Danamon at Danamon Syariah branches (UUS). |
| 8  | Sharia Opinion on Costs for Installing a Rooftop Solar Power Plant/Solar Panels (management fees, guarantee fees and insurance costs)  |

| No | PROBLEM/TOPIC  |
|----|--|
| 9  | Sharia Opinion on Forms & General Conditions for Participation in the Sharia Program with Wadiah and Waqf Savings Prizes in 2022   |
| 10 | Sharia Opinion on the Sharia Financing Distributor Program   |
| 11 | Sharia Opinion on SOP for Calculation of Profit Sharing for Mudharabah & Musyarakah Financing (SME & EB Segments)<br>- Production Sharing & Realization (PRKS) Template<br>- Production Sharing & Realization Template (Non Installment)<br>- Template Projection & Realization of Profit Sharing (Instalment) |
| 12 | Sharia Opinion on the Sharia Reward Points Program   |
| 13 | Sharia Opinion on Merging Conventional & Sharia Deposit Forms  |
| 14 | Sharia Opinion on Musyarakah Financing OL Draft  |
| 15 | Sharia Opinion on Main Collateral in the form of State Sharia Securities (SBSN) or State Sukuk for Sharia Financing and Conventional Credit  |
| 16 | Sharia Opinion on Financing for Improvement of House Renovation Development (PPPR)   |
| 17 | Sharia Opinion on Reference Cooperation with Sharia Insurance Companies (PT Zurich General Takaful Indonesia, PT Asuransi Sinar Mas Syariah or other Sharia Insurance companies) in terms of marketing Sharia Insurance products   |
| 18 | Sharia Opinion on Simplification & Merging of Application Forms for Sharia Savings Account Opening (TRH iB , TBU iB , and TBQ iB)  |
| 19 | Sharia Opinion on Simplification & Merger of the Account Closing Form Draft  |
| 20 | Sharia Opinion on Wesel Open Account Financing (OAF) Trade Financing Schematics  |
| 21 | Sharia Opinion on the Development of Special Hajj Payment Services through Bank Danamon branches and OC Branches   |
| 22 | Sharia Opinion on the 2022 Risk Management Policy Draft  |
| 23 | Sharia Opinion on Product Extensions for the 2022 Sharia Master Funding Program  |
| 24 | Sharia Opinion on Amendments to PP Provisions for Employee Cooperative Financing   |
| 25 | Sharia Opinion on Changes to Credit Risk Policy (CRP) in 2022  |
| 26 | Sharia Opinion on New Products: Danamon Lebih Pro iB   |
| 27 | Sharia Opinion on KPR Danamon Lebih iB   |
| 28 | Sharia Opinion on Merging the Danamon Debit Card Service Form  |
| 29 | Sharia Opinion on Changes to Credit Risk Policy (CRP) in 2022  |
| 30 | Sharia Opinion on WhatsApp Business Chat or Danamon Chat (Sharia Products & Services)  |
| 31 | Sharia Opinion on Advertising Materials for the Sharia Rewards Point Program that Prizes Hajj Furoda   |
| 32 | Sharia Opinion on the Draft Realization of PRKS Musyarakah Contract DF_Suri Motor_20Des22  |
| 33 | Sharia Opinion on the Product Addendum for Generic Sharia Financing Program  |
| 34 | Sharia Opinion on the Community Educational Ecosystem Program  |

- d) Reporting the results of DPS supervision every 6 (six) months to OJK with a copy to DSN-MUI, the Board of Commissioners, UUS Danamon's Director, the Internal Audit Work Unit and Danamon Compliance Division.
- e) The DPS of UUS Danamon in 2022 has attended various training activities/workshops to develop/optimize its potential as a Sharia Supervisory Board. The details of these activities are in the following table:

| No | TRAINING/WORKSHOP  |
|----|--|
| 1  | 2022 <i>Pra Ijtima' Sanawi</i> (Annual Meeting) Sharia Supervisory Board Islamic Banking Sector, on 21 September 2022 at Hotel Balairung Jakarta, Jl. Matraman Raya No. 19 Kec. Matraman East Jakarta 13140. |
| 2  | Webinar Socialization of the Latest Fatwa DSN-MUI 2022, on 27 October 2022 via Zoom Cloud Meetings.  |
| 3  | 2022 <i>Ijtima' Sanawi</i> (Annual Meeting) Sharia Supervisory Board on 1-2 December 2022 at Hotel Mercure Jakarta Batavia, Jl. Kali Besar Barat No. 44 Roa Malaka Tambora, West Jakarta 11230.              |



- f) Providing advice and recommendations to the Director of UUS Danamon during routine DPS meetings every month or on certain occasions on topics that involve improvement, compliance with sharia principles, and the development and growth of UUS Danamon.

### 1.5 DPS Supervision

DPS supervision results are reported to OJK with copies to the Compliance Division, Internal Audit Work Unit, the Board of Directors and Board of Commissioners of PT Bank Danamon Indonesia Tbk and the National Sharia Board-Indonesian Council of Ulama (DSN-MUI) through the publishing of DPS Supervision Reports for 2 (two) specific periods: the Mid-Year and End of 2022 Supervision Reports (LHP) that consist:

- Reports on finances, branch or office networks, products, human resources, and regular meetings with UUS Danamon management during the supervision period.

- Reports on the implementation of follow-ups on the conformity of bank products and services with DSN-MUI fatwas
- Working papers for supervising bank activities and product development.
- The Sharia Supervisory Board Opinion issued during the supervision period.

In addition to supervising, DPS also provides recommendations, suggestions and advice to the Board of Directors of PT Bank Danamon Indonesia Tbk and to UUS Danamon management in the form of DPS Opinions issued according to specific management needs.

### 1.6 DPS Work Guidelines and Rules

The Sharia Supervisory Board uses the Sharia Supervisory Board Guidelines and Work Procedures, both of which are reviewed periodically. UUS Danamon always aligns its Sharia Supervisory Board Guidelines and Work Procedures in accordance with developments in applicable rules and regulations.

### 1.7 Sharia Supervisory Board Remuneration

Remuneration and other facilities for UUS Danamon DPS members are proposed by the Danamon Remuneration Committee and determined at the Danamon General Meeting of Shareholders. The amount of remuneration and other facilities given out in 2022 were as follows:

| Total Remuneration and Other Facilities         | Received amount in 1 year (gross) |  |
|---|-----------------------------------|--|
|   | Persons                           | Rupiah                                 |
| 1. Remuneration                                 | 3                                 | 1,139,462,186                          |
| 2. Other Facilities                             | 3                                 | Health Insurance Program (with family) |
| Total Remuneration per person in 1 year         | DPS Members in Total              |  |
| Above 2 billion Rupiah                          | -                                 |  |
| Between 1 billion to 2 billion Rupiah           | -                                 |  |
| Above 500 million Rupiah up to 1 billion Rupiah | 1                                 |  |
| Under 500 million Rupiah                        | 2                                 |  |

## 2. DIRECTOR OF UUS

The Director of UUS Danamon has done the following to implement GCG:

- Coordinate with all levels of the organization in UUS Danamon to carry out recommendations or input from the DPS generated from the results of routine meetings and DPS Supervision Reports.
- Coordinate with all directorate levels at the Parent Bank for UUS Danamon business development and improvement, including operational coordination and the marketing of sharia products through Sharia Services at the parent bank branches.
- Ensure that the soundness level of UUS Danamon is in accordance with OJK regulations.
- Coordinate with Bank Indonesia and OJK.
- Is a member of the Risk Management Committee.

### 3. LIST OF CONSULTANTS AND LEGAL ADVISORS

Throughout the 2022 period, UUS Danamon used Siahaan Irdamis Andarumi & Rekan Counselors at Law for the implementation of its Sharia Business Unit Separation Plan (Spin off).

### 4. INTERNAL FRAUD

There were no cases of internal fraud at UUS Danamon throughout 2022.

| Internal Fraud in 1 year                       | Number of Cases Committed by                    |      |                     |      |                     |      |
|--|---|------|---------------------|------|---------------------|------|
|  | Members of the Board of Commissioners/Directors |      | Permanent employees |      | Temporary employees |      |
|  | 2021  | 2022 | 2021                | 2022 | 2021                | 2022 |
| Total Fraud                                    | Nil   | Nil  | Nil                 | Nil  | Nil                 | Nil  |
| Has been resolved                              | Nil   | Nil  | Nil                 | Nil  | Nil                 | Nil  |
| In the process of internal UUS settlement      | Nil   | Nil  | Nil                 | Nil  | Nil                 | Nil  |
| No effort to try to solve it yet               | Nil   | Nil  | Nil                 | Nil  | Nil                 | Nil  |
| Has been followed up through the legal process | Nil   | Nil  | Nil                 | Nil  | Nil                 | Nil  |

### 5. LEGAL ISSUES

The following is the status of legal issues at UUS Danamon in 2022:

| Legal Issues  | Amount     |            |
|---|------------|------------|
|   | Civil      | Criminal   |
| Resolved (the case has a legally binding judgement) | Nil        | Nil        |
| In progress   | Nil        | Nil        |
| <b>Total</b>  | <b>Nil</b> | <b>Nil</b> |

### 6. UUS DANAMON ACTIVITIES

UUS Danamon's activities consist of 2 (two) things: the distribution of welfare funds for social activities and receiving awards in Indonesian banking. The following are details of these two activities:

#### 6.1 Distribution of Welfare Funds for Social Activities

This is done with reference to Law Number 21 of 2008 concerning Islamic Banking Chapter II concerning Principles, Objectives and Functions. Islamic banks also carry out social functions as stated in Article 4 paragraph 2, which reads: "Sharia banks and UUS can carry out social functions in the form of baitul mal institutions. It can do this by receiving funds originating from zakat, infaq, alms, grants, or other social funds and distribute such funds to zakat management organizations." It also operates based on DSN MUI Fatwa Number 123/DSN-MUI/XI/2018 concerning Use of Funds That

May Not Be Recognized as Income for Islamic Financial Institutions, Islamic Business Institutions, and Islamic Economic Institutions. In relation to this function, UUS Danamon carried out 52 distributions throughout 2022 to institutions, foundations, mosques/mushollas and eligible individuals, for a total of Rp 590,025,007.00. The details of these activities can be seen in Appendix Table 3.

#### 6.2 UUS Danamon Awards

The following are the awards received by UUS Danamon in 2022:

- Best Sharia Unit Bank in Indonesia Syariah Awards 2022, from The Iconomics.
- Rank 2 - Conventional Commercial Bank Sharia Business Unit Category with assets of Rp5T-10T, from the Infobank Digital Brand Awards.
- Rank 2 - Sharia Business Unit with the Most Excellent Service from the 2022 Banking Service Excellence Awards (BSEM).





- Ranked 1st – Teller – Sharia Business Unit from the 2022 Banking Service Excellence Awards (BSEM).
- Ranked 2nd – Overall Walk-in Channel – Sharia Business Unit from the 2022 Banking Service Excellence Awards (BSEM).
- “Good” Rating – Virtual Awarding Indonesia Customer Satisfaction Achievement Survey 2022 for the category of Sharia Bank Home

Ownership Loans (KPR), SWA Magazine & Business Digest (Indonesia Consumer Financial Service Awards 2022).

- “Very Good” Rating – Conventional Commercial Bank Sharia Business Unit Category with Rp 5T–10T Assets, from the Infobank Digital Brand Awards.

## 7. NON-HALAL INCOME AND ITS USAGE

UUS Danamon did not generate any non-halal income throughout 2022.

## 8. UUS DANAMON'S GCG SELF-ASSESSMENT RESULTS 2022

Based on the working papers related to the self-assessment of UUS Danamon's 2022 GCG implementation, we would like to present a summary of the calculation of the 2022 composite score and the results of the 2022 UUS Danamon GCG self-assessment:

### SUMMARY CALCULATIONS OF COMPOSITE VALUE IN 2022

| No                     | Factors  | Rating (a) | Weight (b)  | Value (a) x (b) |
|------------------------|--|------------|-------------|-----------------|
| 1                      | Implementation of the duties and responsibilities of the Director of UUS                                     | 2          | 35.00%      | 0.70            |
| 2                      | Implementation of the duties and responsibilities of the DPS   | 2          | 20.00%      | 0.40            |
| 3                      | Implementation of sharia principles in fundraising activities and distribution of funds and services         | 2          | 10.00%      | 0.20            |
| 4                      | Distribution of funds to core financing customers and depository of funds by core depositors                 | 2          | 10.00%      | 0.20            |
| 5                      | Transparency of financial and non-financial conditions, reports on GCG implementation and internal reporting | 1          | 25.00%      | 0.25            |
| <b>Composite Value</b> |  |            | <b>100%</b> | <b>1.75</b>     |

Rating : Very Good/Good/Average/Less Good/Not Good

### SUMMARY OF UUS DANAMON'S GCG SELF-ASSESSMENT RESULTS IN 2022

| No | Factor  | Rating (a) | Weight (b) | Value (a) x (b) | Rating |
|----|---|------------|------------|-----------------|--------|
| 1  | Implementation of the duties and responsibilities of the Director of UUS <ul style="list-style-type: none"> <li>• UUS Danamon's Director has passed the BI fit &amp; proper test, is independent, has no conflict of interest &amp; his appointment has been reported to BI.</li> <li>• UUS Danamon's Director is responsible for managing UUS Danamon, following up DPS recommendations &amp; providing data for DPS supervision.</li> </ul>   | 2          | 35%        | 0.70            | Good   |
| 2  | Implementation of the duties and responsibilities of the DPS <ul style="list-style-type: none"> <li>• 3 DPS members have adequate integrity, competence and financial reputation, and were appointed through the GMS based on the recommendation of the Nomination Committee and through DSN-MUI recommendations. They have terms of office not exceeding the Board of Directors/Board of Commissioners. The concurrent positions of DPS members are in accordance with Bank Indonesia regulations.</li> <li>• DPS has assessed and ensured compliance with sharia principles for UUS Danamon products and operational guidelines and has submitted supervisory reports in accordance with Bank Indonesia regulations.</li> </ul> |            |            |                 |        |

| No                     | Factor  | Rating (a) | Weight (b)  | Value (a) x (b) | Rating      |
|------------------------|---|------------|-------------|-----------------|-------------|
|                        | <ul style="list-style-type: none"> <li>DPS has held 20 (twenty) meetings throughout 2022. Meeting decisions were based on consensus deliberation. Each meeting was well documented and the minutes were submitted as recommendations to be followed up by UUS Danamon's management</li> <li>Concurrent positions as DPS members at other sharia financial institutions as well as remuneration/other DPS facilities have been reported in the GCG Implementation Report. DPS members do not hold concurrent positions as consultants in all of BUS/UUS Danamon. According to the Sharia Supervisory Board Guidelines and Work Procedures, members of the Sharia Supervisory Board are not to use UUS Danamon for personal gain.</li> </ul>  | 2          | 20%         | 0.40            | Good        |
| 3                      | <p>Implementation of sharia principles in fundraising activities and the distribution of funds and services.</p> <ul style="list-style-type: none"> <li>Each product set to be issued by UUS Danamon is reviewed by the Sharia Assurance Unit, Compliance Division of Bank Danamon and has a DPS opinion to ensure the suitability of the product with regards to DSN - MUI Fatwa.</li> <li>UUS Danamon's implementation of fundraising products, channeling funds and services are all in accordance with DSN-MUI Fatwa and OJK/BI regulations. It ensures this by conducting periodic reviews of product policies and by conducting an internal audit process.</li> </ul>   | 2          | 10%         | 0.20            | Good        |
| 4                      | <p>Distribution of funds to core financing customers and as a depository of funds by core depositors.</p> <ul style="list-style-type: none"> <li>UUS Danamon has implemented a principle of prudence in providing funds, especially to core customers by always referring to OJK/BI regulations.</li> <li>UUS Danamon does not provide special treatment for Core Financing Customers and Core Depositors. As such, its treatment of core customers follows UUS Danamon's general policy.</li> <li>UUS Danamon funding program products have been reviewed periodically in accordance with Bank regulations.</li> <li>A detailed list of Core Financing Customers and Core Depositors has been submitted to the Financial Services Authority in accordance with applicable regulations.</li> </ul>  | 2          | 10%         | 0.20            | Good        |
| 5                      | <p>Transparency of financial and non-financial conditions, reports on GCG implementation and internal reporting.</p> <ul style="list-style-type: none"> <li>UUS Danamon has prepared Quarterly Published Financial Reports and announced them in national newspapers and websites in accordance with OJK/BI regulations.</li> <li>UUS Danamon has submitted UUS Danamon development goals, strategies and policies in the Bank's Business Plan (RBB) and submitted information on UUS business developments in the RBB Realization Report and the Bank's Annual Report.</li> <li>UUS Danamon has conducted a GCG Self-Assessment and generated a GCG Implementation Report in accordance with OJK/BI regulations.</li> <li>UUS Danamon has good internal reporting and is able to present data/information from its core system and supporting systems. The reporting system is supported by human resources who have training and experience as well as an adequate IT security system designed in accordance with Bank Danamon's IT Security procedures.</li> </ul> | 1          | 25%         | 0.25            | Sangat Baik |
| <b>Composite Value</b> |   |            | <b>100%</b> | <b>1.75</b>     | <b>Baik</b> |

Rating : Very Good/Good/Average/Less Good/Not Good



## GENERAL CONCLUSIONS

Based on the results of its GCG self-assessment for 2022, UUS Danamon has obtained a composite score of 1.75 or a “Good” rating.

GCG implementation at UUS Danamon in 2022 has complied with several provisions involving GCG, specifically:

1. It is always maintaining compliance with applicable regulations and being compliant when it comes to the implementation of sharia principles in fundraising activities and the channeling of funds, as well as sharia unit services.
2. It boosts its third party funds by optimizing the functions of its Sharia branch office network and Sharia services through its main bank office network while continuing to apply the principle of prudence and boosting the knowledge of its human resources regarding sharia principles.
3. Its activities when it comes to channeling funds to financing customers and collecting third party funds remain consistent by applying the principles of prudence and independence based on sharia principles.
4. It has transparency when it comes to its financial and non-financial conditions. Its GCG implementation reports and internal reports are carried out regularly and transparently in accordance with applicable regulations.
5. Its director has met the required criteria, including competence in the field of sharia and is fully committed to developing UUS Danamon and following up on recommendations from the DPS and to always provide data regarding the growth and condition of UUS Danamon every month through regular DPS meetings.
6. The DPS of UUS Danamon has carried out its duties and responsibilities. This includes having all members of DPS have good reputations and competence. It also includes holding regular DPS meetings and providing opinions, recommendations and reviews on UUS Danamon products and generating a DPS Supervision Report every semester.

UUS Danamon will continue to make improvements related to boosting the productivity of better human resources. It will do this while also increasing knowledge and capabilities regarding sharia banking. It will provide a more effective information management system, improve its work processes and procedures and optimize all potential that exists in the main bank office network in order to achieve performance according to predetermined targets so as to provide benefits to all stakeholders and also protect the interests of stakeholders.

The improvement efforts mentioned above were carried out while prioritizing GCG principles and prudential principles as well as optimizing DPS performance in implementing Sharia Principles. It did all of this while also boosting the effectiveness of communication between the DPS and the Director of UUS Danamon, by improving its compliance function, risk management and internal audit.

Not least of all, it was thanks to the support of Danamon, with its strong infrastructure, extensive service network, good brand awareness, that we have had a positive impact and can be even better going forward for UUS Danamon in competing in the Sharia Banking industry while maintaining consistency in implementation sharia principles in banking activities.

**Sharia Business Unit**  
**PT Bank Danamon Indonesia Tbk**

**Herry Hykmanto**  
Sharia Director

## APPENDIX 1

## ISLAMIC FINANCIAL LITERACY 2022: SCHEDULE AND PROGRAM TABLE

| No. | Date                  | Program  |
|-----|-----------------------|--|
| 1   | 25-Jan-22 & 26-Jan-22 | Event Awareness Retail Collaboration Bank Danamon Syariah & Adira Finance Syariah  |
| 2   | 17-Mar-22             | Outreach to the Association of Traders of General Companies in Pasar Pakuan Jaya, Bogor                                  |
| 3   | 25-Mar-22             | Sponsorship Collaboration with Al Azhar Makassar Zakat Management Institution (LAZ) and Al Azhar Makassar Islamic School |
| 4   | 5-Apr-22              | Ramadan Study Session with the Al Azhar Community  |
| 5   | 10-Mar-22             | MoU Cooperation between Danamon Syariah and Central Coordinating Body of Majelis Taklim (BKMT)                           |
| 6   | 14-Apr-22             | Launching of the YBM PLN Whitelabel Platform   |
| 7   | 17-Apr-22             | Launching the Daarut Tauhiid Whitelabel Platform   |
| 8   | 21-Apr-22             | Danamon Syariah breaking of the fast (iftar) with Adira Finance Dealer   |
| 9   | 25-Apr-22             | Ramadan Webinar Study Session with the Director of Bank Danamon and Partnered Employee Cooperatives (KopKar)             |
| 10  | 25/26 Apr 2022        | Ramadan Fair Webinar Study Session with the Director of Bank Danamon with Danamon employees                              |

## APPENDIX 2

## DETAILS ON DATES, LOCATIONS, AGENDA FOR SHARIA SUPERVISORY BOARD (DPS) MEETINGS IN 2022

| No | Day, Date, Location                          | Agenda  | Participant   | Unit   |
|----|--|---|---|--|
| 1  | Monday, 17-01-2022<br>Via WA Conference Call | Discussion on Cash Back Reward Encumbrances   | 1. Dr. Hasanudin, M.Ag.<br>2. Dr. Asep Supyadillah, M.Ag.<br>3. Dadan Setiawan<br>4. Merisa Ardini<br>5. Sara Zathira S.<br>6. Albi Ariza   | DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS   |
| 2  | Thursday, 24-01-2022<br>Via MS Teams         | 1. Presentation of the FY 2021 BDS Financial Report<br>2. IMBT CV Amanda Financing Facility | 1. Prof. Dr H M Din Syamsuddin, MA.<br>2. Dr Hasanudin, M.Ag<br>3. Dr Asep Supyadillah, M.Ag<br>4. Refita Rulli Arief<br>5. Yatno Sukendar<br>6. Isabella Aritonang<br>7. Indrayana LS<br>8. Sutarto Anto<br>9. Kasso Hamka<br>10. Hanna Zila Fitriani<br>11. Nia Febriyanti<br>12. Gunawan Sumargo<br>13. Giri Harsadhi<br>14. Triadi Iwan<br>15. Sari Utami<br>16. Siti Chodidjah<br>17. Dadan Setiawan<br>18. Dedy Setiadi<br>19. Niken Indah<br>20. Merisa Ardini | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS |



| No | Day, Date, Location  | Agenda   | Participant   | Unit   |
|----|--|--|---|--|
| 3  | Thursday, 10-02-2022<br>Via MS Teams   | 1. Request for Sharia Supervisory Board Opinions on Zakat, Infaq/ Alms and Waqf (Ziswaf) Features for Social Banking<br>2. Request for sharia opinions regarding the Verification Process for Prospective customers who wear Islamic veils | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr Hasanudin, M.Ag<br>3. Dr Asep Supyadillah, M.Ag<br>4. Dadan Setiawan<br>5. Anindito Al Muttaqien<br>6. Masnun Nadia<br>7. Nurul Fithri Sylvani<br>8. Dedy Setiadi<br>9. Dadan Setiawan<br>10. Niken Indah Tri P<br>11. Merisa Ardini<br>12. Elisabeth Rahayu Sri Wahyuni<br>13. Dwi Karti Sirait  | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>Channel Ops<br>Channel Ops                          |
| 4  | Wednesday, 9-03-2022<br>Via MS Teams   | Sharia Opinion on Forms & General Conditions for Participation in the 2022 Wadiah Savings and Waqf Rewards Sharia Program (for Acquisition Programs and Referral Programs)   | 1. Dr. Hasanudin, M.Ag<br>2. Dr. Asep Supyadillah, M.Ag<br>3. Dwi Rachmawati<br>4. Sara Zathira Siregar<br>5. Dadan Setiawan<br>6. Merisa Ardini  | DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS   |
| 5  | Thursday, 31-03-2022<br>Via MS Teams   | 1. Sharia Financing Distribution Program<br>2. Profit Sharing Calculation (PBH) & Profit Sharing Realization (RBH) for Mudharabah Muqayyadah Employee Cooperatives (Kopkar) & MMQ financing facilities                                     | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Yatno Sukendar<br>5. Christina Batubara<br>6. Sutarto Anto<br>7. Galih Wijanarko<br>8. Raditi Ariestarni<br>9. Wita Jesiska<br>10. Achmadijan Firdaus<br>11. Nia Febriyanti<br>12. Siska Haibah<br>13. Niken Indah Tri P<br>14. Dedy Setiadi<br>15. Siti Chodidjah<br>16. Dadan Setiawan<br>17. Merisa Ardini | DPS<br>DPS<br>DPS<br>UUS<br>Legal<br>UUS<br>Compliance<br>Legal<br>Legal<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS |
| 6  | Monday, 25-04-2022<br>Via MS Teams   | Follow-up Discussion - Sharia Financing Distribution Schematic   | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Yatno Sukendar<br>5. Christina Batubara<br>6. Sutarto Anto<br>7. Raditi Ariestarni<br>8. Siska Habibah<br>9. Nurul Fithri Sylvani<br>10. Dadan Setiawan<br>11. Niken Indah Tri P<br>12. Dedy Setiadi<br>13. Merisa Ardini   | DPS<br>DPS<br>DPS<br>UUS<br>Legal Counsel<br>UUS<br>Legal Counsel<br>DBT-UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS           |
| 7  | Tuesday, 17-05-2022<br>National Sharia Council - Indonesian Ulama Council (DSN-MUI) Office | Discussions on spin-offs, additions of sample test customers (JF Adira), and information on Sharia Supervisory Board training for cooperatives   | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Yatno Sukendar<br>5. Dadan Setiawan<br>6. Dedy Setiadi  | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS   |

| No | Day, Date, Location                  | Agenda  | Participant   | Unit   |
|----|--------------------------------------|---|---|--|
| 8  | Friday, 10-06-2022<br>Via MS Teams   | 1. DPS Opinion on Danamon's Reward Point & 66th Anniversary Program<br>2. DPS Opinion on Merging Deposit Opening Applications for Conventional and Sharia<br>3. DPS Opinion on how Total Disbursement Realization can be smaller than the Financing limit in the (initial) IMBT Solar Panel financing contract<br>4. DPS Opinion on how Settlement of positive balances still exist on closed/inactive Dirham cards | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Dadan Setiawan<br>5. Dedy Setiadi<br>6. Niken Indah Tri P<br>7. Siti Chodidjah<br>8. Merisa Ardini<br>9. Sutarto Anto<br>10. Achmadijan Firdaus<br>11. Dwi Rachmawati<br>12. Albi Ariza   | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS               |
| 9  | Monday, 25 Juli 2022<br>Via MS Teams | 1. Transfer of Sharia Home Ownership Credit (KPR) Financing to Developers (subrogation)<br>2. Financing Guarantee in the form of State Sharia Securities.<br>3. Sharia Current Account Financing (PRKS)- Distributor Financing.   | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Yatno Sukendar<br>5. Dadan Setiawan<br>6. Merisa Ardini<br>7. Sutarto<br>8. Achmadijan Firdaus<br>9. Nia Febriyanti<br>10. Christina Batubara-Legal<br>11. Raditi Ariestarni  | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>Legal<br>Legal                  |
| 10 | Thursday, 18-08-2022<br>Via MS Teams | Financial Highlights - YTD June 2022  | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Refita Rulli Arief<br>5. Yatno Sukendar<br>6. Isabella Artonang<br>7. Indrayana LS<br>8. Yusuf Pratama<br>9. Sari Utami<br>10. Siti Chodidjah<br>11. Dadan Setiawan<br>12. Dedy Setiadi<br>13. Niken Indah<br>14. Merisa Ardini | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS |
| 11 | Monday, 29-08-2022<br>Via MS Teams   | Discussion on DPS's Referral Collaborations with Sharia Insurance Companies & Home Renovation Improvement Financing   | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Yatno Sukendar<br>5. Sutarto Anto<br>6. Dadan Setiawan<br>7. Dedy Setiadi<br>8. Niken Indah Tri P<br>9. Merisa Ardini   | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS                             |





| No | Day, Date, Location                     | Agenda   | Participant  | Unit  |
|----|---|--|--|---|
| 12 | Friday, 16-09-2022<br>Via MS Teams      | 1. Special Hajj Payment Services<br>2. Wesel Open Account Financing (OAF) Trade Financing Transaction Schematic                    | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Dadan Setiawan<br>5. Dedy Setiadi<br>6. Niken Indah Tri P<br>7. Dwi Rachmawati<br>8. Sutarto Anto<br>9. Lukman Hakim Burhanuddin<br>10. Arief Budiman<br>11. Merisa Ardini<br>12. Hendy Saputra  | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS  |
| 13 | Wednesday, 28-09-2022<br>Via MS Teams   | Draft for the Simplification of Account Closing Application Forms  | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Dadan Setiawan<br>5. Siti Chodidjah<br>6. Merisa Ardini<br>7. Niken Indah Tri P<br>8. Sara Zathira Siregar<br>9. Syuraya Elgi<br>10. Aulia Maysita Widodo<br>11. Arwina Yanti<br>12. Vivian Dolorosa Paskaria Marito<br>13. Stella Maris<br>14. Miche Tri Ana Basrul<br>15. Maria Rini Purwanti  | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>Compliance<br>Branch Network<br>Digital Banking<br>Compliance<br>Liabilities<br>Branch & Payment<br>Branch & Payment |
| 14 | Friday, 7-10-2022<br>Via MS Teams       | 1. Limits of joint financing (Conventional and Sharia)<br>2. Uses of Conventional Insurance<br>3. Confirming Guarantees to Sellers | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Yatno Sukendar<br>5. Isabella Aritonang<br>6. Sutarto<br>7. Hanna Zila<br>8. Dadan Setiawan<br>9. Dedy Setiadi<br>10. Niken Indah Tri P<br>11. Lukman Hakim Burhanuddin<br>12. Raditi Ariestarin<br>13. Tommy Andriawan<br>14. Achmadijan Firdaus<br>15. Nia Febriyanti<br>16. Eva Fatmah Sari<br>17. Siska Haibah<br>18. Sugianto Hermono | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>Legal Counsel<br>UUS<br>UUS<br>UUS<br>Legal Ops<br>UUS<br>EB               |
| 15 | Wednesday, 26-10-2022<br>Via MS Teams   | Amendment for CRP 2022 CERM - GENERAL v Sharia   | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Yatno Sukendar<br>5. Sutarto<br>6. Dadan Setiawan<br>7. Dedy Setiadi<br>8. Niken Indah Tri P<br>9. Siti Chodidjah<br>10. Merisa Ardini<br>11. Tania Hapsari Effendi<br>12. Nityaningrum Duatibumi  | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>Credit Risk<br>Credit Risk   |
| 16 | Tuesday, 8-11-2022<br>Via Whatsapp Call | RFI Document Discussion #10 – Welfare Funds Point 4  | 1. Dr. Hasanudin, M.Ag<br>2. Dr. Asep Supyadillah, M.Ag<br>3. Yatno Sukendar<br>4. Dadan Setiawan<br>5. Merisa Ardini  | DPS<br>DPS<br>UUS<br>UUS<br>UUS   |

| No | Day, Date, Location                   | Agenda   | Participant  | Unit  |
|----|---------------------------------------|--|--|---|
| 17 | Friday, 11-11-2022<br>Via MS Teams    | UUS Customer Recovery Fund Allocation  | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Yatno Sukendar<br>5. Dadan Setiawan<br>6. Dedy Setiadi<br>7. Niken Indah Tri P<br>8. Siti Chodidjah  | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS                                    |
| 18 | Wednesday, 23-11-2022<br>Via MS Teams | 1. PT Suri Motor (Mercedes dealer) Musyarakah Facility Financing Plan<br>2. Technical instructions for Employee Cooperative (Kopkar) financing program transactions and Sharia People's Funding Banks (BPRS) for the purpose of purchasing electric vehicles (motorcycles and cars)<br>3. Memo addendum to SOP Calculation of Profit Sharing for Mudharabah & Musyarakah Financing.<br>4. Memo of Technical Instructions for Electric Vehicle Financing through Kopkar/BPRS. | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Yatno Sukendar<br>5. Sutarto<br>6. Lukman Hakim Burhanuddin<br>7. Dadan Setiawan<br>8. Niken Indah Tri P<br>9. Siti Chodidjah<br>10. Merisa Ardini<br>11. Nabila Sanira                                  | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS               |
| 19 | Tuesday, 6 -12-2022<br>Via MS Teams   | 1. Merging of Danamon Debit Card Service Forms<br>2. KPR Danamon Lebih iB<br>3. Danamon Lebih Pro iB<br>4. Community Educational Partnership Program   | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Yatno Sukendar<br>5. Sutarto<br>6. Sara Zathira S<br>7. Hendy Saputra<br>8. Nia Febriyanti<br>9. Dadan Setiawan<br>10. Niken Indah Tri P<br>11. Siti Chodidjah<br>12. Merisa Ardini<br>13. Nabila Sanira | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS |
| 20 | Wednesday, 21-12-2022<br>Via MS Teams | 1. Advertisement Material for Hajj Furoda Sharia Reward Point Program & Disbursement Reward Program & Employee Cooperative (Kopkar) annual member meeting (RAT)<br>2. Draft Contract Realization of Musyarakah PRKS DF_ Suri Motor_20Des22<br>3. Addendum to Sharia Generic Financing Program Products<br>4. UAT Banking Chat/ Danamon Chat script   | 1. Prof. Dr. H. M. Din Syamsuddin, MA.<br>2. Dr. Hasanudin, M.Ag<br>3. Dr. Asep Supyadillah, M.Ag<br>4. Dadan Setiawan<br>5. Sutarto Anto<br>6. Lukman Hakim B.<br>7. Nia F.<br>8. Dedy Setiadi<br>9. Niken Indah Tri P<br>10. Siti Chodidjah<br>11. Merisa Ardini<br>12. Albi Ariza                             | DPS<br>DPS<br>DPS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS<br>UUS |



## APPENDIX 3

### DANAMON'S SHARIA BUSINESS UNIT (UUS) WELFARE FUND DISTRIBUTIONS IN 2022

| No | Date        | Welfare Fund Recipient                             | Purpose  | Nominal       |
|----|-------------|--|--|---------------|
| 1  | 3-Jan-2022  | Trajet Family Club                                 | Compensation Aid to the Tahfidz Qurrota A'yun House during the 2021 TFC Family Club National Jamboree                  | 5,000,000.00  |
| 2  | 4-Jan-2022  | At-Tarbiyah Mosque                                 | Mosque Development Aid   | 5,000,000.00  |
| 3  | 26-Jan-2022 | Baitul Ihsan Mosque                                | Mosque Development Aid   | 20,000,000.00 |
| 4  | 3-Feb-2022  | BDS Ros Field                                      | Orphan Compensation Aid  | 15,000,000.00 |
| 5  | 21-Feb-2022 | Taklim Assembly Contact Body (BKMT) Makassar       | Al-Quran Tahksin Provision Fund Assistance to the Chairman of the Taklim Council                                       | 10,000,000.00 |
| 6  | 21-Feb-2022 | Azhary Modern Islamic Boarding School              | Poor Student Scholarship Fund and Operational Assistance   | 10,000,000.00 |
| 7  | 8-Mar-2022  | UUS Danamon  | Donation for Orphans at Asy Syafiiyah Islamic Boarding School  | 10,000,000.00 |
| 8  | 15-Mar-2022 | Jami At Taqwa Mosque                               | Mosque Development Aid   | 10,000,000.00 |
| 9  | 15-Mar-2022 | Jami 'Azzawiyah Mosque                             | Mosque Renovation Aid  | 5,000,000.00  |
| 10 | 15-Mar-2022 | Al Makmur Musholla                                 | Musholla Renovation Aid  | 10,000,000.00 |
| 11 | 16-Mar-2022 | Central BKMT                                       | Aidfor Survivors of the Pasaman Earthquake in West Sumatra   | 10,000,000.00 |
| 12 | 21-Mar-2022 | Jami Miftahussa'adah Mosque                        | Mosque Development Aid   | 5,000,000.00  |
| 13 | 22-Mar-2022 | Al-Fath Qiroatun Najwa Foundation                  | Donation Activities for Orphans & The Poor   | 5,000,000.00  |
| 14 | 25-Mar-2022 | Al-Muwahiddin Mosque                               | Mosque Development Aid   | 5,000,000.00  |
| 15 | 25-Mar-2022 | BDS Medan  | Donation Activities for Orphans & The Poor   | 3,000,000.00  |
| 16 | 29-Mar-2022 | Islamic Economic Society (MES)                     | Financial Economic & Islamic Financial Literacy-Inclusion Program Aid through the MES 1443 H Ramadhan Blessing Program | 20,000,000.00 |
| 17 | 29-Mar-2022 | Al-Munawar Musholla                                | Musholla Development Assistance  | 2,000,000.00  |
| 18 | 31-Mar-2022 | UUS Danamon Head Office                            | Food Aid as part of the Ramadhan 1443 H program  | 20,000,000.00 |
| 19 | 7-Apr-2022  | BDS Ciracas  | Basic Food Assistance to Orphans and The Poor  | 10,000,000.00 |
| 20 | 8-Apr-2022  | Asyafi'iyah Orphan Special Islamic Boarding School | Orphan Compensation Aid  | 10,000,000.00 |
| 21 | 20-Apr-2022 | BDS Sudirman Palembang                             | Donation for Orphans through activities with the South Sumatra Taklim Council Contact Agency (BKMT).                   | 2,000,000.00  |
| 22 | 21-Apr-2022 | Cadangpinggan Islamic Boarding School              | Donation for Orphans & The Poor  | 3,000,000.00  |
| 23 | 21-Apr-2022 | Jami' Nurul Lathief Mosque                         | Donation for Orphans & The Poor  | 10,000,000.00 |

| No | Date        | Welfare Fund Recipient                        | Purpose   | Nominal       |
|----|-------------|---|---|---------------|
| 24 | 21-Apr-2022 | BDS Banda Aceh Safiatudin                     | Donation for Orphans  | 10,000,000.00 |
| 25 | 9-May-2022  | Esa Qolbu Foundation                          | Donation for Orphans  | 10,200,000.00 |
| 26 | 24-May-2022 | BKMT North Sumatra                            | Sharia financial literacy assistance to North Sumatra BKMT members  | 5,000,000.00  |
| 27 | 24-May-2022 | Dompot Dhuafa Republika Foundation            | Donation for Orphans & the Elderly at a Halal Bi Halal event  | 10,000,000.00 |
| 28 | 25-May-2022 | Baiturrohman Musholla                         | Mosque Development Aid  | 6,825,000.00  |
| 29 | 5-Jul-2022  | KPRI-UNM Makassar                             | Fire Disaster Donation Aid  | 5,000,000.00  |
| 30 | 5-Jul-2022  | Al-Awwabin Mosque                             | Aid with decorative screen installations for mosque yards   | 5,000,000.00  |
| 31 | 5-Jul-2022  | Ahmad Chairul Syah                            | Financial aid for the school needs of orphans/the poor at the Ahmad Chairul Syah Orphanage for the 2022-2023 Academic Year                        | 20,000,000.00 |
| 32 | 13-Jul-2022 | SDN EMPANG 1 BOGOR                            | Islamic Financial Literacy Funding Aid  | 5,000,000.00  |
| 33 | 28-Jul-2022 | BDS Medan Diponegoro                          | Aid for Cataract Surgery Social Activities, Blood Donations, Distribution of Free Glasses and Health Checks for Islamic Students of Pondok Tahfiz | 5,000,000.00  |
| 34 | 28-Jul-2022 | Tsanawiyah Al Barokah Islamic School          | Social Aid to provide groceries for underprivileged communities   | 2,500,000.00  |
| 35 | 10-Aug-2022 | UUS Danamon - Head Office                     | Sharia Financial Literacy fund aid and compensation for orphans   | 9,000,000.00  |
| 36 | 15-Aug-2022 | UUS Danamon - Head Office                     | Orphanage aid funds   | 4,000,000.00  |
| 37 | 19-Sep-2022 | Al Kahfi Integrated Islamic Boarding School   | Blood Donor fund assistance with the Indonesian Red Cross (PMI)   | 5,000,000.00  |
| 38 | 20-Sep-2022 | LAZ Community Zakat Center                    | Funding assistance for sermon activities based on the Al Quran & As Sunnah  | 50,000,000.00 |
| 39 | 27-Sep-2022 | Sustainability Finance Division – Head Office | Orphan Compensation Aid   | 5,000,000.00  |
| 40 | 4-Oct-2022  | Sustainability Finance Division – Head Office | Orphan Compensation Aid   | 20,000,000.00 |
| 41 | 3-Oct-2022  | BPRS Bhakti Sumekar                           | Educational Scholarship Aid in the context of Broadcasting and Sermons  | 15,000,000.00 |
| 42 | 3-Oct-2022  | Al Barokah Musholla                           | Aid for buying carpets and Mihrah Musholla  | 15,000,000.00 |
| 43 | 14-Oct-2022 | Bait Attanzil Islamic Boarding School         | Operational Vehicle Procurement Aid   | 15,000,000.00 |
| 44 | 20-Oct-2022 | KCS Denpasar                                  | Donation for Orphans & Mosque Construction  | 14,000,000.00 |
| 45 | 8-Nov-2022  | BDS Langsa                                    | Natural Disaster Aid (Flooding)   | 10,000,000.00 |
| 46 | 14-Nov-2022 | Nur Saniah Musholla                           | Mosque Renovation Aid   | 10,000,000.00 |



| No    | Date        | Welfare Fund Recipient                  | Purpose  | Nominal        |
|-------|-------------|---|--|----------------|
| 47    | 17-Nov-2022 | Komunitas Pencinta Kemakmuran Masjid    | Orphan Mass Circumcision Aid   | 50,000,000.00  |
| 48    | 29-Nov-2022 | ASBISINDO                               | Cianjur Earthquake Aid   | 50,000,007.00  |
| 49    | 2-Dec-2022  | SDN Empang 1 Bogor                      | Sharia Financial Literacy Aid  | 3,500,000.00   |
| 50    | 5-Dec-2022  | BDS Palembang                           | Aid with Supporting Facilities for the Tahfidz Qur'an House of Muhajirin Patih Mulia | 5,000,000.00   |
| 51    | 6-Dec-2022  | UUS Danamon (PC NU - LWPNU Tasikmalaya) | Sharia Financial Literacy Aid  | 10,000,000.00  |
| 52    | 28-Dec-2022 | Surabaya Religious Affairs Ministry     | Aid for Mass Circumcision Activities   | 10,000,000.00  |
| Total |             |   |  | 590,025,007.00 |