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# OPERATIONAL REVIEW

---

**165** Risk Management

---

**322** Human Capital Management

---

**326** Information Technology

---

**330** Operations

---



# RISK MANAGEMENT

PT BANK DANAMON INDONESIA TBK  
2023 ANNUAL REPORT



# RISK MANAGEMENT



“The risk management implementation and internal control is an important part of the Bank’s operations and activities in ensuring the realization of healthy and sustainable Bank business growth.”

The implementation of risk management within Danamon and its subsidiary continues to be improved in line with the changes in regulations, risk and business complexity. The purpose of risk management implementation is to identify, measure, monitor, and control various potential risks in all operating units, both in the line of business and supporting units.

Danamon considers Risk Management to be an integral part of its business strategy, thereby promoting a strong risk culture that is well-embedded in the overall day-to-day decision-making, operational activities, and employee conduct.

In managing risks, the risk management team takes the following approach:

1. To be a trusted partner for the line of business by ensuring transparent and appropriate Risk Appetite, resulting in positive outcomes for our clients, employees, regulators, and shareholders.
2. To be a strong advocate of corporate values and principles, supported by a robust risk framework that is well-defined, well-communicated, and pre-emptive in nature.
3. To provide best policies, models, tools, and frameworks that assist in measured and sound risk-taking.
4. To sponsor a strong and pro-active risk and control culture throughout Danamon and its subsidiary.

## IMPLEMENTATION OF RISK MANAGEMENT

### THREE LINES OF DEFENSE APPROACH

To support an effective risk management, Danamon applies the concept of the Three Lines of Defense Approach by dividing the roles and tasks of each working unit, as elaborated below:

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

### RISK MANAGEMENT IN DANAMON

In accordance with the Financial Services Authority's (OJK) regulation regarding risk management implementation, the key elements that support Danamon risk management governance structure are:

1. Active oversight of the Board of Directors and Board of Commissioners.
2. Adequacy of risk management policies and procedures, as well as risk limit setup.
3. Adequacy of risk management processes and risk management information systems.
4. Internal control system.

### ACTIVE OVERSIGHT OF BOARD OF DIRECTORS, BOARD OF COMMISSIONERS, AND SHARIA SUPERVISORY BOARD

The implementation of Risk Management in Danamon involves the active oversight and supervision by the Bank's Board of Directors (BOD), Board of Commissioners (BOC), and Sharia Supervisory Board (for Sharia Business Unit). Recognizing the strategic role of these three boards, Danamon has determined the oversight duties for each board as follows:

Active Oversight Functions		
Board of Commissioners (BOC)	Sharia Supervisory Board	Board of Directors (BOD)
<ul style="list-style-type: none"> <li>The BOC carries out the overall oversight function of Danamon operational activities including monitoring of the risk management implementation. The BOC delegated its risk monitoring function to the Risk Oversight Committee. However, the BOC remains the ultimate responsible party.</li> </ul>	<ul style="list-style-type: none"> <li>Danamon appoints the Sharia Supervisory Board in the Sharia Business Unit in accordance with the recommendation from the National Sharia Board (Majelis Ulama Indonesia) and approval from the Financial Services Authority (OJK) to ensure compliance of activities with sharia principles.</li> </ul>	<ul style="list-style-type: none"> <li>As the responsible party for the implementation of operational activities, including monitoring the implementation of risk management, the BOD has a role in comprehensively determining the direction of risk management policies and strategies, including their implementation.</li> <li>The BOD has established the Risk Management Committee to support its functions and responsibilities in relation to risk management implementation.</li> </ul>

Active Oversight Functions		
Board of Commissioners (BOC)	Sharia Supervisory Board	Board of Directors (BOD)
<ol style="list-style-type: none"> <li>1) Approve the risk management policies, strategies, and frameworks that are aligned with the risk appetite and risk tolerance; also conduct periodically evaluations.</li> <li>2) Perform risk oversight and evaluate the accountability of the BOD for the implementation of the risk management policies and strategies, and of the risk exposures, through periodic reviews with the BOD.</li> <li>3) Approve the business activities that require BOC approval.</li> <li>4) Approve the policies that need BOC approval as according to BI/ OJK regulations or other external regulations.</li> <li>5) Carry out the risk management function as regulated in the regulations.</li> <li>6) Delegate the authority to the BOD to enable them to approve the business activities and other tasks.</li> <li>7) Strictly monitor non-performing asset, adequacy of allowances, and Danamon reserves in managing credit risk implementation.</li> <li>8) Ensure that the implementation of risk management covers country risk and transfer risk.</li> </ol>	<ol style="list-style-type: none"> <li>1) Evaluate the Risk Management Policies related to compliance with Sharia Principles at least once a year.</li> <li>2) Evaluate the accountability of the BOD for the implementation of the Risk Management Policies related to compliance with Sharia Principles at least quarterly.</li> <li>3) Act as an advisor and provide recommendations to the BOD and sharia business management (officers who are related to the implementation of Sharia business) regarding matters related to Sharia Principles.</li> <li>4) Coordinate with the National Sharia Board to discuss the Danamon proposals and recommendations for product and service development that need review by and decisions from the National Sharia Board.</li> </ol>	<ol style="list-style-type: none"> <li>1) Prepare comprehensive written risk management policies, strategies, and frameworks; also responsible for implementation including policies and procedures to identify and manage non-performing assets, asset classification, calculations related to provisions and reserves, and write off assets.</li> <li>2) Conduct periodic reviews of risk assessment methodologies, as well as of the implementation of the risk management information system, risk management policies and procedures, and limit setups.</li> <li>3) Approve the business activities that require BOD approval.</li> <li>4) Develop a risk management culture on all levels of the organization.</li> <li>5) Oversee risk quality in comparison with the prevailing level of fairness.</li> <li>6) Ensure management (the Board of Management and executive officers) adopts a prudent and conservative approach for developing business.</li> <li>7) Determine the risk appetite.</li> <li>8) Ensure the corrective action for the findings that reported by Internal Audit (SKAI).</li> <li>9) Ensure the effectiveness of management and enhancement of human capital competency related to the implementation of risk management.</li> <li>10) Place competent officers in the working units based on nature, quantity, and complexity.</li> <li>11) Develop and put in place an approval mechanism for transactions, including for those that exceed the authority limit for each level of the position.</li> <li>12) Ensure that the risk management function has been independently implemented.</li> <li>13) Regular reviews on asset classification and provisions for non-performing Loan and/or financing, identify and managing non-performing assets adequately, including reserves that are in line with the risks that occur.</li> <li>14) Carry out regular reviews of the reserves to suit with current conditions.</li> <li>15) Ensure that the implementation of risk management covers country risk and transfer risk.</li> </ol>



## RISK MANAGEMENT POLICIES, PROCEDURES, AND LIMIT SETUP

Considering the structure of the Financial Conglomerate, which consists of vertical (direct relationships between parent company and subsidiary) and horizontal (relationships between sister companies) relationships, the risk management policies for the bank and Financial Conglomerate are differentiated into two documents, as follows:

1. Risk Management Policy – Bank and Consolidated, which includes the framework and implementation of individual and consolidated risk management for Danamon and Subsidiary.
2. Integrated Risk Management Policy of the MUFG Group Financial Conglomerate, which includes the framework and implementation of integrated risk management for the Financial Conglomerate.

Risk Management Policy – Bank and Consolidated is the main policy for the implementation of risk management in Danamon and Subsidiary, serves a reference for developing risk management policies, procedures, and guidelines according to the prevailing regulations. The Integrated Risk Management Policy of the MUFG Group Financial Conglomerate is referred to in the “Implementation of Integrated Risk Management” subchapter.

However, since the subsidiary is a separate entity from Danamon, the implementation of risk management should consider the laws of Limited Liability Companies and Capital Market, as well as other related external regulations. Danamon and its subsidiary have developed in details their own guidelines and procedures. Those guidelines and procedures are in line with the Risk Management Policy – Bank and Consolidated, prudential principles, and other related external regulations.

Danamon has in place various risk management policies, i.e. Credit Risk Policy, Operational Risk Management Policy, Market and Liquidity Risk Management Policy, Cyber Risk Management Policy, Business Continuity Management Policy, and others, which have been prepared separately and refer to the Risk Management Policy – Bank and Consolidated.

Risk management leads to the establishment of risk appetite that reflects Danamon’s acceptable type and amount of risk in order to achieve the Danamon’s

strategic and business objectives. Risk Appetite should be in line with the Danamon’s strategy, business growth aspirations, capital and liquidity position, as well as the operational plans.

Danamon and its subsidiary, both individually and consolidated, have set risk limits in accordance with the levels of risk appetite, risk tolerance, and business strategies. Risk limits are set at the group and management level, then cascaded to the line of business and Danamon subsidiary.

The policies, procedures, risk limits, and risk management systems are reviewed periodically to keep them in line with changes in market, current products, and services, and regulatory changes.

## THE ORGANIZATION STRUCTURE OF RISK MANAGEMENT

The organizational structure of risk management consists of several risk committees and risk management working unit at Danamon and its subsidiary and other related working units with various levels of responsibility.

### a. Risk Oversight Committee

The Risk Oversight Committee is the highest risk management authority at the BOC level. the Committee’s main roles are to monitor and provide recommendations to the BOC related to the evaluation of risk management policies and their implementation, to evaluate the execution of the duties of the BOD, Risk Management Committee, and risk management working units in risk management, as well as to provide independent professional opinions to the BOC and to recommend actions needed to the BOD for strengthening the risk management framework.

### b. Risk Management Committee

At the BOD level, a Risk Management Committee has been established that is responsible for, among other things, the evaluation and provision of recommendations to the President Director and BOD related to the development of risk management strategies and policies, the implementation of the overall risk management processes, and the evaluation of significant risk issues.

The Risk Management Committee oversees 2 (two) subcommittees, as follows:

#### 1. Credit Policy Sub-Committee

The main role of Credit Policy Sub-Committee is to review, provide input, monitor, and evaluate matters related to the development and implementation of a Credit Risk Policy (CRP). The Chairman of the Credit Policy Sub-Committee is the Risk Management Director. The Permanent Members consist of several appointed directors.

#### 2. Information Disclosure Sub-Committee

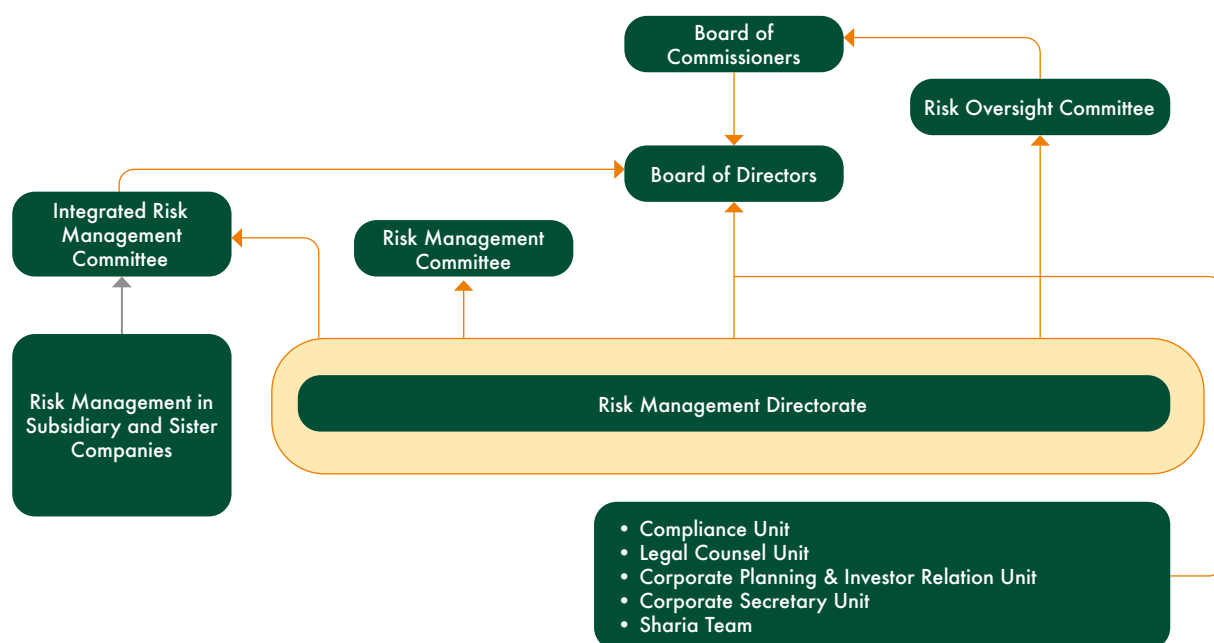
The Information Disclosure Sub-Committee was established to comply with MUFG Bank's requirement to ensure that the sub-committee has reviewed, deliberated, and concluded on the accuracy and the appropriateness of financial reporting, as well as to ensure the framework for internal control over financial reporting has been properly designed and enhanced. The chairman of the Information Disclosure Sub-Committee is the Finance Director. The Permanent Members are several appointed directors and officers.

#### c. Risk Management Working Unit

The Risk Management Directorate is the Risk Management Working Unit in Danamon that is independent from the risk-taking units and working units that conducts the internal control function. The Risk Management Directorate consists of several divisions responsible in managing the risk related to credit, market, liquidity, and operational.

Assigned in this directorate are risk management professionals and senior officers. This is an independent function that forms a second line of defense.

The Risk Management Directorate develops an overall risk management strategy that includes the policies, methodologies, frameworks, limits, procedures, and controls for Danamon and its subsidiary. The Risk Management Directorate, also coordinates and communicates the risk management implementation on both Danamon and Subsidiary.

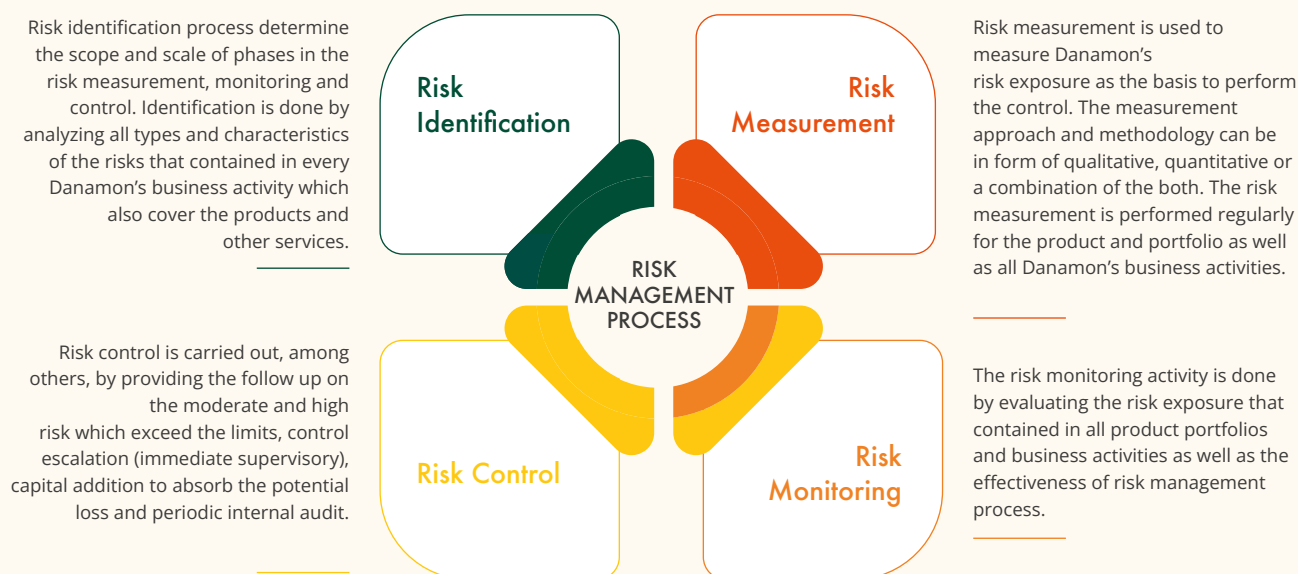




## RISK MANAGEMENT PROCESS AND RISK MANAGEMENT INFORMATION SYSTEM

Danamon regularly performs the process of identifying, measuring, monitoring, and controlling all risks encountered, both individually and consolidated, with its subsidiary. This process is included in the policies and guidelines for every working unit in Danamon and Subsidiary.

The overview of risk management process is as follows:



In the structure of Risk Management applied by Danamon, the Risk Management Directorate consolidates Danamon's risk exposures that are managed by each risk owner.

Line of business, functional units, and subsidiary are operational working units that are responsible for end-to-end risk management, within the scope of their respective responsibilities. The risk must be clearly identified, measured, monitored, and controlled. Before entering a risk bearing activity, they should consider first risk mitigation effort.

In performing its role as a risk monitor and controller in an operational unit, the Risk Management Directorate will evaluate the business strategies, policies, and product programs.

In performing control and risk monitoring system, Danamon has adequate risk management information system, including Internal Credit Rating System, ALM System, Operational Risk Management System, etc. Those systems are used to detect potential risk or Danamon losses at an early stage, enabling the Danamon to do corrective actions to minimize potential losses.

## INTERNAL CONTROL

Implementation of internal control in risk management includes:

1. Management supervision and risk control mechanism. The BOD and BOC responsible to improve work ethics and high integrity, as well as creating an organizational culture that emphasizes the importance of the internal controls that apply in Danamon. To support the control process, therefore policies, standards and procedures must be documented in writing and available to relevant employees.
2. Risk identification and assessment are conducted for all types of risk, covering quantitative and qualitative assessments.
3. Control activities that are applied at all functional levels and involve all employees are aimed to manage and control activities at all functional levels involving all employees are applied to manage and control the risks affecting performance or might result in losses. Segregation of duty is also implemented in operational activities to prevent any position having the opportunity to do and conceal mistakes or deviations in day-to-day tasks at all levels of organization and operational activities.
4. The existence of an adequate accounting system, information system and communication flow that can produce reports and information needed to support the implementation of the duties of BOD and BOC.
5. The monitoring of inherent risk must be prioritized and function as a daily activity, including periodic evaluations, both by the operational working units (risk-taking units) and QA function in each LOB. Review of the effectiveness of risk management implementation including the adequacy of policies, procedures, and management information systems are conducted on a regular basis, including by conducting internal audits on the risk management process and monitoring corrective actions over audit findings.

In addition, Danamon always ensures the fulfillment of various key points in the control process, covering the suitability of the internal control system and Danamon's risk, the establishment of authority, the monitoring of the implementation of policies, procedures, and limits, a clear organization structure, and the adequacy of procedures for complying with regulations.

## HUMAN RESOURCES

The implementation of risk management by Danamon is supported by adequate and competent human resources at all levels. The capabilities and skills of the human resources related to risk management are continuously improved through both internal and external trainings, and by earning risk management certification according to prevailing regulations.

## RISK CULTURE

A strong risk management culture is created when all employees are aware of and understand the risks they encounter, and when they run adequate risk management processes while doing their jobs. In this context, Danamon is committed to establishing a combination of unique values, i.e. trust, implementation, and supervision by management, to ensure that all organizational levels in Danamon conduct their business and operational activities in a prudent manner and based on best practices.

Risk culture is determined through:

- Direction and supervision from the BOC and the BOD of Danamon and its subsidiary.
- Familiarization of risk management as an integral part of business practices.
- Adherence to all policies, procedures prevailing laws, and regulations.

Risk awareness and culture at all organizational levels is established through:

- Communicating the importance of risk management.
- Communicating the risk tolerance level and the expected risk profile through various limits and portfolio management.
- Delegating authority to employees to prudently manage risk in their activities, including by providing adequate risk mitigation.
- Monitoring the effectiveness of risk management implementation in all areas.
- Simulation and training for all employees to provide and enhance their comprehension of potential risks and better prepare them to face real-world scenarios.

## RISK APPETITE

Risk Appetite is the amount of risk that a corporation is prepared to take/tolerate in the pursuit of its business objectives. The objective of setting a Risk Appetite is not to limit risk-taking but to establish transparency and ensure that the risk profile is aligned with its business strategy.

Danamon has set its Group and Management Risk Appetite with the approval of the BOC and BOD, including cascading the Risk Appetite into the Line of Business and the subsidiary level. Danamon has also reviewed the parameters and threshold of its Risk Appetite to ensure its alignment with internal and external conditions, management expectations, and prevailing regulatory provisions.

The determination of the various parameters of Risk Appetite is based on various risks that are deemed material for Danamon, which cover capital, credit risk, liquidity risk, credit concentration risk, operational risk, and fraud. In addition, Danamon also set various risk limits for each type of risk and certain functional activities that have risk exposure, which shall conform to the established Risk Appetite.

To ensure the effectiveness of Risk Appetite management, Danamon also has a Risk Appetite Statements Policy that outlines the duties and responsibilities of each party in managing Risk Appetite, and also governs the process of defining, reviewing, and monitoring, including the escalation of breaches of Risk Appetite.

## RISK MANAGEMENT FOR PARTICULAR AREAS

### a. Risk Management of New Products

In accordance with the Bank's business plan, Danamon has formulated a policy that governs the procedures for product issuance and monitoring, including the implementation of risk management of new products according to the prevailing regulations.

New products are prepared, recommended, and reviewed to see their conformity to prevailing policies and put them to compliance test prior to launching.

The authorization to give approval for new products is classified based on the risk level with due compliance with regulations. A product's risk level is evaluated based on product performance, target customers, operational process complexity, and market conditions. Sharia products require consultation with and approval from the Sharia Supervisory Board.

### b. Risk Management of Sharia Unit

The implementation of Sharia Risk Management is carried out based on POJK No. 65/POJK.03/2016 regarding the implementation of risk management for Sharia Banks and Sharia Business Units. In terms of policy, Danamon has Risk Management Policy — Bank and Consolidated, which it uses as its main framework and basic principles for managing the risks that are subject to all line of business and subsidiary, including the Sharia Business Unit. In addition, the Sharia Unit is also guided by the sharia principles that are the principles of Islamic law in banking practices based on fatwas that are issued by the authorised institution.

Risk measurement is performed with a methodology that suits the characteristics of the Sharia Business Unit, through quarterly measurement of risk profile levels.

In terms of the risk management that is relevant to the fulfillment of sharia principles, the Sharia Supervisory Board (DPS) approves the policies, procedures, systems, and products related to the fulfillment of sharia principles and the applied contracts. The implementation of a Risk Management process and system in the Sharia Business Unit follows Danamon's policies and complies with sharia banking rules. The Director in charge of the Sharia Business Unit is also a member of the Risk Management Committee.

### c. Risk Management of Subsidiary

Danamon applies a consolidated risk management process with its subsidiary by considering the different characteristics of the Bank's and the subsidiary's businesses. This is done through an assistance-and-alignment process of risk management practices in terms of risk governance, risk management policies and procedures, risk measurement methodology, risk management reporting, and enhancement of a risk awareness culture.

In terms of monitoring, the Risk Management Directorate continuously monitors the portfolio performance of the subsidiary and identifies any early warning of deterioration of a subsidiary's portfolio quality. Danamon also provides technical assistance in the risk management process related to credit risk, market and liquidity risk, operational risk, human resources, information system, and risk management policies, procedures, and methodologies.

The results of monitoring and evaluating a subsidiary's risk exposure are reported periodically. Subsidiary's risk management is one of the major focuses of corporate management for its important role in supporting Danamon's strategic plans.

This consolidation process is in line with Financial Services Authority Regulation (POJK) No. 38/POJK.03/2017 regarding the Implementation of Consolidated Risk Management for Banks that have control over the Subsidiary. Referring to that regulation, Danamon, as the Parent Company, will continue to make improvement to the consolidated risk management processes of its subsidiary.

## EVALUATION OF EFFECTIVENESS OF RISK MANAGEMENT SYSTEM

To carry out an evaluation of the effectiveness of risk management, the BOC and the BOD actively oversee the implementation of risk management through various committees.

The committees conduct regular meeting to monitor and carry out continuous evaluation in risk management, to discuss risk-related issues and provide recommendations to the BOC and the BOD according to the respective fields and responsibilities.

Moreover, Danamon performs periodic evaluations on risk assessment methodologies, the adequacy of system implementation, management information systems, policies, procedures, and limits adjusted with

prevailing regulations, business development, and operational conditions Danamon activities. As a result of the reviews, Danamon conducts Portfolio Meetings to periodically evaluate the condition of Danamon's and its subsidiary' risk portfolios.

## RISK PROFILE

The risk profile assessment includes the assessment of inherent risk and the quality of risk management implementation that reflects the risk control system, either individually, or in a consolidated or integrated manner. The assessments of individual and consolidated risk profiles are conducted on 10 (ten) risks, i.e. Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategy Risk, Compliance Risk, Reputation Risk, Rate of Return Risk, and Investment Risk. For Integrated Risk Management, the managed risks also include Intra-Group, Transaction Risk, but exclude Rate-of-Return Risk and Investment Risk.

The risk profile assessment is carried out based on regulatory requirement, the Bank's business strategy and macroeconomic conditions. The composite rating of Danamon's individual, consolidated and integrated risk profile based on self-assessment results in 2023 is at level 2 (Low to Moderate).

## FOCUS AND ACTIVITIES OF RISK MANAGEMENT IN 2023

In accordance with the Bank's business plan, in 2023 Danamon continued to conduct the previous year's programs and implement several new programs, as elaborated below:





Risk	Activities
<b>Risk Management in General</b>	<ul style="list-style-type: none"> <li>• Implementation of individual and consolidated Risk Management in the Bank and its subsidiary.</li> <li>• Improvement of the Risk Profile report in accordance with regulatory requirements.</li> <li>• Preparation and submission of a Sustainable Finance Action Plan for the 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.</li> <li>• Implementation of programs stated in the Sustainable Finance Action Plan.</li> <li>• Update on Risk Management Policy – Bank, Consolidated and Integrated.</li> <li>• Update on Cyber Risk Management Policy in accordance with POJK No.11/POJK.03/2022.</li> <li>• Perform Cyber Security Maturity Assessment as an implementation of SEOJK No.29/SEOJK.03/2022.</li> <li>• Update on Sustainability Guideline related to Credit.</li> <li>• Update Recovery Plan in accordance with POJK No. 14/POJK.03/2017.</li> <li>• Establishment of Resolution Plan Policy in accordance with PLPS No. 1 2021.</li> <li>• Roll out Risk Academy on an ongoing basis as a means of risk-management learning by all Danamon employees through on-line/virtual training and various kinds of e-Learning modules related to risk management.</li> <li>• Implementation of ICAAP framework, which is already continuously being done by the Danamon.</li> <li>• Conduct bank-wide stress tests at least once a year.</li> <li>• Participate in the Joint Stress Test exercise using templates and macroeconomy scenarios provided by the OJK and BI.</li> <li>• Perform Thematic Stress Test to measure its impact on the Capital Adequacy and credit quality on NPL ratio.</li> <li>• Conduct Risk Culture programs that focus on the implementation of the Three Lines of Defense campaign.</li> <li>• Review Risk Appetite Statement (RAS), and cascade it down to the line of business and subsidiary.</li> </ul>
<b>Credit</b>	<ul style="list-style-type: none"> <li>• Monitor Internal Rating Model results for Corporate, Commercial, Financial Institution, and Financing Company.</li> <li>• Implement Early Warning Indicator for Corporate and Commercial line of business.</li> <li>• Implement a Behaviour Scorecard for Small Medium Enterprise (SME) line of business to support credit process.</li> <li>• Implement the LLP PSAK 71 or IFRS 9 models for Corporate, Commercial, Financial Institution, Financing Company, SME, KPR, KMG, Credit Card, KTA, Auto Loan, Consumption, and Investment, starting January 2020, as according to OJK regulation.</li> <li>• Implement Credit Model Framework.</li> <li>• Revamp and provide guidance regarding the implementation of bankwide Credit Risk Policy to ensure alignment with Regulatory regulations (OJK and BI) alignment, internal policies and Danamon's risk appetite.</li> <li>• Stipulate the memo regarding Implementation of Disaster POJK and its amendments as follow-up actions to POJK No.19/2022 and KDK OJK No. 34/KDK.03/2022 governing special treatment for debtors impacted by disaster as determined by OJK, including the impact of COVID-19. Furthermore, review implementation memos in each LOB and monitor the performance of the restructured credit portfolio and the adequacy of the provision.</li> <li>• Conduct regular reviews of industry classifications based on the risk level (high risk restricted, high risk, medium risk, and low risk), as well as determine industry risk appetite to ensure the industry growth is aligned with the determined threshold.</li> <li>• Stipulate and review the authority for Credit approval in the Head Office in each LOB, including the approval authority for COVID-19 credit restructuring.</li> <li>• Review the credit policies of each LOB, evaluate credit criteria adapted with current business development and setting limits for high-risk segments.</li> <li>• Review the acquisition process of several retail business portfolio (Credit Card, UPL, Mortgage, and Auto Loan) as one of inorganic credit growth strategies.</li> <li>• Expand credit risk with close monitoring on potential credit risk and its mitigation.</li> <li>• Review new initiative programs in the digital segment, consumer segment, and MUFG Collaboration in order to keep them in line with regulations and Danamon's risk appetite.</li> <li>• Conduct regular reviews of all policies and procedures in accordance with the regulation stipulated by the regulators (OJK and BI) and other authorities.</li> <li>• Regularly review Product Programs which includes portfolios, criteria, restrictions, and other requirements Support Product Programs which build healthy credit portfolio.</li> <li>• Perform back-testing periodically to assess the adequacy of credit provision. If necessary, addition of credit provision will be done based on the back-testing results.</li> <li>• Credit process is well implemented in accordance with the prevailing regulation, risk appetite and internal policies in Danamon.</li> <li>• CQA has reviewed 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.</li> <li>• Alternative Credit Scoring assessment to support the credit process in the consumer segment.</li> <li>• Implementation of Rule-Based Engine within SME and Consumer Loan Origination System to support the business in early customer pre-selection process and provide guidelines in credit decision to Underwriting team.</li> <li>• Review of EB Credit Guidelines and adjustment to clauses related to Syndication Loan.</li> <li>• Review of Consumer Credit Guidelines and adjustment to Mortgage clauses related to Primary Mortgage from selected developers.</li> </ul>

Risk	Activities
<b>Operational, Fraud &amp; QA</b>	<ul style="list-style-type: none"> <li>• Improve the independence of functions and roles of operational risk manager in line of business, support functions, and Subsidiary.</li> <li>• Refine ORM tool methodologies such as the RCSA methodology, Risk Events, and recording operational risk losses.</li> <li>• Refine the Operational Risk Management System (ORMS) process and application to improve the effectiveness in operational risk management comprehensively at Danamon and Subsidiary.</li> <li>• Build awareness of Operational Risk Management through e-Learning, Risk Academy modules, email blasts, and anti-fraud-awareness campaigns. The purpose is to enhance awareness throughout the whole of management and employees on the importance of operational risk management.</li> <li>• Improve implementation of ORPA (Operational Risk Pre-Assessment) to review the risks of new strategic initiatives, including the recommendations for risk mitigation.</li> <li>• Improve the implementation of product/system/process reviews for operational risk review including risk mitigation.</li> <li>• Implement Self-Raise Issue to provide a tool for employees to raise an issue that potentially arise in operational risks.</li> <li>• Implement an escalation mechanism for potential/operational risk event and review operational risk matrix level.</li> <li>• Implementation of Risk Acceptance to ensure the relevant management must first give approvals on any risk in the process/activity that the Bank is still willing to take despite its unmitigable issues.</li> <li>• Enhance QA methodology and supporting system as well as improving QA Policy and optimized data analytic usage method.</li> <li>• Improve awareness regarding risk control and conduct a survey to determine the risk awareness maturity level of the work unit.</li> <li>• Enhance collaboration with 2<sup>nd</sup> line and 3<sup>rd</sup> line by making coordination meeting with ORM, Compliance and SKAI.</li> <li>• Improve the ability of early detection on potential fraud by developing the fraud detection system that has been implemented on credit card transaction and mobile banking (D-Bank PRO) and providing the Whistle-blower channel through an independent third party.</li> <li>• Build commitment and awareness of fraud through the obligation of the Anti-Fraud Integrity Pact signed by all BOD, BOC, and all employees of Danamon.</li> <li>• Review and update the anti-fraud policy and framework that is aligned with regulations.</li> <li>• Update the Business Continuity Management (BCM) policy according to the latest conditions.</li> </ul>
<b>Information Technology and Cyber</b>	<ul style="list-style-type: none"> <li>• Perform supervisory management and risk analysis pertaining to the utilization of technology for initiatives associated with new services or products/IT projects/ad-hoc requests, which include Requirement Definition (RD), ORPA, PP, and/or other related documents IT risk management to support line of business units and other operations/support functions within the Bank.</li> <li>• Conduct assessments and monitoring of IT Risk Events, Self Raise, Risk Acceptance which have potential risks to the Bank, perform analysis and engage in discussions with IT work unit to comprehend the events and planned corrective actions based on the escalation of events recorded in the ORMS database.</li> <li>• Update and maintain the Cyber Incident Response Playbook document to serve as the primary guideline for all employees when a cyber incident occurs, starting from the communication stage, impact assessment and risk level, resolution, and reporting.</li> <li>• Foster a culture of risk awareness with the aim of enhancing understanding among all bank employees regarding potential risks associated with the creation, storage, use, and dissemination of information. This is achieved through the utilization of e-learning media, classroom training, email blasts, and sharing sessions.</li> <li>• Manage information asset inventory activities within critical units to assist the Bank in identifying information assets, determining their classification, and developing potential threat mitigation strategies.</li> <li>• Improve the Email Data Loss Prevention (Email DLP) parameter function to detect and prevent the unauthorized transmission of sensitive information through email communications.</li> <li>• Perform cybersecurity risk assessments for third parties collaborating with or intending to collaborate with the Bank, with the aim of preventing potential risks of financial and reputational loss.</li> <li>• Establish Risk Appetite and Risk Tolerance parameters related to IT and Cyber risks as part of the Bank's strategy in managing cybersecurity risks in accordance with POJK No. 11/POJK.03/2022 concerning Information Technology Implementation.</li> <li>• Establish bank wide Key Risk Indicator (KRI) parameters and their associated thresholds as IT risk indicator, serving as critical indicators for IT risks that warrant the bank's attention in managing cyber risks.</li> <li>• Update and adjust the framework and standard operating procedures that govern the activities of the risk assessment process for third parties entrusted with managing the Bank's confidential information.</li> <li>• Develop guidelines for the utilization of information in collaborative activities with partners, which define the conditions and factors for information use to minimize the risk of information loss or leakage.</li> <li>• Conduct a Red Teaming Exercise simulation with the objective of early identification of potential cyber risks and the formulation of mitigation strategies. This initiative involves a series of activities that simulate real-world cyber-attack scenarios, aiming to proactively reduce the level of risk.</li> </ul>

Risk	Activities
<b>Market and Liquidity</b>	<ul style="list-style-type: none"> <li>• Update the Bank's Market and Liquidity Risks limit structures and policies.</li> <li>• Validation of the market and liquidity risk measurement methodologies, including those for supporting new Treasury products.</li> <li>• ALM system enhancement to support alignment of Interest Rate in Banking Book (IRRBB) calculation and reporting.</li> <li>• Carry out supervisory management and risk analysis related to market and liquidity risk of the Bank.</li> <li>• Develop methodology, working paper, and procedures related to calculating market risk KPMM and CVA in accordance with SEOJK No. 23/SEOJK.03/2022.</li> <li>• Participate in industrial tests of market risk RWA and CVA calculation, and reported to the OJK in accordance with the predetermined testing period.</li> <li>• Participate in the discussion and preparation of Climate Change Stress Tests related to Market Risk.</li> <li>• Develop the Risk Heat Map related to Market and Liquidity Risk.</li> <li>• Participate in the Treasury System and FTP System replacement project.</li> <li>• Carry out Business Contingency Plan (BCP) tests to ensure BAU activities run smoothly in conditions where there are obstacles in the main work area that make them inaccessible.</li> <li>• Run switch over treasury system testing.</li> <li>• Conduct regular updating reviews of the Bank's Core non-core calculations.</li> <li>• Implementing the use of 7 years historical data for Core Non-Core calculations for Bank FTP.</li> <li>• Review all assumptions used by the Bank in calculating market risk and Bank liquidity.</li> <li>• Conduct a review and prepare a Thematic Stress Test scenario to assess liquidity risk under special conditions.</li> <li>• Conduct regular updates on policies, methodologies and procedures related to Market Risk and Liquidity Risk.</li> <li>• Conduct Risk Level Assessments for new products or development of basic products or Bank services, in terms of Market Risk and Liquidity.</li> <li>• Regularly update the Time Deposit Stickiness calculation for FTP Bank.</li> </ul>

## IMPLEMENTATION OF INTEGRATION RISK MANAGEMENT

The MUFG Group Financial Conglomeration consists of Danamon as the main entity with subsidiary and sister companies as members. The following describes the structure of the MUFG Group Financial Conglomeration:

Structure	Entity's Name	Relationship to Danamon
Main Entity	PT Bank Danamon Indonesia Tbk ("Danamon")	
Main Entity	PT Adira Dinamika Multi Finance Tbk ("ADMF")	Subsidiary (vertical relationship)
Main Entity	MUFG Bank, Ltd. Cabang Jakarta ("MUFG Jakarta")	Sister Company (horizontal relationship)
Main Entity	PT Home Credit Indonesia Tbk ("HCI")	Sister Company (horizontal relationship)

\* HCI became a member of MUFG Group Financial Conglomeration after being acquired by MUFG Bank Ltd. based on letter No. B.693-DIR dated December 29, 2023 submitted to OJK.

Danamon has an Integrated Risk Management Policy of the MUFG Group Financial Conglomeration, which is the main policy in the implementation of integrated risk management as regulated by OJK regulation. In 2023, a review of this policy has been conducted.

## INTEGRATED RISK MANAGEMENT COMMITTEE

For the Financial Conglomeration, Danamon, as the Main Entity, has established an Integrated Risk Management Committee. The Integrated Risk Management Committee consists of Danamon's Risk Management Director as the chairman, several appointed Danamon's directors, Directors who represent subsidiary and sister companies and related Executive Officers as committee members. The main role of this committee is to evaluate and provide recommendations to Danamon's BOD as the Main Entity related to the development, improvement, or enhancement of the Integrated Risk Management Policy based on the evaluation of implementation, evaluation of the implementation effectiveness of integrated risk management policies, frameworks and guidelines, and assessment of key risks in the entities and across entities within the Financial Conglomeration, including the formulation of strategies to deal with existing and emerging risk issues.

## INTEGRATED RISK MANAGEMENT WORKING UNIT

In the implementation of integrated risk management, adjustments have been made to the Risk Management Directorate by adding an integrated risk management function to ensure that the integrated risk identification, measurement, monitoring, and control processes can be done and reported in accordance with the risk management framework and the regulatory regulations.

In the implementation of integrated risk management, the MUFG Group Financial Conglomeration has performed the following:

1. Reviewed an Integrated Risk Management Policy.
2. Prepared and submitted an Integrated Risk Profile Report.
3. Conduct coordination, communication, and socialisation with Subsidiary and Sister Companies in Financial Conglomeration periodically.
4. Throughout 2023, the Integrated Risk Management Committee has held periodically meeting to discuss:
  - Integrated Risk Profile Report
  - Update from Subsidiary
  - Update from Sister Companies
  - Update on Integrated Risk Management Policy
  - Update on Integrated Credit Risk
  - Update on Integrated Market and Liquidity Risk
  - Update on Integrated Operational Risk
  - Update on Integrated Information Risk
  - ESG sharing session
  - Update on Minimum Capital Adequacy and Integrated Capital Adequacy Report
  - Update on Risk Management Model

## INTRA-GROUP TRANSACTION RISK

In addition to the 8 types of risk stated in the previous chapter (excluding investment risk and rate of return risk), there is 1 additional risk that must be managed by Danamon in relation to integrated risk management, namely Intra-Group Transaction Risk.

Intra-group Transaction Risk is the risk due to the dependence of an entity, either directly or indirectly, to other entities within a Financial Conglomeration to fulfill a contractual obligation of written or unwritten agreements which either followed or not followed by transfer of funds.

### 1) Organization and Policy of Intra-group Transaction Risk Management

Intra-group Transaction Risk is managed by Danamon as the Main Entity and its Subsidiary and Sister Companies as the members of the Financial Conglomeration. The implementation of Intra-group Transaction Risk Management is conducted by considering the transaction activities between entities within the Financial Conglomeration.

The Bank as the Main Entity governs the implementation of intra-group transaction risk management in the Intra-group Transaction Policy that is periodically reviewed and prepared based on the prevailing regulation.

### 2) Intra-group Transaction Risk Management

Danamon, its Subsidiary and Sister Companies as members of the Financial Conglomeration implement Intra-Group Transaction Risk Management is carried out through the process of identifying, measuring, monitoring, and controlling risks as well as the Management Information System.

Danamon, its Subsidiary and Sister Companies monitor the intra-group transactions to ensure that the intra-group transactions are conducted in accordance with the fairness principles, prevailing regulations and well documented. Monitoring of intra-group transactions between entities in the Financial Conglomeration is conducted periodically.

Danamon, its Subsidiary, and Sister Companies incorporated in the Financial Conglomeration are committed to controlling the intra-group transactions that may cause risks to the Financial Conglomeration.

Periodically, Finance and Risk Management Unit monitors intra-group transaction risks to ensure compliance with limits, such as LLL and the principle of fairness transactions. Control through policies and setting limits is adjusted by considering the Bank's risk appetite. The process of reporting intra-group transactions is supported by adequate Management Information System (MIS) for further submission to the BOD and BOC along with follow-up actions to be taken through risk profiles.



## SUSTAINABLE FINANCE

Danamon recognises that the realisation of the sustainable development of the national economic system that prioritizes harmony between all economic, social, and environmental aspects, and to address global environmental issues, are the responsibility of all human beings. Therefore, Danamon aims to contribute to realizing it, among other ways by complying with the prevailing laws and regulations, reducing negative environmental and social impacts that can be raised from our business and operational activities, and actively working to find solutions to global environmental issues through its business practices.

Danamon's Sustainable Finance implementation in supports Indonesian Government's targeted Nationally Determined Contribution (NDC) to reduce carbon emission by 41% by 2030 and achieve net zero carbon by 2060 and is in line Financial Service Authority Regulation (POJK) No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies issued in 2017.

Detailed information can be found in the Sustainability Report.

## RECOVERY PLAN AND RESOLUTION PLAN

Following the recent financial crisis, regulations have been put in place globally requiring systemic financial institutions to develop recovery and resolution plans. In April 2017, the Financial Service Authority (OJK) issued a regulatory requirement, No. 14/POJK/2017 for Systemic Banks in Indonesia to develop, review, and implement a Recovery Plan. The Recovery Plan was established to ensure that Systemic Banks have established credible and feasible recovery options to survive a range of severe but plausible stress scenarios.

Regarding the Resolution Plan, the Indonesia Deposit Insurance Corporation (LPS) has issued LPS Regulation No. 1 of 2021 concerning Resolution Plans for Commercial banks, for systemic banks and non-systemic banks as appointed by LPS in Indonesia, they must prepare and submit a Resolution Plan to LPS.

## RECOVERY PLAN

As one of the Systemic Banks in Indonesia, Danamon reviewed the Recovery Plan in 2023 that complies with the applicable regulations. An update of the Recovery Plan has been approved by the President Director and President Commissioner and has been submitted to the OJK.

Danamon's Recovery Plan covers the following:

### 1) Overview of the Bank

Danamon has assessed the contribution of each line of business and its subsidiary from both quantitative (i.e. contribution to profit, funding, and loan book) and qualitative perspectives in order to identify the materiality of the line of business and its subsidiary, including the office networks of Danamon. The result of this assessment will be used by Danamon as a reference for determining which line of business, its subsidiary, and office networks need to be maintained when financial stress conditions occur.

Danamon has also conducted a comprehensive scenario analysis in order to assess the resilience and potential vulnerabilities of Danamon to several indicators that are specified by the OJK (i.e. capital, liquidity, asset quality, and profitability). The outcomes of the scenario analysis indicate that Danamon has a resilient capital position, which is unlikely to threaten any going concerns of Danamon.

### 2) Recovery Option

Danamon implements a traffic light system for implementing its Recovery Plan, supplemented with clearly established thresholds as triggers under the three phases of the recovery plan, namely green as "Preventive", yellow as "Recovery", and red as "Corrective".

Danamon has reviewed its Recovery Plan triggers and recovery options to be in line with changes in regulations and/or current conditions.

Danamon has also identified various recovery options under each phase and assessed these options in terms of feasibility, credibility, implementation timeframe, and effectiveness. These recovery options cover key financial indicators of Danamon, namely capital, liquidity, asset quality, and profitability, and will form the basis of its Recovery Plan and the strategy for Danamon under stressed conditions.

### 3) Disclosure of Recovery Plan

Due to the highly confidential nature of certain sections of the recovery plan (e.g., detailed recovery options and strategies), the disclosure of the Recovery Plan of the Bank shall be done on a need-to-know basis only, with different degrees of disclosure will apply to different parties. Danamon discloses its Recovery Plan to both internal and external parties in accordance with applicable regulations.

In addition, Danamon has developed a Recovery Plan Policy that regulates the governance of its Recovery Plan where the Crisis Management Protocol Working Group (CMPWG) becomes a special committee that will be activated by the BOD to supervise the implementation of the recovery plan and other matters related to the implementation of the recovery plan, especially under the "Recovery" and "Corrective" phases. In carrying out its duties, the CMPWG will be supported by the Recovery Planning Team (RPT).

The Recovery Plan Policy also regulates processes as well as the duties and responsibilities of each party in the process of developing, monitoring, and implementing the Recovery Plan. Danamon monitors Recovery Plan indicators on a monthly basis and will report to the BOD through the Risk Management Committee if there are indicators that have violated or may potentially violate the "Recovery" or "Corrective" phases.

### RESOLUTION PLAN

As one of the Systemic Banks in Indonesia, Danamon has submitted the Resolution Plan in 2022 and will be updated in 2024 that complies with directives in Circular Letter No. SE-3/KE/2021 regarding Preparation Guidelines and Format of Resolution Plans for Commercial Banks. The Resolution Plan has been approved by the President Director and President Commissioner and has been submitted to the LPS.

The Resolution Plan is a document that contains information about the Bank and the Resolution strategies which will serve as one of the considerations for LPS in handling or resolving a bank that is designated as a failed bank.

### ACTIVITY PLAN OF RISK MANAGEMENT IN 2024

In 2024, Indonesia's economy is projected to face challenges due to global economic slowdown. The massive global central banks' rate increases throughout 2023 has a lagging impact towards the real economy. Global economic slowdown is expected to negatively affect export performance in 2024. However, domestic demand as the primary contributor to Indonesian economy is anticipated to grow positively. Additionally, Indonesia will conduct election in 2024 which will help boost domestic consumption activities. Therefore, Indonesia's economy is expected to grow around 5.2% yoy in 2024.

Global economic slowdown will be followed by the shift of global monetary policy direction. Global monetary policy is projected to be accommodative, reflected by US policy rate cutting cycle next year. The Fed might cut interest rate by up to 50 bps, which will be followed by emerging markets' central bank, including Indonesia.

The shift in monetary policy direction will heavily depend on the development of global inflation and US macroeconomic indicators. Should US inflation re-accelerate, and US macroeconomic indicators remain solid, monetary policy loosening would be postponed which results into higher for longer interest rate era.

Below are some challenges that might occur in 2024:

- Geopolitical conflicts will heighten commodity prices especially food and energy. The rising food and energy prices would reaccelerate inflation and potentially hinder an aggressive monetary easing.
- Deeper slowdown in global economy as a result of massive monetary policy tightening in 2023. This pose risk of deeper contraction of Indonesia's export growth and eventually affect economic growth in general.
- Instability from 2024 election could hinder foreign inflows to domestic market and cause lower economic activities.
- Lower budget absorption during election period, notwithstanding transition to the newly form administration, could lower the contribution of government consumption to overall growth.



- The credit restructuring program for selected sectors will expire in March 2024, thus, could potentially increase NPL, if it is not addressed prior the expiry date.
- Shrinking domestic liquidity on the back of monetary policy normalization.
- Slowing credit growth in line with the slowdown in economic growth.

Anticipating these external conditions, Danamon has conducted and will perform a range of initiatives in terms of risk management in 2024, including:

### 1) Risk Management in General

- Improving risk monitoring and control functions in the implementation of individual, consolidated and integrated risk management.
- Conduct a comprehensive review of the individual, consolidated and integrated risk monitoring and measurement process.
- Maintain Danamon's business growth at an acceptable level while remaining prudent.
- Develop and roll out various programs internally to build awareness of the importance of the Risk Culture in Danamon.
- Implement activities related to Sustainable Finance as stated in the Sustainable Finance Action Plan that has been submitted to the OJK.
- Implement the ICAAP framework.
- Conduct bank-wide stress testing at least once a year, or more frequently if there are changes in the industrial and economic sectors and when requested by the regulator, such as Climate Risk Stress Test.
- Conduct stress tests related to portfolios categorized as impacted by disaster (if any) to measure the resiliency of the Bank's capital.
- Perform regular monitoring and reviews of the Risk Appetite Statement threshold and Danamon's Recovery Plan triggers.

### 2) Credit Risk Management

- Review the credit policies periodically.
- Monitor the credit portfolios of all line of business and its subsidiary regularly, comparing the actual performance against targets, and escalate to management if there is any indication of worsening portfolio performance.

- Execute the Memo regarding Implementation of Disaster POJK including its amendments as follow-up actions to POJK No.19/2022 governing special treatment for debtors impacted by disasters as determined by OJK, including ensuring the adequacy of provision in accordance with prevailing regulation.
- Monitor the Credit Risk Internal Rating Model and scorecard system for all Line of Business on a regular basis.
- Use the Standardized Approach for Credit Risk Weighted Asset calculations.
- Perform rating/scorecard model evaluation periodically.
- Perform quarterly back-testing for LLP adequacy for all line of Business.
- Periodically monitor and review the PSAK 71/ IFRS 9 calculations.
- Monitor the Internal Ratings on the Corporate, Commercial, FI and Finco rating systems.
- Prepare credit scoring alternatives to support credit in the consumer segment.

### 3) Operational Risk and Fraud Management

- The implementation of ORM cycles has been and will continue to be consistent, including the identification, measurement, monitoring and control of operational risks to Danamon and its subsidiary.
- The application of an anti-fraud strategies is continuously improved and adapted to the latest developments and fraud trends, including the application of systems and technology as supports for detection pillars and reporting and sanctions pillars, covering credit and non-credit cases.
- Fraud detection system (Instinct and Predator System) improvement through parameter fine-tuning.
- Risk identification process conducted through the implementation of risk identification and risk assessment on existing products, processes and systems, as well as new systems, to determine the inherent risks and the mitigation actions required.

- e. Capture risk/loss event data and its contributing factors, carried out in a centralized database, conduct RCSA activities periodically, report related risks, and monitor operational risks through the Key Risk Indicators (KRI).
- f. Development of the Operational Risk Management System (ORMS) application for the effectiveness of ORM cycle implementation in all units of Danamon and its subsidiary.
- g. Insurance (i.e.: BBB/Bankers Blanket Bonds, money insurance), as one of the most important forms of operational risk mitigation, has been coordinated by the insurance coordinator within ORM Fraud & QA Division.
- h. ORM workshops and dissemination to the RTUs and training (Risk School and E-Learning) for new employees are continuously implemented to ensure continuity and uniformity in the awareness level of operational risk and risk culture recognition in Danamon.
- i. The development of systems and processes to perform cyber risk assessment by modelling the application so that the Bank can anticipate and close any potential vulnerability at an early stage of the application development cycle.
- j. Develop and implement procedures and guidelines to respond to the cyber security incidents.
- k. Update the Business Continuity Management (BCM) policy according to the latest conditions.
- l. Increase operational risk awareness campaign by periodically submission of email blasts and self-raise issue campaign to ensure Danamon employees proactively identify risks and conduct necessary corrective actions prior to any operational risk incident.
- m. Conduct sharing sessions through webinars, the Risk Academy, and online training to all Bank employees to increase the awareness of Information Security and the risks related to the use of technology in general.

- n. Continue the initiative related to information security risk assessment for vendors/third parties who process the Bank's sensitive data classified as confidential/strictly confidential.
- o. Continuing to develop the initiative related to the risk and control library that focuses on specific controls applied to specific risks (application/transaction control level).

#### 4) Market and Liquidity Risk Management

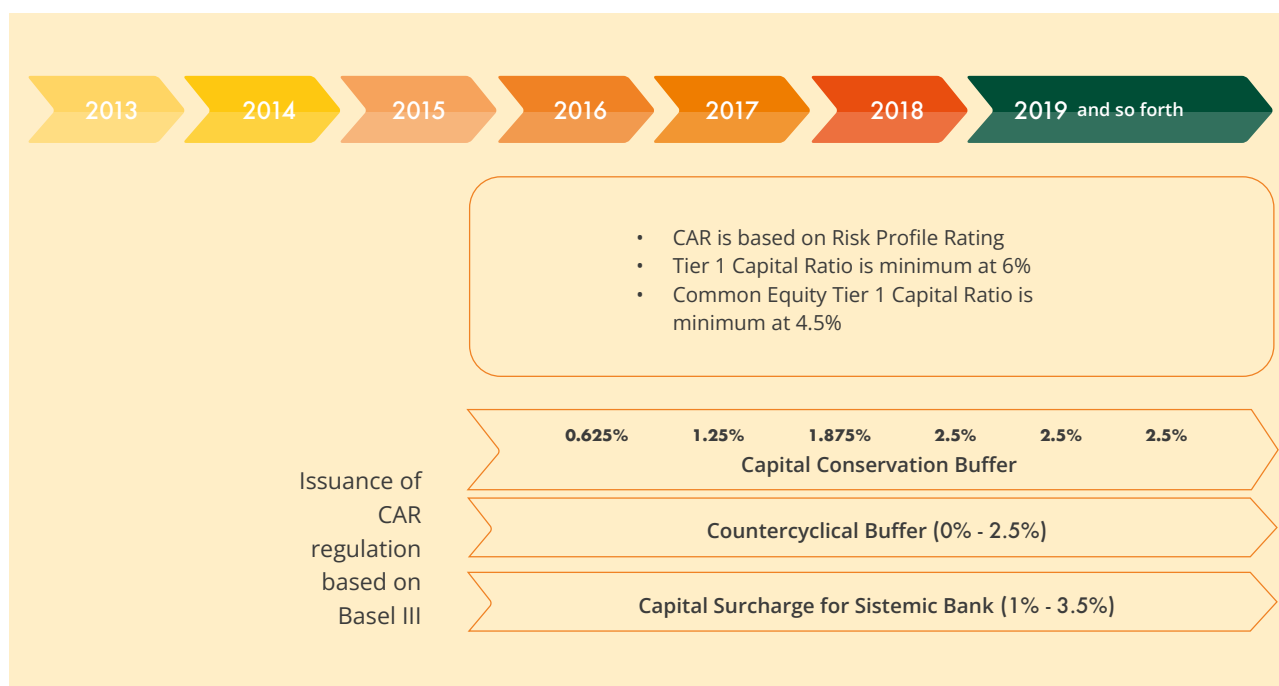
- a. Continue to exercise Stress Testing related to ICAAP, BUST, as well as other stress tests that performed periodically or add-hoc. The exercise performs to ensure that Danamon has the capacity to survive in the event of a liquidity stress conditions.
- b. Prepare for the implementation of Climate Risk Stress Testing for Market and Liquidity Risk in compliance with the provisions of the OJK guidelines.
- c. Participate in the development of necessary infrastructure to support new Treasury products and activities, as well as the implementation of a new Treasury System.
- d. Continue to enhance and develop the infrastructure of the ALM System to support the Bank's business growth and provide added value to management in decision making.
- e. Maintain continuous enhancement and regular reviews and validation of market and liquidity risk measurement methodologies.
- f. Implementation of Minimum Capital Adequacy Ratio Market Risk calculations and reporting including CVA, in accordance with SEOJK No. 23/SEOJK.03/2022.
- g. Continue to conduct regular updates on policies, methodologies and procedures related to Market Risk and Liquidity Risk.



## IMPLEMENTATION OF BASEL III

In regard to capital, BI and the OJK have issued several regulations related to the Minimum Capital Adequacy Requirement to support the implementation of Basel III in Indonesia.

The following are the phases of Basel III implementation, in conjunction with the capital management:



There are 3 (three) additional capital buffers that must be provided by Danamon since 2016, as follows:

- **Capital Conservation Buffer**, additional capital that serves as a buffer in the event of a loss during a crisis, which is implemented in stages as follows:
  - 1 January 2016: 0.625% of RWA
  - 1 January 2017: 1.25% of RWA
  - 1 January 2018: 1.875% of RWA
  - 1 January 2019: 2.5% of RWA

Based on the above regulations, Danamon must establish a capital buffer in the form of a Capital Conservation Buffer of 2.5% of RWA.

- **Countercyclical Buffer**, is additional capital that serves as a buffer to anticipate losses in the event of excessive banking credit growth that could potentially disrupt financial system stability.

The range of the countercyclical buffer is between 0% and 2.5% of RWA. Currently, the countercyclical buffer for Danamon is still set at 0%.

- **Capital Surcharge for Systemic Banks**, is additional capital that serves to reduce negative impacts on financial and economic system stability in the event of a bank failure that has a systemic impact through increasing a bank's ability to absorb losses.

Capital Surcharge only applies to those banks categorized as Systemic Banks, providing an additional buffer of 1% to 3.5% of RWA, depending on the OJK's decision.

Based on an OJK letter to Danamon dated 18 April 2023, Danamon was designated as a Systemic Bank classified in group (bucket) 1; therefore, Danamon is required to establish a Capital Surcharge of 1% of RWA.

In terms of bank liquidity management, the implementation of a Liquidity Coverage Ratio is based on Financial Services Authority Regulation (POJK) No. 42/POJK.03/2015 on Liquidity Coverage Ratio-LCR for Commercial Banks issued in December 2015, and POJK No. 32/POJK.03/2016 on Transparency and Publication of Bank Reports issued in August 2016, where the implementation is in compliance with the Basel III liquidity framework.

In addition to LCR, Basel also introduced an additional ratio, the Net Stable Funding Ratio (NSFR), as a complement to liquidity risk management, as well as a leverage ratio as a complement to capital ratios. The introduction of a leverage ratio is the backstop of the capital ratio, according to the risk profile, to prevent the occurrence of a deleveraging process that can damage the financial system and economy.

The implementation of the Net Stable Funding Ratio (NSFR) is based on Financial Services Authority Regulation (POJK) No. 50/POJK.03/2017 on Obligation of Net Stable Funding Ratio (NSFR) for Commercial Banks issued in July 2017. Implementation of the POJK was effective as of January 2018, with a minimum ratio of 100%. The aspects of the NSFR related to calculation, implementation period, reporting, publication, and others refer to the above POJK.

As part of the Basel III implementation framework, Danamon has implemented the management of interest rate risk in the Banking Book as regulated by the OJK in its Circular Letter No. 12/SEOJK.03/2018 pertaining to the Implementation of Risk Management and Measurement based on Standardized Approach for Interest Rate Risk in the Banking Book for Commercial Banks.

Danamon has implemented Basel III Reform for credit risk which effectively reported for the position of January 2023 as stipulated in OJK Circular Letter No. 24/SEOJK.03/2021 Concerning Calculation of Risk-Weighted Assets Calculation for Credit Risk Using a Standard Approach for Commercial Banks.

Disclosure of information below is based on SEOJK No. 9 /SEOJK.03/2020 related to Transparency and Publication Report for Conventional Bank; and SEOJK No. 24 /SEOJK.03/2021 related to Calculation of RWA Credit Risk Using Standardized Approach for Commercial Banks as of 31 December 2023. In addition, Table 15 to 19 are referring to SEOJK Transparency and Publication; and related tables are no longer reported for the year of 2023 in accordance with SEOJK RWA Credit Risk.

## DISCLOSURE OF RISK AND CAPITAL EXPOSURE

Disclosure of information below as of 31 December 2023 is based on SEOJK No. 9/SEOJK.03/2020 related to Transparency and Publication Report for Conventional Bank; and SEOJK No. 24/SEOJK.03/2021 related to Calculation of RWA Credit Risk Using Standardized Approach for Commercial Banks; while as of 31 December 2022 is based on SEOJK No. 9/SEOJK.03/2020.

### GENERAL RISK

TABLE 1. KEY METRICS (KM1) - BANK ONLY

No	Description
<b>Available Capital</b>	
1	Common Equity Tier 1 (CET1)
2	Tier 1 Capital
3	Total Capital
<b>Risk Weighted Assets</b>	
4	Total Risk Weighted Assets (RWA)
<b>Risk Based Capital Ratios as a percentage of RWA</b>	
5	CET1 Ratio (%)
6	Tier 1 Ratio (%)
7	Total Capital Ratio (%)
<b>Additional CET1 buffer requirements as a percentage of RWA</b>	
8	Capital conservation buffer (2.5% of RWA) (%)
9	Countercyclical Buffer (0 - 2.5% of RWA) (%)
10	Capital Surcharge for Systemic Bank (1% - 3.5%) (%)
11	Total CET1 as buffer requirements (row 8 + row 9 + row 10)
12	CET1 component for buffer
<b>Basel III leverage ratio</b>	
13	Total Exposure
14	Leverage ratio, including the impact of any applicable temporary exemption of central bank reserves (%)
14b	Leverage ratio, excluding the impact of any applicable temporary exemption of central bank reserves (%)
14c	Leverage Ratio, including the impact of any applicable temporary exemption of central bank reserves, which includes the average value of the carrying value of Securities Financing Transactions (SFT) on a gross basis (%).
14d	Leverage Ratio, Excluding the impact of any applicable temporary exemption of central bank reserves, which includes the average value of the carrying value of Securities Financing Transactions (SFT) on a gross basis (%).

(in million Rupiah)

	31-DEC-23	31-SEP-23	30-JUN-23	31-MAR-23	31-Dec-22
	34,156,702	33,648,233	33,010,398	31,580,812	32,209,649
	34,156,702	33,648,233	33,010,398	31,580,812	32,209,649
	35,753,045	35,171,778	34,481,904	32,962,177	33,553,897
	141,109,736	133,897,443	131,192,215	125,958,237	132,389,590
	24.21%	25.13%	25.16%	25.07%	24.33%
	24.21%	25.13%	25.16%	25.07%	24.33%
	25.34%	26.27%	26.28%	26.17%	25.34%
	2.50%	2.50%	2.50%	2.50%	2.50%
	0.00%	0.00%	0.00%	0.00%	0.00%
	1.00%	1.00%	1.00%	1.00%	1.00%
	3.50%	3.50%	3.50%	3.50%	3.50%
	16.34%	17.27%	17.28%	17.17%	16.34%
	205,574,011	192,535,512	188,590,512	189,650,967	185,143,103
	16.62%	17.48%	17.51%	16.65%	17.40%
	16.62%	17.48%	17.51%	16.65%	17.40%
	16.58%	17.45%	17.51%	16.57%	17.48%
	16.58%	17.45%	17.51%	16.57%	17.48%





No	Description	
<b>Liquidity Coverage Ratio (LCR)</b>		
15	Total high-quality liquid assets (HQLA)	
16	Total net cash outflow	
17	LCR ratio (%)	
<b>Net Stable Funding Ratio (NSFR)</b>		
18	Total available stable funding	
19	Total required stable funding	
20	NSFR ratio	

#### Qualitative Analysis

**CAR:**

Capital Adequacy Ratio (CAR) of Danamon individually in December 2023 was 25.34%, above minimum requirements as stipulated in POJK No. 11/POJK.03/2016, which is 9%, with additional fulfillment of capital surcharge for D-SIB of 1.0% and capital conservation buffer of 2.5%.

**Leverage Ratio:**

The leverage ratio of Danamon individually in December 2023 was 16.58, above minimum requirement as stipulated in POJK No. 31/POJK.03/2019, which is 3%.

(in million Rupiah)

	31-DEC-23	31-SEP-23	30-JUN-23	31-MAR-23	31-Dec-22
	34,458,528	36,768,951	40,831,146	42,308,686	43,710,732
	26,328,877	25,800,171	27,713,316	27,615,038	28,816,829
	130.88%	142.51%	147.33%	153.21%	151.68%
	142,030,357	135,480,364	131,347,326	128,487,690	128,663,845
	114,915,994	109,239,713	105,076,688	99,017,769	95,884,853
	123.59%	124.02%	125.00%	129.76%	134.19%

### Qualitative Analysis

#### LCR:

The average Liquidity Coverage Ratio (LCR) of Danamon individually in December 2023 was 130.88%. This ratio was still above the minimum ratio value as stipulated in POJK No. 42/POJK.03/2015 and revised through OJK Regulation number 48/POJK.03/2020, which is 100%. The composition of High-Quality Liquid Assets (HQLA) owned by the Bank was still dominated by Placements with Bank Indonesia (BI), as well as Securities issued by the Central Government and BI.

#### NSFR:

The Net Stable Funding Ratio (NSFR) of Danamon individually in December 2023 was 123.59%, above the OJK minimum requirement of 100%. Total Available Stable Fund (ASF) of Danamon individually in December 2023 was IDR 142.03 Trillion (weighted value) with the largest component coming from Deposits from individual and micro customers amounting to IDR 62.45 Trillion (weighted value) and Capital of IDR 50.87 Trillion (weighted value).

**TABLE 1. KEY METRICS (KM1) - BANK CONSOLIDATED WITH SUBSIDIARY**

No	Description	
<b>Available Capital</b>		
1	Common Equity Tier 1 (CET1)	
2	Tier 1 Capital	
3	Total Capital	
<b>Risk Weighted Assets</b>		
4	Total Risk Weighted Assets (RWA)	
<b>Risk Based Capital Ratios as a percentage of RWA</b>		
5	CET1 Ratio (%)	
6	Tier 1 Ratio (%)	
7	Total Capital Ratio (%)	
<b>Additional CET1 buffer requirements as a percentage of RWA</b>		
8	Capital conservation buffer (2.5% of RWA) (%)	
9	Countercyclical Buffer (0 - 2.5% of RWA) (%)	
10	Capital Surcharge for Systemic Bank (1% - 3.5%) (%)	
11	Total CET1 as buffer requirements (row 8 + row 9 + row 10)	
12	CET1 component for buffer	
<b>Basel III leverage ratio</b>		
13	Total Exposure	
14	Leverage ratio, including the impact of any applicable temporary exemption of central bank reserves (%)	
14b	Leverage ratio, excluding the impact of any applicable temporary exemption of central bank reserves (%)	
14c	Leverage Ratio, including the impact of any applicable temporary exemption of central bank reserves, which includes the average value of the carrying value of Securities Financing Transactions (SFT) on a gross basis (%)	
14d	Leverage Ratio, Excluding the impact of any applicable temporary exemption of central bank reserves, which includes the average value of the carrying value of Securities Financing Transactions (SFT) on a gross basis (%)	
<b>Liquidity Coverage Ratio (LCR)</b>		
15	Total high-quality liquid assets (HQLA)	
16	Total net cash outflow	
17	LCR ratio (%)	
<b>Net Stable Funding Ratio (NSFR)</b>		
18	Total available stable funding	
19	Total required stable funding	
20	NSFR ratio	

**Qualitative Analysis**
**CAR:**

Capital Adequacy Ratio (CAR) of Danamon consolidated in December 2023 was 27.52%, above minimum requirements as stipulated in POJK No. 11/POJK.03/2016, which is 9%, with additional fulfillment of capital surcharge for D-SIB of 1.0% and capital conservation buffer of 2.5%.

**Leverage Ratio:**

The leverage ratio of Danamon consolidated in December 2023 was 18.77%, above minimum requirement as stipulated in POJK No. 31/POJK.03/2019 of 3%.



(in million Rupiah)

	31-DEC-23	31-SEP-23	30-JUN-23	31-MAR-23	31-Dec-22
	44,057,898	43,021,972	41,908,622	40,979,327	41,211,393
	44,057,898	43,021,972	41,908,622	40,979,327	41,211,393
	45,755,058	44,635,141	43,470,127	42,448,069	42,631,755
	166,274,024	157,011,138	154,284,696	148,739,445	161,838,210
	26.50%	27.40%	27.16%	27.55%	25.46%
	26.50%	27.40%	27.16%	27.55%	25.46%
	27.52%	28.43%	28.18%	28.54%	26.34%
	2.50%	2.50%	2.50%	2.50%	2.50%
	0.00%	0.00%	0.00%	0.00%	0.00%
	1.00%	1.00%	1.00%	1.00%	1.00%
	3.50%	3.50%	3.50%	3.50%	3.50%
	18.52%	19.43%	19.18%	19.54%	17.34%
	234,222,386	219,360,166	214,766,853	215,733,409	208,211,092
	18.81%	19.61%	19.51%	19.00%	19.79%
	18.81%	19.61%	19.51%	19.00%	19.79%
	18.77%	19.59%	19.52%	18.91%	19.88%
	18.77%	19.59%	19.52%	18.91%	19.88%
	34,538,059	36,849,152	40,916,478	42,383,507	43,793,025
	26,203,874	25,814,818	27,973,216	27,908,017	28,718,071
	131.81%	142.74%	146.27%	151.87%	152.49%
	153,128,999	146,806,047	142,246,114	137,848,896	136,232,194
	126,700,063	120,243,179	116,170,972	109,701,442	104,359,374
	120.86%	122.09%	122.45%	125.66%	130.54%

### Qualitative Analysis

#### LCR:

The average Liquidity Coverage Ratio (LCR) of Danamon consolidated during Q4-2023 was 131.81%, far above the OJK minimum requirement of 100%. This shows that Danamon consolidated has sufficient HQLA to cover net cash outflows for 1 month in crisis conditions.

#### NSFR:

The Net Stable Funding Ratio (NSFR) of Danamon consolidated in December 2023 was 120.86%, above the OJK minimum requirement of 100%. Total Available Stable Fund (ASF) of Danamon consolidated in December 2023 was IDR 153.13 Trillion (weighted value) with the largest component coming from Deposits from individual and micro and small business customers amounting to IDR 62.45 Trillion (weighted value) and Capital of IDR 50.97 Trillion (weighted value).

**TABLE 2. DIFFERENCE BETWEEN CONSOLIDATED AND MAPPING ON FINANCIAL STATEMENTS IN ACCORDANCE WITH FINANCIAL ACCOUNTING STANDARDS WITH RISK CATEGORIES IN ACCORDANCE WITH FINANCIAL SERVICES AUTHORITY PROVISIONS FOR RISK CATEGORY (L11) - BANK CONSOLIDATED WITH SUBSIDIARY**

**31 December 2023**

No	Accounts	Carrying value as stated in the financial statement publication	
<b>ASSETS</b>			
1	Cash	2,362,221	
2	Placements with Bank Indonesia	14,066,295	
3	Placements with other banks	2,134,286	
4	Spot and derivative / forward receivables	271,966	
5	Marketable securities	19,933,727	
6	Securities sold under repurchase agreements (repo)	-	
7	Securities purchased under resale agreements (reverse repo)	2,384,446	
8	Acceptance receivables	1,540,622	
9	Loans	132,468,140	
10	Sharia financing	11,182,741	
11	Consumer financing receivables	27,763,390	
	Allowance for impairment losses on consumer financing receivables -/-	(1,562,698)	
12	Investments	1,424,571	
13	Other financial assets	1,699,312	
14	Allowance for impairment losses on financial assets -/-		
	a. Marketable securities	(354,649)	
	b. Loans and Sharia financing	(7,398,044)	
	c. Others	(3,865)	
15	Intangible assets	5,021,020	
	Accumulated amortisation on intangible assets -/-	(3,206,535)	
16	Fixed assets and equipment	5,702,510	
	Accumulated depreciation of fixed assets and equipment -/-	(3,541,931)	
17	Non earning asset	-	
	a. Idle properties	66,100	
	b. Foreclosed assets	477,276	
	c. Suspense accounts	-	
	d. Interbranch assets	-	
18	Leased receivables	1,505,070	
19	Other assets	7,368,561	
<b>TOTAL ASSETS</b>		<b>221,304,532</b>	





(in million Rupiah)

	Carrying amount of each risk *)				
	In accordance with the credit risk framework	In accordance with Counterparty Credit Risk framework	In accordance with the Securitization Framework	In accordance with the Market Risk Framework	Does not refer to capital requirements or based on capital reduction
	2,362,221	-	-	153,173	-
	14,066,295	-	-	4,004,276	-
	2,134,286	-	-	1,320,838	-
	-	271,966	-	271,966	-
	19,123,938	-	-	2,871,846	-
	-	-	-	-	-
	2,384,446	-	-	-	-
	1,540,622	-	-	1,435,561	-
	132,468,140	-	-	13,178,463	-
	11,182,741	-	-	393,922	-
	27,763,390	-	-	-	-
	(485,819)	-	-	-	-
	467,414	-	-	-	957,157
	1,587,732	-	-	966,278	-
	-	-	-	-	-
	(5,851,494)	-	-	(349,868)	-
	-	-	-	(3,003)	-
	-	-	-	-	5,021,020
	-	-	-	-	(3,206,535)
	5,702,510	-	-	-	-
	(3,541,931)	-	-	-	-
	-	-	-	-	-
	66,100	-	-	-	-
	477,276	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	1,505,070	-	-	-	-
	4,273,424	-	-	-	2,444,043
	<b>217,226,363</b>	<b>271,966</b>	<b>-</b>	<b>24,243,452</b>	<b>5,215,685</b>



31 December 2023

No	Accounts	Carrying value as stated in the financial statement publication	
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
1	Current accounts	33,579,946	
2	Savings	38,169,135	
3	Time deposits	66,662,731	
4	E-money	-	
5	Loans from Bank Indonesia	-	
6	Borrowings from other banks	3,031,690	
7	Spot and derivative / forward liabilities	325,956	
8	Securities sold under repurchase agreements (repo)	-	
9	Acceptance payables	1,540,622	
10	Marketable securities issued	6,694,456	
11	Borrowings	8,345,889	
12	Security deposits	8,356	
13	Interbranch liabilities	-	
14	Other liabilities	12,986,383	
15	Minority interest	722,751	
<b>TOTAL LIABILITIES</b>		<b>172,067,915</b>	
<b>EQUITY</b>			
16	Issued and fully paid capital		
	a. Authorized capital	10,000,000	
	b. Unpaid capital -/-	(4,004,423)	
	c. Treasury stock -/-	-	
17	Additional paid-up capital	-	
	a. Agio	7,985,971	
	b. Disagio -/-	-	
	c. Capital paid in advance	-	
	d. Others	8,242	
18	Other comprehensive income	-	
	a. Gains	167	
	b. Lossess -/-	(119,361)	

(in million Rupiah)

	Carrying amount of each risk *)				
	In accordance with the credit risk framework	In accordance with Counterparty Credit Risk framework	In accordance with the Securitization Framework	In accordance with the Market Risk Framework	Does not refer to capital requirements or based on capital reduction
	-	-	-	7,080,097	-
	-	-	-	4,693,838	-
	-	-	-	7,708,158	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	801,488	-
	-	-	-	325,957	-
	-	-	-	-	-
	-	-	-	1,435,561	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	973,855	-
	-	-	-	-	-
				23,018,954	
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	167	-
	-	-	-	-	-



## 31 December 2023

No	Accounts	Carrying value as stated in the financial statement publication	
19	Reserves	-	
	a. General reserves	529,037	
	b. Specific reserves	-	
20	Retained earnings	-	
	a. Previous years	32,488,922	
	b. Current year	3,503,882	
	c. Dividen paid -/-	(1,155,820)	
	<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY</b>	<b>49,236,617</b>	
	<b>TOTAL EQUITY</b>	<b>49,236,617</b>	
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>221,304,532</b>	

## Qualitative Analysis

There are several financial assets that are subject to more than one risk framework, as follows:

1. Spot and Derivatives Receivables, recorded on counterparty credit risk framework and market risk.
2. Placement to Bank Indonesia, Loan and marketable securities is recorded on Credit Risk dan Market Risk frameworks.

\*) The carrying amount column as stated in the financial statement publication may differ from the sum of all the carrying amount of each risk, because there are items that are calculated on more than one risk framework, or there are items that are not included in the risk framework at all.

(in million Rupiah)

	Carrying amount of each risk *)				
	In accordance with the credit risk framework	In accordance with Counterparty Credit Risk framework	In accordance with the Securitization Framework	In accordance with the Market Risk Framework	Does not refer to capital requirements or based on capital reduction
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	167	-
	-	-	-	-	-
	-	-	-	23,019,121	-

Each risk frameworks calculation on financial asset is following OJK regulation as follow:

1. SEOJK No.24/SEOJK.03/2021 concerning RWA Calculation for Credit Risk using the Standardized Approach for Commercial Banks
2. SEOJK No. 48/SEOJK.03/2017 concerning Guidelines for Calculation of Net Receivables for Derivative Transactions in the Risk-Weighted Assets Calculation for Credit Risk using Standardized Approach, and
3. SEOJK Number 38/SEOJK.03/2016 concerning Guidelines for Using Standardized Method in Calculation of Capital Adequacy Ratio for Commercial Banks by Taking Market Risk into Account.





**TABLE 3. MAIN DIFFERENCES BETWEEN CARRYING VALUE ACCORDING TO FINANCIAL ACCOUNTING STANDARDS AND EXPOSURE VALUE ACCORDING TO OJK REGULATIONS (LI2) - BANK CONSOLIDATED WITH SUBSIDIARY**

**31 December 2023**

(in million Rupiah)

No	Component	Total	Items :			
			Credit Risk Framework	Securitization Framework	Counterparty Credit Risk Framework	Market Risk Framework
1	Carrying value of assets is in accordance with the prudential consolidated coverage (as reported in table LI1)	241.741.781	217.226.363	0	271.966	24.243.452
2	Carrying amount of the liability is in accordance with the prudential consolidated coverage (as reported in table LI1)	23.019.121	0	0	0	23.019.121
3	Total net value is in accordance with the prudential consolidated coverage	264.760.902	217.226.363	0	271.966	47.262.573
4	Administrative account value	43.700.774	17.214.099	0	560.384	25.926.291
5	Difference in valuation	-	-	-	-	-
6	Difference because netting rules, other than those included in line 2.	-	-	-	-	-
7	Difference in provision	-	-	-	-	-
8	Difference is due to prudential filters	-	-	-	-	-
	<b>Exposure value considered is in accordance with the consolidated scope of the prudential provisions</b>	<b>308.461.676</b>	<b>234.440.462</b>	<b>0</b>	<b>832,350</b>	<b>73.188.864</b>

#### Qualitative Analysis

There are several financial assets that are subject to more than one risk framework, as follows:

1. Spot and Derivatives Receivables, recorded on counterparty credit risk framework and market risk.
2. Placement to Bank Indonesia, Loan and marketable securities is recorded on Credit Risk dan Market Risk frameworks.

Each risk frameworks calculation on financial asset is following OJK regulation as follow:

1. SEOJK No.24/SEOJK.03/2021 concerning RWA Calculation for Credit Risk using the Standardized Approach for Commercial Banks
2. SEOJK No. 48/SEOJK.03/2017 concerning Guidelines for Calculation of Net Receivables for Derivative Transactions in the Risk-Weighted Assets Calculation for Credit Risk using Standardized Approach, and
3. SEOJK Number 38/SEOJK.03/2016 concerning Guidelines for Using Standardized Method in Calculation of Capital Adequacy Ratio for Commercial Banks by Taking Market Risk into Account.

## Explanations of differences between accounting and regulatory exposure amounts (LIA)

The Bank and Subsidiary classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the followings levels:

1. Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (example, price) or indirectly (example, derived from prices) (Level 2); and
3. Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank and Subsidiary determine fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other variable used in estimating discount rates, bond prices, foreign currency exchange rates, and expected price volatilities and correlations.

## CAPITAL RISK

TABLE 4. CAPITAL COMPOSITION (CC1)

31 December 2023					(in million Rupiah)
No	Component	Bank	Consolidated	Ref. No. from Publication Balance Sheet	
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	13,981,548	13,981,548	a + b + c	
2	Retained earnings	34,836,983	34,836,983	d + e + f	
3	Accumulated other comprehensive income (and other reserves)	539,923	539,923	g + h + i	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	N/A	N/A		
5	Common share capital issued by subsidiary and held by third parties (amount allowed in group CET1)	-	-		
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>49,358,454</b>	<b>49,358,454</b>		
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
7	Prudential valuation adjustments	-	-		
8	Goodwill (net of related tax liability)	-	(1,074,532)	j + k	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(619,294)	(739,953)	l + m	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	N/A	N/A		
11	Cash-flow hedge reserve	N/A	N/A		
12	Shortfall of provisions to expected losses	N/A	N/A		
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-	-		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-		
15	Defined-benefit pension fund net assets	N/A	N/A		



31 December 2023

(in million Rupiah)

No	Component	Bank	Consolidated	Ref. No. from Publication Balance Sheet
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	N/A	N/A	
17	Reciprocal cross-holdings in common equity	-	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	N/A	N/A	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	N/A	N/A	
20	Mortgage servicing rights (amount above 10% threshold)	-	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	N/A	N/A	
22	Amount exceeding the 15% threshold	N/A	N/A	
23	of which : significant investments in the common stock of financials	N/A	N/A	
24	of which : mortgage servicing rights	N/A	N/A	
25	of which : deferred tax assets arising from temporary differences	N/A	N/A	
26	National specific regulatory adjustments	-	-	
26a	Under provision between regulatory provision and impairment value on productive assets	-	-	
26b	Under provision between regulatory provision and impairment value on non productive assets	(84,871)	(84,871)	
26c	Deferred tax assets	(2,089,078)	(2,444,043)	n
26d	Investments	(12,408,509)	(957,157)	o
26e	Short of capital on insurance subsidiary company	-	-	
26f	Capital securitisation exposure	-	-	
26g	Others	-	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-	
28	<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>(15,201,752)</b>	<b>(5,300,556)</b>	
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>34,156,702</b>	<b>44,057,898</b>	
<b>Additional Tier 1 capital: instruments</b>				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	-	
31	of which: classified as equity under applicable accounting standards	-	-	
32	of which: classified as liabilities under applicable accounting standards	-	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	N/A	N/A	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiary and held by third parties (amount allowed in group AT1)	-	-	
35	of which: instruments issued by subsidiary subject to phase out	N/A	N/A	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>-</b>	<b>-</b>	

31 December 2023

(in million Rupiah)

No	Component	Bank	Consolidated	Ref. No. from Publication Balance Sheet
<b>Additional Tier 1 capital: regulatory adjustments</b>				
37	Investments in own Additional Tier 1 instruments	N/A	N/A	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	N/A	N/A	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	N/A	N/A	
41	National specific regulatory adjustments	-	-	
41a	Placement of funds in instruments AT 1 at other Banks	-	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-	-	
44	<b>Additional Tier 1 capital (AT1)</b>	-	-	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>34,156,702</b>	<b>44,057,898</b>	
<b>Tier 2 capital: instruments and provisions</b>				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	24,583	24,583	p
47	Directly issued capital instruments subject to phase out from Tier 2	N/A	N/A	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiary and held by third parties (amount allowed in group Tier 2)	-	-	
49	of which: instruments issued by subsidiary subject to phase out	N/A	N/A	
50	General allowance for possible losses on earning assets (max. 1.25% of RWA Credit Risk)	1,571,760	1,672,577	
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>1,596,343</b>	<b>1,697,160</b>	
<b>Tier 2 capital: regulatory adjustments</b>				
52	Investments in own Tier 2 instruments	N/A	N/A	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	-	
54	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5 % threshold but that no longer meets the conditions (for G-SIBs only)	N/A	N/A	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	N/A	N/A	
56	National specific regulatory adjustments	-	-	
56a	Sinking fund	-	-	
56b	Placement of funds in Tier 2 instruments at other Banks	-	-	



31 December 2023

(in million Rupiah)

No	Component	Bank	Consolidated	Ref. No. from Publication Balance Sheet
57	Total regulatory adjustments to Tier 2 capital	-	-	
58	<b>Tier 2 capital (T2)</b>	<b>1,596,343</b>	<b>1,697,160</b>	
59	<b>Total capital (TC = T1 + T2)</b>	<b>35,753,045</b>	<b>45,755,058</b>	
60	<b>Total risk weighted assets</b>	<b>141,109,736</b>	<b>166,274,024</b>	
<b>Capital ratios and buffers</b>				
61	<b>Common Equity Tier 1 (as a percentage of risk weighted assets)</b>	<b>24.21%</b>	<b>26.50%</b>	
62	<b>Tier 1 (as a percentage of risk weighted assets)</b>	<b>24.21%</b>	<b>26.50%</b>	
63	<b>Total capital (as a percentage of risk weighted assets)</b>	<b>25.34%</b>	<b>27.52%</b>	
64	<b>Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)</b>	<b>3.50%</b>	<b>3.50%</b>	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: bank specific countercyclical buffer requirement	0.00%	0.00%	
67	of which: G-SIB buffer requirement	1.00%	1.00%	
68	<b>Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)</b>	<b>16.34%</b>	<b>18.52%</b>	
<b>National minima (if different from Basel III)</b>				
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	N/A	N/A	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	N/A	N/A	
71	National total capital minimum ratio (if different from Basel III minimum)	N/A	N/A	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>				
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	N/A	N/A	
73	Significant investments in the common stock of financials	N/A	N/A	
74	Mortgage servicing rights (net of related tax liability)	N/A	N/A	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	N/A	N/A	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	N/A	N/A	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	N/A	N/A	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N/A	N/A	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N/A	N/A	



31 December 2023

(in million Rupiah)

No	Component	Bank	Consolidated	Ref. No. from Publication Balance Sheet
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>				
80	Current cap on CET1 instruments subject to phase out arrangements	N/A	N/A	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A	N/A	
82	Current cap on AT1 instruments subject to phase out arrangements	N/A	N/A	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/A	N/A	
84	Current cap on T2 instruments subject to phase out arrangements	N/A	N/A	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/A	N/A	

TABLE 5. CAPITAL RECONCILIATION (CC2)

31 December 2023

(in million Rupiah)

No	Accounts	Bank	Consolidated	Ref. No.
<b>ASSETS</b>				
1	Cash	2,233,846	2,362,221	
2	Placements with Bank Indonesia	14,066,295	14,066,295	
3	Placements with other banks	1,538,845	2,134,286	
4	Spot and derivative receivables	270,960	271,966	
5	Marketable securities owned	19,982,660	19,933,727	
6	Securities sold under repurchase agreements (repo)	-	-	
7	Securities purchased under resale agreements (reverse repo)	2,384,446	2,384,446	
8	Acceptance receivables	1,540,622	1,540,622	
9	Loans	133,460,223	132,468,140	
10	Sharia financing	11,182,741	11,182,741	
11	Consumer financing receivables	-	27,763,390	
	Allowance for impairment losses on consumer financing receivables -/-	-	(1,562,698)	
12	Investments			
	a. Calculated as capital deduction factor	12,408,509	957,157	o
	b. Not calculated as capital deduction factor	81,054	467,414	
13	Other financial assets	1,598,651	1,699,312	
14	Allowance for impairment losses on financial assets -/-			
	a. Marketable securities	(354,649)	(354,649)	
	b. Loans	(7,337,274)	(7,398,044)	
	c. Others	(3,865)	(3,865)	



31 December 2023

(in million Rupiah)

No	Accounts	Bank	Consolidated	Ref. No.
15	Intangible assets			
	a. Goodwill	-	1,906,683	j
	b. Other Intangible assets	2,555,396	3,114,337	l
	Accumulated amortisation on intangible assets -/-			
	a. Goodwill	-	(832,151)	k
	b. Other Intangible assets	(1,936,102)	(2,374,384)	m
16	Fixed assets and equipment	4,371,579	5,702,510	
	Accumulated depreciation of fixed assets and equipment -/-	(2,693,728)	(3,541,931)	
17	Non earning asset			
	a. Idle properties	66,100	66,100	
	b. Foreclosed assets	477,276	477,276	
	c. Suspense accounts	-	-	
	d. Interbranch assets	-	-	
18	Leased receivables	-	1,505,070	
19	Other assets			
	a. Deferred tax assets calculated as capital deduction factor	2,089,078	2,444,043	n
	b. Other assets not calculated as capital deduction factor	4,588,263	4,924,518	
<b>Total Assets</b>		<b>202,570,926</b>	<b>221,304,532</b>	

Liabilities & Equity				
1	Current accounts	34,390,610	33,579,946	
2	Savings	38,169,135	38,169,135	
3	Time deposits	66,662,731	66,662,731	
4	E-money	-	-	
5	Loans from Bank Indonesia	-	-	
6	Borrowings from other banks	3,031,690	3,031,690	
7	Spot and derivative / forward liabilities	325,956	325,956	
8	Securities sold under repurchase agreements (repo)	-	-	
9	Acceptance payables	1,540,622	1,540,622	
10	Marketable securities issued	-	6,694,456	
11	Borrowings			
	a. Can be calculated in the capital component	24,583	24,583	p
	b. Can not be calculated in the capital component	417	8,321,306	
12	Security deposits	8,356	8,356	
13	Interbranch liabilities	-	-	
14	Other liabilities	9,180,209	12,986,383	
15	Minority interest	-	722,751	

31 December 2023

(in million Rupiah)

No	Accounts	Bank	Consolidated	Ref. No.
	<b>Total Liabilities</b>	<b>153,334,309</b>	<b>172,067,915</b>	
16	Issued and fully paid capital			
	a. Authorized capital	10,000,000	10,000,000	a
	b. Unpaid capital -/-	(4,004,423)	(4,004,423)	b
	c. Treasury stock -/-	-	-	
17	Additional paid-up capital			
	a. Agio	7,985,971	7,985,971	c
	b. Disagio -/-	-	-	
	c. Capital paid in advance	-	-	
	d. Others	8,242	8,242	
18	Other comprehensive income			
	a. Gain			
	i. Can be calculated in the capital component	70,167	70,167	g
	ii. Can not be calculated in the capital component	(70,000)	(70,000)	
	b. Losses			
	i. Can be calculated in the capital component	(59,281)	(59,281)	h
	ii. Can not be calculated in the capital component	(60,080)	(60,080)	
19	Reserves			
	a. General reserves	529,037	529,037	i
	b. Specific reserves	-	-	
20	Retained earnings			
	a. Previous years	32,488,922	32,488,922	d
	b. Current year			
	i. Can be calculated in the capital component	3,503,882	3,503,882	e
	ii. Can not be calculated in the capital component	-	-	
	c. Dividend paid	(1,155,820)	(1,155,820)	f
	<b>Total Equity Attributable to Equity Holders of The Parent Equity</b>	<b>49,236,617</b>	<b>49,236,617</b>	
	<b>Total Equity</b>	<b>49,236,617</b>	<b>49,236,617</b>	
	<b>Total Liabilities and Equity</b>	<b>202,570,926</b>	<b>221,304,532</b>	



**TABLE 6. KEY FEATURES OF CAPITAL AND TLAC-ELIGIBLE INSTRUMENTS (CCA)**

**31 December 2023**

No	Question	
1	Issuer	
2	Identification Number	
3	Legal applied	
	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	
	Instrument Treatment based on CAR requirements	
4	During the transition period	
5	After the transition period	
6	Are the instrument eligible for Individual/Consolidated or Consolidated and Individual	
7	Instrument Type	
8	The amount recognized in the CAR calculation (in millions IDR)	
9	Par Value of the instrument (in millions IDR)	
10	Accounting Classification	
11	Publication Date	



(in million Rupiah)

Main Capital Instrument Features Reconciliation and TLAC-Eligible (CCA)	
Answer	Answer
PT Bank Danamon Indonesia Tbk	PT Bank Danamon Indonesia Tbk
"Exchange Code : BDMN ISIN : ID1000094204"	N/A
Indonesian Law	Indonesian Law
N/A	N/A
N/A	N/A
CET1	Tier 2
Consolidated and Individual	Consolidated and Individual
Common Stock	Subordinated Loan
13,981,548	24,583
5,995,577	25,000
Equity	Liability - Amortized cost
<p>STOCK SERIE A</p> <ul style="list-style-type: none"> <li>Initial Public Offering on December 8, 1989 of 12,000,000 shares - par value per share of Rp 1,000.</li> <li>Founders' shares of 22,400,000 sheet.</li> <li>Bonus shares from additional paid-in capital capitalisation of 34,400,000 shares in 1992.</li> <li>Shares from Limited Public Offering with Pre-emptive Rights (Rights Issue) I of 224,000,000 shares - par value per share of Rp1,000, on 24 December 1993.</li> <li>Bonus shares from additional paid-in capital capitalisation of 112,000,000 shares - par value per share of Rp1,000 in 1995.</li> <li>Shares from Limited Public Offering with Pre-emptive Rights (Rights Issue) II of 560,000,000 shares - par value per share of Rp1,000, on 29 April 1996.</li> <li>Founders' shares of 155,200,000 shares in 1996.</li> <li>Shares from the changes in the par value of shares of 1,120,000,000 sheet - par value per share of Rp500 in 1997.</li> <li>Increase in par value to Rp10,000 per share through the reduction in total number of shares (reverse stock split) to 112,000,000 shares in 2001.</li> <li>Increase in par value to Rp50,000 per share through the reduction in total number of shares (reverse stock split) to 22,400,000 shares in 2003.</li> </ul> <p>STOCK SERIE B</p> <ul style="list-style-type: none"> <li>Shares from Limited Public Offering with Pre-emptive Rights (Rights Issue) III of 215,040,000,000 shares - par value per share of Rp5 on 29 March 1999.</li> <li>Shares issued in order to merger with PDICI of 45,375,000,000 shares - par value per share of Rp5 in 1999.</li> <li>Shares issued in order to merger with Bank Tiara of 35,557,200,000 shares - par value per share of Rp5 in 2000.</li> <li>Shares issued in order with the Bank's merger with 7 Taken-Over (BTO) of 192,480,000,000 shares - par value per share of Rp5 in 2000.</li> <li>Increase in par value to Rp100 per share through the reduction in total number of shares (reverse stock split) to 24,422,610,000 shares in 2001.</li> <li>Increase in par value to Rp500 per share through the reduction in total number of shares (reverse stock split) to 4,884,522,000 shares in 2003.</li> <li>Shares from Limited Public Offering with Pre-emptive Rights (Rights Issue) IV of 3,314,893,116 shares - par value per share of Rp500, on 20 March 2009.</li> <li>Shares from Limited Public Offering with Pre-emptive Rights (Rights Issue) V of 1,162,285,399 shares - par value per share of Rp1,000, on 24 August 2011.</li> <li>Total Series B Shares issued start from 01 July 2015 until 30 June 2011 by the Company to, and placed/taken by, the members of the Board of Directors that determined by the Board of Commissioners of the Company and senior employees that determined by the Board of Company Directors ("Option Beneficiaries") who have exercised the option rights granted to them under the E/M SOP program are 200,542,850 Series B shares or equals with Rp 100,271,425,000 with a par value per share of Rp500 in the period between 2005 and 2011.</li> <li>Shares conversion due to merger with PT Bank Nusantara Parahyangan Tbk (Bank BNP) , through an additional of 188,909,505 shares B series (with a par value per share of Rp500) effective at 1 May 2019.</li> </ul>	Subordinated Loan received on 4 December 2018 and extended in 4 December 2023



31 December 2023

No	Question	
12	No maturity (perpetual) or with maturity	
13	Due Date	
14	Execution of Call Option based on Banks' supervisor approval	
15	Date of call option, amounts withdrawal and other call option requirements (if any)	
16	<i>Subsequent call option</i>	
	Coupon / Dividen	
17	Dividend or coupon with fixed or floating interest	
18	Coupon rate or other index to which reference	
19	Whether or not dividend stopper	
20	<i>Fully discretionary; partial or mandatory</i>	
21	Any step up feature or other incentive	
22	Non-cumulative or cumulative	
23	Convertible atau non-convertible	
24	If convertible, mention its trigger point	
25	If convertible, whether whole or in part	
26	If convertible, how the conversion rate	
27	If convertible; whether mandatory or optional	
28	If convertible, specify the type of conversion instrument	
29	If convertible, mention the issuer of instrument it converts into	
30	Write-down feature	
31	If write-down, mention its trigger point	
32	If write-down, whether whole or in part	
33	If write-down; permanent or temporary	
34	If temporary write-down, explain the write-up mechanism	
34a	Type of subordination	
35	Instrument hierarchy when the liquidation is done	
36	Is there non-compliant transitioned features	
37	If yes, specify non-compliant features	



(in million Rupiah)

	Main Capital Instrument Features Reconciliation and TLAC-Eligible (CCA)	
	Answer	Answer
Perpetual		With maturity
No maturity date		4 December 2028
No		No
N/A		N/A
N/A		N/A
Floating		Fixed
N/A		7.33%
Yes		No
Mandatory		Mandatory
No		No
Cumulative dan Non-cumulative		Cumulative
Non-convertible		Non-convertible
N/A		N/A
N/A		N/A
N/A		N/A
N/A		N/A
N/A		N/A
No		Yes
N/A		(i) Common Equity Tier 1 Ratio become lower than: (a) 8% of its RWA; or (b) as required by prevailing law; or (ii) CAR Ratio become lower than: (a) 13.5%; or (b) as required by prevailing law; or (iii) Regulators decide that Debtor's business continuity is potential interrupted
N/A		whole or in part
N/A		Permanent
N/A		N/A
N/A		N/A
Paid-up capital instrument and it's subordinated to other capital instrument. Available to absorb losses incurred prior or at the time of liquidation.		Subordinated Loan will be subordinated, Creditors will receive payment by hierarchy after Separatist Creditors, Preference Creditors, Preference Creditors, Concurrent Creditors, and Depositors have been repaid in accordance with prevailing laws and regulations in Indonesia when liquidation is occurred
No		No
N/A		N/A

## QUALITATIVE DISCLOSURE ON CAPITAL STRUCTURE AND CAPITAL ADEQUACY

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

Based on POJK No. 11/POJK.03/2016 regarding Capital Adequacy Ratio for Commercial Banks along with its amendments, capital of the bank comprises of:

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

## LEVERAGE RATIO

TABLE 7a. LEVERAGE RATIO REPORT

31 December 2023		(in million Rupiah)	
No	Information	Total	
		Individual	Consolidated
1	Total assets on the balance sheet in published financial statements (gross value before deducting impairment provision)	210,266,714	230,623,788
2	Adjustment for investment in Bank, Financial Institution, Insurance Company, and/or other entities that consolidated based on accounting standard yet out of scope consolidation based on Otoritas Jasa Keuangan	-	-
3	Adjustment for portfolio of financial asset that have underlying which already transferred to without recourse securitization asset as stipulated in OJK's statutory regulations related to Prudential Principles in Securitization Asset Activity for General Bank	-	-
4	Adjustment to temporary exception of Placement to Bank Indonesia in accordance Statutory Reserve Requirement ( if any)	-	-
5	Adjustment to fiduciary asset that recognized as balance sheet based on accounting standard yet excluded from total exposure in Leverage Ratio calculation.	-	-
6	Adjustment to acquisition cost and sales price of financial assets regularly using trade date accounting method	-	-
7	Adjustment to qualified cash pooling transaction as stipulated in this OJK's regulation.	-	-
8	Adjustment to exposure of derivative transaction	1,024,516	1,038,089
9	Adjustment to exposure of Securities Financing Transaction (SFT) as example: reverse repo transaction	-	-
10	Adjustment to exposure of Off Balance Sheet transaction that already multiply with Credit Conversion Factor	17,095,450	17,095,450
11	Prudent valuation adjustments in form of capital deduction factor and impairment provision	(22,812,669)	(14,534,941)
12	Other adjustments	-	-
13	<b>Total exposure in Leverage Ratio Calculation</b>	<b>205,574,011</b>	<b>234,222,386</b>

TABLE 7b. LEVERAGE RATIO CALCULATION REPORT

31 Desember 2023

(in million Rupiah)

No		Information	Bank Danamon		Consolidated			
			December 2023	September 2023	December 2023	September 2023		
On Balance Sheet Exposure								
1	"On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral) (gross value before deducting impairment provision)"	207,478,441	195,166,311	227,834,509	214,355,400			
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the accounting standard	-	-	-	-			
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-			
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-	-	-			
5	(Impairment provision those assets inline with accounting standard applied)	(7,695,788)	(7,413,916)	(9,319,256)	(9,152,090)			
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(15,116,881)	(14,572,925)	(5,215,685)	(5,199,186)			
7	Total on-balance sheet exposures	184,665,772	173,179,470	213,299,568	200,004,124			
Derivative Exposure								
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	379,344	625,402	380,753	625,402			
9	Add-on amounts for potential future exposure associated with all derivatives transactions	916,132	783,299	929,302	783,299			
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-	-	-			
11	Adjusted effective notional amount of written credit derivatives	-	-	-	-			
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-			
13	Total derivative exposures	1,295,476	1,408,701	1,310,055	1,408,701			
Securities financing transaction exposures								
14	Gross SFT Assets	2,517,313	2,627,047	2,517,313	2,627,047			
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-			
16	Counterparty credit risk exposure for SFT assets refers to Current Exposure calculation	-	-	-	-			
17	Agent transaction exposures	-	-	-	-			
18	Total securities financing transaction exposures	2,517,313	2,627,047	2,517,313	2,627,047			



31 Desember 2023

(in million Rupiah)

No		Information	Bank Danamon		Consolidated	
			December 2023	September 2023	December 2023	September 2023
Other off-balance sheet exposures						
19	Off-balance sheet exposure at gross notional amount		98,664,015	86,786,393	98,664,015	86,786,393
20	(Adjustment from the result of multiplying commitment payable or contingent payables with credit conversion factor and deducted with impairment provision)		(81,448,545)	(71,355,742)	(81,448,545)	(71,355,742)
21	(Impairment provision for off balance sheet inline with accounting standard)		(120,020)	(110,357)	(120,020)	(110,357)
22	Off-balance sheet items		17,095,450	15,320,294	17,095,450	15,320,294
Capital and Total Exposure			-	-	-	-
23	Tier 1 Capital		34,156,702	33,648,233	44,057,898	43,021,972
24	Total Exposure		205,574,011	192,535,512	234,222,386	219,360,166
Leverage Ratio						
25	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)		16.62%	17.48%	18.81%	19.61%
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		16.62%	17.48%	18.81%	19.61%
26	National minimum leverage ratio requirement		3.00%	3.00%	3.00%	3.00%
27	Applicable leverage buffers		0.00%	0.00%	0.00%	0.00%
Disclosures of mean values						
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash		3,008,109	2,899,526	3,008,109	2,899,526
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		2,517,313	2,627,047	2,517,313	2,627,047
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		206,064,807	192,807,991	234,713,182	219,632,646
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		206,064,807	192,807,991	234,713,182	219,632,646

31 Desember 2023

(in million Rupiah)

No	Information	Bank Danamon		Consolidated	
		December 2023	September 2023	December 2023	September 2023
31	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	16.58%	17.45%	18.77%	19.59%
31a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	16.58%	17.45%	18.77%	19.59%

## RISK MANAGEMENT EFFORTS WITH DISCLOSURE OF EXPOSURE AND IMPLEMENTATION OF RISK MANAGEMENT

### 1. Credit Risk

Credit risk is the potential financial loss caused by the failure of the borrowers or counterparties to fulfill their obligations in accordance with the agreement. Danamon's credit risk exposure primarily arises from lending activities, as well as from other activities such as trade finance, treasury, and investments. Credit risk exposure can also increase through the concentration of credit in a certain geographic area, as well as because of certain borrower characteristics.

#### a. Credit Risk Management

Danamon implements Credit Risk Management individually and consolidated with its subsidiary, in ways that involve an active role by the BOC and BOD. Credit Risk Management Implementation covers the end-to-end process from credit acceptance criteria, origination and approval, pricing, monitoring, collection, collateral management, remedial management process, and portfolio management. Danamon always applies the prudential principle and

risk management as a whole to every aspect of credit activity in compliance with the prevailing regulations, such as POJK No. 40/POJK.03/2019 regarding Assessment of Asset Quality for Commercial Bank. During the recovery period from the COVID-19 pandemic, the Bank continues to provide support to debtors who are still in transition period to "back to normal", especially in specific regions and sectors requiring longer time to recover after the end of national economic stimulus as a countercyclical policy to address the impact of COVID-19 spreading in accordance with POJK No. 19/2022 and OJK KDK No. 34/KDK.03/2022 by still applying the prudential principles and avoiding moral hazards.

Danamon has a Credit Risk Policy, which is a core policy and main framework for implementing credit risk management. This policy and the credit guidelines in the line of business govern the credit risk management process comprehensively, including risk identification, measurement, monitoring, and controlling. Credit policies and guidelines are reviewed periodically to comply with prevailing regulations and adjust to Danamon's risk appetite.



Process	Implementation Activities
<b>Identification</b>	<ul style="list-style-type: none"> <li>Periodically review the Line of Business Product Program containing Industry analysis and marketing strategies, criteria for credit approval, product performance, and the implementation of risk management.</li> <li>Establish credit approval criteria based on the 5C approach: Character, Capacity to Repay, Capital, Collateral, and Conditions of the Economy. As well as adjusting the risk appetite, risk profile, and the Bank's business plan.</li> </ul>
<b>Assessment</b>	<ul style="list-style-type: none"> <li>Develop and implement a credit risk assessment methodology, such as an internal credit rating and credit scorecards that are consistently enhanced and validated to evaluate loan disbursements and other facilities related to credit.</li> <li>Establish credit risk assessment parameters, trigger scores, and limits on nonperforming loan levels, portfolio concentrations, and other credit parameters.</li> <li>Conduct stress tests on significant changes of conditions as estimated potential impacts on portfolios, revenues, as well as Danamon's capital conditions.</li> </ul>
<b>Monitoring</b>	<ul style="list-style-type: none"> <li>Periodically monitor risks taken in accordance with risk appetite and business performance to remain within the desired limits.</li> <li>Monitor product performance and portfolios at the Bank and its line of business levels through a reliable Management Information System.</li> <li>Evaluate the adequacy of risk management implementation, which may provide improvement and adjustment toward risk management strategies.</li> </ul>
<b>Control</b>	<ul style="list-style-type: none"> <li>Establish and periodically review the Policies and Guidelines for the implementation of credit risk management that is applicable to business units in both general and specific terms.</li> <li>Implement adequate four-eyes principles in every process of credit facility approval.</li> <li>Delegate authority for credit approvals to selected members of the Credit Committee, based on qualifications and competencies.</li> <li>Set internal limits for Legal Lending Limits for both individual and group debtors, and also for related and non-related parties.</li> <li>Set the risk level and concentration limit on certain industrial sectors.</li> <li>Identify non-performing loans at an early stage so remedial processes can be conducted properly and efficiently.</li> <li>Build up reserves and ensure the adequacy of provisions in line with the existing regulations.</li> <li>Develop an independent and sustainable internal control system.</li> </ul>

In the Credit Risk Profile Analysis, the existing business model of Danamon and its Subsidiary was reflected in the assessment of Inherent Risk and Quality of Risk Management Implementation, where Danamon as a bank only and consolidated perform those assessments periodically and reported in the Credit Risk Profile Report.

Credit Risk Management process is performed thoroughly on all lines of defense in Danamon. Line of Business, Subsidiary and Underwriting Unit as the risk-taking units, are the first line of defense which have important roles in the implementation of adequate risk management.

Risk Management Directorate serves as an independent second line of defense. This unit is responsible for monitoring and reviewing credit risk parameters, reviewing and adjusting Credit Policy, and developing risk measurement methodologies and risk control procedures. The Compliance Working Unit, as the second line, is also active in providing recommendations on the implementation of credit risk management in line with regulations and granting credit facilities to Danamon's related parties.

Compliance with the implementation of credit risk management is continuously evaluated by an independent Internal Audit Unit acting as a third line of defense. This unit actively provides recommendations for the improvement and development of Danamon's risk management across all units.

### Credit Risk Internal Rating and Scorecard Model

Danamon has a Risk Modelling, Quantitative Technique, and Analytics (RA) Division to develop, implement, monitor, and review the risk modelling and methodologies of quantitative techniques. This also includes ensuring that the Bank has robust risk modelling for prudent portfolio management, and for the credit business, as follows:

- Corporate
- Commercial
- Mid-Market
- Financing Company
- Financial Institutions
- Credit Card
- Unsecured Loans
- Small and Medium Enterprise Loans
- Mortgage
- Automotive Loans

In addition to the above models, the RA Division also develops a Probability of Default (PD) model and implements the “Danamon Rating Scale” (DRS), which is mapped according to the PD Model and scores/ratings that are applicable to all line of business.

Internal Rating Model and Credit Scorecard are used as a basis for ECL PSAK 71/IFRS 9 calculation and have become among the several indicators used as references to make credit decisions, acquisitions, and portfolio monitoring. Implementing the Internal Rating Model and Credit Scorecard is expected to improve the overall quality of Danamon’s loan portfolio.

### b. Credit Concentration Risk

Credit concentration risk arises when borrowers are engaged in similar business activities, or have business activities in the same geographical area, or have similar characteristics that may affect the ability of customers to fulfill their contractual obligations and are equally affected by changes in economic conditions and other conditions.

Danamon encourages diversification of its loan portfolio in various geographical areas, industries, credit products, and individual debtors that reflects a balanced and healthy risk profile and focuses on marketing efforts toward the industry and potential customers to minimize credit risk. This diversification is based on Danamon’s strategic plan, the target sector, current economic conditions, government policy, funding sources, and growth projections.

### c. Measurement and Control Mechanism of Credit Risk

Danamon conducts intensive and rigorous monitoring of any changes that may affect Danamon’s portfolio both individually and in consolidation with its subsidiary within the Financial Conglomeration. Reviews of the loan portfolio are conducted by the business unit level as a risk-taking unit and at the Risk Management Working Unit level, which is also monitored periodically by the Risk Management Committee at the BOD level and by the Risk Oversight Committee at the BOC level.





Danamon also carries out measurement of past due and impaired loans. This includes claims that have matured in the form of financial assets both in whole or in part, including interest payments that are overdue more than 90 (ninety) days and impaired claims that are financial assets that have objective evidence of impairment based on future cash-flow estimates.

Evaluation of impaired loans is categorized into two main segments: Wholesale (Enterprise Banking and SME) and Consumer. In the Wholesale Banking segment, the assessment includes four main categories, which are payment status, debtor's financial performance, assessment of debtors' repayment status, and restructured loans. For the Consumer segment, the assessments are conducted using a collective approach through the portfolio and are assessed based on asset quality and the restructuring conditions.

#### d. Provisioning

Since January 1 2020, Danamon has implemented PSAK 71 (IFRS 9) where Allowance for Impairment Losses (CKPN) is recognized in the amount of 12 months of expected credit losses (ECL) or throughout the lifetime of the financial asset. CKPN is recognized for all financial assets of debt instruments measured at amortized cost or at FVTOCI, loan commitments and financial guarantees.

Meanwhile, the CKPN calculation for Sharia loans refers to POJK Penilaian Kualitas Aset Bank Umum Syariah dan Unit Usaha Syariah, with the exception of *murabahah* receivables, where the CKPN calculation is evaluated individually and collectively based on PSAK 55.

In implementing PSAK 71, Danamon uses the following two methods:

- Collective calculations, CKPN calculations at portfolio-based for retail, consumer and enterprise banking business lines (Corporate, Commercial, FI and Finco). In this method, the Bank uses Internal Rating and Scorecard as a basis for determining the Probability of Default (PD) for each debtor.
- Individual calculations, for large exposure portfolios with impaired conditions and exposure above Rp 10 billion. This calculation uses the Discounted Cash Flow (DCF) or Collateral Approach which is calculated at individual level.

The Company primarily uses sophisticated models that utilise the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") metrics, discounted using the effective interest rate.

**a. Probability of Default ("PD")**

The probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (Stage 1) or over the lifetime of the product (Stage 2 and 3) and incorporating the impact of forward-looking economic assumptions that have an effect on credit risk. PD is estimated at a point in time that means it will fluctuate in line with the economic cycle.

**b. Loss Given Default ("LGD")**

The loss that is expected to arise on default, incorporating the impact of relevant forward looking economic assumptions (if any), which represents the difference between the contractual cash flows due and those that the Bank expects to receive. The Bank estimates LGD based on the historical recovery rates and considers the recovery of any collateral that is integral to the financial assets, taking into account forward looking economic assumptions if relevant.

In addition, for capital calculation, Danamon and its Subsidiary calculate the *Penyisihan Penilaian Kualitas Aset* (PPKA) for all productive and non-productive assets in accordance with applicable regulations.

**c. Exposure at Default ("EAD")**

The expected balance sheet exposure at the time of default, taking into account that expected change in exposure over the lifetime of the exposure. This incorporates the impact of drawdowns of committed facilities, repayments of principal and interest, amortization and prepayments, together with the impact of forward looking economic assumptions where relevant.

In accordance with PSAK71 principles, Bank also define Stage-1 criteria for debtors with good portfolio quality. Stage-2 for debtors under Significant Increase in Credit Risk (SICR) condition and Stage-3 for defaulted debtors with collectability 3,4,5 or impaired.

Danamon is also required to calculate PPA for productive and non-productive assets, which refer to OJK regulations.



#### e. Disclosure of Danamon Quantitative Credit Risk

Danamon's quantitative credit risk calculations for 2023 are disclosed in the following table:

**TABLE 8. DISCLOSURE OF CREDIT QUALITY ASSETS (CR1)**

##### i. Bank Only

31 December 2023

No	Information	
1	Credit	
2	Securities	
3	Administrative Account Transactions	
	<b>Total</b>	

##### ii. Bank Consolidated With Subsidiary

31 December 2023

No	Information	
1	Credit	
2	Securities	
3	Administrative Account Transactions	
	<b>Total</b>	

##### iii. Additional Disclosures

- Gross Carrying Value is the carrying value in the financial statements before taking into account loan loss provision, without considering CCF and CRM techniques.
- For Past Due Receivables, Danamon refers to the criteria as stipulated in SEOJK No. 24/03/2021 concerning the Calculation Risk Weighted Assets for Credit Risk using the Standardized Approach for Commercial Banks.

(in million Rupiah)

	Gross Carrying Value		Allowance for Impairment Losses				Net Value
	Past Due Receivables	Non Past Due Receivables	ECL	ECL - Stage 2 and ECL - Stage 3	ECL - Stage 1	ECL - IRB Approach	
	a	b	c	d	e	f	g
	4,034,225	140,608,739	7,337,274	5,500,134	1,837,140		137,305,690
	82,960	19,087,049	354,649	351,316	3,333		18,815,360
	-	13,223,873	29,207	1,202	28,005		13,194,666
	<b>4,117,185</b>	<b>172,919,661</b>	<b>7,721,130</b>	<b>5,852,652</b>	<b>1,868,478</b>	<b>-</b>	<b>169,315,716</b>

(in million Rupiah)

	Gross Carrying Value		Allowance for Impairment Losses				Net Value
	Past Due Receivables	Non Past Due Receivables	ECL	ECL - Stage 2 and ECL - Stage 3	ECL - Stage 1	ECL - IRB Approach	
	a	b	c	d	e	f	g
	4,563,253	168,356,087	8,960,742	5,985,953	2,974,789		163,958,598
	82,960	19,040,978	354,649	351,316	3,333		18,769,289
	-	13,223,873	29,207	1,202	28,005		13,194,666
	<b>4,646,213</b>	<b>200,620,938</b>	<b>9,344,598</b>	<b>6,338,471</b>	<b>3,006,127</b>		<b>195,922,553</b>

**TABLE 9. DISCLOSURE OF MATURED CREDIT AND SECURITIES MOVEMENTS (CR2)**
**i. Bank Only**
**31 December 2023**

(in milion Rupiah)

No	Description	a
1	Loans and Securities Mature in the previous reporting period	2,341,697
2	Loans and Securities Mature since the last reporting period	2,647,898
3	Loans and Securities that return to become undue bills	46,247
4	Write Off	2,705,664
5	Other changes	1,879,501
6	Past due Loans and Marketable Securities in Current Reporting Period (1+2-3-4+5)	4,117,185

**TABLE 10. DISCLOSURE OF NET RECEIVABLES BASED ON REGION**
**i. Bank Only**
**31 December 2023**

No	Portfolio Category	Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung	West Java	Central Java and Yogyakarta	
		c	d	e	
a	b	c	d	e	
1	Receivables on Sovereigns	33,312,925	-	-	
2	Receivables on Public Sector Entities	3,411,091	806	-	
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	
4	Receivables on Banks	13,262,544	134,585	50,280	
5	Receivables Covered Bonds	-	-	-	
6	Receivables to securities companies and other financial institutions	8,835,208	-	3,899	
7	Receivables of subordinated securities, equity, and other capital instruments	81,053	-	-	
8	Loans Secured by Residential Property	11,806,298	1,214,055	677,739	
9	Loan Secured by Commercial Real Estate	11,932,146	1,547,937	2,126,717	
10	Credit for land acquisition, land processing, and construction	-	-	-	
11	Employee/Pensioner Loans	-	-	-	
12	Receivables on Micro, Small Business, & Retail Portfolio	17,197,733	2,347,551	1,430,996	
13	Receivables on Corporate	54,179,874	1,252,565	1,385,622	
14	Past Due Receivables	345,554	37,230	61,238	
15	Other Assets	4,635,678	251,437	298,012	
<b>Total</b>		<b>159,000,104</b>	<b>6,786,166</b>	<b>6,034,503</b>	

## ii. Bank Consolidated With Subsidiary

31 December 2023

(in million Rupiah)

No	Description	a
1	Loans and Securities Mature in the previous reporting period	2,684,541
2	Loans and Securities Mature since the last reporting period	2,887,741
3	Loans and Securities that return to become undue bills	63,955
4	Write Off	4,217,616
5	Other changes	3,355,503
6	Past due Loans and Marketable Securities in Current Reporting Period (1+2-3-4+5)	4,646,214

## iii. Additional Disclosures

- Definition of Past Due Receivables refers to the criteria as stipulated in SEOJK No. 24/03/2021 concerning the Calculation of Risk Weighted Assets for Credit Risk using the Standardized Approach for Commercial Banks.
- Past Due Receivables in this table do not consider loan loss provision.

(in million Rupiah)

Net Receivables based on Region							
	East Java	Bali, NTT, and NTB	Sulawesi, Maluku, and Papua	Kalimantan	North Sumatra	South Sumatra	Total
	f	g	h	i	j	k	l
	-	-	-	-	-	-	33,312,925
	303	-	158	-	-	-	3,412,358
	-	-	-	-	-	-	-
	30,305	59,994	9,518	-	15,374	74	13,562,674
	-	-	-	-	-	-	-
	39,968	-	-	-	37,887	-	8,916,962
	-	-	-	-	-	-	81,053
	1,487,360	288,715	404,502	196,636	647,574	206,704	16,929,583
	1,867,162	663,382	1,440,776	851,721	2,338,701	1,023,212	23,791,754
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	2,601,219	126,320	2,129,638	1,368,925	5,167,223	109,679	32,479,284
	1,193,372	176,015	434,502	835,006	2,021,436	866,123	62,344,515
	17,089	-	14,799	8,139	40,091	643	524,778
	267,634	157,519	357,960	243,444	408,101	173,148	6,792,938
	<b>7,504,412</b>	<b>1,471,945</b>	<b>4,791,853</b>	<b>3,503,871</b>	<b>10,676,387</b>	<b>2,379,583</b>	<b>202,148,824</b>



### 31 December 2022

No	Portfolio Category	Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung	West Java	Central Java and Yogyakarta	
(1)	(2)	(3)	(4)	(5)	
1	Receivables on Sovereigns	39,514,435	-	-	
2	Receivables on Public Sector Entities	10,857,806	325	-	
3	Receivables on Multilateral Development Banks and International Institutions	1	-	-	
4	Receivables on Banks	11,466,466	128,602	50,290	
5	Loans Secured by Residential Property	5,563,093	300,137	73,590	
6	Loan Secured by Commercial Real Estate	2,963,792	21,879	66,096	
7	Employee/Pensioner Loans	-	-	-	
8	Receivables on Micro, Small Business, & Retail Portfolio	13,762,225	1,793,219	1,065,696	
9	Receivables on Corporate	54,655,802	3,476,493	4,150,032	
10	Past Due Receivables	110,940	13,303	1,139	
11	Other Assets	4,406,478	280,569	263,876	
<b>Total</b>		<b>143,301,038</b>	<b>6,014,527</b>	<b>5,670,719</b>	

### ii. Bank Consolidated With Subsidiary

### 31 December 2023

No	Portfolio Category	Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung	West Java	Central Java and Yogyakarta	
(1)	(2)	(3)	(4)	(5)	
1	Receivables on Sovereigns	33,312,925	-	-	
2	Receivables on Public Sector Entities	3,411,756	806	-	
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	
4	Receivables on Banks	13,857,985	134,585	50,280	
5	Receivables Covered Bonds	-	-	-	
6	Receivables to securities companies and other financial institutions	7,794,481	-	3,899	
7	Receivables of subordinated securities, equity, and other capital instruments	467,413	-	-	
8	Loans Secured by Residential Property	11,806,298	1,214,055	677,739	
9	Loan Secured by Commercial Real Estate	11,932,146	1,547,937	2,126,717	
10	Credit for land acquisition, land processing, and construction	-	-	-	
11	Employee/Pensioner Loans	-	-	-	
12	Receivables on Micro, Small Business, & Retail Portfolio	44,238,643	2,347,551	1,430,996	
13	Receivables on Corporate	55,689,116	1,252,565	1,385,622	
14	Past Due Receivables	577,379	37,230	61,238	
15	Other Assets	5,686,287	251,437	298,012	
<b>Total</b>		<b>188,774,429</b>	<b>6,786,166</b>	<b>6,034,503</b>	





(in million Rupiah)

	Net Receivables based on Region						
	East Java	Bali, NTT, and NTB	Sulawesi, Maluku, and Papua	Kalimantan	North Sumatra	South Sumatra	Total
	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	-	-	-	-	-	-	39,514,435
	-	-	81	-	-	-	10,858,212
	-	-	-	-	-	-	1
	9,802	57,717	51	-	3	40	11,712,971
	373,332	59,892	66,924	5,231	182,783	3,663	6,628,645
	137,362	13,305	15,637	23,239	23,954	65,847	3,331,111
	-	-	-	-	-	-	-
	1,495,221	108,852	1,081,973	670,029	3,024,257	130,921	23,132,393
	3,506,309	1,028,299	2,340,071	1,669,920	3,639,009	1,750,468	76,216,403
	7,916	1,294	3,923	297	2,239	4,273	145,324
	321,408	208,576	482,221	322,970	491,471	213,279	6,990,848
	<b>5,851,350</b>	<b>1,477,935</b>	<b>3,990,881</b>	<b>2,691,686</b>	<b>7,363,716</b>	<b>2,168,491</b>	<b>178,530,343</b>

(in million Rupiah)

	Net Receivables based on Region						
	East Java	Bali, NTT, and NTB	Sulawesi, Maluku, and Papua	Kalimantan	North Sumatra	South Sumatra	Total
	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	-	-	-	-	-	-	33,312,925
	303	-	158	-	-	-	3,413,023
	-	-	-	-	-	-	-
	30,305	59,994	9,518	-	15,374	74	14,158,115
	-	-	-	-	-	-	-
	39,968	-	-	-	37,887	-	7,876,235
	-	-	-	-	-	-	467,413
	1,487,360	288,715	404,502	196,636	647,574	206,704	16,929,583
	1,867,162	663,382	1,440,776	851,721	2,338,701	1,023,212	23,791,754
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	2,601,219	126,320	2,129,638	1,368,925	5,167,223	109,679	59,520,194
	1,193,372	176,015	434,502	835,006	2,021,436	866,123	63,853,757
	17,089	-	14,799	8,139	40,091	643	756,603
	267,634	157,519	357,960	243,444	408,101	173,148	7,843,547
	<b>7,504,412</b>	<b>1,471,945</b>	<b>4,791,853</b>	<b>3,503,871</b>	<b>10,676,387</b>	<b>2,379,583</b>	<b>231,923,148</b>



31 December 2022

No	Portfolio Category	Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung	West Java	Central Java and Yogyakarta	
		(3)	(4)	(5)	
1	Receivables on Sovereigns	39,514,435	-	-	
2	Receivables on Public Sector Entities	10,857,808	544	581	
3	Receivables on Multilateral Development Banks and International Institutions	1	-	-	
4	Receivables on Banks	12,235,780	128,602	50,290	
5	Loans Secured by Residential Property	5,563,107	300,141	73,590	
6	Loan Secured by Commercial Real Estate	2,963,792	21,879	66,096	
7	Employee/Pensioner Loans	-	-	-	
8	Receivables on Micro, Small Business, & Retail Portfolio	18,097,594	3,033,431	3,794,136	
9	Receivables on Corporate	54,995,605	3,586,711	4,491,288	
10	Past Due Receivables	119,949	18,376	11,247	
11	Other Assets	5,093,969	302,820	288,126	
<b>Total</b>		<b>149,442,040</b>	<b>7,392,504</b>	<b>8,775,354</b>	

(in million Rupiah)

Net Receivables based on Region							
	East Java	Bali, NTT, and NTB	Sulawesi, Maluku, and Papua	Kalimantan	North Sumatra	South Sumatra	Total
	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	-	-	-	-	-	-	39,514,435
	366	-	93	-	-	-	10,859,392
	-	-	-	-	-	-	1
	9,802	57,717	51	-	3	40	12,482,285
	373,332	59,892	66,924	5,231	182,783	3,663	6,628,663
	137,362	13,305	15,637	23,239	23,954	65,847	3,331,111
	-	-	-	-	-	-	-
	5,364,476	1,904,065	5,626,802	2,140,888	3,024,257	130,921	43,116,570
	4,373,424	1,271,269	2,958,841	1,764,351	3,639,009	1,750,468	78,830,966
	30,927	3,293	10,480	2,922	2,239	4,273	203,706
	360,140	221,827	528,974	336,204	491,471	213,279	7,836,810
	<b>10,649,829</b>	<b>3,531,368</b>	<b>9,207,802</b>	<b>4,272,835</b>	<b>7,363,716</b>	<b>2,168,491</b>	<b>202,803,939</b>



TABLE 11. DISCLOSURE OF NET RECEIVABLES BASED ON ECONOMIC SECTOR

i. Bank Only

No	Economic Sectors	31 December 2023					
		Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Receivables Covered Bonds	
a	b	c	d	e	f	g	
1	Agriculture, Forestry, and Fisheries	-	-	-	-	-	
2	Mining and Quarrying	-	-	-	-	-	
3	Processing Industry	-	35,000	-	-	-	
4	Procurement of Electricity, Gas, Steam/Hot Water, and Cold Air	-	-	-	-	-	
5	Water Management, Wastewater Management, Waste Management and Recycling, and Remediation Activities	-	1,990	-	-	-	
6	Construction	-	2,086,272	-	-	-	
7	Wholesale and Retail Trade; Car and Motorcycle Repair and Maintenance	-	-	-	-	-	
8	Transportation and Warehousing	-	1,186,141	-	-	-	
9	Provision of Accommodation and Provision of Food and Drink	-	-	-	-	-	
10	Information and Communication	-	-	-	-	-	
11	Financial and Insurance Activities	1,417,586	-	-	13,561,366	-	
12	Real Estate	-	-	-	-	-	
13	Professional, Scientific, and Technical Activities	-	-	-	-	-	
14	Leasing and Leasing Activities Without Option Rights, Employment, Travel Agents, and Other Business Support	-	-	-	-	-	
15	Government Administration, Defense, and Compulsory Social Security	-	273	-	-	-	
16	Education	-	-	-	-	-	
17	Human Health Activities and Social Activities	-	-	-	-	-	
18	Arts, Entertainment, and Recreation	-	-	-	-	-	
19	Other Service Activities	-	-	-	-	-	
20	Household Activities as an Employer; Activities that Produce Goods and Services by Households Used to Meet Their Own Needs	-	-	-	-	-	
21	Activities of international bodies and other extra-international bodies	-	-	-	-	-	
22	Household	-	782	-	1,308	-	
23	Not Other Business Fields	-	-	-	-	-	
24	Other	31,895,339	101,900	-	-	-	
<b>Total</b>		<b>33,312,925</b>	<b>3,412,358</b>	<b>-</b>	<b>13,562,674</b>	<b>-</b>	



(in million Rupiah)

	31 December 2023									
	Receivables to securities companies and other financial institutions	Receivables of subordinated securities, equity and other capital instruments	Loans Secured by Residential Property	Loan Secured by Commercial Real Estate	Credit for land acquisition, land processing and construction	Employee/ Pensioner Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate	Past Due Receivables	Other Assets
	h	i	j	k	l	m	n	o	p	q
	-	-	54,365	1,284,085	-	-	1,450,601	2,050,531	14,106	-
	-	-	-	27,066	-	-	141,878	1,565,211	7,436	-
	754	-	714,876	5,020,264	-	-	668,985	22,437,857	120,753	-
	-	-	-	4,721	-	-	67,171	1,292,426	235	-
	-	-	-	6,111	-	-	77,845	3,012,501	819	-
	3,899	-	332,577	447,741	-	-	232,467	1,736,011	56,649	-
	17,800	-	3,327,337	9,900,553	-	-	4,217,177	10,612,442	52,004	-
	-	-	166,651	337,850	-	-	840,391	474,483	8,501	-
	-	-	34,364	271,004	-	-	171,860	30,302	1,119	-
	1,000	-	65,521	90,041	-	-	21,865	4,722,359	3,988	-
	8,890,670	-	1,042	3,411	-	-	21,173	1,837,057	3,097	-
	-	-	26,718	5,022,435	-	-	31,632	3,395,974	249	-
	-	-	42,205	21,949	-	-	35,426	67,495	39	-
	-	-	88,793	187,871	-	-	775,580	750,994	8,744	-
	-	-	-	-	-	-	1,740	-	-	-
	-	-	-	10,750	-	-	5,697	5,943	4	-
	-	-	1,042	16,498	-	-	18,588	2,912	19	-
	-	-	1,453	5,949	-	-	4,228	32	19	-
	-	-	4,449	3,031	-	-	29,079	5,007	399	-
	-	-	799	-	-	-	7,096	58	69	-
	-	-	-	-	-	-	-	-	-	-
	2,839	-	11,907,258	1,130,424	-	-	23,035,510	156,290	246,451	-
	-	-	160,133	-	-	-	56,489	-	78	-
	-	81,053	-	-	-	-	566,806	8,188,630	-	6,792,938
	8,916,962	81,053	16,929,583	23,791,754	-	-	32,479,284	62,344,515	524,778	6,792,938



No	Economic Sectors	31 December 2022					
		Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Receivables Covered Bonds	
a	b	c	d	e	f	g	
1	Agriculture, Forestry and Fisheries	-	137,829	-	-	-	
2	Mining and Quarrying	-	2,009,708	-	-	-	
3	Processing Industry	-	-	-	-	-	
4	Procurement of Electricity, Gas, Steam/Hot Water, and Cold Air	-	-	-	-	-	
5	Water Management, Wastewater Management, Waste Management and Recycling, and Remediation Activities	-	928	-	-	-	
6	Construction	-	2,041,297	-	-	-	
7	Wholesale and Retail Trade; Car and Motorcycle Repair and Maintenance	-	9	-	-	-	
8	Transportation and Warehousing	-	1,148,770	-	-	-	
9	Provision of Accommodation and Provision of Food and Drink	-	-	-	-	-	
10	Information and Communication	-	-	-	-	-	
11	Financial and Insurance Activities	-	4,309,856	-	11,712,971	-	
12	Real Estate	-	-	-	-	-	
13	Professional, Scientific and Technical Activities	-	-	-	-	-	
14	Leasing and Leasing Activities Without Option Rights, Employment, Travel Agents, and Other Business Support	-	-	-	-	-	
15	Government Administration, Defense, and Compulsory Social Security	-	179	-	-	-	
16	Education	-	-	-	-	-	
17	Human Health Activities and Social Activities	-	-	-	-	-	
18	Arts, Entertainment, and Recreation	-	-	-	-	-	
19	Other Service Activities	-	-	-	-	-	
20	Household Activities as an Employer; Activities that Produce Goods and Services by Households Used to Meet Their Own Needs	-	-	-	-	-	
21	Activities of international bodies and other extra-international bodies	-	-	-	-	-	
22	Not Other Business Fields	-	721	1		-	
23	Other	39,514,435	1,208,915	-		-	
	<b>Total</b>	<b>39,514,435</b>	<b>10,858,212</b>	<b>1</b>	<b>11,712,971</b>	<b>-</b>	

(in million Rupiah)

31 December 2022										
Receivables to securities companies and other financial institutions	Receivables of subordinated securities, equity and other capital instruments	Loans Secured by Residential Property	Loan Secured by Commercial Real Estate	Credit for land acquisition, land processing and construction	Employee/Pensioner Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate	Past Due Receivables	Other Assets	
h	i	j	k	l	m	n	o	p	q	
-	-	-	-	-	-	765,804	1,896,278	2,142	-	
-	-	-	-	-	-	114,439	283,850	3,961	-	
-	-	-	-	-	-	479,266	25,558,032	18,054	-	
-	-	-	-	-	-	44,493	19,590	10	-	
-	-	-	-	-	-	41,962	1,629,523	48	-	
-	-	-	612,900	-	-	138,563	1,993,109	8,992	-	
-	-	-	-	-	-	2,880,559	20,627,981	37,793	-	
-	-	-	-	-	-	528,752	1,004,387	1,684	-	
-	-	-	-	-	-	112,180	657,001	153	-	
-	-	-	-	-	-	13,290	3,506,571	105	-	
-	-	-	-	-	-	18,035	5,490,242	801	-	
-	-	-	2,718,211	-	-	16,492	3,529	15	-	
-	-	-	-	-	-	27,673	226,525	14	-	
-	-	-	-	-	-	634,746	1,041,310	1,225	-	
-	-	-	-	-	-	204	-	-	-	
-	-	-	-	-	-	8,914	15,309	-	-	
-	-	-	-	-	-	13,572	23,944	-	-	
-	-	-	-	-	-	1,731	5,056	-	-	
-	-	-	-	-	-	20,327	11,556	-	-	
-	-	-	-	-	-	2,296	333	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	6,628,645	-	-	-	17,141,550	3,931,574	70,327	-	
-	-	-	-	-	-	127,545	8,290,703	-	6,990,848	
-	-	6,628,645	3,331,111	-	-	23,132,393	76,216,403	145,324	6,990,848	





TABLE 11. DISCLOSURE OF NET RECEIVABLES BASED ON ECONOMIC SECTOR

ii. Bank Consolidated With Subsidiary

No	Economic Sectors	31 December 2023					
		Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Receivables Covered Bonds	
a	b	c	d	e	f	g	
1	Agriculture, Forestry and Fisheries	-	-	-	-	-	
2	Mining and Quarrying	-	-	-	-	-	
3	Processing Industry	-	35,000	-	-	-	
4	Procurement of Electricity, Gas, Steam/Hot Water, and Cold Air	-	-	-	-	-	
5	Water Management, Wastewater Management, Waste Management and Recycling, and Remediation Activities	-	1,990	-	-	-	
6	Construction	-	2,086,272	-	-	-	
7	Wholesale and Retail Trade; Car and Motorcycle Repair and Maintenance	-	-	-	-	-	
8	Transportation and Warehousing	-	1,186,141	-	-	-	
9	Provision of Accommodation and Provision of Food and Drink	-	-	-	-	-	
10	Information and Communication	-	-	-	-	-	
11	Financial and Insurance Activities	1,417,586	-	-	14,141,711	-	
12	Real Estate	-	-	-	-	-	
13	Professional, Scientific and Technical Activities	-	-	-	-	-	
14	Leasing and Leasing Activities Without Option Rights, Employment, Travel Agents, and Other Business Support	-	-	-	-	-	
15	Government Administration, Defense, and Compulsory Social Security	-	273	-	-	-	
16	Education	-	-	-	-	-	
17	Human Health Activities and Social Activities	-	-	-	-	-	
18	Arts, Entertainment, and Recreation	-	-	-	-	-	
19	Other Service Activities	-	-	-	-	-	
20	Household Activities as an Employer; Activities that Produce Goods and Services by Households Used to Meet Their Own Needs	-	-	-	-	-	
21	Activities of international bodies and other extra-international bodies	-	-	-	-	-	
22	Household	-	782	-	1,308	-	
23	Not Other Business Fields	-	-	-	-	-	
24	Other	31,895,339	102,565	-	15,096	-	
	<b>Total</b>	<b>33,312,925</b>	<b>3,413,023</b>	<b>-</b>	<b>14,158,115</b>	<b>-</b>	



(in million Rupiah)

	31 December 2023									
	Receivables to securities companies and other financial institutions	Receivables of subordinated securities, equity and other capital instruments	Loans Secured by Residential Property	Loan Secured by Commercial Real Estate	Credit for land acquisition, land processing and construction	Employee/ Pensioner Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate	Past Due Receivables	Other Assets
	h	i	j	k	l	m	n	o	p	q
	-	-	54,365	1,284,085	-	-	1,450,601	2,050,531	14,106	-
	-	-	-	27,066	-	-	141,878	1,565,211	7,436	-
	754	-	714,876	5,020,264	-	-	668,985	22,437,857	120,753	-
	-	-	-	4,721	-	-	67,171	1,292,423	235	-
	-	-	-	6,111	-	-	77,845	3,012,501	819	-
	3,899	-	332,577	447,741	-	-	232,467	1,736,011	56,649	-
	17,800	-	3,327,334	9,900,553	-	-	4,217,177	10,612,442	52,004	-
	-	-	166,651	337,850	-	-	840,391	474,483	8,501	-
	-	-	34,367	271,002	-	-	171,860	30,305	1,119	-
	1,000	-	65,521	90,041	-	-	21,865	4,722,359	3,989	-
	7,849,944	-	1,042	3,411	-	-	21,173	1,837,057	3,097	-
	-	-	26,718	5,022,435	-	-	31,632	3,395,974	249	-
	-	-	42,205	21,949	-	-	35,426	67,495	39	-
	-	-	88,793	187,871	-	-	775,580	750,994	8,744	-
	-	-	-	-	-	-	1,740	-	-	-
	-	-	-	10,750	-	-	5,697	5,943	4	-
	-	-	1,042	16,498	-	-	18,588	2,912	19	-
	-	-	1,453	5,949	-	-	4,228	32	19	-
	-	-	4,449	3,031	-	-	29,079	5,007	399	-
	-	-	799	-	-	-	7,096	58	69	-
	-	-	-	-	-	-	-	-	-	-
	2,838	-	11,907,258	1,130,426	-	-	23,035,510	156,290	246,451	-
	-	-	160,133	-	-	-	56,489	-	78	-
	-	467,413	-	-	-	-	27,607,716	9,697,872	231,824	7,843,547
	<b>7,876,235</b>	<b>467,413</b>	<b>16,929,583</b>	<b>23,791,754</b>	<b>-</b>	<b>-</b>	<b>59,520,194</b>	<b>63,853,757</b>	<b>756,603</b>	<b>7,843,547</b>



No	Economic Sectors	31 December 2022					
		Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Receivables Covered Bonds	
a	b	c	d	e	f	g	
1	Agriculture, Forestry and Fisheries	-	137,829	-	-	-	
2	Mining and Quarrying	-	2,009,708	-	-	-	
3	Processing Industry	-	-	-	-	-	
4	Procurement of Electricity, Gas, Steam/Hot Water, and Cold Air	-	-	-	-	-	
5	Water Management, Wastewater Management, Waste Management and Recycling, and Remediation Activities	-	2,080	-	-	-	
6	Construction	-	2,041,297	-	-	-	
7	Wholesale and Retail Trade; Car and Motorcycle Repair and Maintenance	-	10	-	-	-	
8	Transportation and Warehousing	-	1,148,770	-	-	-	
9	Provision of Accommodation and Provision of Food and Drink	-	-	-	-	-	
10	Information and Communication	-	-	-	-	-	
11	Financial and Insurance Activities	-	4,309,856	-	12,482,285	-	
12	Real Estate	-	-	-	-	-	
13	Professional, Scientific and Technical Activities	-	-	-	-	-	
14	Leasing and Leasing Activities Without Option Rights, Employment, Travel Agents and Other Business Support	-	-	-	-	-	
15	Government Administration, Defense and Compulsory Social Security	-	206	-	-	-	
16	Education	-	-	-	-	-	
17	Human Health Activities and Social Activities	-	-	-	-	-	
18	Arts, Entertainment and Recreation	-	-	-	-	-	
19	Other Service Activities	-	-	-	-	-	
20	Household Activities as an Employer; Activities that Produce Goods and Services by Households Used to Meet Their Own Needs	-	-	-	-	-	
21	Activities of international bodies and other extra-international bodies	-	-	-	-	-	
22	Household	-	-	-	-	-	
23	Not Other Business Fields	-	721	1	-	-	
24	Other	39,514,435	1,208,915	-	-	-	
	<b>Total</b>	<b>39,514,435</b>	<b>10,859,392</b>	<b>1</b>	<b>12,482,285</b>	<b>-</b>	

(in million Rupiah)

31 December 2022										
	Receivables to securities companies and other financial institutions	Receivables of subordinated securities, equity and other capital instruments	Loans Secured by Residential Property	Loan Secured by Commercial Real Estate	Credit for land acquisition, land processing and construction	Employee/Pensioner Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate	Past Due Receivables	Other Assets
	h	i	j	k	l	m	n	o	p	q
	-	-	-	-	-	-	1,738,857	2,070,652	4,142	-
	-	-	-	-	-	-	215,712	367,919	4,778	-
	-	-	-	-	-	-	753,977	25,626,579	18,266	-
	-	-	-	-	-	-	84,570	23,159	412	-
	-	-	-	-	-	-	67,965	1,636,834	54	-
	-	-	-	612,900	-	-	287,911	2,013,894	9,318	-
	-	-	-	-	-	-	4,695,393	21,061,476	41,977	-
	-	-	-	-	-	-	1,054,415	1,107,219	2,854	-
	-	-	-	-	-	-	219,060	672,949	263	-
	-	-	-	-	-	-	24,111	3,513,669	105	-
	-	-	-	-	-	-	36,672	4,801,310	801	-
	-	-	-	2,718,211	-	-	33,616	6,283	242	-
	-	-	-	-	-	-	528,491	330,703	490	-
	-	-	-	-	-	-	665,951	1,046,520	1,225	-
	-	-	-	-	-	-	592	-	-	-
	-	-	-	-	-	-	13,620	17,087	-	-
	-	-	-	-	-	-	23,354	25,379	-	-
	-	-	-	-	-	-	1,731	5,056	-	-
	-	-	-	-	-	-	43,835	18,709	14	-
	-	-	-	-	-	-	5,829	754	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	6,628,663	-	-	-	32,493,364	6,194,110	118,765	-
	-	-	-	-	-	-	127,544	8,290,705	-	7,836,810
	-	-	6,628,663	3,331,111	-	-	43,116,570	78,830,966	203,706	7,836,810



TABLE 12. DISCLOSURE OF NET RECEIVABLES BASED ON REMAINING TERM OF CONTRACT

i. Bank Only

No	Portfolio Category	
a	b	
1	Receivables on Sovereigns	
2	Receivables on Public Sector Entities	
3	Receivables on Multilateral Development Banks and International Institutions	
4	Receivables on Banks	
5	Receivables Covered Bonds	
6	Receivables to securities companies and other financial institutions	
7	Receivables of subordinated securities, equity, and other capital instruments	
8	Loans Secured by Residential Property	
9	Loan Secured by Commercial Real Estate	
10	Credit for land acquisition, land processing, and construction	
11	Employee/Pensioner Loans	
12	Receivables on Micro, Small Business, & Retail Portfolio	
13	Receivables on Corporate	
14	Past Due Receivables	
15	Other Assets	
	<b>Total</b>	

No	Portfolio Category	
a	b	
1	Receivables on Sovereigns	
2	Receivables on Public Sector Entities	
3	Receivables on Multilateral Development Banks and International Institutions	
4	Receivables on Banks	
5	Loans Secured by Residential Property	
6	Loan Secured by Commercial Real Estate	
7	Employee/Pensioner Loans	
8	Receivables on Micro, Small Business, & Retail Portfolio	
9	Receivables on Corporate	
10	Past Due Receivables	
11	Other Assets	
	<b>Total</b>	



(in million Rupiah)

	31 December 2023					
	Net Receivables by Remaining Contractual Maturity					
	≤ 1 year	>1-3 years	>3-5 years	>5 years	Non Contractual	Total
	c	d	e	f	g	h
	14,989,154	6,759,480	1,609,102	3,420,937	6,534,253	33,312,925
	2,223,817	1,192	1,208	1,186,141	-	3,412,358
	-	-	-	-	-	-
	4,563,777	7,227,671	143,601	88,780	1,538,845	13,562,674
	-	-	-	-	-	-
	2,704,121	1,972,247	3,971,932	268,663	-	8,916,962
	81,053	-	-	-	-	81,053
	4,394,501	663,063	1,348,502	10,523,515	-	16,929,583
	13,629,507	794,223	5,447,816	3,920,208	-	23,791,754
	-	-	-	-	-	-
	-	-	-	-	-	-
	5,514,656	13,986,835	12,685,504	292,283	6	32,479,284
	44,797,423	6,787,096	5,852,198	4,907,357	440	62,344,515
	136,633	191,389	137,015	59,741	-	524,778
	-	-	-	-	6,792,938	6,792,938
	<b>93,034,642</b>	<b>38,383,196</b>	<b>31,196,878</b>	<b>24,667,625</b>	<b>14,866,482</b>	<b>202,148,824</b>

(in million Rupiah)

	31 December 2022					
	Net Receivables by Remaining Contractual Maturity					
	≤1 year	>1-3 years	>3-5 years	>5 years	Non Contractual	Total
	c	d	e	f	g	h
	26,633,247	8,371,465	4,334,534	175,189	-	39,514,435
	5,354,421	3,174,551	1,180,470	1,148,770	-	10,858,212
	-	-	1	-	-	1
	6,007,898	1,637,295	3,952,743	115,035	-	11,712,971
	19,993	204,368	558,192	5,846,092	-	6,628,645
	645,278	224,607	2,009,745	451,481	-	3,331,111
	-	-	-	-	-	-
	3,902,433	11,806,480	6,394,323	1,029,140	17	23,132,393
	53,014,896	8,331,325	10,060,806	4,712,932	96,444	76,216,403
	52,006	48,318	37,847	7,153	-	145,324
	-	-	-	-	6,990,848	6,990,848
	<b>95,630,172</b>	<b>33,798,409</b>	<b>28,528,661</b>	<b>13,485,792</b>	<b>7,087,309</b>	<b>178,530,343</b>



TABLE 12. DISCLOSURE OF NET RECEIVABLES BASED ON REMAINING TERM OF CONTRACT

ii. Bank Consolidated With Subsidiary

No	Portfolio Category	
a	b	
1	Receivables on Sovereigns	
2	Receivables on Public Sector Entities	
3	Receivables on Multilateral Development Banks and International Institutions	
4	Receivables on Banks	
5	Receivables Covered Bonds	
6	Receivables to securities companies and other financial institutions	
7	Receivables of subordinated securities, equity, and other capital instruments	
8	Loans Secured by Residential Property	
9	Loan Secured by Commercial Real Estate	
10	Credit for land acquisition, land processing, and construction	
11	Employee/Pensioner Loans	
12	Receivables on Micro, Small Business, & Retail Portfolio	
13	Receivables on Corporate	
14	Past Due Receivables	
15	Other Assets	
	<b>Total</b>	

No	Portfolio Category	
a	b	
1	Receivables on Sovereigns	
2	Receivables on Public Sector Entities	
3	Receivables on Multilateral Development Banks and International Institutions	
4	Receivables on Banks	
5	Loans Secured by Residential Property	
6	Loan Secured by Commercial Real Estate	
7	Employee/Pensioner Loans	
8	Receivables on Micro, Small Business, & Retail Portfolio	
9	Receivables on Corporate	
10	Past Due Receivables	
11	Other Assets	
	<b>Total</b>	





(in million Rupiah)

	31 December 2023					
	Net Receivables by Remaining Contractual Maturity					
	≤ 1 year	>1-3 years	>3-5 years	>5 years	Non Contractual	Total
	c	d	e	f	g	h
	14,989,154	6,759,480	1,609,102	3,420,937	6,534,253	33,312,925
	2,224,482	1,192	1,208	1,186,141	-	3,413,023
	-	-	-	-	-	-
	5,159,219	7,227,671	143,601	88,780	1,538,845	14,158,115
	-	-	-	-	-	-
	1,663,394	1,972,247	3,971,932	268,663	-	7,876,235
	81,053	-	-	-	386,360	467,413
	4,394,501	663,063	1,348,502	10,523,515	-	16,929,583
	13,629,507	794,223	5,447,816	3,920,208	-	23,791,754
	-	-	-	-	-	-
	-	-	-	-	-	-
	32,643,898	13,986,835	12,685,504	292,283	(88,326)	59,520,194
	46,218,332	6,787,096	5,852,198	4,907,357	88,772	63,853,757
	368,457	191,389	137,015	59,741	-	756,603
	-	-	-	-	7,843,547	7,843,547
	<b>121,371,997</b>	<b>38,383,196</b>	<b>31,196,878</b>	<b>24,667,625</b>	<b>16,303,451</b>	<b>231,923,148</b>

(in million Rupiah)

	31 December 2022					
	Net Receivables by Remaining Contractual Maturity					
	≤1 year	>1-3 years	>3-5 years	>5 years	Non Contractual	Total
	c	d	e	f	g	h
	26,633,247	8,371,465	4,334,534	175,189	-	39,514,435
	5,354,568	3,175,073	1,180,544	1,149,207	-	10,859,392
	-	-	1	-	-	1
	6,777,212	1,637,295	3,952,743	115,035	-	12,482,285
	20,011	204,368	558,192	5,846,092	-	6,628,663
	645,278	224,607	2,009,745	451,481	-	3,331,111
	-	-	-	-	-	-
	6,870,717	24,292,584	10,826,070	1,127,182	17	43,116,570
	53,070,531	9,667,871	11,205,493	4,790,627	96,444	78,830,966
	61,910	82,030	52,466	7,300	-	203,706
	308,070	27,585	80,853	10,192	7,410,110	7,836,810
	<b>99,741,544</b>	<b>47,682,878</b>	<b>34,200,641</b>	<b>13,672,305</b>	<b>7,506,571</b>	<b>202,803,939</b>

**TABLE 13. DISCLOSURE OF RECEIVABLES AND PROVISIONING BASED ON REGION**
**i. Bank Only**
**31 December 2023**

No	Description	Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung	West Java	Central Java and Yogyakarta	
a	b	c	d	e	
1	Receivables	247,979,341	9,397,719	9,403,689	
2	Impaired Receivables	19,435,117	3,386,492	1,915,844	
	a. Non Past Due	17,462,482	3,025,931	1,307,691	
	b. Past Due	1,972,635	360,561	608,153	
3	Allowance for Impairment Losses - Stage 1	1,266,183	112,910	56,189	
4	Allowance for Impairment Losses - Stage 2	575,894	133,935	61,167	
5	Allowance for Impairment Losses - Stage 3	2,947,213	395,879	560,369	
6	Written-Off Receivables	1,301,991	336,743	205,713	

**31 December 2022**

No	Description	Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung	West Java	Central Java and Yogyakarta	
a	b	c	d	e	
1	Receivables	153,127,357	6,462,457	6,154,444	
2	Impaired Receivables	8,575,000	1,941,332	1,732,625	
	a. Non Past Due	7,610,084	1,648,193	1,523,850	
	b. Past Due	964,916	293,139	208,775	
3	Allowance for Impairment Losses - Stage 1	1,097,108	113,220	57,382	
4	Allowance for Impairment Losses - Stage 2	464,832	65,847	24,204	
5	Allowance for Impairment Losses - Stage 3	2,264,326	439,975	483,725	
6	Written-Off Receivables	1,533,098	459,104	220,431	



(in million Rupiah)

	Region						
	East Java	Bali, NTT, and NTB	Sulawesi, Maluku, and Papua	Kalimantan	North Sumatra	South Sumatra	Total
	f	g	h	i	j	k	l
	9,821,498	2,025,984	6,412,425	5,199,795	15,068,640	3,621,638	308,930,729
	1,880,705	317,814	1,694,596	894,194	2,893,131	99,392	32,517,285
	1,564,572	246,461	1,562,246	759,705	2,646,184	67,766	28,643,038
	316,133	71,353	132,350	134,489	246,947	31,626	3,874,247
	105,299	8,006	106,089	55,358	235,274	16,040	1,961,348
	94,625	26,471	43,476	26,521	60,167	19,958	1,042,214
	329,471	68,377	112,150	153,824	220,896	24,067	4,812,246
	209,343	47,533	116,990	78,400	349,813	59,138	2,705,664

(in million Rupiah)

	Region						
	East Java	Bali, NTT, and NTB	Sulawesi, Maluku, and Papua	Kalimantan	North Sumatra	South Sumatra	Total
	f	g	h	i	j	k	l
	6,150,891	1,553,150	4,134,373	2,869,421	7,706,412	2,250,823	190,409,328
	1,448,960	456,352	642,135	500,830	1,100,016	207,411	16,604,661
	1,152,346	368,117	497,320	395,994	822,602	125,282	14,143,788
	296,614	88,235	144,815	104,836	277,414	82,129	2,460,873
	104,404	13,237	90,740	36,721	178,238	9,752	1,700,802
	42,178	33,626	17,190	22,538	19,501	3,654	693,570
	300,127	75,130	141,743	177,641	342,422	82,181	4,307,270
	536,401	139,815	203,853	90,506	248,549	46,400	3,478,157

**TABLE 13. DISCLOSURE OF RECEIVABLES AND PROVISIONING BASED ON REGION**
**ii. Bank Consolidated With Subsidiary**
**31 December 2023**

No	Description	Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung	West Java	Central Java and Yogyakarta	
a	b	c	d	e	
1	Receivables	246,912,634	11,472,839	11,572,324	
2	Impaired Receivables	19,797,319	3,526,153	2,035,226	
	a. Non Past Due	17,690,926	3,111,919	1,383,523	
	b. Past Due	2,106,393	414,234	651,703	
3	Allowance for Impairment Losses - Stage 1	1,563,068	206,005	138,926	
4	Allowance for Impairment Losses - Stage 2	622,595	153,017	77,838	
5	Allowance for Impairment Losses - Stage 3	3,031,885	427,020	587,898	
6	Written-Off Receivables	1,634,046	472,087	323,093	

**31 December 2022**

No	Description	Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung	West Java	Central Java and Yogyakarta	
a	b	c	d	e	
1	Receivables	150,271,605	7,868,918	7,757,907	
2	Impaired Receivables	8,643,563	1,974,696	1,757,163	
	a. Non Past Due	7,610,084	1,648,193	1,523,850	
	b. Past Due	1,033,479	326,503	233,313	
3	Allowance for Impairment Losses - Stage 1	1,353,607	182,372	127,275	
4	Allowance for Impairment Losses - Stage 2	480,998	77,589	31,232	
5	Allowance for Impairment Losses - Stage 3	2,324,113	468,458	506,038	
6	Written-Off Receivables	1,766,317	597,730	314,830	



(in million Rupiah)

	Region						
	East Java	Bali, NTT, and NTB	Sulawesi, Maluku, and Papua	Kalimantan	North Sumatra	South Sumatra	Total
	f	g	h	i	j	k	l
	13,819,132	2,025,984	11,101,733	7,676,862	21,084,657	3,621,638	329,287,803
	2,058,970	317,814	1,857,281	969,734	3,284,535	99,392	33,946,424
	1,664,124	246,461	1,654,710	802,359	2,922,386	67,766	29,544,174
	394,846	71,353	202,571	167,375	362,149	31,626	4,402,250
	248,323	8,006	287,238	162,298	469,093	16,040	3,098,997
	114,490	26,471	52,065	32,900	110,121	19,958	1,209,455
	377,641	68,377	148,207	176,348	289,381	24,067	5,130,824
	433,588	47,533	415,317	175,310	657,504	59,138	4,217,616

(in million Rupiah)

	Region						
	East Java	Bali, NTT, and NTB	Sulawesi, Maluku, and Papua	Kalimantan	North Sumatra	South Sumatra	Total
	f	g	h	i	j	k	l
	9,315,386	1,553,150	8,986,013	4,937,725	12,977,569	2,250,823	205,919,096
	1,518,215	456,352	714,101	517,107	1,159,644	207,411	16,948,252
	1,152,346	368,117	497,320	395,994	822,602	125,282	14,143,788
	365,869	88,235	216,781	121,113	337,042	82,129	2,804,464
	248,194	13,237	304,578	132,585	437,071	9,752	2,808,671
	55,927	33,626	32,557	25,692	39,479	3,654	780,754
	359,988	75,130	194,905	192,511	396,659	82,181	4,599,983
	724,957	139,815	414,054	157,826	460,405	46,400	4,622,334



TABLE 14. DISCLOSURE OF RECEIVABLES AND PROVISIONING BASED ON ECONOMIC SECTOR

i. Bank Only

31 December 2023

No	Economic Sectors	
a	b	
1	Agriculture, Forestry, and Fisheries	
2	Mining and Quarrying	
3	Processing Industry	
4	Procurement of Electricity, Gas, Steam/Hot Water, and Cold Air	
5	Water Management, Wastewater Management, Waste Management and Recycling, and Remediation Activities	
6	Construction	
7	Wholesale and Retail Trade; Car and Motorcycle Repair and Maintenance	
8	Transportation and Warehousing	
9	Provision of Accommodation and Provision of Food and Drink	
10	Information and Communication	
11	Financial and Insurance Activities	
12	Real Estate	
13	Professional, Scientific, and Technical Activities	
14	Leasing and Leasing Activities Without Option Rights, Employment, Travel Agents, and Other Business Support	
15	Government Administration, Defense, and Compulsory Social Security	
16	Education	
17	Human Health Activities and Social Activities	
18	Arts, Entertainment, and Recreation	
19	Other Service Activities	
20	Household Activities as an Employer; Activities that Produce Goods and Services by Households Used to Meet Their Own Needs	
21	Activities of international bodies and other extra-international bodies	
22	Household	
23	Not Other Business Fields	
24	Other	
	<b>Total</b>	



(in million Rupiah)

	Receivables	Impaired Receivables		ECL - Stage 1	ECL - Stage 2	ECL - Stage 3	Written-Off Receivables
		Non Past Due	Past Due				
	c	d	e	f	g	h	i
	6,767,428	380,641	29,743	67,967	5,156	82,406	125,722
	2,085,187	1,294,151	184,929	11,440	268	179,465	33,735
	52,894,201	4,309,060	991,866	146,178	125,203	1,454,653	203,553
	2,244,935	7,835	806	7,478	101	814	2,432
	3,104,384	12,418	1,145	12,014	438	818	4,246
	7,176,663	227,077	320,735	91,873	78,237	299,788	61,909
	50,866,757	4,107,821	1,397,137	310,344	350,721	1,437,298	711,740
	4,004,095	1,627,804	50,769	40,733	12,171	188,980	55,712
	738,811	410,059	9,442	7,155	11,847	148,269	10,676
	9,320,021	24,247	36,961	27,868	3,906	36,946	1,144
	37,910,219	9,003	208	36,547	71	184	21,916
	11,080,985	3,544	550	30,298	1,168	393	1,162
	185,839	24,190	5,364	1,015	4,542	5,312	722
	2,404,982	166,793	49,959	37,102	20,055	38,620	43,288
	2,074	348	-	72	61	-	-
	23,085	4,363	31	301	278	28	373
	47,107	2,593	125	1,497	65	153	285
	16,472	8,384	109	168	135	90	97
	54,186	11,244	777	1,124	66	491	984
	8,363	980	302	1,063	78	263	136
	-	-	-	-	-	-	-
	46,828,226	15,488,397	709,926	1,091,685	425,422	585,672	1,177,339
	217,956	29,042	405	7,027	973	282	238,088
	70,948,754	493,045	82,960	30,397	1,252	351,322	10,405
	<b>308,930,729</b>	<b>28,643,038</b>	<b>3,874,247</b>	<b>1,961,348</b>	<b>1,042,214</b>	<b>4,812,246</b>	<b>2,705,664</b>



31 December 2022

No	Economic Sectors	
(1)	(2)	
1	Agriculture, Forestry, and Fisheries	
2	Mining and Quarrying	
3	Manufacturing	
4	Procurement of electricity, gas, steam/hot water, and cold air	
5	Water Management, Wastewater Management, Waste Management, and Recycling	
6	Construction	
7	Wholesale and Retail Trading; Car and Motorcycle Repair and Maintenance	
8	Transportation and Warehousing	
9	Provision of Accommodation and Provision of Food and Drink	
10	Information and Communication	
11	Financial and Insurance Activities	
12	Real Estate	
13	Professional, Scientific, and Technical Activities	
14	Rental and Leasing Activities Without Option Rights, Employment, Travel Agencies, and Other Business Supports	
15	Mandatory Government Administration, Defense, and Social Security	
16	Education	
17	Human Health Activities and Social Activities	
18	Arts, Entertainment, and Recreation	
19	Other Service Activities	
20	Aktivitas Rumah Tangga sebagai Pemberi Kerja	
21	Household Activities as an Employer	
22	Non Business Field	
23	Others	
	<b>Total</b>	



(in million Rupiah)

	Receivables	Impaired Receivables		ECL - Stage 1	ECL - Stage 2	ECL - Stage 3	Written-Off Receivables
		Non Past Due	Past Due				
	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	2,838,500	304,721	23,902	46,199	8,948	36,152	34,563
	2,631,159	203,079	51,230	22,012	754	216,080	58,109
	27,261,470	2,748,819	227,840	151,465	76,904	1,203,397	796,086
	64,736	3,883	641	1,765	246	641	1,362
	1,673,876	6,185	1,393	14,056	170	1,396	2,166
	5,078,973	254,753	203,041	65,476	8,885	263,168	44,006
	25,233,284	3,558,104	1,064,776	220,999	138,844	1,674,904	1,137,792
	2,896,557	1,569,022	38,339	39,410	9,111	212,896	142,734
	772,376	387,594	2,096	10,768	16,068	2,958	6,107
	3,551,759	104,606	1,713	25,828	3,023	31,583	13,933
	17,352,814	17,589	111	35,993	243	111	24,811
	2,738,485	2,507	238	14,659	1,648	238	7,071
	166,866	26,645	7,489	1,664	1,609	7,475	17,129
	1,696,645	168,319	11,708	43,509	8,594	18,464	35,198
	383	-	-	9	-	-	51
	24,239	9,413	16	249	2,734	16	3,064
	37,537	1,075	20	3,460	8	20	49
	6,845	5,293	58	62	1,690	58	163
	42,975	14,642	467	892	17	11,092	469
	2,643	9	14	84	-	14	29
	-	-	-	-	-	-	-
	28,409,705	4,725,346	567,549	960,009	414,072	624,197	1,153,250
	67,927,501	32,184	258,232	42,234	2	2,410	15
	<b>190,409,328</b>	<b>14,143,788</b>	<b>2,460,873</b>	<b>1,700,802</b>	<b>693,570</b>	<b>4,307,270</b>	<b>3,478,157</b>



TABLE 14. DISCLOSURE OF RECEIVABLES AND PROVISIONING BASED ON ECONOMIC SECTOR

ii. Bank Consolidated With Subsidiary

31 December 2023

No	Economic Sectors	
a	b	
1	Agriculture, Forestry, and Fisheries	
2	Mining and Quarrying	
3	Processing Industry	
4	Procurement of Electricity, Gas, Steam/Hot Water and Cold Air	
5	Water Management, Wastewater Management, Waste Management and Recycling, and Remediation Activities	
6	Construction	
7	Wholesale and Retail Trade; Car and Motorcycle Repair and Maintenance	
8	Transportation and Warehousing	
9	Provision of Accommodation and Provision of Food and Drink	
10	Information and Communication	
11	Financial and Insurance Activities	
12	Real Estate	
13	Professional, Scientific, and Technical Activities	
14	Leasing and Leasing Activities Without Option Rights, Employment, Travel Agents and Other Business Support	
15	Government Administration, Defense, and Compulsory Social Security	
16	Education	
17	Human Health Activities and Social Activities	
18	Arts, Entertainment and Recreation	
19	Other Service Activities	
20	Household Activities as an Employer; Activities that Produce Goods and Services by Households Used to Meet Their Own Needs	
21	Activities of international bodies and other extra-international bodies	
22	Household	
23	Not Other Business Fields	
24	Other	
	<b>Total</b>	



(in million Rupiah)

	Receivables	Impaired Receivables		ECL - Stage 1	ECL - Stage 2	ECL - Stage 3	Written-Off Receivables
		Non Past Due	Past Due				
	c	d	e	f	g	h	i
	8,266,338	428,596	51,646	119,951	13,863	97,276	210,253
	2,969,738	1,335,740	191,389	42,716	7,562	181,417	45,329
	53,381,513	4,320,492	998,365	162,068	127,271	1,459,039	223,150
	2,311,746	8,976	1,270	9,847	297	1,155	4,111
	3,164,763	14,892	2,377	14,254	921	1,474	6,971
	7,454,839	234,331	326,410	100,336	79,352	302,210	74,510
	53,639,374	4,209,397	1,443,000	406,272	369,090	1,467,558	860,902
	4,939,741	1,665,010	58,562	71,992	17,229	195,589	79,091
	923,250	415,666	14,637	14,897	13,091	151,980	20,713
	9,344,006	24,390	37,695	28,695	3,939	37,062	2,243
	38,390,316	9,335	526	37,890	138	443	22,715
	11,125,199	4,400	1,321	31,933	1,293	979	2,451
	211,201	24,702	6,387	1,893	4,688	5,904	922
	3,243,447	194,801	62,620	67,989	25,485	47,281	86,016
	3,164	787	-	86	170	-	15
	36,769	4,559	72	664	319	48	681
	70,726	3,198	602	2,414	197	425	804
	20,237	8,436	141	368	149	119	125
	95,871	12,960	1,328	2,621	269	944	2,421
	20,188	1,178	459	1,609	130	403	393
	-	-	-	-	-	-	-
	56,403,466	16,100,214	1,120,051	1,943,042	541,774	827,914	1,177,341
	219,677	29,069	432	7,064	974	283	1,386,054
	73,052,234	493,045	82,960	30,397	1,252	351,322	10,405
	<b>329,287,803</b>	<b>29,544,174</b>	<b>4,402,250</b>	<b>3,098,997</b>	<b>1,209,455</b>	<b>5,130,824</b>	<b>4,217,616</b>



31 December 2022

No	Economic Sectors	
(1)	(2)	
1	Agriculture, Forestry, and Fisheries	
2	Mining and Quarrying	
3	Manufacturing	
4	Procurement of electricity, gas, steam/hot water and cold air	
5	Water Management, Wastewater Management, Waste Management, and Recycling	
6	Construction	
7	Wholesale and Retail Trading; Car and Motorcycle Repair and Maintenance	
8	Transportation and Warehousing	
9	Provision of Accommodation and Provision of Food and Drink	
10	Information and Communication	
11	Financial and Insurance Activities	
12	Real Estate	
13	Professional, Scientific, and Technical Activities	
14	Rental and Leasing Activities Without Option Rights, Employment, Travel Agencies, and Other Business Supports	
15	Mandatory Government Administration, Defense, and Social Security	
16	Education	
17	Human Health Activities and Social Activities	
18	Arts, Entertainment, and Recreation	
19	Other Service Activities	
20	Household Activities as an Employers	
21	Activities of International and Other Extra-International Bodies	
22	Non Business Field	
23	Others	
	<b>Total</b>	

(in million Rupiah)

	Receivables	Impaired Receivables		ECL - Stage 1	ECL - Stage 2	ECL - Stage 3	Written-Off Receivables
		Non Past Due	Past Due				
	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	4,028,139	304,721	36,326	96,692	12,503	46,882	68,761
	3,461,980	203,079	68,147	70,734	1,806	231,485	63,220
	27,634,719	2,748,819	230,717	167,294	77,768	1,206,254	810,096
	111,103	3,883	1,338	3,232	337	936	2,466
	1,709,729	6,185	2,188	15,660	242	2,214	3,233
	5,285,778	254,753	207,781	73,803	9,442	267,716	49,692
	27,562,240	3,558,104	1,090,747	322,184	148,371	1,697,827	1,232,360
	3,613,672	1,569,022	45,358	73,771	12,577	219,033	159,110
	902,194	387,594	3,225	18,773	16,378	3,998	9,265
	3,573,739	104,606	2,026	26,551	3,029	31,896	14,188
	18,596,958	17,589	126	36,762	264	130	25,076
	2,760,069	2,507	530	15,646	1,658	303	7,781
	801,802	26,645	14,422	31,716	4,118	14,323	17,527
	1,737,192	168,319	11,844	45,262	8,622	18,600	55,409
	798	-	-	29	-	-	71
	31,392	9,413	34	458	2,812	34	3,084
	50,354	1,075	73	3,954	23	73	165
	6,845	5,293	58	62	1,690	58	187
	75,348	14,642	591	2,421	54	11,202	1,008
	6,599	9	16	273	-	16	121
	-	-	-	-	-	-	-
	45,391,244	4,725,346	830,685	1,761,159	479,057	844,593	2,099,462
	58,577,202	32,184	258,232	42,235	3	2,410	52
	<b>205,919,096</b>	<b>14,143,788</b>	<b>2,804,464</b>	<b>2,808,671</b>	<b>780,754</b>	<b>4,599,983</b>	<b>4,622,334</b>

**TABLE 15. DISCLOSURE OF MOVEMENTS DETAILS OF ALLOWANCE FOR IMPAIRMENT LOSSES - BANK ONLY**

(in million Rupiah)

No	Portfolio Category	31 December 2022		
		Stage 1	Stage 2	Stage 3
(1)	(2)	(3)	(4)	(5)
1	Beginning balance of allowance for impairment losses	1,598,265	693,689	3,858,430
2	Additional/reversal allowance for impairment losses during the year (net)	110,774	8,498	2,120,882
3	Allowance for impairment losses used to cover written off receivables during the year	(15,523)	(43,785)	(3,418,849)
4	Other additional (reversal) allowance during the year	3,945	35,168	1,746,466
	<b>Ending Balance of Allowance for Impairment Losses</b>	<b>1,697,461</b>	<b>693,570</b>	<b>4,306,929</b>

**TABLE 16. DISCLOSURE OF NET RECEIVABLES BASED ON PORTFOLIO CATEGORIES AND RATINGS - BANK ONLY**

No.	Portfolio Category	31 December 2022				
		Net Receivables				
		Company Rating	Long Term Rating			
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to id A-	id BBB+ to id BBB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables on Sovereigns		-	-	-	18,834,271
2	Receivables on Public Sector Entities		218,598	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions		-	-	-	-
4	Receivables on Banks		154,889	95,644	-	417,740
5	Loans Secured by Residential Property					
6	Loans Secured by Commercial Real Estate					
7	Employee/Pensioner Loans					
8	Receivables on Micro, Small Business, & Retail Portfolio					
9	Receivables on Corporate		735,240	219,893	2,110,257	-
10	Past Due Receivables					
11	Other Assets					
	<b>TOTAL</b>		<b>1,108,727</b>	<b>315,537</b>	<b>2,110,257</b>	<b>19,252,011</b>

**TABLE 15. DISCLOSURE OF MOVEMENTS DETAILS OF ALLOWANCE FOR IMPAIRMENT LOSSES - BANK CONSOLIDATED WITH SUBSIDIARY**

(in million Rupiah)

No	Portfolio Category	31 December 2022		
		Stage 1	Stage 2	Stage 3
(1)	(2)	(3)	(4)	(5)
1	Beginning balance of allowance for impairment losses	2,495,615	856,073	4,174,969
2	Additional/reversal allowance for impairment losses during the year (net)	349,520	(59,133)	3,205,437
3	Allowance for impairment losses used to cover written off receivables during the year	(43,750)	(51,354)	(4,527,230)
4	Other additional (reversal) allowance during the year	3,945	35,168	1,746,466
	<b>Ending Balance of Allowance for Impairment Losses</b>	<b>2,805,330</b>	<b>780,754</b>	<b>4,599,642</b>

(in million Rupiah)

31 December 2022								
Net Receivables								
			Short Term Rating				Total Unrated	Total
Ba1 to Ba3	B1 to B3	Less than B3	P-1	P-2	P-3	Less than P-3		
BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3 (idn)		
id BB+to id BB-	id B+ to id B-	Less than idB-	idA1	idA2	id A3 to id A4	Less than id A4		
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
-	-	-	-	-	-	-	20,680,164	<b>39,514,435</b>
-	-	-	-	-	-	-	10,639,614	<b>10,858,212</b>
-	-	-	-	-	-	-	1	<b>1</b>
-	-	-	-	-	-	-	11,044,698	<b>11,712,971</b>
							6,628,645	<b>6,628,645</b>
							3,331,111	<b>3,331,111</b>
							-	<b>-</b>
							23,132,393	<b>23,132,393</b>
-	-	-	-	-	-	-	73,151,013	<b>76,216,403</b>
							145,324	<b>145,324</b>
							6,990,848	<b>6,990,848</b>
-	-	-	-	-	-	-	<b>155,743,811</b>	<b>178,530,343</b>

**TABLE 16. DISCLOSURE OF NET RECEIVABLES BASED ON PORTFOLIO CATEGORIES AND RATINGS - BANK CONSOLIDATED WITH SUBSIDIARY**

No.	Portfolio Category	31 December 2022					
		Net Receivables					
		Company Rating	Long Term Rating				
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)	
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to id A-	id BBB+ to id BBB-	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Receivables on Sovereigns		-	-	-	18,834,271	
2	Receivables on Public Sector Entities		218,598	-	-	-	
3	Receivables on Multilateral Development Banks and International Institutions		-	-	-	-	
4	Receivables on Banks		154,889	95,644	-	417,740	
5	Loans Secured by Residential Property						
6	Loans Secured by Commercial Real Estate						
7	Employee/Pensioner Loans						
8	Receivables on Micro, Small Business, & Retail Portfolio						
9	Receivables on Corporate		4,748,760	219,893	2,110,532	-	
10	Past Due Receivables						
11	Other Assets						
	TOTAL		5,122,247	315,537	2,110,532	19,252,011	



(in million Rupiah)

31 December 2022									
Net Receivables									
			Short Term Rating				Total Unrated	Total	
Ba1 to Ba3	B1 to B3	Less than B3	P-1	P-2	P-3	Less than P-3			
BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3 (idn)			
id BB+to id BB-	id B+ to id B-	Less than idB-	idA1	idA2	id A3 to id A4	Less than id A4			
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
-	-	-	-	-	-	-	20,680,164	39,514,435	
-	-	-	-	-	-	-	10,640,794	10,859,392	
-	-	-	-	-	-	-	1	1	
-	-	-	-	-	-	-	11,814,012	12,482,285	
							6,628,663	6,628,663	
							3,331,111	3,331,111	
							-	-	
							43,116,570	43,116,570	
-	-	-	-	-	-	-	71,751,781	78,830,966	
							203,706	203,706	
							7,836,810	7,836,810	
-	-	-	-	-	-	-	176,003,612	202,803,939	

**TABLE 17. DISCLOSURE OF NET RECEIVABLES BASED ON RISK WEIGHTED ASSETS AFTER CALCULATING CREDIT RISK MITIGATION IMPACTS - BANK ONLY**

No.	Portfolio Category				
		0%	20%	25%	
(1)	(2)	(3)	(4)	(5)	
<b>A Exposure on Balance Sheet</b>					
1	Receivables on Sovereigns	33,486,083	-	-	
2	Receivables on Public Sector Entities	-	218,598	-	
3	Receivables on Multilateral Development Banks and International Institutions	1	-	-	
4	Receivables on Banks	41,369	2,307,830	-	
5	Loans Secured by Residential Property	-	1,069,745	1,544,808	
6	Loan Secured by Commercial Real Estate	53,408	-	-	
7	Employee/Pensioner Loans	-	-	-	
8	Receivables on Micro, Small Business, & Retail Portfolio	64,326	-	-	
9	Receivables on Corporate	2,064,985	955,133	-	
10	Past Due Receivables	-	-	-	
11	Other Assets	2,648,745	-	-	
	<b>Total Exposure on Balance Sheet</b>	<b>38,358,917</b>	<b>4,551,306</b>	<b>1,544,808</b>	
<b>B Commitments/Contingencies Exposure for Off Balance Sheet Transactions</b>					
1	Receivables on Sovereigns	-	-	-	
2	Receivables on Public Sector Entities	-	-	-	
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	
4	Receivables on Banks	-	-	-	
5	Loans Secured by Residential Property	-	263	275	
6	Loan Secured by Commercial Real Estate	-	-	-	
7	Employee/Pensioner Loans	-	-	-	
8	Receivables on Micro, Small Business, & Retail Portfolio	1,627	-	-	
9	Receivables on Corporate	99,402	-	-	
10	Past Due Receivables	-	-	-	
	<b>Total Commitment/Contingencies Exposure for Off Balance Sheet Transactions</b>	<b>101,029</b>	<b>263</b>	<b>275</b>	



(in million Rupiah)

	31 December 2022						RWA	Capital Charge
	Net Receivables After Calculating Credit Risk Mitigation Impacts							
	35%	50%	75%	100%	150%	Others		
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	-	-	-	-	-	-	-	-
	-	10,623,719	-	-	-	-	5,355,579	535,558
	-	-	-	-	-	-	-	-
	-	8,022,744	-	-	-	-	4,472,938	447,294
	4,013,520	-	-	-	-	-	2,004,883	200,488
	-	-	-	3,277,703	-	-	3,277,703	327,770
	-	-	-	-	-	-	-	-
	-	-	22,845,440	-	-	-	17,134,080	1,713,408
	-	2,110,257	-	65,235,341	-	-	66,481,497	6,648,150
	-	-	-	5,972	139,352	-	215,000	21,500
	-	-	-	3,838,900	503,203	-	4,593,705	459,371
	4,013,520	20,756,720	22,845,440	72,357,916	642,555	-	103,535,385	10,353,539
	-	-	-	-	-	-	-	-
	-	75	-	-	-	-	38	4
	-	-	-	-	-	-	-	-
	-	420,771	-	-	-	-	210,386	21,039
	34	-	-	-	-	-	133	13
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	220,997	-	-	-	165,748	16,575
	-	-	-	5,573,638	-	-	5,573,638	557,364
	-	-	-	-	-	-	-	-
	34	420,846	220,997	5,573,638	-	-	5,949,943	594,995



No.	Portfolio Category				
		0%	20%	25%	
(1)	(2)	(3)	(4)	(5)	
C	Exposure on Counterparty Credit Risk				
1	Receivables on Sovereigns	5,869,150	-	-	
2	Receivables on Public Sector Entities	-	-	-	
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	
4	Receivables on Banks	-	-	-	
5	Receivables on Micro, Small Business, & Retail Portfolio	-	-	-	
6	Receivables on Corporate	-	-	-	
	Total Counterparty Credit Risk Exposures	5,869,150	-	-	

**TABLE 17. DISCLOSURE OF NET RECEIVABLES BASED ON RISK WEIGHTED ASSETS AFTER CALCULATING CREDIT RISK MITIGATION IMPACTS - BANK CONSOLIDATED WITH SUBSIDIARY**

No.	Portfolio Category				
		0%	20%	25%	
(1)	(2)	(3)	(4)	(5)	
A	Exposure on Balance Sheet				
1	Receivables on Sovereigns	33,486,083	-	-	
2	Receivables on Public Sector Entities	-	218,598	-	
3	Receivables on Multilateral Development Banks and International Institutions	1	-	-	
4	Receivables on Banks	41,369	2,993,998	-	
5	Loans Secured by Residential Property	-	1,069,745	1,544,826	
6	Loan Secured by Commercial Real Estate	53,408	-	-	
7	Employee/Pensioner Loans	-	-	-	
8	Receivables on Micro, Small Business, & Retail Portfolio	64,326	-	-	
9	Receivables on Corporate	2,064,985	908,848	-	
10	Past Due Receivables	-	-	-	
11	Other Assets	2,759,778	-	-	
	Total Exposure on Balance Sheet	38,469,950	5,191,189	1,544,826	



(in million Rupiah)

	31 December 2022						RWA	Capital Charge
	Net Receivables After Calculating Credit Risk Mitigation Impacts							
	35%	50%	75%	100%	150%	Others		
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

(in million Rupiah)

	31 December 2022						RWA	Capital Charge
	Net Receivables After Calculating Credit Risk Mitigation Impacts							
	35%	50%	75%	100%	150%	Others		
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	-	-	-	-	-	-	-	-
	-	10,624,899	-	-	-	-	5,356,169	535,617
	-	-	-	-	-	-	-	-
	-	8,022,744	-	-	-	-	4,610,171	461,017
	4,013,520	-	-	-	-	-	2,004,886	200,489
	-	-	-	3,277,703	-	-	3,277,703	327,770
	-	-	-	-	-	-	-	-
	-	-	42,829,617	-	-	-	32,122,213	3,212,221
	-	4,556,619	-	65,449,827	-	-	67,909,906	6,790,991
	-	-	-	5,972	197,734	-	302,573	30,257
	-	-	-	4,573,829	503,203	-	5,328,634	532,863
	4,013,520	23,204,262	42,829,617	73,307,331	700,937	-	120,912,255	12,091,225



No.	Portfolio Category				
		0%	20%	25%	
(1)	(2)	(3)	(4)	(5)	
<b>B Commitments/Contingencies Exposure for Off Balance Sheet Transactions</b>					
1	Receivables on Sovereigns	-	-	-	
2	Receivables on Public Sector Entities	-	-	-	
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	
4	Receivables on Banks	-	-	-	
5	Loans Secured by Residential Property	-	263	275	
6	Loan Secured by Commercial Real Estate	-	-	-	
7	Employee/Pensioner Loans	-	-	-	
8	Receivables on Micro, Small Business, & Retail Portfolio	1,627	-	-	
9	Receivables on Corporate	99,402	-	-	
10	Past Due Receivables	-	-	-	
	<b>Total Commitment/Contingencies Exposure for Off Balance Sheet Transactions</b>	<b>101,029</b>	<b>263</b>	<b>275</b>	
<b>C Exposure on Counterparty Credit Risk</b>					
1	Receivables on Sovereigns	5,869,150	-	-	
2	Receivables on Public Sector Entities	-	-	-	
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	
4	Receivables on Banks	-	-	-	
5	Receivables on Micro, Small Business, & Retail Portfolio	-	-	-	
6	Receivables on Corporate	-	-	-	
	<b>Total Counterparty Credit Risk Exposures</b>	<b>5,869,150</b>	<b>-</b>	<b>-</b>	

(in million Rupiah)

	31 December 2022						RWA	Capital Charge
	Net Receivables After Calculating Credit Risk Mitigation Impacts							
	35%	50%	75%	100%	150%	Others		
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	-	-	-	-	-	-	-	-
	-	75	-	-	-	-	38	4
	-	-	-	-	-	-	-	-
	-	420,771	-	-	-	-	210,386	21,039
	34	-	-	-	-	-	133	13
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	220,997	-	-	-	165,748	16,575
	-	-	-	5,573,638	-	-	5,573,638	557,364
	-	-	-	-	-	-	-	-
	34	420,846	220,997	5,573,638	-	-	5,949,943	594,995
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

**TABLE 18. DISCLOSURE OF NET RECEIVABLES AND CREDIT RISK MITIGATION TECHNIQUES - BANK ONLY**

(in million Rupiah)

No.	Portfolio Category	31 December 2022					Unsecured Exposure
		Net Receivables	Exposure which is Secured by				
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)- [(4)+(5)+(6)+(7)]
A Exposure on Balance Sheet							
1	Receivables on Sovereigns	33,486,083	-	-	-	-	33,486,083
2	Receivables on Public Sector Entities	10,842,317	-	-	-	-	10,842,317
3	Receivables on Multilateral Development Banks and International Institutions	1	-	-	-	-	1
4	Receivables on Banks	10,371,943	41,369	-	-	-	10,330,574
5	Loans Secured by Residential Property	6,628,073	-	-	-	-	6,628,073
6	Loan Secured by Commercial Real Estate	3,331,111	53,408	-	-	-	3,277,703
7	Employee/Pensioner Loans	-	-	-	-	-	-
8	Receivables on Micro, Small Business, & Retail Portfolio	22,909,766	64,326	-	-	-	22,845,440
9	Receivables on Corporate	70,365,716	2,064,985	-	-	-	68,300,731
10	Past Due Receivables	145,324	-	-	-	-	145,324
11	Other Assets	6,990,848	-	-	-	-	6,990,848
	Total Exposure on Balance Sheet	165,071,182	2,224,088	-	-	-	162,847,094
B Commitments/Contingencies Exposure for Off Balance Sheet Transactions							
1	Receivables on Sovereigns	-	-	-	-	-	-
2	Receivables on Public Sector Entities	75	-	-	-	-	75
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	420,771	-	-	-	-	420,771
5	Loans Secured by Residential Property	572	-	-	-	-	572
6	Loan Secured by Commercial Real Estate	-	-	-	-	-	-
7	Employee/Pensioner Loans	-	-	-	-	-	-
8	Receivables on Micro, Small Business, & Retail Portfolio	222,624	1,627	-	-	-	220,997
9	Receivables on Corporate	5,673,040	99,402	-	-	-	5,573,638
10	Past Due Receivables	-	-	-	-	-	-
	Total Commitment/Contingencies Exposure for Off Balance Sheet Transactions	6,317,082	101,029	-	-	-	6,216,053



(in million Rupiah)

No.	Portfolio Category	31 December 2022					
		Net Receivables	Exposure which is Secured by				Unsecured Exposure
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)- [(4)+(5)+(6)+(7)]
C Exposure on Counterparty Credit Risk							
1	Receivables on Sovereigns	5,869,150	-	-	-	-	5,869,150
2	Receivables on Public Sector Entities	-	-	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	-	-	-	-	-	-
5	Receivables on Micro, Small Business, & Retail Portfolio	-	-	-	-	-	-
6	Receivables on Corporate	-	-	-	-	-	-
	Total Counterparty Credit Risk Exposures	5,869,150	-	-	-	-	5,869,150
Total (A+B+C)		177,257,414	2,325,117	-	-	-	174,932,297

TABLE 18. DISCLOSURE OF NET RECEIVABLES AND CREDIT RISK MITIGATION TECHNIQUES - BANK CONSOLIDATED WITH SUBSIDIARY

(in million Rupiah)

No.	Portfolio Category	31 December 2022					Unsecured Exposure
		Net Receivables	Exposure which is Secured by				
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)- [(4)+(5)+(6)+(7)]
A Exposure on Balance Sheet							
1	Receivables on Sovereigns	33,486,083	-	-	-	-	33,486,083
2	Receivables on Public Sector Entities	10,843,497	-	-	-	-	10,843,497
3	Receivables on Multilateral Development Banks and International Institutions	1	-	-	-	-	1
4	Receivables on Banks	11,058,111	41,369	-	-	-	11,016,742
5	Loans Secured by Residential Property	6,628,091	-	-	-	-	6,628,091
6	Loan Secured by Commercial Real Estate	3,331,111	53,408	-	-	-	3,277,703
7	Employee/Pensioner Loans	-	-	-	-	-	-
8	Receivables on Micro, Small Business, & Retail Portfolio	42,893,943	64,326	-	-	-	42,829,617
9	Receivables on Corporate	72,980,279	2,064,985	-	-	-	70,915,294
10	Past Due Receivables	203,706	-	-	-	-	203,706
11	Other Assets	7,836,810	-	-	-	-	7,836,810
	Total Exposure on Balance Sheet	189,261,632	2,224,088	-	-	-	187,037,544



(in million Rupiah)

No.	Portfolio Category	31 December 2022					Unsecured Exposure
		Net Receivables	Exposure which is Secured by				
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)- [(4)+(5)+(6)+(7)]
B Commitments/Contingencies Exposure for Off Balance Sheet Transactions							
1	Receivables on Sovereigns	-	-	-	-	-	-
2	Receivables on Public Sector Entities	75	-	-	-	-	75
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	420,771	-	-	-	-	420,771
5	Loans Secured by Residential Property	572	-	-	-	-	572
6	Loan Secured by Commercial Real Estate	-	-	-	-	-	-
7	Employee/Pensioner Loans	-	-	-	-	-	-
8	Receivables on Micro, Small Business, & Retail Portfolio	222,624	1,627	-	-	-	220,997
9	Receivables on Corporate	5,673,040	99,402	-	-	-	5,573,638
10	Past Due Receivables	-	-	-	-	-	-
	Total Commitment/Contingencies Exposure for Off Balance Sheet Transactions	6,317,082	101,029	-	-	-	6,216,053
C Exposure on Counterparty Credit Risk							
1	Receivables on Sovereigns	5,869,150	-	-	-	-	5,869,150
2	Receivables on Public Sector Entities	-	-	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	-	-	-	-	-	-
5	Receivables on Micro, Small Business, & Retail Portfolio	-	-	-	-	-	-
6	Receivables on Corporate	-	-	-	-	-	-
	Total Counterparty Credit Risk Exposures	5,869,150	-	-	-	-	5,869,150
Total (A+B+C)		201,447,864	2,325,117	-	-	-	199,122,747

TABLE 19. CALCULATION OF THE STANDARDIZED APPROACH OF CREDIT RISK WEIGHTED ASSETS - BANK ONLY

## 1. Disclosure of Asset Exposures in the Balance Sheet

(in million Rupiah)

No.	Portfolio Category	31 December 2022		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on Sovereigns	33,486,083	-	-
	a. Receivables on Indonesia Sovereigns	33,486,083	-	-
	b. Receivables on Others Sovereigns	-	-	-
2	Receivables on Public Sector Entities	10,842,317	5,355,579	5,355,579
3	Receivables on Multilateral Development Banks and International Institutions	1	-	-
4	Receivables on Banks	10,371,943	4,493,623	4,472,938
	a. Short Term Receivables	2,057,298	411,460	411,460
	b. Long Term Receivables	8,314,645	4,082,163	4,061,478
5	Loans Secured by Residential Property	6,628,073	2,004,883	2,004,883
6	Loan Secured by Commercial Real Estate	3,331,111	3,331,111	3,277,703
7	Employee/Pensioner Loans	-	-	-
8	Receivables on Micro, Small Business, & Retail Portfolio	22,909,766	17,182,324	17,134,080
9	Receivables on Corporate	70,365,716	68,546,481	66,481,497
10	Past Due Receivables	145,324	215,000	215,000
	a. Loans Secured by Residential Property	5,972	5,972	5,972
	b. In Addition to Loans Secured by Residential Property	139,352	209,028	209,028
11	Other Assets	6,990,848	-	4,593,705
	a. Cash, Gold, and Commemorative Coin	2,648,745	-	-
	b. Investment (in addition to being a deduction factor for capital)	82,078	-	84,018
	1) Temporary capital investment in the context of credit restructuring	-	-	-
	2) Investment in financial companies that are not listed on the stock exchange	3,880	-	5,820
	3) investment in financial companies listed on the stock exchange	78,198	-	78,198
	c. Fixed Assets and Net Inventory	1,504,057	-	1,504,057
	d. Foreclosed Assets	499,323	-	748,985
	e. Net Interbranch Assets	-	-	-
	f. Others	2,256,645	-	2,256,645
TOTAL		165,071,182	101,129,001	103,535,385



## 2. Disclosure of Commitments/Contingencies Exposure for Off Balance Sheet Transactions.

(in million Rupiah)

No.	Portfolio Category	31 December 2022		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on Sovereigns	-	-	-
	a. Receivables on Indonesia Sovereigns	-	-	-
	b. Receivables on Others Sovereigns	-	-	-
2	Receivables on Public Sector Entities	75	38	38
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-
4	Receivables on Banks	420,771	210,386	210,386
	a. Short Term Receivables	-	-	-
	b. Long Term Receivables	420,771	210,386	210,386
5	Loans Secured by Residential Property	572	133	133
6	Loan Secured by Commercial Real Estate	-	-	-
7	Employee/Pensioner Loans	-	-	-
8	Receivables on Micro, Small Business, & Retail Portfolio	222,624	166,968	165,748
9	Receivables on Corporate	5,673,040	5,673,040	5,573,638
10	Past Due Receivables	-	-	-
	a. Loans Secured by Residential Property	-	-	-
	b. In Addition to Loans Secured by Residential Property	-	-	-
<b>TOTAL</b>		<b>6,317,082</b>	<b>6,050,565</b>	<b>5,949,943</b>

## 3. Disclosure of Exposures causing Counterparty Credit Risk

(in million Rupiah)

No.	Portfolio Category	31 December 2022		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on Sovereigns	5,869,150	-	-
	a. Receivables on Indonesia Sovereigns	5,869,150	-	-
	b. Receivables on Others Sovereigns	-	-	-
2	Receivables on Public Sector Entities	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-
4	Receivables on Banks	-	-	-
	a. Short Term Receivables	-	-	-
	b. Long Term Receivables	-	-	-
5	Receivables on Micro, Small Business, & Retail Portfolio	-	-	-
6	Receivables on Corporate	-	-	-
<b>TOTAL</b>		<b>5,869,150</b>	<b>-</b>	<b>-</b>

#### 4. Disclosure of Exposures causing Credit Risk due to Settlement Risk

There is no exposure that cause Credit Risk due to Settlement Risk in 31 December 2022.

#### 5. Exposure of Securitization

There is no exposure of Securitization in 31 December 2022.

#### 6. Disclosures of Derivative Exposure

(in million Rupiah)

No.	Portfolio Category	31 December 2022		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on Sovereigns	159,202	-	-
	a. Receivables on Indonesia Sovereigns	159,202	-	-
	b. Receivables on Others Sovereigns	-	-	-
2	Receivables on Public Sector Entities	15,820	7,910	7,910
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-
4	Receivables on Banks	920,257	348,490	348,490
	a. Short Term Receivables	372,129	74,426	74,426
	b. Long Term Receivables	548,128	274,064	274,064
5	Receivables on Micro, Small Business, & Retail Portfolio	3	2	2
6	Receivables on Corporate	177,647	177,647	177,647
7	Credit Valuation Adjustment risk weighted assets			43,437
<b>TOTAL</b>		<b>1,272,929</b>	<b>534,049</b>	<b>577,486</b>

#### 7. Total Credit Risk Measurement

(in million Rupiah)

Portfolio Category		31 December 2022
TOTAL CREDIT RISK RWA	( A )	110,062,814
RWA CREDIT RISK DEDUCTION FACTOR : Difference between General allowance for possible losses on earning assets (max. 1.25% of RWA Credit Risk)	( B )	-
TOTAL CREDIT RISK RWA (A) - (B)	( C )	110,062,814
TOTAL CAPITAL DEDUCTION FACTOR	( D )	-

**TABLE 19. CALCULATION OF THE STANDARDIZED APPROACH OF CREDIT RISK WEIGHTED ASSETS - BANK CONSOLIDATED WITH SUBSIDIARY**
**1. Disclosure of Asset Exposures in the Balance Sheet**

(in million Rupiah)

No.	Portfolio Category	31 December 2022		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on Sovereigns	33,486,083	-	-
	a. Receivables on Indonesia Sovereigns	33,486,083	-	-
	b. Receivables on Others Sovereigns	-	-	-
2	Receivables on Public Sector Entities	10,843,497	5,356,169	5,356,169
3	Receivables on Multilateral Development Banks and International Institutions	1	-	-
4	Receivables on Banks	11,058,111	4,630,856	4,610,171
	a. Short Term Receivables	2,743,465	548,693	548,693
	b. Long Term Receivables	8,314,646	4,082,163	4,061,478
5	Loans Secured by Residential Property	6,628,091	2,004,886	2,004,886
6	Loan Secured by Commercial Real Estate	3,331,111	3,331,111	3,277,703
7	Employee/Pensioner Loans	-	-	-
8	Receivables on Micro, Small Business, & Retail Portfolio	42,893,943	32,170,458	32,122,213
9	Receivables on Corporate	72,980,279	69,974,891	67,909,906
10	Past Due Receivables	203,706	302,573	302,573
	a. Loans Secured by Residential Property	5,972	5,972	5,972
	b. In Addition to Loans Secured by Residential Property	197,734	296,601	296,601
11	Other Assets	7,836,810	-	5,328,634
	a. Cash, Gold, and Commemorative Coin	2,759,777	-	-
	b. Investment (in addition to being a deduction factor for capital)	82,078	-	84,018
	1) Temporary capital investment in the context of credit restructuring	-	-	-
	2) Investment in financial companies that are not listed on the stock exchange	3,880	-	5,820
	3) investment in financial companies listed on the stock exchange	78,198	-	78,198
	c. Fixed Assets and Net Inventory	1,925,525	-	1,925,525
	d. Foreclosed Assets	499,323	-	748,985
	e. Net Interbranch Assets	-	-	-
	f. Others	2,570,107	-	2,570,107
<b>TOTAL</b>		<b>189,261,632</b>	<b>117,770,944</b>	<b>120,912,255</b>

## 2. Disclosure of Commitments/Contingencies Exposure for Off Balance Sheet Transactions

(in million Rupiah)

No.	Portfolio Category	31 December 2022		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on Sovereigns	-	-	-
	a. Receivables on Indonesia Sovereigns	-	-	-
	b. Receivables on Others Sovereigns	-	-	-
2	Receivables on Public Sector Entities	75	38	38
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-
4	Receivables on Banks	420,771	210,386	210,386
	a. Short Term Receivables	-	-	-
	b. Long Term Receivables	420,771	210,386	210,386
5	Loans Secured by Residential Property	572	133	133
6	Loan Secured by Commercial Real Estate	-	-	-
7	Employee/Pensioner Loans	-	-	-
8	Receivables on Micro, Small Business, & Retail Portfolio	222,624	166,968	165,748
9	Receivables on Corporate	5,673,040	5,673,040	5,573,638
10	Past Due Receivables	-	-	-
	a. Loans Secured by Residential Property	-	-	-
	b. In Addition to Loans Secured by Residential Property	-	-	-
<b>TOTAL</b>		<b>6,317,082</b>	<b>6,050,565</b>	<b>5,949,943</b>

## 3. Disclosure of Exposures causing Counterparty Credit Risk

(in million Rupiah)

No.	Portfolio Category	31 December 2022		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on Sovereigns	5,869,150	-	-
	a. Receivables on Indonesia Sovereigns	5,869,150	-	-
	b. Receivables on Others Sovereigns	-	-	-
2	Receivables on Public Sector Entities	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-
4	Receivables on Banks	-	-	-
	a. Short Term Receivables	-	-	-
	b. Long Term Receivables	-	-	-
5	Receivables on Micro, Small Business, & Retail Portfolio	-	-	-
6	Receivables on Corporate	-	-	-
<b>TOTAL</b>		<b>5,869,150</b>	<b>-</b>	<b>-</b>



#### 4. Exposure that cause Credit Risk due to Settlement Risk

There is no exposure that cause Credit Risk due to Settlement Risk in 31 December 2022.

#### 5. Exposure of Securitization

There is no exposure of Securitization in 31 December 2022.

#### 6. Disclosures of Derivative Exposure

(in million Rupiah)

No.	Portfolio Category	31 December 2022		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on Sovereigns	159,202	-	-
	a. Receivables on Indonesia Sovereigns	159,202	-	-
	b. Receivables on Others Sovereigns	-	-	-
2	Receivables on Public Sector Entities	15,820	7,910	7,910
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-
4	Receivables on Banks	1,003,403	390,063	390,063
	a. Short Term Receivables	372,129	74,426	74,426
	b. Long Term Receivables	631,274	315,637	315,637
5	Receivables on Micro, Small Business, & Retail Portfolio	3	2	2
6	Receivables on Corporate	177,647	177,647	177,647
7	Credit Valuation Adjustment risk weighted assets			48,653
<b>TOTAL</b>		<b>1,356,075</b>	<b>575,622</b>	<b>624,275</b>



**7. Total Credit Risk Measurement (1+2+3+4+5+6)**

(in million Rupiah)

Portfolio Category		31 December 2022
TOTAL CREDIT RISK RWA	( A )	127,486,473
RWA CREDIT RISK DEDUCTION FACTOR : Diffirence between General allowance for possible losses on earning assets (max. 1.25% of RWA Credit Risk)	( B )	-
TOTAL CREDIT RISK RWA (A) - (B)	( C )	127,486,473
TOTAL CAPITAL DEDUCTION FACTOR	( D )	-



TABLE 20. DISCLOSURE OF RECEIVABLES BASED ON DAYS PAST DUE

i. Bank Only

No	Types of Exposure	
a	b	
1	Credits included in Overdue Bills	
2	Securities included in Overdue Bills	
	<b>Total</b>	

ii. Bank Consolidated With Subsidiary

No	Types of Exposure	
a	b	
1	Credits included in Overdue Bills	
2	Securities included in Overdue Bills	
	<b>Total</b>	

**ADDITIONAL DISCLOSURES RELATED TO THE TREATMENT ON NON-PERFORMING ASSETS (CRB-A)**

The definition and criteria of performing assets (assets with current and special mention quality) and non-performing assets (assets with substandard, doubtful, and loss quality) refer to POJK No. 40/POJK.03/2019 concerning Asset Quality Assessment of Commercial Banks.

The definition and criteria of Past Due Receivables refer to the criteria as stated in SEOJK No.24/SEOJK.03/2021 concerning RWA Calculation for Credit Risk using the Standardized Approach for Commercial Banks.



(in million Rupiah)

	31 December 2023				31 December 2022			
	Receivable Based on Delinquency				Receivable Based on Delinquency			
	> 90 days to 120 days	> 120 days to 180 days	> 180 days	Total	> 90 days to 120 days	> 120 days to 180 days	> 180 days	Total
	c	d	e	f	g	h	i	j
	293.472	566.003	1.855.020	2.714.495	352.825	531.216	1.280.316	2.164.357
	-	82.960	-	82.960	-	-	-	-
	293.472	648.963	1.855.020	2.797.455	352.825	531.216	1.280.316	2.164.357

(in million Rupiah)

	31 December 2023				31 December 2022			
	Receivable Based on Delinquency				Receivable Based on Delinquency			
	> 90 days to 120 days	> 120 days to 180 days	> 180 days	Total	> 90 days to 120 days	> 120 days to 180 days	> 180 days	Total
	c	d	e	f	g	h	i	j
	507.671	868.595	1.867.257	3.243.523	466.897	740.505	1.299.800	2.507.201
	-	82.960	-	82.960	-	-	-	-
	507.671	951.555	1.867.257	3.326.483	466.897	740.505	1.299.800	2.507.201



TABLE 21. DISCLOSURE OF PERFORMING AND NON-PERFORMING ASSETS

i. Bank Only

31 December 2023

No	Description	Performing (Quality L and DPK)	
		Gross Carrying Value	Allowance for Impairment Losses
		a	b
1	Securities	19.899.700	271.689
2	Credit	80.320.904	2.685.092
	a. Corporation	49.146.603	1.354.315
	b. Retail	31.174.301	1.330.778
3	Administrative Account Transactions	98.664.015	120.020

ii. Bank Consolidated With Subsidiary

31 December 2023

No	Description	Performing (Quality L and DPK)	
		Gross Carrying Value	Allowance for Impairment Losses
		a	b
1	Securities	19.899.700	271.689
2	Credit	109.059.670	4.010.774
	a. Corporation	50.571.406	1.405.659
	b. Retail	58.488.263	2.605.115
3	Administrative Account Transactions	98.664.015	120.020

TABLE 22. DISCLOSURE OF PERFORMING AND NON-PERFORMING RESTRUCTURING ASSETS

i. Bank Only

31 December 2023

No	Description	Performing (Quality L and DPK)		Non Performing (Kualitas KL, D, M)	
		Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
		a	b	c	d
1	Securities	-	-	-	-
2	Credit	1,712,093	763,633	910,374	893,207
	a. Corporation	1,049,862	618,289	715,205	707,972
	b. Retail	662,231	145,344	195,169	185,235
3	Administrative Account Transactions	211,112	508	-	-



(in million Rupiah)

	Impaired Receivables		Non Performing (Quality KL, D, M)			
			Not Impaired Receivables			
			Day Past Due > 90 days		Day Past Due ≤ 90 days	
	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
	c	d	e	f	g	h
	82.960	82.960	-	-	-	-
	1.454.926	1.307.529	181.918	72.633	23.287	18.543
	783.958	775.942	55.567	54.986	2.230	2.128
	670.969	531.588	126.351	17.647	21.057	16.414
	-	-	-	-	-	-

(in million Rupiah)

	Impaired Receivables		Non Performing (Quality KL, D, M)			
			Not Impaired Receivables			
			Day Past Due > 90 days		Day Past Due ≤ 90 days	
	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
	c	d	e	f	g	h
	82.960	82.960	-	-	-	-
	1.982.929	1.604.734	181.918	72.633	24.314	19.115
	790.340	777.929	55.567	54.986	2.230	2.128
	1.192.589	826.805	126.351	17.647	22.084	16.986
	-	-	-	-	-	-

(in million Rupiah)

	Stage 1		Stage 2		Stage 3	
	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
	e	f	g	h	i	j
	-	-	-	-	-	-
	423,243	65,454	658,563	170,025	1,540,661	1,421,360
	206,767	56,801	228,869	50,598	1,329,431	1,218,862
	216,476	8,654	429,694	119,427	211,230	202,498
	41,794	4	169,318	504	-	-

**TABLE 22. DISCLOSURE OF PERFORMING AND NON-PERFORMING RESTRUCTURING ASSETS**
**ii. Bank Consolidated With Subsidiary**
**31 December 2023**

No	Description	Performing (Quality L and DPK)		Non Performing (Kualitas KL, D, M)		
		Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	
		a	b	c	d	
1	Securities	-	-	-	-	
2	Credit	2,188,315	831,062	927,898	902,249	
	a. Corporation	1,053,166	618,750	715,491	708,090	
	b. Retail	1,135,149	212,312	212,407	194,159	
3	Administrative Account Transactions	211,112	508	-	-	

**f. Credit Risk Mitigation Disclosure**

Danamon has determined the collateral as one of credit-risk mitigation. However, Danamon does not consider collateral the sole basis of credit decision-making, nor the main source of loan repayment. The purposes of credit risk mitigation are as follow:

- To limit the risk of losses when the debtor cannot meet their obligations to the Bank.
- To protect from unexpected risk and risk inherent to credit exposure in the future.

Acceptable collateral, according to the collateral policy approved by Danamon, are as follows:

- Cash collaterals, i.e. time deposit, saving account, current account, margin deposit in Danamon, securities of Indonesian government and Indonesia Central Bank, placement with Bank Indonesia and Indonesian government, guarantee from Indonesian government and/or Standby LC from prime bank
- Receivables
- Inventories
- Machines and inventories of office equipment
- Leasehold of shop
- Motor vehicles
- Ships with weight less than 20 m<sup>3</sup>

h. Listed or unlisted shares in the Stock Exchange (due to expansion or acquisition), in accordance with BI/OJK regulation

i. Fixed assets, i.e. land, building, aircraft, registered vessels with gross content of 20 m<sup>3</sup> or more and apartments which are pledged in accordance with the prevailing regulation

j. Guarantee, i.e. Personal Guarantee and/or Corporate Guarantee

Collateral valuation should be done in the credit initiation process. The revaluation is conducted at certain periods in accordance with the collateral requirements as PPA deductions. For collateral as a PPA deduction, the collateral valuation for credit facilities of more than Rp10 billion should be conducted by an independent external appraiser with good qualifications, who is certified and does not have any relationship with the debtor. External appraisers should be appointed by Danamon.

The collateral valuation can be conducted by internal appraisers. Danamon ensures that the appraisers have the knowledge, education, and experience of collateral valuation and appraisers do not have any relationships with the debtors. The assessment results should be properly documented in the Credit file.



(in million Rupiah)

	Stage 1		Stage 2		Stage 3	
	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses	Gross Carrying Value	Allowance for Impairment Losses
	e	f	g	h	i	j
	-	-	-	-	-	-
	593,854	72,271	961,937	230,075	1,560,422	1,430,964
	208,641	56,838	230,300	51,021	1,329,717	1,218,981
	385,213	15,433	731,637	179,054	230,705	211,984
	41,794	4	169,318	504	-	-

Danamon conducts an assessment of guarantors' credit worthiness, among other ways by assessing the financial statements to determine the credit rating of guarantors.

Danamon has also determined 4 industrial sector categories based on each respective risk level, namely high risk restricted, high risk, medium risk, and low risk. Danamon also determines the maximum threshold of industries that are classified as high risk restricted and high risk. In regard to this, Danamon conducts periodic monitoring to ensure the level of exposure for each industry is still within Danamon's appetite.

#### Credit Risk Mitigation Methods for Standardized Approach

To calculate credit risk mitigation as an RWA deduction (Credit Risk), Danamon uses the MRK (Credit Risk Mitigation) collateral. The types of financial collateral recognised are those in accordance with regulations, i.e. cash, savings, current accounts, savings deposits, security deposits, gold, and securities with certain criteria as per the OJK/Bank Indonesia.

For reverse repo transactions, collateral in the form of securities underlying the reverse repo transactions and/or cash is calculated as a form of credit risk mitigation on reverse repo transactions.

The following are the disclosures of credit risk after calculating the impact of credit risk mitigation.

**TABLE 23. QUANTITATIVE DISCLOSURE RELATED TO MRK TECHNIQUE (CR3)**
**i. Bank Only**
**31 December 2023**

(in million Rupiah)

No	Description	Total Receivables Not Guaranteed MRK Technique	Total Receivables Guaranteed MRK Technique	Total Receivables Guaranteed Collateral	Total Receivables Guaranteed Warranty	Total Receivables Secured Credit Derivatives
		a	b	c	d	e
1	Loan	132,342,472	4,963,218	-	-	-
2	Marketable Securities	18,815,360	-	-	-	-
3	Total	151,157,833	4,963,218	-	-	-
4	Pas Due Loans and Marketable Securities	415,362	303	-	-	-

**ii. Bank Consolidated With Subsidiary**
**31 December 2023**

(in million Rupiah)

No	Description	Total Receivables Not Guaranteed MRK Technique	Total Receivables Guaranteed MRK Technique	Total Receivables Guaranteed Collateral	Total Receivables Guaranteed Warranty	Total Receivables Secured Credit Derivatives
		a	b	c	d	e
1	Loan	158,995,380	4,963,218	-	-	-
2	Marketable Securities	18,769,290	-	-	-	-
3	Total	177,764,670	4,963,218	-	-	-
4	Pas Due Loans and Marketable Securities	646,614	303	-	-	-

**iii. Additional Disclosures**

Danamon applies collateral CRM Techniques with a simple approach in accordance with SEOJK No. 24/SEOJK.03/2021.



**g. Usage of External Credit Rating (CRD)**

In calculating RWA for Credit Risk, the Bank using ratings on exposure of securities. Therefore, the portfolio categories which using ratings until the end of December 2023 consist of:

Change to:

- Exposures to Government
- Exposures to Bank
- Exposures to Securities Company and Other Financial Institutions
- Exposures to Corporate

In calculating RWA for Credit Risk, the Bank using rating published by Rating Agencies acknowledged by the Financial Services Authority (OJK). Under OJK Circular No. 37/SEOJK.03/2016 regarding Rating Agencies and Rating acknowledged by the Financial Services Authority, namely Fitch Ratings, Moody's Investor Service, Standard & Poor's, PT Fitch Ratings Indonesia, and PT Pemeringkat Efek Indonesia.

**TABLE 24. DISCLOSURE OF CREDIT RISK EXPOSURE AND MRK TECHNIQUE IMPACT (CR4)**
**i. Bank Only**
**31 December 2023**

No	Portfolio Categories	
1	Receivables on Sovereigns	
2	Receivables on Public Sector Entities	
3	Receivables on Multilateral Development Banks and International Institutions	
4	Receivables on Banks	
	Receivables to Securities Companies and Other Financial Institutions <sup>1)</sup>	
5	Receivables Covered Bonds	
6	Receivables on Corporate - General Corporation Exposure <sup>2)</sup>	
	Receivables to securities companies and other financial institutions <sup>3)</sup>	
	Special Financing Exposure <sup>4)</sup>	
7	Mandatory Government Administration, Defense, and Social Security	
8	Receivables on Micro, Small Business, & Retail Portfolio	
9	Loans Secured by Property	
	Residential Property Backed Credit whose Payment Is Not Materially Dependent on Property Cash Flow	
	Residential Property-Backed Loans whose Payment Depends Materially on Property Cash Flow	
	Commercial Property Backed Loans whose Payments Are Not Material Dependent on Property Cash Flow	
	Commercial Property Backed Loans whose Payments Depend Materially on Property Cash Flow	
	Land Procurement, Tillage, and/or Construction Credit	
10	Past Due Receivables	
11	Other Assets	
	<b>Total</b>	



(in million Rupiah)

	Net Receivables Before the Application of FKK and MRK Techniques		Net Receivables After the application of FKK and MRK Technique		RWA and Average Risk Weighting	
	Statement of Financial Position	Administrative Account Transactions	Statement of Financial Position	Administrative Account Transactions	RWA	Risk Weighting Percentage
	a	b	c	d	e	f
	35,410,738	1,651,180	35,410,738	487,618	-	0.00%
	3,296,622	1,157,383	3,296,622	115,738	1,706,180	50.00%
	-	-	-	-	-	0.00%
	13,812,967	2,352,227	13,775,252	591,929	5,888,493	40.99%
	7,626,652	10,642,485	7,626,652	1,419,629	3,360,266	37.15%
	-	-	-	-	-	0.00%
	50,835,448	60,058,762	48,678,581	11,424,115	59,223,403	98.54%
	-	-	-	-	-	0.00%
	-	-	-	-	-	0.00%
	81,053	-	81,053	-	202,633	250.00%
	30,853,581	11,168,014	30,571,648	1,603,954	24,099,069	74.90%
	-	-	-	-	-	0.00%
	16,745,627	1,697,246	16,707,639	169,716	10,131,898	60.03%
	13,257	5,816	13,257	582	14,530	104.99%
	19,711,230	9,362,524	19,358,922	1,116,506	17,728,283	86.58%
	2,899,057	553,425	2,899,057	56,178	2,298,729	77.78%
	-	-	-	-	-	0.00%
	523,579	11,995	523,461	1,199	540,955	103.11%
	6,792,938	-	6,792,938	-	4,797,730	70.63%
	<b>188,602,749</b>	<b>98,661,057</b>	<b>185,735,820</b>	<b>16,987,164</b>	<b>129,992,169</b>	



## ii. Bank Consolidated With Subsidiary

31 December 2023

No	Portfolio Categories
1	Receivables on Sovereigns
2	Receivables on Public Sector Entities
3	Receivables on Multilateral Development Banks and International Institutions
4	Receivables on Banks
	Receivables to Securities Companies and Other Financial Institutions <sup>1)</sup>
5	Receivables Covered Bonds
6	Receivables on Corporate - General Corporation Exposure <sup>2)</sup>
	Receivables to securities companies and other financial institutions <sup>3)</sup>
	Special Financing Exposure <sup>4)</sup>
7	Mandatory Government Administration, Defense, and Social Security
8	Receivables on Micro, Small Business, & Retail Portfolio
9	Loans Secured by Property
	Residential Property Backed Credit whose Payment Is Not Materially Dependent on Property Cash Flow
	Residential Property-Backed Loans whose Payment Depends Materially on Property Cash Flow
	Commercial Property Backed Loans whose Payments Are Not Materially Dependent on Property Cash Flow
	Commercial Property Backed Loans whose Payments Depend Materially on Property Cash Flow
	Land Procurement, Tillage, and/or Construction Credit
10	Past Due Receivables
11	Other Assets
	<b>Total</b>

- 1) Represents receivables which included in the scope of the portfolio category of receivables to securities companies and other financial service institutions as stipulated in Appendix A of SEOJK No. 24 /SEOJK.03/2021.
- 2) Represents receivables which included in the scope of the portfolio category of receivables to corporations - general corporate exposures as stipulated in Appendix A of SEOJK No. 24/SEOJK.03/2021 (excluding number 3) and number 4))
- 3) Represents receivables from securities companies and other financial service institutions that are not categorized as portfolio as shown in point 1).
- 4) Represents receivables which included in the scope of the category of receivables to corporations - special financing exposures (with and without rating) as stipulated in Appendix A of SEOJK No. 24/SEOJK.03/2021.

## iii. Additional Disclosures

Danamon applies collateral CRM Techniques with a simple approach in accordance with SEOJK No. 24/ SEOJK.03/2021.



(in million Rupiah)

	Net Receivables Before the Application of FKK and MRK Techniques		Net Receivables After the application of FKK and MRK Technique		RWA and Average Risk Weighting	
	Statement of Financial Position	Administrative Account Transactions	Statement of Financial Position	Administrative Account Transactions	RWA	Risk Weighting Percentage
	a	b	c	d	e	f
	35,410,738	1,651,180	35,410,738	487,618	-	0.00%
	3,297,287	1,157,383	3,297,287	115,738	1,706,512	50.00%
	-	-	-	-	-	0.00%
	14,422,987	2,352,227	14,385,272	591,929	6,013,413	40.15%
	6,585,925	10,642,485	6,585,925	1,419,629	2,953,272	36.89%
	-	-	-	-	-	0.00%
	52,344,690	60,058,762	50,187,823	11,424,115	60,478,106	98.16%
	-	-	-	-	-	0.00%
	-	-	-	-	-	0.00%
	467,413	-	467,413	-	1,168,534	250.00%
	57,894,491	11,168,014	57,612,558	1,603,954	44,390,965	74.96%
	-	-	-	-	-	0.00%
	16,745,627	1,697,246	16,707,639	169,716	10,131,898	60.03%
	13,257	5,816	13,257	582	14,530	104.99%
	19,711,230	9,362,524	19,358,922	1,116,506	17,728,283	86.58%
	2,899,057	553,425	2,899,057	56,178	2,298,729	77.78%
	-	-	-	-	-	0.00%
	755,403	11,995	755,285	1,199	754,847	99.78%
	7,843,547	-	7,843,547	-	5,719,963	72.93%
	<b>218,391,652</b>	<b>98,661,057</b>	<b>215,524,723</b>	<b>16,987,164</b>	<b>153,359,052</b>	



TABLE 25. DISCLOSURE OF EXPOSURES BY ASSET CLASS AND RISK WEIGHT (CR5)

i. Bank Only

31 December 2023

(in million Rupiah)

No	Portfolio Categories	0%	20%	50%	100%	150%	Other	Total Net Receivables After FKKMRK
01	Receivables on Sovereigns	35,898,356	-	-	-	-	-	35,898,356
No	Portfolio Categories	20%	50%	100%	150%	Other	Total Net Receivables After FKKMRK	
02	Receivables on Public Sector Entities	-	3,412,360	-	-	-	3,412,360	
No	Portfolio Categories	0%	20%	30%	50%	100%	150%	Other
03	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-	-
No	Portfolio Categories	20%	30%	40%	50%	75%	100%	150%
04	Receivables on Banks	2,040,730	-	11,392,631	363,085	152,467	-	418,268
	Receivables to Securities Companies and Other Financial Institutions	1,799,523	18,611	7,096,048	41,789	-	-	90,310
No	Portfolio Categories	10%	15%	20%	25%	35%	50%	100%
05	Receivables Covered Bonds	-	-	-	-	-	-	-
No	Portfolio Categories	20%	50%	65%	75%	80%	85%	100%
06	Receivables on Corporate - General Corporation Exposure	237,756	64,294	-	-	-	4,379,601	55,421,045
	Receivables to securities companies and other financial institutions	-	-	-	-		-	-
	Special Financing Exposure	-	-		-	-		-
No	Portfolio Categories	100%	150%	250%	400%	Other	Total Net Receivables After FKKMRK	
07	Mandatory Government Administration, Defense, and Social Security	-	-	81.053	-	-	81.053	
No	Portfolio Categories	45%	75%	85%	100%	Other	Total Net Receivables After FKKMRK	
08	Receivables on Micro, Small Business, & Retail Portfolio	749,931	30,617,505	64,795	743,319	52	32,175,602	

Total Net Receivables After FKKMRK
-

Other	Total Net Receivables After FKKMRK
-	14,367,180
-	9,046,281

Other	Total Net Receivables After FKKMRK
-	-

130%	150%	Other	Total Net Receivables After FKKMRK
-	-	-	60,102,695
		-	-
-	-	-	-



No	Portfolio Categories	0%	20%	25%	30%	35%	40%	45%	
09	Loans Secured by Property	-	-	-	-	-	-	-	
	Residential Property Backed Credit whose Payment Is Not Materially Dependent on Property Cash Flow	-	437,106	409,638	2,819,047		1,487,824		
	without a credit-sharing approach	-	-	-	-		-		
	by using a credit sharing approach (guaranteed)		-						
	by using a credit sharing approach (guaranteed)	-	-		-		-		
	Residential Property-Backed Loans whose Payment Depends Materially on Property Cash Flow				-	-		-	
	Commercial Property Backed Loans whose Payments Are Not Material Dependent on Property Cash Flow	-	-		-		-		
	without a credit-sharing approach	-	-		-		-		
	by using a credit sharing approach (guaranteed)								
	by using a credit sharing approach (guaranteed)	-	-		-		-		
	Commercial Property Backed Loans whose Payments Depend Materially on Property Cash Flow								
	Land Procurement, Tillage, and/or Construction Credit								

No	Portfolio Categories	50%	100%	150%	Other	Total Net Receivables After FKKMRK
10	Past Due Receivables	188,574	114,923	221,163	-	524,660

No	Portfolio Categories	0%	20%	100%	150%	1.250%	Other	Total Net Receivables After FKKMRK
11	Other Assets	2,233,846	-	4,081,816	477,276	-	-	6,792,938

No	Risk Weight	Net Receivables Statement of Financial Position	Net Receivables of Administrative Account Transactions	Average FKK	Net Receivables (After the imposition of FKK and MRK Technique)
1	<40%	45,381,735	2,051,035	1,152	45,894,609
2	40%-70%	29,018,591	18,302,962	29	31,477,188
3	75%	43,602,218	10,370,034	6	44,860,550
4	85%	9,329,064	6,795,327	439	9,687,866
5	90%-100%	59,800,632	60,485,480	2,209	69,249,640
6	105%-130%	187,430	513,938	10,279	238,824
7	150%	1,202,026	142,281	739	1,233,254
8	250%	81,053	-	-	81,053
9	400%	-	-	-	-
10	1250%	-	-	-	-
Total Net Receivables		188,602,749	98,661,057	14,853	202,722,984



	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total Net Receivables After FKKMRK
	-	-	-	-	-	-	-	-	-	-	-	-	-
	743,774		-	2,427,541	8,429,335	100,234		22,856			-	-	16,877,354
	-		-	-	-	-		-			-	-	-
												-	-
	-		-		-	-		-			-	-	-
									13,839		-	-	13,839
	-	1,400,871	-		5,661,243	5,143,236		8,270,078			-	-	20,475,428
	-	-										-	-
												-	-
	-		-		-	-		-			-	-	-
				2,108,464			595,600			224,984	26,187	-	2,955,235
								-			-	-	-



## ii. Bank Consolidated With Subsidiary

31 December 2023

(in million Rupiah)

No	Portfolio Categories	0%	20%	100%	150%	1250%	Other	Total Net Receivables After FKKMRK
01	Receivables on Sovereigns	35,898,356	-	-	-	-	-	35,898,356
No	Portfolio Categories	20%	50%	100%	150%	Other	Total Net Receivables After FKKMRK	
02	Receivables on Public Sector Entities	-	3,413,025	-	-	-	3,413,025	
No	Portfolio Categories	0%	20%	30%	50%	100%	150%	Other
03	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-	-
No	Portfolio Categories	20%	30%	40%	50%	75%	100%	150%
04	Receivables on Banks	2,636,171	-	11,407,210	363,085	152,467	-	418,268
	Receivables to Securities Companies and Other Financial Institutions	1,753,037	18,611	6,101,807	41,789	-	-	90,310
No	Portfolio Categories	10%	15%	20%	25%	35%	50%	100%
05	Receivables Covered Bonds	-	-	-	-	-	-	-
No	Portfolio Categories	20%	50%	65%	75%	80%	85%	100%
06	Receivables on Corporate - General Corporation Exposure	237,757	152,626	-	-	-	5,782,087	55,439,468
	Receivables to securities companies and other financial institutions	-	-	-	-		-	-
	Special Financing Exposure	-	-		-	-		-
No	Portfolio Categories	100%	150%	250%	400%	Other	Total Net Receivables After FKKMRK	
07	Mandatory Government Administration, Defense, and Social Security	-	-	467,413	-	-	467,413	
No	Portfolio Categories	45%	75%	85%	100%	Other	Total Net Receivables After FKKMRK	
08	Receivables on Micro, Small Business, & Retail Portfolio	749,931	57,567,968	140,781	757,780	52	59,216,512	

	Total Net Receivables After FKKMRK
	-

	Other	Total Net Receivables After FKKMRK
	-	14,977,201
	-	8,005,554

	Other	Total Net Receivables After FKKMRK
	-	-

	130%	150%	Other	Total Net Receivables After FKKMRK
	-	-	-	61,611,938
		-	-	-
	-	-	-	-



No	Portfolio Categories	0%	20%	25%	30%	35%	40%	45%	
09	Loans Secured by Property	-	-	-	-	-	-	-	
	Residential Property Backed Credit whose Payment Is Not Materially Dependent on Property Cash Flow	-	437,106	409,638	2,819,047		1,487,824		
	without a credit-sharing approach	-	-	-	-		-		
	by using a credit sharing approach (guaranteed)		-						
	by using a credit sharing approach (guaranteed)	-	-		-		-		
	Residential Property-Backed Loans whose Payment Depends Materially on Property Cash Flow				-	-		-	
	Commercial Property Backed Loans whose Payments Are Not Material Dependent on Property Cash Flow	-	-		-		-		
	without a credit-sharing approach	-	-		-		-		
	by using a credit sharing approach (guaranteed)								
	by using a credit sharing approach (guaranteed)	-	-		-		-		
	Commercial Property Backed Loans whose Payments Depend Materially on Property Cash Flow								
	Land Procurement, Tillage, and/or Construction Credit								

No	Portfolio Categories	50%	100%	150%	Other	Total Net Receivables After FKKMRK
10	Past Due Receivables	311,929	135,901	308,654	-	756,484

No	Portfolio Categories	0%	20%	100%	150%	1.250%	Other	Total Net Receivables After FKKMRK
11	Other Assets	2,362,221	-	5,004,049	477,277	-	-	7,843,547

No	Risk Weight	Net Receivables Statement of Financial Position	Net Receivables of Administrative Account Transactions	Average FKK	Net Receivables (After the imposition of FKK and MRK Technique)
1	<40%	46,059,066	2,051,035	1,152	46,571,940
2	40%-70%	28,251,281	18,302,962	29	30,709,878
3	75%	70,552,681	10,370,034	6	71,811,013
4	85%	10,807,536	6,795,327	439	11,166,338
5	90%-100%	60,776,728	60,485,480	2,209	70,225,735
6	105%-130%	187,430	513,938	10,279	238,824
7	150%	1,289,517	142,281	739	1,320,746
8	250%	467,413	-	-	467,413
9	400%	-	-	-	-
10	1250%	-	-	-	-
Total Net Receivables		218,391,652	98,661,057	14,853	232,511,887

### iii. Additional Disclosure

Danamon applies collateral CRM Techniques with a simple approach in accordance with SEOJK No.24/SEOJK.03/2021.

### h. Disclosure of Assets Securitization

Securitization is the process of taking non-liquid assets or asset groups and, through financial engineering, transforming them into securities. The securities that are issued based on the transfer of financial assets from the original borrower are followed by payment from the proceeds of the sale of asset-backed securities to investors.

	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total Net Receivables After FKKMRK
	-	-	-	-	-	-	-	-	-	-	-	-	-
	743,774		-	2,427,541	8,429,335	100,234		22,856			-	-	16,877,355
	-		-	-	-	-		-			-	-	-
												-	-
	-		-		-	-		-			-	-	-
		-			-				13,839		-	-	13,839
	-	1,400,871	-		5,661,243	5,143,236		8,270,078			-	-	20,475,428
	-	-										-	-
		-										-	-
	-		-		-	-		-			-	-	-
				2,108,463			595,600			224,985	26,187	-	2,955,235
								-			-	-	

As of 31 December 2023, Danamon did not transactions of credit derivative and securitization, therefore no disclosure of tables below:

**TABLE 26. EXPOSURES ANALYSIS OF COUNTERPARTY CREDIT RISK (CCR1) - BANK ONLY**

31 December 2023

(in million Rupiah)

		a	b	c	d	e	f
No	Description	Replacement Cost (RC)	Potential Future Exposure (PFE)	EEPE	Alpha used for EAD regulatory calculation	Net Receivables	RWA
1	SA-CCR (for derivative)	270,960	550,976		1,4	1,150,711	488,825
2	Internal Model Method (For Derivative and SFT)					N/A	N/A
3	Basic Approach for credit risk mitigation (for SFT)					N/A	N/A
4	Comprehensive approach for credit risk mitigation (For SFT)					N/A	N/A
5	VaR untuk SFT					N/A	N/A
6	<b>Total</b>						<b>488,825</b>

#### Qualitative Analysis

In accordance with SEOJK No 48/SEOJK.03/2017, RWA in Counterparty Credit Risk under Standard Approach Method for Banks' Derivative Transactions shall be calculated using the Replacement Cost calculation analysis method for non-margin derivative transactions.

**TABLE 27. CCR EXPOSURES BY PORTFOLIO CATEGORY AND RISK WEIGHT (CCR3) - BANK ONLY**

31 December 2023

	a	b	c	d	e	f
<b>Risk Weight</b>	0%	20%	30%	40%	45%	50%
<b>Portfolio Category</b>						
<b>Indonesia</b>						
Receivables on Sovereigns	68,117					
Receivables on Public Sector Entities						2
Receivables on Multilateral Development Banks and International Institutions						
Receivables on Banks		202,341		611,832		
Exposures to Securities Firm and Other Financial Institutions		11,071		118,248		
Receivables on Corporates						
Receivables on Micro, Small, and Retail Businesses Portfolio						
<b>Total</b>	<b>68,117</b>	<b>213,412</b>	<b>-</b>	<b>730,080</b>	<b>-</b>	<b>2</b>

TABLE 26. EXPOSURES ANALYSIS OF COUNTERPARTY CREDIT RISK (CCR1) - BANK CONSOLIDATED WITH SUBSIDIARY

31 December 2023

(in million Rupiah)

		a	b	c	d	e	f
No	Description	Replacement Cost (RC)	Potential Future Exposure (PFE)	EEPE	Alpha used for EAD regulatory calculation	Net Receivables	RWA
1	SA-CCR (for derivative)	271,966	560,384		1,4	1,165,290	494,657
2	Internal Model Method (For Derivative and SFT)					N/A	N/A
3	Basic Approach for credit risk mitigation (for SFT)					N/A	N/A
4	Comprehensive approach for credit risk mitigation (For SFT)					N/A	N/A
5	VaR untuk SFT					N/A	N/A
6	<b>Total</b>						<b>494,657</b>

## Qualitative Analysis

In accordance with SEOJK No 48/SEOJK.03/2017, RWA in Counterparty Credit Risk under Standard Approach Method for Banks' Derivative Transactions shall be calculated using the Replacement Cost calculation analysis method for non-margin derivative transactions.

(in million Rupiah)

	g	h	i	j	k	l	m	n
	67,5%	75%	85%	100%	112,5%	150%	Others	Total Net Receivables
								68,117
								2
								-
						30,021		844,194
								129,319
			174	108,855				109,029
						51		51
	-	-	174	108,855	-	30,072	-	1,150,711

**TABLE 27. CCR EXPOSURES BY PORTFOLIO CATEGORY AND RISK WEIGHT (CCR3) - BANK CONSOLIDATED WITH SUBSIDIARY**

31 December 2023

Portfolio Category \ Risk Weight	a	b	c	d	e	f
	0%	20%	30%	40%	45%	50%
<b>Indonesia</b>						
Receivables on Sovereigns	68,117					
Receivables on Public Sector Entities						2
Receivables on Multilateral Development Banks and International Institutions						
Receivables on Banks		202,341		626,411		
Exposures to Securities Firm and Other Financial Institutions		11,071		118,248		
Receivables on Corporates						
Receivables on Micro, Small, and Retail Businesses Portfolio						
<b>Total</b>	<b>68,117</b>	<b>213,412</b>	<b>-</b>	<b>744,659</b>	<b>-</b>	<b>2</b>

Until the end of 2023, the Bank does not have Net Receivables Credit Derivatives.

## 2. Market Risk

### Market Risk Management Implementation

Market Risk Management is a top-down process within Danamon's organizational structure, from the Risk Oversight Committee, the BOD through the Assets and Liabilities Committee (ALCO), and senior management actively involved in the planning, approval, review, to assessment of all risks involved.

Trading risk, including exchange risk and interest rate risk, is primarily managed through a limit structure, and monitored daily by the Market and Liquidity Risk (MLR) Division.

On the other hand, interest rate risk in the banking book is an exposure arising from adverse interest rate market movement on the Bank's balance sheet.

This risk is an inherent part of the banking business. Proper risk management could turn an exposure into an additional source of income, and eventually increase shareholders' value. However, excessive exposure to interest rate risk could also create a significant threat to a bank's income and capital. Monitoring of interest rate risk on the banking book is carried out daily by the MLR Division.

In general, market risk measurement covers foreign exchange risk and interest rate risk in the Danamon Trading Book and Banking Book. Market risk measurement includes the valuation of financial instruments, calculation of market risk capital charge, stress testing, and sensitivity analysis. The methodology of market risk measurement refers to regulatory requirements and general banking industry standards in market risk management.





(in million Rupiah)

	g	h	i	j	k	l	m	n
	67,5%	75%	85%	100%	112,5%	150%	Others	Total Net Receivables
								68,117
								2
								-
						30,021		858,773
								129,319
			174	108,855				109,029
						51		51
	-	-	174	108,855	-	30,072	-	1,165,290

### Portfolio Accounted for Minimum Capital Requirement

Danamon is committed to meet the Minimum Capital Adequacy (CAR) as stipulated by the regulator. Therefore, on a monthly basis, Danamon will calculate market risk RWA based on a standardized approach. In the calculation, the Bank takes two exposures into account, namely interest rate risk exposure and foreign exchange (FX) risk exposure. Interest rate risk exposure consists of specific risks and general risks, which cover debt, debt related instruments, and interest rate derivatives in the Trading Book. On the other hand, FX risk exposure is calculated for foreign exchange risk in the Trading Book and Banking Book.

### Anticipating Market Risk for Foreign Exchange Transactions

To anticipate the market risks faced, Danamon's market risk management is based on the following principles:

- Danamon should establish a sound and comprehensive market risk management system that is closely integrated with its day-to-day risk management process and system.
- The market risk management involves identification, measurement, monitoring, control, and risk management information systems of all market risks materials/factors, including sound capital adequacy assessment associated with the risks. Ultimately, through market risk management, Danamon seeks to ensure that it does not take market risk beyond its capacity to absorb the potential losses.
- Policies and procedures are structured with due observance of the prudence principle as the foundation of a robust risk management system.
- The market risk management system of Danamon should be commensurate with the scope, size, and complexity of its activities.
- The market risk management system should cover all material market risks, both on- and off-balance sheet.

**TABLE 28. DISCLOSURE OF MARKET RISK USING STANDARDIZED APPROACH**

(in million Rupiah)

No	Risk Type	31 December 2023				31 December 2022			
		Individual		Consolidated		Individual		Consolidated	
		Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Interest Rate Risk	51,585	644,816	51,585	644,816	28,896	361,200	28,896	361,200
	a. Specific Risk	45	564	45	564	265	3,311	265	3,311
	b. General Risk	51,540	644,252	51,540	644,252	28,631	357,889	28,631	357,889
2	Exchange Risk	26,042	325,523	26,090	326,122	36,090	451,122	36,041	450,508
3	Equity Risk <sup>*)</sup>	-	-	-	-	-	-	-	-
4	Commodity Risk <sup>*)</sup>	-	-	-	-	-	-	-	-
5	Option Risk	2,870	35,869	2,870	35,869	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-

**Note:**
<sup>\*)</sup> For Banks with subsidiary that have such risk exposures

**Risk Management Implementation of Interest Rate Risk in Banking Book (IRRBB)**
**a. IRRBB Definition**

Interest Rate Risk in Banking Book (IRRBB) refers to the current or prospective risks to Danamon's capital and earnings arising from adverse movements in interest rates that affect the Bank's Banking Book positions.

Included in the IRRBB exposure are any instruments or positions that are sensitive to interest rates but are not included in the Trading Book/Fair Value to Profit and Loss (FVPL). This includes financial instruments or assets that are recorded as Available-for-Sale (AFS)/Fair Value to OCI (FVOCI) and as Held-to-Maturity (HTM).

**b. Risk Management Strategy and Risk Mitigation for IRRBB**

IRRBB is managed for each exposure in a currency with material (major) exposures, i.e. those accounting for a minimum of 5% of either Banking Book assets or liabilities. The major currencies must be actively managed by Treasury and independently monitored by Risk Management.

In relation to the above, the BOD delegates the authority to the Assets and Liabilities Committee (ALCO) to monitor and review the structure and trends of the balance sheet in terms of, such as,

interest rate risk, including interest rate risk in Banking Book (IRRBB). Accordingly, ALCO should conduct regular meetings that include agenda items related to IRRBB.

In general, ALCO's management of IRRBB is supported by the Treasury and Capital Market (TCM) Division and the Market and Liquidity Risk (MLR) Unit.

The TCM has an active role in managing IRRBB exposure within the limits and parameters approved by ALCO, including managing the gap risk, repricing risk, and other risks associated with the IRRBB, as well as performing necessary interest rate hedging. The management is performed based on the decisions and mandates given by ALCO as a senior management committee, which is the apex body entrusted for interest rate risk management and is the owner of the IRRBB limit.

MLR is an independent function within the Bank that is responsible for managing market and liquidity risks. The responsibility of the MLR in relation to the management of the IRRBB includes:

- Identifying, measuring, monitoring, and reporting risk exposure in accordance with regulations, methods, and policies related to IRRBB.

- Developing and reviewing related policies, guidelines, methods, and procedures in managing IRRBB.
- Reviewing the limits associated with IRRBB on a regular basis to ensure they remain adequately set.

#### c. Periodization of IRRBB Calculations and Measurements Used to Measure Sensitivity to IRRBB

Internally, Danamon measures and monitors IRRBB exposures monthly through the  $\Delta$ EVE and  $\Delta$ NII methods.

#### d. Interest Rate Shock Scenario and Stress Scenario Being Used

In accordance with the POJK, IRRBB exposure measurement through  $\Delta$ EVE is conducted based on 6 (six) interest rate shock scenarios, as follow:

- Parallel shock up
- Parallel shock down
- Steepener shock
- Flatten shock
- Short rates shock up and
- Short rates shock down

IRRBB exposure measurement through  $\Delta$ NII is conducted based on 2 (two) interest rate shock scenarios, as follows:

- parallel shock up
- parallel shock down

The amount of interest rate shock used by Danamon in calculating  $\Delta$ EVE and  $\Delta$ NII follows the scenario set by the OJK, which is as follows:

(in bps)	Rp	USD
Parallel	400	200
Short	500	300
Long	350	150

#### e. Modelling Assumptions that Are Different from the Standardize Approach

For the purpose of IRRBB disclosure, Danamon uses the standardized approach as stipulated in the OJK Circular.

As a complementary tool in managing interest rate risk, under the Internal Capital Assessment Adequacy Process (ICAAP), Danamon also conducts IRRBB simulations using the standardized approach by using internal assumptions of interest rate shock.

#### f. Hedging of IRRBB and Related Accounting Treatments

In the event that an activity uses hedge accounting, the activity is taken into account in the measurement of IRRBB.

As of the December 2023 report, Danamon's subsidiary had hedge accounting activities, which were included in the scope of the consolidated IRRBB calculation.

#### g. Main Modelling Assumptions and Parametric Used in $\Delta$ EVE and $\Delta$ NII Calculations

- 1) In calculating cash flows and discounts on the  $\Delta$ EVE calculation, the Bank does not include commercial margin components and other spread components.
- 2) Determination of repricing maturities for NMD is conducted based on a behavioral analysis of NMD using sufficient historical data.
- 3) The methodology used to estimate loan prepayment rates and TD early withdrawal rates is the maximum value of prepayment rates and early withdrawal rates based on historical data.
- 4) At present there are no other assumptions that have a material impact on  $\Delta$ EVE and  $\Delta$ NII that were excluded from the calculations.
- 5) The method of aggregation between currencies is as follows:
  - For the purpose of measurement on a consolidated basis, the calculation is performed by combining the results of the  $\Delta$ EVE and  $\Delta$ NII values of each entity based on the same interest rate scenario category and the same currency type.
  - For the purpose of measurement in aggregation between significant currencies, the calculation is performed by summing up the worst  $\Delta$ EVE and  $\Delta$ NII for each type of significant currency.

#### Quantitative Analysis

1. Average repricing maturity for NMD as of the end of December 2023 is determined based on a behavioural analysis of NMD using sufficient historical data.
2. Maximum repricing maturity for NMD as of the end of December 2023 is determined through internal assumption.



**TABEL 29. QUANTITATIVE EXPOSURE OF OPERATIONAL RISKS - BANK ONLY**

(in million Rupiah)

No	Indicator Approach	31 December 2023			31 December 2022		
		Average Gross Income in the Last 3 Years	Capital Charge	RWA	Average Gross Income in the Last 3 Years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Basic Indicator Approach	0	0	0	11.565.545	1.734.832	21.685.397

**TABEL 29. QUANTITATIVE EXPOSURE OF OPERATIONAL RISKS - BANK CONSOLIDATED WITH SUBSIDIARY**

(in million Rupiah)

No	Indicator Approach	31 December 2023			31 December 2022		
		Average Gross Income in the Last 3 Years	Capital Charge	RWA	Average Gross Income in the Last 3 Years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Basic Indicator Approach	0	0	0	17.508.460	2.626.269	32.828.362

**Table 30. INTEREST RATE RISK IN BANKING BOOK-IRRBB CALCULATION REPORT - BANK ONLY**

Currency : IDR

(in million Rupiah)

Period	ΔEVE		ΔNII	
	31-Dec	30-Sep	31-Dec	30-Sep
Parallel Up	(2,845,184)	(2,308,173)	(1,131,069)	(1,006,084)
Parallel Down	3,515,121	2,743,455	(69,068)	(284,569)
Steeper	(476,724)	(118,605)		
Flattener	(206,376)	(440,114)		
Short Rate Up	(1,455,477)	(1,373,042)		
Short Rate Down	1,634,827	1,536,341		
Maximum Value Negative (Absolute)	2,845,184	2,308,173	1,131,069	1,006,084
Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)	34,156,702	33,648,233	9,228,015	9,228,015
Maximum Value divided by Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)	8.33%	6.86%	12.26%	10.90%



Currency : USD

(in million Rupiah)

Scenario	Period	ΔEVE		ΔNII	
		31-Dec	30-Sep	31-Dec	30-Sep
Parallel Up		(54,927)	(33,573)	2,188	(49,415)
Parallel Down		65,862	39,432	(98,780)	(45,068)
Steeper		(34,326)	(10,073)		
Flattener		14,072	1,448		
Short Rate Up		(11,064)	(13,023)		
Short Rate Down		12,900	14,730		
Maximum Value Negative (Absolute)		54,927	33,573	98,780	49,415
Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)		34,156,702	33,648,233	9,228,015	9,228,015
Maximum Value divided by Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)		0.16%	0.10%	1.07%	0.54%

Currency : Combined (Rp &amp; USD)

(in million Rupiah)

Scenario	Period	ΔEVE		ΔNII	
		31-Dec	30-Sep	31-Dec	30-Sep
Maximum Value Negative (Absolute)		2,900,111	2,341,746	1,229,849	1,055,500
Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)		34,156,702	33,648,233	9,228,015	9,228,015
Maximum Value divided by Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)		8.49%	6.96%	13.33%	11.44%

TABLE 30. INTEREST RATE RISK IN BANKING BOOK-IRRBB CALCULATION REPORT - BANK CONSOLIDATED WITH SUBSIDIARY

Currency : IDR

(in million Rupiah)

Scenario	Period	ΔEVE		ΔNII	
		31-Dec	30-Sep	31-Dec	30-Sep
Parallel Up		(3,476,428)	(2,868,106)	(1,070,130)	(930,116)
Parallel Down		4,228,684	3,373,505	(132,287)	(363,375)
Steeper		(340,142)	16,503		
Flattener		(477,967)	(693,829)		
Short Rate Up		(1,948,935)	(1,820,680)		
Short Rate Down		2,177,751	2,028,300		
Maximum Value Negative (Absolute)		3,476,428	2,868,106	1,070,130	930,116
Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)		44,057,898	43,021,972	15,440,143	15,440,143
Maximum Value divided by Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)		7.89%	6.67%	6.93%	6.02%



Currency : USD

(in million Rupiah)

Scenario	Period	ΔEVE		ΔNII	
		31-Dec	30-Sep	31-Dec	30-Sep
Parallel Up		(54,927)	(33,573)	2,188	(49,415)
Parallel Down		65,862	39,432	(98,780)	(45,068)
Steepener		(34,326)	(10,073)		
Flattener		14,072	1,448		
Short Rate Up		(11,064)	(13,023)		
Short Rate Down		12,900	14,730		
Maximum Value Negative (Absolute)		54,927	33,573	98,780	49,415
Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)		44,057,898	43,021,972	15,440,143	15,440,143
Maximum Value divided by Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)		0.12%	0.08%	0.64%	0.32%

Currency : Combined (Rp & USD)

(in million Rupiah)

Scenario	Period	ΔEVE		ΔNII	
		31-Dec	30-Sep	31-Dec	30-Sep
Maximum Value Negative (Absolute)		3,531,355	2,901,679	1,168,910	979,532
Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)		44,057,898	43,021,972	15,440,143	15,440,143
Maximum Value divided by Tier 1 Capital (for ΔEVE) or Projected Income (for ΔNII)		8.02%	6.74%	7.57%	6.34%

### 3. Liquidity Risk

#### Liquidity Risk Management Governance

Liquidity risk management is a top-down process, starting from the Risk Oversight Committee of the BOC and the BOD /Senior Management through ALCO, which are actively involved in the planning, approval, review, and assessment of all risks involved.

In order to evaluate the fulfillment of liquidity, ALCO has a wide scope of authority delegated by the BOD to manage the structure of assets and liabilities, including the funding strategies of Danamon. ALCO focuses on liquidity management with the following objectives:

- Understanding the various liquidity risk sources and integrating the characteristics and risks of various liquidity sources, particularly under stress conditions.
- Developing a comprehensive risk approach to ensure compliance with the overall risk appetite.

- Determining relevant funding strategies to meet liquidity requirements, including consolidating all funding resources.
- Developing effective contingency plans.
- Improving resilience in the event of a sharp decline of liquidity risk and demonstrating Danamon's ability to address closed access to one or more financial markets by ensuring that funding can be generated through a variety of sources.

ALCO, as Danamon's senior management committee, serves as the apex body assigned to oversee and evaluate the structure and trends of the balance sheet in terms of liquidity, interest rates risk, and capital management. This includes the establishment of policies and procedures, the determination of a limit framework, and evaluation of strategies on the balance sheet with the objectives of providing adequate liquidity and capital for Danamon, as well as a diversified funding structure.

Danamon manages liquidity risks through liquidity gap analysis and liquidity ratios. Liquidity risks are measured and monitored on a daily basis based on the limit framework of liquidity risks.

The monitoring and control processes are conducted through the Liquidity Risk Limit mechanism. MLR is an independent division (as the Second Line of Defense) that monitors the limits relevant to liquidity risk on a daily basis by taking into account the risk appetite and business strategy direction of the Bank.

### Funding Strategy

As part of the liquidity risk management process, Danamon implements a funding strategy through a diversified third-party fund (TPF) composition in wholesale and retail segment financing. One of the methods used to monitor the funding strategy is through the concentration of funding for large fund providers that are monitored daily.

### Liquidity Risk Mitigation Technique

In mitigating liquidity risks, Danamon's liquidity risk management is based on the following principles:

- a. Strategies, policies, and practices are geared towards managing liquidity risk to provide sufficient liquidity.
- b. There should be robust processes in place for identifying, measuring, monitoring, and controlling liquidity risk.
- c. The risk management function responsible for liquidity risk management should be structurally and functionally independent from the liquidity risk-taking function (Risk-Taking Unit).
- d. There should be active monitoring and control of current and potential liquidity-risk exposures.
- e. Funding sources and tenors should be effectively diversified to minimise excessive funding concentrations.
- f. A comprehensive Contingency Funding Plan (CFP) that sets out the strategies for addressing liquidity shortfalls in crisis situations should be in place and tested periodically to assess its effectiveness and operational feasibility.
- g. Danamon should maintain, on an ongoing basis, a liquidity reserve of high-grade liquid assets, corresponding to the risk tolerance, and prevailing regulations.
- h. Danamon's liquidity stress tests should include the on- and off-balance sheet components.

### Stress Test

Liquidity-risk stress testing assesses Danamon's capacity to withstand plausible scenarios of a range of severities under various market and/or firm-specific conditions, thereby identifying Danamon's vulnerabilities to specific sources of liquidity risk.

Stress tests should be designed to assess the liquidity risk of the portfolios and the liquidity management strategies of Danamon under extraordinary circumstances. The scenarios used by Danamon are:

#### a. General Market Stress/Systemic Problem

The aim of this scenario is to illustrate a situation where liquidity at a large number of financial institutions in the country is affected. This situation may be triggered by a major macroeconomic and financial problems or a political crisis in the country that causes the customers to lose confidence in the banking system. A systemic situation arising from market scenarios that are not directly related to the Bank (e.g. sharp fall and high volatility in asset prices, market panic, sudden dry-up in short-term funding markets, and financial/economic difficulties).

#### b. Bank-Specific Stress/Name Problem

The aim of this scenario is to illustrate a situation where liquidity stress arises as a result of Danamon itself experiencing either real or perceived problems. These problems include deteriorating asset quality, major fraud cases, large trading losses, rumours about Danamon's credibility or a downgrade in its credit rating, and exceptional losses arising from market/credit/operational issues; this generally leads to an erosion of public trust in the Bank, deposit runs, and overall shortness in liquidity.

### Liquidity Risk Measurements

In general, the assessment of liquidity risk may be grouped into regulatory measurements and internal or non-regulatory measurements. To measure regulatory liquidity risk, the Bank internally set additional thresholds from those pre-set by regulations, where such thresholds are more conservative than those set by regulations.





#### a. Liquidity Coverage Ratio (LCR)

The purpose of this standard is to ensure that Danamon retains a sufficient level of unencumbered and high-quality assets that are convertible into cash to fulfill liquidity requirements within 30 calendar days under a severe liquidity stress scenario as defined by regulators. At a minimum, liquid asset stocks will enable Danamon to maintain its operations for up to 30 days during the stress scenario, by which time it is assumed that appropriate corrective actions have been taken by the management and/or regulators.

TABLE 31. LIQUIDITY ADEQUACY RATIO (LCR) CALCULATION REPORT

No	Components	INDIVIDUAL			
		31-Dec-23		30-Sep-23	
		The outstanding value of liabilities and commitments/ contractual invoice value	The value of HQLA after a haircut or outstanding liabilities and commitments multiplied by the run-off rate or the value of contractual invoices times the inflow rate	The outstanding value of liabilities and commitments/ contractual invoice value	The value of HQLA after a haircut or outstanding liabilities and commitments multiplied by the run-off rate or the value of contractual invoices times the inflow rate
1	Total data points used in the calculation of the LCR		63 days		62 days
HIGH QUALITY LIQUID ASSET (HQLA)					
2	Total High Quality Liquid Asset (HQLA)		34,458,528		36,768,951
CASH OUTFLOWS					
3	TOTAL CASH OUTFLOWS		64,655,143		64,011,690
CASH INFLOWS					
4	TOTAL CASH INFLOWS		38,326,266		38,211,519
			TOTAL ADJUSTED VALUE <sup>1</sup>		TOTAL ADJUSTED VALUE <sup>1</sup>
5	TOTAL HQLA		34,458,528		36,768,951
6	NET CASH OUTFLOWS		26,328,877		25,800,171
7	LCR (%)		130.88%		142.51%





(in million Rupiah)

CONSOLIDATED				
	31-Dec-23		30-Sep-23	
	The outstanding value of liabilities and commitments/ contractual invoice value	The value of HQLA after a haircut or outstanding liabilities and commitments multiplied by the run-off rate or the value of contractual invoices times the inflow rate	The outstanding value of liabilities and commitments/ contractual invoice value	The value of HQLA after a haircut or outstanding liabilities and commitments multiplied by the run-off rate or the value of contractual invoices times the inflow rate
		63 days		62 days
		34,538,059		36,849,152
		65,356,369		64,844,207
		39,152,495		39,029,389
		<b>TOTAL ADJUSTED VALUE1</b>		<b>TOTAL ADJUSTED VALUE1</b>
		34,538,059		36,849,152
		26,203,874		25,814,818
		131.81%		142.74%



## Individual Analysis

In general, the liquidity condition of Danamon is still very good. Liquidity risk management is supported by measurement of liquidity risk parameters that indicate a low level of risk. In addition, Danamon is also supported by strong capital.

In accordance with POJK No.42/POJK.03/2015, Banks are obliged to perform Individual and Consolidated quarterly reports for KBMI 3 Banks for the position of the December 2023 report based on the daily average from October - December 2023.

The average LCR ratio of Danamon individually for Quarter-IV 2023 was 130.88%. This ratio is still above the minimum ratio value stipulated in POJK No.42/ POJK.03/2015 which is 100% and revised through OJK Regulation number 48/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy as the impact of the spread of Coronavirus Disease 2019, which is 85% valid until March 31, 2022.

The composition of the LCR for Quarter-IV 2023 is described in the section below.

The composition of High Quality Liquid Assets (HQLA) owned by Danamon in Quarter-IV 2023 was still dominated by Placements with Bank Indonesia (BI) and securities issued by the Central Government and BI. On average, during Quarter-IV 2023, the largest composition of HQLA was securities issued by the Central Government and BI, amounting to 54.10% of the total HQLA, followed by Placements with BI of 39.98%, cash or cash equivalents 5.49%, Corporate Bonds Level 2A at 0.43% and Corporate Bonds Level 2B at 0%.

The composition of Third Party Funds (TPF) owned by Danamon remains diversified the wholesale and retail segments. To maintain the stability of TPF so as not to be concentrated on a particular party, as risk mitigation, Danamon internally monitors the funding concentration ratio on a daily basis and continues to make efforts to diversify TPF in a sustainable manner.

Overall, the total derivative transactions conducted by Danamon did not have a significant impact on the LCR calculation. In terms of composition, the comparison of the net cash outflow of derivative transactions (derivative transaction cash outflow minus derivative transaction cash inflow) to the total net cash outflow is 0.17%, with the cash inflow of derivative transactions being greater than the cash outflow of derivative transactions.

In addition, the background for derivative portfolio activities is still limited to plain vanilla products, most of which are carried out for hedging needs, supporting customer transactions, or liquidity needs in Balance Sheet Management.

The implementation of Danamon's liquidity management in accordance with what we have reported in the liquidity risk profile includes the following:

1. In terms of risk management, the BOC and BOD have awareness of liquidity management risk and is represented through the ALCO (Asset and Liability Committee) and ROC (Risk Oversight Committee) with clear and independent duties and responsibilities.
2. In terms of risk management, Danamon has a contingency funding plan (CFP), monitoring and reporting of liquidity limits through ALCO and ROC, managing positions and liquidity risk, as well as funding strategies and policies / procedures as well as monitoring liquidity risk limits and reviewed regularly.
3. Danamon has and implements a liquidity risk management process, independent human resources and a liquidity management information system.
4. Danamon has a sufficient risk control system through a risk management unit and a compliance unit that is independent from the operational unit and Line of Business.

### b. Net Stable Funding Ratio (NSFR)

This ratio aims to assess Danamon's resilience from a stable funding profile in accordance with balance sheet composition on and off-balance sheet.

TABLE 32. NSFR REPORT - BANK ONLY

No	ASF Component	30 September 2023		
		Outstanding Value Based on Remaining Period (In Million Rupiah)		
		No Period	<6 months	≥6 months - 1 year
1	<b>Capital:</b>	<b>49,744,703</b>	-	-
2	Capital in Accordance to POJK KPMM	49,744,703	-	-
3	Other Capital Instruments	-	-	-
4	<b>Deposits originating from individual customers and Funding from micro and small business customers:</b>	<b>37,904,276</b>	<b>29,369,619</b>	<b>2,043,444</b>
5	Stable Deposits and Funding	2,056,830	281,191	86,280
6	Less Stable Deposits and Funding	35,847,447	29,088,428	1,957,164



## Consolidated Analysis

Danamon's consolidated liquidity also shows very good conditions. Liquidity risk management in both the main entity and its subsidiaries is carried out through measurement, supervision and control of liquidity risk parameters, which generally indicate a low level of risk.

In accordance with POJK No.42/POJK.03/2015, Banks are obliged to perform Individual and Consolidated quarterly reports for KBMI 3 Banks for the position of the December 2023 report based on the daily average from October - December 2023.

The average Consolidated LCR ratio of Danamon for Quarter IV 2023 is 131,81%. This ratio is still above the minimum ratio value stipulated in POJK No.42/ POJK.03/2015 which is 100% and revised through OJK Regulation number 48/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy as the impact of the spread of Coronavirus Disease 2019, which is 85% valid until March 31, 2022.

The composition of the LCR for Quarter-IV 2023 is described in the section below.

The LCR consolidation calculation is a combination of Danamon's LCR calculation as the main entity with the subsidiary's LCR, in this case PT Adira Dinamika Multi Finance Tbk (ADMF), a financial services institution engaged in financing or multi finance.

On a consolidated basis, the combined of LCR from subsidiaries has a marginal impact on HQLA by adding cash or cash equivalents, increasing/ reducing cash outflows through bond issuance and interbank borrowing, as well as increasing cash inflows through retail and interbank asset claims.

Composition of High Quality Liquid Assets (HQLA) owned by Danamon on a consolidated basis in Quarter-IV was still dominated by Placements with Bank Indonesia (BI) and Securities issued by the Central Government and BI. On average throughout the Fourth Quarter of 2023, the largest composition of HQLA was Securities issued by the Central Government and BI at 53.97% of the total HQLA, followed by Placements with BI of 39.89%, Cash or Cash equivalents of 5.71%, Corporate Bonds Level 2A at 0.43% and Corporate Bonds Level 2B at 0%.

Analysis of the Composition of Third Party Funds as an outflow component, the majority are in the Main Entity (Danamon) which remains diversified in funding from wholesale and retail segments. Supervision of the concentration of funding is monitored on a daily basis.

Derivative transactions are centered on the Main Entity (Danamon). As stated in the Individual analysis, the ratio of derivative transactions both in terms of receivables and liabilities to total assets and liabilities (including capital) has a minimal impact on the LCR calculation. The background of the derivative portfolio activity is only limited to plain vanilla products for hedging needs, supporting customer transactions, or liquidity needs through Balance Sheet Management.

The implementation of Consolidated liquidity management in accordance with what we have reported in the consolidated liquidity risk profile, includes the following:

1. In terms of risk governance, the BOC and BOD of both the Main Entity and Subsidiaries have awareness of liquidity management risk which is represented through the ALCO (Asset and Liability Committee) and ROC (Risk Oversight Committee) with clear and independent duties and responsibilities.
2. In terms of risk management, the Main Entity and / or Subsidiaries have contingency funding plans (CFP), monitoring and reporting of liquidity limits through ALCO and ROC, managing positions and liquidity risks as well as funding strategies and policies / procedures and limits. liquidity risk which is monitored and reviewed regularly.
3. The Main Entity and Subsidiaries have and implement a liquidity risk management process, independent human resources and a liquidity management information system.
4. The Main Entity and Subsidiaries have adequate risk control systems through risk management units and compliance units that are independent of operational units and Line of Business.

(in million Rupiah)

(in million Rupiah)

			31 December 2023				
		Total Weighted Value	Outstanding Value Based on Remaining Period (In Million Rupiah)				Total Weighted Value
	≥1 year		No Period	<6 months	≥6 months - 1 year	≥1 year	
-		49,744,703	50,869,926	-	-	-	50,869,926
-		49,744,703	50,869,926	-	-	-	50,869,926
-		-	-	-	-	-	-
-		62,506,820	35,595,983	31,298,072	2,352,383	-	62,449,294
-		2,303,085	2,180,314	272,554	97,131	-	2,422,500
-		60,203,735	33,415,669	31,025,518	2,255,252	-	60,026,795



No	ASF Component	30 September 2023		
		Outstanding Value Based on Remaining Period (In Million Rupiah)		
		No Period	<6 months	≥6 months - 1 year
7	<b>Funding originating from corporate customers:</b>	30,524,973	30,097,897	1,403,014
8	Operational Deposits	20,175,796	-	-
9	Other funding originating from corporate customers	10,349,178	30,097,897	1,403,014
10	Liabilities with interdependent asset pairs	-	-	-
11	Liabilities and other equities	8,848,607	-	85,597
12	NSFR derivative liabilities		-	
13	Equities and other liabilities that are not included in the above categories	8,848,607	1,296,496	85,597
14	<b>Total ASF</b>			

No	ASF Component	30 September 2023		
		Outstanding Value Based on Remaining Period (In Million Rupiah)		
		No Period	<6 months	≥6 months - 1 year
15	<b>Total HQLA in the framework of calculating the NSFR</b>			
16	<b>Deposits with other financial institutions for operational purposes</b>	1,405,592	-	-
17	<b>Loans classified as Current and Special Mention (performing) and marketable securities</b>	-	65,035,756	22,449,522
18	To financial institutions guaranteed by HQLA Level 1	-	-	-
19	To financial institutions that are not guaranteed with Level 1 HQLA and loans to financial institutions without collateral	-	10,146,775	1,407,851
20	To non-financial companies, individual customers and customers of micro and small businesses, the Government of Indonesia, governments of other countries, Bank Indonesia, central banks of other countries and public sector entities, including:	-	54,081,807	20,152,445
21	Meet the qualifications to get a risk weight of 35% or less, according to the SE OJK ATMR for Credit Risk	-	-	-
22	Residential mortgage backed loans that are not being guaranteed, which include:	-	-	-
23	Meet the qualifications to get a risk weight of 35% or less, according to the SE OJK ATMR for Credit Risk	-	570,019	579,666
24	Securities that are not being pledged as collateral, are not default on payment, and are not included as HQLA, including shares traded on an exchange	-	237,156	309,560
25	<b>Assets with interdependent liabilities pairs</b>	-	-	-
26	<b>Other Assets:</b>	-	15,952,160	212,590

(in million Rupiah)

			31 December 2023				
		Total Weighted Value	Outstanding Value Based on Remaining Period (In Million Rupiah)				Total Weighted Value
	≥1 year		No Period	<6 months	≥6 months - 1 year	≥1 year	
	50,000	23,186,043	38,658,359	32,551,756	1,792,594	75,000	28,662,125
	-	10,087,898	28,713,927	-	-	-	14,356,963
	50,000	13,098,145	9,944,432	32,551,756	1,792,594	75,000	14,305,162
	-	-	-	-	-	-	-
	-	42,798	8,983,143	-	98,023	-	49,011
				-			
	571,532	42,798	8,983,143	1,436,040	98,023	211,979	49,011
		135,480,364					142,030,357

			31 December 2023				
		Total Weighted Value	Outstanding Value Based on Remaining Period (In Million Rupiah)				Total Weighted Value
	≥1 year		No Period	<6 months	≥6 months - 1 year	≥1 year	
		729,134					842,280
	-	702,796	1,538,845	-	-	-	769,423
	53,719,029	83,489,445	-	65,591,025	23,170,118	56,841,787	87,632,812
	-	-	-	-	-	-	-
	7,824,722	10,050,664	-	7,073,924	3,877,530	7,457,517	10,457,371
	34,632,309	65,053,845	-	57,539,484	18,330,300	37,534,956	68,343,488
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	10,179,814	7,191,722	-	605,846	612,527	11,049,575	7,791,410
	1,082,183	1,193,214	-	371,771	349,760	799,738	1,040,543
	-	-	-	-	-	-	-
	8,176,326	23,899,599	-	16,622,383	156,067	8,848,431	25,176,307



No	ASF Component	30 September 2023		
		Outstanding Value Based on Remaining Period (In Million Rupiah)		
		No Period	<6 months	≥6 months - 1 year
27	Physical commodities that are traded, including gold	-		
28	Cash, securities and other assets recorded as initial margin for derivative contracts and cash or other assets submitted as default funds to the central counterparty (CCP)		-	-
29	NSFR derivative assets		-	55,924
30	NSFR derivative liabilities before deduction with variation margin		-	71,069
31	All other assets that are not included in the above categories	-	15,952,160	85,597
<b>32</b>	<b>Off Balance Sheet</b>		<b>83,153,653</b>	<b>2,895,140</b>
<b>33</b>	<b>Total RSF</b>			
<b>34</b>	<b>Net Stable Funding Ratio (%)</b>			

#### Individual Analysis

The Net Stable Funding Ratio (NSFR) of Danamon in December 2023 for individual Bank positions was 123.59%, decrease compared to the position in September 2023 of 124.02%. Overall, during Quarter IV/2023, Danamon's NSFR was always above the OJK requirement of a minimum of 100%.

Danamon's Total Available Stable Fund (ASF) for December 2023 is Rp142.03 Tn (weighted value) with the largest component coming from deposits from individual and micro customers amounting to Rp62.45 Tn (weighted value) and capital of Rp50.87 Tn (weighted value). Compared to the position in September 2023, total ASF was increase by Rp6.55 Tn (weighted value) mainly due to an increase in Deposits from Corporate Customers of Rp5.48 Tn (weighted value) & Capital of Rp1.13 Tn (weighted value).

Danamon's Total Required Stable Fund (RSF) is Rp114.92 Tn (weighted value) with the largest component coming from Loans in the Current and Special Mention category (performing) and securities that are not in default amounting to Rp87.63 Tn (weighted value) and other assets amounting to Rp25.18 Tn (weighted value).

Compared to the position in September 2023, total RSF increased by Rp5.68 Tn (weighted value) mainly due to an increase in Loans in the Current & Special Mention Category (performing) and Securities increased by Rp4.14 Tn (weighted value) and Other Assets amounting to Rp1.28 Tn (weighted value).

TABLE 32. NSFR REPORT - BANK CONSOLIDATED WITH SUBSIDIARY

No	ASF Component	30 September 2023		
		Outstanding Value Based on Remaining Period (In Million Rupiah)		
		No Period	<6 months	≥6 months - 1 year
<b>1</b>	<b>Capital:</b>	<b>49,834,327</b>	<b>-</b>	<b>-</b>
2	Capital in Accordance to POJK KPMM	49,834,327	-	-
3	Other Capital Instruments	-	-	-
<b>4</b>	<b>Deposits originating from individual customers and Funding from micro and small business customers:</b>	<b>37,904,276</b>	<b>29,369,619</b>	<b>2,043,444</b>
5	Stable Deposits and Funding	2,056,830	281,191	86,280
6	Less Stable Deposits and Funding	35,847,447	29,088,428	1,957,164
<b>7</b>	<b>Funding originating from corporate customers:</b>	<b>29,467,236</b>	<b>32,723,775</b>	<b>5,640,600</b>



(in million Rupiah)

			31 December 2023				
		Total Weighted Value	Outstanding Value Based on Remaining Period (In Million Rupiah)				Total Weighted Value
	≥1 year		No Period	<6 months	≥6 months - 1 year	≥1 year	
		-	-				-
	-	-		-	-	-	-
	-	55,924		-	-	-	-
	-	71,069		-	58,044	-	58,044
	8,176,326	23,772,606	-	16,622,383	98,023	8,848,431	25,118,262
	737,600	418,739		94,376,509	3,687,026	600,481	495,172
		109,239,713					114,915,994
		124.02%					123.59%

### Individual Analysis

Compared to the position in September 2023, total RSF increased by Rp5.68 Tn (weighted value) mainly due to an increase in Loans in the Current & Special Mention Category (performing) and Securities increased by Rp4.14 Tn (weighted value) and Other Assets amounting to Rp1.28 Tn (weighted value).

As of December 2023, the Bank does not have interdependent assets or liabilities.

The implementation of Danamon liquidity management in accordance with what we have reported in the liquidity risk profile, includes several things as follows:

1. In terms of risk management, the BOC and BOD have awareness of liquidity management risk and is represented through the ALCO (Asset and Liability Committee) and ROC (Risk Oversight Committee) with clear and independent duties and responsibilities.
2. In terms of risk management, Danamon has a contingency funding plan (CFP), monitoring and reporting of liquidity limits through ALCO and ROC, managing positions and liquidity risk, as well as funding strategies and policies / procedures as well as monitoring liquidity risk limits and reviewed regularly.
3. Danamon has and implements a liquidity risk management process, independent human resources and a liquidity management information system.
4. Danamon has a sufficient risk control system through a risk management unit and a compliance unit that is independent from the operational unit and Line of Business.

(in million Rupiah)

			31 December 2023				
		Total Weighted Value	Outstanding Value Based on Remaining Period (In Million Rupiah)				Total Weighted Value
	≥1 year		No Period	<6 months	≥6 months - 1 year	≥1 year	
	-	49,834,327	50,970,743	-	-	-	50,970,743
	-	49,834,327	50,970,743	-	-	-	50,970,743
	-	-	-	-	-	-	-
	-	62,506,820	35,595,983	31,298,072	2,352,383	-	62,449,294
	-	2,303,085	2,180,314	272,554	97,131	-	2,422,500
	-	60,203,735	33,415,669	31,025,518	2,255,252	-	60,026,795
	7,367,635	32,622,471	37,847,695	35,876,634	6,510,172	7,002,909	37,948,823



No	ASF Component	30 September 2023		
		Outstanding Value Based on Remaining Period (In Million Rupiah)		
		No Period	<6 months	≥6 months - 1 year
8	Operational Deposits	20,175,796	-	-
9	Other funding originating from corporate customers	9,291,441	32,723,775	5,640,600
10	Liabilities with interdependent asset pairs	-	-	-
11	Liabilities and other equities	8,822,243	-	616,742
12	NSFR derivative liabilities		-	
13	Equities and other liabilities that are not included in the above categories	8,822,243	2,856,371	616,742
14	<b>Total ASF</b>			

No	ASF Component	30 September 2023		
		Outstanding Value Based on Remaining Period (In Million Rupiah)		
		No Period	<6 months	≥6 months - 1 year
15	<b>Total HQLA in the framework of calculating the NSFR</b>			
16	<b>Deposits with other financial institutions for operational purposes</b>	2,155,108	-	-
17	<b>Loans classified as Current and Special Mention (performing) and marketable securities</b>	-	70,307,301	28,359,757
18	To financial institutions guaranteed by HQLA Level 1	-	-	-
19	To financial institutions that are not guaranteed with Level 1 HQLA and loans to financial institutions without collateral	-	10,146,775	1,407,851
20	To non-financial companies, individual customers and customers of micro and small businesses, the Government of Indonesia, governments of other countries, Bank Indonesia, central banks of other countries and public sector entities, including:	-	59,353,351	26,062,679
21	Meet the qualifications to get a risk weight of 35% or less, according to the SE OJK ATMR for Credit Risk	-	-	-
22	Residential mortgage backed loans that are not being guaranteed, which include:	-	-	-
23	Meet the qualifications to get a risk weight of 35% or less, according to the SE OJK ATMR for Credit Risk	-	570,019	579,666
24	Securities that are not being pledged as collateral, are not default on payment, and are not included as HQLA, including shares traded on an exchange	-	237,156	309,560
25	<b>Assets with interdependent liabilities pairs</b>	-	-	-
26	<b>Other Assets:</b>	509,239	6,833,720	229,137



(in million Rupiah)

31 December 2023							
		Total Weighted Value	Outstanding Value Based on Remaining Period (In Million Rupiah)				Total Weighted Value
	≥1 year		No Period	<6 months	≥6 months - 1 year	≥1 year	
-	-	10,087,898	28,713,927	-	-	-	14,356,963
7,367,635	-	22,534,573	9,133,768	35,876,634	6,510,172	7,002,909	23,591,860
-	-	-	-	-	-	-	-
-	-	<b>1,842,429</b>	<b>8,951,360</b>	-	<b>412,977</b>	-	<b>1,760,139</b>
				-			
2,105,590	-	1,842,429	8,951,360	3,405,395	412,977	1,765,629	1,760,139
		<b>146,806,047</b>					<b>153,128,999</b>

31 December 2023							
		Total Weighted Value	Outstanding Value Based on Remaining Period (In Million Rupiah)				Total Weighted Value
	≥1 year		No Period	<6 months	≥6 months - 1 year	≥1 year	
		<b>729,134</b>					<b>842,280</b>
-	-	<b>1,077,554</b>	<b>2,134,287</b>	-	-	-	<b>1,067,143</b>
<b>68,380,817</b>	-	<b>101,542,854</b>	-	<b>71,680,650</b>	<b>29,144,332</b>	<b>72,188,578</b>	<b>106,709,504</b>
-	-	-	-	-	-	-	-
7,824,722	-	10,050,664	-	7,073,924	3,877,530	7,457,517	10,457,371
49,341,431	-	83,147,489	-	63,629,109	24,304,515	52,930,680	87,461,773
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,179,814	-	7,191,722	-	605,846	612,527	11,049,575	7,791,410
1,034,849	-	1,152,980	-	371,771	349,760	750,805	998,950
-	-	-	-	-	-	-	-
<b>9,344,277</b>	-	<b>16,474,898</b>	<b>475,624</b>	<b>7,375,655</b>	<b>173,831</b>	<b>10,011,428</b>	<b>17,585,963</b>



No	ASF Component	30 September 2023			
		Outstanding Value Based on Remaining Period (In Million Rupiah)			
		No Period	<6 months	≥6 months - 1 year	
27	Physical commodities that are traded, including gold	-			
28	Cash, securities and other assets recorded as initial margin for derivative contracts and cash or other assets submitted as default funds to the central counterparty (CCP)		-	-	
29	NSFR derivative assets		-	55,924	
30	NSFR derivative liabilities before deduction with variation margin		-	71,069	
31	All other assets that are not included in the above categories	509,239	6,833,720	102,144	
32	Off Balance Sheet		83,153,653	2,895,140	
33	Total RSF				
34	Net Stable Funding Ratio (%)				

#### Consolidated Analysis

The Net Stable Funding Ratio (NSFR) of Danamon in December 2023 for Danamon's consolidated position was 120.86%, a decrease compared to the position in September 2023 of 122.09%. Overall, during Quarter IV/2023, Danamon's consolidated NSFR was always above the OJK requirement of a minimum of 100%.

Danamon's consolidated Total Available Stable Fund (ASF) for the position in December 2023 is Rp153.13 trillion (weighted value) with the largest component coming from deposits originating from individual customers and funding originating from micro and small business customers amounting to Rp62.45 Trillion (weighted value) and Capital of Rp50.97 Trillion (weighted value).

Compared to the position in September 2023, total ASF has increased by Rp6.32 trillion (weighted value) mainly due to an increase in funding originating from corporate customers of Rp5.33 trillion (weighted value) and capital of Rp1.14 trillion (weighted value).

Danamon's total Required Stable Fund (RSF) on a consolidated basis is Rp126.70 Trillion (weighted value) with the largest component coming from loans in the Current and Special Mention category (performing) and non-default securities amounting to Rp106.71 trillion (weighted value) and other assets of Rp17.59 trillion (weighted value).

#### c. Maximum Cumulative Outflow (MCO)

MCO measures forecast the liquidity profiles of Danamon under defined scenarios with specified survival horizons and calibrated assumptions.

For assessing liquidity adequacy, liquidity profiles are forecast at specified tenor buckets on a cumulative basis. To remain solvent, Danamon needs to ensure that either a positive cash flow is maintained in each maturity bucket or sufficient cash can be generated from a source of funding to satisfy the funding requirements on a daily basis.



(in million Rupiah)

		31 December 2023					
		Total Weighted Value	Outstanding Value Based on Remaining Period (In Million Rupiah)				Total Weighted Value
	≥1 year		No Period	<6 months	≥6 months - 1 year	≥1 year	
		-	-				-
	-	-		-	-	-	-
	-	55,924		(0)	-	1,006	1,006
	-	71,069		-	58,044	-	58,044
	9,344,277	16,347,905	475,624	7,375,655	115,786	10,010,422	17,526,912
	<b>737,600</b>	<b>418,739</b>		<b>94,376,509</b>	<b>3,687,026</b>	<b>600,481</b>	<b>495,172</b>
		<b>120,243,179</b>					<b>126,700,063</b>
		<b>122.09%</b>					<b>120.86%</b>

### Consolidated Analysis

Compared to the position in September 2023, the consolidated total RSF has increased by Rp6.46 Trillion (weighted value) mainly due to an increase in Current and Special Mention Loans (performing) and non-default securities of Rp5.17 Trillion (weighted value) & Other Assets of Rp1.11 Trillion (weighted value).

As of December 2023, Danamon does not have interdependent assets or liabilities.

The implementation of Danamon liquidity management in accordance with what we have reported in the liquidity risk profile, includes the following:

1. In terms of risk management, the BOC and BOD have awareness of liquidity management risk and is represented through the ALCO (Asset and Liability Committee) and ROC (Risk Oversight Committee) with clear and independent duties and responsibilities.
2. In terms of risk management, Danamon has a contingency funding plan (CFP), monitoring and reporting of liquidity limits through ALCO and ROC, managing positions and liquidity risk, as well as funding strategies and policies / procedures as well as monitoring liquidity risk limits and reviewed regularly.
3. Danamon has and implements a liquidity risk management process, independent human resources and a liquidity management information system.
4. Danamon has a sufficient risk control system through a risk management unit and a compliance unit that is independent from the operational unit and Line of Business.

Scenarios are crafted to set the underlying market and bank-specific conditions and severity on which the cashflow profile are forecast in assessing liquidity adequacy. The scenarios used for liquidity risk management are:

- Baseline atau Business as Usual (BAU)
- General Market Stress Test or Systemic Problem
- Bank Specific Crisis or Name Problem

#### d. Large Fund Provider (LFP)

As explained in the previous section, as part of funding strategy, Danamon monitors the concentration of funding towards large funding providers (LFP). In general, this monitoring aims to limit dependence on certain funding providers, which could otherwise cause problems with Danamon's liquidity position in the event of large withdrawals of funds.



TABLE 33. ENCUMBRANCE (ENC)

	(in million Rupiah)			
	a	b	c	d
	Encumbered Assets	Assets held or agreed with the central bank but not yet used to generate liquidity	Unencumbered Assets	Total
Cash and Cash Equivalent	-	-	2,233,846	2,233,846
Part of the placement with Bank Indonesia that can be withdrawn during stress	-	5,034,595	9,684,900	14,719,494
Securities issued by the Central Government and Bank Indonesia in Rupiah and foreign currencies	-	5,756,220	13,423,832	19,180,052
Securities in the form of debt securities issued by non-financial corporations that meet the criteria of Article 11 paragraph (1) letter b POJK No 42/POJK.03/2015 regarding LCR	-	-	176,684	176,684
Securities in the form of debt securities issued by corporations that meet the criteria of Article 12 paragraph (1) letter b POJK No 42/POJK.03/2015 regarding LCR	-	-	-	-
<b>Qualitative Analysis</b>				
At the end of December 2023, Danamon did not have assets classified as encumbered assets, but had assets that were kept or agreed with the central bank but had not yet been used to generate liquidity, in the form of Rupiah and foreign currency statutory reserves of Rp5.03 Tn and the Macroprudential Liquidity Buffer (PLM) of Rp5.76 Tn.				
Overall, Danamon has assets that qualify as HQLA of Rp36.31 Tn, which is dominated by Securities issued by the Central Government and Bank Indonesia.				

### Contingency Funding Plan

An event of liquidity stress is an emergency situation with the potential to have a substantial impact on the Bank's liquidity position. To anticipate a liquidity crisis, Danamon maintains a Contingency Funding Plan (CFP), which formally establishes strategies to face a liquidity crisis and procedures to compensate for cash-flow deficits during emergency situations. A CFP should comprehensively describe contingency management strategies, escalation procedures, and responsibilities for addressing liquidity stress.

With regards to the CFP, there are indicators that represent external factors (market Indicators) and internal factors, namely CFP Monitoring, with the following indicator details:

Internal Indicators	Market Indicators
<ul style="list-style-type: none"> <li>• <i>Rasio Intermediasi Makroprudensial</i></li> <li>• <i>Liquidity Coverage Rasio</i></li> <li>• <i>Stress Test Maximum Cumulative Outflow</i></li> </ul>	<ul style="list-style-type: none"> <li>• Rupiah exchange rate against the US dollar</li> <li>• Inflation rate</li> <li>• Trade Balance</li> <li>• Credit Rating</li> <li>• Rate of return of Government Bonds</li> </ul>

#### 4. Operational Risk

The definition of operational risk is specified in OJK Regulation No. 18/POJK.03/2016. Operational risk is a loss arising from the inadequacy or failure of internal processes, human error, system failure, or a problem caused by an external event, which affect the Bank's operational activities.

Danamon's approach to operational risk management is to define the best mitigation strategy to get an optimum balance between operational risk exposure, the effectiveness of control mechanisms, and to create a risk appetite as a Danamon strategy by consistent implementation of an Operational Risk Management (ORM) framework.

Major components of the Operational Risk Management Framework that are consistently applied are:

##### a. Three Lines of Defense

In the implementation of the ORM framework, the Three Lines of Defense concept is applied, as elaborated below:

- Line of business and supporting units as the executors of the risk management process, ORM at the Line of Business and Support Functions, and Internal Control functions in each Risk-Taking Unit act as the first line of defense in the day-to-day execution of operational risk management. They are responsible for identifying, managing, mitigating, and reporting on Operational Risk.
- The ORM division together with the Information Risk Management (IRM) Division, the Compliance Working Unit, and the Legal Division serve as the second line of defense responsible for overseeing operational risk management in Danamon.
- The ORM division is responsible for designing, defining, developing, and maintaining an overall operational risk framework, monitoring the implementation of the framework by the RTU, ensuring adequate control over policies and procedures, and acting as coordinator/facilitator for effective operational risk management activities.

- Meanwhile, the Internal Auditor (SKAI) independently performs the role as third line of defense to identify any weaknesses found in operational risk management and assesses whether the implementation of operational risk management has been in line with regulations.
- The BOD and BOC are responsible for overseeing the effectiveness of the overall implementation of the operational risk management framework.

##### b. Operational Risk Management

The operational risk management framework of Danamon and subsidiary is implemented in an integrated manner, the process of which consists of identifying, assessing/measuring, monitoring, and controlling risk.

The process involves:

1. Risk identification, which is used to identify and analyse inherent risks in new products, services, and processes, as well as to ensure adequate preventive control over all processes.
2. Risk assessment at the operating unit level is supported by the Risk/Loss Event Database (R/LED), Self-Raise, Risk Control Self-Assessment (RCSA), and Key Risk Indicators (KRI) to assess Danamon's risk profile quantitatively and to identify the effectiveness of operational risk management.

The measurement of operational risk uses the Standardized Measurement Approach based on OJK Circular Letter No. 6/SEOJK.03/2020.

Danamon's individual and consolidated quantitative operational risk disclosures are illustrated in the following tables.

**TABLE 34. QUANTITATIVE EXPOSURE OF OPERATIONAL RISKS - BANK ONLY**

(in million Rupiah)

Indicator Approach	December 31, 2023				December 31, 2022		
	Average Gross Income in the Last 3 Years	Internal Loss Multiplier (ILM)	ORRC	RWA	Average Gross Income in the Last 3 Years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Basic Indicator Approach	820,489	1	820,489	10,256,117	11,565,545	1,734,832	21,685,397

**TABLE 34. QUANTITATIVE EXPOSURE OF OPERATIONAL RISKS - BANK CONSOLIDATED WITH SUBSIDIARY**

(in million Rupiah)

Indicator Approach	December 31, 2023				December 31, 2022		
	Average Gross Income in the Last 3 Years	Internal Loss Multiplier (ILM)	ORRC	RWA	Average Gross Income in the Last 3 Years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Basic Indicator Approach	945,266	1	945,266	11,815,822	17,508,460	2,626,269	32,828,362

- Operational risk is monitored through periodic reports preparation to management by the Risk Management Committee to identify emerging issues related to weaknesses or failures in the implementation of control functions.

As part of Danamon's efforts to improve the monitoring of operational risk, the following are some of the efforts that have been implemented and will continue to be improved upon:

- Expansion of the scope of recording, analysis, and risk events reports in more details to ascertain the position of the Bank concerning existing problems related to operational risks.
- Development of an Operational Risk Management System (ORMS) application to improve the effectiveness of operational risk management.
- Effectiveness of ORM tools, such as Risk/Loss Event Database, Self-Raise, Risk Control Self-Assessment, and Key Risk Indicators used to identify operational risks and take preventive measures.

In addition, one of the primary mitigations of operational risks is the implementation of comprehensively coordinated insurance through maximum insurance policy coverage of Danamon's operational risk exposure.

- Risk control is conducted by ensuring operational policy and control adequacy in all operational procedures to mitigate operational risks.

Insurance Management implementation is done as a major operational risk mitigation effort and is conducted in a well-coordinated manner to ensure an optimum balance between operational risk exposures, effectiveness of control mechanisms, insurance coverage, premium expenses, and Danamon's risk appetite.

One controlling function is the implementation of Quality Assurance/Internal Control in each unit at Danamon, which refers to the general practices in the industry, application of quantitative measurements of Bank-wide control effectiveness, and cross-validation with

a control mechanism conducted by independent parties (SKAI/Internal Audit). The focus of QA for this year and the years to come is to enhance QA inspection methods, develop an integrated, effective, measurable, and informative QA application system, which will be implemented across the QA Units in Danamon and its subsidiary.

### c. Supporting Infrastructure

The implementation of the comprehensive operational risk management process is supported by the ORMS (Operational Risk Management System), an internally designed real-time online tool.

The ORMS strengthens the capture, analysis, and reporting of operational risk data by enabling risk identification, assessment/measurement, monitoring, and control/mitigation, which is conducted in an integrated manner, thereby enhancing the effectiveness of operational risk management at Danamon.

To increase awareness regarding operational risks, training media has been developed in the form of e-learning. This e-learning has been, and is still being implemented at all levels of Danamon management and employees.

### d. Technology Risk Management

Risks generated by the extensive use of Information Technology systems in supporting the business processes are identified as a subset of the operational risks in the Enterprise Risk Management framework.

As such, in managing the technology related risk, in general, the implementation refers to the bank-wide agreed process related to the risk management cycle, which is governed by the Operational Risk Management Policy, including:

- Risk identification, which is used to identify and analyse inherent risks in the use of information technology to support any new products, services, and processes, as well as to ensure adequate preventive controls over all processes.

- Risk assessment at the information technology operating unit level, which is supported by the Risk/Loss Event Database (R/LED), Risk Control Self-Assessment (RCSA), and Key Risk Indicators (KRI), to assess the Bank's risk profile related to information technology.

Nevertheless, specific process implementation of risk management related to the use of information technology refers to the frameworks under the Information Technology Risk Management Policy.

### e. Information Security Management

The developed Information Security Policy and Operational Term Framework ("Kerangka Acuan Operasional") provide the minimum requirements for the implementation of Information Security at Danamon, which all employees (both permanent and contract) must comply with, including third parties who work and gain access to Danamon's information.

The Information Security Policy was developed by adopting international standards that regulate Information Security, i.e. ISO 27001. Additionally, it also takes Indonesian laws and regulations into consideration.

The key to success in implementing the aspects of Information Security as governed by the Information Security Policy is the awareness, culture, commitment, and collective efforts of all lines of business and support functions at Danamon, starting from the employee level up to the senior management level.

To increase Information Security awareness, as mentioned above, we have performed the following:

- Development of educational material as part of online training (e-learning) for all Danamon employees.
- Delivering a sharing session to lines of business or support functions that need it.
- Providing educational material and practical tips related to Information Security through all available communication channels.
- Conducting a Cyber Security Risk Awareness Session for senior management.

As part of the Information Security Policy implementation, the Information Risk Assurance Unit also provides support to the Digital Risk Advisory and Technology Risk Methodology Unit in performing the risk assessment, from the Information Security perspective, on Bank's products and services, which is supported by Information Technology. The role of the Information Risk Assurance Unit in this activity is to identify vulnerabilities and threats to the information used by the Bank to achieve its business objectives, and to provide guidance on the necessary measures to mitigate the risks identified, if any, based on the value arising from the classification of such information.

**f. Business Continuity Management (BCM)**

BCM was developed to improve Danamon's resilience and establish preventive measures to respond to all incidents that may disrupt the continuity of the Bank's activities, regardless of the causes. This includes risks classified as low probability-high impact in order to safeguard the stakeholders' interests, reputation, brand, and valuable business activities, as well as to increase Danamon's resilience. The management and implementation of BCM in Danamon does not only focus on handling disturbances such as natural disasters, but also focuses on and cover deviations that might threaten Danamon's operational strategic plans.

The Business Continuity Management policy is managed by the Operational Risk Management, Fraud, and QA – Risk Management Division, and its implementation is managed by the Sustainability Finance Division.

**g. Fraud**

Danamon mitigates and manages risks arising from fraud based on the framework of the anti-fraud strategy as set forth in the "Anti-Fraud Management Policy and Framework", which has been implemented nationally in Danamon and its subsidiary. These policies and strategies are in line with POJK No. 39/POJK.03/2019 regarding the implementation of anti-fraud strategies for commercial banks, which Danamon has reported to the OJK every half year.

Danamon has consistently implemented the four pillars of the fraud control strategies, which consist of prevention, detection, investigation, reporting and sanctions, and monitoring, evaluation, and follow-up.

Danamon has implemented this strategy with various initiatives by involving employees and systems, including continuous improvement of internal controls effectiveness, active supervision by management, as well as culture development and concern for anti-fraud across all levels of Danamon's organization.



Fraud can affect any part of an institution and the Bank needs to remain vigilant and put more emphasis on internal control and risk management



## 5. Legal Risk

Legal risk is risk caused by lawsuits and/or weaknesses of juridical aspects. Legal risk occurs due to, among others, litigation factors, absence of supporting statutory regulations factors, or weaknesses in contract execution factors, such as unfulfillment of validity conditions of contractor unperfect execution process of collateral documents. Legal risk is one of the important aspect because Financial Services Authority (OJK) may issue an order to stop Danamon and/or its Subsidiary' products in the event that the implementation of Danamon and/or its Subsidiary' products is assessed or has the potential to significantly increase legal risk due to complaints or demands from customers.

Along with the increasing scope of Danamon and/or its Subsidiary' business and dynamic product development, as influenced by many factors, the level of legal risk needs to be properly managed. Basically, the main objective of legal risk management implementation is to ensure that the risk management process can minimize the possibility of negative impacts of juridical weakness, absence and/or amendments of laws and litigation processes in the activities of Danamon and/or its Subsidiary.

### a. Danamon Legal Risk Management Organization

Legal risk in Danamon is managed by a team coordinated by the Legal Division and chaired by the Head of Legal Counsel. In the implementation of legal risk management, the legal risk management team under the Legal Division cooperates with the relevant working units, namely the Service Excellent & Customer Care Division, Industrial Relation Division, Consumer Collection Division, and Remedial Division.

### b. Legal Risk Management Policies and Procedures

Danamon has already established a Legal Term Framework and Standard Operation Procedure (SOP) of Legal Risk Management Implementation, which are evaluated periodically based on the Danamon's internal/external development, as well as by changes in the applicable laws and comply with regulations of the Financial Services Authority (OJK) and its implementation regulations in accordance with risk management.

## c. Legal Risk Management and Control Mechanism

Legal Risk Management is conducted through a process of identification, assessment, monitoring, and risk control, as well as through management information system. In the identification process, all lines of business, support functions, and Subsidiary are required to identify, and analyse factors that can lead to the occurrence of legal risks in the lines of business, products, processes, and information technology that have an impact on Danamon's financial position and reputation. Risk identification also includes legal risks assessments arising from operational activities/products/agreements, and inherent risks with the purpose of:

- Protecting the interest of Danamon and/or its Subsidiary, individually or consolidated, and
- Having legal rights that can be implemented according to prevailing laws and regulations.

In assessing the inherent risk of legal risk, the following parameters/indicators are used:

- Litigation factors.
- Weaknesses in legal binding factors.
- Absence/changes in laws and regulations factors.

In relation to the implementation of legal risk management, Danamon has implemented the following:

- Implementation of legal risk monitoring by Danamon Senior Management (especially for high-risk legal cases).
- Development of Legal Term Framework and Standard Operation Procedure (SOP) for Legal Risk Management Implementation, which regulates the identification and mapping of legal risks, including the mitigation and matrix parameters for the inherent risk and quality of legal risk management implementation.

The implementation of a comprehensive legal risk management process with the monitoring of legal risks is expected to be consistent, with active participation of all concerned parties. With the Legal Division as the division in charge, the existing legal risks are expected not to exceed the risk appetite previously determined by Danamon management. To ensure the improvement quality of legal risk management,

Danamon regularly provides legal training/ socialization for employees.

## 6. Strategic Risk

Weaknesses or inaccuracies in strategy formulation, as well as failure to anticipate changes in the business environment could cause strategic risk. Strategic risk management is intended to address a variety of risks due to inadequate strategy establishment and implementation.

### a. Strategic Risk Management Organization

The Strategic Risk Unit plays a role in managing strategic risk and is under active supervision of the BOC and BOD. Danamon's Strategic Risk working unit covers all line of business and support functions which work closely with Financial Planning Division of the CFO Directorate to analyse and monitor strategic risk.

### b. Strategic Risk Management

The implementation of strategic risk management is done through active supervision of the BOC and BOD. The BOC is responsible for directing and approving bank's business plans and strategic plans.

While the BOD is responsible for:

- Preparing business plans and strategic plans.
- Ensuring that strategic objectives are already in line with mission, visions, culture, business directions, and risk tolerance.
- Approving any amendment of strategic plan and conducting reviews of the suitability of strategic plan periodically.
- Ensuring that the condition, managerial competency, as well as control system and mechanism are adequate to support the implementation of defined strategy.
- Monitoring the development of internal and external conditions which affect defined business strategy.
- Defining working units/functions which are responsible and authorized to formulate and monitor the implementation of strategies, including strategic, and business plans.
- Ensuring that strategic risk management has been implemented effectively and consistently.

Danamon and its subsidiary manage strategic risk by monitoring the inherent strategic risk, as well as the quality of strategic risk management. The parameters used in assessing inherent strategic risk are as follows:

- The impact of external risk factors, including macroeconomic conditions, regulations, technology, target customers, competition, as well as the Bank's, and its subsidiary' positioning in the banking/financial services industry.
- The impact of internal risk factors, including the alignment of business strategy, business model and strategic focus, effective organizational structure, adequacy and quality of human resources, technology, and operational efficiency.
- Strategy implementation monitoring, including the results of strategy implementation, successful implementation of strategic projects, and the impact of strategic decisions.

Furthermore, several factors are considered in order to assess the quality of strategic risk management:

- Risk Governance, including risk preference, risk tolerance, and active supervision by the BOC and BOD.
- Risk management framework, including the adequacy of organizational structure, policy, and procedure.
- Risk management process, human resources, and management information systems, including the process of identification, measurement, management information system and risk control, as well as the number and quality of human resources to support risk management.
- Risk control systems, including the adequacy of internal control systems, and the adequacy of reviews by independent parties in Danamon and its subsidiary.

### c. Inherent Strategic Risk

Danamon and its subsidiary have managed inherent strategic risk well. In principle, Danamon and its subsidiary have a clear and well-defined vision and mission with clear and measurable achievement steps. Danamon's aspiration is to become a leading financial group in lending and funding with sustainable profitability.

Danamon and its subsidiary anticipate more intensified competitive and diverse business competition by providing maximum service to existing customers and potential new customers. To support the strategic initiatives, Danamon and its subsidiary will continue to improve collaboration with MUFG and other related entities within the group. Furthermore, Danamon and its subsidiary will continue to improve human resource capabilities, optimize banking service through branch network transformation, digital development, and invest in operational process improvement.

Geopolitical dynamics over the past few years impacted the global situation, including Indonesia. COVID-19 pandemic and conflict between Russia and Ukraine worsened global supply chain disruptions and pushed up energy and non-energy commodity prices. These geopolitical dynamics have led to a significant increase in global inflation, even reaching double digits for some countries. In response to high inflation, central banks around the world have raised their benchmark interest rates. The global interest rate hike was started by the Fed, which has been aggressively increasing the Federal Funds Rate since March 2022.

The dynamics of the global economy also affect the national economy. Taking into account the development of the exchange rate and inflation, Bank Indonesia increased the benchmark interest rate since August 2022 as a pre-emptive and forward-looking measure by Bank Indonesia to bring inflation back within Bank Indonesia's target range. Despite global economic volatility, domestic economic growth remains positive, supported by controlled inflation, a surplus in non-oil and gas trade, and improved consumer purchasing power.

Credit growth shows a positive trend until the end of 2023. Through collaboration with MUFG, Danamon and its subsidiary will continue to increase its market share in the Enterprise Banking segment, continuing the growth of small and medium loans (SME), trade finance, auto financing, supply chain financing, household

goods financing, and sustainable financing while maintaining prudent principle in terms of lending and customer selection criteria.

Economic factors still affect the achievement of the Danamon and its subsidiary' strategic plans. Danamon and its subsidiary continue to monitor several indicators such as inflation rates, interest rates, fluctuation in the Rupiah exchange rate, market conditions business competition, and actively adapting several activities and strategies, such as cross-selling, establishing lending/financing segments, innovating in products and mechanisms serve customers and focus on maintaining good asset quality. Danamon and its subsidiary will remain selective and prudent in providing loan and maintaining asset quality.

Despite the rapid digitalization development in banking industry, the Bank still considers the importance of having physical branch for customers, especially for the affluent segment. The Bank has aspirations to transform branch offices by combining the physical branches experience with digital, in order to improve branch capabilities in providing financial solutions to customers. The Bank will also continue to maintain distribution network efficiency ratio.

Danamon and its subsidiary always strive to improve employee and leadership capabilities through various training and development programs designed to improve professional skills in their fields as well as managerial and leadership abilities. The Bank continues management trainee program as the Danamon Bankers Trainee (DBT), develops Danamon Technology Trainee (DTT) program related to digitalization, and develops Danamon Banking Officer (DBO) program in order to fulfill strong and competitive sales force needs. Danamon and its subsidiary also optimize the use of HR management information system through continuous improvements and developments. This provides a reference for management to set employee management strategies and policies.

#### **d. Strategic Risk Management Implementation Quality**

The implementation of risk management has been accomplished with satisfactory rating. Nevertheless, Danamon and its subsidiary continue to improve upon it. The formulation of an acceptable level of risk (risk appetite) is sufficient in the form of limits, policies, and procedures for risky processes. Risk managers in each division and subsidiary are in place to support the implementation of the business strategies that have been formulated.

Danamon and its subsidiary continue to monitor various relevant strategic risk elements and regularly update the mitigation action plan in response to dynamic business environment.

### **7. Compliance Risk**

Compliance risk is the risk that may arise due to Danamon's failure to comply with and/or not to implement the provisions of laws and regulations, including the Sharia Principles for sharia business units.

Compliance risk in general can result from, among other things, (i) legal behaviour, namely the behaviour or activities of Danamon breach or in violation of the provisions and/or laws and regulations, and (ii) organizational behaviour, namely the behaviour or activities of Danamon are in violation of generally accepted standards.

Danamon implements compliance risk management to minimize the possible negative impacts of Bank behaviour that breach or are in violation of generally accepted standards, provisions, and/or laws and regulations as early as possible.

Implementation of Risk Management for compliance risk is adjusted to the size and complexity of Danamon's business.

In implementing compliance risk management, Danamon not only monitors its compliance risk individually but also its compliance risk in a consolidated manner with subsidiary. With the appointment of Danamon as the main entity of the MUFG Group Financial Conglomeration, Danamon also monitors compliance risk in an integrated manner within the MUFG Group Financial Conglomeration.

#### **a. Compliance Risk Management Organization**

The Compliance Work Unit [SKK] which consists of the Regulatory Compliance & Advisory Division and the Regulatory Compliance & Assurance Division is a working unit that runs compliance functions to monitor Danamon's compliance risks individually, in consolidated manner with subsidiary, and in an integrated manner under the MUFG Group Financial Conglomeration.

Danamon has a Compliance Director who has met the prerequisite for independency and is currently does not hold any multiple position that considered unlawful according to the regulation. The Compliance Director has an important role in risk management and responsible for the implementation of the compliance function at Danamon.

The following functions are a series of preventive (ex-ante) actions or steps to ensure that the policies, provisions, systems, procedures and business activities carried out by Danamon remain in compliance with the provisions of the Financial Services Authority and the provisions of statutory regulations including the sharia principles for Sharia Business Units. The work unit that carries out the compliance function also ensures Danamon's compliance with all commitments made by Danamon to the Financial Services Authority and/or other competent supervisory authorities.

The BOD plays an active role in nurturing and realizing compliance culture at all levels of Danamon's organization and business activities. Organizational risk management includes active oversight if the BOD and BOC. To support this oversight function, Danamon has set up a Risk Management Committee at the BOD level and a Risk Oversight Committee at the BOC level.

The BOC, through the Risk Oversight Committee, oversees risk management policies and implementation, including the implementation of compliance functions in managing the compliance risk. The BOC periodically submits evaluation results and suggestions for for compliance function quality improvement to the President Director and the Director who responsible in with implementing compliance function.

## **b. Compliance Risk Management Policy and Strategy**

Danamon has an Integrated Risk Management Policy and Bank Compliance Framework as a reference for managing compliance risk. Compliance risk management is carried out on matters that can increase compliance risk exposure that may cause both financial and non-financial sanctions.

The Compliance Risk Management Strategy executed by the SKK includes creating a gap analysis between Danamon's internal policies and regulatory provisions. In cases where there is a gap, the SKK ensures it has an action plan and monitors how the action plan is executed to settle the gap. SKK ensures the availability of adequate risk mitigation tool and carried out compliance review on Danamon's internal policies to ensure regulatory adequacy with continuous updates. Apart from that, the SKK also conducts review on the provision of funds with certain limits.

## **c. Compliance Risk Management Implementation Process**

The implementation of compliance risk management is carried out through the entire process of identifying, measuring, monitoring and controlling compliance risk. With regards to compliance risk monitoring and control, the SKK has an application system that can give periodic notifications to relevant work units related to the fulfillment of commitments and the delivery of periodic reports to relevant regulators. Apart from that, the SKK also has a Risk Appetite Statement (RAS) for both Danamon as an individual entity and subsidiary. The SKK regularly monitors between RAS and its realization. Should there be any exception to the RAS, the SKK will ensure that mitigation measure is adequate with proper follow-ups.

## **8. Reputation Risk**

Reputation risk is a risk due to decrease in stakeholder's level of confidence that comes from negative perception of the Bank, triggered by a variety of undesirable events, such as negative publicity on the Bank's operations, a violation of business ethics, customer complaints, governance weakness, corporate culture and other events that may impair the Bank's reputation.

### **a. Reputation Risk Management Organization**

Danamon's reputation risk is managed by the Corporate Secretary Working Unit, which coordinates with units that handle customer complaints, finance units, treasury units, and units that handle corporate communications.

Consolidated reputation risk is managed through collaboration with the risk teams from the subsidiary.

### **b. Policy and Mechanism of Reputation Risk Management**

The policy and mechanism of reputation risk management refer to regulations that focus on the following:

- Negative news related to the owner of Danamon and/or companies related to Danamon.
- Violation of common practices of business ethics/norms.
- The amount and level of customer usage of Danamon's complex products and the amount and materiality of Danamon's cooperation with its business partners.
- Frequency, types of media, and materiality of negative publicity of Danamon.
- Frequency and materiality of customer complaints.

Danamon always strives to implement high standards of reputation risk management through continuous improvement and updates of governance, policies, appropriate procedures, utilization of improved information systems, and continuous improvement of the quality of human resources.



### c. Risk Management During Crisis

Danamon has already established policies and procedures for handling risk reputation management in a crisis.

## 9. Investment Risk

Investment Risk (Equity Investment Risk) arises because the Bank also bears the loss of customer business financed under a profit-loss sharing basis agreement (for example *mudharabah*, *musyarakah*, *musyarakah mutanaqishah* or *MMQ*). This risk arises from the Bank's financing activities that use *mudharabah* and *musyarakah* contracts.

Financing based on a *mudharabah* contract takes the form of business cooperation between the Bank, which provides all the capital, and the customer, who acts as fund manager, by sharing in the profits of the business, based on the contract agreement, while the loss will be fully borne by the Bank unless the customer is proven to have committed wilful misconduct, is negligent, or has violated the agreement.

Financing based on a *musyarakah* contract takes the form of cooperation between the Bank and its customers for a certain business, in which each party invests a certain portion of funds, under the provision that the profits will be shared based on an agreement, while any loss will be borne by all parties, according to the respective funding proportions.

*Musyarakah mutanaqisah* or *MMQ* is *musyarakah* or *syirkah*, where the ownership of assets (goods) or capital of one *syarik* (bank) is reduced because of gradual purchases by other parties (customers).

### Organization and Policy of Investment Risk Management

Investment risk organization and policy is the same as Credit Risk Organization, given that both of the risks arise from financing activities.

Danamon's Sharia Business Unit (UUS) has a working unit responsible for analysing reports containing actual the realization with the business targets. Danamon maintains adequate infrastructure to monitor the business performance and operations of those financed by the Bank, or who are regarded as partners.

### Investment Risk Mitigation

The periodic monitoring of risks taken in accordance with risk appetite and business performance remains within the desired limits.

To prevent any breach on the part of customers and as collateral for Danamon if customers should make intentional mistakes, be negligent, or violate agreements, Danamon requests collateral from customers who are financed. Collateral type and collateral assessment follow the prevailing collateral policies that applied in financing business in general.

## 10. Rate of Return Risk

Rate of Return Risk arises from changes in the level of return rates paid by the Bank to a customer, due to changes in returns received by the Bank and/or from the financing, which can affect the behaviour of funding a third-party customer of the Bank. Rate of Return Risk Management also applies to the Sharia Business Unit (UUS). The process of Return of Risk Management refers to the provisions of the OJK.

### Rate of Return Risk Mitigation

Monitor the returns of the Bank every month compared with the returns of other banks and maintain the composition of the source of funding from third-party funds with low yields.

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# HUMAN CAPITAL MANAGEMENT



"To align and support the Company's strategy, Danamon's HR management focuses on: Better Employee Experience, Developing Future Capabilities and Dynamic Organization to Increase Productivity, dan Evolving High Performance Culture."

In order to better cultivate a High-Performance Culture, HR continues to communicate our Employee Value Proposition (EVP) internally. The following are four values contained in the EVP:

1. Global Exposure. As part of MUFG, one of the world's largest banking businesses, Danamon provides opportunity for employees to gain overseas work exposure through short assignment and employee exchange within MUFG Group companies
2. Rise to Excellence. Danamon encourages employees to continuously improve their performance and live an innovative culture through the Danamon Innovation Race program.
3. Own Your Future. Danamon provides employees with many opportunities for self-development and career development according to their aspirations and potential, including educational programs for fresh graduates through various management trainee programs to build talent for long-term needs. On top of the Danamon Bankers Trainee (DBT) which has entered its 19th batch, Danamon also developing specialized programs based on sectors, such as Danamon Technology Trainee (DTT) in IT, Danamon Banking Officer (DBO) in Sales, and Danamon SME Trainee (DST) in the SME segment.

4. Wellness and Wellbeing. Danamon applies a balanced approach towards employee performance and welfare which facilitated through activities under the Danamon Club (D'Club) and many CSR activities with the theme of Sustainability Environment.

## Recruitment and Selection

Danamon prefers internal hires in the form of job rotations and assignments, which also contribute further to employee learning and development. However, to support the growth and business development, Danamon may from time to time have to hire from external candidates through the use of available social media and career site services and artificial intelligence, including LinkedIn, besides using other sourcing strategies such as referrals, campus hiring, virtual career fairs and other means of recruitment.

Other than that, Danamon continues to collaborate, cooperate, support career sponsorship and webinars with prominent universities and organizational communities. Danamon also provides internship opportunities for final semester college students, for example through the Kampus Merdeka Program that aims to prepare them for the real work environment.



### Competency Training and Development

Danamon continuously innovating in training and development programs to improve employees' competences. As many as 892 training programs were organized on soft skills and technical skills developments, engaging 123,443 participants with an average total learning hours of 52.86 Hours/Employee. Danamon has maximized digital technology for all training modules stored in the Learning Management System (LMS), in addition to various digital learning platforms such as Smart Library, LinkedIn Learning, and other digital learning platforms.

Danamon is committed in developing employees through a comprehensive leadership training program, combining leader competencies and corporate values. This program is known as Danamon Leadership Academy (DLA) which is provided for 3 leadership layers, from First Line Manager, Middle Manager, to Senior Manager.

To increase the competence of its sales team, Danamon has conducted Upskilling Credit Skill (Financial Statement Analysis) and Advisory Camp Program for Branch Managers.

### Talent Management and Worker Career Development

To ensure the availability and readiness of future leaders, especially in strategic positions, Danamon carries out a talent identification process based on two criteria: performance and potential. Furthermore, talent review and calibration are carried out to manage the best talents within the Company so they could be developed according to their respective potentials and the aligning to the Company's needs. The objective of this process is to increase employee engagement level collectively, within both their division and Danamon level. This process also involves succession planning to ensure that the Company can maintain the sustainability of both its business and operations by preparing a talent pool of leadership candidates who have the future leaders' skills that are in line with the Company's strategy.

### HR Management Information System

The year 2023 marked the various improvements in the capabilities of Danamon's HR management information system with various upgrades of capabilities that are more automation in nature and are the forerunners for the application of artificial intelligence (AI) in the future. We refer this feature as Danamon Virtual Employee Assistance (Denva) which could automatically answer questions from employees regarding Human Capital policies and products.

Furthermore, Danamon has improved Denva's capabilities whereby it can help employees in drafting various reference letters; for instance, request for company reference letters, which typically required by employees to apply for personal loans, can be done automatically in this application. Another feature of this system is that it helps Danamon to create and send certificates of work appointments automatically to employees who have completed their probation period as opposed to the previous process where everything was done manually.

Danamon has further expanded its personnel management system to include employee education and communication media. The front page of this system resembles a news portal where employees will be directed to various educative and informative articles once they log in the system. Moreover, its function as collaboration platform has also been enhanced. Through this system, each work unit is expected to optimize its own collaboration area to share various materials such as policies, SOPs or learning materials specific to the respective work unit. This collaborative function can support specific learning and communication needs in each work unit.



### Industrial Relations

To strengthen ties between employees and management, Danamon supports events of employee gatherings at all work locations through recreational activities where employees can meet up face to face. For social activities, Karyawan Danamon Peduli (KDP) run programs to help their fellow employees who are going through hardships, grief, give medical aid, as well as educational assistance.

Danamon also facilitates employee interest and talent activities through D'Club. These activities take the form of routine sports as well as art activities, such as dance and music. Not only D'Club internal routine activities, participation in activities organized by the OJK and other institutions, both government and private, are also encouraged. D'Club also organizes sports tournaments in big cities and other activities such as health seminars, blood donations and bazaars to celebrate Eid al-Fitr and Christmas.

### Human Capital Strategy and Work Plan 2024

In the future, Danamon will continue to develop talents and exchange talents between the MUFG Group, manage productivity through effective performance management and increase work discipline in managing labor costs through careful calculations and planning, as well as maintaining strong employee engagement. System capabilities will be continuously built to allow Danamon analyze various personnel data for more informed decision making based on reliable data.

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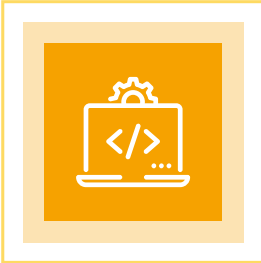
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# INFORMATION TECHNOLOGY

PT BANK DANAMON INDONESIA TBK  
2023 ANNUAL REPORT



“We aspire to become a strategic and trusted partner to carry out Bank Danamon’s Digital Transformative initiatives through cutting-edge technology solutions.”

In 2023, Danamon’s IT focused its development team on delivering several innovations to provide convenience, reliability and security for our customers, while also improving the efficiency of the Bank’s operations, as well as increasing internal productivity. We also continued several strategic initiatives commenced in the previous year and committed to continuing the development of our digital banking service strategy combined with technological innovations to support Danamon’s business growth and meet customer needs.

## 2023 INFORMATION TECHNOLOGY ACCOMPLISHMENTS

### TECHNOLOGY INITIATIVES FOR BUSINESS

Throughout 2023, consistent with our commitment to promoting integration, interconnectivity, interoperability, secure, and reliable payment system infrastructure, we aligned our Open Banking platform with BI-SNAP (National Open API Payment Standard), which is the national open API payment standard published by Bank Indonesia as part of the Indonesia Payment System Blueprint 2025 (BSPI 2025). To support domestic business, Danamon has Corporate API services and to expand our retail business reach, the Bank also provides retail API Services. For third parties who wish to try the API service, the Bank has prepared

an accessible API portal (<https://developer.danamon.co.id>) to conduct trials and simulations of integrating banking services within the designated sandbox.

D-Bank PRO, as one of the Bank’s focused digital channels to meet customer needs and provide convenience for customers when conducting end-to-end banking transactions, has been continuously enhanced to enable customers to have banking services anytime and anywhere through the online features such as online savings account opening, Valas Mobile - FX purchase, personal loan registration, and opening virtual credit cards with lower limits. Apart from increasing partnerships with third parties, IT has implemented credit card onboarding features using API services, real time money transfers, and insurance features.

Danamon’s Branch of the Future is the customer’s destination, specifically for personification of banking services and financial advice on important investment decisions. A branch is not just a place for routine transactions. In 2022, Danamon transformed two pilot locations to provide a new branch atmosphere and digital experience for customers, and it also improved the Bank’s capabilities in providing sound financial solutions. In 2023, 16 locations were also successfully transformed and at the same time, self-service



machines (MFK) were developed to further increase our unique value proposition to customers, and the Bank launched 'Danamon Lebih Pro', which offers savings products for 9 currencies in 1 account. Transferring and receiving funds in multiple currencies can be done without the hassle of opening an additional foreign currency account.

Danamon Cash Connect (DCC), one of Danamon's flagship digital channels for corporations, is constantly being improved to provide the best proposition for corporate customers through added features for the Financial Supply Chain for the Automotive segment and bulk upload for cross border remittance.

In 2023, Danamon successfully completed the migration of the acquisition of Standard Chartered Indonesia's conventional retail loan portfolio (Credit Card, Personal, Mortgage, Auto loan). This is one of the strategic priorities to strengthen Danamon's Consumer Banking business.

To support and improve global environmental protection, IT has successfully defined the classification of Green Taxonomy and also supports the commitment of Indonesia efforts to reduce greenhouse gas emissions.

## **TECHNOLOGY REFORMATION INITIATIVES**

As part of our commitment to deliver the best technology services to both business units and customers, technology modernization is kept underway as we continue to revitalize, monitor the utilization and maintain hardware and software capacity appropriately, allowing the IT Infrastructure to quickly respond to changes, improve resiliency, and support business growth.

Internally, Danamon continued to renew obsolete hardware and software, as well as apply in place automated capabilities to eliminate exploitation risks related to vulnerabilities in servers, endpoint devices, network devices, and systems software, as well as using Robotic Process Automation (RPA) so that repetitive and rule-based tech operational processes can run 24 hours a day. The adoption of cloud-based infrastructure is starting to be used for R&D innovation and development, which facilitates sandboxing for the digital development team in developing and testing digital solutions.

Danamon recognizes the importance of ensuring customer data, transactions, and IT services remain secured, and therefore has formed a special team that only focuses on all activities related to cybersecurity including defining cybersecurity strategy, establishing security governance, ensuring secured technical development processes, securing privileged user access, handling and monitoring security trends and incidents.

To better compete with peers and the fintech industry, Danamon obtained the following ISO 27001 certifications in 2023:

1. Data Center Operations
2. Payment systems

ISO 27001 certification, which is an international standard for information security management systems that is widely accepted and trusted by various organizations, plays a key role for Danamon in obtaining benefits such as creating a positive image and good perception in securing customers and business partners, governing information security based on applicable national and/or international standards, and conforming to local regulations.

The development of technology is thriving at a very fast pace and under this condition, it is important to optimize and maintain the agility of the IT team. To ensure there is always a pool of fresh and innovative ideas, as well as to show our commitment to nurturing the next generation of IT Talent, in 2023, the second batch of Danamon's Technology Trainees (DTT) have been successfully recruited and enrolled in designated trainings and mentorship Program.



## 2024 STRATEGY

### CONTINUE TO ENHANCE CYBER SECURITY, DIGITAL & DATA CAPABILITIES

To realize Danamon's IT vision, the IT development plan in 2024 will refer to the defined IT Strategic plan that supports Danamon's digital transformation journey. Through the ongoing provision of superior technology and operational solutions in service and performance, the IT team believes that initiatives can be carried out through digital innovation to support businesses in enhancing customer experience, partnerships, financial supply chains, and sustainable payment ecosystems.

Cybersecurity will continue to be the Bank's focus to increase proactive cyber risk management capabilities, monitor threats, and address vulnerabilities effectively. Danamon is committed to always providing safe services for customers.

In the coming year, IT will continue to increase their presence in the digital era through the established digital channels of D-Bank Pro and Danamon Cash Connect by modernizing and revamping the existing systems and technology, which is in line with Danamon's commitment to offer unique value for the customer experience when interacting with the Bank through self-service devices.

Danamon believes that data will play a significant role in contributing intelligent insights to support the Bank's business growth; therefore, IT will continue to improve the data architecture to ensure the Bank has the best fit platform to produce superior analytics deliverable quality and performance monitoring by incorporating artificial intelligence capabilities and forming an internal center of excellence (COE) to support the production of data that can be used for more informed business decision making.

In 2024, Danamon will continue their journey to improve key capabilities through system modernization, the adoption of new technology such as Gen AI, cloud computing, infrastructure resiliency, secured IT operations, and well-governed collaboration.

Enhancing IT in the coming year, should be supported by flexible, resilient, reliable, automated and scalable technology infrastructure capabilities. This capability will involve increasing the IT staff's capacity, productivity, and capability with competency-based development programs.



# OPERATIONS



“The Operations framework focuses on improving the infrastructure, process, people, and procedures.”

Throughout 2023, Danamon's Operations have continuously transformed and innovated to ensure high-quality processes and good corporate governance. Collaborating with all Danamon's stakeholders, Operations has expanded the Bank's market reach through MUFG network, including the acquisition of retail assets customers of Standard Chartered Bank Indonesia. The Operations framework focuses on improving the infrastructure, process, people, and procedures.

## PERFORMANCE IN 2023

As strategic and trusted business partner, Operations focuses on quality service to both internal and external customers. Operations continue to optimize operational processes and resources to deliver better customer experience by improving productivity through several winning initiatives while maintaining strength in internal control, and in order to be more adaptive in fulfilling the diverse needs of our customers, Operations have rolled out process reengineering, system enhancement, and implementation of digital infrastructure initiatives.

Our continuous improvement initiatives in 2023 included:

1. Supported new products and synergy realization projects as part of MUFG ecosystem, which includes MUFG investment into ventures, new biller hub collaborations, and loan syndication process development.
2. Created optimum and secure processes through the improvement of service level agreements in the collateral appraisal and trade operation process, extending the internal cut-off time for the loan and trade process, and optimizing the availability system for loan outgoing transfer, payment process in Custody Operation, and fund transfer for mutual fund subscription.
3. Improved bond statement delivery by converting hardcopy statements to become e-statements and automated e-statement generation.
4. Conducted periodic reviews and created stronger procedures with the addition of flow charts to improve the clarity of the procedure.
5. System enhancements to ensure compliance with the latest regulations related to payments, which include BI FAST additional features and MPN G3 related to tax payments.
6. Development of custodian systems in processing with BI FAST, development of transaction methods, KYC and merging of statements, account identification, creation of e-statements, as well as development for multi-currency and multi-share class transactions.
7. Created a collateral appraisal workflow system and used QR Codes in collateral document safekeeping.
8. Internal process improvement in the areas of credit operations, including credit document handling, stock opname process, cross-regional alignment, and legal knowledge upscaling.
9. Actively participated in global standard alignment and knowledge exchange such as ATMR new regulation, SOX implementation, and Indonesia Green Taxonomy Reporting.
10. Completion of projects to improve the Regulatory Reporting process (new or additional regulations), covering the Financial Information Service System (SLIK) and Antasena reporting.
11. Implementation and stabilization of e-stamp duty system to monitor stamp duty usage on Treasury transactions and credit card billing statements.



Operations team kept on improving the capacity and quality of human resources to be adaptable to the needs of the current banking industry is implemented through various initiatives. The following are several programs carried out throughout 2023:

1. Continue implementing employee rotations within internal groups, including job enlargement as well as job re- assignments.
2. Specialized learning programs and/or certification for related teams, such as risk management, capital markets, trade finance, and collateral appraisers.
3. Conducted employee capability development programs, including soft skills training such as leadership skills and customer service skills for user and supervisory levels, which are carried out for Operations employees to prepare the Operations team to respond to future challenges.
4. Organized training and certification for User, Supervisor, and Executive Officer levels as part of the SKKNI SPPUR certification, as well as being actively involved with Bank Indonesia, LPK (Job Training Institute), and FKDOP (Banking Operational Director Communication Forum) in supporting the implementation of SKKNI SPPUR targets.
5. Continued the process of benchmarking with peer banks, to identify opportunities to improve our processes further.

### AWARDS AND RECOGNITION IN 2023

With the spirit of advancing and growing together, Danamon's Operations continuously strives to excel in transactions and services. Danamon has received various awards in operations during 2023, consisting of:

1. The 2023 USD Clearing Elite Quality Recognition Award for Outstanding Achievement of Best-in-Class MT202 with the STP Rate of 99.97% from J.P. Morgan Chase Bank.
2. The 2023 USD Clearing Elite Quality Recognition Award for Outstanding Achievement of Best-in-Class MT103 with the STP Rate of 99.49% from J.P. Morgan Chase Bank.
3. The USD Payments STP Excellence Award for Commercial Payments with STP Rate 99.3% from Citibank.
4. The 2023 STP Awards for USD Clearing Payment with STP Rate 99.2% from Standard Chartered.
5. Recognition of Outstanding Payment Formatting Performance in achieving the STP rate of 98.16% for MT103 Payments from Bank of New York Mellon.
6. MUFG President's Award - Collaboration MVP Winners for Implementation of Cash Online.
7. SERAMBI Award 2023 (Semarak Rupiah Ramadhan dan Berkah Idul Fitri) from Bank Indonesia.

### PLANS FOR THE FUTURE

As a working unit responsible for carrying out banking transactional processes, Danamon's Operations continuously strive to improve banking operational processes that are oriented towards providing the best service and control over each transaction. Operations always align our transformations with Bank Danamon's strategic initiatives, with the main aspiration of achieving operational excellence to deliver a better Customer Experience.

The followings are some of the initiatives that will be carried out in 2024:

1. Optimizing the process of remittance, related to having automated same-day incoming remittance and nostro distribution logic.
2. Continuing the initiative to utilize RPA technology (Robotic Process Automation) and process re-engineering to optimize processing time and process accuracy in several operational areas.
3. Enhancing collateral appraisal workflow system to integrate with the credit process in the SME area and to further, continue to develop the QR Code system for administering collateral documents.
4. Developing automated processes for integrated deposit transactions.
5. Continue developing BI-Antasena reporting process, Foreign Exchange Flow Activity Reporting (LLD), and other reports to increase the current level of automation and comply with the latest regulatory provisions.
6. Develop a Tax Application Service Provider (PJAP) system for Mutual Fund tax reporting and custodian system to support PJAP reporting.
7. Develop a dispute chargeback monitoring system for credit and debit card transactions to mitigate risks and compliance functions.
8. Continue automating the User ID management process to improve the control and speed up the process of managing all User ID and process flow functions for the Bank's internal system parameters.
9. Continue developing the auto-reconciliation process in several operational unit processes, to accelerate the reconciliation process and increase process accuracy.
10. Optimizing email management to support the Trade Finance transaction processing function.