

INDICATIVE TIMETABLE

Date in the register of shareholders of each of PT Bank Danamon Indonesia Tbk and PT Bank Nusantara Parahyangan Tbk that are entitled to attend and vote at each of PT Bank Danamon Indonesia Tbk's and PT Bank Nusantara Parahyangan Tbk's General Meeting of Shareholders and who are entitled to sell their shares	: 1 March 2019
Date of Effective Statement on the Merger Statement	: 21 March 2019
Date of PT Bank Danamon Indonesia Tbk's and PT Bank Nusantara Parahyangan Tbk's General Meeting of Shareholders	: 26 March 2019
The date of the period for PT Bank Danamon Indonesia Tbk's and PT Bank Nusantara Parahyangan Tbk's shareholders to state their intention to sell their shares	: 28 March 2019 - 10 April 2019
Last date of trading of PT Bank Nusantara Parahyangan Tbk's shares in the IDX prior to the Merger	: 26 April 2019
Estimated Date of Payment to the shareholders of each of PT Bank Danamon Indonesia Tbk and PT Bank Nusantara Parahyangan Tbk who have stated their intention to sell their shares	: 29 April 2019
Last date of trading of PT Bank Danamon Indonesia Tbk's shares in the IDX prior to the Merger	: 30 April 2019
Estimated Merger Effective Date	: 1 May 2019
Starting date of the trading of Surviving Bank's additional shares and the date of PT Bank Nusantara Parahyangan Tbk's share delisting	: The date which is 1 trading day after the Effective Date of the Merger

DEFINITION AND ABBREVIATION

ACOM	: ACOM Co., Ltd.
Anti-Competition Law	: Law No. 5 of 1999 on the Ban of Monopolistic Practices and Unfair Business Competition
BAE	: Securities Administration Bureau (<i>Biro Administrasi Efek</i>).
Bank Danamon or the Surviving Bank	: PT Bank Danamon Indonesia Tbk
Banking Law	: Law No. 7 of 1992 on Banking as amended by Law No. 10 of 1998
Bapepam-LK	: Capital Market Supervisory Board (<i>Badan Pengawas Pasar Modal dan Lembaga Keuangan</i>)
BI	: Bank Indonesia
BI Regulation 19/13/PE/2017	: BI Regulation 19/13/PE/2017 on the Integrated Licensing Services in Relation to the Operational Relationship of Commercial Banks and Bank Indonesia
BNP	: PT Bank Nusantara Parahyangan Tbk
BNRI	: The State Gazette of the Republic of Indonesia (<i>Berita Negara Republik Indonesia</i>)
BOC	: Board of Commissioners
BOD	: Board of Directors
Capital Market Law	: Law No. 8 of 1995 on Capital Market
Company Law	: Law No. 40 of 2007 on Limited Liability Companies
Deed of Merger	: Deed of merger which is prepared (in Bahasa) in the presence of a notary, where the concept of the deed of merger must be approved by the GMS of each Merger Participant
Directorate General of Tax	: Directorate General of Tax, at the Ministry of Finance of the Republic of Indonesia
Effective Statement	: Statement issued by OJK (Capital Markets Supervisor) in accordance with OJK Regulation No. 74/2016 stating that there are no further required amendments and/or additions to the Merger Plan
GMS	: General Meeting of Shareholders (<i>Rapat Umum Pemegang Saham/RUPS</i>)
Government Regulation No. 27/1998	: Government Regulation No. 27 of 1998 on the Merger, Consolidation and Acquisition of Limited Liability Companies
Government Regulation No. 28/1999	: Government Regulation No. 28 of 1999 on the Merger, Consolidation, and Acquisition of Banks
Government Regulation No. 29/1999	: Government Regulation No. 29 of 1999 on the Purchase of Commercial Bank Shares
Government Regulation No. 57/2010	: Government Regulation No. 57 of 2010 on Mergers or Consolidations of Legal Entities and Acquisitions of Companies That May Cause Monopolistic Practices and Unfair Business Competition
IDX	: Indonesian Stock Exchange (<i>Bursa Efek Indonesia</i>)
Income Tax Law	: Law No. 7 of 1983 on Income Tax as latest amended by Law No. 36 of 2008
JFSA	: Japan Financial Services Agency
KAP	: Public Accounting Firm (<i>Kantor Akuntan Publik</i>)
KJPP	: Public Appraiser Firm (<i>Kantor Jasa Penilai Publik</i>)
KSEI	: PT Kustodian Sentral Efek Indonesia, an Indonesian Central Securities Depository
Labor Law	: Law No. 13 of 2003 on Manpower
Listing Regulation of IDX No. I-G	: Decree of the BOD of PT Bursa Efek Jakarta No. Kep-001/BEI/012000 on Securities Listing Regulation No. I-G on Mergers and Consolidations
Merger	: The merger of BNP into Bank Danamon that will cause the assets and liabilities of BNP to be transferred by law to Bank Danamon, and afterwards BNP will be dissolved by law
Merger Approval	: An approval issued by OJK (Department of Banking Licensing and Information Banking Division) on the proposed Merger upon the satisfaction of the requirements set out in Government Regulation No. 28/1999
Merger Effective Date	: 1 May 2019 (estimated)
Merger Participants	: Bank Danamon and BNP
Merger Plan	: Merger plan made by the Directors of Bank Danamon and BNP
Merger Statement	: Documents required to be submitted to OJK by the Surviving Bank for the purpose of the Merger, which consist of the Merger Plan along with attachments thereto, including all amendments, additions and revisions made in accordance with OJK Regulation No. 74/2016 (as defined below)
Minister of Finance Regulation No. 52/PMK.010/2017	: Minister of Finance Regulation No. 52/PMK.010/2017 on Book Value of Assets Transfers and Acquisition for Mergers, Consolidation Business Expansion or Takeovers
MOLHR	: The Minister of Law and Human Rights of the Republic of Indonesia (formerly known as the Minister of Justice of the Republic of Indonesia)
MUFG Bank or BTMU	: MUFG Bank Ltd. (before April 2018 known as the Bank of Tokyo-Mitsubishi UFJ or BTMU) established under Japanese law. MUFG Bank, domiciled in 1 Marunouchi 2-Chome, Chiyoda-ku, Tokyo 100-8388, Japan, is one of the largest banking corporations in Japan
MUFG Group	: Mitsubishi UFJ Financial Group
OJK	: Financial Services Authority or <i>Otoritas Jasa Keuangan</i> , an independent institution as referred to in Law No. 21 of 2011 on the Financial Services Authority, which duties and authorization include regulation, supervision, inspection and investigation of the sectors of banking, capital market, insurance, pension funds, financing institution and other financial institutions
OJK Regulation No. 5/2016	: OJK Regulation No. 5/POJK/03/2016 of 2016 on Commercial Bank Business Plan
OJK Regulation No. 31/2015	: OJK Regulation No. 31/POJK/04/2015 of 2015 on Disclosure of Information or Material Facts by Issuers or Public Companies
OJK Regulation No. 32/2014	: OJK Regulation No. 32/POJK.04/2014 on Planning and Conducting General Meetings of Shareholders, as amended by OJK Regulation No. 10/POJK.04/2017
OJK Regulation No. 39/2017	: OJK Regulation No. 39/POJK.03/2017 on Single Presence Policy in Indonesian Banking
OJK Regulation No. 55/2016	: OJK Regulation No. 55/POJK.03/2016 of 2016 on Implementation of Good Corporate Governance for Commercial Banks
OJK Regulation No. 56/2016	: OJK Regulation No. 56/POJK.03/2016 on Shares Ownership of Commercial Bank
OJK Regulation No. 74/2016	: OJK Regulation No. 74/POJK.04/2016 on Merger or Consolidation of Public Companies
Regulation of Director General of Tax No. PER-28/PJ/2008	: Director General of Tax Regulation No. PER-28/PJ/2008 on the Requirements and Procedures in order to use the Book Value for Assets Transfers in a Merger, Consolidation or Business Expansion
Rule IX.E.1.	: Bapepam-LK Rule No. IX.E.1 on Affiliated Party Transactions and Conflicts of Interest in Certain Transactions, as attached to Decision of the Chairman of Bapepam-LK No. Kep-412/BL/2009
SE OJK No. 12/2017	: Circular Letter of OJK No. 12/SE/OJK.03/2017 on Shares Ownership of Commercial Banks
SE OJK No. 25/2016	: Circular Letter of OJK No. 25/SE/OJK.03/2016 on Commercial Bank Business Plan
SE-29/PJ/2015	: Circular Letter of the Director General of Tax No. SE-29/PJ/2015 on the Implementation Guidelines of the Minister of Finance Regulation 43/PMK.03/2008 on Use of Book Value on Transfer of Assets in Merger, Consolidation or Expansion of Business
SEBI-32/51/KEP/DIR-1999	: Decree of the Deputy of BI No. 32/51/KEP/DIR-1999 on Requirements and Procedures for the Merger, Consolidation and Acquisition of Commercial Banks
Value Added Tax Laws	: Law No. 8 of 1983 on Value Added Tax on Goods and Services and Sales Tax on Luxury Goods as amended most recently by Law No. 42 of 2009

INFORMATION OF EACH MERGER PARTICIPANT

1. Information about Bank Danamon

a. Brief History

Bank Danamon, domiciled in Jakarta Selatan, which main office is located at Menara Bank Danamon, Jl. HR. Rasuna Said, Blok C No. 10, Karet Sub-District, Setiabudi District, Jakarta 12920, was established based on Deed No. 134 dated 16 July 1956, drawn up before Meester Raden Soedja, S.H., Notary in Jakarta, which was ratified by the Minister of Justice of the Republic of Indonesia in its decision letter No. J.A.5/40/d dated 24 April 1957, as published in State Gazette of the Republic of Indonesia No. 46, dated 7 June 1957, Supplement No. 664.

The articles of association of Bank Danamon have been amended several times. The latest amendment is stated in Deed No. 32 dated 12 February 2019, drawn up before Mala Mukti, S.H., L.L.M., Notary in Jakarta, which received an MOLHR notification No. AHU-AH.01.03-008213 dated 13 February 2019, and registered in Company Register No. AHU-0023809 AH.01.11.TAHUN 2019 dated 13 February 2019. Based on the above deed, Bank Danamon's shareholders agreed to amend Article 11 paragraph (1) of the articles of association concerning the BOD, and subsequently agreed to restate all articles in the articles of association.

2. Capital Structure and Shareholder Composition

In accordance with the articles of association and shareholder registry of Bank Danamon as of 30 November 2018, as issued by PT Adimira Jasa Korpora as the BAE of Bank Danamon, the capital structure and the shareholders' composition of Bank Danamon are as follows:

Shareholders	Number of Shares	Nominal Value (Rp)**	%
Authorized Capital	17,782,400,000**	10,000,000,000,000	-
Series A Shares	22,400,000	1,120,000,000,000	-
Series B Shares	17,760,000,000	8,880,000,000,000	-
Issued and Paid-Up Capital	9,584,643,365	5,901,121,682,500	100.00
Series A Shares	22,400,000	1,120,000,000,000	-
Series B Shares	9,562,243,365	4,781,121,682,500	-
a. Adira Financial (Indonesia) Pte. Ltd.	3,242,784,698	1,621,392,349,000	33.83
- MUFG Bank (directly and indirectly)***	3,833,857,346	1,916,928,673,000	40.00
c. Commissioners/Directors Series B Shares			0.04
- Sng Seow Wah	2,325,400	1,162,700,000	-
- Michellina Laksmi Triwardhany	814,200	407,100,000	-
- Satinder Pal Singh Ahluwalia	396,300	198,150,000	-
- Henry Hymkanto	131,856	65,928,000	-

ADDITIONAL INFORMATION ON AND/OR AMENDMENT TO THE ABRIDGED MERGER PLAN BETWEEN PT BANK DANAMON INDONESIA TBK AND PT BANK NUSANTARA PARAHYANGAN TBK

Danamon

PT BANK DANAMON INDONESIA TBK

Head Office
 Menara Bank Danamon,
 Jl. HR. Rasuna Said, Blok C No. 10,
 Kel. Karet, Kec. Setiabudi, Jakarta 12920, Indonesia
 Phone: +62-21 8064-5000
 Website: www.danamon.co.id
 Email: corporate.secretary@danamon.co.id

Business Activity:
 Engage in Banking Activities



PT BANK NUSANTARA PARAHYANGAN TBK

Head Office
 Jl. Ir. H. Juanda No.95, Kel. Lebakgede, Kec. Coblong, Bandung,
 West Java 40132, Indonesia
 Phone: +62-22 8256-0100 (hunting)
 Fax: +62-22 251-4580
 Website: www.bankbnp.com
 Email: corp_secretary@bankbnp.com

Business Activity:
 Engage in Banking Activities

THIS ADDITIONAL INFORMATION ON AND/OR AMENDMENT TO THE ABRIDGED MERGER PLAN ("ABRIDGED MERGER PLAN") IS IMPORTANT TO BE OBSERVED BY THE SHAREHOLDERS OF PT BANK DANAMON INDONESIA TBK ("BANK DANAMON") AND THE SHAREHOLDERS OF PT BANK NUSANTARA PARAHYANGAN TBK ("BNP") SO THAT THE SHAREHOLDERS CAN MAKE A DECISION AT THE GENERAL MEETING OF SHAREHOLDERS ("GMS") TO BE HELD ON 26 MARCH 2019 IN CONNECTION WITH THE PROPOSED MERGER BETWEEN BANK DANAMON AND BNP, WHERE BANK DANAMON WILL BE THE SURVIVING BANK.

IF YOU HAVE DIFFICULTIES IN UNDERSTANDING THE MERGER PLAN OR IF YOU ARE IN DOUBT REGARDING MAKING A DECISION, YOU ARE ADVISED TO CONSULT WITH A PROFESSIONAL CONSULTANT.

THIS MERGER IS CARRIED OUT IN CONSIDERATION OF THE INTERESTS OF EACH MERGER PARTICIPANT, THE PUBLIC AND FAIR BUSINESS COMPETITION, AND IS ALSO CARRIED OUT WITH A COMMITMENT TO OBSERVE THE RIGHTS OF THE SHAREHOLDERS AND EMPLOYEES.

THE MERGER WILL RESULT IN A DECREASE OF SHARE OWNERSHIP PERCENTAGE (DILUTION) OF SHAREHOLDERS CAUSED BY ADDITIONAL PAID-IN CAPITAL IN THE SURVIVING BANK AFTER THE MERGER. THE SHARE OF OWNERSHIP OF THE SHAREHOLDERS OF BANK DANAMON WOULD AMOUNT TO 98.07% AND FOR SHAREHOLDERS OF BNP WOULD AMOUNT TO 1.93%.

THIS MERGER PLAN WAS PREPARED BY THE DIRECTORS OF BANK DANAMON AND BNP RESPECTIVELY, AND IT HAS BEEN APPROVED BY THE BOARD OF COMMISSIONERS OF BANK DANAMON AND BNP ON 20 JANUARY 2019. THE MERGER PLAN HAS RECEIVED THE DECLARATION OF EFFECTIVENESS FROM THE FINANCIAL SERVICES AUTHORITY BUT HAS NOT OBTAINED APPROVAL FROM THE GMS OF EITHER BANK DANAMON OR BNP.

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF BANK DANAMON AND BNP ARE EACH INDIVIDUALLY AND JOINTLY RESPONSIBLE FOR THE ACCURACY OF ALL MATERIAL INFORMATION OR FACTS THAT ARE CONTAINED IN THE MERGER PLAN AND HAVE CONFIRMED AFTER ADEQUATE RESEARCH, THERE IS NO MATERIAL INFORMATION OR OTHER RELEVANT FACTS THAT WILL CAUSE THE INFORMATION OR MATERIAL FACTS DISCLOSED IN THE MERGER PLAN TO BE FALSE AND MISLEADING.

IF THE GMS DOES NOT APPROVE THE MERGER PLAN, THE MERGER PLAN CAN ONLY BE PROPOSED AGAIN TO THE GMS 12 (TWELVE) MONTHS AFTER THE ABOVE MENTIONED GMS, WHICH IS ON 26 MARCH 2019.

THE MAIN RISK OF THE MERGER IS THE RISK OF INTEGRATION WHERE THE INTEGRATION DOES NOT OCCUR ON TIME AND DISRUPTS THE OPERATION OF THE SURVIVING BANK.

This Additional Information and/or Amendment to the Abridged Merger Plan is published on 22 March 2019 and constitutes an integral and inseparable part of the Abridged Merger Plan published on 22 January 2019

Shareholders	Number of Shares	Nominal Value (Rp)**	%
d. Public (each under 5%)	22,400,000	1,120,000,000,000	0.23
Series A Shares	2,481,933,565	1,240,966,782,500	25.90
Series B Shares			
Shares in Portfolio	8,197,756,635	4,098,878,317,500	-

* Nominal value of Series A Shares is Rp50,000 per share and the nominal value of Series B Shares is Rp500 per share.

** Bank Danamon's authorized capital is divided into 17,782,400,000 shares, consisting of 22,400,000 series A shares and 17,760,000,000 series B shares

*** Aside from directly holding 39.0% (thirty nine point zero percent) shares in Bank Danamon, MUFG Bank also holds 1% of shares through its affiliates.

3. BOD and BOC Composition

The composition of the BOD and the BOC of Bank Danamon based on Deed No. 09 dated 12 December 2018, drawn up before Pahala Sutrisno Amijoyo Tampubolon, Notary in Jakarta, which has obtained notification receipt letter from the MOLHR No. AHU-AH.01.03-027424 dated 12 December 2018, are as follows:

BOD

President Director	: Sng Seow Wah
Vice President Director	: Michellina Laksmi Triwardhany
Director	: Satinder Pal Singh Ahluwalia
Director	: Adnan Qayum Khan
Director	: Henryanto Agung Putra
Director	: Herry Hymkanto
Director	: Dadi Budiana
Director	: Yasushi Itagaki
Director (Independent)	: Rita Mirasari

BOC

President Commissioner	: Ng Kee Chee
Vice President Commissioner (Independent)	: Johannes Berchmans Kristiadi Pujosukanto
Commissioner	: Gan Chee Yen
Commissioner	: Takayoshi Futate
Commissioner	: Masamichi Yasuda
Commissioner (Independent)	: Manggi Taruna Habir
Commissioner (Independent)	: Made Sukada
Commissioner (Independent)	: Peter Benjamin Stok

4. Business Activities

a. General

In accordance with Article 3 of the articles of association of Bank Danamon, the purpose and objectives of Bank Danamon are to engage in the field of general banking services in accordance with the prevailing laws and regulations and to engage in other banking activities based on Sharia principles. The Bank Danamon started its activities based on the Sharia principles since 2002.

Bank Danamon has obtained a license as a commercial bank, a foreign exchange bank and a bank to engage in activities based on Sharia principles in accordance with the Minister of Finance decision letter No. 161259/U.M.II dated 30 September 1998, the BOD of BI decision letter No. 21/10/DIR/UPPS dated 5 November 1988 and the Directorate of Licensing and Banking Information decision letter No. 3/744/DIR/Prz dated 31 December 2001.

Bank Danamon's registered office is located at Menara Bank Danamon, Jl. HR. Rasuna Said, Blok C No. 10, Karet Sub-District, Setiabudi District, Jakarta 12920.

b. Banking Activities

Bank Danamon serves banking customers in the consumer segment, small and medium enterprises (SME), commercial and corporate segments. Bank Danamon provides a range of comprehensive banking products and financial services, including Sharia banking services. Further, Bank Danamon also provides automotive and consumer goods financings through PT Adira Dinamika Multi Finance Tbk ("Adira Finance") and general insurance services through PT Asuransi Adira Dinamika ("Adira Insurance").

Bank Danamon and subsidiaries operate an extensive nationwide distribution network from Aceh to Papua through approximately 1,252 branches and service outlets comprising conventional branches, Danamon Simpan Pinjam (DSP) units, Sharia units and the branch networks of Adira Finance and Adira Insurance with total assets of Rp17.65 trillion (as of 30 September 2018). Through a sales and distribution network with a single captainship structure, Bank Danamon is able to provide integrated products to its customers.

Bank Danamon's distribution network is supported by an e-channel platform comprising more than 1,300 proprietary ATMs and 70 CDMs (Cash Deposit Machines), with access to ATMs in the ATM Bersama, ALTO and Prima networks. Bank Danamon also employs comprehensive digital services including SMS Banking, Internet banking and mobile banking, constantly upgrading features and capabilities to meet the demand of the banking public in the digital era for faster and easier transactions.

Bank Danamon, at the time this Merger Plan is published is classified as *Bank Umum Kegiatan Usaha* (Commercial Bank Business Activity or BUKU) 3, engages in business activities in the field of general banking services in accordance with the prevailing laws and regulations and to engage in other banking activities based on Sharia principles. Bank Danamon's general banking services are provided through our line of businesses below:

Consumer Banking & SME

Consumer Banking is one of Bank Danamon's business units that provides holistic banking services for individual customers, entrepreneurs and employees of our customers. Indonesia's rapid economic growth and large population present a big market opportunity for Bank Danamon Consumer Banking business unit.

Products and Services

To fulfill customers needs, Consumer Banking offers the following products and services:

- Deposits**
 - There are various types of deposit products that are tailored to meet the needs of relevant market segments. The variants are: saving accounts, current accounts and time deposits.
- Loans**
 - Consumer Banking loans offer a variety of products both secured (mortgage) and unsecured (credit cards, personal loans).
- Investment and Bancassurance**
 - For investment and bancassurance products, Consumer Banking provides many product options through partnerships with some of the well-known and reputable third-party institutions in Indonesia. To meet the needs of the more affluent customers, Consumer Banking also provides personalized and exclusive services.

SME Banking

SME Banking offers solutions in banking products and services suited to the needs of SME customers with total annual sales of between Rp1 billion and Rp50 billion, with loan facility of up to Rp20 billion.

Products and Services

SME Banking offers a variety of loan products to serve the SME segment as follows:

- Overdraft (Kredit Rekening Koran)**
 - A short-term loan for working capital purposes with an option for annual renewal. This product offers high flexibility, allowing debtors to withdraw cash at any time up to the prescribed loan limit via the debtor's current account.
- Term Loan (Kredit Berjangka)**
 - A short-term loan for working capital purposes of a cyclical nature. Loan withdrawals can be done at any time and repetitiously up to the prescribed loan limit using a Promissory Note, which also contains the terms of repayment.
- Term Installment Loan (Kredit Angsuran Berjangka - KAB)**
 - Financing facilities for working capital or long-term investments with competitive interest rates, such as the KAB-Business Premises Loan (KAB-KTU). KAB-KTU is a long-term investment loan for the purchase or refinancing of business premises, a shop-house, small-office home-office, warehouses, workshops, strata-titled commercial stalls, and similar facilities. Loan tenor can be up to 20 years for various types of business premises.

This product can also be bundled with Bank Danamon's CASA and e-channel products. Other products include KAB-Asset Based Financing facilities.

Other Products

Other loan products available to SME Banking customers include the Rural Bank (*Bank Perkreditan Rakyat*) Loan, employee cooperative loan, distributor financing, and trade finance facilities.

SME Banking also provides a wide range of deposit products and transactional services such as Giro BISA, Giro Lebi, and D-Connect to support SME customers' business growth and business operational needs.

Enterprise Banking

Enterprise Banking serves the corporate, commercial, and financial institution segments. Enterprise Banking provides comprehensive financial solutions to help customers. Solutions provided include lending, cash management, trade finance, treasury services, and deposits.

Through the understanding of customers' needs, Enterprise Banking aspires to be the preferred transactional bank.

To date, products and services provided through Enterprise Banking are as follows:

- Working Capital Loans (Trade Finance & Financial Supply Chain)
- Investment Loans
- Cash Management (Payment, Collections and Liquidity Management)
- Foreign Exchange
- Custodian Banking
- Risk Management / Hedging

c. Business Activities of Bank Danamon's Subsidiaries

Adira Finance

Adira Finance primarily focuses on providing financing facilities for the purchase of new and used two-wheels and four-wheels vehicles, targeting customers in the middle-class and mass-market segments. Adira Finance also provides Sharia-based financing.

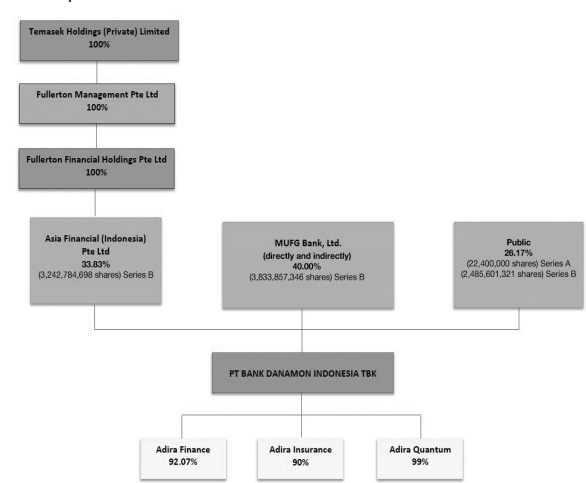
Adira Insurance

Adira Insurance is a general insurance company selling both conventional and Sharia-based insurance products for personal and corporate purposes. Supported by 33 outlets as of September 2018, Adira Insurance is present in 31 cities in Indonesia.

Adira Insurance products among others are Autoclin (car insurance), Motoprol (motorcycle insurance), Mediclin (health insurance), and Travellin (travel insurance). Adira Insurance also offers insurance coverage for personal accident, property, heavy equipment, marine hull, engineering, surety bonds, cargo, trade credit, and other insurance products.

On 27 September 2018, Bank Danamon has signed an agreement to divest 70% of its equity stake in Adira Insurance to Zurich Insurance Company, Ltd. Completion of the transaction is subject to meeting approval conditions including OJK approval.

5. Group Structure of Bank Danamon and Subsidiaries



6. Summary of Key Financial Information

The summary of Bank Danamon's key financial data for the years ended 31 December 2015 and 2016 were derived from the Consolidated Financial Statements of PT Bank Danamon Indonesia Tbk and subsidiaries which were audited by KAP Purwantono, Sungkoro & Surya (a member firm of Ernst & Young Global Limited) with partner in charge Benyanto Suherman and Yasir, respectively, expressed Unmodified Opinion with the emphasis of matter related to the presentation of parent entity financial information.

The summary of Bank Danamon's key financial data dated 31 December 2017 and for the years ended 31 December 2017, as well as Bank Danamon's key financial data dated 30 September 2018 and nine-month period ended 30 September 2018 were derived from the Consolidated Financial Statements of PT Bank Danamon Indonesia Tbk and subsidiaries which were audited by KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC global network) with partner in charge Drs. M. Jusuf Wibisana, M.E.C., CPA, expressed Unmodified Opinion with explanatory paragraph in regards with the reinstatement of consolidated financial statement for the merger plan between Bank Danamon and BNP as well as an explanation on unaudited comparative information dated 30 September 2017 and consolidated financial statement dated 31 December 2016 that was audited by other independent auditor.

Consolidated Statement of Financial Position

	(in millions of Rupiah)			
	30 Sep 18	31 Dec 17	31 Dec 16	31 Dec 15
ASSETS				

distribution with a risk-diversification approach is focused on the SME business as this sector is considered capable of providing the largest contribution to BNP's income and supporting the Indonesian economy in general. Credit distribution made by management is in accordance with the policies of the government and OJK. In increasing the loan portfolio, BNP channels funds to various sectors from trade, industry, services, consumption and other sectors.

2.1 Commercial Loans

Commercial Loans at BNP is the provision of credit facilities for the needs of working capital financing, investment and trade finance. BNP's Commercial Loans holds an important position in channeling funds through lending. This shows the role and contribution of BNP in growing the Indonesian economy by supporting business sectors in general. BNP's credit distribution policy is guided by prudential banking principles. The increase of the loan portfolio to various potential and quality business sectors that support Indonesia's economic growth remains evenly distributed, thus avoiding concentrated risks.

2.1.1 Working Capital Loans

Working capital loans is a credit facility provided to meet working capital needs that are exhausted in one business cycle and/or specific working capital needs such as to finance inventory, receivables, projects or other special needs which according to BNP's evaluation are feasible to be financed.

- Credit limits as needed
- Credit can be given in Rupiah or foreign exchange
- Duration of up to a maximum of one year and can be extended as needed
- The nature of revolving or non-revolving credit

2.1.2 Investment Loans

Investment loans is a credit facility provided to finance the needs of capital goods in the context of rehabilitation, modernization, expansion, establishment of new projects and/or special needs related to investment.

- Credit limits as needed
- Credit can be given in Rupiah or foreign exchange
- Duration of up to a maximum of 10 years

2.1.3 Trade Finance

Trade finance is a financing facility for the needs of export-import business transactions and local trade.

- Standby Letter of Credit
- Bank Guarantee
- Domestic Letter of Credit (*Surat Kredit Berdokumen Dalam Negeri* (SKBDN))

2.2 Consumer Credit / Loans

In distributing consumer loans, BNP carries out a number of attractive programs for customers, including product exhibitions and promotions in public places such as malls and schools. The increasing number of BNP branch offices in various cities in Indonesia has increased the competitiveness of BNP in the consumer sector. In line with this, BNP develops innovative products and improves service quality. The level of customer needs continues to be monitored and the results are used as a basis for continuous improvement of products and services.

In the midst of intense competition in the consumer sector, BNP relies on a customer oriented business model so as to be able to provide innovative products in accordance with customer needs. Easy access and premium quality service to customers and prospective customers with a focus on prospective areas serve as a consumer credit marketing channel.

3. Treasury

Treasury functions include management of assets and liabilities management, liquidity, net open position (NOP) and minimum statutory reserves (MSR) in accordance with applicable regulations. Treasury also acts as a profit center through trading of securities and foreign exchange transactions, both for the benefit of customers and BNP. BNP's treasury operations consist of the money market, foreign exchange trading and fixed income securities. The money market carries out loan transactions and placement of interbank money and manages the statutory reserve requirement. BNP is always monitoring the market to identify price movements that occur and always complies with internal regulations, regulatory requirements and other applicable rules and regulations.

The treasury function plays an important role in maintaining liquidity risk, market risk and interest rate risk through prudent treasury activities while maintaining that the risks faced do not exceed the established risk limits.

4. International Banking

Services and transactions provided include: remittances, export and import transactions, both domestic and foreign (L/C and SKBDN), Bank Guarantees and Settlement Bank. Facilities and infrastructure have been prepared to support the growth of international banking transactions.

5. Summary of Key Financial Information

The summary of BNP's key financial data for the years ended 31 December 2015 and 2016 were derived from the Financial Statements of BNP which were audited by KAP Doh, Bambang Sulistyanto, Dadang & Ali with partner in charge Dedy Supardi, CPA, expressed Unmodified Opinion.

The summary of BNP's key financial data for the year ended 31 December 2017 was derived from the Financial Statements of BNP which were audited by KAP Satiro Bing Ery & Rekan (a member firm of Deloitte global network) with partner in charge Riniek Winarish, expressed Unmodified Opinion.

The summary of BNP's key financial data for the period ended 30 September 2018 was derived from Financial Statements of BNP which were audited by KAP Satiro Bing Ery & Rekan (a member firm of Deloitte global network) with partner in charge Riniek Winarish, expressed Unmodified Opinion with explanatory paragraph in regards with the reassurance of financial statement for the merger plan between Bank Danamon and BNP as well as an explanation on unaudited comparative information dated 30 September 2017 and financial statement dated 31 December 2016 that was audited by other independent auditor.

Consolidated Statement of Financial Position

	30 Sep 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
(in millions of Rupiah)				
ASSETS				
Cash	72,739	88,984	88,121	105,015
Demand deposits with Bank Indonesia	480,046	463,950	433,528	561,537
Demand deposits with other banks	163,487	111,548	361,355	354,873
Placements with Bank Indonesia and other banks	357,000	391,923	417,882	479,982
Held-to-Maturity Securities	533,545	665,846	1,012,184	568,715
Reverse Repo	142,765	-	-	-
Spot and derivative receivables	3	-	-	9
Loans				
Related parties	102,731	72,232	41,294	51,135
Third parties	6,107,126	5,772,020	5,272,335	6,426,568
Total	6,209,857	5,844,252	5,313,629	6,477,703
Less: allowance for impairment losses	137,770	156,581	107,701	101,184
Net loans	6,072,087	5,687,671	5,205,928	6,376,519
Acceptances receivable	18,939	-	6,330	20,597
Deferred tax assets	2,349	9,471	-	-
Premises and equipment	26,484	30,474	27,619	29,012
Intangible assets	5,048	4,626	3,227	3,658
Prepaid expenses	40,093	45,572	48,110	25,082
Foreclosed assets	-	-	8,836	30,910
Other assets	64,850	80,967	92,662	57,205
TOTAL ASSETS	7,979,434	7,581,032	7,705,782	8,613,114
LIABILITIES AND EQUITY				
Liabilities payable immediately	26,140	10,993	12,786	6,183
Deposits from customers				
Related parties	317,404	331,487	508,696	688,925
Third parties	6,048,540	5,886,693	5,803,607	6,494,906
Total	6,365,944	6,218,180	6,312,303	7,183,831
Deposits from other banks	78,151	93,038	53,357	69,615
Acceptances liabilities	18,939	-	10,341	20,597
Taxes payable	6,606	9,332	9,440	14,417
Spot and derivative liabilities	4	-	-	8
Subordinated loan	88,431	80,510	79,946	81,800
Accrued interest	14,856	13,702	15,254	23,673
Other liabilities	24,198	17,428	14,845	17,497
TOTAL LIABILITIES	6,623,270	6,443,183	6,508,272	7,417,621
EQUITY				
Capital stock	399,947	338,417	338,417	338,417
Additional paid in capital - net	355,798	221,038	221,038	221,038
Retained earnings	600,418	578,394	638,055	636,038
TOTAL EQUITY	1,356,164	1,137,849	1,197,510	1,195,493
TOTAL LIABILITIES AND EQUITY	7,979,434	7,581,032	7,705,782	8,613,114

Statement of Profit and Loss and Other Comprehensive Income

	30 Sep 2018	30 Sep 2017**	31 Dec 2017	31 Dec 2016	31 Dec 2015
(in millions of Rupiah, except Basic Earnings per Share)					
OPERATING INCOME AND EXPENSES					
Interest income	660,120	614,086	824,900	905,311	1,006,417
Interest expense	267,702	274,281	367,812	419,598	558,732
Interest income - net	392,417	339,805	457,088	485,713	447,685
Other operating income					
Other fees and commissions	2,034	2,171	3,050	3,473	5,067
Gain of foreign exchanges - net	1,793	1,402	1,810	4,193	4,715
Other income	28,795	27,594	38,933	33,481	29,182
Total other operating income	32,622	31,167	43,793	41,147	38,964
Other operating expenses					
Provision allowance for impairment losses on financial assets	94,670	115,549	138,427	101,116	41,620
Provision for impairment losses of other assets	-	-	-	-	182
General and administrative expenses	104,901	121,710	173,176	170,732	131,624
Salaries and allowance expenses	186,055	174,536	229,574	216,944	210,259
Other expenses	15,445	19,103	26,152	21,583	15,955
Total other operating expenses	401,071	430,897	567,329	510,375	399,640
NET OPERATING INCOME (LOSS)	23,869	(59,295)	(66,448)	16,485	87,009
NON-OPERATING INCOME AND EXPENSES					
Income	5,177	107	(2,844)	(4,412)	3,306
INCOME (LOSS) BEFORE TAX BENEFIT	29,146	(59,188)	(69,132)	12,073	90,315
TAX BENEFIT (EXPENSE)	(7,122)	14,536	9,471	(3,854)	(23,448)
NET INCOME (LOSS) FOR THE PERIOD	22,024	(44,652)	(59,661)	8,109	66,867
OTHER COMPREHENSIVE INCOME					
Items that will not be classified to profit or loss:					
Actual gain (loss) on defined benefit plan	-	-	-	-	-
Income tax related to component of other comprehensive income	-	-	-	-	-
OTHER COMPREHENSIVE GAIN, NET OF TAX	-	-	-	-	-
BASIC EARNINGS (LOSS) PER SHARE (FULL AMOUNT)	29.39	(64.54)	(88.15)	11.98	98.79
**Unaudited					

III. Information about MUFG Bank

MUFG Bank, domiciled in 1 Marunouchi 2-Chome, Chiyoda-ku, Tokyo 100-8388, Japan, is one of the largest banking corporations in Japan. MUFG Bank is one of the largest and most diverse financial group in the world with total assets in the amount of Rp26,531 trillion and with the total net operational income in the amount of Rp54,713 billion as per March 2018. MUFG Bank is entirely owned by MUFG Group and is presents in more than 40 countries and has 1,150 offices around the world. MUFG Bank has two consolidated subsidiaries, MUFG Bank USA in the United States of America and Bank of Ayudhya in Thailand. MUFG Bank also has

affiliations through equity, which are VietinBank in Vietnam, Security Bank Corporation in the Philippines and Bank Danamon in Indonesia.

1. Business Activities

In accordance with the articles of association of MUFG Bank, the purpose and objective of MUFG Bank is to engage in banking activities and other financial services.

2. Capital Structure

The current capital structure of MUFG Bank is as follows:

Authorized Capital	: -
Issued and Paid-up Capital	: JPY 1,711,958 million
Nominal Value per Share	: JPY 138.6

INFORMATION AND DESCRIPTION OF THE MERGER

I. General Information Regarding Shares Conversion

Based on the valuation report prepared by KJPP Jernywal, Kusnanto & Rekan ("JKR"), the fair market value of 100% equity of Bank Danamon as of 30 September 2018 is Rp71,813,686,813,262 or equivalent to Rp7,492.58 per share, with the assumption that the business activity of Bank Danamon runs as usual (going concern), and with due observation of the assumptions and qualifications set out in the report from KJPP Ruky, Safudin & Rekan above.

Based on the valuation report prepared by KJPP Ruky, Safudin & Rekan, the fair market value of 100% equity of BNP as of 30 September 2018 is Rp1,415,419,030,982, or equivalent to Rp1,769.51 per share, with the assumption that the business activity of BNP runs as usual (going concern), and with due observation of the assumptions and qualifications set out in the report from KJPP Ruky, Safudin & Rekan above.

Each valuation report on the fair market value of Bank Danamon and BNP shares above is the basis for calculating the conversion of shares of the Surviving Bank. Each of the shares owned by the shareholders of BNP is entitled to an additional 0.236168 shares in Bank Danamon (being a total of an additional 188,909,505 shares in Bank Danamon), which represents 1.93% of total shares in the Surviving Bank.

Before the Merger, the number of shares issued by BNP totaled 799,894,587 shares and the number of shares issued by Bank Danamon totaled 9,584,643,365 shares. After the Merger, the total issued shares of the Surviving Bank would be 9,773,552,870 shares, where there would be newly issued shares of 188,909,505. Thus, with respect to the conversion ratio for this Merger, each BNP share would be equal to 0.236168 shares of the Surviving Bank.

When the Merger becomes effective, Bank Danamon will still be a public company listed on the IDX.

The Merger can only be effective if the conditions mentioned below, which are regulated by the laws enforced in Indonesia, have been met:

- The Merger Statement is submitted to OJK.
- Approval is obtained, or no objections are received, from other related parties that act as required under agreements whereby each of the Merger Participants is a party.
- In principle approval from IDX for listing of additional shares of Bank Danamon as the Surviving Bank.
- The Merger Statement becomes effective according to OJK Regulation No.74/2016.
- GMS approval is obtained from each Merger Participant.
- Approval of the Merger is obtained from the OJK (Department of Banking Licensing and Information).
- The Merger Deed has been signed.
- MUFG Bank must obtain JFSA approval for the Surviving Bank to become a subsidiary of MUFG Bank under the Banking Act of Japan No. 59 of 1981.
- Notification receipt on the amendment of the articles of association has been obtained from the MOLHR.

II. Applicable Regulations for the Merger

Applicable regulations for the Merger are as follows:

- Limited Liability Companies Regulations:
 - Company Law; and
 - Government Regulation No. 27/1998
- Tax Regulations:
 - Income Tax Law;
 - Value Added Tax Laws;
 - Minister of Finance Regulation No. 52/PMK.010/2017;
 - Regulation of Director General of Tax No. PER-28/PJ/2008; and
 - Circular Letter of Director General of Tax No. SE-29/PJ/2015
- Banking Regulations:
 - Banking Law;
 - Government Regulation No. 28/1999;
 - SEBI-32/51/KEP/DIR-1999;
 - BI Regulation 19/13/PBI/2017;
 - OJK Regulation No. 5/2016;
 - OJK Regulation No. 55/2016;
 - OJK Regulation No. 56/2016;
 - OJK Regulation No. 39/2017;
 - SE OJK No. 25/2016; and
 - SE OJK No. 12/2017
- Capital Market Regulations:
 - Capital Market Law;
 - OJK Regulation No.32/2014;
 - OJK Regulation No. 31/2015;
 - OJK Regulation No. 74/2016; and
 - Listing Regulations of IDX No. I-G
- Labor Law;
- Articles of association of each Merger Participant; and
- Anti-Competition Regulations:
 - Anti-Competition Law; and
 - Government Regulation No. 57/2010

III. Result of the Merger

In accordance with Article 122 of the Company Law, Government Regulation No. 28/1999 and OJK Regulation No. 74/2016, as a result of the Merger, BNP will be dissolved by law on the Merger Effective Date, without any prior liquidation, and therefore:

- all assets and liabilities of BNP will be transferred by operation of law to Bank Danamon, as the Surviving Bank; and
- shareholders of Bank Danamon and BNP, except those who opted to sell their shares in Bank Danamon pursuant to Section XII of the Information and Description of the Merger, will become shareholders of the Surviving Bank by operation of law.

IV. Feasibility of Merger

Directors of each Merger Participant have considered the following matters related to the Merger:

- Business activities and the financial condition of each Merger Participant, with regard to the financial statements of each Merger Participant for the period ended on 30 September 2018 and for the 2015, 2016 and 2017 financial years, each ended on 31 December;
- Business valuation reports prepared by JKR, as an independent party which has been appointed to conduct a valuation of the fair market value of the assets and shares of Bank Danamon and an assessment of the fairness of the proposed Merger, and KJPP Ruky, Safudin & Rekan, as an independent party who has been appointed to conduct a valuation of the fair market value of the assets and shares of BNP;
- Methods and procedures for the conversion of shares that will be used, which are supported by an independent accountant report, on the implementation of mutually agreed upon terms of the next integration phase is to optimize the information technology operation and systems, and to realize the synergy of the Merger. The completion of the integration process also requires a change to and/or addition of policies, Standard Operating Procedures (SOP) and information technology systems which may give rise to integration risks during the transition period. The impact of integration execution is that the cost of products, knowledge, best practices in operational areas such as risk management, compliance, AML and digital initiatives, and MUFG Bank's strong access to large Japanese corporates in Indonesia.

- Settlement of rights and obligations of each Merger Participant against third parties;
- Settlement of labor rights of the employees of each Merger Participant;
- Settlement of rights of Bank Danamon's and BNP's shareholders; and
- Analysis on the condition of the Surviving Bank.

V. Background and Objectives of Merger

Both Bank Danamon and BNP believe that the Merger will have strong synergistic benefits for both banks. MUFG Bank, as a long term investor, has expressed its strong testament to its optimism in Indonesia's long term prospects and has pledged its commitment to the ongoing development of the Indonesian banking sector. MUFG Bank is hoping that the Merger will positively contribute to the growth of the Indonesian banking sector and economy as a whole. Due to the firm commitment of MUFG Bank, the BOD and the BOC of each of Bank Danamon and BNP have carefully considered and analyzed the Merger by consistently keeping in mind the shared vision and objectives of both banks in achieving long term growth and profit.

The BOD and the BOC of both banks believe that the Merger is in the best interest of both banks and their stakeholders. The merger will provide positive value to all shareholders, management and employees of both banks and the Indonesian banking sector as a whole.

The Surviving Bank will have an enhanced distribution network and product suite to better serve its customers and strengthen the competitive position in Indonesia's competitive banking landscape. BNP customers will have the ability to access Bank Danamon's product offering and nationwide branch/ATM network. At the same time, this Merger provides Bank Danamon and its affiliates (including Adira Finance and Adira Insurance) with cross-selling opportunities of Bank Danamon's products to BNP's existing customer base.

Being part of the MUFG Bank network will also allow the Surviving Bank to benefit from MUFG Bank's vast wealth of product knowledge, best practices in operational areas such as risk management, compliance, AML and digital initiatives, and MUFG Bank's strong access to large Japanese corporates in Indonesia.

The BOD and BOC of both banks are of the view that the proposed merger of Bank Danamon and BNP presents a compelling value proposition for shareholders, management, employees and customers of both banks, as well as the overall banking system in Indonesia. The potential synergies from the merger present an opportunity for all shareholders to gain from this proposed merger, who customers will benefit from the wider network, stronger combined business and wider product portfolio on offer throughout the country with unique strength in West Java. Also, management and employees will have the opportunity to be a part of a larger, financially sound and operationally more dynamic organization.

Apart from what has been stated in the preceding paragraph, MUFG Bank has effectively owned 40% in Bank Danamon since 3 August 2018. MUFG Bank has been a controlling shareholder in BNP since 2007. Based on OJK Regulation No. 39/2017, MUFG Bank must comply with the single presence policy and MUFG believes that the merger between Bank Danamon and BNP should be the most fitting and appropriate method for complying with the single presence policy, particularly from the perspective of both banks as well as their stakeholders.

VI. Merger Risks

The Directors of each Merger Participant are aware of the possibility of potential challenges regarding the Merger. The risks are:

Main Risk

- Risks of Integration**

As a consequence of the proposed Merger, there will be an integration of the operational and information technology systems of each Merger Participant which shall be conducted gradually over a transition period. In the early phase of the proposed Merger, the focus of the integration process would be to minimize the disruption to business operations and impact to concerned stakeholders (including customers and partners). The banks will however need to fulfil all requirements from the authorized institutions (including financial and other regulators), which may cause the expected synergy to not be realized in full or in part. Through clarity of vision and strategy, a solid management team, integration of corporate culture and strengthening of risk management, the Surviving Bank may increase the probability for synergy to be achieved from the Merger process in excess of any initial financial impact.
- Risks related to laws and regulations**

The Merger Participants must and shall always comply with various regulatory requirements in Indonesia which may change from time to time. In connection with the Merger, the Merger Participants must obtain the Merger Approval from OJK (Department of Banking Licensing and Information) and MUFG Bank must obtain the approval of JFSA to make the Surviving Bank a Subsidiary Company of MUFG Bank based on the Banking Act of Japan (Act No. 59 of 1981). If the Merger Approval and/or the approval of JFSA are not obtained, then the Merger Participants may not continue with, or may cancel,

Other Risks

- Financial risks / Expected synergy may not be achieved**

Although one of the key benefits of this Merger would be the potential synergies, there will be initial financial impact to the Merger Participants including costs and expenses and implementation risks which are related to matters regarding culture, management and operations, and which may cause the expected synergy to not be realized in full or in part. Through clarity of vision and strategy, a solid management team, integration of corporate culture and strengthening of risk management, the Surviving Bank may increase the probability for synergy to be achieved from the Merger process in excess of any initial financial impact.

the Merger with due observance of the prevailing laws and regulations. In such event, the Merger Participants will make an announcement regarding the non-continuation or cancellation of the Merger.

MUFG Bank will submit an application to JFSA to make Bank Danamon a Subsidiary Company of MUFG Bank based on the Banking Act of Japan (Act

Shareholders	Number of Shares	Nominal Value (Rp)	%
3. ACOM Series B Shares	127,676,954	63,838,477,000	1.31
4. PT Hermawan Sentral Investama Series B Shares	21,796,371	10,898,185,500	0.22
5. Commissioners/Directors Series B Shares			0.04
- Sng Seow Wah	2,325,400	1,162,700,000	
- Michelleina Laksmi Triwardhany	814,200	407,100,000	
- Satinder Pal Singh Ahluwalia	396,300	198,150,000	
- Herry Hykamoto	131,856	65,928,000	
29. Public (each under 5%)			
Series A Shares	22,400,000	1,120,000,000,000	0.23
Series B Shares	2,506,417,949	1,253,208,974,500	25.64
Shares in Portfolio	8,008,847,130	4,004,423,565,000	-

* Nominal value of Series A Shares is Rp50,000 per share, while the nominal value of Series B Shares is Rp500 per share.

** The authorized capital of the Surviving Bank is divided into 17,782,400,000 shares, consisting of 22,400,000 Series A Shares and 17,760,000,000 Series B Shares

*** MUFG Bank's shareholding may increase depending on shareholders' willingness to sell their shares to MUFG Bank, and correspondingly, shares held by Asia Financial (Indonesia) Pte. Ltd., ACOM, PT Hermawan Sentral Investama, the commissioners'/directors and/or the Public may decrease.

IX. Implementation of IDX Regulations relating to Merger

- IDX will announce the schedule and information relating to stock trading, before and after the Merger, by no later than the next trading day after the receipt of information from the Merger Participants ("Merger Announcement by IDX").
- As of the Merger Effective Date, shares held by BNP shareholders will be converted into shares of Bank Danamon as the Surviving Bank.
- Share ownership in the Surviving Bank will have an exchange rate equal to the ratio of exchange of shares of the Surviving Bank.
- Evidence of share ownership in the Surviving Bank may be used in settling share transactions at IDX which involves shares in the Surviving Bank. This action can be carried out until the date of the Merger Announcement by IDX.
- The Surviving Bank is obliged to complete the exchange of evidence of share ownership within the period determined based on the Listing Regulation of IDX No. I-G.

The procedure for the conversion of shares of the Surviving Bank is as follows:

- The shareholders register of Bank Danamon will be administered by the BAE, namely PT Admitti. The overall result of the Merger Participants for the purchase of shares held by shareholders of Bank Danamon intending to sell their shares in connection with the Merger and have legally submitted a request that their shares be purchased by MUFG Bank to be paid within a period of 10 business days after receipt of Merger Approval and JFSA's approval that makes the Surviving Bank a subsidiary of MUFG Bank.
- Cross transaction on the purchase of shares held by BNP shareholders intending to sell their shares in connection with the Merger, and who have legally submitted a request that their shares be purchased by MUFG Bank to be paid within a period of 10 business days after receipt of the Merger Approval and JFSA's approval that makes the Surviving Bank a subsidiary of MUFG Bank.
- On the Merger Effective Date, the Surviving Bank's BAE will convert all shares held by BNP shareholders into Bank Danamon's shares based on the share conversion ratio on the Merger Effective Date.
- If the calculation results in a fraction (less than 1 share), then the BAE will round such numbers up, and if the overall result exceeds the specified number of shares, such excess will be taken from MUFG Bank shares' ownership (including calculation from KSEI) with an instruction letter from MUFG Bank.

X. Information Regarding Merger and Tax Treatment

(1) Merger Effective Date

The Merger is estimated to be effective on 1 May 2019. Estimation of important dates in the Merger implementation are as stated in the Indicative Merger Implementation Process Timetable.

(2) Affiliation Relationship and Nature of Relationship

The proposed Merger is an Affiliated Party Transaction as defined under Rule IX.E.1. This is because when the Merger will be implemented, the Merger Participants are controlled directly and indirectly by the same party, i.e., MUFG Bank. This transaction is not a conflict of interest transaction as regulated under Rule IX.E.1. Information disclosed in this Merger Plan also serves as information to fulfill the principle of transparency as stated in the relevant regulations.

(3) Tax Treatment of the Merger

a. Corporate Income Tax

Pursuant to Article 10(3) of the Indonesian income tax law, the transfer of assets due to a merger should be carried out at market value, except otherwise determined by the Indonesian Ministry of Finance. Further, Article 16(3) of the Indonesian income tax law provides that the Indonesian tax authorities may recalculate taxable income and deductions of taxpayers having a special relationship with other taxpayers in accordance with the reasonableness and common business practices between independent parties. Based on these tax rules, the proposed Merger is considered a taxable event where BNP, being the merging company, will recognize taxable gains subject to the normal tax rate of 25% (except for land and building where specific tax rate applies), if the market or fair value of the net assets transferred to Bank Danamon is higher than the tax book values of such net assets. In addition, the exchange of shares at the shareholder level is also considered a taxable event resulting in the shareholders of BNP being subject to income tax. Since the shares in BNP are listed on the IDX, the potential tax payable arising from the conversion of the shares is 0.1% of the fair or market value of the shares.

If market or fair value is used in the proposed Merger, Bank Danamon may recognize goodwill. The term goodwill generally refers to intangible goods such as product brands, customer lists, etc. where if these intangible assets are acquired through an acquisition, the amount is deductible through the goodwill is deductible through such amortization on the basis that the goodwill relates to ability to generate future profits such that the useful life should be more than one year. Further analysis is required to determine the useful life and the deductibility of the goodwill for Bank Danamon.

Bank Danamon and BNP may apply for the use of book value on the proposed Merger to the Indonesian tax authorities, pursuant to Article 10(3) of the Indonesian income tax law and the Minister of Finance Regulation No. 52/PMK/010/2017. If an approval for the use of book value on the proposed Merger is granted, there is no immediate income tax implications arising from the transfer of the assets under the proposed Merger. It is also interpreted that if the approval for the use of book value is granted, the exchange of shares by the shareholders should also not be considered a taxable event except for the shareholder who exits and sells the shares at the time of share conversion.

Pursuant to PMK52, the general requirements to obtain the approval for the use of book value are as follows:

- filing an application to the Indonesian tax authorities no later than 6 months from the Merger Effective Date;
- meeting the requirements of business purpose test; and
- obtaining tax clearance from the Indonesian tax authorities for both the surviving and merging companies.

In addition to the above, there are other requirements to be met, among others, the surviving company being required to be the one with or less tax losses and some post-merger tax compliance requirements. A complete analysis is required to assess if the proposed Merger can utilize the use of book value.

b. Value Added Tax (VAT)

Pursuant to Article 1A (2) (d) of the Indonesian VAT Law, a merger is not considered a transfer if both the merging and the surviving companies are VAT-able entities. Both Bank Danamon and BNP are VAT-able companies, and therefore, the proposed Merger should be exempted from VAT.

c. Other Tax Matters

Transfer of Land and/or Building

The transfer of land and/or building by BNP in the proposed Merger is subject to the land and building related taxes. Pursuant to the Government Regulation No. 34 Year 2016, BNP is subject to final income tax of 2.5% on the gross transfer value or amount that should have been received. This tax should not be payable if approval for the use of book value is obtained for the proposed Merger. Pursuant to the Law No. 20 Year 2000 regarding Land and Building Acquisition Tax, Bank Danamon will be required to pay 5% title transfer tax from the transfer value or official tax value ("NUCP") whichever is higher, after being deducted by exempted amount. Reduction of the title transfer tax may be available if the approval for the use of book value is obtained for the proposed Merger.

Tax Audits

BNP, being the merging company, will need to file its last corporate tax return and revoke its tax ID. This tax ID revocation will be granted after the tax authorities carry out a tax audit which may be carried out for the last five open tax years.

Carried forward losses

The carried forward tax losses of BNP will not be transferable to Bank Danamon.

XI. Employees' Rights

The job requirements and human resources policies in BNP will not change up to the Merger Effective Date, where on such date, the employment relationship of the employees who join the Surviving Bank will be transferred by operation of law to the Surviving Bank and the working period will be carried forward into the Surviving Bank.

BNP being the merging company has given all of its employees a chance to participate in an employment termination agreement program ("Parahyangan Program") which value is not less than the provision contained in Article 163 of the Labor Law. For BNP's employees that do not participate in Parahyangan Program and choose to continue their employment in the Surviving Bank after the Merger, their working period will be carried forward into the Surviving Bank and such BNP's employees will receive a basic salary not less than what they received before the Merger.

After the Effective Date of the Merger, the Surviving Bank will carry out the necessary review of human resources of the Surviving Bank and human resources received from the BNP in order to harmonize the criteria of employment and human resources policies. As for Bank Danamon employees because there are no changes to the criteria and work conditions as well as human resource policies related to the Merger and ownership of Bank Danamon, therefore Article 163 of the Labor Law does not apply to employees of Bank Danamon (both those who agree and disagree on this merger process). Every employee of Bank Danamon who does not agree to the merger process will be subject to the provisions of Bank Danamon's Collective Labor Agreement.

The Surviving Bank and BNP will adhere to all applicable laws and regulations.

XII. Protection of Shareholders' Rights

Each shareholder of Bank Danamon and BNP are entitled to choose to become a shareholder of the Surviving Bank or to sell the shares it owns in Bank Danamon and BNP respectively to MUFG Bank, as the party appointed by Bank Danamon and BNP.

In the event that a shareholder of Bank Danamon chooses to sell its shares then such shares will be purchased by MUFG Bank at a price of Rp9,500.00 per share which is a price higher than the fair market price of the shares in Bank Danamon as stated in the appraisal result from an independent business appraiser JKR namely in the amount of Rp7,492.58 per share. Similarly, in the event that a shareholder of BNP chooses to sell its shares then such shares can be sold to MUFG Bank at a price of Rp4,088.00 per share which is a price higher than the fair market price of the share in BNP as stated in the appraisal result from an independent business appraiser KJPP Ruky, Safrudin & Rekan namely in the amount of Rp1,769.51 per share.

Shareholders of Bank Danamon or BNP who opt not to become shareholders of the Surviving Bank must give an irrevocable instruction to the BAE of Bank Danamon or BNP through their broker and/or custodian bank to transfer their shares to the escrow account which will be provided by KSEI ("Escrow Account") from 28 March 2019 to 10 April 2019 ("Verification Period").

Payment to these shareholders will be done at the latest by the tenth business day after the date when Bank Danamon and BNP obtain the Merger Approval and the approval of JFSA to make the Surviving Bank a subsidiary company of MUFG Bank ("Payment Date"). At the latest on the Payment Date, for Bank Danamon's shareholders, KSEI will transfer the shares from the Escrow Account to the account of PT Mandiri Sekuritas as a securities company that is appointed to handle the shares purchased by MUFG Bank. For BNP's shareholders, KSEI will transfer the shares from the Escrow Account to the account of PT Mandiri Sekuritas as a securities company that is appointed to handle the shares purchased by MUFG Bank. Based on the irrevocable instructions of the shareholders, the shares which have been transferred to the Escrow Account cannot be transferred back to the accounts of those shareholders.

Shareholders who hold their shares in paper form and are planning to sell their shares in accordance with the above terms and conditions (other than the holder of the 1% unlisted shares of Bank Danamon and BNP) must submit a written request to the respective broker to convert their shares from paper form into scrippless shares. For shareholders that do not have a securities account, they can submit a written request to any securities company to

convert their shares in paper form into scrippless shares after they open a securities account with any securities company. The written request and the opening of securities account must be done by 2 April 2019 which is the (five) business days before the closing of the Verification Period. The expense will be borne by the relevant shareholder.

The Payment Date can be changed as it depends on the issuance of the Merger Approval and the Merger Effective Date. If there is a change in the Payment Date, Bank Danamon as the Surviving Bank will announce the change.

The Surviving Bank or MUFG Bank has no intention to delist the Surviving Bank from the IDX. The Surviving Bank or MUFG Bank will perform the necessary actions to fulfill the minimum public float requirements from IDX, which are to have at least (i) 300 shareholders, (ii) 50 million of shares owned by the public, and (iii) 7.5% public float.

For the holder of 1% unlisted shares in BNP, given that by virtue of Government Regulation No. 29 of 1999 these shares must remain unlisted and owned by an Indonesian entity or an Indonesian individual, PT Guna Dharmia will purchase these shares should the owner of these shares decide to exit from BNP. Transfer of these shares to PT Guna Dharmia will be carried out in accordance with the procedures to be agreed between PT Guna Dharmia and these shareholders.

XIII. Third Party Rights and Obligation

(1) Agreements with Third Party

All of the rights and obligations based on the agreement or contract with third party that has been signed by BNP, as the company which will be merged to the other company will be transferred by operation of law to Bank Danamon, as Surviving Bank on the Effective Merger Date.

Therefore, Bank Danamon will replace BNP as a party in the agreement, and will comply with all obligations based on the related agreement or contract and will take over all of the rights and obligations from BNP unless governed otherwise by the relevant agreement or contract.

(2) Creditors

Based on Article 37 (1) of Government Regulation No. 28/1999, creditors from and minority shareholders of each Merger Participant can state their objection to the proposed Merger until 7 (seven) days before the invitation to the GMS.

On 22 January 2019, each Merger Participant announces the summary of Merger Plan in two daily newspapers in Indonesian language in the domicile of each Merger Participant, coupled with announcement to creditor and minority shareholders based on Article 37 paragraph (1) of Government Regulation No. 28/1999.

Creditors and minority shareholders that do not express its objection by 25 February 2019, will be considered as agreeing to the Merger Plan. For each of the creditors and deposit holders that require settlement of obligation of the Merger Participants, the settlement will be done before the Merger Effective Date. If on the Merger Effective Date, these obligations have not been settled, these obligations will become the responsibility of the Surviving Bank.

In addition, there are no limitations (*negative covenants*) applicable to the Merger in the agreements of each of the Merger Participants with their creditors, except that the Merger Participants may be required to send notifications on the Merger and ensuring that the Surviving Bank will take over all obligations or will continue its obligations after the Merger Effective Date.

INFORMATION RELATED TO THE SURVIVING BANK

I. Vision

The Surviving Bank's vision: "We Care and Enable Millions to Prosper". Bank Danamon believes that its purpose is to care for others: its customers, employees, and society at large, enabling them to thrive, grow, and achieve prosperity.

Bank Danamon will continue to pursue its vision through the following three missions:

- The Surviving Bank aims to be "The Leading Financial Institution in Indonesia" with a significant market presence.
- The Surviving Bank believes its strengths as a financial intermediary is a catalyst for welfare and prosperity. To optimize its role in the growth of the economy, it is imperative for the Surviving Bank to be well-regarded and occupy a leading position among its peers, as a business partner to its customers; and valuable and caring corporate citizen to the public.
- The Surviving Bank aims to be a customer centric organization covering all customer segments, each with a unique value proposition, centered on sales and service excellence, supported by world class technology.

II. Business Strategy

Bank Danamon intends to continue to enhance its position as a leading and prominent Indonesian bank, which remains committed to delivering high quality services to its customers and to support the development of the national economy.

Bank Danamon believes the merger with BNP and the increase in shareholding of MUFG Bank will allow for further expansion of MUFG Bank's products, such as services, network and management expertise with Bank Danamon's and BNP's unique business models. Post the merger with BNP, Bank Danamon believes that it will be able to provide a more comprehensive set of financial solutions to the customers and accelerate the bank's growth by utilizing the synergies created.

In addition to continuing to focus on and carry out Bank Danamon's existing strategy, Bank Danamon will also undertake to realize synergies from the merger of Bank Danamon and BNP.

BNP has a wide customer base in West Java, especially in the textile sector, and Bank Danamon has an extensive range of products and services. Potential synergy areas which can be explored include offering Bank Danamon's mortgage, auto loan, credit card, trade finance products and services to BNP's existing customers' business value chain. Additionally, this merger presents an opportunity for Adira Finance and Adira Insurance to cross-sell their products to BNP customers. Bank Danamon's funding cost, which is currently lower than that of BNP would be advantageous in further developing business prospects with BNP's customers in the future in terms of price competitiveness and/or profitability. The Merger Participants will further explore throughout the post-merger integration process whether any other products or functions of BNP may benefit Bank Danamon customers or the risk management of Bank Danamon in order to maximize the synergies between the banks.

MUFG Bank, currently the common shareholder of both banks, will apply its successful experiences with other partner banks in Asia to further drive Indonesian corporations' businesses through the newly merged bank. As a result of collaboration with MUFG, the newly merged bank will be playing an essential catalyst role in materializing business activities among Japanese, multinational, and Indonesian companies. Such newly created commercial transactions would be further enhanced into a wider business collaboration as well as capital alliances among these companies. The newly merged bank will then develop a win-win relationship with these companies through an extensive range of product and service offerings, leading to an increase in loan assets, which will capture the trade flows and ultimately the overall ecosystem of related companies as a whole. The Indonesian companies that will also benefit from the new business relationship with MUFG's customers will, in a long run, contribute to the development of Indonesian economy.

Bank Danamon's strategy comprises the following areas:

Business Portfolio and Network

Drive and balance the growth between SME banking, Enterprise Banking, mortgages, Sharia financing, and trade finance including automotive financing through Adira Finance to ensure a well-diversified loan, funding and fee income portfolio.

Technology and Digital

Continue investing in digital banking, analytics, and to make banking invisible and seamless to customers. Potential collaboration with fin-tech to improve services to customers and to increase productivity and efficiency of human resources, network, and operating expenditure.

Risk Management

Enhance risk management and good corporate governance through improvement in policies, support systems, and human resources.

Human Resource

Improve workforce capabilities through training, job rotations, redeployments and talent management, in order to have a capable base of employees. Build culture of innovation among employees to be fast, nimble and agile.

III. Office Status of Surviving Bank

Name of the Surviving Bank is PT Bank Danamon Indonesia Tbk.

The Head Office of the Surviving Bank will remain located in the current head office location of Bank Danamon, which is at Menara Bank Danamon, Jl. HR. Rasuna Said, Block C No. 10, Karet Sub-District, Setiabudi District, Jakarta, 12920, Indonesia.

After the Merger, the Surviving Bank will continue its business activities through its office network both originally engaged by Bank Danamon and by BNP.

IV. Capital Structure and Shareholder Composition

Based on the calculation of share conversion to be used for the Merger, and with the assumption that there are no shareholders of Bank Danamon or BNP that choose to sell their shares to MUFG Bank, the estimated capital and shareholder structure of Bank Danamon, as a Surviving Bank, is as follows:

Shareholders	Number of Shares	Nominal Value (Rp)	%
Authorized Capital**	17,782,400,000	10,000,000,000,000	-
Series A Shares	22,400,000	1,120,000,000,000	
Series B Shares	17,760,000,000	8,880,000,000,000	
Issued and Paid-Up Capital	9,773,552,870	5,995,576,435,000	100.00
Series A Shares	22,400,000	1,120,000,000,000	
Series B Shares	9,751,152,870	4,875,576,435,000	
1. MUFG Bank** (directly and indirectly) Series B Shares	3,848,809,142	1,924,404,571,000	39.38
2. Asia Financial (Indonesia) Pte. Ltd. Series B Shares	3,242,784,698	1,621,392,349,000	33.18
3. ACOM Series B Shares	127,676,954	63,838,477,000	1.31
4. PT Hermawan Sentral Investama Series B Shares	21,796,371	10,898,185,500	0.22
5. Commissioners/Directors Series B Shares			0.04
- Sng Seow Wah	2,325,400	1,162,700,000	
- Michelleina Laksmi Triwardhany	814,200	407,100,000	
- Satinder Pal Singh Ahluwalia	396,300	198,150,000	
- Herry Hykamoto	131,856	65,928,000	
6. Public (each under 5%) Series A Shares Series B Shares	22,400,000 2,506,417,949	1,120,000,000,000 1,253,208,974,500	0.23 25.64
Shares in Portfolio	8,008,847,130	4,004,423,565,000	-

* Nominal value of Series A Shares is Rp50,000 per share, while the nominal value of Series B Shares is Rp500 per share.

** The authorized capital of the Surviving Bank is divided into 17,782,400,000 shares, consisting of 22,400,000 Series A Shares and 17,760,000,000 Series B Shares

*** MUFG Bank's shareholding may increase depending on shareholders' willingness to sell their shares to MUFG Bank, and correspondingly, shares held by Asia Financial (Indonesia) Pte. Ltd., ACOM, PT Hermawan Sentral Investama, the commissioners'/directors and/or the Public may decrease.

V. Management and Supervision

BOD and BOC Composition

The proposed BOD and BOC composition of the Surviving Bank is as follows:

BOD

President Director : Sng Seow Wah

Vice President Director : Michelleina Laksmi Triwardhany

Director : Satinder Pal Singh Ahluwalia

Director : Adnan Gayum Khan

Director : Heriyanto Agung Putra

Director : Herry Hykamoto

Director : Dadi Budiana

Director : Yasuhiko Itagaki

Director (Independent) : Rita Mirasari

BOC

President Commissioner : Takayoshi Futae

Vice President Commissioner (Independent) : Johannes Berchmans Kristiadi Pudjokusanto

Commissioner : Masamichi Yasuda

Commissioner : Hideaki Takase

Commissioner (Independent) : Mangli Taruna Habir

Commissioner (Independent) : Made Sukada

Commissioner (Independent) : Peter Benyaminn Stok

The appointment of BOD and BOC members will become effective after passing the OJK Fit and Proper Test until the closing of the Annual General Meeting of Shareholders of the Surviving Bank for the Financial Statement as of 31 December 2019 which will convene at the latest on June 2020, without prejudice to the rights of GMS to discharge him (them) at any time.

Remuneration, including allowance and benefits, for the BOD and BOC of the Surviving Bank, will be approved first through the GMS of the Surviving Bank, and with an amount as per stated in the financial statements as of 31 December 2019 of the Surviving Bank.

The settlement of rights and obligations of the members of BOD and BOC from each Merger Participant that are not chosen to remain with the Surviving Bank will be handled according to the terms and conditions of their agreement.

VI. Amendment of the Articles of Association

Bank Danamon's articles of association, as the Surviving Bank, will be amended, in particular Article 4 on Capital.

VII. Consolidated Pro-Forma Financial Statement

The following are the consolidated Pro-Forma statement of financial position of the Surviving Bank as of 30 September 2018 which has been reviewed by KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC global network), with partner in charge Drs. M. Jusuf Wibisana, M.E.C., CPA. This consolidated pro-forma statement of financial position have been prepared based on Bank Danamon's and BNP's (consolidated) financial statements for the nine month period ending as of 30 September 2018 which has been audited with pro-forma adjustment in accordance with Indonesian Financial Accounting Standards. Information regarding the historical consolidated financial position of Bank Danamon and BNP are each taken from the consolidated Bank Danamon financial statements as of 30 September 2018 as audited by KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC global network), with partner in charge Drs. M. Jusuf Wibisana, M.E.C., CPA, and BNP financial statement as of 30 September 2018 as audited by KAP Satrio Bing Ery & Rekan (a member firm of Deloitte global network), with partner in charge Riniek Winarsih.

	(in millions of Rupiah)			
	Historical 30 Sep 2018	Proforma adjustments		
	Bank Danamon Group	Historical 30 Sep 2018	Transaction related adjustments	Proforma 30 Sep 2018
ASSETS				
Cash	1,854,814	72,739	-	1,927,553
Current accounts with Bank Indonesia	6,193,450	480,046	-	6,673,496
Current accounts with other banks	1,572,920	163,486	-	1,736,406
Placements with other banks and Bank Indonesia	3,885,521	356,999	-	4,242,520
Marketable securities	11,007,987	533,545	-	12,441,532
Government Bonds	12,245,842	-	-	12,245,842
Securities purchased under resale agreements	-	142,765	-	142,765
Derivative receivables	557,125	3	-	557,128