

Self Assessment Worksheet

Good Corporate Governance Implementation
(Period 31 December 2016)

No	Criteria / Indicators	Analysis
1.	Implementation of Duties and Responsibilities of the Board of Directors	
	<i>A. Governance Structure</i>	
1)	The total members of the Board of Directors is a minimum of 3 (three) persons.	1) The function of the Board of Directors of Deutsche Bank Indonesia is carried out by the local Executive Committee (EXCO). As of December 2016, the local Executive Committee consists of 6 (six) people. They are the Chief Country Officer, the Chief Operating Officer, the Head of Compliance Division, the Head of Global Transaction Banking Division, the Finance Director and the Risk Director.
2)	All members of the Board of Directors are domiciled in Indonesia.	2) All members of the Board of Directors reside in Indonesia.
3)	The majority members of the Board of Directors have at least 5 (five) years of experience in the operational sector as Bank Executive Officers.	3) All members of the Board of Directors have more than 5 years of experience in their respective banking sector.
4)	The members of the Board of Directors do not concurrently hold positions as members of the board of directors, members of the Board of Commissioners, or Executive Officer of other Banks, corporations and/or institutions except for matters set out in the OJK Regulation regarding Administration of Commercial Banks namely as members of the Board of Commissioners in the framework of carrying out supervisory duties on investment in a non-bank subsidiary controlled by the Bank.	4) The members of the Board of Directors do not hold positions as Commissioner, Director, and others, in another bank. The members of the Board of Directors must obtain a special internal approval to hold positions in other companies.



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| <p>5) Members of the Board of Directors severally or jointly do not own more than 25% (twenty five per cent) shares of the paid up capital in another company.</p> <p>6) The majority members of the Board of Directors do not have family relations up to the second degree with other members of the Board of Directors, and/or other members of the Board of Commissioners.</p> <p>7) The replacement and/or appointment of members of the Board of Directors has taken into account the recommendations of the Nomination Committee or the Remuneration and Nomination Committee.</p> <p>8) The Board of Directors has guidelines and procedures in place that set out work ethics, working hours, and meetings.</p> <p>9) The Board of Directors do not use professional advisors and/or professional services as consultants except for specific projects, based on clear contracts covering the scope of work, responsibilities, terms of employment, and costs, and the consultants are Independent Parties qualified to undertake special projects.</p> | <p>5) The members of the Board of Directors, severally or jointly, do not own 25% shares in another company.</p> <p>6) The members of the Board of Directors do not have family relations up to the second degree with other members of the Board of Directors or members of the Regional Governance Committee.</p> <p>7) All members of the Board of Directors are employees of Deutsche Bank AG. The Head Office Nomination and Remuneration is not involved in the appointment of the Board of Directors in Indonesia. However, the appointment of the Country Chief Officer requires the approval of the Management Board of DBAG, the appointment of the Country Operating Officer by the APAC Regional CEO of DBAG and other members of the Board of Directors requires the approval of the respective regional functional managers and the Country Chief Officer.</p> <p>8) As all members of the Board of Directors are employees of DB Indonesia, hence they are all subject to the provisions of the Employee Handbook</p> <p>9) The Board of Directors do not appoint external advisors/consultants for routine business. Any appointment of consultants / external advisors is subject to internal policies and necessary approvals.</p> |
| <p>10) All members of the Board of Directors have integrity,</p> | |



competence and adequate financial reputation.

11) The President Director or the Managing Director, is from an independent party to the Controlling Shareholders, namely does not have financial, management, ownership and family relations.

12) All members of the Board of Directors have passed the fit and proper test and have received approval letters from the Financial Services Authority.

13) The members of the Board of Directors have adequate competence relevant to their positions to carry out their duties and responsibilities and able to implement their competence in carrying out their duties and responsibilities.

14) The members of the Board of Directors have the willingness and competence to continuously learn in the framework of improving their knowledge on banking and current developments related to financial/other sectors which support the implementation of their duties and responsibilities.

15) The members of the Board of Directors cultivate continuous learning in the framework of improving their knowledge on banking and current developments related to financial or other sectors which support the implementation of their duties and responsibilities at all levels or ranks of the organization.

10) All members have a background and experience which has proven their credibility, integrity and competence in their areas. Additionally, all members have many years of experience in their respective banking areas.

11) True. The President Director or the Managing Director and other directors are employees of Deutsche Bank Indonesia and, are independent parties to the controlling Shareholders.

12) All members of the Board of Directors have passed the Fit and Proper Test and have received approval letters from the Financial Services Authority.

13) All members have a background and experience which has proven their credibility, integrity and competence in their respective areas.

14) Yes, the members of the Board of Directors have the willingness and competence to continuously learn in the framework of improving their knowledge on banking and current developments related to financial/other sectors which supports the implementation of their duties and responsibilities. Such as participating in a Compliance training through the intranet/web/online, face-to-face or classroom training, and completing mandatory risk management trainings.

15) The Board of Directors cultivate continuous learning among others by supporting training for employees through several learning options such as on the job training, through the intranet/web/online and classroom training.



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| 16) The composition of the Board of Directors does not comply with the regulation due to owner's intervention. | 16) Not applicable |
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B. Governance Process

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| 1) The Board of Directors has appointed the members of the Committee based on the meeting resolution of the Board of Commissioners. | 1) The Board of Directors is not involved in the appointment of the members of the Local Committee of DB Indonesia. All members of the local Committee are appointed locally by the BOD/EXCO based on global/regional guidelines pertaining to committee memberships and representations. |
| 2) The Board of Directors do not issue a general power of attorney to another party causing a transfer of duties and functions of the Board of Directors. | 2) Members of the Board of Directors are prohibited from delegating their duties and functions to third parties, except for specific operational tasks as decided for efficiency, control and convenience. |
| 3) The Board of Directors is fully responsible for the implementation of the Bank's management. | 3) Yes |
| 4) The Board of Directors manages the Bank in line with the authorities and responsibilities set out in the Articles of Association and the prevailing rules of regulations. | 4) Yes |
| 5) The Board of Directors has implemented its duties and responsibilities independent of the shareholders. | 5) Yes |
| 6) The Board of Directors has implemented good corporate governance principles in each of the Bank's business activities at all levels or ranks of the organization. | 6) The Board of Directors is fully engaged in the bank's day-to-day business and have implemented control procedures to improve the Company's Corporate Governance at all levels of the organization. |
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<p>7) The Board of Directors has followed up on audit findings and recommendations of the Internal Audit Unit (SKAI), external auditor, and Financial Services Authority supervisory results and/or supervisory results of other authorities.</p>	<p>7) The Board of Directors monitors open audit findings related to the Bank's function in Indonesia for timely closure.</p>
<p>8) The Board of Directors has provided complete, accurate, updated and timely data and information to the Board of Commissioners.</p>	<p>8) Yes</p>
<p>9) The decisions of the Board of Directors' meetings are taken based on deliberation to reach a consensus or by majority of votes if there is no deliberation to a consensus.</p>	<p>9) Yes</p>
<p>10) Each meeting resolution adopted by the Board of Directors can be implemented and in line with the prevailing policies, guidelines and work ethics.</p>	<p>10) The meeting resolution of the Board of Directors/EXCO is implemented in line with the prevailing policies, guidelines and business ethics.</p>
<p>11) The Board of Directors has defined policies and strategic decisions through the Board of Directors' meeting mechanism.</p>	<p>11) The EXCO meeting is a platform to make strategic policies and take important decisions.</p>
<p>12) The Board of Directors does not take advantage of the Bank for personal, family, and/or third party interests that may adversely affect or impair the Bank's profit.</p>	<p>12) The members have proven their credibility and integrity and do not take advantage of the Bank for their own benefit, or cause losses to the Bank. The supervisory and internal control procedures also prevent the Board of Directors or employees to do this.</p>
<p>13) The Board of Directors does not take and/or receive personal benefits from the Bank other than Remuneration and other facilities determined by the General Meeting of Shareholders (RUPS).</p>	<p>13) The EXCO members do not take advantage of the bank for personal interests, other than salaries, bonus, other benefits, as determined by the Bank's process for remuneration and compensation facilities and other allowances as set out by the Bank's remuneration benefit policy.</p>



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| <p>14) The owner intervenes with the implementation of the Board of Directors' duties that causes disruption to the Bank's operational activities thereby impairing the Bank's profitability and/or leading to losses to the Bank.</p> | <p>14) To avoid any intervention, compliance requirements, internal controls, and supervisory procedures prevent the Board of Directors from performing actions that may impair the Bank's profit. As noted earlier, the members of the Board of Directors / local EXCO are Bank employees and not representatives of the Bank's large corporate shareholders.</p> |
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C. Governance Outcome

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| <p>1) The Board of Directors has accounted for the implementation of its duties to the shareholders through the GMS.</p> | <p>1) Not applicable as DB Indonesia is a foreign bank's branch office and not a separate entity.</p> |
| <p>2) The Board of Directors' accountability on the implementation of its duties is accepted by the shareholders through the GMS.</p> | <p>2) Not applicable as DB Indonesia is a foreign bank's branch office and not a separate entity.</p> |
| <p>3) The Board of Directors has disclosed the Bank's strategic policies on employment to the employees through a media easily accessible to the employees.</p> | <p>3) Yes, the Bank's strategy has been communicated to the employees through various media such as newsletters, intranet updates, town hall meetings and other communication forms both verbal and written.</p> |
| <p>4) The Board of Directors have communicated the bank's business directives to the employees in order to achieve the bank's mission and vision.</p> | <p>4) The Board of Directors communicates the bank's vision and mission to all departments and staff through various forums such as Town Hall, email communication and others.</p> |
| <p>5) The Board of Directors' meeting resolution is set forth in a minutes of meeting and well documented, including clear disclosure of dissenting opinions raised during the Board of Directors' meeting.</p> | <p>5) The minutes of meeting is circulated and action plans are well documented.</p> |
| <p>6) In the reports on the implementation of corporate governance, all members of the Board of Directors at least have disclosed:</p> | <p>6)</p> |



a. shareholding of up to 5% (five per cent) or more in the respective Bank or in another bank and company (onshore and offshore);	a) The Board of Directors do not own more than 5% (five per cent) of shares.
b. financial and family relations with members of the Board of Commissioners, members of the Board of Directors and/or Controlling Shareholders of the Bank;	b) Not applicable
c. remuneration and other facilities;	c) Yes
d. shares option owned by the Board of Directors.	d) Not applicable
7) Improvement of knowledge, expertise, and capability of the Members of the Board of Directors in managing the Bank is demonstrated among others by the improvement of the Bank's performance, settlement of issues faced by the Bank, and achievement of targets in line with the expectations of the Bank's Stakeholders.	7) Yes
8) Improvement of knowledge, expertise and capability of all of the Bank's employees at all levels or ranks of the organization is demonstrated among others by the improvement of individual performance in line with their duties and responsibilities.	8) All employees of the Bank receive trainings in line with their ranking in the organization, as well as their duties and responsibilities. The trainings are conducted on-the-job, online and in classrooms.
9) Improvement of continuous learning culture in the framework of improving the knowledge on banking and current developments related to financial/other sectors to support the implementation of duties and responsibilities at all levels or ranks of the organization is demonstrated among others by the increased participation of the Bank's employees in banking certification and/or education or training to develop individual quality.	9) The Board of Directors support trainings for employees through various modes (intranet/web/online, in classrooms, and risk management programs) so that the employees can continuously improve their skills and perform their duties and responsibilities effectively.



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| 10) The Bank's operational activities are disrupted and/or improperly benefited the owners which result in deterioration of the Bank's profits and/or causing losses to the bank, as a consequence of the owner's intervention to the composition and/or execution of the Board of Directors' duties. | 10) Deutsche Bank internal policies prohibit members of the Board of Directors to take and/or receive personal benefits that are unreasonable or causing losses to the Bank. |
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1. Implementation of Duties and Responsibilities of the Board of Commissioners

A. Governance Structure

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| 1) The total members of the Board of Commissioners is at least 3 (three) persons and does not exceed the total members of the Board of Directors. | 1) Deutsche Bank AG ("DBAG") is a joint-stock company incorporated in Germany. The Management Board ("MB") and the members of MB are jointly accountable to the management of DBAG. The duties, responsibilities and procedures of the MB are specified in the Terms of Reference available on the DB website. On a higher level than the MB, there is a Supervisory Board that appoints, supervises, and provides advice and is directly involved in important decision making fundamental to the bank.

In Asia Pacific region, the APAC Regional Governance Committee (RGC) provides high level supervision and coordination to regional governance, control and other risk related issues. The RGC is headed by the COO of Asia Pac Group Ibu Chandra Malika and has 17 members with voting rights comprising of regional senior managers representing businesses, infrastructure and COO of large countries. Additionally, the RGC also has 4 members with no voting rights. The RGC acts as the Board of Commissioners for DB Indonesia. |
| 2) At least 1 (one) member of the Board of Commissioners is domiciled in Indonesia | 2) The members of the RGC are not domiciled in Indonesia. |
| 3) At least 50% (fifty per cent) of the total members of the Board of Commissioners are Independent Commissioners. | 3) Not Applicable as DB Indonesia is a branch of a foreign Bank and not a limited liability company incorporated in Indonesia nor a subsidiary that requires an independent commissioner. At the same time, no member of the RGC is a DB |
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| | Indonesia employee and therefore not involved in the operational decision making for DB Indonesia. |
| 4) The Board of Commissioners does not concurrently hold other positions except for matters determined in the OJK Regulation regarding GCG for Commercial Banks, namely:
a. Concurrent position as a member of the Board of Directors, member of the Board of Commissioners or Executive Officer in 1 (one) company or non-financial institution; or
b. Concurrent position as a member of the Board of Directors, member of the Board of Commissioners or Executive Officer carrying out supervisory function in 1 (one) non-Bank subsidiary controlled by the Bank;
c. A non-Independent Commissioner carrying out a functional task from the Bank's shareholder who is a legal entity of the Bank's business group and/or
d. A member of the Board of Commissioners holding position in a non-profit organization or institution. | 4) Not Applicable as point 3) above |
| 5) An Independent Commissioner may concurrently hold position as Committee Chairperson at the maximum at 2 (two) Committees of the same Bank. | 5) If a member of the RGC wishes to hold a Director position outside Deutsche Bank Group, the official process to obtain approval must follow the bank's internal policy and the approval must be received prior to holding such position. |
| 6) The majority of members of the Board of Commissioners do not have family relations up to the second degree with other members of the Board of Directors, and/or other members of the Board of Commissioners. | 6) The members of RGC do not have family relations with any other member of the RGC or with DB Indonesia EXCO (equivalent to the Board of Directors). |



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| 7) The Board of Commissioners has guidelines and procedures in place that set out work ethics, working hours, and meetings. | 7) The RGC has a Terms of Reference that governs procedures and meetings. All employees of DBAG, including all members of the RGC, are subject to internal policies and regulations in connection with the way DB conducts business, including:
1. http://www.db.com/en/downloads/company/DB_the_way_we_do_business.pdf
2. <i>Code of Conduct</i> |
| 8) All members of the Board of Commissioners have integrity, competence and adequate financial reputation. | 8) All RGC members have a background and years of experience which have proven their credibility, integrity and competence for their respective roles. |
| 9) An independent commissioner coming from a former member of the Bank's Board of Directors or former Bank Executive Officer or parties having relations with the Bank that can influence its ability to act independently, and do not carry out supervisory functions and comes from the respective Bank, has undergone a cooling off period for a minimum of 1 (one) year. | 9) Not applicable as DB Indonesia is a branch of a Bank with head office overseas and not a limited liability incorporated in Indonesia nor a subsidiary company. |
| 10) An Independent Commissioner coming from a Non-Independent Commissioner after meeting the requirements as an Independent Commissioner, has undergone a cooling off period for a minimum of 6 (six) months, and has received the approval from the Financial Services Authority. | 10) Not Applicable |
| 11) An Independent Commissioner reappointed after holding a position for 2 (two) periods of position consecutively is determined by the meeting of the Board of Commissioners that the respective person can still act independently, and the respective Independent Commissioner has declared its independence in the GMS. | 11) Not applicable |
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| <p>12) All Independent Commissioners do not have financial, management, ownership and family relations with other members of the Board of Commissioners, members of the Board of Directors and/or Controlling Shareholders or relations with the Bank, that can influence their ability to act independently.</p> | <p>12) Not applicable</p> |
| <p>13) All members of the Board of Commissioners have passed the fit and proper test and have received approval letters from the Financial Services Authority.</p> | <p>13) Not applicable</p> |
| <p>14) The members of the Board of Commissioners have adequate competence relevant to their positions to perform their duties and responsibilities and able to implement their competence in carrying out their duties and responsibilities.</p> | <p>14) Yes All RGC members have long term background and experience which have proven their credibility, integrity and competence for their respective roles.</p> |
| <p>15) Yes, the members of the Board of Commissioners have the willingness and competence to continuously learn in the framework of improving their knowledge on banking and current developments related to financial / other sectors which supports the implementation of their duties and responsibilities.</p> | <p>15) Yes</p> |
| <p>16) The composition of the Board of Commissioners does not comply with the regulation due to owner's intervention.</p> | <p>16) Not applicable</p> |

B. Governance Process

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| <p>1) The replacement and or appointment of members of the Board of Commissioners has taken into account</p> | <p>1) The RGC Head is responsible for any changes to the committee members and responsible for ensuring proper representation from the Corporate division,</p> |
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<p>the recommendations of the Nomination Committee or the Remuneration and Nomination Committee and approved by the GMS.</p>	<p>Infrastructure Function, and Regional Management to fulfill the committee's mandate and regulatory requirements. There is no involvement from the Nomination committee or other global committee members in the appointment of the RGC members.</p>
<p>2) The Board of Commissioners has carried out its duties to ensure that good corporate governance is implemented in all of the Bank's business activities at all levels or ranks of the organization.</p>	<p>2) The Bank has its own Good Corporate Governance Principles in place and the RGC ensures that all activities including businesses, control functions/infrastructure of the entity in the Asia Pac region is equally adopted.</p>
<p>3) The Board of Commissioners has supervised the implementation of the Board of Directors' duties and responsibilities on a regular basis and from time to time, and gives advice to the Board of Directors.</p>	<p>3) Yes</p>
<p>4) In the framework of carrying out its supervisory duties, the Board of Commissioners has directed, monitored and evaluated the implementation of the Bank's strategic policies.</p>	<p>4) The Head of Group Audit Asia Pac are Non-Voting members of the RGC and submits the latest audit report to the members. The draft audit report is also distributed by the Audit Group to the different levels in the organization to ensure that all findings are properly followed up. Additionally, as part of the Financial Conglomeration, the Management of DB Indonesia also incorporates the Integrated Audit Report that also includes all audit points (both external and internal audit) and the status of the findings.</p>
<p>5) The Board of Commissioners is not involved in the decision making of the Bank's operational activities, except in case: provision of funds to related parties, and other matters as set out in the Bank's Articles of Association and/or rules of regulations in carrying out is supervisory function.</p>	<p>5) The main responsibility for identifying issues / breaches and reporting to Bank Indonesia / OJK is with the local EXCO that is equal to the Board of Directors of DB Indonesia. The Local EXCO is also responsible to inform the RGC.</p>
<p>6) The Board of Commissioners has followed up on audit findings and recommendations by the Bank's Internal Audit Unit (SKAI), external auditor, and the</p>	<p>6) Yes</p>



Financial Services Authority supervisory results and/or supervisory results of other authorities.

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| 7) The Board of Commissioner notifies the Financial Services Authority no later than 7 (seven) working days as of finding a breach of the financial and banking rules of regulations, and the circumstances or estimated circumstances that may compromise the Bank's business continuity. | 7) Regulatory breaches is monitored and settled by the Board of Directors/EXCO in Indonesia and reported to the Board of Commissioners. Such breaches are also reported by the Board of Directors/EXCO to the Financial Services Authority in a timely manner. |
| 8) The Board of Commissioners has carried out its duties and responsibilities independently. | 8) The RGC operates independently from EXCO Indonesia. |
| 9) The Board of Commissioners has established an Audit Committee, a Risk Monitoring Committee, and a Remuneration and Nomination Committee. | 9) Yes |
| 10) The members of the Committees are appointed by the Board of Directors based on a meeting resolution of the Board of Commissioners. | 10) Not applicable. |
| 11) The Board of Commissioners has ensured that the Committees established have carried out their duties effectively. | 11) All committees own a Terms of Reference, that identifies the scope, targets, structure and others that is approved by the RGC. The committees provide information to the RGC in line with its provisions. |
| 12) The Board of Commissioners has set aside sufficient time to carry out its duties and responsibilities to the optimum. | 12) Yes. RGC covers Indonesia at least two times, namely once a year to review DB Indonesia's performance in conjunction with a review of the conglomeration report submitted to the OJK and once a year to review the Annual Bank's Business plan to. be submitted to the OJK. Additionally, other important matters are also submitted to the RGC on other occasions. |
| 13) The Board of Commissioners' meetings discuss issues according to the meeting agenda and is held | 13) Yes. The RGC holds more than four meetings in a year. |



periodically, at least 4 (four) times in 1 (one) year, and is physically attended by at least 2 (two) times in 1 (one) year, or through teleconference technology for Non-Independent Commissioners in the event that a Non-Independent Commissioner cannot attend the meeting physically.

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| <p>14) The decisions of the Board of Commissioners' meetings are taken based on deliberation to reach a consensus or by majority of votes if there is no deliberation to a consensus.</p> | <p>14) The RGC takes decisions based on a majority of votes.</p> |
| <p>15) The Board of Commissioners does not take advantage of the Bank for personal, family and/or other parties' interests that may adversely affect or impair the Bank's profit.</p> | <p>15) True.</p> |
| <p>16) The Board of Commissioners does not take and/or receive personal benefits from the Bank except for remuneration and other facilities determined by the General Meeting of Shareholders (GMS).</p> | <p>16) As the members of the RGC reside overseas, they do not receive any remuneration nor benefit from DB Indonesia The majority members of the RGC are DB office employees overseas, Singapore and Hong Kong and receive compensation from the respective Offices.</p> |
| <p>17) The owner intervenes with the implementation of the Board of Commissioners' duties that causes disruption to the Bank's operational activities thereby impairing the Bank's profitability and/or leading to losses to the Bank.</p> | <p>17) Not applicable as the bank's owner is not involved in the day-to-day management of the Bank's liability. The Bank's majority shareholders are not involved in matters of seats in the Management Board or the Supervisory board.</p> |

C. Governance Outcome

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| <p>1) The Board of Commissioners' meeting resolution is set forth in a minutes of meeting and well</p> | <p>1) Yes, DB Indonesia has access to the minutes of meeting as long as these are related to matters in Indonesia.</p> |
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documented, including clear disclosure of dissenting opinions raised.

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| 2) The meeting resolutions of the Board of Commissioners are distributed to all members of the Board of Commissioners and related parties. | 2) Yes |
| 3) The meeting resolutions of the Board of Commissioners are recommendations and/or advice that can be implemented by the GMS and/or Board of Directors. | 3) Yes |
| 4) In the reports on the implementation of corporate governance, all members of the Board of Commissioners at least have disclosed:
a. shareholding of up to 5% (five per cent) or more in the respective Bank or in another bank and company domiciled onshore and offshore;
b. financial and family relations with other members of the Board of Commissioners, members of the Board of Directors and/or Controlling Shareholders of the Bank;
c. remuneration and other facilities;
d. share options owned by the Board of Commissioners; | 4) As DB Indonesia is a branch office and the commissioners reside overseas, this is not relevant. |
| 5) Improvement of knowledge, expertise, and capability of the Members of the Board of Commissioners in supervising the Bank is demonstrated among others by the improvement of the Bank's performance, settlement of issues faced by the Bank, and achievement of targets in line with the expectations of | 5) All RGC members have a background and experience which have proven their credibility, integrity and competence in their respective areas. Additionally, all members have years of work experience according to their respective banking fields. |



the stakeholders.

The members of the Board of Directors cultivate continuous learning in the framework of improving their knowledge on banking and current developments related to financial or other sectors which supports the implementation of their duties and responsibilities at all levels or ranks of the organization.

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| <p>6) The Bank's operational activities are disrupted and/or improperly benefited the owners which result in deterioration of the Bank's profits and/or causing losses to the Bank, as a consequence of the owner's intervention to the composition and/or execution of the Board of Commissioners' duties.</p> | <p>6) As the Bank ownership and management is different where the majority of shareholders is not involved the day to day management of the Bank, we do not see this as an issue.</p> |
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3. Implementation of Duties and Responsibilities of the Committee

A. Governance Structure

1) Audit Committee

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| <p>a) The members of the Audit Committee shall at least consist of one Independent Commissioner, one Independent Party skilled in finance or accounting sector and one Independent Party skilled in legal or banking sector.</p> <p>b) The Audit Committee is chaired by an Independent Commissioner.</p> <p>c) At least 51% (fifty five per cent) of the Audit Committee members are Independent Commissioners and Independent Parties.</p> | <p>1) The Audit Committee works at the DB Head Office level and not at DB Indonesia level. At Head Office, it comprises of the Head of the Supervisory Board, 3 members of the Supervisory Board representing the employees and 3 representing the shareholders. The chairperson is elected by the Supervisory Board and must be independent and not a chairperson of the Supervisory Board nor a former member of the Board of Management. All members have a proven background and experience in credibility, integrity and competence for the position. The Audit Committee supports the Supervisory Board in monitoring (i) the financial accounting process; (ii) the effectiveness of the risk management system; (iii) the audited financial report specific to the independent auditor and (iv) the prompt remediation by the</p> |
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- d) The Audit Committee members have good integrity, character and moral.

Management Board of deficiencies identified by the auditor and internal control functions. There is no Audit Committee at DB Indonesia level.

2) Risk Monitoring Committee

- a) The members of the Risk Monitoring Committee shall at least consist of one Independent Commissioner, one Independent Party who is expert in finance and one Independent Party who is expert in risk management.
- b) The Risk Monitoring Committee is chaired by an Independent Commissioner.
- c) At least 51% (fifty five per cent) of the Risk Monitoring Committee members are Independent Commissioners and Independent Parties.
- d) The members of the Risk Monitoring Committee have good integrity, character and moral.

- 2) Similar to an Audit Committee under point 1 above, the Risk Committee operates at Head Office level in Frankfurt as a Supervisory Board Committee consisting of the Head of the Supervisory Board, the Head of the Audit Committee and 3 members of the Supervisory Board. The Head of the Risk Committee and the majority of the members are independent parties. This Committee advises the Supervisory Board on the overall risks and risk strategies and (i) oversees the current and future overseas risk exposures; (ii) oversees risk implementation by the Management Board; (iii) oversees the Management Board reports regarding the current risk culture conditions; (iv) oversees the capital and liquidity management strategies and all relevant financial and non-financial risks. The Global Risk Committee has no direct oversight or involvement in the risk monitoring of DB Indonesia. The DB Indonesia Risk Committee operates under the overall umbrella of EXCO.

3) Remuneration and Nomination Committee

- a) The members of the Remuneration and Nomination Committee shall at least consist of one Independent Commissioner, one Non-Independent Commissioner and one Executive Officer supervising human resources or one employee representative.
- b) The Executive Officer or the employee representative Committee member must have knowledge and understands the remuneration

- 3) Similar to the two above, the Senior Executive Compensation Committee (SECC) acts as a Remuneration Committee at global level. This committee is not available in DB Indonesia.

The SECC consists of

- the Chief Administration Officer and the Chief Financial Officer, Chief Risk Officer, the Global Head of Human Resources and additionally a representative from the Finance division as a member with voting rights.
- The Compensation Officer, the Deputy Compensation Officer and one of the Co-Heads of Manage Reward & Performance act as non-voting members.
- Independent external advisors as necessary.



- and/or nomination system regulation and the Bank's succession plan.
- c) The Remuneration and Nomination Committee is chaired by an Independent Commissioner.
 - d) In the event where the Remuneration and Nomination Committee is set out to have more than 3 (three) members then it should at least have 2 (two) Independent Commissioners.
 - e) In the event where the Bank establishes separate Committees, then:
 - (1) The Executive Officer or the employee representative Remuneration Committee member must have knowledge regarding the Bank's remuneration system; and
 - (b) The Executive Officer Nomination Committee member must have knowledge regarding the nomination system and the Bank's succession plan.
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| 4) The members of the Audit Committee and the Risk Monitoring Committee are not members of the Board of Directors of the same Bank or other Banks. | 4) Not applicable as this committee does not exist in Indonesia |
| 5) Concurrent position of an Independent Party at the same Bank, at other Banks and/or at another company has taken into account the competence, independence criteria, confidentiality, code of ethics and implementation of duties and responsibilities. | 5) Not applicable |
| 6) All Independent Parties of the Committee members do not have financial, management, ownership and/or family relations with the members of the Board of Commissioners, members of the Board of | 6) Not applicable |



Directors and/or Controlling Shareholders or relations with the Bank, that can influence their ability to act independently.

- 7) All Independent Parties from former members of the Board of Directors or former Executive Officers of the respective Bank and do not have supervisory functions or other parties who have relations with the Bank that can influence the ability to act independently have undergone a cooling off period of 6 (six) months. 7) Not applicable
- 8) The Audit Committee and Risk Monitoring Committee meetings at least are attended by 51% (fifty one per cent) of the number of members including the Independent Commissioners and Independent Parties. 8) Not applicable
- 9) The Remuneration Committee meetings, at least are attended by 51% (fifty one per cent) of the number of members including one Independent Commissioner and one Independent Party or an employee representative. 9) Not applicable
- 10) The composition of the Committee does not comply with the regulation due to owner's intervention. 10) Not applicable

B. Governance Process

- 1) [Audit Committee](#)
To provide recommendations to the Board of Commissioners: 1)



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| <p>a) The Audit Committee has monitored and evaluated the audit plans and implementation and monitors the follow up of audit results in the framework of assessing the adequacy of internal controls including the adequacy of the financial reporting process.</p> <p>b) The Audit Committee has reviewed:</p> <ol style="list-style-type: none"> (1) the implementation of SKAI duties; (2) the conformity of audit using audit standards by the public accounting firm; (3) the conformity of financial reports using financial accounting standards; and (4) the follow up of findings by the SKAI, the Public Accountant and supervisory results of the Financial Services Authority. <p>c) The Audit Committee has given its recommendation to appoint the Public Accountant and the Public Accountant Firm (KAP) in line with the prevailing regulations to the GMS through the Board of Commissioners.</p> | <p>a) Deutsche Bank AG Jakarta and Surabaya are branch offices of Deutsche Bank AG, a company incorporated in Germany. There is no local Audit Committee in DB Indonesia. The Audit Committee domiciled in Germany covers all legal entities. One of the duties of this audit committee is to periodically report the work concluded by internal audit, specific regarding sectors highlighted in the audit activity and audit results. Additionally, the Group Audit is a non-voting member of the RGC, and provides current data to RGC.</p> <p>b) The Audit Group in APAC covers audit requirements for DB Indonesia. Additionally, a permanent auditor position exists in Indonesia. The Audit Group in APAC fulfills the audit requirements for Indonesia to ensure that an internal audit function exists.</p> <ul style="list-style-type: none"> • KPMG as an external auditor is a Public Accountant Firm recognized by OJK. • The Bank globally adopts the standard accounting policies to prepare its financial reports. • The EXCO members follow up on internal, external audits and regulatory audits, to ensure audit findings are implemented. <p>c) The Audit Committee in Germany prepares a proposal to the supervisory board in the General Meeting of Shareholders to appoint a Public Accountant Firm.</p> |
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2) Risk Monitoring Committee

To provide recommendations to the Board of Commissioners:

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| <ol style="list-style-type: none"> a) The Risk Monitoring Committee evaluates the policy and the implementation of risk management; b) The Risk Monitoring Committee monitors and evaluates the implementation of the duties of | <p>2)</p> <ol style="list-style-type: none"> a) The Indonesian Risk Committee (IRC) looks after this area under the leadership of the Risk Director in Indonesia who on the Board of Directors. b) SKMR is a body of members of the IRC drawn from different functions of the Bank that covers 8 risk types as required under the OJK regulations (Credit Risk, |
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the Risk Management Committee and the Risk Management Unit (SKMR).

Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Compliance Risk, Strategic Risk and Reputational Risk).

3) **Remuneration and Nomination Committee**

To provide recommendations to the Board of Commissioners:

- a) The Remuneration Committee has evaluated the remuneration policy for:
 - (1) The Board of Commissioners and the Board of Directors and has submitted it to the General Meeting of Shareholders;
 - (2) The Executive Officers and employees and has submitted it to the Board of Directors.
- b) Related to the nomination policy, the Committee has prepared a system, and nomination and/or replacement procedures of the members of the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders.
- c) The Nomination Committee, has submitted the member nominee recommendations for the Board of Commissioners and/or Board of Directors to be presented to the General Meeting of Shareholders.
- d) The Nomination Committee, has submitted the nominee recommendations as member of the Committee to the Board of Commissioners.

3)

The Senior Executive Compensation Committee (SECC) in Frankfurt represents the Remuneration and Nomination Committee in DB Indonesia. SECC is also a committee delegated on global level by the Management Board mandated to establish a sustainable compensation principles, to prepare recommendations against the total compensation level and ensure good governance and appropriate compensation supervision.

In line with its mandate, the SECC established a compensation strategy, directive policies and principles, and coordination of compensation decisions. The SECC also established qualitative and quantitative factors to assess performance as a basis for compensation related decision and make appropriate recommendations to the Management Board related to the annual VC pool including its allocation to all business divisions and infrastructure functions.

This committee does not exist at DB Indonesia level.



4) The Committee meeting will be held as required by the Bank.	4) Yes- the answer applies for the committee in DB Indonesia
5) The meeting decisions are taken based on deliberation to reach a consensus or by majority of votes if there is no deliberation to a consensus.	5) Yes- the answer applies for the committee in DB Indonesia.
6) The Committee meeting resolutions are recommendations that can be optimized by the Board of Commissioners.	6) The minutes of meeting was executed properly.
7) The owner intervenes with the implementation of the Committee's duties, such as for example related to recommendation to pay unreasonable remuneration to owner-related parties, recommendation of the member nominees for the board of directors or for the Board of Commissioners that are not in line with the nomination and/or replacement procedures set out.	7) The Committee is responsible for ensuring that remuneration is based on DB policy. For further information, refer to explanation on number 3.

C. Governance Outcome

1) Preparation of the minutes of meeting, including clear disclosure of dissenting opinions and must be properly documented.	1) The minutes of meeting is documented properly.
2) Each Committee has executed its function in line with the provisions such as giving recommendations in line with its duties to the Board of Commissioners.	2) Yes



4. Handling of Conflict of Interest

A. Governance Structure

The Bank has policies, systems and settlement procedures regarding:

- 1) conflict of interest that binds the management and employees of the Bank;
- 2) administration, documentation and disclosure of the respective conflict of interest in a Minutes of Meeting.

Deutsche Bank conducts its business according to the principles that the bank must manage conflict of interest fairly, between the bank and its client and between one client and another. The Bank maintains control to supervise/manage conflict of interest. The supervision is related to defining the independence of business divisions, the requirement to log transactions, implement the necessary controls over flow of information, restrict cross-Board membership, and others. The procedures are documented and available to all employees concerned. Employees are obliged to report any conflict of interest that they may have. DB Indonesia has never suffered any losses or decreased profits caused by a conflict of interest.

B. Governance Process

In the event of a conflict of interest, the members of the Board of Commissioners, Board of Directors, and the Executive Officer do not take actions that may impair or decrease the Bank's profits.

Refer to section 4A

C. Governance Structure

- 1) Any conflict of interest that may impair or decrease the Bank's profits has been disclosed in each decision taken and is properly documented.
- 2) The bank's operational activities are free of intervention by the owner/related parties/other parties that may cause conflict of interest that may impair or decrease the Bank's profits.
- 3) The Bank managed to resolve any conflict of interests.

- 1) Refer to section 4A
- 2) Refer to section 4A
- 3) Refer to section 4A



5. Implementation of the Bank's Compliance Function

A. Governance Structure

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| <p>1) The Compliance unit is independent from the operational units.</p> | <p>1) The Bank has established a Compliance Department as an independent function from the operational functions and business units.</p> |
| <p>2) The appointment, dismissal and/or resignation of a member of the Board of Directors supervising the Compliance Function is in line with the regulation of the Financial Services Authority.</p> | <p>2) Yes, the appointment, dismissal and/or resignation of a member of the Board of Directors supervising the Compliance Function is in line with the regulation of the Financial Services Authority.</p> |
| <p>3) The Bank has qualified human resources in the Compliance unit to accomplish their tasks effectively.</p> | <p>3) The Compliance team consists of a team that has a strong background related to banking issues and regulations.</p> |

B. Governance Process

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| <p>1) The Board of Directors supervising the Compliance Function has duties and responsibilities including:</p> <p>a) Ensure the Bank's compliance to the regulations of the Financial Services Authority and rules of regulations, by:</p> <p>(1) defining the necessary steps taking into account prudential principles;</p> <p>(2) monitoring and maintaining that the Bank's business does not violate the regulations;</p> <p>(3) monitoring and maintaining that the Bank complies with all agreements and commitments made by the Bank to the Financial Services Authority and competent agencies;</p> <p>b) Submit reports on the implementation of the duties and responsibilities at the minimum on quarterly basis to the President Director with a</p> | <p>1) Responsibility</p> <p>a) The Compliance Division receives all new regulations and disseminates them to concerned parties by providing an explanation on the contents and impacts of such regulations on the relevant divisions. Second, compliance attends meetings on regulations organized by relevant departments to convey the results of discussion, explanation or discussion with the regulators. Compliance works in coordination with business and infrastructure functions to ensure that the Bank's activities does not violate the regulations and all operational divisions work in accordance to the regulations and commitments made with the regulators.</p> <p>b) Reporting</p> <ul style="list-style-type: none"> • Compliance must report any regulatory breaches to the Board of Directors/EXCO and the Regional Compliance as soon as possible. |
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copy to the Board of Commissioners or the competent authorities according to the organization structure of the Bank.

- c) Formulate strategies in order to encourage the creation of the Bank's Compliance Culture;
- d) Propose compliance policies or compliance principles to be determined by the Board of Directors;
- e) Define compliance systems and procedures to be used to prepare the Bank's internal regulations and guidelines;
- f) Ensure that all policies, regulations, systems, and procedures, as well as the Bank's business activities carried out are in line with the regulations of the Financial Services Authority and the rules of regulations currently in force;
- g) Minimize the Bank's Compliance Risk;
- h) Take preventive actions to ensure that the policies and/or decisions made by the Bank's Board of Directors or the Head of the KCBA do not violate the regulations of the OJK and the rules of regulations currently in force;
- i) Carry out other duties related to Compliance Function.

- Regulatory issues are reported to the CCO and the Regional Compliance periodically by Compliance.

- c) The Bank has established a Compliance Department as an independent function from the operational functions and business units. The Compliance unit ensures that the current provisions/regulations/laws are available to all units.
- d) All policies related to the Compliance unit is defined at global level. Adjustments/amendments to comply with the prevailing local regulations must be approved by the Regional Office.
- e) Refer to above response.
- f) Compliance always provides information about new regulations / regulatory changes to concerned parties. These units must comply with the regulations. Compliance also assists in providing clarification on the new/amended regulations where necessary.
- g) The Compliance unit ensures that the current regulations are available to all units.
- h) To avoid incorrect or deviating decisions, the Bank has 3 policies that allows the Business Units to comply with the prevailing rules of regulations. Followed by Compliance department who also review the implementation of these regulations and subsequently also checked by internal audit.
- i) Compliance unit also has a reporting function and reports any breaches to the local provisions / regulations to the Board of Directors and to the Compliance Division at Regional Office. Additionally, the Compliance Division also notifies the Chief



Country Officer and the Compliance Division at Regional Office regarding ongoing or future regulatory issues.

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| <p>2) The appointment of the Compliance Director is in line with the prevailing regulations.</p> <p>3) The Board of Directors has:</p> <ul style="list-style-type: none">a) Approved the Bank's compliance policy in the form of a formal document regarding effective compliance function;b) Responsible for communicating all policies, guidelines, systems and procedures to all related levels of the organization;c) Responsible to create an effective and permanent compliance function as part of the Bank's overall compliance policy. <p>4) The compliance unit's duties and responsibilities include:</p> <ul style="list-style-type: none">a) To take actions in order to support the creation of a Compliance Culture at all the Bank's business activities at all levels of organization;b) To identify, measure, monitor, and control Compliance Risk by referring to the regulation of the Financial Services Authority regarding Risk Management Implementation for Commercial Banks;c) To assess and evaluate the effectiveness, adequacy and appropriateness of the Bank's | <p>2) The appointment of the Head of the Compliance Division by the Bank is made in accordance with the regulations and has received approval from the Financial Services Authority.</p> <p>3)</p> <ul style="list-style-type: none">a) All policies related to the Compliance unit is defined at global level. Adjustments/amendments to comply with the prevailing local regulations must be approved by the Regional Office;b) Compliance always provides information about new/amended regulations to concerned parties. These units must comply with the regulations. Compliance also assists in providing clarification on the new/amended regulations where necessary;c) A permanent compliance function is already established in the Bank in Indonesia. <p>4) The Management ensures that the regulations are followed and complied with. The Compliance unit holds an important role in ensuring these by participating in meetings held, among others EXCO, ALCO, IRC, OPCO. Furthermore, the Compliance Unit always notifies the members of the Board of Directors and the <i>Infrastructure</i> section on the new regulations, and provides relevant training on the matter as necessary, assisting in explaining the regulations as necessary and assists in seeking explaining from the regulators where necessary. This enables all Bank units to be clarified on the regulations and implement the policies and procedures effectively in order to minimize any possible violations to the applicable regulations and laws.</p> |
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- policies, regulations, systems or procedures with the rules of regulations currently in force;
 - d) To review and/or recommend updates and improvements of the Bank's policies, regulations, systems or procedures to be in line with the regulations of the Financial Services Authority and the rules of regulations currently in force;
 - e) To make efforts to ensure that all policies, regulations, systems, and procedures, as well as the Bank's business activities carried out are in line with the regulations of the Financial Services Authority and the rules of regulations currently in force;
 - f) Carry out other duties related to Compliance Function.
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C. Governance Outcome

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| <p>1) The Bank has submitted the main report on the implementation of the Board of Directors' duties supervising the Compliance Function and a special report to the Financial Services Authority and related parties.</p> | <p>1) The Bank has submitted the main report on implementation of the Board of Directors' duties supervising the Compliance Function and a Special report to the Financial Services Authority and relevant parties in a timely manner.</p> |
| <p>2) The scope of the report on the implementation of the Board of Directors duties supervising the Compliance Function is in line with the regulation of the Financial Services Authority. The Bank managed to reduce the number of regulatory breaches.</p> | <p>2) The scope of the report is in line with the regulation of the Financial Services Authority related to the decreased number of violations, the Bank always make efforts to reduce the number of violations by reminding the process to the relevant parties.</p> |
| <p>3) The Bank managed to create compliance culture in decision making and in the bank's operational activities.</p> | <p>3) Yes Yes,</p> |
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6. Implementation of the internal audit function

A. Governance Structure

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| <p>1) The organization structure of the Bank's SKAI is in line with the prevailing regulation.</p> | <p>1) The Group Audit (GA) is an independent internal audit function of Deutsche Bank. The Group Audit follows a risk based approach and provides a systematic and disciplined assessment, to objectively evaluate and report the adequacy both in design and the effectiveness of the internal control system as well as the effectiveness of the risk management and the corporate governance process. The audit function is handled by the APAC GA, however a permanent local auditor position exists in DB Jakarta. The control environment of the business lines are reviewed periodically by GA although the intensity of the reviews varies in accordance with the risks of each unit. The Group Audit has a set of policies designed at the global level and adopted across all DB branch offices everywhere; except, local regulations require otherwise. Global Audit is also responsible for monitoring the follow up of internal audit findings until they are closed.</p> |
| <p>2) The Bank has a Bank Internal Audit Function Implementation Standards (SPFAIB) in place, by</p> <ul style="list-style-type: none"> a. Preparing an Internal Audit Charter; b. Establishing an Internal Audit Unit (SKAI); c. Formulating an internal audit manual. | <p>2) Ensure that GA is independent, and follows procedures and guidelines which are reviewed on an annual basis.</p> |
| <p>3) Institutionally SKAI is independent of the operational units.</p> | <p>3) Yes. Refer above.</p> |
| <p>4) Provide qualified human resources to accomplish tasks effectively.</p> | <p>4) The auditors are competent to carry out their duties effectively.</p> |

B. Governance Process

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| <p>1) The Board of Directors is responsible for:</p> <ul style="list-style-type: none"> a) the establishment of the internal control | <p>1) The Group Audit (GA) is an independent internal audit function of Deutsche Bank. The Group Audit follows a risk based approach and provides a systematic and</p> |
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structure, and ensuring the implementation of the Bank's internal audit function at all levels of the management.

- b) the follow up of the Bank's internal audit findings in line with the policies and directives of the Board of Commissioners.

- 2) The Bank implements an internal audit function effectively on all aspects and elements of the activities that are expected to directly affect the interests of the Bank and public.
- 3) The Bank reviews the effectiveness of the implementation of the work of the SKAI periodically and its compliance with the SPFAIB by external parties every three years.
- 4) The audit plans of the Bank's SKAI, the adequacy of the audit scope and the audit depth have been adequate.
- 5) There are no violations in the realization of the SKAI's audit plan.
- 6) Plans and realizes quality improvement of human

disciplined assessment, to objectively evaluate and report the adequacy both in design and the effectiveness of the internal control system as well as the effectiveness of the risk management and the corporate governance process. The audit function is handled by the APAC GA, however a permanent local auditor position exists in DB Jakarta. The control environment of the business lines are reviewed periodically by GA although the intensity of the reviews varies in accordance with the risks of each unit.

The Group Audit has a set of policies designed at the global level and adopted across all DB branch offices everywhere; except if local regulations require otherwise. Global Audit is also responsible for tracking the closing of internal audit findings by the members of the Board of Directors until they are closed.

- 2) The Bank has implemented the audit function effectively and independently covering all aspects of the business and operational divisions of the Bank.
- 3) The Group Audit Function is reviewed periodically, in accordance with the regulation of OJK.
- 4) Bank:
 - has implemented the audit function effectively and independently covering all aspects of the business and operational divisions of the Bank.
 - Ensures that the GA is independent, and has followed the procedures and guidelines which is reviewed periodically.
- 5) The GA is an independent unit that has an annual plan and monitors its realization periodically. A review covers internal controls and procedures to verify adequacy and effectiveness of the internal procedures and performance quality.
- 6) Yes, the Bank's human resources are also equipped with resources from the



resources skills periodically and continuously.	regional office GA.
7) SKAI has performed an independent supervisory function with adequate scope of duties and in accordance with the plan, implementation as well as monitoring audit results.	7) GA provides added value by providing objective and independent assurance to the Management Board at DBAG and with the company's group on the adequacy of design effectiveness and efficiency of risk management systems and internal control systems. GA also acts independently, proactively, and as a forward looking advisor to the senior management at DBAG.
8) SKAI has carried out its duties at least covering the evaluation of: a) adequacy of the Bank's Internal Control System; b) effectiveness of the Bank's Internal Control System; c) performance quality.	8) GA supports the Management Board by identifying weaknesses known and significantly emerging in the control framework, risk exposure, including fraud risks and in improving the effectiveness and efficiency of the risk management, internal controls, governance processes and systems in a holistic and forward looking manner.
9) SKAI has reported all audit findings in line with the regulations.	9) Yes. The findings of the audit scope on regulations are reported to OJK in line with the regulations.
10) SKAI has monitored, analyzed and reported the progress of follow up improvements made by the auditee.	10) All findings in the audit reports are followed up until closure by each of the owners.
11) SKAI has compiled, and updated work guidelines and systems and procedures for performing duties for internal auditors on a regular basis in accordance with the provisions and regulations.	11) The Global Operational Procedures (KOP) is available and updated periodically by the Group Audit.

C. Governance Outcome

1) The Board of Directors is responsible for the availability of the implementation activity report of	1) Not applicable, as DB Jakarta and Surabaya are branch offices of DBAG and not a separate entity of DBAG, Frankfurt. The shareholders receive updated information
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the Bank's internal audit function to the GMS.	in the General Meeting of Shareholders.
2) SKAI audit findings are followed up and there are not repeated findings.	2) The audit findings are followed up for closure and repeated audit findings are escalated to the next level.
3) The SKAI acts objectively in conducting their audits.	3) Yes, the GA complies with the audit assessment manual units that is comprehensive in conducting and audit and independent.
4) The internal audit function is implemented adequately taking into account among others: <ul style="list-style-type: none"> a. The audit program has covered all units which implementation considered the risk levels of each unit. b. The audit program and the audit scope is adequate in line with the principles of SPFAIB among others the fulfillment of independence, objectivity, no restriction in the scope and coverage of the internal audit; and c. Fulfillment of the number and quality of the internal auditor. 	4) GA is managed with adequate resources in terms of number and quality. The GA Charter also provides full and unrestricted access to all information required to fulfill their responsibilities.

7. Implementation of external audit function

A. Governance Structure

<p>The assignment of audit to Public Accountants and Public Accounting Firms at least meet the following aspects:</p> <ol style="list-style-type: none"> 1) Capacity of the appointed Public Accounting Firm; 2) Legality of the employment agreement; 3) Scope of audit; 4) Public accountant professional standards, and 5) Communication of the Financial Services 	<p>The Bank's external auditor is KPMG (Siddharta Widjaja & Partner), a public accounting firm accredited by the Financial Services Authority (OJK). KPMG is appointed with the approval of the General meeting of the Shareholders, based on the recommendation from the GA Audit Committee to the Management Board of DBAG. KPMG conducts its audit based on the regulations on Transparency of Financial Condition (No. 3/22/PBI/2001),. KPMG also acts as a global external auditor for Deutsche Bank AG. This ensures the independence of the respective external auditor</p>
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Authority with the respective Public Accounting Firm.	to DB Indonesia.
B. Governance Process	
1) In the implementation audits of the Bank's financial report, the Bank appoints a Public Accountant and a Public Accounting Firm (KAP) registered at the Financial Services Authority.	1) The bank's external auditor is KPMG (Siddharta Widjaja & Partner), the public accounting firm is accredited by OJK.
2) The appointment of the same Public Accountant and Public Accounting Firm by the Bank is in line with the prevailing rules of regulations.	2&3) The KAP is appointed with the approval of the General Meeting of the Shareholders, based on the recommendation from the Audit Committee to the GEC, which is the Management Board of Deutsche Bank AG. KPMG conducts its audit based on the regulations on Transparency of Financial Condition (No. 3/22/PBI/2001),. KPMG also acts as a global external auditor for Deutsche Bank AG. This ensures the independence of the respective external auditor to DB Indonesia.
3) The appointment of a Public Accountant and a Public Accounting Firm must first obtain the approval of the GMS based on a recommendation from the Audit Committee through the Board of Commissioners.	
4) The appointed Public Accountant and Public Accounting Firm, is capable of working independently, meets the public accountant professional standards and the employment agreement as well as the defined scope of audit.	4) KPMG conducted their complete audit independent of the Management of DB and have designed the scope of audit in line with the requirements of the local accounting principles, and their own risk assessment.
5) The Public Public Accountant has communicated with the Financial Services Authority regarding the Bank's audited condition in the frame work of preparation and implementation of the audit.	5) KPMG also discusses matters of relevance with OJK.
6) The Public Accountant has conducted the audit independently and professionally.	6) KPMG conducted their complete audit independent of the Management of DB and have designed the scope of audit in line with the requirements of the local accounting principles, and their own risk assessment. KPMG also discusses



matters of relevance with OJK

7) The Public Accountant has submitted the audit results and the Management Letter to the Financial Services Authority.

7) For the audit of DB's 2016 financial reports, KPMG has submitted the audited financial report and all accompanying notes in line with the defined deadline.

C. Governance Outcome

1) The audit result and management letter have reflected the bank's significant issues and were submitted in a timely manner to the Financial Services Authority by the appointed Public Accounting Firm.

1) Yes. All reports are submitted to the OJK in line with the prevailing regulations and in a timely manner.

2) The extent of the audit results at the minimum is in line with the audit scope set out in the prevailing regulations.

2) Yes, the audit scope has met the minimum requirements of the prevailing regulations.

3) The auditor acts objectively in conducting audits.

3) Yes. The external audit remains objective in conducting audits.

8. Implementation of risk management including Internal Control Systems.

A. Governance Structure

1) The Bank remains to have an adequate organization structure to support the proper implementation of risk management and internal control among others SKAI, SKMR, and Risk Management Committee and the Compliance Unit.

1) The management monitors risk management at various levels. DB Jakarta has strong risk control measures in place. DB Jakarta has a Risk Committee Indonesia consisting of representatives from Jakarta branch and the Regional head office.

2) The Bank has adequate policies, procedures and risk limit decisions.

2) The regional management committee and the local management (including the Board of Directors/EXCO) are able to effectively supervise the implementation of the risk management policies and strategies. The RGC and BOD provides updated information through various meetings/MIS regarding risks and others.



B. Governance Process

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| <p>1) The Board of Commissioners has clear duties and responsibilities, including:</p> <ul style="list-style-type: none">a) Approval of the Risk Management policies including strategies and framework of the Risk Management which is defined in line with the risk appetite and risk tolerance;b) Evaluation of the Risk Management policies and the Risk Management strategies at least once a year or more frequently in the event of any changes in factors which significantly influences the Bank's business activities;c) Evaluation of the Board of Directors' accountability and provides corrective directives on the implementation of the Risk Management policies periodically. Evaluation is conducted to ensure that the Board of Directors manage the Bank's activities and risk effectively. <p>2) The Board of Directors has clear duties and responsibilities, including:</p> <ul style="list-style-type: none">a) Preparation of the Risk Management policies including strategies and Risk Management framework in writing and comprehensively including the overall risk limits and per risk type, by taking into account the level of risk appetite and risk tolerance against capital adequacy. Upon receiving the approval from the Board of Commissioners the Board of Directors define the respective policies, strategies and the Risk | <p>1) The Regional and Local Management monitors risk management at various levels. DB Jakarta has strong risk control measures in place. DB Jakarta has a Risk Committee Indonesia consisting of representatives from Jakarta branch and the Regional head office.</p> <ul style="list-style-type: none">a) Yesb) All policies at the Bank must be reviewed regularly/annually, or as necessary.c) The Board of Directors attend various meeting that enable it to understand the risks faced by the Bank and formulate ways to mitigate risks that may arise from time to time. <p>2) The Board of Directors has a responsibility to monitor risk issues in various departments of the Bank. Individual risk departments (liquidity, market, credit, etc.) monitors these risks and reports to the Board of Directors. The Bank implements an effective risk management policy and the local and regional teams meet routinely to ensure that the supervision and management of risks are carried out effectively.</p> <ul style="list-style-type: none">• The regional management committee and the local management (including the Board of Directors/EXCO) are capable to effectively supervise the implementation of the risk management policies and strategies.• A separate function is established at the Bank at regional and local level, to deal with credit, liquidity, legal, regulator, market and operational risks. This ensures that the qualified resources are always involved in managing and implementing |
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Management framework;

- b) Establish, ratify, and update the procedures and tools to identify, measure, monitor, and manage risks;
- c) Establish and define the mechanism of transaction approval, including those limit violations and authority for each rank of position;
- d) Evaluate of the Risk Management policies and the Risk Management strategies at least once a year or more frequently in the event of any changes in factors which significantly influences the Bank's business activities, risk exposures, and/or risk profile;
- e) Define the organization structure including clear authority and responsibility for each rank of position related to the implementation of Risk Management;
- f) Responsible for the implementation of policies, strategies, and the Risk Management framework approved by the Board of Commissioners and evaluate and provide directives based on the reports submitted by SKMR including reports on risk profile;
- g) Ensure that all material risks and impacts incurred by the respective risks are followed up and the accountability reports have been submitted to the Board of Commissioners periodically. The respective reports among others contain the development report and risk related material issues accompanied by corrective measures than have been, are in progress, and will be taken.
- h) Ensure the implementation of the corrective

risk management functions. The Bank hires experienced staff to oversee its various functions, including risk management. Suitable training is also provided to staff to improve their skills set.

- The Bank as a process and MIS in place to identify, monitor and mitigate risks faced by the Bank. Additionally, the internal control system is reviewed periodically to keep it robust. This includes the periodical review process on the KOPs, periodical internal audit on the control procedure, and the follow up issues of finding by the Group Audit at various management forums, including the country risk workshops.

Additionally, the Bank has also established a risk function/committee at local and regional level to ensure that the risks faced by the Bank are identified, measured, monitored and controlled continuously and remedial actions are carried out timely. Appropriate escalation channels are ensure in order that this function/committee carries out its responsibilities fully.



measures on the issues or deviations in the bank's business activities identified by SKAI;

- i) develop a Risk Management culture including risk awareness at all levels of the organization, among others covering adequate communication to all ranks in the organization regarding the importance of an effective internal control;
- j) ensure adequacy of financial and infrastructural support to manage and control risks.
- k) Ensure that the Risk Management function has been adopted independently that is reflected among others by the separation of functions between SKMR that identifies, measures, monitors and manage risk with the business unit that makes and settles transactions.

3) The Bank has adopted a comprehensive and reliable internal control system.

3) A separate function is established at the Bank at regional and local level, to deal with credit, liquidity, legal, regulator, market and operational risks. This ensures that the qualified resources are always involved in managing and implementing risk management functions. The Bank hires experienced staff to oversee its various functions, including risk management. Suitable training is also provided to staff to improve their skills set.

C. Governance Outcome

1) The Bank adopts an effective risk management, which is adjusted to the targets, policies, measures and complexity of the business and the Bank's capacity.

1) The Bank implements an effective risk management function to achieve its targets, business policies, business size and business complexity. In line with the, the bank also establishes a risk function/committee at local and regional level to ensure that the risks faced by the Bank are identified, measured, monitored and controlled continuously and remedial actions are carried out timely. Appropriate escalation channels are ensure in order that this function/committee carries out its responsibilities fully.



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| <p>2) The Board of Commissioners and the Board of Directors are capable of conducting active supervision on the implementation of the risk management policies and strategies.</p> | <p>2) Locally, the Board of Directors has a responsibility to monitor risk issues in various departments of the Bank. Each department that have risk exposures (liquidity, credit etc.) monitor the risks in their respective areas and report to the RGC/BoC as necessary. The Bank implements an effective risk management policy and the local and regional teams meet routinely to ensure that the supervision and management of risks are carried out effectively.</p> |
| <p>3) The Bank does not conduct business activities beyond its capital capacity to absorb risk of losses.</p> | <p>3) The Bank ensures that the Bank remain to maintain capital adequacy, and revise its position from time to time.</p> |

9. Provision of funds to related parties and/or provision of large exposures

A. Governance Structure

The Bank has written policies, systems and produces in place which is adequate to provide funds to related parties and large exposures, including monitoring and settlement of issues.

Yes. Credit exposures are consolidated within the the group following a one obligor principle. Also a credit function has been established as a separate function to prevent conflicts of interest. Credit policies are updated periodically to incorporate all necessary changes.

B. Governance Process

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| <p>1) The bank has evaluated and updated its respective policies, systems and procedures periodically to be adjusted to the prevailing regulations and laws.</p> | <p>1) Yes. Credit exposures are consolidated within the the group following a one obligor principle. Also a credit function has been established as a separate function to prevent conflicts of interest. Credit policies are updated periodically to incorporate all necessary changes.</p> |
| <p>2) There are adequate processes in place to ensure that the provision of funds to related parties and provision of funds in large exposures are in line with the prudential principles.</p> | <p>2) Yes. BI guidelines regarding Legal Lending Limit are continuously applied and monitored for compliance. In addition, the credit portfolio is monitored to manage concentration risk (country, product, industry, and others.)</p> |
| <p>3) The decision making in providing funds is done by</p> | <p>3) All credits granted to counterparties are approved by CREC (Credit Risk Exposure</p> |



the management independently without intervention from related parties and/or other parties.

Committee) and are not influenced by any related parties.

C. Governance Outcome

- 1) The implementation of providing funds by the Bank to related parties and/or providing large exposure has:
 - a) met the regulations governing the Legal Lending Limit (LLL) and taking into account prudential principles as well as the prevailing laws and regulations;
 - b) taken into account the capital capacity and distribution/diversification of the portfolio exposures.
- 2) Reports on the funds exposure to related parties has been submitted periodically to the Financial Services Authority in a timely manner.

- 1) The BI guidelines regarding Legal Lending Limit are continuously implemented and monitored for compliance. In addition, the credit portfolio is monitored to manage concentration risk (country, product, industry, and others.)
- 2) Yes. Based on the reports submitted to the BMPK;

10. Transparency of the financial and non-financial condition, the GCG implementation report and the internal reporting.

A. Governance Structure

- 1) The bank has policies and procedures in place regarding implementation procedure for transparency of the financial and non-financial condition.
- 2) The Bank must prepare a Report on the

- 1) Deutsche Bank is committed to present a true and fair report regarding its financial performance to the shareholders and other related parties, in a timely manner. As such, the financial reports are prepared and presented in line with the global accounting standards regarding timeliness, consistency, disclosure and transparency.
The bank's report is also prepared locally in line with OJK regulation no 6/POJK.03/2015 regarding Transparency of the Bank's Financial Condition and set to various institutions as defined by OJK.
- 2) The GCG implementation report is prepared by the management team, including the



Implementation of Good Corporate Governance at the end of each fiscal year with the scope in line with the regulations.

Head of Compliance Division, Head of Human Resources, COO and CCO.

- 3) The availability of a comprehensive, accurate, and timely internal reporting that is supported by adequate management information system.
- 4) There is a reliable information system supported by competent human resources and adequate information technology security systems in place.

- 3) The MIS is prepared and made available to various business divisions for timely monitoring and planning.
- 4) DB has an IT system that is reliable to provide the management with sufficient, accurate and timely MIS.
The staff responsible to prepare this report has received sufficient training to ensure timely and accurate report preparation and delivery to all parties concerned. Supervision is carried out to prepare an accurate and comprehensive report. Internal procedures ensure that all IT systems used by the Bank has adequate security levels in place.

B. Governance Process

- 1) The Bank has been transparent regarding the financial and non-financial conditions to the Stakeholders including the announcement of the quarterly Publication of the Financial Statements and the reporting to the Financial Services Authority or the Stakeholders according to the prevailing regulations.
- 2) The Bank has been transparent regarding the Bank's product information according to the regulation regarding the Transparency of Bank Product Information and the Use of Customer Personal Data, such as:

- 1) Deutsche Bank is committed to present a true and fair report regarding its financial performance to the shareholders and other related parties, in a timely manner. As such, the financial reports are prepared and presented in line with the global accounting standards regarding timeliness, consistency, disclosure and transparency.
The bank's report is also prepared locally in line with OJK regulation No. 6/POJK.03/2015 regarding Transparency of the Bank's Financial Condition and set to various agencies as defined by Bank Indonesia.
- 2) Product information is discussed and provided to the customer. Customer confidentiality is maintained in line with the regulations by the regulator. Customer complaints are handled in a timely manner and reported to BI and OJK in line with the regulations.



- a) the written information regarding the Bank's products that meets the minimum requirements as stipulated;
 - b) The Bank's officer (Customer Service and Marketing) has explained the product information to the customers;
 - c) the product information delivered is in accordance with the actual condition;
 - d) The Bank has informed the customers of any changes in the product information;
 - e) Product information is clearly legible and easily understood;
 - f) The Bank has a product information service easily available by the public;
 - g) The Bank has explained the purpose and consequences of disseminating personal data to the customers;
 - h) the customers whose personal data is disseminated have given their approval on the dissemination of their personal data.
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- 3) The Bank has been transparent in customer complaint procedures and settlement of disputes to the customer in line with the regulation regarding Customer Complaint and Banking Mediation.
 - 3) The Bank has procedures in place to handle customer complaints. These procedures also follow the regulatory guidelines. Further, customer complaints are handled in a timely manner and reported to BI and OJK in line with the regulations.
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- 4) The Bank prepares and presents the reports in the manner, type and scope as regulated in the regulation of the Financial Services Authority regarding Transparency and publication of bank reports.
 - 4) Yes. Refer to response 10.A.1
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- 5) The Bank has prepared the governance Implementation Report with content and scope to at
 - 5) The GCG implementation report is prepared by the management team, including the Head of Compliance Division, Head of Human Resources, COO and CCO.
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least be in line with the regulation.

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| <p>6) In the event where the governance Implementation Report is not in line with the actual condition of the Bank, the Bank shall immediately submit a complete revision to the Financial Services Authority, and publish the revised report on the Bank's website.</p> <p>7) In the event that there are discrepancies in the governance Factor Rating from the self-assessment result on the Bank's governance Implementation Report with the Governance implementation evaluation result by the Financial Services Authority, the Bank:</p> <ul style="list-style-type: none">a) shall revise at least on the governance Factor Rating and the Rating Definition of the respective self-assessment result to the public through the Published Financial Report on the next period;b) Immediately submit the Bank's revised GCG self-assessment result in full completeness to the Financial Services Authority, and publish the revised self-assessment result on the Bank's website. | <p>6) Yes. The Bank submits the GCG report (including revision) as regulated by Bank Indonesia.</p> <p>7) The GCG report is prepared to reflect the actual condition of the Bank and supplemented by the Bank's self-assessment results.</p> |
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C. Governance Outcome

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| <p>1) The Annual Report has been submitted by the Bank in complete and timely manner to the Financial Services Authority and the shareholders.</p> <p>2) The report transparency was made on the reporting media and within the time frame in line with the</p> | <p>1) The GCG report was submitted in a timely manner and notified related parties as set out by OJK.</p> <p>2) The Bank has adopted transparency in its reports and has presented the Quarterly and Annual Financial Report appropriately.</p> |
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regulation of the Financial Services Authority governing Transparency and Publication of Bank Report, including:

- a) The quarterly published financial report; and;
- b) Annual Report.

3) The Good Corporate Governance report has reflected the actual condition of the Bank and in line with the self- assessment of the Bank and supplemented with the self-assessment results and at least includes:

- a) Good corporate governance principles as contemplated in the regulation of the Financial Services Authority regarding Implementation of Good Corporate Governance for Commercial Banks and the bank's self-assessment results on the implementation of good corporate governance;
- b) share ownership of the members of the Board of Directors and the financial and family relations of the members of the Board of Directors with other members of the Board of Directors, other members of the Board of Commissioners and/or the Bank's shareholders;
- c) share ownership of the members of the Board of Commissioners and the financial and family relation of the members of the

3) The GCG report is prepared to reflect the actual condition of the Bank and supplemented by the Bank's self- assessment results.

- a) The scope of the GCG as contemplated in OJK regulation on GCG and the result of the self-assessment on the GCG implementation was prepared to reflect the actual condition of the Bank.
- b) not applicable, as DB Indonesia is a branch office of an overseas head office.
- c) not applicable



<p>Board of Commissioners with other members of the Board of Commissioners, members of the Board of Directors and/or the Bank's shareholders;</p>	
<p>d) frequency of the Board of Commissioners' meetings in line with the regulation;</p>	<p>d) The Board of Commissioners' meeting is held every 3 months.</p>
<p>e) number of deviations (internal fraud) occurred and settlement efforts by the Bank;</p>	<p>e) There are no deviations (internal fraud) in 2016.</p>
<p>f) transactions with conflict of interest;</p>	<p>f) There are no transactions with conflict of interest.</p>
<p>g) buy back of bank shares and/or bonds;</p>	<p>g) Not available</p>
<p>h) donations to social activities and/or political activities both in nominal amount and receipts.;</p>	<p>h) Donations for Corporate Social Responsibility activities in 2016 was granted to:</p> <ol style="list-style-type: none"> 1. Yayasan Karya Salemba Empat (KSE) amounting to Rp 166.000.000 for establishing the new scholarship program to provide the better education opportunity to talented underprivileged teenagers 2. Yayasan Kampus Diakoneia Modern (KDM) amounting to Rp268.750.00,- for education and empowerment of street children program.
<p>4) The Implementation Report on Good Corporate Governance has been submitted in complete and timely manner to the Financial Services Authority and the shareholders.</p>	<p>4) A complete corporate governance report was sent to OJK and parties in line with the regulation.</p>
<p>5) The good corporate governance implementation report was presented on the website in a timely manner.</p>	<p>5) The Bank has presented the corporate governance implementation report on its homepage in line with OJK regulation.</p>



- 6) Mediation in the framework of settlement of the Bank's customer complaints was executed properly.
- 7) The Bank adopts transparency of information regarding products and the use of customer personal data.

- 6) In situations requiring mediation the prevailing regulations will be met.
- 7) Yes

Additional information to aligned with Regulation No. 45/POJK.03/2015 regarding Implementation of Corporate Governance in Remuneration for Commercial Banks.

Type of Remuneration & Other Facilities	Total received in 1 year			
	Board of Commissioners		Directors	
	person	Million Rp.	person	Million Rp.
1. Remuneration (salaries, bonus, routine allowances, tantiem, and other facilities of non in kind form)	-	-	6	33,584
2. Other in kind facilities (housing, transportation, health insurance and others) that: a. Can be owned b. Cannot be owned	-	-	6	2,083
Total	-	-	6	27,405

Total Remuneration per person in 1 year)*	Total Commissioners	Total Directors
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Over Rp.2 billion	-	5
Over Rp.1 billion up to Rp. 2 billion	-	3-
Over Rp.500 million up to Rp.1 billion	-	1
Rp.500 million and below	-	-

- highest to lowest staff salary ration: 50.
- highest to lowest Board of Directors' salary ratio: 6:1
- highest to lowest Board of Commissioners' salary ratio: -
- highest Board of Directors' salary to highest staff salary ratio: 1.69

11. The Bank's Strategic Plan

A. Governance Structure

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| <p>1) The Bank's strategic plan has been prepared in the form of a corporate plan and business plan according to the vision and mission of the Bank.</p> | <p>1) A realistic and comprehensive business plan is prepared by Deutsche Bank Indonesia based on the external economic environment and the expectation of various businesses. This plan is approved by the local and regional business heads, to keep it aligned with the global strategy and initiatives.</p> |
| <p>2) The Bank's strategic plan is fully supported by the owners, such as reflected in the owners' commitments and efforts to strengthen the Bank's capital.</p> | <p>2) Yes, the Bank monitors its capital position to ensure that the Bank is sufficiently capitalized to run its business. Should additional capital be required, appropriate steps will be taken. The Bank's strategy at global level will be discussed with large investors. The discussion will be held at Head Office level and not at DB Indonesia level.</p> |

B. Governance Process

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| <p>1) The Bank has developed a realistic, comprehensive, measurable (achievable) Bank's Business Plan with due observance to prudent and responsive principles to internal and external changes.</p> | <p>1) A realistic and comprehensive business plan is prepared by Deutsche Bank Indonesia based on the external economic environment and the expectation of various businesses. This plan is approved by the local and regional business heads, to keep it aligned with the global strategy and initiatives. All business plans</p> |
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are prepared realistic but with aggressive targets for business growth. The plans are reviewed from time to time to keep it current and in line with changing environment and external and internal developments. The business plan is reported to OJK in accordance with the regulation.

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| 2) The Bank's Business Plan is approved by the Board of Commissioners. | 2) Business heads are responsible to achieve their respective business targets. EXCO and RGC follow the developments and monitor the business growth on a regular basis. Achievements below the business plan is also monitored by the regional business heads. |
| 3) The Board of Directors has communicated the Bank's Business Plan to:
a) The Bank's Shareholders;
b) all ranks of the Bank's organization. | 3) DB Indonesia's Business Plan is related to the Bank's shareholder at global level. However within the Bank itself the business plan is communicated to the respective local and regional managers and also the RGC whose position is equal to the Board of Commissioners |
| 4) The Board of Directors has effectively implemented the Bank's Business Plan (RBB). | 4) Yes. Refer to response no. 2 |
| 5) In its preparation and presentation the RBB is guided by the regulations of the Financial Services Authority regarding the Bank's Business Plan and the Bank has observed:
a) the external and internal factors that can impact the sustainability of the Bank's business;
b) prudence principles;
c) risk management implementation;
d) sound banking principles; | 5) Yes |
| 6) The Board of Commissioners has implemented monitoring of the implementation of the Bank's Business Plan. | 6) Refer to response no. 2 |



7) The owner does not show sincerity and/or does not take the necessary steps in the framework of supporting the Bank's strategic plan which among others is reflected from the lack of commitment and the owners' effort to strengthen the Bank's capital.

7) DB is committed to support its operational activities in Indonesia as and when required by the regulations.

C. Governance Outcome

1) The Corporate Plan and the Business Plan is prepared by the Board of Directors and approved by the Board of Commissioners.

1) All business plans are prepared realistic but with aggressive targets for business growth.

2) The Corporate Plan and the Bank's Business Plan and its realization has been communicated by the Board of Directors to the Controlling Shareholders and all ranks of the organization of the Bank.

2) The Bank's Business Plan has been communicated to related parties and the communication was effected by Head Office.

3) The Bank's Business Plan reflects a sustainable growth of the Bank.

3) The Bank's Business Plan is a reflection of the business growth capabilities under consideration of internal and external factors.

4) The Bank's growth contributes to an economic and non-economic benefit to the stakeholders.

4) Yes. We consistently contributed to the positive benefit to fulfill our responsibilities to the stakeholders.

5) The Bank's strategic plan is prepared based on a comprehensive review taking into account business opportunities and the Bank's strength and identifying weaknesses and threats (Strength, Weakness, Opportunity, Threat/SWOT Analysis).

5) SWOT Analysis (Strength-Weaknesses-Opportunities-Threats) is executed during the preparation of the Bank's Business Plan.

6) The bank's strategic plan must be supported by adequate preparation of infrastructure such as human resources, information technology, office network, and policies and procedures.

6) Yes. The business strategy and development is supported by appropriate technology system and human resources.



7) There is owner intervention on the distribution of the Bank's profit which was made without considering the efforts to accumulate capital in support of the Bank's strategic plans.

8) The owner is not capable of resolving the bank's deteriorating capital or the Bank's capital was below the amount defined by the regulation of the Financial Services Authority that regulates the minimum capital requirements.

7) Not applicable.

8) The Bank's capital position is monitored regularly to assess and ensure adequacy and ability to support business requirements.



Conclusion:

Based on the analysis of all the above rating criteria/indicators, it is concluded that:

A. Governance Structure

- The positive factor aspects of the Bank's corporate governance is the appropriate Governance Structure supported by strong controls.
- The negative factor aspects of the Bank's corporate governance structure covers the complexity of the decision making in the horizontal and vertical matrix.

B. Governance Process

- The positive aspect of the Bank's corporate governance process is that a regular review of the Governance Process is in place to identify and remedy existing shortcomings.
- The negative factors of the Bank's corporate governance process is that the multi-layered Governance Process can be a potential weakness.

C. Governance Outcome

- The positive factor aspects of the Bank's corporate governance outcome are that the existing Governance Structure has successfully managed various risks faced by the Bank.
- The negative factor aspects of the Bank's corporate governance outcome are that the control over the bank's issues does not always reside locally.

Finally, we have conducted a self-assessment of our corporate governance procedures and practices against those prescribed by OJK. Our composite rating, based on various relevant factors is 2. As such we consider our corporate governance standards to be good.

