



THE ANNUAL REPORT
ON THE IMPLEMENTATION OF INTEGRATED
GOVERNANCE FOR THE FINANCIAL
CONGLOMERATE OF SUMITOMO MITSUI
BANKING GROUP

As of 31 December 2020

Lead Entity: PT BANK BTPN Tbk

List of Content

Introduction.....	2
I. Self-Assessment Report on the Implementation of Integrated Governance	3
A. Implementation of duties and responsibilities of the Board of Directors of the Lead Entity of the Financial Conglomerate of SMBC Group.....	3
B. Implementation of duties and responsibilities of the Board of Commissioners of the Lead Entity of the Financial Conglomerate of SMBC Group.....	4
C. Duties and Responsibilities of the Integrated Governance Committee	4
D. Duties and Responsibilities of the Integrated Compliance Function	11
E. Duties and Responsibilities of the Integrated Internal Audit Function.....	13
F. Integrated Risk Management Implementation.....	15
G. Preparing and Implementation of Integrated Governance Manual.....	21
H. Rating and Conclusion of Self Assessment of Implementation of Integrated Governance for the position of 31 December 2020.....	22
II. The Structure of SMBC Financial Conglomerate.....	32
III. The Structure of Share Ownership.....	35
A. Lead Entity: BTPN	35
B. Member Entity: BTPNS	36
IV. The Structure of Management.....	36
A. Lead Entity: BTPN	36
B. Member Entity: BTPNS	37
V. The Intra-Group Transaction.....	38
List of the Executive Officer Relevant to the Financial Conglomerate of SMBC Group 2020	40

Introduction

In order to comply with the provisions of the Financial Services Authority ("**OJK**") regarding the formation of a financial conglomerate as contained in:

- a. OJK Regulation Number 17 / POJK.03 / 2014 dated 19 November 2014 and Circular Letter of the OJK Number 14 / SEOJK.03 / 2015 dated 25 May 2015 concerning Implementation of Integrated Risk Management for Financial Conglomerates ("**POJK Integrated Risk Management**"); and
- b. OJK Regulation Number 18 / POJK.03 / 2014 dated 19 November 2014 and OJK Circular Letter Number 15 / SEOJK.03 / 2015 dated 25 May 2015 concerning Implementation of Integrated Governance for Financial Conglomerates ("**POJK Integrated Governance**");

hence, the Sumitomo Mitsui Banking Corporation ("**SMBC**") Financial Conglomerate Group was formed in 2014, with PT Bank Sumitomo Mitsui Indonesia ("**SMBC Indonesia**") as the Main Entity, and member entities consisting of (i) PT Bank BTPN Tbk ("**BTPN**") which was previously known as PT Bank Tabungan Pensiunan Nasional Tbk, and (ii) PT Bank BTPN Syariah Tbk ("**BTPNS**") which was previously known as PT Bank Tabungan Pensiunan Nasional Syariah Tbk.

In connection with the merger of BTPN and SMBC Indonesia which resulted in the transfer of rights and obligations of SMBC Indonesia including as the Main Entity to BTPN, effective from 1 February 2019, through a letter dated 1 March 2019, SMBC appointed BTPN as the Main Entity and BTPNS as a member entity, in SMBC Financial Conglomerate Group, according to SMBC letter dated 1 March 2019, which was submitted by BTPN to OJK with letter Number S.184/DIR/CCS/III/2019 dated 4 March 2019.

Furthermore, by taking into account of OJK Regulation Number 45 / POJK.03 / 2020 dated 16 October 2020 concerning Financial Conglomerates, the Company has requested OJK confirmation regarding the determination of the status of the SMBC Group financial conglomerate through letter dated 9 November 2020 Number S.612/DIR/CCS/XI/2020. Considering that the OJK has not provided any response on the letter, the obligations of BTPN as the Main Entity are still inherent.

In order to comply with Article 46 of the POJK Integrated Governance, BTPN as the Main Entity has prepared an **Annual Report on the Integrated Governance Implementation of the SMBC Group Financial conglomerate for the position of 31 December 2020** to be submitted to OJK and published on the BTPN website.

The Annual Report on the Implementation of Integrated Governance for the Financial Conglomerate of Sumitomo Mitsui Banking Group As of 31 December 2020

I. SELF-ASSESSMENT REPORT ON THE IMPLEMENTATION OF INTEGRATED GOVERNANCE

The Self-Assessment of Integrated Governance consists of seven factors as follows:

- A. Implementation of duties and responsibilities of the Board of Directors of the Lead Entity of the Financial Conglomerate of SMBC Group
- B. Implementation of duties and responsibilities of the Board of Commissioners of the Lead Entity of the Financial Conglomerate of SMBC Group
- C. Duties and Responsibilities of the Integrated Governance Committee
- D. Duties and Responsibilities of the Integrated Compliance Function
- E. Duties and Responsibilities of the Integrated Internal Audit Function
- F. Integrated Risk Management Implementation
- G. Preparing and Implementation of Integrated Governance Manual

The seven factors of Integrated Governance Implementation Self-Assessment as mentioned above are further explained in the next section of this Report.

A. Implementation of duties and responsibilities of the Board of Directors of the Lead Entity of the Financial Conglomerate of SMBC Group

The Board of Directors (“BOD”) of BTPN as Lead Entity has carried out their duties and responsibilities in the implementation of Integrated Governance in 2020, as follows:

- 1) Conducted review towards the Integrated Governance Manual and updated it based on current regulations and conditions as well as submitted it to the BOD of the FSI in the Financial Conglomerate of the SMBC Group (BTPNS) to be complied and implemented
- 2) Ensured implementation of the Integrated Governance in the Financial Conglomerate of the SMBC group.
- 3) Directed, monitored, and evaluated the implementation of the Integrated Governance Manual.
- 4) Followed up on the advices of Board of Commissioners (“BOC”) of BTPN as the Lead Entity in order to the improvement of the Integrated Governance Manual.

- 5) Ensured that the findings and recommendations from the Internal Audit Department of BTPN which carried out function of the Integrated Internal Audit; the Integrated Compliance Function of BTPN, the external auditor, and results of OJK supervision and/or other results have been followed up by the FSI in the Financial Conglomerate of the SMBC Group.
- 6) Reported the Self Assessment on the Implementation of Integrated Governance on semi annual basis and other mandatory reporting to OJK in accordance to its stipulation. BOD of the Lead Entity had also approved the methodology that was used in preparing Report on the Implementation of Integrated Governance.
- 7) Prepared the Corporate Charter.

In order to protect the public interest especially minority shareholders of the Financial Services Institution of the SMBC Group Financial Conglomerate which is a public company; the Board of Directors of Lead Entity and the Board of Directors of Member Entity have established provisions regarding information and data that can be provided between Financial Services Institutions in the SMBC Group Financial Conglomerate, which is only used for the benefit of the Financial Conglomerate, namely reporting to OJK and/or other relevant officials or regulator, and will not use the information or data received for purposes that violate the provisions regarding insider trading (insider trading).

B. Implementation of duties and responsibilities of the Board of Commissioners of the Lead Entity of the Financial Conglomerate of SMBC Group

The Board of Commissioners of BTPN has carried out their duties and responsibilities in the implementation of Integrated Governance in 2020, as follows:

- 1) Carried out supervision toward the implementation of duties and responsibilities of the BOD of Lead Entity and also gave direction or recommendation to the BOD of Lead Entity on the implementation of Integrated Governance Manual.
- 2) Carried out supervision toward the implementation of Integrated Governance.
- 3) Evaluated the Integrated Governance Manual and provided directions for improvement.
- 4) Ensured that the BOD of Lead Entity has ensured that FSI in the Financial Conglomerate of the SMBC group has followed up with findings and recommendations from Internal Audit Department of BTPN which carried out function of the Integrated Internal Audit, Integrated Compliance Function, external auditor, and result of supervisory of OJK and/or others.
- 5) Established and adjust the membership of Integrated Governance Committee to support the BOC of Lead Entity (BTPN) in performing its duties and function effectively; Membership of the Integrated Governance Committee consists of Independent Commissioners of BTPN and BTPNS , member of the Sharia Supervisory Board of BTPNS and also an Independent Party.

C. Duties and Responsibilities of the Integrated Governance Committee

i. The Integrated Governance Committee Charter

- a) The Integrated Governance Committee Charter contains guideline and code of conduct of the Committee including legal basis, purpose, membership, independency, duties and responsibility of reporting of the Committee;

- b) The Integrated Governance Committee Charter has been reviewed periodically and updated based on the prevailing regulations and current conditions. The prevailing Integrated Governance Committee is the latest Charter issued on 30 June 2020.
- c) The Integrated Governance Committee also has schedule and working plan which resolved in the committee's meeting and reviewed as well as updated annually.

ii. The Structure of the Integrated Governance Committee

BOC of the Lead Entity has established the Integrated Governance Committee in accordance with the needs of the Financial Conglomerate as well as efficiency and effectiveness in the implementation of the committees' duties by having representation from different sectors of the financial services industry, as follows:

Name	Position in Integrated Governance Committee	Position in Financial Service Institution
Irwan Mahjudin Habsjah	Chairman and Member	Independent Commissioner of BTPN and as Chairman of Risk Monitoring Committee BTPN
Edmund Tondobala	Member	Independent Commissioner of BTPN and as Member of Audit Committee of BTPN
Dewie Pelitawati	Member	Independent Commissioner of BTPNS
Muhamad Faiz	Member	Member of Supervisory Board of BTPNS
Yosef Antonius Boliona Badilangoe	Member	Independent Party

iii. The Term of Office of the Integrated Governance Committee

- a) The term of office of the Committee's members must not be longer than the members' term of office as the BOC members of their respective FSI of the Financial Conglomerate of the SMBC Group. Members can be reappointed for the subsequent period.
- b) If the Chairman and/or member of the Committee resign before his/her term of office ends as Independent Commissioner or there is replacement from member in the Financial Conglomerate of the SMBC Group, then each member of the Financial Conglomerate of the SMBC Group has to appoint his/her replacement promptly.

iv. Independency of the Integrated Governance Committee

The members of the Integrated Governance Committee have fulfilled the criteria of independency, being able to execute their duties independently and value the interest of the Financial Conglomeration of the SMBC group. This is depicted in the membership composition of the committee which consists of:

- a) Chairman who is an Independent Commissioner and hold a concurrent position as chairman and member in one of the Committees in Lead Entity;
- b) Independent Commissioners who represent and are duly appointed by Financial Service Institution, as a member
- c) A Member of the Sharia Supervisory Board of the FSI in the Financial Conglomerate who conducts business activities based on Sharia principles, as a member;
- d) An Independent Party, as a member.

v. Responsibility of Reporting of the Integrated Governance Committee

The Committee shall report the result of their duties and responsibilities to the BOC of the Lead Entity at least once in every six (6) months or upon request from the Board of Commissioners of BTPN.

vi. Duties and Responsibilities of the Integrated Governance Committee

The duties and responsibilities of the Integrated Governance Committee shall at least include the following:

- a) To evaluate the implementation of the Integrated Governance at least through the evaluation of adequacy of the internal control and implementation of the integrated compliance function;
- b) To provide recommendation to the Board of Commissioners of the Lead Entity for the improvement of the Integrated Governance Manual; and
- c) To monitor the implementation of Banking Synergy.

vii. The Implementation of Duties and Responsibilities of the Integrated Governance Committee for year 2020

No	Duties and Responsibilities of The Integrated Governance Committee	Implementation of Year 2020
1.	Evaluated the implementation of the Integrated Governance through the assessment of the adequacy of internal controls and the implementation of compliance function	As stated in the Report of Integrated Governance Committee of Financial Conglomerate of SMBC Group for the Board of Commissioners' Meeting of BTPN on 30 July 2020 for position as of 30 June 2020 and 27 January 2021 for position as of 31 December 2020.
2.	Evaluated the Integrated Governance Manual	The latest evaluation and review was conducted in July 2020.
3.	Review the the methodology that was applied in the report of Assessment of Implementation of Integrated Governance	The latest evaluation was conducted in 30 June 2020.
4.	Reviewed the Report of Assessment on	As stated in the Report of Integrated

No	Duties and Responsibilities of The Integrated Governance Committee	Implementation of Year 2020
	Implementation of Integrated Governance of the Financial Conglomerate of SMBC group prior to submission to the Indonesian Financial Service Authority	Governance Committee of Financial Conglomerate of SMBC Group for the Board of Commissioners' Meeting of BTPN on 30 July 2020 for position as of 30 June 2020 and 27 January 2021 for position as of 31 December 2020 before being submitted to the Financial Service Authority at the later on 15 August 2020 and 15 February 2021.
5.	Reviewed the Integrated Governance Committee Charter	The latest evaluation was conducted on 30 June 2020.
6.	Prepare the Annual Schedule and Plan of the Integrated Governance Committee	As resolved by the Committee Meetings on 10 November 2020.
7.	Prepare and submitted reports regarding the duties and responsibilities of the Integrated Governance Committee to the Board of Commissioners of the Lead Entity (BTPN) for first semester and second semester year 2018	As stated in the Report of Integrated Governance Committee of Financial Conglomerate of SMBC Group for the Board of Commissioners' Meeting of BTPN on 30 July 2020 for position as of 30 June 2020 and 27 January 2021 for position as of 31 December 2020.
8.	Held the Integrated Governance Committee meeting at least once in every semester.	During year 2020, the meeting was held 3 (three) times, which was on 5 February 2020, 5 August 2020 and 10 November 2020.
9.	Reviewed the Implementation of Integrated Governance Self Assessment Report	The Committee has reviewed and approved the final rating of Implementation of Integrated Governance Self Assessment for position as of 30 June 2020 and 31 December 2020 with rating of 2 (two) for respective FSI of SMBC Group through the Committee's meeting on 5 August 2020 and 8 February 2021.
10.	Monitor the implementation of banking	The Committee conducted discussion

No	Duties and Responsibilities of The Integrated Governance Committee	Implementation of Year 2020
	synergy	and evaluation on the preparation of the monitoring report on the implementation of banking synergy through the Committee Meeting on 10 November 2020.

viii. The Schedule Meeting of the Integrated Governance Committee

Date	Agenda
5 February 2020	<ol style="list-style-type: none"> 1. Anti-Fraud Management Update – BTPN Fraud Cases Report that occurred at BTPN in 2019 and explain the mitigation measures taken by BTPN. 2. Anti-Fraud Management Update – BTPNS Explain the fraud modes that commonly used in 2019 as well as the mitigation measures carried out by BTPNS. 3. Integrated Governance Implementation Self-Assessment Report as of 31 December 2019 <ul style="list-style-type: none"> • The Integrated Governance Committee reviewed the Integrated Governance Implementation Self-Assessment Report for the position of 31 December 2019 before submitting it to the Financial Services Authority (OJK) with a reporting deadline of 15 February 2020. • The Integrated Governance Committee approved the final result of the Integrated Governance Implementation Assessment position 31 December 2019 with a rating of 2 (two) for the SMBC group of Financial Services Institutions Financial Conglomerates. 4. Evaluation of Integrated Governance Implementation as of 31 December 2019 <ul style="list-style-type: none"> • The Committee evaluates the implementation of Integrated Governance by evaluating the adequacy of internal control in the areas of Compliance, Governance and Internal Audit Function as of 31 December 2019. As the basis for evaluation, the Integrated Compliance and Governance Report as well as the Integrated

Date	Agenda
	<p>Internal Audit Report which is made based on the responses from the Checklist / Questionnaire related to the Compliance, Governance and Internal Audit Functions which have been approved by the authorized official from the members of the Group Financial Services Group Financial Services Institution. SMBC, namely BTPNS.</p> <p>5. Regulatory Update Discussed the redefinition of Financial Conglomerates in the draft Financial Services Authority Regulation as well as discussion of BTPN's obligations as a financial conglomerate.</p>
<p>5 August 2020</p>	<ol style="list-style-type: none"> 1. Anti-Fraud Management Update – BTPN Fraud Cases Report that occurred at BTPN in the first and second quarter of 2020 as well as the mode used and explained the mitigation measures taken by BTPN. 2. Anti-Fraud Management Update – BTPNS Described the fraud modes used in the first and second quarters as well as the mitigation measures carried out by BTPNS. 3. Evaluation of Integrated Governance Implementation as of 30 June 2020 <ul style="list-style-type: none"> • The Committee evaluated the implementation of Integrated Governance by evaluating the adequacy of internal control in the areas of Compliance, Governance and Internal Audit Function as of 30 June 2020. • As a basis for evaluation, the Integrated Compliance and Governance Report as well as the Integrated Internal Audit Report which is made based on the responses from the Checklist / Questionnaire related to the Compliance, Governance and Internal Audit Functions which have been approved by the authorized official from the members of the Financial Services Institution of the Financial Conglomeration. the SMBC group, namely BTPNS.

Date	Agenda
	<p>4. Self-Assessment Report on the Implementation of Integrated Governance as of 30 June 2020</p> <ul style="list-style-type: none"> • The Committee reviewed the Integrated Governance Implementation Self-Assessment Report as of 30 June 2020 before submitting it to OJK with a reporting deadline of 15 August 2020. • The Integrated Governance Committee approved the final result of the Integrated Governance Implementation Assessment as of 30 June 2020, with a rating of 2 (two) for the SMBC group of Financial Services Institutions. <p>5. Regulatory Update: OJK Regulation No. 28/POJK.03/2019 concerning Banking Synergy in One Ownership for the Development of Sharia Banking. Discussed the preparation of banking synergy reporting.</p>
<p>10 November 2020</p>	<p>1. Preparation of Banking Synergy Monitoring Report for 2020 Discussed the reporting material for banking synergy monitoring as mandated in OJK Regulation No. 28/POJK.03/2019 concerning Banking Synergy in One Ownership for the Development of Sharia Banking.</p> <p>2. Regulatory Update: OJK Regulation No. 45/POJK.03/2020 concerning Financial Conglomerates Discussed the position of BTPN as a Financial Conglomerate in accordance with OJK Regulation No. 45/POJK.03/2020 and preparation of a Corporate Charter.</p> <p>3. The Committee's Work Plan for 2021 Described the Integrated Governance Committee's work plan for 2021.</p>

ix. Frequency of Meeting and Attendance

In accordance to the Integrated Governance Committee Charter, the Committee shall hold a meeting at least once in every Semester.

In 2020, the Committee has held 3 (three) meetings (5 February 2020, 5 August 2020 and 10 November 2020 which was attended by all of the Committee's members (100%).

D. Duties and Responsibilities of the Integrated Compliance Function

i. Structure and Responsibility of Reporting of the Integrated Compliance Function

- ▶ The Lead Entity must have the Integrated Compliance Function. The Integrated Compliance Function are carried out by the BTPN's compliance function, considering BTPN as the Lead Entity's has owned the Compliance division.
- ▶ The Integrated Compliance Function is directly accountable to Compliance Director of the Lead Entity's and independent or separately from operational unit and not involved in the BTPN operational activities.

ii. Duties and Responsibility of the Integrated Compliance Function

In order to comply with OJK Regulation No. 18/POJK.03/2014 dated 18 November 2014 regarding Implementation of the Integrated Good Corporate Governance in Financial Conglomeration. Duties and responsibilities of the Integrated Compliance Function are as follows:

1. To communicated and coordinated with the BTPNS compliance function as a member of Financial Services in the Financial Conglomeration of SMBC group.
2. To conduct evaluation of the Integrated Compliance Function implementation in the Financial Conglomeration of SMBC group.
3. To compile and submit report of implementation duties and responsibilities of the Integrated Compliance Function to Compliance Director of the Lead Entity.

iii. Implementation of Duties and Responsibilities of the Integrated Compliance Function for year 2020

During 2020, the Integrated Compliance Function has been conduct the duties and responsibilities are as follows:

No	Duties and Responsibilities of The Integrated Compliance Function	Realization of Year 2020
1.	Compliance Division of BTPNS has compiled and submitted the compliance report to the Integrated Compliance Function.	<ol style="list-style-type: none">1. Q1 2020 Compliance Report dated 29 April 2020 through the Memorandum Number M.077/COMP/IV/2020.2. Q2 2020 Compliance Report dated 20 July 2020 through the Memorandum Number M.109/COMP/VII/2020.3. Q3 2020 Compliance Report dated 27 October 2020 through the Memorandum Number M.168/COMP/X/2020.4. Q4 2020 Compliance Report dated 29

No	Duties and Responsibilities of The Integrated Compliance Function	Realization of Year 2020
		January 2021 through the Memorandum Number M.010/COMP/I/2021.
2.	Communicating and coordinating with BTPNS compliance task force as a member of Financial Services Institutions in SMBC Group Financial Conglomerate.	The implementation of periodic meetings to monitor the implementation of compliance functions of the Lead Entity and Subsidiaries in the SMBC Financial Conglomerate on: - 24 July 2020 - 25 January 2021
3.	Conducting a review / evaluation of the implementation of Integrated Compliance in the Financial Conglomerate of SMBC group	<ol style="list-style-type: none"> 1. To review the Compliance function carried out by the Director of Compliance and Compliance Division of BTPNS from the results of the submission of questionnaire responses, Compliance reports and information publications on BTPNS website. 2. To provide the results of the review into the report on the implementation of integrated compliance duties and responsibilities to the Director of Compliance of the Lead Entity. 3. To coordinate the implementation of gap analysis results from Policy and Governance process of BTPNS toward the practice in BTPN and SMBC. 4. To assist BTPNS in order to align with SMBC provisions as part of SMBC group by referring as implemented by BTPN.
4.	Delivered semi-annually report of duties and responsibilities to Compliance Director of the Lead	1. Report of duties and responsibilities of Integrated Compliance for semester 1 year 2019 dated 30 July 2019 through memorandum Number

No	Duties and Responsibilities of The Integrated Compliance Function	Realization of Year 2020
Entity's.		M.064/CCMP/VII/2019 2. Report of duties and responsibilities of Integrated Compliance for semester II year 2019 dated 28 January 2020 through memorandum Number M.013/CCMP/I/2020.
5.	Compliance Director of the Lead Entity's submitted report of duties and responsibilities to the Board of Directors and the Board of Commissioner of the Lead Entity.	1. Report of duties and responsibilities of Compliance Director of Lead Entity for semester 1 year 2020 dated 27 July 2020 through memorandum Number M.041/CCMP/VII/2020. 2. Report of duties and responsibilities of Compliance Director of Lead Entity for semester II year 2020 dated 29 January 2021 through memorandum Number M.007/CCMP/I/2021.

E. Duties and Responsibilities of the Integrated Internal Audit Function

i. Structure and Responsibility of the Integrated Internal Audit Function

- ▶ BTPN as the Lead Entity of the Financial Conglomerate of SMBC Group in Indonesia has implemented the function of The Integrated Internal Audit. The Integrated Internal Audit Function was performed by the Internal Audit of BTPN.
- ▶ The Internal Audit of BTPN, who carried out the Integrated Internal Audit Function, is an independent function which by definition is segregated from operational working unit (risk-taking unit) and not involved in functional or operational activities in the Lead Entity, as well as have direct reporting to the President Director of BTPN and functional reporting to Audit Committee of BTPN. The Internal Audit of BTPN is able to communicate directly to the Board of Commissioners of the Lead Entity (BTPN) who responsible to conduct supervision on the implementation of Integrated Governance in the Financial Conglomerate of SMBC group in Indonesia.

ii. Duties and Responsibilities of the Integrated Internal Audit Function

Monitored the implementation of internal audit function in each of the Financial Service Institutions of the SMBC Financial Conglomerate in Indonesia.

iii. Implementation of Duties and Responsibilities of the Integrated Internal Audit Function for Year 2020

Duties and Responsibilities of The Integrated Internal Audit Function	Realization of Year 2020
<p>The Internal Audit Department of BTPN which carried out the Integrated Internal Audit Function has discharged its duties and responsibilities for Semester I (covered January up to June 2020) and Semester II (covered July up to December 2020)</p>	<ol style="list-style-type: none"> 1. Conducted periodic meeting with Head of Internal Audit and Board of Commissioners from subsidiary in the Financial Conglomerate of SMBC group in Indonesia to discuss the alignment of internal audit methodology, infrastructure, and activities. 2. Monitored the implementation of internal audit in each member of the Financial Conglomerate of SMBC group in Indonesia by reviewing information regarding internal audit submitted by Internal Audit function from SMBC Financial Conglomerate member (BTPNS) in periodical basis. 3. Prepared report of integrated internal audit for the position of 30 June 2020 and 31 December 2020 based on information regarding internal audit submitted by the Internal Audit of the Financial Conglomerate member of SMBC group in Indonesia (BTPNS). The report was submitted to the Compliance Director of BTPN and the Board of Commissioners of BTPN which was approved by President Director of BTPN who supervise the Financial Conglomerate of the SMBC group in Indonesia.

F. Integrated Risk Management Implementation

BTPN as the Lead Entity had established a proper organizational structure to support the implementation of integrated risk management as stipulated in the OJK regulation regarding implementation of integrated risk management for financial conglomerate, as follows:

- a. Appointed Director who supervises the Integrated Risk Management function;
- b. Established the Integrated Risk Management Committee;
- c. Implementation the function of the Integrated Risk Management.

1. The Integrated Risk Management Committee

i. Integrated Risk Management Committee Structure

The membership composition of the Directors that became members of the Integrated Risk Management Committee was in accordance with the needs of the Financial Conglomerate. The composition also maximized the efficiency and effectiveness of the implementation of the duties of the Risk Management Committee by observing the representation of each of the Financial Service Institution.

Name	Position in Integrated Risk Management Committee	Position in other Financial Service Institution
Henoch Munandar	Chairman and Member	Risk Management Director BTPN including supervising the Integrated Risk Management Function
Arief Ismail	Member	Compliance Director and Risk Management of BTPNS
Sendiaty SONDY	Member	Executive Officer in Risk Management Department of BTPN who is in charge of Integrated Risk Management Unit ("IRMU").

ii. Duties and Responsibilities of the Integrated Risk Management Committee

The Committee is responsible for providing recommendations to the Board of Directors of Lead Entity on matters related to risk management, especially to:

1. Establish and review of Integrated Risk Management policy;
2. Revise and improve the Integrated Risk Management policy which includes the improvement to the strategy and risk framework based on the result of the evaluation. The review shall be carried out periodically or at any time if deemed necessary as a

result of changes in external and internal conditions which can adversely affect the capital adequacy, risk profile, and ineffective implementation of Integrated Risk Management.

3. Other matters related to the implementation of integrated management which are the concern of Committee Members.

iii. Implementation of Duties and Responsibilities of the Integrated Risk Management Committee for Year 2020

The Integrated Risk Management Committee has carried out its duties and responsibilities for activities in Semester I and Semester II in 2020, held 2 (two) meetings discussing the following matters:

No	Duties and Responsibilities of The Integrated Risk Management Committee	Implementation of Year 2020
1.	Submission of the Integrated Risk Profile Report and the Integrated Minimum Capital Requirement ("KPMM") Report	Integrated Risk Profile Report and Integrated KPMM Report for June 2020 position on 5 August 2020 and December 2020 position on 10 February 2021, before being submitted to OJK on a semi-annual basis.
2.	Presentation of Financial Performance of SMBC Financial Conglomeration for June 2020 and December 2020	Presented in the Integrated Risk Management Committee Meeting at 5 August 2020 and 10 February 2021
3.	Presentation of activities related to the duties and responsibilities of the Integrated Risk Management Committee to the Directors of the Main Entity of the SMBC Group Financial Conglomerate (BTPN) on a semi-annual basis	Presented in the Integrated Risk Management Committee Meeting at 5 August 2020 and 10 February 2021
4.	Prepare Regulations and Rules of the Integrated Risk Management Committee	Regulations and Rules of the Integrated Risk Management Committee has been prepared on March 2020

No	Duties and Responsibilities of The Integrated Risk Management Committee	Implementation of Year 2020
5.	Develop an Annual Risk Management Committee Work Plan and Annual Plan for 2020	Annual Risk Management Committee Work Plan and Annual Plan for 2020 has been prepared on March 2020

iv. The Schedule Meeting of The Integrated Risk Management Committee

Date	Meeting Agenda
August 5, 2020	<ul style="list-style-type: none"> ◆ Inform that due to OJK regulation concerning about Bank Synergy, there is a policy regarding Bank Synergy should be in placed. And BTPN accommodate bank synergy's policy in Risk Management Policy ◆ Regarding Internal Audit Result of Integrated Risk Management – Risk Profile Parameter, has been accommodated in Integrated Risk Profile. ◆ Update that Integrated Risk Management Committee Charter has been in reviewed ◆ Update that Integrated Risk Management Policy and Procedure are on going annual review. ◆ Update that IRM Plan 2020 has been in placed ◆ Update that IRM check list has been in placed ◆ Update Integrated Risk Profile and Integrated Capital Adequacy Report has been prepared and will be reported in August 15, 2020. ◆ Update and monitor the Integrated Risk Profile and Integrated Capital Adequacy position June 30, 2020 ◆ Inform financial conglomeration achievement position June 2020 ◆ Inform the National Economic Recovery implementation in BTPN and BTPNS

v. Frequency of Meeting and Attendance

Based on the Integrated Risk Management Charter, the Integrated Risk Management Committee had held meetings at least once on a semi annual basis. The Committee's meeting may only be held if attended by at least 50% (fifty percent) of the members of the

Committee in addition to the Committee's Chairman. The Committee's meeting for discussing activities in the Year 2020 have fulfilled the said quorum.

Name	Numbers of Meetings	Number of Attendance	Percentage of attendance
Henoeh Munandar	2	2	100%
Arief Ismail	2	2	100%
Sendiaty SONDY	2	2	100%

2. The Integrated Risk Management Function

i. Structure and Responsibility of Reporting of The Integrated Risk Management Function

The duties and responsibilities of the Integrated Risk Management Function were performed by the Risk Management Unit of BTPN.

The Integrated Risk Management function is independent, separate from the operational unit (risk-taking unit) at BTPN and is directly responsible to Risk Management Director in charge of BTPN Risk Management including the Integrated Risk Management of the SMBC Group Financial Conglomerate

ii. Duties and Responsibilities Integrated Risk Management Function

1. To provide input in the formulation and improvement of Integrated Risk Management policy to both BTPN's Board of Directors and to IRMC;
2. To monitor the implementation of Integrated Risk Management policy including developing procedures and tools for the Integrated Risk Management process;
3. To monitor risks in the Conglomeration by monitoring the FSI risk profile assessment result of each member of the Conglomeration, integrated risk appetite for each type of risks and integrated risk profile of the Conglomeration;
4. To conduct assessment for integrated capital adequacy;
5. To perform stress test on the Conglomeration's capability in facing stress scenarios specific to the Conglomeration's or the market in general;
6. To carry out periodic review on the accuracy of risk assessment methodology; the adequacy of the risk management information system implementation; the appropriateness of policy, procedures and integrated risk limit;
7. Reviewing the impact from the entry of new entities to the Conglomeration which can significantly influence the Conglomeration risk exposures;
8. To provide information to IRMC regarding issues that need to be followed up related to the evaluation result of the Integrated Risk Management implementation;

9. To prepare and deliver the Integrated Risk Profile and Capital Adequacy periodic reports to BTPN's Board of Directors, IRMC, and regulators.

iii. Implementation of Duties and Responsibilities of Risk Management Unit of BTPN for year 2020

The Risk Management Unit of BTPN which carried out the function of Integrated Risk Management has discharged its duties and responsibilities for Semester I (covered January up to June 2020) and Semester II (Covered July up to December 2020), as follows:

No	Duties and Responsibilities of Risk Management Unit	Realization of Year 2020
1.	Prepared and reviewed the methodology used in preparing the report of the Integrated Risk Management Profile and Report of the Integrated Capital Adequacy.	Review has been conducted.
2.	Monitored risk in the Financial Conglomerate based on assessment result <ol style="list-style-type: none"> a. Risk Profile of every FSI in the Financial Conglomerate b. Level of Risk for each type of risks in integrated basis c. Integrated Risk Profile 	Integrated Risk Profile Report and Integrated KPMM Report has been presented to Risk Management Committee meeting on August 5, 2020 and February 10, 2021, before being submitted to OJK
3.	Delivered information to the Integrated Risk Management Committee on matters to be followed up related to the evaluation result on the implementation of Integrated Risk Management.	information to the Integrated Risk Management Committee on matters to be followed up related to the evaluation result of Integrated Risk Management has been presented in the Integrated Risk Management Committee Meeting at 5 August 2020 and 10 February 2021
4.	Reviewed the Policy of Integrated Risk Management and Integrated Capital Adequacy.	Review has been conducted.
5.	Supported the implementation of duties and responsibilities of the Integrated Risk Management	Integrated Risk Profile Report and Integrated KPMM Report prepared by

No	Duties and Responsibilities of Risk Management Unit	Realization of Year 2020
	Committee.	Integrated Risk Management
6.	Coordinated with the Risk Management Department of the members of the Financial Conglomerate of the SMBC group in compiling report of The Integrated Risk Profile and The Integrated Capital Adequacy for the position of 30 June 2020 and 31 December 2020.	Coordination with the Risk Management Department of the members of the Financial Conglomerate of the SMBC group was conducted on the time of preparing the integrated risk profile, through email and meeting

- ▶ The Financial Conglomerate of the SMBC group has performed self-assessment on Integrated Risk Profile on nine (9) kind of risks namely; credit risk, market risk, liquidity risk, operational risk, strategic risk, reputation risk, legal risk, compliance risk and intra-group transaction risk. The resulted were as follows:
 - a. Risk level of the Financial Conglomerate of the SMBC group for the position of 30 June 2020 was Low to Moderate.
 - b. Risk level of the Financial Conglomerate of the SMBC group for the position of 31 December 2020 was Low to Moderate.
- ▶ The Financial Conglomerate of the SMBC group has also performed self-assessment on the Mandatory Minimum Capital Adequacy. The results were as follows:
 - a. The Integrated Minimum Capital Adequacy ratio (comparison of the integrated actual capital with the integrated minimum capital) for the position of 30 June 2020 was 2.6 (Note: The Integrated Capital Adequacy has not yet calculated obligation to constitute Capital Conservation Buffer 2,50%; and the minimum capital of has considered buffer of *Domestically Systemic Important Bank* = 1.00%).
 - b. The Integrated inimum Capital Adequacy ratio (comparison of the integrated actual capital with the integrated minimum capital) for the position of 31 December 2020 was 2.92 (The Integrated Capital Adequacy has not yet calculated obligation to constitute *Capital Conservation Buffer* sebesar 2,5%; and the minimum capital as considered buffer *Domestically Systemic Important Bank* = 1,00%).
- ▶ The mandatory reporting to the Indonesian Financial Service Authority has

No	Duties and Responsibilities of Risk Management Unit	Realization of Year 2020
	<p>been performed before the submission deadline in 2020, as follows:</p> <p>a. Report of The Integrated Risk Profile and Integrated Capital Adequacy of the SMBC Conglomerate for the position of June 30, 2019 was submitted on 6 August 2020;</p> <p>b. Report of Integrated Risk Profile and Report of Integrated Capital Adequacy of SMBC Group for the position 31 December 2020 was submitted on 15 February 2021</p>	

G. Preparing and Implementation of Integrated Governance Manual

The Financial Conglomerate of the SMBC group has established an Integrated Governance Manual based on the related Authority's regulations (Bank Indonesia, Financial Service Authority and others, for instance Capital Market for Financial Service Institution of Public Company).

The Integrated Governance Manual consists of:

1. Framework of Integrated Governance for the Lead Entity;

a.	Membership Structure of the BOC and BOD of the Main Entity
b.	Requirements for the BOD of the Main Entity and the BOC of the Main Entity
c.	Selection of Members of the BOD of the Main Entity and the BOC of the Main Entity
d.	Concurrent Positions of Members of the BOD of the Main Entity and BOC of the Main Entity
e.	Independent Commissioner of the Main Entity
f.	Duties and responsibilities of the Main Entity's BOD and the Main Entity's BOC
g.	Meetings and decisions taken by the BOD of the Main Entity and the BOC of the Main Entity
h.	Integrated Governance Committee Membership
i.	Duties and responsibilities of the Integrated Governance Committee
j.	Integrated Governance Committee Meetings
k.	Implementation of the Integrated Compliance Function
l.	Implementation of the Integrated Internal Audit Function
m.	Implementation of Integrated Risk Management
n.	Corporate Secretary of Main Entity

2. Framework of Integrated Governance for Financial Service Institutions of the SMBC Conglomerate (BTPN and BTPNS), which consists of:

a.	Requirements for candidate members of BOD and BOC
b.	Requirements for candidate members of the Sharia Supervisory Board
c.	Structure of BOD and BOC
d.	Structure of Sharia Supervisory Board
e.	Independency of actions to be taken by BOC
f.	Implementation of management function of Financial Service Institution by BOD
g.	Implementation of supervisory function by BOC
h.	Implementation of supervisory function by the Sharia Supervisory Board
i.	Implementation of Compliance Function, Internal Audit Function, and External Audit
j.	Implementation of Risk Management Function
k.	Remuneration Policy
l.	Management of Conflicts of Interest

The Integrated Governance Manual has been reviewed periodically in accordance to the latest of development or most recent regulations, lastly with the seventh edition in July 2020.

The Integrated Governance Manual of the SMBC group had been submitted by the Board of Directors of the Lead Entity to Board of Directors of the FSI of the Financial Conglomerate of the SMBC group to be complied and implemented.

The Integrated Risk Management result shows that the Lead Entity and Financial Service Institutions within the Financial Conglomerate have implemented the principles of good governance in accordance with the Integrated Governance And will sustain implement the said Integrated Governance Manual.

H. Rating and Conclusion of Self Assessment of Implementation of Integrated Governance for the position of 31 December 2020

Self-Assessment Results Implementation of Integrated Governance	
Rating	Definition
2 (Two)	The Financial Conglomerate is considered to have implemented Integrated Governance which is generally well. This is reflected in the adequate fulfillment of the application of the principles of Integrated Governance. If there are weaknesses in the implementation of Integrated Governance, in general these weaknesses are less significant and

	can be resolved with normal course by the Main Entity and / or Member Entity.
--	---

Self-Assessment Result of Governance Implementation at Respective Entities		
	Rating	Definition
Main Entity BTPN	2 (Two)	Rating of 2 (two) reflects that the management has conducted the implementation of GCG generally well. This is reflected by adequate fulfillment of GCG's principles. If there is any weakness in the implementation of GCG's principles, then in general the shortcoming is less significant and revision can be done by the management in a normal course.
Member Entity BTPNS	2 (Two)	

ANALYSIS
Based on the analysis of indicators on all assessment factors for the implementation of Integrated Governance of the SMBC Group Financial Conglomerate as of 31 December 2020, it can be concluded that:

A. Integrated Governance Structure

Indicator	Values that reflect Strength	Values that reflect Weakness
Board of Directors of Main Entity	<ul style="list-style-type: none"> Meet the requirements for integrity, competence and financial reputation and obtain OJK approval. Have knowledge of the Main Entity, including understanding the main business activities and main risks of FSI within the Financial Conglomerate. 	Nil
Board of Commissioners of Main Entity	<ul style="list-style-type: none"> Meet the requirements for integrity, competence and financial reputation and obtain OJK approval. Have knowledge of the Main 	Nil

Indicator	Values that reflect Strength	Values that reflect Weakness
	Entity, among others, an understanding of the main business activities and the main risks of FSI within the Financial Conglomerate.	
Integrated Governance Committee	<ul style="list-style-type: none"> • The composition of the Integrated Governance Committee meets the minimum membership requirements. • The number and composition of Independent Commissioners who are members of the Committee according to the needs of the Financial Conglomerate as well as the efficiency and effectiveness of the implementation of the Integrated Governance Committee's duties by taking into account the representation of each entity. 	Nil
Integrated Compliance Unit	<ul style="list-style-type: none"> • Independent for operational work units. • The Main Entity's Board of Directors (Compliance Director) meets the qualification of human resources as members of the Integrated Compliance Work Unit. 	Nil
Integrated Internal Audit Unit	<ul style="list-style-type: none"> • Independent for operational work units. • The Board of Directors of the Main Entity (President Director) meets the qualification of human resources as members of the Integrated Internal Audit Work Unit. 	Nil
Implementation of Integrated Risk Management	<ul style="list-style-type: none"> • The organizational structure is adequate to support the implementation of integrated risk management in accordance with OJK regulations. • Policies, procedures and determination of risk limits are 	Nil

Indicator	Values that reflect Strength	Values that reflect Weakness
	available and adequate in accordance with OJK regulations.	
Integrated Governance Charter	<p>It has been prepared with a framework including:</p> <p>(1) Integrated Governance for Main Entity contains: (a) requirements for the Board of Directors of the Main Entity and the Board of Commissioners of the Main Entity (b) duties and responsibilities of the Board of Directors of the Main Entity and Board of Commissioners of the Main Entity (c) duties and responsibilities of the Integrated Governance Committee; (d) duties and responsibilities of the Integrated Compliance Work Unit; (e) duties and responsibilities of the Integrated Internal Audit Work Unit; and (f) implementation of integrated risk management.</p> <p>(2) Integrated Governance for FSI, contains: (a) requirements for candidates for members of the Board of Directors and candidates for members of the Board of Commissioners; (b) requirements for candidate members of the Sharia Supervisory Board; (c) the structure of the Board of Directors and the Board of Commissioners; (d) structure of the Sharia Supervisory Board; (e) the independence of the actions of the Board of Commissioners; (f) implementation of FSI management functions by the Board of Directors; (g) the implementation of the supervisory function by the Board of Commissioners; (h) the implementation of the supervisory function by the Sharia Supervisory</p>	Nil

Indicator	Values that reflect Strength	Values that reflect Weakness
	Board; (i) implementation of the compliance function, internal audit function, and implementation of external audit; (j) implementation of the risk management function; (k) remuneration policy; and (l) management of conflicts of interest.	

B. Integrated Governance Process

Indicator	Values that reflect Strength	Values that reflect Weakness
Board of Directors of Main Entity	<ol style="list-style-type: none"> 1) The Board of Directors of the Main Entity has conveyed the Integrated Governance Charter to the Board of Directors of the Member Entity in the Financial Conglomerate. 2) Board of Directors of the Main Entity has directed, monitored and evaluated the implementation of the Integrated Governance Charter. 3) The Board of Directors of the Main Entity has followed up on the direction or advice of the Main Entity's Board of Commissioners in order to improve the Integrated Governance Charter. 4) The Board of Directors of the Main Entity has followed up on the findings of the Integrated Internal Audit Work Unit and the Integrated Compliance Unit. 	Nil

Indicator	Values that reflect Strength	Values that reflect Weakness
Board of Commissioners of Main Entity	<ol style="list-style-type: none"> 1) Board of Commissioners of the Main Entity has held regular Board of Commissioners of the Main Entity meetings at least 1 (one) time per semester. 2) Board of Commissioners of the Main Entity has supervised the implementation of duties and responsibilities of Board of Directors of the Main Entity. 3) Board of Commissioners of the Main Entity has supervised the implementation of Integrated Governance. 4) Board of Commissioners of the Main Entity has evaluated the Integrated Governance Charter. 	Nil
Integrated Governance Committee	<ol style="list-style-type: none"> 1) The Integrated Governance Committee has evaluated the implementation of Integrated Governance at least through an assessment of the adequacy of internal control and implementation of the integrated compliance function. 2) The Integrated Governance Committee has held Integrated Governance Committee meetings at least 1 (one) time per semester. 	Nil
Integrated Compliance Unit	The Integrated Compliance Unit has monitored and evaluated the compliance function at FSI within the Financial Conglomerate.	Nil
Integrated Internal Audit Unit	The Integrated Internal Audit Unit has monitored the implementation of internal audits at FSI within the Financial Conglomerate.	Nil
Implementation of Integrated Risk Management	The Main Entity has implemented integrated risk management in accordance with the provisions of the Financial Services Authority regarding the implementation of integrated risk	Nil

Indicator	Values that reflect Strength	Values that reflect Weakness
	management for financial conglomerates.	
Integrated Governance Charter	The implementation of the Integrated Governance process by the Main Entity and Member Entity has referred to the Integrated Governance Charter.	Nil

C. Integrated Governance Results

Indicator	Values that reflect Strength	Values that reflect Weakness
Board of Directors of Main Entity	<ol style="list-style-type: none"> 1) The Integrated Governance Guidelines have been refined in accordance with the direction of the Board of Commissioners. 2) The Board of Directors of the Main Entity has ensured that the audit findings and recommendations of: <ol style="list-style-type: none"> a) Integrated Audit Unit; b) external auditors; c) the results of OJK supervision; d) results of supervision by other authorities, including Bank Indonesia; and / or e) the results of supervision by the supervisory authority of the Financial Institutiin Head Office in the event that FSI is a branch office of an entity domiciled abroad; <p>have been followed up by FSI within the Financial Conglomerate.</p>	Nil
Board of Commissioners of Main Entity	<ol style="list-style-type: none"> 1) The results of the Main Entity Board of Commissioners meeting have been recorded in the minutes of the meeting and are well documented. During 2020 there were no dissenting opinions in the Main Entity Board of Commissioners meeting. 2) Recommendations on the results 	Nil

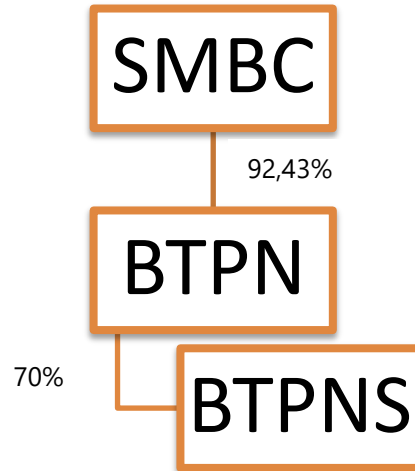
Indicator	Values that reflect Strength	Values that reflect Weakness
	<p>of supervision by the Board of Commissioners of the Main Entity on:</p> <ul style="list-style-type: none"> a) implementation of duties and responsibilities of the Board of Directors of the Main Entity; b) the application of Integrated Governance; c) evaluation results of the Integrated Governance Guidelines by the Board of Commissioners of the Main Entity; <p>has been conveyed to the Board of Directors of Main Entity.</p>	
Integrated Governance Committee	<ul style="list-style-type: none"> 1) The Integrated Governance Committee has evaluated the implementation of Integrated Governance, at least through an assessment of the adequacy of internal control and implementation of the integrated compliance function. 2) The Integrated Governance Committee has provided recommendations to the Board of Commissioners of the Main Entity to improve the Integrated Governance Charter. 3) The results of the Integrated Governance Committee meeting have been recorded in the minutes of the meeting and are well documented. During 2020 there were no dissenting opinions in the Integrated Governance Committee meeting. 	Nil

Indicator	Values that reflect Strength	Values that reflect Weakness
Integrated Compliance Unit	The Integrated Compliance Work Unit has submitted a report on the implementation of its duties and responsibilities to the Director in charge of the Main Entity's Compliance function or the Director appointed to carry out the supervisory function of FSI within the Financial Conglomerate.	Nil
Integrated Internal Audit Unit	<ol style="list-style-type: none"> 1) The Integrated Internal Audit Unit has submitted a report on the implementation of its duties and responsibilities to: <ol style="list-style-type: none"> a) Director appointed to supervise FSI within the Financial Conglomerate; b) Board of Commissioners of the Main Entity; and c) Director of Compliance of the Main Entity. 2) The Integrated Internal Audit Unit acts objectively in monitoring the implementation of the audit. 3) The audit result recommendations are in accordance with the problem and can be used as a reference for improvement. 	Nil
Implementation of Integrated Risk Management	<ol style="list-style-type: none"> 1) The Main Entity has implemented integrated risk management effectively in accordance with the characteristics and complexity of the Financial Conglomerate business. 2) The Board of Directors and Board of Commissioners of the Main Entity are able to carry out their duties and responsibilities related to integrated risk management in accordance with the provisions of the Financial Services Authority regarding the implementation of integrated risk management. 	Nil

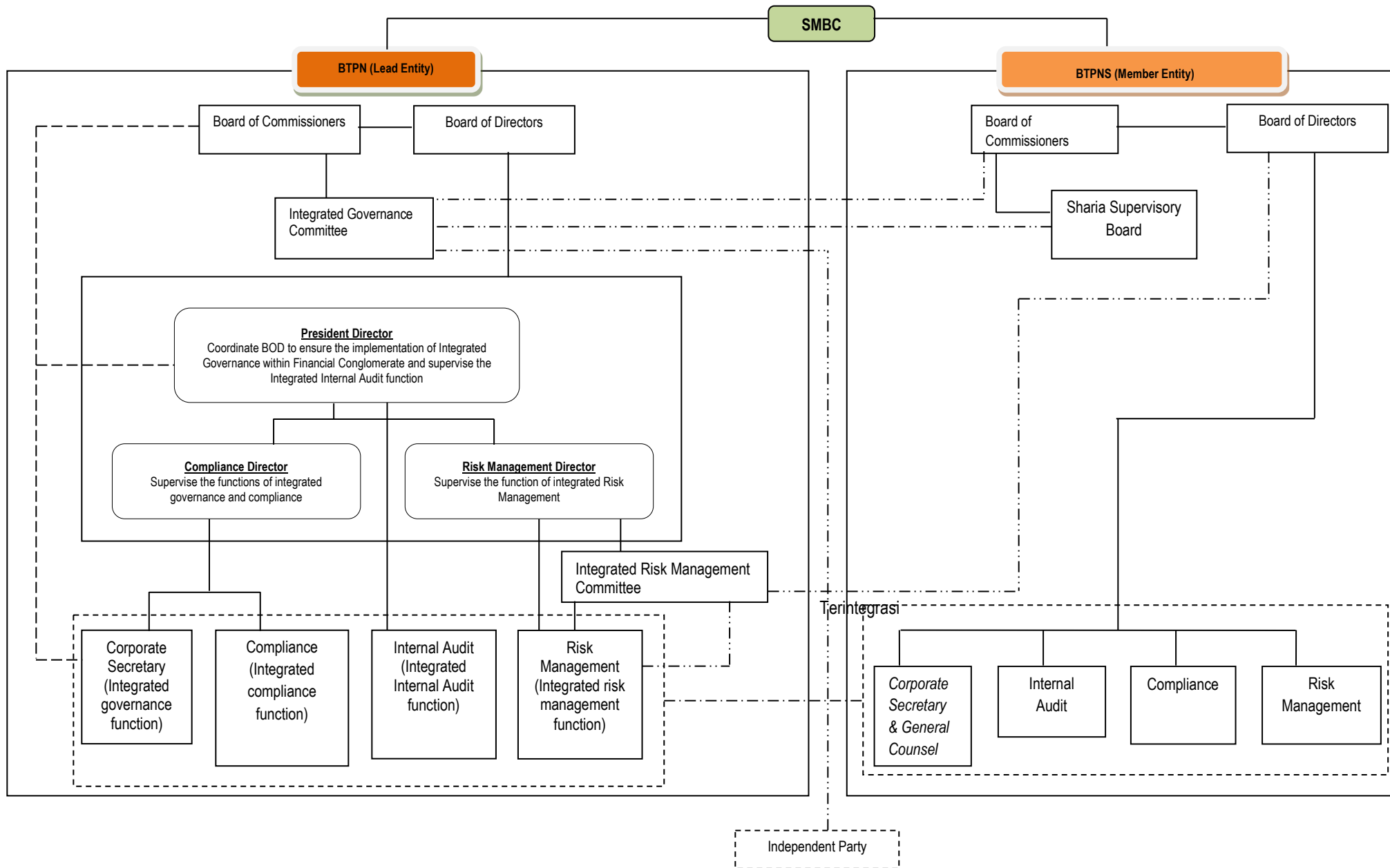
Indicator	Values that reflect Strength	Values that reflect Weakness
Integrated Governance Charter	The results of Integrated Governance have reflected that the Main Entity and FSI within the Financial Conglomerate have implemented the principles of good governance in accordance with the Integrated Governance Charter.	Nil

II. The Structure of SMBC Financial Conglomerate

The Structure of Financial Conglomerate of Sumitomo Mitsui Banking Corporation (SMBC) Group as of 31 December 2020 is as follows:



Meanwhile for the Structure of Financial Conglomerate SMBC group is as follows:



The structure of the Financial Conglomerate of the SMBC group was established based on the provisions of OJK regarding Financial Conglomerate.

The structure of the Financial Conglomerate of the SMBC group describes the relationship and roles of all related parties systematically in the Financial Conglomerate, which consists of:

- a. SMBC as the Controlling Shareholder of the Lead Entity Entity (BTPN) and the Member Entity as well as the Ultimate Shareholder of Member Entity (BTPNS).
- b. From the Lead Entity (BTPN), the relevant parties consist of the Board of Commissioners, Board of Directors, Corporate Secretary, Integrated Internal Audit Function, Integrated Compliance Function, Integrated Risk Management Function.
- c. From the Lead Entity (BTPN) and member Entity (BTPNS), namely the Integrated Governance Committee which is under the Board of Commissioners of the Lead Entity (BTPN) and the Integrated Risk Management Committee under the Directors of the Lead Entity (BTPN).
- d. From Member Entity (BTPNS), the relevant parties consist of the Board of Commissioners, Board of Directors, Corporate Secretary & Legal, Internal Audit, Compliance and Risk Management.
- e. From outside of the Lead Entity (BTPN) and Member Entity (BTPNS), an independent party has been recruited as member of the Integrated Governance Committee.

Every elements of the Financial Conglomerate's Structure conducts functions, duties and responsibilities in accordance to prevailing stipulations.

III. The Structure of Share Ownership

The share ownership structure in the Financial Conglomerate of the SMBC Group from the Ultimate Shareholder for position 31 December 2020 was as follow:

A. Lead Entity: BTPN

BTPN Shareholder (as of 31 December 2020)	Sumitomo Mitsui Banking Corporation	PT Bank Central Asia Tbk *	PT Bank Negara Indonesia (Persero) Tbk **	Public	Treasury Shares	Total
Percentage	92.43%	1.02%	0.15%	5.23%	1.17%	100%
Total of Shares	7.532.311.297	83.052.408	12.007.137	426.362.127	95.198.900	8.148.931.869

**To comply with the provisions of Government Regulation No.29 of 1999 concerning the Purchase of Commercial Bank Shares and as the converted shares due to the Merger with SMBC Indonesia.*

*** Converted shares due to the Merger with SMBCIndonesia*

The Ultimate Shareholder of BTPN is Sumitomo Mitsui Financial Group (SMFG)

Sumitomo Mitsui Financial Group

Sumitomo Mitsui Financial Group, Inc (“**SMFG**”) was established in December 2002 through a share transfer from SMBC.

SMFG is considered as one of the largest financial institutions in the world. Companies under the SMFG Business Group offer a variety of financial services, primarily banking, and include credit card services, leasing, information services, and securities.

The Controlling Shareholder of BTPN is Sumitomo Mitsui Banking Corporation

Sumitomo Mitsui Banking Corporation (SMBC)

SMBC is part of SMFG which is one of the three largest financial groups in Japan.

SMBC was established in April 2001 through the merger of two leading banks, namely The Sakura Bank, Limited and The Sumitomo Bank, Limited. SMFG was established in December 2002 through a transfer of shares as the holding company, and SMBC became a wholly owned subsidiary of SMFG. SMBC and its business groups offer a variety of financial services that are centered on the banking business. SMBC is also engaged in the leasing, securities, credit card, investment, mortgage securitization, venture capital and other credit extension businesses.

B. Member Entity: BTPNS

BTPNS Shareholder (as of 31 December 2020)	PT Bank BTPN Tbk	Public	Treasury Shares	Total
Percentage	70.00%	29.97%	0.03%	100%
Total of Shares	5.392.590.000	2.308.610.000	2.500.000	7.703.700.000

The Ultimate Shareholder of BTPNS is SMFG through SMBC

A brief of company profile can be seen on the previous page or in the section on Implementation of Integrated Governance (which is an attachment to this Annual Report on the Implementation of Integrated Governance)

The Controlling Shareholder of BTPNS is BTPN

BTPN is a foreign exchange bank resulting from the merger of BTPN with SMBC Indonesia.

Bank BTPN focuses on serving the mass market segment consisting of pensioners, micro, small and medium enterprises (SMEs), productive unprivileged communities; consuming class segments; and the corporate segment. The business focus is supported by Bank BTPN's business units, namely BTPN Sinaya - funding business unit, BTPN Purna Bakti - business unit that focuses on serving retired customers, BTPN Mitra Usaha Rakyat - business units that focus on serving micro-businesses, BTPN Mitra Bisnis - business units a business that focuses on serving small and medium businesses, BTPN Wow! - Laku Pandai products that focus on the unbanked segment, Jenius - digital banking platform for the consuming class segment, and corporate business units that focus on serving large national, multinational, and Japanese companies.

IV. The Structure of Management

A. Lead Entity: BTPN

The Composition of the Board of Commissioners and Board of Directors of BTPN as of 31 December 2020 were as follows:

Board of Commissioners of BTPN	
Position	Name
President Commissioner	Chow Ying Hoong

Commissioner	Takeshi Kimoto
Independent Commissioner	Ninik Herlani Masli Ridhwan
Independent Commissioner	Irwan Mahjudin Habsjah
Independent Commissioner	Edmund Tondobala

Board of Directors of BTPN	
Position	Name
President Director	Ongki Wanadjati Dana
Deputy President Director	Kaoru Furuya*
Deputy President Director	Darmadi Sutanto
Compliance Director	Dini Herdini
Director	Adrianus Dani Prabawa
Director	Yasuhiro Daikoku
Director	Henoch Munandar
Director	Hikomichi Kubo
Director	Merisa Darwis
Director	Hanna Tantani

* Kaoru Furuya was appointed by the EGMS on 18 November 2020 and effectively served as Deputy President Director on 4 January 2021 after obtaining the completed Working Permit from the Ministry of Manpower of the Republic of Indonesia.

B. Member Entity: BTPNS

The Composition of the Board of Commissioners and Board of Directors of BTPNS as of 31 December 2020 were as follows:

Board of Commissioners BTPNS	
Position	Name
President Commissioner (Independent)	Kemal Azis Stamboel
Independent Commissioner	Dewie Pelitawati
Commissioner	Mahdi Syahbuddin
Commissioner	Yenny Lim

Board of Directors BTPNS	
Position	Name
President Director	Hadi Wibowo
Compliance Director and Corporate Secretary	Arief Ismail
Director	Gatot Adhi Prasetyo
Director	Fachmy Achmad

Sharia Supervisory Board of BTPNS	
Position	Name
Chairman of the Sharia Supervisory Board	H. Ikhwan Abidin, MA
Member Board	H. Muhamad Faiz, MA

V. The Intra-Group Transaction

Each of the Financial Service Institutions of the Financial Conglomerate of the SMBC group has complied with their internal rules and guidelines on managing intra-group transaction within the Financial Conglomerate.

Intra-Group transaction is a transaction between entities within one Financial Conglomerate for the fulfillment of obligations in either written or unwritten agreement which may or may not involve the movement of funds.

The policy of intra-group transaction has incorporated factors to identify intra-group transaction which causes intra-group transaction risks, among others from:

1. Cross-ownership amongst FSIs within a Financial Conglomerate;
2. Centralization of short-term liquidity management;
3. Guarantees, loans, and commitments that are provided or obtained by an FSI from other FSI within a Financial Conglomerate;
4. Exposure to the controlling shareholder, including the exposure of loans and off-balance sheet such as guarantees and commitments;
5. The purchase or sale of assets to another FSI within one Financial Conglomerate;
6. Transfer of risk through reinsurance; and/or transactions to divert third party risk exposure amongst FSIs within one Financial Conglomerate.

In addition, listed below are the indicators that could be used in the identification of inherent risk of intra-group transaction:

- a. Significant of intra-group transaction on the total asset of the Financial Conglomerate.

- b. Dependency of the Financial Service Institution on intra-group transaction.
- c. Documentation of transaction's agreement and support of intra-group transaction.
- d. Fulfillment of arm's length's principle in agreement of the whole intra-group transaction.
- e. Impact of intra-group transaction on the financial performance of Financial Service Institutions.
- f. Materiality of intra-group transaction in terms of its financial impact on the Financial Service Institutions and Financial Conglomerate.

Parameters that could be used in measuring the severity of Intra-Group Transactions are as follows:

1. The composition of intra-group transaction in the Financial Conglomerate using ratio or indicator such as total amount of intra-group transaction compared to total asset, total amount of intra-group transaction including Off Balance Sheet intra-group compared to total capital, exposure toward the Controlling Shareholder (including loan exposure and off balance sheet such as guarantee and commitment) and others.
2. Documentation and judgment by using indicator such as agreement documentation, fulfillment of arm's length principle (judgment of transaction) and impact of transaction on the financial performance of the Financial Service Institutions.
3. Other information such as management centralization related to short term liquidity, support of intra-group which is not legally blinded and/or could not be executed, supply of service of management and other services such as back-office between Financial Service Institutions in one group and purchase or sell asset to other Financial Service Institutions in one group.

In terms of management of intra-group transaction risk, exposure should be in accordance to established risk tolerance level.

The management of Intra-Group transaction risk can be done through hedging, additional capital to absorb loss potential or having other risk mitigation based on relevant regulations, for instance Legal Lending Limit (LLL).

The intra-group transaction policy of BTPN as the Lead Entity of the Financial Conglomerate of the SMBC group has been stipulated in the Policy of Integrated Risk Management, Policy of Legal Lending Limit and Policy of Equity Participation. In addition, for transaction other than credit are as stipulated in OJK Regulation on Affiliated Transaction which should be reported to OJK and/or published to the public in the certain amount.

The intra-group transaction of the Lead Entity as of 31 December 2020 has been incorporated in The Annual Report for the year 2020 of the Lead Entity BTPN in the section on the related parties transaction, affiliated party transactions and disclosure of information regarding affiliated party transactions.

List of the Executive Officer Relevant to the Financial Conglomerate of SMBC Group 2020

Lead Entity (BTPN)

No.	Name	Position
1	Nurhajati Soerjo Hadi	Head of Internal Audit Department
2	Sendiaty Sony	Head of Risk Management Department
3	Butet Sondang Sitepu	Head of Compliance
4	Eneng Yulie Andriani	Head of Corporate Secretary

Member Entity (BTPNS)

No.	Name	Position
1	Yunita Cahaya Haerani	Corporate Secretary & General Counsel Head
2	Rena Mutia Indriani	Compliance Head
3	Dharma Putera	Risk Management Head
4	Gatot Prasetyo	Internal Audit Head

**Report on the Implementation of Integrated Governance
of Financial Conglomerate of SMBC Group
As of 31 December 2020**

Jakarta, 28 May 2021

PT Bank BTPN Tbk



Irwan Mahjudin Habsjah
Independent Commissioner



Edmund Tondobala
Independent Commissioner



Ongki Wanadjati Dana
President Director



Dini Herdini
Compliance Director