

2016

Sustainability Report



CIMB NIAGA



FORWARD  YOUR ASPIRATIONS





FORWARD YOUR ASPIRATIONS

Future is a broad place filled with challenge and opportunity for us to realize our aspirations to achieving sustainable growth as a Company that has been growing for more than 6 decades, CIMB Niaga has evolved to become a solid Company with a mission to support the people of Indonesia in realizing their aspirations.

Contents



Introduction

- 4** CIMB Niaga Sustainability Indicator
- 6** Profile of CIMB Niaga
- 7** Sustainability Highlights of CIMB Niaga 2016
- 8** CIMB Niaga at a Glance
- 10** Vision Mission, Corporate Culture
- 12** Key Values
- 13** Group Structure
- 16** CIMB Group Profile (Holding)
- 17** Awards and Certifications
- 18** About This Report
- 24** Joint Messages from the President Director and President Commissioner



26 Sustainable Governance

- 29** Organs of the Company
- 34** Risk Management
- 37** Stakeholders' Involvement
- 39** Supplier Evaluation



40 Economic Sustainability

- 43** Contributing Through Financial Services
- 44** Inclusive Financial Services
- 46** Initiating Laku Pandai
- 47** Rekening Ponsel - Solution for Financial Inclusion





48 CIMB Niaga Cares

- 51 About CIMB Niaga Cares
- 53 Education
- 56 Activation of the Scholarship Program
- 58 Financial Literacy and Education Program
- 62 Activation of Financial Literacy Program
- 63 Education for Empowerment
- 65 Community Development and Empowerment
- 72 Environmental
- 72 2016 CSR Awards
- 73 2017 CSR Plan and Strategy



74 Environmental Sustainability

- 78 Corporate Internal Program
- 82 Corporate External Program
- 87 Awards in the Environmental Field



88 CIMB Niaga for Customers

- 90 Maintaining Quality Products
- 91 Transparency of Products and Services
- 92 Customer Satisfaction Survey
- 94 Maintaining Customer Privacy



96 CIMB Niaga's People

- 98 About the People of CIMB Niaga
- 101 Recruitment
- 102 Training and Development Program
- 102 Employees Scholarship
- 104 Occupational Health and Safety CIMB Niaga
- 105 Inclusive Workplace

107 Index GRI G4 Core

CIMB Niaga Sustainability Indicator



Total Assets

In Trillion Rupiah



Customer Deposit

In Trillion Rupiah



Credit Disbursed

In Trillion Rupiah



Net Interest Income

In Trillion Rupiah



Operational Profit before Provisions

In Trillion Rupiah





Total Employees

People



Employee Training Hours

Hour



CSR Funding Realisation

Million



Ayo Menabung dan Berbagi Program Participants

People



Total Scholarship Recipients

People



Profile of CIMB Niaga



Name

PT CIMB NIAGA TBK [G4-3]



Date of Establishment

September 26, 1955



Business Scope

Commercial Bank, Foreign Exchange Bank, and Sharia Banking [G4-4]



Issued and Fully Paid

Rp1,612,257,325,350



Authorized Capital

Rp2,900,000,000,000 consisting of: Class A shares at Rp359,269,680,000 with nominal value of Rp5,000 per share; and Rp2,540,730,320,000 of Class B shares with a nominal value of Rp50 per share



Stocks Listing

29 November 1989—Code: BNGA
Stocks and Bonds of PT Bank CIMB Niaga Tbk are listed and traded on the Indonesia Stock Exchange (IDX)



Legal Basis [G4-7]

- Company Establishment Deed No. 90, made in the presence of Raden Meester Soewandy, Notary in Jakarta on September 26, 1955 and amended by Act No. 9 dated November 4, 1955.
- Decision of the Minister of Justice of the Republic of Indonesia (now Minister of Law and Human Rights) No. J.A.5/110/15 on December 1, 1955.
- Official Gazette No. 71 on September 4, 1956.
- Official Gazette No. 729/1956



Ownership [G4-7]

- **91.48%** - CIMB Group Sdn Bhd
- **1.02%** - PT Commerce Kapital (Subsidiary CIMB Group)
- **7.5%** - Public



Head Office Location [G4-5]

Graha CIMB Niaga,
Jl. Jend Sudirman Kav. 58,
Jakarta 12190, Indonesia
Tel. (62-21) 250 5252, 250 5353
Fax. (62-21) 250 5205
Website: www.cimbniaga.com

Sustainability Highlights of CIMB Niaga 2016

#5

CIMB Niaga is the
Fifth Largest Bank in
Indonesia

Based on Assets, Loans
and Customer Funds

Economic

Loans

Rp180.16T

Deposits from
Customers

Rp180.57T

Total
Assets

Rp241.55T

Operational Profit
before Provisions

Rp2.851T

Community

Total
Scholarship
Recipients

295

Program Participants
of Ayo Menabung dan
Berbagi

6,214

Realization of
CSR Funds

Rp9.491B

Employees

Number of
Employees

13,185

Average Hours
of Training/
Employee

60

Women in Senior
Management

62

CIMB Niaga at a Glance

CIMB Niaga is committed to provide convenience and view our customers as partners in realizing the Company's vision of becoming the Leading ASEAN Company, and jointly create more value for all stakeholders.

CIMB Niaga was established in 1955 under the name of PT Bank Niaga. CIMB Niaga offers complete banking products and services, both conventional and sharia. The Company also has shareholdings in two subsidiaries engaged in the financing of motor vehicles, namely PT CIMB Niaga Auto Finance (CNAF) and PT Kencana Internusa Artha Finance (KITAF).

Approximately 97.9% of CIMB Niaga shares are owned by CIMB Group, Sdn, Bhd, including those owned through PT Commerce Kapital that amounting to 1.02%, which makes CIMB Niaga part of one of the leading universal banking groups in ASEAN.

CIMB Niaga encourages the community to grow together and take advantage of the potential that exists in the Southeast Asia region, according to the brand positioning of CIMB Group, "ASEAN For You."

Currently, CIMB Niaga has 13,185 employees who provide comprehensive banking services in Indonesia by combining strengths in retail banking, Small Medium Enterprise (SME) and corporate, as well as payment transaction services. This merger resulted in CIMB Niaga becoming the 5th largest bank in terms of assets, financing, credit, and wide network of branches.

With a commitment to integrity, the perseverance to place customers first, and a spirit to excel, CIMB Niaga will constantly take advantage of all available strength to create synergies from the merger. These are the core values of CIMB Niaga and are a prerequisite for a very promising future.



CIMB Niaga Organization Scale [G4-9]	
Assets (Rp trillion)	241.57
Equity (Rp trillion)	34.21
Liabilities (Rp trillion)	207.36
The Number of Permanent Employees	13,185
Total Bank Offices	
• Branch Offices	521
• Cash Office and Payment Point	54
• Cash Cars	20
ATM Machines (Unit)	3,865

*As of December 31, 2016

Vision Mission [G4-56]

Vision

“To be the Leading ASEAN Company”

Mision

“To provide universal banking services in Indonesia as a high-performing, institutionalised and integrated company located in ASEAN and key markets beyond, and to champion the acceleration of ASEAN integration and the region’s links to the rest of the world”

“The Bank’s Vision and Mission statements are effective as of 1 January 2015, as previously approved by the Board of Directors on 14 Oktober 2014 and by the Board of Commissioners on 31 October 2014. The Bank’s Vision and Mission statements, including the core corporate values, are reviewed every 5 years, or according to the needs of the Bank as stated in the Corporate Basic Policies.”

Corporate Culture [G4-56]

3 Key Behaviors



Go the extra mile to delight customers



Respect each other, engage openly and work together



Recognise each other's efforts and always back each other up



Key Values [G4-56]

Key Values

“C-H-E-S-I”

C Customer-centric,

Best possible customer service and products

H High Performance,

work hard and right on target to our customers, fellow employees and other stakeholders

E Enabling People,

Encourage all parties at CIMB Niaga to be broad-minded, and ensure that all employees have the ability to be effective and efficient

S Strength in Diversity,

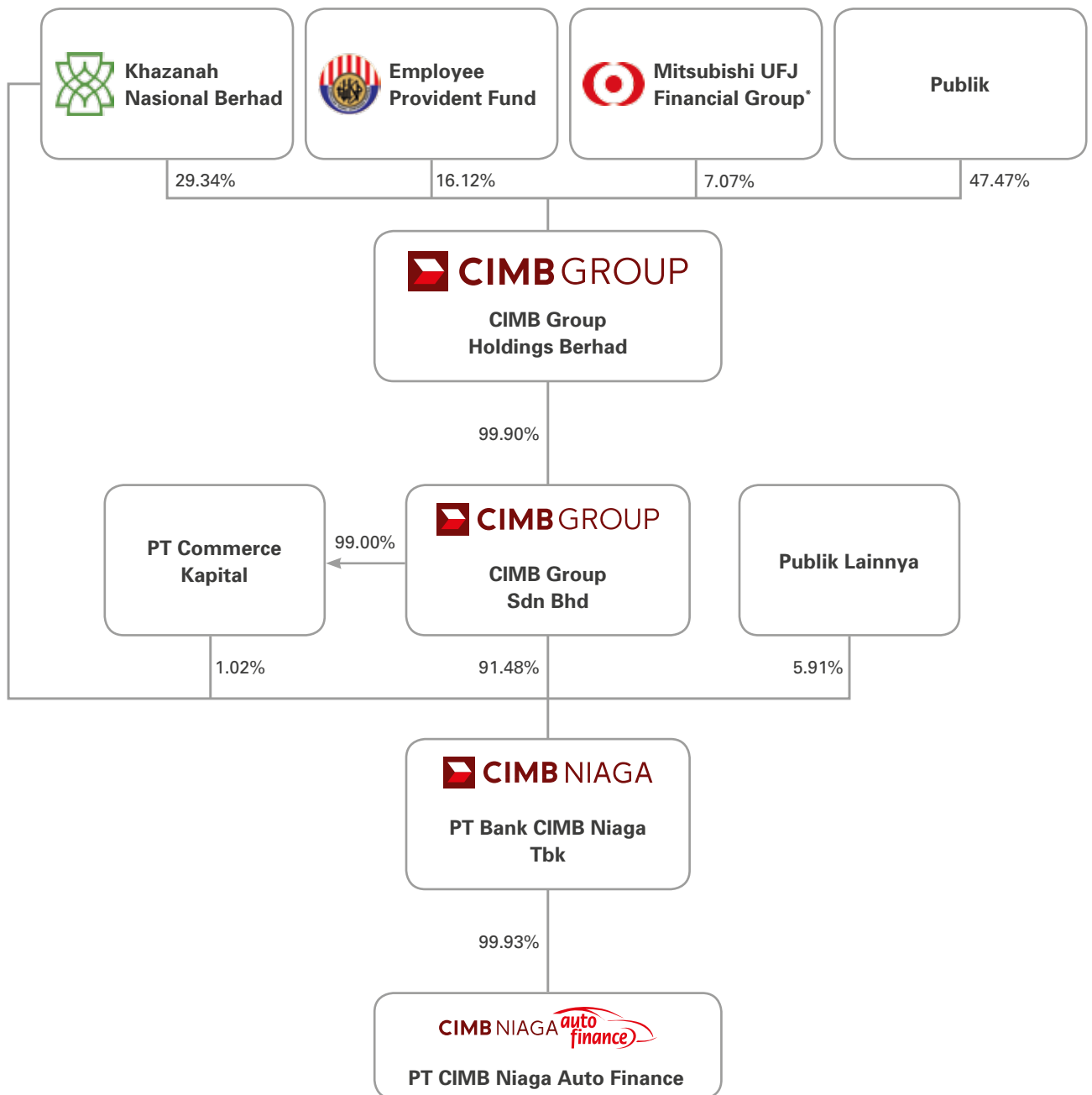
Respect cultural differences and differences in perspectives, and recognize all differences as potential strengths

I Integrity,

To be honest, honorable and professional in all that we do; to view integrity as CIMB Niaga's most fundamental value

The Vision, Mission and Basic Values of the Company has been approved through the Board of Directors Meeting Minutes dated 14 October 2014 and the Board of Commissioners Circular No. 004/DEKOM/KP/X/2014 dated 31 October 2014.

Group Structure



* Including 4.65% ownership through Bank of Tokyo - Mitsubishi UFJ, Ltd.

CIMB Niaga Auto Finance Profile (Subsidiary)

PT CIMB Niaga Auto Finance

PT CIMB Niaga Auto Finance

Menara Sentraya 28th Floor

Jalan Iskandarsyah Raya No 1A

Kebayoran Baru, Jakarta Selatan 12160

Tel : (+62-21) 2788 1800

Fax : (+62-21) 2788 1900

Website : www.cnaf.co.id

Vision

To be a prominent finance company in Indonesia through creating additional value and providing the best service for the customers and business partners.

Mission

Kami berkomitmen untuk menjadi Perusahaan Pembiayaan Kendaraan terkemuka yang memberikan nilai terbaik bagi seluruh *stakeholders* melalui pelayanan yang terbaik kepada pelanggan, hubungan kemitraan yang kuat dan saling menguntungkan, sumber daya manusia yang berkualitas serta berkontribusi kepada masyarakat.

Profile

PT CIMB Niaga Auto Finance (formerly PT Saseka Gelora Leasing) was established in 1981 with the main focus of business initially on leasing services. Along with the business expansion into the multifinance business in 1993 which included consumer finance, factoring and leasing, the company changed its name to PT Saseka Gelora Finance (SGF).

In 1996, PT Bank CIMB Niaga Tbk (formerly PT Bank Niaga Tbk) became the major shareholder of the Company and the portion of shares owned by PT Bank CIMB Niaga Tbk continued to increase up to 96% in 2007. As a follow up to the plan of PT Bank CIMB Niaga Tbk to expand its consumer finance business in Indonesia, in October 2009 SGF undertook a significant change in its business focus from previously leasing business to consumer financing, particularly automotive leasing.

In 2010, PT Bank CIMB Niaga Tbk increased its share ownership in SGF to 99.99% and the remaining 0.01% is owned by PT Citra Niaga Management (NMC). In June 2010, PT Saseka Gelora Finance changed its name to PT CIMB Niaga Auto Finance (CNAF), followed by a change of logo.

In December 2015, the shareholders through the Extraordinary General Meeting of Shareholders (EGMS) of CIMB Niaga approved the merger of PT Kencana Internusa Artha Finance (KITAF) into CNAF. The merger is effective on January 1, 2016 following approval by the Financial Services Authority (OJK) and the Ministry of Law and Human Rights (Kemenkumham). This merger aims to create a bigger and stronger automotive financing company, as well as to be able to offer its customers with more comprehensive products and services. In March 2016, the KPM business unity of CIMB Niaga was merged into CNAF in line with the parent company's strategic initiatives to reinforce its autoloan business line in order to expand its business network and increase its customer base.

Composition of Management

Board of Commissioners

Wan Razly Abdullah	: President Commissioner
Budiman Tanjung	: Commissioner
Koei Hwei Lien	: Commissioner
Serena K. Ferdinandus	: Independent Commissioner
Hidayat D. Prawiradilaga	: Independent Commissioner

Board of Directors

Ir. Purwadi Indra Martono	: Director
Drs. H. Harijanto	: Director
Ristiawan Suherman	: Director
Ivan Kawito	: Director

Subsidiaries and Joint Ventures

The Company's subsidiary is PT CIMB Auto Finance with address at Menara Sentraya, 28th floor, Jl. Iskandarsyah Raya No 1 A, Kebayoran Baru – Jakarta Selatan 12160, Telp: 021-27881800 ext. 920 Fax : 021-27881900 with share ownership of 99.93%. The subsidiary engages in the business of financing with total assets of Rp6,716,915,095,175.

Company participation in joint venture companies is as follows:

Name	Address	Operasional Status	% Ownership	Line of Business	Total Assets (million Rp)
Bank Muamalat Indonesia	Muamalat Tower, 18th floor Jl. Prof. Dr. Satrio, Kav. 18 Jakarta 12940	Active	0.13%	Sharia Banking	55,851,770
Sarana Aceh Ventura	Jl. Tgk. Syech Muda Wali No. 39 Banda Aceh 23242	Active	1.46%	Non-Bank Financial Institution	17,063
Sarana Bali Ventura	Jl. Diponegoro No. 150 Komplek IDT / Ruko Genteng Biru Blok B 23-24 Denpasar	Active	4.68%	Joint Venture	43,253
Sarana Bhakti Ventura	-	Non-Active	2.71%	Joint Venture	-
Sarana Jambi Ventura	Jl. Kapten Pattimura No. 119 Jambi 36129	Active	2.24%	Joint Venture	33,350
Sarana Jateng Ventura	Jl. Taman Sompok No. 18 Semarang 50249	Active	3.44%	Joint Venture	58,607
Sarana Jatim Ventura	Jl. Jemur Andayani No. 33 Surabaya 60237	Active	5.81%	Joint Venture	146,281
Sarana Kalbar Ventura	Jl. M. Sohor No. 9 AB Pontianak 78121	Active	2.45%	Joint Venture	56,085
Sarana Lampung Ventura	Jl. Diponegoro No. 69A Gulak Galik, Bandar Lampung	Active	2.53%	Joint Venture	57,469
Sarana Maluku Ventura	Jl. Kakyali – Tanah Tinggi Ambon 97123	Active	2.73%	Joint Venture	2,513
Sarana Papua Ventura	Jl. Santosa, Tasangkapura No. 20 Jayapura, Papua 99223	Active	5.63%	Joint Venture	8,115
Sarana Riau Ventura	Komp. Perkantoran Grand Sudirman Blok A-3 Jl. Datuk Setia Maharaja (d/h Parit Indah) Pekanbaru – Riau	Active	1.36%	Joint Venture	36,966
Sarana Sulsel Ventura	Jl. Faisal Raya, No. 14 Makassar	Active	5.13%	Joint Venture	33,167
Sarana Sulut Ventura	Kompleks Pasar Segar Blok RC-17 Paal Dua Jl. Yos Sudarso Manado	Active	2.85%	Joint Venture	13,305
Sarana Sumbar Ventura	Gedung Rangkiang Ventura Jl. Khatib Sulaiman No. 9 Kav. 5 s/d 7 Padang, Sumatera Barat	Active	3.51%	Joint Venture	127,553
Sarana Sumsel Ventura	Jl. Angkatan 45 F-27 Pakjo Palembang- Sumsel	Operations Frozen	3.58%	Joint Venture	-
Sarana Surakarta Ventura	Jl. M. Saleh Werdisastro No. 1 Surakarta 57133	Active	1.85%	Joint Venture	49,383
Sarana Yogya Ventura	Jl. Yos Sudarso 25 Kotabaru Yogyakarta 55224	Active	3.95%	Joint Venture	57,184
Others (< 100,000 shares) in accordance with Audited Financial Statements	-	Active	0.05% – 1.56%	Financing Company	-

CIMB Group Profile (Holding)

CIMB Group Holdings Berhad
Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel : 603 2261 8888
Fax : 603 2261 8899
Website : www.cimb.com

Vision

To be the leading ASEAN company.

Mission

To provide universal banking services as a high-performing, institutionalised and integrated company located in ASEAN and key markets beyond, and to champion the acceleration of ASEAN integration and the region's links to the rest of the world.

Profile

The CIMB Group is one of the leading universal banking institutions in ASEAN and one of world's main players in sharia banking. CIMB Group is headquartered in Kuala Lumpur, Malaysia, and offers consumer banking, commercial banking, investment banking, Islamic banking and asset management products and services. Currently, CIMB Group is the fifth largest banking group by assets in ASEAN and as at the end of 2016, has around 39,000 employees and approximately 12 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and was one of the largest companies at the end of 2016 with a market capitalization of RM40.0 billion. Total assets at the end of 2016 were RM485.8 billion, with total shareholders' funds of RM45.3 billion and total Islamic assets of RM82.8 billion. Major shareholders at the end of 2016 were Khazanah Nasional with 29.34%, Employees Provident Fund (EPF) with 16.12%, and Mitsubishi UFJ Financial Group with 7.07% (including 4.65% of the shares through Bank of Tokyo – Mitsubishi UFJ, Ltd).

Board of Directors

Dato' Sri Nazir Razak	Chairman/Non-Independent Non-Executive Director
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	Group Chief Executive Officer/ Executive Director
Datuk Mohd Nasir Ahmad	Senior Independent Director
Glenn Muhammad Surya Yusuf	Independent Director
Watanan Petersik	Independent Director
Robert Neil Coombe	Independent Director
Hiroaki Demizu	Non-Independent Non-Executive Director
Joseph Dominic Silva	Non-Independent Non-Executive Director
Teoh Su Yin	Independent Director
Dato' Lee Kok Kwan	Non-Independent Non-Executive Director
Mohamed Ross Mohd Din	Independent Director

Awards and Certifications



Asset Asian Awards 2016

Unicharm: Best Trade Finance Solution Indonesia

The Asset Asian Awards

Asset Asian Awards 2016

Best E-Solutions Partner Bank Indonesia

The Asset Asian Awards

MoneyGram Awards

Best Agent of the year

MoneyGram

Market Conduct 2015 Awards

Financial Services Company that Have Implemented the Principles of Consumer Protection in Financial Services Sector based on the 2015 Self Assessment

OJK Award 2015

Green Office Competiton Award

Awarded Green Office Award 2016

PT Grahaniaga Tautama

The 8th Annual Global CSR Summit & Awards 2016

Excellence in Provision of Literacy & Education Awards

The Pinnacle Group International

Nusantara CSR Awards 2016

Health Improvement Category Provision of Health Facilities Program

The La Tofi School of CSR

Nusantara CSR Awards 2016

The Best Program Provision of Health Facilities Program for Health Improvement Category)

The La Tofi School of CSR

Indonesian Green Awards

Category of Biodiversity Development

The La Tofi School of CSR

Sustainable Business Awards Indonesia 2016

Best New Comers

Global Initiatives

Asset Asian Awards 2016

Editors' Triple Star

The Asset Asian Awards

Asset Asian Awards 2016

Best Cash Management Bank Indonesia

The Asset Asian Awards

Asset Asian Awards 2016

Best Electronic Banking Implementation Indonesia

The Asset Asian Awards

Asset Asian Awards 2016

Best Cash Management Solution Indonesia

The Asset Asian Awards

Asset Asian Awards 2016

Transaction Banker of the year - Indonesia

The Asset Asian Awards -

Apresiasi CSR 2016

Awards in Social Category

Koran Sindo

Apresiasi CSR 2016

Awards in Social Category

Koran Sindo

Indonesia Best Banking Brand Award 2016

The Winner of Best Banking Brand 2016 for Most Reliable Title Category Syariah

Warta Ekonomi

Indonesia Best Banking Brand Award 2016

The Winner of Best Banking Brand 2016 for Consumer Choice, Best Digital, Best Service, Most Reliable, and Best Performance Title

Category Swasta Nasional Devisa

Warta Ekonomi

Housing Estate Awards 2016

The Highest Growing Bank on Primary Market Mortgage

Housing Estate Magazine

About This Report





FORWARD YOUR DESTINATION **the future is your motivation...**

This Sustainability Report is presented to the stakeholders of CIMB Niaga as an implementation of corporate responsibility in the areas of economy, governance, social and community, product responsibility, employees as well as for the environment in which we operate.

About This Report

CIMB Niaga has published a Sustainability Report since 2011, informing stakeholders of CIMB Niaga about the implementation of Corporate responsibility to the environment, social community, customers, and human resources as the application of Good Corporate Governance principles.

This Sustainability Report complements the issuance of the Company's Annual Report 2016 as a form of regulatory compliance to the Financial Services Authority (FSA) through Decision (SK) of the Chairman of Bapepam-LK No. KEP-431/BL/2012 dated August 1, 2012.

Guidelines for Preparation

This Sustainability Report is prepared in accordance with the criteria of the annual report, established by the Government and Guidelines for Preparation of the Sustainability Report, published by the Global Reporting Initiative 4th Generation or GRI-G4, with the option of presenting the 'in-accordance core' for the material aspects. [G4-32]

Scope of the Report

Coverage of data and information presented in this report are the policies and performance of CIMB Niaga in Indonesia, which have significantly greater social, economic and environmental impacts than those of the operating subsidiaries and overseas locations.

This report includes only CIMB Niaga (bank) sustainability performance, excludes the subsidiaries, except for consolidated financial performance. The 2016 CIMB Niaga

Annual Report includes the performance of subsidiaries, namely PT CIMB Niaga Auto Finance (CNAF). [G4-17]

In the activities, products, and services that organized by CIMB Niaga, there are suppliers of goods and services, primarily to support the operation of the Bank, including stationery, building maintenance services, information of technology and consulting services and more. However, there are no core banking activities that use the services of a third party.

The Determination Process of the Report Content

The contents of this Sustainability Report include data and information on the various initiatives and sustainability programs in the economic, environmental, and social areas that are conducted by CIMB Niaga based on the material aspects. The material aspects presented in this Report are the same as the material aspects presented in the Sustainability Report 2015, with the consideration that they are still relevant to the conditions in 2016.

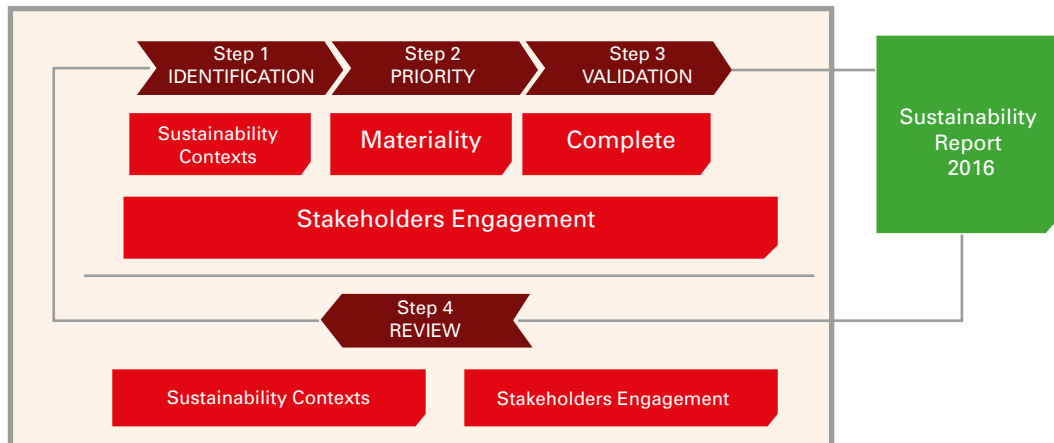
Selecting the material aspect begins with the identification of the material aspects and boundary, followed by establishing the priority level of material aspects, and then conducting validation of these aspects.

Furthermore, in determining the Report content, we apply 4 (four) principles that are implemented across the entire process, namely the involvement of stakeholders, materiality, sustainability context, and completeness, in accordance with the GRI G4 Guidelines. Below is a table listing of the material aspects presented in this report.

[G4-18]

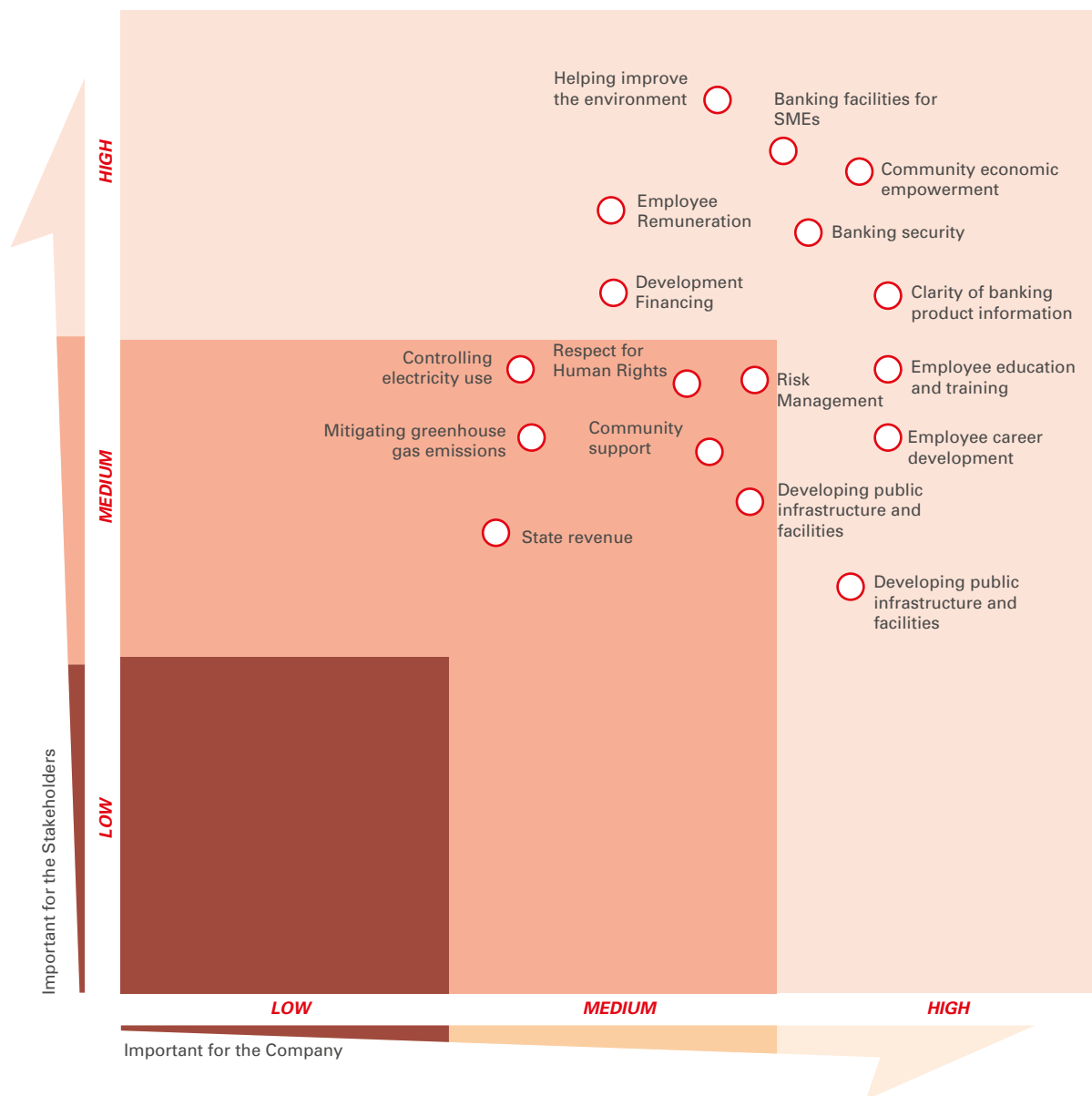
About This Report

Report Content Determination Flowchart



About This Report

Materiality Matrix for Sustainability Topic



About This Report

List of Material Aspects and Limitations

The following is Material Aspects and Boundary Table in this report.

No	Aspect	Aspek yang dilaporkan [G4-19]	Boundary			Chapters in This Report
			CIMB Niaga	Community	Customer	
1.	Banking facilities for SMEs	Product Portfolio	√			Economic Sustainability
2.	Community Economic Empowerment	Local Communities	√	√		CIMB Niaga Cares
3.	Support on environmental improvement	Local Communities	√	√		CIMB Niaga Peduli
4.	Development financing	Economic Performance and Indirect Economic Impact	√	√		Economic Sustainability
5.	Equality of opportunity between genders	Employment	√			CIMB Niaga's People
6.	Employee Remuneration	Employment	√			CIMB Niaga's People
7.	Banking Security	Customer Privacy	√		√	CIMB Niaga for Customers
8.	Clarity of Information on banking products	Labeling of Products and Services	√		√	CIMB Niaga for Customers
9.	Training and Education for Employees	Education and Training	√			CIMB Niaga's People
10.	Development of infrastructure for public	Local Communities	√	√		CIMB Niaga Cares
11.	Environmental	Material and Energy	√			Environmental Sustainability

Significant Changes Compared to the Previous Year

This Sustainability Report contains 8 material aspects in 11 topics, while in the previous report there were 14 aspects, due to considerations of relevance and significance to the sustainability of CIMB Niaga. Some aspects that were no longer presented in this report were the assessment on labour, assessment on vendors' human rights, freedom of association and PKB, and emissions. [G4-23]

There were no significant changes to the overall operation of CIMB Niaga during the reporting period that might affect the economic, social, and environment [G4-13]

Taking this condition into consideration, then there was no restatement of data and information which have been published in previous sustainability reports. [G4-22]

Contact Point [G4-31]

Corporate Secretary
Graha CIMB Niaga,
Jl. Jend Sudirman Kav. 58,
Jakarta 12190, Indonesia
Tel. (62-21) 250 5252, 250 5353
Fax. (62-21) 250 5205

Joint Messages from the President Director and President Commissioner [G4-1]

CIMB Niaga is not only growing well as a business entity but also contributing to the success of inclusive development program launched by the Government. In line with the Government's program, CIMB Niaga provides funds for infrastructure development, supports the Indonesian SMEs and implements governance beyond compliance.



Dear Stakeholders,

In 2016, Indonesia's moderate economic growth of 5.02% is a reflection that the global economy has not yet fully recovered from the most recent round of systemic shocks. These global headwinds have weakened the demand for Indonesia's mainstay commodity exports, causing the growth of national economy to remain relatively stagnant and impacting the overall growth of the Financial Services Industry in Indonesia.

Financial markets grew at slower pace coercing banks to compete on pricing and improving the quality of financial products and services provided to the public. In response to this, CIMB Niaga implemented the value strategy to improve our featured products, increase operational cost efficiency, create digital services, and strengthen the risk management culture throughout the organization.

With this approach in 2016, CIMB Niaga recorded a steady financial growth in nearly all areas. Better collaboration amongst our business units resulted in our loan portfolio growing to Rp180.16 trillion and the bank's assets achieving Rp241.55 trillion. The principle of prudence and risk management has been implemented consistently, enabling the Company to maintain its Capital Adequacy Ratio (CAR) in 2016 to 17.96% from 16.28% the previous year and its ratio of Non-Performing Loans (NPL) within predetermined limits.

Supporting Development

CIMB Niaga is growing steadily as a business entity and it also contributes to the success of the Government's Inclusive Development program. In line with this initiative, CIMB Niaga has provided financing for the construction of power plants worth USD145 million and toll road projects worth Rp1 trillion, both of which helped to support better and more diverse economic growth throughout Indonesia.

In the Small and Medium Enterprises (SME) sector, CIMB Niaga has disbursed loans amounting to Rp34.5 trillion or 19% of our total loan portfolio. Loans to SMEs are distributed by the Company through its network of 634 bank branches throughout Indonesia. The Government, with the Bank's support, actively drives and facilitates development of the SME sector to ensure broad spread of participants to ensure the benefits of development achieves a more equitable distribution in growth.

In 2016, CIMB Niaga was appointed by the Government as one of the banks to accept redemption money payments

under Government's Tax Amnesty program. Under this initiative, the Company extended its support through the organizing seminars, socialization and educational events to customers, especially those enrolled in the tax amnesty program. In executing this program last year, CIMB Niaga held 55 of these tax amnesty socialization programs for more than 6,000 customers in 25 cities.

Implementation of Corporate Social and Environmental Responsibility

The Company's contribution towards the building of the country is also realized through the implementation of our Corporate Social and Environmental Responsibility (CSR) program. Our intention is to compliment the growth of the business with social development and environmental protection activities for the benefit of public welfare.

CIMB Niaga Peduli is company's coordinating program, which contributes to selected CSR activities through its four pillars of activity: education, community development and empowerment, the environment, and philanthropy. In 2016, CIMB Niaga distributed Rp5 billion of scholarships to 286 beneficiaries to support their tertiary education. We consider education a significant vehicle in the creation of sustainable benefits to society for the foreseeable future.

Providing Equal Opportunity

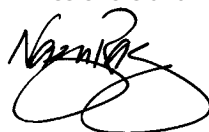
As a business that places great emphasis on diversity, CIMB Niaga seeks to provide equal opportunities across all levels of society. Since 2015, the Company has provided employment opportunities for the disabled. There are now 51 people with disabilities working at the Company. CIMB Niaga's collaboration with Yayasan Mitra Netra to support the empowerment of people with disabilities to reinforce their role in society.

Challenges in the Future

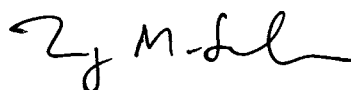
The continuation of highly-vulnerable global economic conditions remains a key challenge for the Company going forward. However, we are confident that with our more than 60 years of experience, CIMB Niaga will continue its trajectory of growth on the foundation of our business and combined with the advantage of being a part of the CIMB Group with its regional coverage throughout ASEAN.

Capitalising on the growth potential of Indonesia, the largest economy in the ASEAN region, CIMB Niaga will continue its efforts to realize the aspiration of the people of Indonesia – *Forward Your Aspiration*.

On behalf of the Board of Commissioners and Board of Directors of CIMB Niaga



Dato' Sri Nazir Razak



Tigor M. Siahaan

Sustainable Governance





The implementation of Good Corporate Governance is the Company's commitment in providing added values and improving the confidence of all stakeholders.

◎ Sustainable Governance



The Company's commitment in implementing good governance is beyond compliance, in that good-governing will transform the values of the Company to achieve maximum value for shareholders and other stakeholders.

In implementing a Good Corporate Governance (GCG), CIMB Niaga is guided by legislation, existing provisions derived from the regulators, which are the Financial Services Authority (FSA), Bank Indonesia (BI), and the capital market authorities, as well as best practices or other common practices.

Included in the best practices are the criteria from the National Committee on Governance (NCG) as well as from international institutions such as the Organization on Economic Cooperation and Development (OECD), The ASEAN Corporate Governance Scorecard of the ASEAN Capital Market Forum, and the Principles for Enhancing Corporate Governance issued the Basel Committee on Banking Supervision.

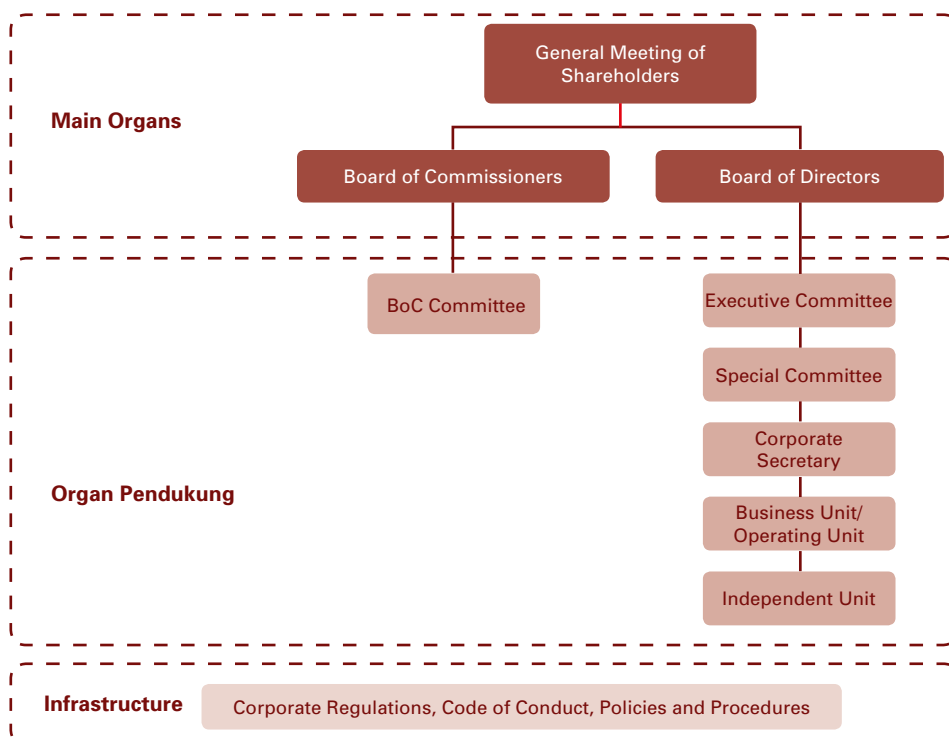
CIMB Niaga implements GCG with the spirit of serving from the heart in a consistent and transparent way so as to provide added value and increase the confidence of stakeholders in the Company's efforts in running the business strategy. Governance objectives are:

1. To create a foundation for the Company to have a long-term development
2. To uphold the Company's image
3. To improve the Company's sense of competitiveness
4. To improve investors' confidence in the Company
5. To Increase the value of the Company's shares.

To implement the Corporate Governance, CIMB Niaga has already had and implemented guidelines and internal systems, namely Vision, Mission, Core Values, Code of Ethics, Basic Policies for Corporate and guidelines and best practices of Corporate Governance, Charter and Guidelines of Working, and Complaints Handling System (Whistle Blowing System). All these initiatives have been communicated throughout the organization.



Organs of the Company



Organs of the CIMB Niaga Governance [G4-34]

Sustainability Governance

As a Limited Liability Company, CIMB Niaga has company organs, clarity, and separation of duties and responsibilities, mechanisms and flow of decision-making as well as reporting within the organs in CIMB Niaga with reference to the Articles of Association, and all conducted in accordance with applicable regulations.

Implementation of corporate governance is seen from the interaction of all organs of the Company, which in the governance structure CIMB Niaga's major organs consists of a General Meeting of Shareholders (GMS), the Board of Commissioners and Board of Directors, with the GMS having the highest authority. [G4-35]

1. Shareholders

A shareholder is an individual or entity as the owner of the capital with certain rights and responsibilities in accordance with laws and regulations. The Company has an obligation to protect the rights of shareholders and maintain business continuity.

2. The General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is a forum for shareholders to make decisions in accordance with the rules and regulations. The decisions taken at the GMS include approval of annual reports, the appointment and dismissal of the Board of Directors or Board of Commissioners, and approval of significant corporate actions.

3. The Board of Commissioners

The Board of Commissioners has a collegial duty and responsibility to supervise policies, the management of the Company and provide advice to the Board of Directors in accordance with prevailing regulations.

To facilitate the tasks, the Board is supported by committees at the level of the Board of Commissioners of:

1. Audit Committee
2. Risk Oversight Committee
3. The Nomination and Remuneration Committee
4. Integrated Governance Committee

4. The Sharia Oversight Board

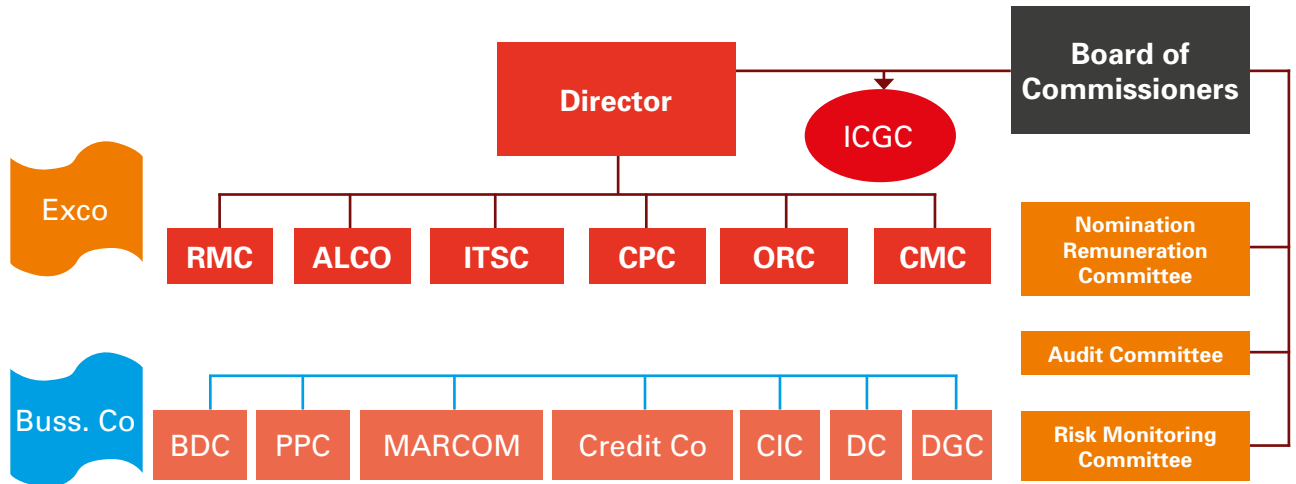
The Sharia Oversight Board is tasked to provide counsel and advice to the Board of Directors and oversee that the Sharia Business Unit operates in accordance with Sharia principles.

5. The Board of Directors

The Board of Directors has a collegial and collective duty and responsibility with duties and responsibilities, as well as authorities of each corresponding field. To facilitate the tasks, the Board of Directors is supported by committees at the level of the Board of Directors which consist of:

- a. Executive Committee:
 - i. Asset & Liability Committee (ALCO)
 - ii. Credit Policy Committee (CPC)
 - iii. Information Technology Steering Committee (ITSC)
 - iv. Risk Management Committee (RMC)
 - v. Operational Risk Management Committee (ORC)
 - vi. Capital Management Committee (CMC)
- b. In addition to the Executive Committee which is compulsory (mandatory) as mentioned above, the Board of Directors is also authorized to establish a Business Committee as needed by the Bank, which is a special committee established by the Director in charge (related to a particular aspect concerning the Director) or a Director specifically appointed (hereinafter referred to as "Designated Director").

Sustainability Governance

THE COMMITTEE'S STRUCTURE^{*)}**ExCo:**

ALCO: Assets and Liabilities Committee
 ITSC: IT Steering Committee
 EMC: Risk Management Committee
 CPC: Credit Policy Committee
 ORC: Operational Risk Committee
 CMC: Capital Management Committee

ICGC: Integrated Corporate
 Governance Committee

BussCo:

BDC: Business Development Committee
 PPC: Personnel Policy Committee
 MARKOM: Marketing Committee
 Credit Committees: includes Executive CC,
 NPL Committee, Asset Quality Committee
 (AQC)
 CIC: Capital Investment Committee
 DGC: Data Governance Committee
 DC: Disciplinary Committee

Note:

^{*)} Registered Committee in Corp. Affairs;
^{*)} Excluding Steering Project Committee;
^{*)} Excluding Sub-committee

Sustainability Governance

Details regarding job descriptions, responsibilities and authority as well as the implementation of the committee tasks of CIMB Niaga in 2016 can be found in the Annual Report 2016 CIMB Niaga, in the Corporate Governance section.

Composition of the Board of Commissioners of CIMB Niaga per December 31, 2016

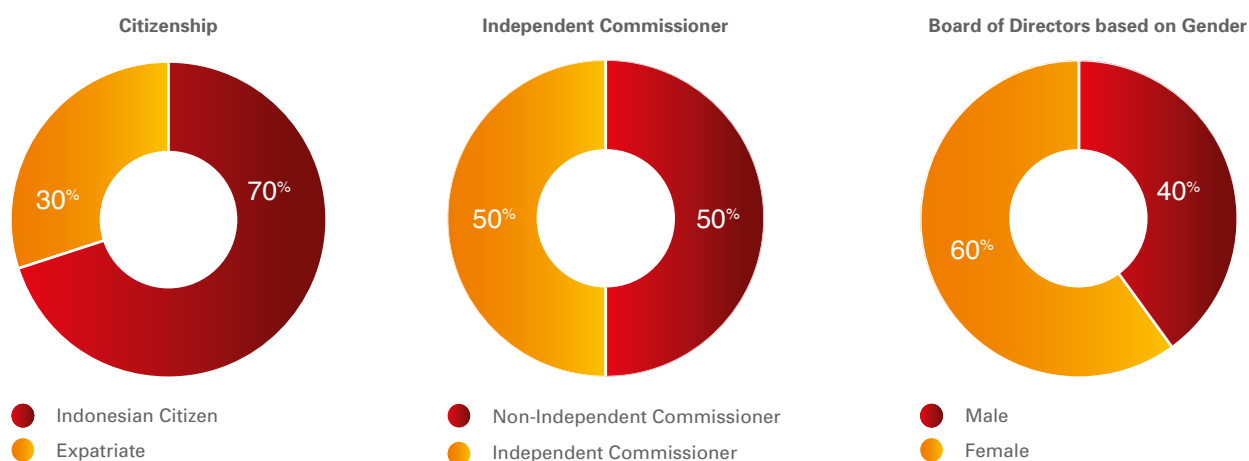
No.	Name	Position
1	Dato' Sri Nazir Razak	President Commissioner
2	Glenn Muhammad Surya Yusuf	Vice President Commissioner
3	Zulkifli M. Ali	Independent Commissioner
4	Pri Notowidigdo	Independent Commissioner
5	Armida S. Alisjahbana	Independent Commissioner
6	Jeffrey Kairupan	Independent Commissioner
7	Ahmad Zulqarnain Onn	Commissioner
8	David Richard Thomas	Commissioner

Composition of the Board of Directors of CIMB Niaga per December 31, 2016

No.	Name	Position
1	Tigor M. Siahaan	President Director
2	Wan Razly Abdullah	Strategy & Monetary Director
3	Rita Mas'Oen	Operational & Information Technology Director
4	Megawati Sutanto	Credits Director
5	Vera Handajani	Risk Management Director
6	John Simon	Treasury & Stock Exchange Director
7	Lani Darmawan	Consumer Banking Director
8	Fransiska Oei	Compliance, Corporate Secretary & Legal Director
9	Hedy Lopian	Human Resource Director
10	Pandji P. Djajanegara	Sharia Banking Director

Sustainability Governance

The diversity of the BOC and BOD CIMB Niaga per December 31, 2016 [G4-38]



Evaluating the Corporate Governance Implementation

CIMB Niaga evaluates the implementation of Corporate Governance periodically to evaluate the level of implementation of the governance criteria and identify opportunities for improvement.

Evaluation was carried out independently by the CIMB Niaga or by external parties.

- a. Self assessment of Corporate Governance is in accordance with the Financial Services Authority
CIMB Niaga conducts its own assessment regarding the implementation of good governance in each semester according to Bank Indonesia Circular Letter No.15/15/DPNP Year 2013 on Implementation of Good Corporate Governance (GCG) for Commercial Banks.

RESULT OF SELF ASSESSMENT REGARDING THE IMPLEMENTATION OF GCG Posisi: Desember 2016		
COMPANY (Individual)	2	Good
CNAF	2	Good
Ranked # 2 (Good) reflects that the Company's management has implemented GCG which is generally good and the fulfilment of the corporate governance principles is adequate.		

- b. Self assessment of Corporate Governance in accordance with ASEAN Corporate Governance Scorecard
In addition to the effort of implementing the Corporate Governance according to the prevailing regulations, CIMB Niaga has also conducted a series of standard corporate governance improvements, among others, to fulfil the criteria and the assessment categories of Corporate Governance in accordance with ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

In 2016, CIMB Niaga conducted a self assessment on the implementation of the ASEAN CG Scorecard by an external party, which is at the national level by the Indonesian Institute for Corporate Directorship (IICD), and at the regional level (ASEAN) by the ASEAN Capital Markets Forum (ACMF).

In the results of the assessment carried out through the 7th IICD Corporate Governance Conference & Award "in Jakarta, CIMB Niaga again achieved the highest award of "The Best Overall" which was also won the year before.

Sustainability Governance

While at the regional level, the assessment ACMF in the “ASEAN Corporate Governance Award 2015” in Manila, Philippines, CIMB Niaga won two categories of awards, namely (i) Top 50 ASEAN Public Listed Companies, and (ii) Top 3 Public Listed Companies. This achievement is an appreciation from independent parties in the ASEAN region for the Company which was regarded to have successfully implemented the principles and practices of good corporate governance in the company.

A more detailed description of the implementation of the CIMB Niaga’s CGC can be read in CIMB Niaga Annual Report 2016 in the Corporate Governance Report.

Risk Management

CIMB Niaga applies risk management as part of Good Corporate Governance implementation which based on the requirements and procedures as stipulated in the regulatory provisions that governs the Implementation of Risk Management for Commercial Banks.

The Company manages several major risks such as credit risk, market risk, interest rate risk in the banking book, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk, which are in line with the types of risks that must be mitigated by the Company in risk profile assessment. Especially for Sharia Business Unit (UUS) there are two types of additional risks, namely rate of return risk and investment risks, based on the POJK No. 65/POJK.03/2016, dated December 23, 2016, on the Implementation of Risk Management for Islamic Banks and Sharia Business Unit, and in compliance with FSA Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerate, the Company also manages the intragroup transaction risks.

The implementation of risk management is conducted in conform with the Enterprise-Wide Risk Management (EWRM) framework by referring to the best practices in the industry, as well as in accordance with the directives from the regulator. One of the main components of the EWRM framework is the implementation of strong governance in the management of the Company aims to improve the implementation of four eyes principle and transparency in the whole process of risk management.

In its management, the Company uses Three Line of Defenses in the implementation of EWRM framework, which serves as the basis for the implementation of risk culture throughout CIMB Niaga. Thus, in line with this approach, risk management has to be the responsibility of all employees and units in the Company.

The risk management culture in CIMB Niaga was built and reinforced continuously with a balanced approach from top down and bottom up. Began with the tone from the top, where the senior management should exemplify the code of conducts and communicate the strategy and mission statement. Meanwhile, at the employee level, it is facilitated through sharing session and learning modules and socialization of risk management through training and e-learning. **[G4-45]**

With this approach, not only the risk control units that have a better understanding of risk management, but all employees too, in accordance with their respective fields.

A more in-depth explanation of the risk management can be found in the Risk Management section of this 2016 Annual Report.

Application of the Precautionary Principles [G4-14]

In accordance with the provisions of legislation, CIMB Niaga has an obligation to protect customers’ funds entrusted to the Company. In doing so, the Company has been conducting business activities to ensure the security of the Bank can be maintained, to ensure sharia funding is in accordance with the rules and not detrimental to the Bank or its customers, as well to explain the risk of transactions to customers.

Implementation of Anti-Money Laundering and Combating the Financing of Terrorism (AML and CFT)

The Financial Services Industry, particularly banks with a variety of products and services, is highly vulnerable to money laundering and terrorism financing. To prevent these, CIMB Niaga is committed to minimizing the use of its products and services as a medium of money laundering and financing of terrorism by implementing AML and CFT programs in accordance with the provisions of laws and refers to international principles.

Sustainability Governance

The Bank has had and implemented AML and CFT programs which are defined and monitored actively by the Boards of Directors and Commissioners , including:

Policies and procedures for AML and CFT risk-based according to the complexity of the Bank, including the Customer Due Diligence
Formation of Anti-Money Laundering Group (AML Group) responsible for the implementation of AML-CFT
Application of Information Management System for implementation of AML and CFT
Training of AML and CFT to employees
Internal Control to evaluate the adequacy and effectiveness of the AML and CFT programs
Reporting to the relevant regulators in the framework of the implementation of AML and CFT

To prevent of APU and PPT, CIMB Niaga applies Customer Due Diligence for each new customer opening account to determine the identity and status of the customer; updating customer data is done periodically according to risk categories. AML training and socialization are given periodically to maintain the alertness of the Bank office staff.

The Bank also uses the Know Your Employee (KYE) program as part of efforts to prevent AML and CFT as well as fraud. KYE is applied starting from the recruitment process until the end of the period of employment. In general, both in the CDD and KYE, the Bank is always monitoring, analysing and reporting discrepancies in accordance with procedures and regulations. **[G4-15]**

Fraud prevention

The banking business strongly maintains the trust of stakeholders. So as to prevent the occurrence of fraud that could undermine trust, CIMB Niaga seeks to strengthen the integrity of the human resources.

High integrity to maintain and manage clients' funds safely. Integrity can be grown and maintained through the implementation of culture, ethics and fraud prevention. Thus, it can reduce the impact of financial and non financial losses, such as reputation, and loss of public confidence in the Bank.

CIMB Niaga applies Anti Fraud strategies which are interrelated to prevent and mitigate the incidence of fraud within the Company. Strategies and Policies in the prevention and mitigation of fraud are based on Anti Fraud Policy and include: **[G4-DMA]**

Anti Fraud Awareness	<ul style="list-style-type: none"> • Efforts to raise awareness about the importance of preventing fraud by all parties concerned • Training programs for new and existing employees, anti-fraud campaign, email blasts and internal bulletins
Identification of Vulnerability	<ul style="list-style-type: none"> • Risk management process to identify, analyse and assess the potential fraud risks inherent in each activity.
Know Your Employee	<ul style="list-style-type: none"> • Efforts to prevent fraud from the aspect of human resources • Implementing "know your employee" with an increasing supervisor oversight function done consistently and following the principle of prudence in the selection and recruitment process by conducting background checks.

Sustainability Governance

Fraud Prevention Strategies Carried Out

In 2016, CIMB Niaga doubled the Anti Fraud training for employees to improve their understanding and skills of fraud prevention. By implementing this strategy, the number of cases of internal fraud that occurred in the Bank in 2016 decreased by 30% compared to the previous year.

CIMB Niaga's Anti Fraud Training [G4-SO3]

Description	2016	2015	2014
- Anti Fraud training to Employees	5,035	1,175	3,401

Internal Fraud Incidents [G4-SO5]

Description	2016	2015	2014
- The total number and fraud incidents types which were proven	25	36	36
- The number of fraud incidents which were proven where the employee is dismissed or disciplined	25	36	36
- The number of fraud incidents which were proven where counterparty contract was terminated or not renewed	0	0	0
- The number of legal cases related to fraud against an organization or an employee during the reporting period	4	1	3

Whistleblowing System [G4-58]

One embodiment of the Company's commitment to internal control is the exercise of the policy on the handling of complaints or Whistleblowing System (WBS), implemented since 2011.

Below is the mechanism and results of the Whistle Blowing System in 2016.

Reporting Channels

All parties, internal and external, can lodge reports (whistleblowing) of any breach to the Company. CIMB Niaga has provided different reporting channels as follows:

- Email: ayo.lapor@cimbniaga.co.id
- PO Box: PO Box AYO LAPOR JKS 12000
- SMS to: 087829652767 (0878 AYO LAPOR)

The whistleblowers is not required to include identity as well as proof of violations reported. However, if the whistleblowers has evidence in the form of data, information, or an early indication about violations, it can be included when reporting. Each whistleblowers must have a strong reason in reporting a violation or potential violation, and must have a good faith.

Whistleblower Protection

Pursuant to the Company's internal policy, the Company guarantees the confidentiality of the whistleblowers and shall protect the whistleblowers during the reporting period or upon the follow up of reporting by a unit in charge of the investigation. To ensure confidentiality, the name of the whistleblower is only disclosed to and known by the appointed whistleblowing officer.

Whistleblowing Handling

The reports will be analyzed by the whistleblowing officers. Should additional information be required, the whistleblowing officers will initiate a confidential contact with the whistleblowers to request the information. Once the initial information is considered sufficient, the whistleblowing officers submit their report to the Anti Fraud Management Unit (AFM) for investigation to determine the validity of the report.

The whistleblowers will receive further information on the progress of the reported incident up to the conclusion of the follow up. However, if the initial reports are deemed irrelevant to the scope of the whistleblowing program, the whistleblowing officers

Sustainability Governance

will provide a response or notification that no further action will be taken and will inform the whistleblowers of the appropriate units that can follow up the initial report.

Whistle blowing officer must administer the abuse report. For the purpose of supervision, the report results are periodically submitted to the Board of Commissioners through the Audit Committee. This is to ensure continuous monitoring of the handling of whistleblowing investigations and the outcomes. The identity of whistleblowers during the process shall be kept confidential throughout the follow up and oversight process.

Whistleblowing Management

In accordance with the Company's internal policy, the Compliance Unit is currently responsible to manage the whistleblowing reports; specifically, a senior executive in the unit has been appointed to manage the program.

The number of complaints received by WBS in 2016 was increased from 39 to 47 complaints, but the number of adequate complaints forwarded for investigation decreased from seven cases to three cases. This indicates that employees are more open to utilize WBS for reporting but on the other hand the number of infringement cases decreased.

Complaints Received by WBS

Description	2016	2015
- Total reports Received	47	39
- Continued to be investigated	3	7
• Had Been Investigated (Status CLOSED)	3	6
• Had Not Been investigated (Status OPEN)	0	1
- Not Continued (pre-closed)	44	32
- PROVEN based on the results of the investigation	0	1
- PROVEN based on the results of the investigation and related to fraud	0	1

Stakeholders' Involvement

Stakeholders of CIMB Niaga are parties whose role and importance, both directly and indirectly, affect and or is affected by the implementation of Corporate Governance.

CIMB Niaga is committed to conduct stakeholders' involvement to ensure that the interests, rights and obligations of each can be met and Company benefits from this involvement.

The Company has an appropriate method of involvement with each group of stakeholders, with some of the issues raised by certain stakeholders presented in this Sustainability Report. Key stakeholder groups CIMB Niaga are described as follows. [\[G4-25\]](#)

Sustainability Governance

Stakeholders [G4-24]	Base of Determination	Method of Involvement	Purpose	Frequency [G4-26]	Topics Emerging [G4-27]
Customers	Influence of Dependency	Call Center service, branches, phone banking, website, Facebook and Twitter.	To receive complaints/ reports from customers	Any time	<ul style="list-style-type: none"> - Banking financial transaction security. - A clear and transparent socialization and Product Information on banking products. - Banking facilities and ease of access. - Settlement of Customer Complaints in accordance with the Service Level Agreement (SLA).
		Internal Survey of Customers' Satisfaction	To identify customers' satisfaction and improvement aspects needed.	Once in a year by Customer Experience Unit	
		External Evaluation of Customers' Satisfaction	External parties judgment (MRI, Markplus, Trisakti) on performance related to customers' satisfaction.	Once a year by each surveyor.	
		Website & frontliner information	Education on banking finance related to banking products.	When needed	
Shareholders/ Investors	Responsibilities	- Performance Reports Analyst Meeting	To deliver Company's performance.	Quarterly	<ul style="list-style-type: none"> - Update on financial and non financial Activities/Company's important events. (GCG, CSR and Events)
		- Public Expose		At the minimum once a year	
		- Reports to Indonesian Stock Exchange Indonesia (IDX)		Following IDX's rules.	
		General Meeting of Shareholders	To report yearly performance.	At the minimum once a year	<ul style="list-style-type: none"> - Reports on year end's financial and non financial performance. - Related to Company's Structure. - Appointment of Public Accounting Firm - The Use of Company's Profit.
Regulator	<ul style="list-style-type: none"> - Influence - Responsibility 	Submission of Bank Business Plan (RBB) and Realization of RBB to Bank Indonesia and the Financial Services Authority (FSA)	To inform plans and achievements of the Company pursuant to the prevailing rules and regulation	Twice a year	<ul style="list-style-type: none"> - Compliance to the prevailing rules and regulations. - Precautionary principles in banking operation and services of the conventional banking as well as CIMB Niaga Syariah
		Compliance report of Sharia's aspects to National Board of Sharia	To inform level of compliance of Sharia principles.	At the minimum once a year.	
Suppliers	- Dependency	Socialization of the policy (gathering)	To develop partnership with CIMB Niaga's Partners for the supply of goods and service to the Company.	At the minimum once a year.	<ul style="list-style-type: none"> - A mutual relationship with suppliers. - fair and transparent supply process of goods and service.
Employees	- Responsibility	- Internal Media (HR Info, CIMB Net, E-Manual etc) - Town Hall	To socialize policies and strategy of employment	When there is a change in the policy.	<ul style="list-style-type: none"> - Employees' rights - Equality in the chance of career development - Recruitment Process. - Update on Company's Performance. - A valuable and fun working atmosphere.
		Survey of Employees' Satisfaction (EES)	To identify employees' satisfaction and expectation.	Twice a year	
Labor Union	- Influence	Drafting the Collective Labor Agreement	To maintain relationship with the Labor Union.	Periodical meetings (formal and informal)	<ul style="list-style-type: none"> - Employees' rights. - Remuneration and Incentives - Update on Company's Performance.
General Public	<ul style="list-style-type: none"> - Responsibility - Social Care 	Execution of CSR Program	<ul style="list-style-type: none"> - Education on Banking (financial literacy). - Help improve people's welfare. 	When needed and follow the CSR program	<ul style="list-style-type: none"> - Equality in CSR's funding and cooperation. - Access of information to Company's CSR program.

Sustainability Governance

External Association Membership [G4-16]

CIMB Niaga actively participates in various associations relevant to the Financial Services Industry in Indonesia and views the participation in such associations as a strategic initiative to support the activities of the Company. CIMB Niaga joined in:

1. The Association of Commercial Banks (Perbanas)
2. Indonesian Listed Companies Association (AEI)
3. Indonesian Bankers Association (IBI).

Procurement of Goods and Services

Banking operations need the support of goods and services obtained from suppliers and vendors. The Company has a policy related to Procurement of Goods and Services for all procurement activities performed by the working units in the Company, both Conventional and Sharia.

This policy is also one embodiment of the process of GCG. The procurement process in the Company is done through tenders, taking into account several aspects, namely:

- Implementation of the principles of transparency and avoidance of conflict of interest;
- Focus on the goal of getting the level of the best quality of goods or services and optimal purchasing efficiency through the comparison of the quality and level of the price offered by the client.

Procurement management is conducted by units of Procurement, Property and Admin Services (PPAS) under the Directorate of Strategy and Finance, as well as involving units of the Company, including Legal, Finance, Internal Audit and Bank Quality Assurance to ensure the process runs with the best standards of GCG. [G4-12]

The entire procurement process follows applicable procedures, including the authority, approval limit, classification, as well as the division of tasks and responsibilities in the process of procurement of goods and services in the Company.

General Requirements for Suppliers

General requirements for suppliers that are used in the process of procurement of goods and services are:

- Having the ability/expertise in the field of required goods and services
- Having the human resources that support the procurement of goods and services
- Having the facilities and infrastructures needed
- Not having potential for litigation cases
- For companies and experts, having a business license and certificate of membership or similar document valid from the competent authority in accordance of its business and having a good financial performance, reputation and credibility as well as adequate experience.

Supplier Evaluation

Evaluation of suppliers is performed the first time the Company intends to use the services and is regularly reviewed during the period of cooperation. The evaluation includes:

- ensuring that venture partners have complete permits in accordance with existing external regulations
- visiting the partner's business location
- having a cross-check to the references given
- screening of partners using Bank Indonesia's Black List and the Anti Money-Laundering application.

Supplier Category	Number of Suppliers	Estimated Purchasing Value Purchasing (in 2016)
Stationery (Paper)	1	Rp400 million
Stationery (ATK)	3 (Headoffice Only)	Rp 300 million
Drinking Water	1 (Headoffice Only)	Rp1 billion
PC / Laptop	5	Rp2.8 billion

Economic Sustainability





CIMB Niaga provides a wide range of financial services in the form of loans disbursement and financing and other banking services to cater various needs of Indonesian people, and for the development of Small and Medium Enterprises sector (SME).

◎ Economic Sustainability



Banking has an important role in supporting economic activities, mainly by implementing its role as a financial intermediary institution. With the presence of banks, there is access to finance, which can be utilized for transactions and capital movements that are required to implement development.

As one of the national private banks, with the fifth largest assets in Indonesia, reaching Rp241.57 trillion as of 31 December 2016, CIMB Niaga also participates in supporting the national economy, both through direct and indirect contributions. Direct contribution is conducted through the provision of financial services to the community, while indirect contribution is conducted through the banking business value chain. **[G4-DMA]**

Economic Benefit Distribution (Rp million) **[G4-EC1]**

Economic Performance	2016	2015	2014
Economic Value Generated			
- Total Operating Income before Tax	15,159,444	13,718,078	13,254,976
Economic Value Distributed			
- Operational Cost	7,432,899	7,682,958	6,830,462
- Employee Salary and Other Benefits	3,646,919	4,156,096	3,281,221
- Dividend	No dividends paid, all recorded as retained profit	No dividends paid, all recorded as retained profit	No dividends paid, all recorded as retained profit
- Taxation (consolidated)	768,991	142,119	856,329
- Social Investment (CSR expense)	28,609	24,639	18,987
Net Income	2,081,717	427,885	2,343,840
Assets	241,571,728	238,849,252	233,162,423

*Restated



Contributing Through Financial Services

Financial Products and Services [G4-EC8] [FS-6]

CIMB Niaga provides various financial services in the form of lending and financing as well as other banking services for the various needs of the Indonesian people. The existing financial services are continuously developed to become the leading services of CIMB Niaga.

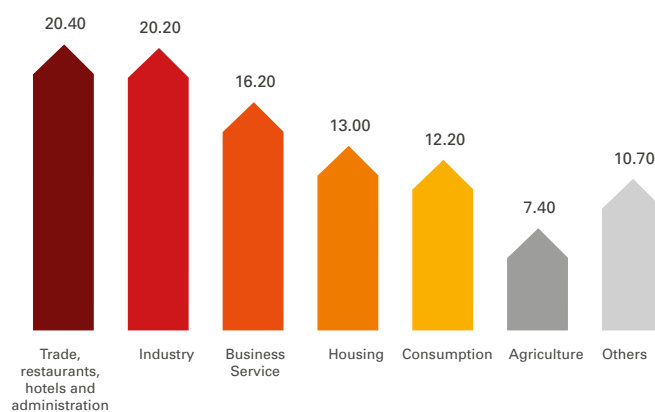
CIMB Niaga focuses on lending for the MSME/ commercial, retail, corporate, and sharia segments. At the end of 2016, the Company posted a credit growth of 1.5% to Rp180.2 trillion, increasing by 1.1% compared to the previous year, which reached Rp177.5 trillion. [G4-DMA]

Based on the economic sector, the priority sectors in which CIMB Niaga disbursed its loans in the last several years from the largest in order of priority are industry, trading, restaurant, hotel and administration, business services, and housing sectors.

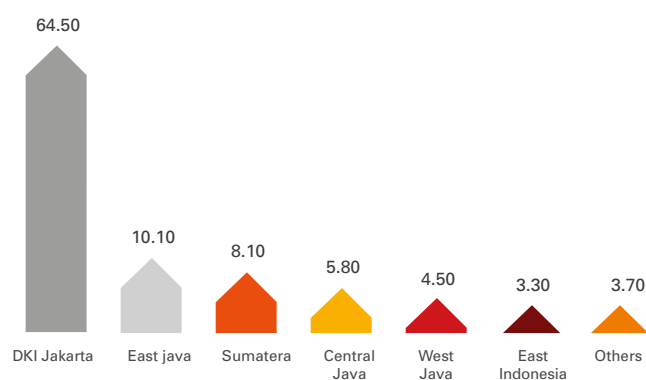
In line with the realization of the Government's Program to develop the infrastructure in Indonesia, CIMB Niaga also supports the development through lending in the construction sector in 2016, reaching USD145 million, compared to the previous year, which amounted to Rp2.9 trillion, disbursed for the development of power plants as well as toll roads operators, amounting to Rp1 trillion.

Economic Sustainability

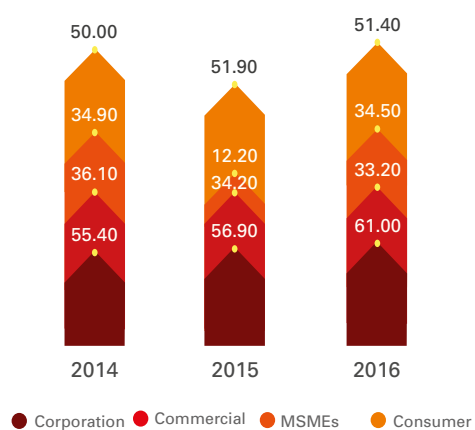
Composition of Loan by Economic Sector in 2016



Composition of Loan by Distribution Region in 2016



Credit Based on Segment



Economic Sustainability

Inclusive Financial Services [FS-13]

Financial Services for Micro, Small, and Medium Enterprises

One of the Government's Program in encouraging economic growth is through the development of the Micro, Small, and Medium Enterprises (MSME) sector. Since 2015, the Government has issued various regulations to provide easy access and facilitate the development in this sector. MSME is an important sector because the impact of growth in this sector can be directly felt by the community.

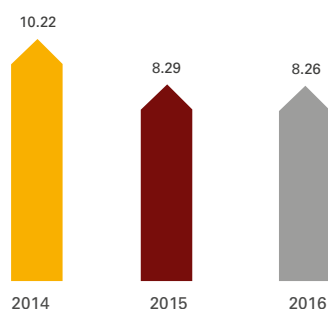
In line with the Government's Program, CIMB Niaga has provided banking services to the MSME sector since 2013, both through a direct approach strategy and indirect approach strategy, implemented through the performance of MSME Banking sub-segment, namely: Micro Linkage and SME or SME Banking.

- Micro Linkage

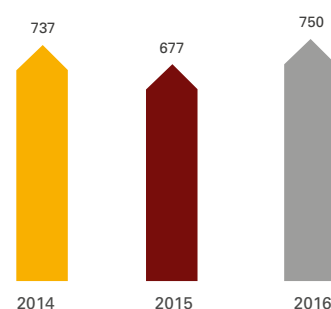
Micro Linkage is a business segment that targets Village Cooperatives, plasma nucleus plantations, Bank Pembangunan Daerah (BPD), Bank Penkreditan Rakyat (BPR), and other similar institutions through the indirect approach strategy, in which the MSME loans will be disbursed through those units to the community.

Portofolio Micro Linkage

Credit Total (Rp trillion)



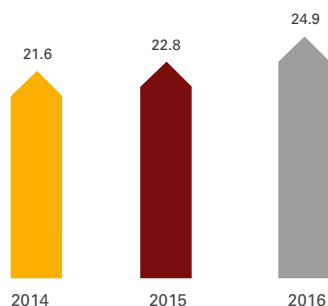
Low Cost Fund (Rp billion)



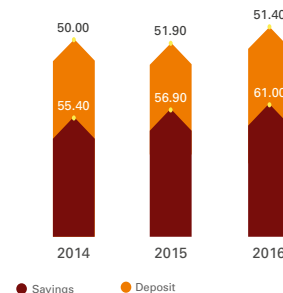
- SME Banking

The SME unit serves small and medium enterprises present throughout Indonesia. For customers with solid track records, the Bank will be able to provide loan ceiling for the development of the customer's business.

Credit balance (Rp trillion)



Third-party funds (Rp trillion)



Economic Sustainability

- Pension Credit

The Pension Loan Unit is the unit that assists *Tabungan and Asuransi Pensiun* (TASPEN) and *Asuransi Sosial Angkatan Bersenjata Republik Indonesia* (ASABRI) retirees to be productive by starting a business with financing support in the form of personal loans. Total loans in 2016 reached Rp706 billion, decreasing by 37.7% compared to 2015, which reached Rp1.1 trillion. In the future, this service will be implemented through the cross selling method with the product *Tabungan Pensiunan* CIMB Niaga, where the customers will obtain added value from the loan facilities.

- Supporting Services

In addition to the various financial products and services for MSME businesses, CIMB Niaga also provides supporting services to improve the growth quality in this segment, including:

- Retail Lending Program

Implementation of the loan process using the criteria system provides the analysis on the financing automatically, based on a validated historic data, allowing a more efficient loan proposal, while still maintaining the quality of the loan.

Digital Finance Services [FS-13]

Inclusive financial access is also realized through the provision of Digital Finance Services, which allows more people to conduct financial transactions through electronic platforms without having to visit branch offices.

With increasingly high digital lifestyles and smart phone penetration, more people are using this platform to conduct banking transactions. CIMB Niaga has developed digital banking services by optimizing the utilization of cutting-edge technology. The Company has been using the new core banking system through the “We are One” 1Platform scheme, which became the foundation of CIMB Niaga’s technology transformation to improve banking services accessible to customers and the communities anywhere and anytime.

The new core banking allows the Company to develop digital products and services as well as provide innovations and solutions that are not only meeting, but exceeding customers’ needs. In addition, this initiative also encourages the efforts of CIMB Niaga to improve efficiency in order to win the increasingly tight banking industry competition.

88% Contribution of branchless banking transaction from the total banking transaction	18.4% Growth in branchless banking services	13.4% Growth of CIMB Clicks utilization
121.8% Growth of Go Mobile utilization	19.6% Growth of Rekening Ponsel	5.3% Addition of ATM and SST
16.4% Addition of CDMs	51.1% Growth of BizChannel	“Kita Satu” 1Platform

Initiating Laku Pandai

In addition, to extend the reach of financial services for more people throughout Indonesia, CIMB Niaga fully supports the financial inclusion program launched by the Financial Services Authority (FSA).

In 2016, CIMB Niaga was one of 17 banks that will provide branchless banking services or Laku Pandai. Currently, CIMB Niaga has included this program into its Bank Business Plan (RBB) and is preparing everything it takes to implement Laku Pandai. [G4-DMA]

Economic Sustainability

Rekening Ponsel - Solution for Financial Inclusion

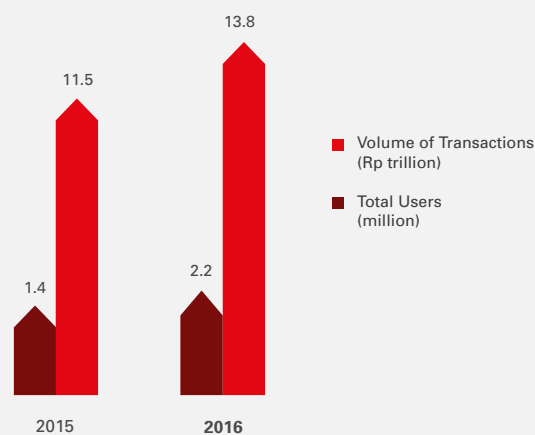
Rekening Ponsel is an innovative product from CIMB Niaga designed to serve all levels of society in virtually everywhere not only through conventional banking services. *Rekening Ponsel* allows people who have not have access to formal financial services to obtain access and convenience of financial transactions.

Rekening Ponsel is the first electronic money services in Indonesia which can be accessed via mobile phone and using the cell phone number as the account number to transfer money between cell phone numbers of all operators without the need for an ATM card and bank account.

CIMB Niaga has entered into collaboration with more than 35 thousand outlets of Indomaret and Alfamart who act as Digital Financial Services agent, so that customers can make transactions such as shopping, deposit, cash withdrawal at all of their outlets in Indonesia.

The collaboration is also carried out with large companies such as PT GO-JEK Indonesia allowing the GO-JEK driver to use their *Rekening Ponsel* as mobile banking services such as cash deposits, cash withdrawals, purchases, transfers, including as media for cash transfer and deposit of commission between the driver with PT GO-JEK Indonesia.

In providing services to GO-JEK drivers, the Company has conducted financial literacy education, because mostly drivers were not used to access banking services.



CIMB Niaga Cares





The Company wants to encourage community empowerment to improve social and economic independence, so that it can gradually improve their quality of life.

© CIMB Niaga Cares



CIMB Niaga is aware that the implementation of initiatives to develop the social and civil aspects as conducted through Corporate Social Responsibility (CSR) initiative is important in supporting the sustainable growth of the Company. Society for the Company has a broad meaning which is not only intended for the customers, but also the Indonesian people in general.

To that end, with a reliable spirit of service, the Company would like to encourage the empowerment of communities, in order to improve the social and economic independence, subsequently improving the quality of life in a gradual manner. In this regard, the Company contributes through the development of a harmonious relationship, mutually beneficial and sustainable, as well as support for the preservation of the environment. We are convinced that a developed and prosperous society will bring a positive impact on the growth of the Company.

CSR is a Company's commitment to provide added value to the stakeholders by synergizing the CSR programs

and the Corporate strategy, allowing the achievement of optimal business growth. CSR implementation is also part of a strategy to manage the reputation risk of the Company in encouraging a positive perception of the Company to the community.

In the implementation, CIMB Niaga CSR activities are managed by the Head Office through the Corporate Secretary unit and technically carried out by the Community Development Group unit. Additionally, branch offices can also apply for the development of CSR activities in a more specific manner, to be facilitated by the Head Office. **[G4-SO1]**

In carrying out the various CSR activities, the Company applies the principle of independence by being neutral towards the stakeholders. The principle of independence that we uphold aims to ensure that the making and implementation of decisions are not influenced by certain parties. To guarantee the independence principle, the Company is transparent in implementing all CSR



activities on an ongoing basis by conducting monitoring and assessment of the planning and implementation of CSR activities. Thus, CSR programs have a positive, measurable, and targeted impact. [G4-DMA]

The CSR implementation of CIMB Niaga is based on the relevant regulations and provisions, namely:

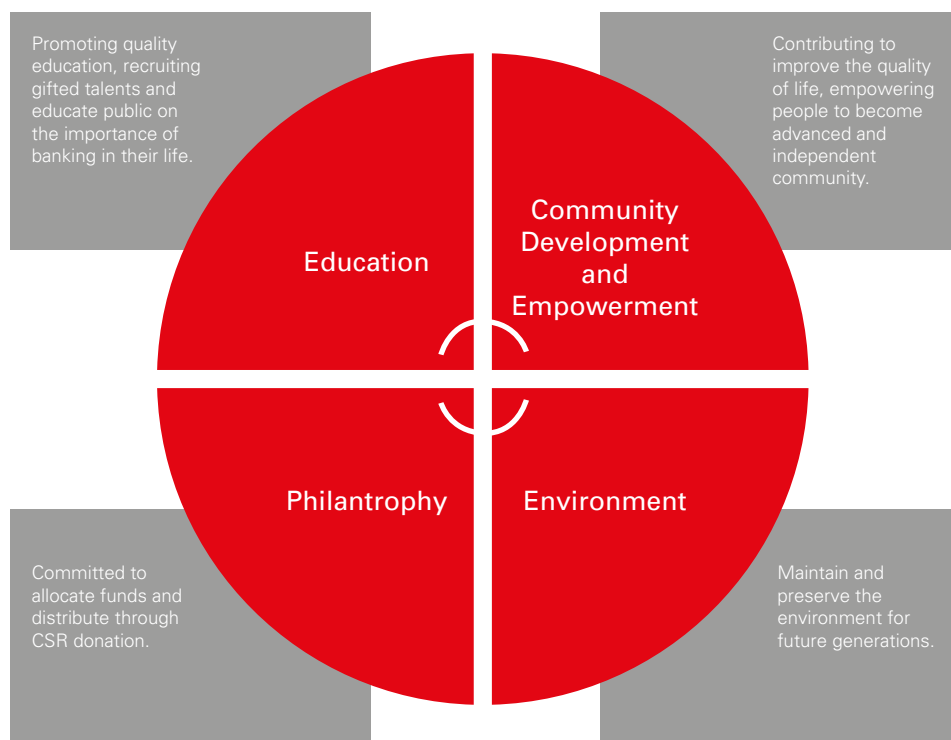
- a. Presidential Instruction (Inpres) No. 6 of 2007 on the Policy of Real Sector Development Acceleration and Empowerment of MSMEs through CSR activities in Financial Literacy and Education for the Community
- b. Law No. 40 of 2007 on Limited Liability Companies
- c. Bank Indonesia Regulation on Banking Education
- d. Circular of the Financial Services Authority No. 1/SEOJK.07/2014 on Implementation of Financial Education for Financial Services Providers
- e. Operational Policy and Guidelines of CIMB Niaga
- f. Code of Conduct of the Company

About CIMB Niaga Cares

CIMB Niaga Cares is the umbrella for the CSR Program that includes social and environmental responsibility that are in line with the Bank's business strategy. CIMB Niaga Cares is implemented with a focus on serving from the heart, to be close to all customers, including the public. The programs have the objectives to have a long-term impact and constructive empowerment. [G4-DMA]

CIMB Niaga Cares

CIMB Niaga Peduli focuses its CSR activities on the four sustainable program pillars that reach out to beneficiaries across Indonesia.



Objectives of CIMB Niaga Peduli:

Creating Added Value for the Stakeholders

CIMB Niaga Scholarship	10 Scholarship Programs	822 Scholarship Recipients	Rp5 billion Committed scholarship funds, including Qordhul Hasan CIMB Niaga Syariah	
Ayo Menabung dan Berbagi	12 cities in 2016 AMDB visits	41 schools in the primary and junior high school levels	6,214 students (primary and junior high school)	Rp152 million 2016 Fund Proceeds
Tour De Bank	5 Kota dalam kunjungan Tour De Bank 2016	25 Elementary school levels	1.218 Students participating in the Tour de Bank	
CIMB Niaga Peduli Philanthropy	54 Donation Assistance	Rp909+ million Total assistance amount to the community		
Environmental CSR	2,700 Bamboo shoots planted in Tabanan, Bali	5.4 ha Planted critical land	10,000 Bamboo shoots planted in Ngada, Nusa Tenggara Timur	

CIMB Niaga Cares

EDUCATION

CIMB Niaga participates in educational improvement in Indonesia, through the improvement of education quality, the communities will be able to achieve and create opportunities to advance both themselves and the surrounding community. Thus, the positive impact desired and created by the Company can be carried out in a sustainable manner. [G4-SO1]

CSR programs in education are aimed at supporting education and supporting the future of the Indonesian youth, because youth and education are the pillars which play an important role in the progress of the nation. The Company's contribution in the field of education is focused on scholarships and financial literacy education for the community. [G4-EC8]

Scholarship Program

The CIMB Niaga Scholarship Program has been held since 2006 and continues to be developed up to the present time, by increasing the number of scholarship recipients for students in various regions in Indonesia.

The implementation of the Scholarship Program is always be carried out in collaboration with various parties, namely various internal business units of CIMB Niaga, the Ministry of Education and Cultural of the Republic of Indonesia (Kemendikbud RI), educational foundations/institutions and various partner universities.

Throughout 2016, CIMB Niaga organized and activated the Scholarship Program as a consistent implementation of the CIMB Niaga Scholarship Program.

CIMB Niaga Scholarship – CIMB @Campus

In 2016, CIMB Niaga and CIMB Niaga Syariah held the CIMB Niaga Scholarship Program through the CIMB@Campus business project. With a series of processes of selection and determination by CIMB Niaga Scholarship Committee, the CIMB Niaga Scholarship Program was awarded to 286 recipients from 23 universities in Indonesia.

Universities involved in the CIMB Niaga Scholarship programs include:

1. Atma Jaya University, Jakarta
2. Gajah Mada University, Yogyakarta
3. The Islamic University of Indonesia, Yogyakarta
4. University of Atma Jaya, Yogyakarta
5. Soegijapranata Catholic University, Semarang
6. Diponegoro University, Semarang
7. The State University of Semarang
8. Petra Christian University, Surabaya
9. Surabaya Institute of Technology
10. The State University of Surabaya
11. Airlangga University, Surabaya
12. Hasanuddin University, Makassar
13. University of Parahyangan, Bandung
14. University of Padjadjaran, Bandung
15. Bandung Institute of Technology
16. Telkom University, Bandung
17. University of Pasundan, Bandung
18. Islamic University of Malang
19. Kanjuruhan University of Malang
20. The State University of Malang
21. University of Brawijaya, Malang
22. Muhammadiyah University, Malang
23. National Technology University, Malang



The awarding of the Scholarship Program was conducted on 16 December 2016 in Yogyakarta. From a total of 286 beneficiaries of CIMB Niaga scholarship, 200 students were eligible to have their educational costs to graduation covered, including subsidies for the preparation of the final project/thesis and a supporting facility in the form of a laptop. While 86 students, based on the considerations and decisions of the Scholarship Committee are entitled to the cost of education up to the graduate degree level.

CIMB Niaga Cares

CIMB Niaga Scholarship – Koperasi Kasih Indonesia

CIMB Niaga collaborates with Koperasi Kasih Indonesia (KKI) to provide educational assistance in the form of scholarships to 9 vocational students who are the children of KKI members. The education assistance is a form of accountability of the 2015 Ayo Menabung dan Berbagi Program. The proceeds from the 2015 AMDB is utilized to improve the quality of education of Indonesian children, in which the management is carried out by CIMB Niaga's partners that have a high commitment and concern for education in Indonesia.

The granting of the CIMB Niaga KKI Scholarship was held on 12 August 2016 at Graha CIMB Niaga Jakarta.



CIMB Niaga Scholarship - Ikatan Koperasi Indonesia (IKOPIN)

This scholarship collaborates with Institut Koperasi Indonesia and was granted to six Diploma 3 level students with a concentration in the field of Financial Management. The Scholarship Program was implemented for the 2013 - 2016 period. On September 17, 2016, CIMB Niaga also attended the graduation ceremony of CIMB Niaga-IKOPIN beneficiaries, and out of the 6 CIMB Niaga scholarship beneficiaries successfully graduated with a cum laude predicate and Expert Associate's degree and one of them, managed to become the valedictorian of IKOPIN for the Diploma 3 level.



CIMB Niaga Employee Scholarship – Economics Faculty of Universitas Indonesia

High performing CIMB Niaga employees with the desire to continue their education to the Undergraduate (S1), Graduate (S2), and Post Graduate (S3) levels at the Faculty of Economics of University of Indonesia can take the opportunity and sign up for this scholarship. In 2016, through selection process conducted by CIMB Niaga and the University of Indonesia, 6 CIMB Niaga employees were selected as scholarship recipients of CIMB Niaga in cooperation with FE UI.

CIMB Niaga Cares

As of December 31, 2016, there have been 822 CIMB Niaga scholarship recipients of the various types of scholarship programs.

Recapitulation of CIMB Niaga Scholarship Distribution

Name of Program	Beneficiaries*
1. Beasiswa Unggulan CIMB Niaga (SI Local) Since 2006, CIMB Niaga cooperates with the Ministry of Education and Culture of the Republic of Indonesia (Kemendikbud RI) to organize the Beasiswa Unggulan Program, aiming at High School students to continue their education to the Undergraduate level in various universities in Indonesia.	311
2. CIMB Niaga Scholarship (SI Overseas) CIMB Niaga provides the opportunities to High School students who wish to continue their education to the Undergraduate level in Malaysia. This scholarship program was realized through the cooperation with CIMB Foundation and has been implemented since 2008.	15
3. Khazanah Asia Scholarship (S2 Overseas) The Khazanah Foundation has offered the Khazanah Asia Scholarship for Indonesians who wish to continue their education to the Graduate level in Malaysia since 2010.	15
4. CIMB Niaga Creative Industry Technology Scholarship (BUTIK) (S1 Local) Scholarships for entrepreneur students that aims to increase the entrepreneurship spirit to Indonesian students. This program is a collaboration of CIMB Niaga with the Ministry of Education and Culture of the Republic of Indonesia since 2012.	92
5. CIMB Niaga-Sampoerna Academy Scholarship The scholarship is in cooperation with the Putera Sampoerna Foundation and has been implemented since 2011.	25
6. CIMB Niaga-Koperasi Kasih Indonesia (KKI) Scholarship The realization of this scholarship is through the cooperation of CIMB Niaga and Koperasi Kasih Indonesia in 2013 and provided for children who are members of the Koperasi Kasih Indonesia for the Vocational School (SMK) level.	18
7. CIMB Niaga-Institute of Koperasi Indonesia (IKOPIN) Scholarship This scholarship is the cooperation of CIMB Niaga and Institut Koperasi Indonesia and provided for Diploma 3 students with the concentration in the field of Financial Management. The Scholarship Program has been implemented since 2013.	6
8. CIMB Niaga-Faculty of Economics of the University of Indonesia Employee Scholarship High performing CIMB Niaga employees with the desire to continue their education to the Undergraduate, Graduate, and Post Graduate level at the Faculty of Economics of the University of Indonesia are able to take this opportunity and sign up for the scholarship.	39
9. CIMB Niaga-Beasiswa Unggulan Guru This scholarship is a cooperation with the Ministry of Education and Culture of the Republic of Indonesia (Kemendikbud RI) to outstanding teachers who wish to continue their education to the Graduate level (S2) at University of Sumatera Utara (USU).	15
10. 2016 CIMB Niaga Scholarship This scholarship is a form of synergy of various CIMB Niaga business units in providing scholarship programs for students in their 5th semester in 23 partner universities.	286
Total	822

*Cumulative up to December 2016.

CIMB Niaga Cares

Activation of the Scholarship Program

As an ongoing program that emphasizes stakeholder involvement, CIMB Niaga maintains the quality of communication with the scholarship recipients through the various activation of CIMB Niaga Scholarship Programs.

Socialization of the Scholarship Program Policy

Through the 2016 CIMB Niaga Scholarship Awarding, CIMB Niaga disseminated its profile, scholarship program, and the pursuing the dream project with the theme "Pursue Your Dream through the CIMB Niaga Scholarship Program". This event was held on 16 December 2016 in Yogyakarta and was attended by 58 students, who are representatives of universities in Semarang and Yogyakarta.



Monitoring Visit



CIMB Niaga Scholarship Program is not only distributing scholarships funds to the beneficiaries, but follows-up with engagement of the scholarship recipients through regular monitoring visits to determine the academic and non-academic development of as well as listening to their aspirations.

Throughout 2016, CIMB Niaga has organized a monitoring visit in 11 cities, among others, Medan (January 29, 2016), Padang (March 1, 2016), Pekanbaru (April 6, 2016), Denpasar (April 22, 2016), Bandung (April 25, 2016), Palembang (May 26, 2016), Jakarta (June 16, 2016), Makassar (August 26, 2016), Malang (October 11, 2016), Purwokerto (October 25, 2016), and Surabaya (October 28, 2016).

Annual Gathering

To ensure the recipients obtain the relevant information and knowledge on CIMB Niaga and the Ministry of Education and Culture of the Republic of Indonesia as well as to establish communication with the scholarship recipients, the Company organized the annual gathering on March 16-19, 2016 at the Learning Center Bumi CIMB Niaga Gunung Geulis, Bogor.

The Annual Gathering event provides a sharing session by the management, self-motivation training, team building, as well as social projects as the implementation of intellectual social responsibility. The social project undertaken is a concern of the scholarship recipients towards the conditions of the society in the vicinity of the event location. The form of the social project is cleaning the village action and dissemination of dengue fever prevention and the establishment of a Reading Hut.



10th Anniversary of the CIMB Niaga Scholarship Program

On October 9, 2016, CIMB Niaga organized the 10th Anniversary of CIMB Niaga Scholarship Program (2006-2016) in 10 cities, namely Jakarta, Surabaya, Makassar, Medan, Bandung, Yogyakarta, Malang, Semarang, Manado, and Palembang. This activity was carried out by the scholarship recipients and supervised by the respective branch offices. There are three series of events, namely Go X-Tra Green Campaign, Dissemination of the 2016 CIMB Niaga Scholarship Program, and Equator Musical Drama Program.



CIMB Niaga Cares



Glowing Achievement of Alia Noor Anoviar

MSME & Syariah Academy Staff, Learning Development, Human Resources CIMB Niaga

Alia Noor Anoviar is a 2009-2013 recipient of CIMB Niaga Beasiswa Unggulan (BU) who has successfully completed her undergraduate education at the Faculty of Economics, University of Indonesia. The scholarship is a cooperation between CIMB Niaga and the Ministry of Education and Culture of the Republic of Indonesia (Kemendikbud RI).

During her studies, Alia was a diligent and high performing student who obtained various awards such as the Best Academic and Non Academic BU CIMB Niaga; Best National Researcher from the Bachelors Degree Program by DIKTI; Outstanding FEUI Journalistic Student, and others. After graduating from the university, Alia continued her career at CIMB Niaga Bank through The Complete Banker (TCB) Program.

"Thanks be to God, TCB provided me the opportunity to learn and to have the experience relevant to the banking world in a comprehensive manner. I had the opportunity to work together with colleagues from a variety of different directorates and gain broad exposure to various functions in CIMB Niaga, also learning with mentors who are highly experienced, even given the space to interact directly with the BOD. Which is certainly a very valuable opportunity for the future development of my career", she commented on the experience in the TCB Program. "What the young people need is an opportunity and Thanks be to God the management provided many opportunities to work, not always required to continue to succeed, but we are also challenged to learn from the mistakes that we made during the learning process. The career at CIMB Niaga is one of the very things I'm grateful for at this moment ".

CIMB Niaga Cares

Involvement in Corporate Activities

CIMB Niaga always involves the scholarship recipients in various corporate activities that aim to increase the sense of belonging to the Company. Throughout 2016, one corporate activity undertaken was the CEO Challenge event on April 29-30, 2016, in which CIMB Niaga invited the recipients of CIMB Niaga BUTIK to promote their business products to the winners of the CEO Challenge from Malaysia, Singapore, Indonesia, and Thailand.

In addition, there is also the Ayo Menabung dan Berbagi as well as the Tour de Bank events that actively involve the scholarship recipients to volunteer during the event.

Financial Literacy and Education Program [G4-DMA]

In accordance with the provisions of Article 14 of the Financial Services Authority Regulation No. 1/POJK.02/2013, that Financial Services Providers shall organize education in order to improve the financial literacy of consumers and/ or the community.

In implementing this provision, CIMB Niaga undertakes various initiatives to participate in improving financial literacy through various CSR programs as follows:

Ayo Menabung dan Berbagi

Ayo Menabung dan Berbagi (AMDB) is a financial banking education and literacy activity for the community, particularly for Elementary School (SD) and Junior High School (SMP) students to foster a culture of saving and sharing to those in need at an early age.

AMDB activities contain visits to schools to teach basic financial management, in the form of educational and interactive games as well as competitions for students among others, Planting Trees, Run Banking Run Educational Video Games, Financial Literacy Snakes and Ladders, and Mini Banking Role Play for the Primary School level. While at the Junior High School level, namely CIMB Niaga Sharing Banking Knowledge, Financial Literacy Quiz, Digital Writing Competition.

Through the AMDB program, CIMB Niaga also introduced a special product that is specifically for students, namely the Student Savings Deposits (SimPel) and IB SimPel CIMB Niaga, which is a support for the Financial Services Authority program in encouraging financial literacy and inclusion especially to students.

Throughout 2016, CIMB Niaga has organized the AMDB Program in 12 cities and was attended by 6,214 students from 21 Elementary Schools and 20 Junior High Schools in Indonesia.

In addition to saving money, students are also invited to empathize and sympathize by sharing, so that they can help people who are less fortunate to obtain a better education. The AMDB program has been implemented since 2011 and continues until today. You can also contribute to the AMDB program by funneling donations through the following CIMB Niaga account:

Ayo Menabung dan Berbagi
Account Number 8000.306.48.600

The proceeds in the Ayo Menabung dan Berbagi account per December 31, 2016 amounted to Rp152,157,568, - (One hundred and fifty two million one hundred and fifty-seven thousand five hundred and sixty-eight Rupiah).

The proceeds are channeled through Yayasan Warisan Nilai Luhur Indonesia (Indonesia Heritage Foundation) that is used to increase the capacity of Kindergarten Teachers (TK) and Early Childhood Education (ECD) on character education. These activities will be implemented in 2017 in the area of Bekasi and Bogor, West Java.

CIMB Niaga Cares

Recapitulation of AMDB Activities in 2016

No	CITY	DATE	SCHOOL NAME	Σ Students of Elementary School	Σ Students of Junior High School	Total
1	Padang	March 2 - 3, 2016	SDIT Buah Hati	150		596
			SMP Frater dan Maria		146	
			SD Agnes dan SD RK	150		
			MTSN Kuranji		150	
2	Pekanbaru	April 7 - 8, 2016	SD Al Azhar	150		669
			SMP Darmayudha		190	
			SD Kusuma Bangsa	193		
			SMP IT Al Fityah		136	
3	Pontianak	May 13, 2016	SMP Bruder		600	795
			SMP Suster		195	
4	Palangkaraya	July 27 - 28, 2016	SDN 11 Langkai	195		645
			SD Golden Christian School	150		
			SMPN 1 Palangka Raya		150	
			SMP Katolik Santo Paulus		150	
5	Kendari	August 30 - 31, 2016	SDIT Al Qalam Kendari	150		678
			MI Umusshabri Kendari	188		
			MTS Ummusshabri Kendari		190	
			SMP Negeri 9 Kendari		150	
6	Timika	August 10 - 11, 2016	SD Yosua	150		472
			SDIT Permata	130		
			SMP Yosua		52	
			SMP Permata		140	
7	Kupang	September 29 - 30, 2016	SD GMIT Oekona	57		317
			SD Don Bosco Kupang	115		
			SD Lentera Kupang	96		
			SMP Nusa Cendana International Plus School (NCIPS)		49	
8	Kediri	October 13-14, 2016	SMPN 1 Kediri		150	280
			SMP Pawiyatan Dhaha		130	
9	Tulungagung	October 13-14, 2016	MI Al Falah Tulungagung	72		192
			MI Hidayatul Mubtadiin Tulungagung	120		
10	Purwokerto	October 26-27, 2016	SD Al-Irsyad	162		747
			SD Santa Maria	145		
			SMPN 8 Purwokerto		170	
			SMPN 2 Purwokerto		270	
11	Tasikmalaya	October 16 - 17, 2016	SD Yos Sudarso	171		570
			SD Babakan Kadu	155		
			SMP Yos Sudarso		94	
			SMP Negeri 14 Tasikmalaya		150	
12	Jakarta	January 31, 2016	Kelompok Belajar Manggarai, Jakarta Selatan	90		253
		April 29, 2016	SD Pelita Bangsa, Pamulang	108		
		May 18, 2016	Sekolah Rakyat Ancol, Jakarta Utara		55	
TOTAL			GRAND TOTAL	2897	3317	6214

CIMB Niaga Cares



CIMB Niaga Cares

Tour De Bank

Tour de Bank is the activation of the Ayo Menabung dan Berbagi (AMDB) Program, which invites Elementary Schools and similar level students to visit CIMB Niaga branch offices. Materials presented are the introduction of banking products and services including the functions and roles of teller, customer service, Automatic Teller Machine (ATM), Cash Deposit Machine (CDM), and others. This activity is supported by employee volunteers and recipients of the CIMB Niaga scholarships who agree to accompany the students during the course of the Tour de Bank.

Throughout 2016, CIMB Niaga has organized the Tour de Bank in five cities and was attended by 1,218 students from 25 Elementary Schools.



Recapitulation of the 2016 Tour de Bank Activities

No.	CITY	DATE	Σ SCHOOL	SCHOOL NAME	Σ Participants
1	Denpasar	April 23, 2016	5	SDN 2 Pemecutan Denpasar	50
				SDN 8 Dauh Puri	50
				Sekolah YYS Mustarsyidin	50
				SDN 1 Kerobokan Kaja	50
				SD Bali Public School	50
2	Bandung	May 28, 2016	5	SD EL Fitra	38
				SD Juara	50
				SD YPK Yahya	20
				SD Merdeka 5	41
				SD Kasih Bangsa	32
3	Yogyakarta	July 23, 2016	6	SD Lempuyangwangi	86
				SD Bhayangkara	76
				SD Kanisius Kotabaru	30
				SD Negeri Ngebel Gedhe 2	30
				SD Al Azhar 31 Yogyakarta	125
4	Makassar	August 27, 2016	4	SD Negeri Ungaran 1	4
				SD Menara	50
				SD Katolik Rajawali	50
				SD Bina Citra Indonesia	50
				SD Gamaliel	50
5	Surabaya	October 29, 2016	5	SD Al Khairiyah 1	50
				SD KR Alethia	46
				SD St Aloysius	49
				SDK Don Bosco	52
				SD Monte sorri	39
GRAND TOTAL			25		1218

CIMB Niaga Cares

Activation of Financial Literacy Program

Throughout 2016, CIMB Niaga organized a series of financial literacy program activation in support of FSA-sponsored financial literacy drive.

Financial Literacy Workshop for the Recipients of CIMB Niaga BU Guru

This workshop is a series of training activities undertaken to improve the knowledge, confidence, and skills of the CIMB Niaga BU Guru recipients and the general public as consumers of financial products and services to be able to manage their finances well.

In 2016, the Company implemented this workshop on 25-26 November 2016 in the CIMB Niaga Icon Medan Building. Through this workshop, an understanding for the public related to financial management in order to determine which products and financial services that suit with their needs. After the workshop, all CIMB Niaga BU Guru recipients have the obligation to conduct financial literacy activities, which will be implemented throughout 2017.



Si MObil LitErase Keuangan Program, FSA



In support of the Si MObil LitErase Keuangan Program (SiMOLEK, Financial Services Authority/FSA), CIMB Niaga participated in the operations of SiMOLEK to introduce banking financial services industry in order

to improve the financial literacy of the public through information on the benefits of saving and the Simpanan Pelajar savings products.

Throughout 2016, CIMB Niaga helped operationalize SiMOLEK in 6 cities, namely Denpasar, Makassar, Palangkaraya, Surabaya, Bandung and Tasikmalaya.

Student Visitation

A company visit by students with the objective of sharing knowledge or to learn practical knowledge on the functions and matters related to the world banking.



Throughout 2016, the Visitation Program was conducted 2 times, namely on April 5, 2016 by the students of the Banking Financial Administration Study Program, Faculty of Vocations of the University of Indonesia and November 30, 2016 by the students of the Faculty of Economics and Business, University of Indonesia who learned about the treasury and capital markets material.

Family Financial Planning Education Program for GOJEK Drivers



CIMB Niaga in cooperation with PT Aplikasi Karya Anak Bangsa (GO-JEK Indonesia) organized the Financial

CIMB Niaga Cares

Banking Education and Literacy Program through the dissemination of the Mobile Phone security features and Family Financial Planning Education for 1,988 GOJEK drivers.

In addition, CIMB Niaga also provided a free motorcycle repair program for 1,988 GOJEK drivers in the Greater Jakarta area. The event was held in two stages, namely the June-July 2016 and the November 2016 period.

Education for Empowerment

The Education for Empowerment Program was implemented to support the educational programs conducted by educational institutions through training for leadership, entrepreneurship, sports, education, as well as educational facilities support, such as books, visual aids, and computers. Through this program, CIMB Niaga can support the achievement of the people's excellence in the mastery of science and technology.

One Million Book Program

The One Million Book Program is the distribution of educational facilities in the form of books/ encyclopedias to develop the knowledge of the society. Throughout 2016, CIMB Niaga distributed more than 3,342 books, which were distributed to 46 schools and educational institutions in Indonesia.



Recap of book distribution in 2016

No	Recipient of the One Million Book Program	Number of Book
1	Sedekah Buku Indonesia Community	1,024
2	Sekolah Rakyat Ancol	1,000
3	SD Al Azhar Pekanbaru	1
4	SMP Darmayudha Pekanbaru	1
5	SD Kusuma Pekanbaru	1
6	SMP IT Al Fityah	1
7	Saung Baca Gunung Geulis	146
8	Universitas Sumatera Utara	2
9	Peserta Pelatihan Guru TK/PAUD	8
10	Yayasan Cinta Anak Bangsa (YCAB)	2
11	SMP Suster, Pontianak	3
12	SMP Bruder, Pontianak	3
13	TK/ PAUD di Pontianak	5
14	SD YPAI	1
15	SDN 2 Pemecutan Denpasar	52
16	SDN 8 Dauh Puri, Denpasar	52
17	Sekolah YYS Mustarsyidin, Denpasar	52
18	SDN 1 Kerobokan Kaja, Denpasar	52
19	SD Bali Public School, Denpasar	52
20	SD EL Fitra, Bandung	42
21	SD Juara, Bandung	43
22	SD YPK Yahya, Bandung	43
23	SD Merdeka 5, Bandung	43
24	SD Kasih Bangsa, Bandung	43
25	SD Lempuyangwangi, Yogyakarta	45
26	SD Bhayangkara, Yogyakarta	45
27	SD Kanisius Kotabaru	45
28	SD Negeri Ungaran 1, Yogyakarta	45
29	SD Al Azhar 31 Yogyakarta	45
30	SD Negeri Ngebel Gedhe 2	51
31	SD Menara, Makassar	40
32	SD Katolik Rajawali, Makassar	40
33	SD Bina Citra Indonesia, Makassar	40
34	SD Gamaliel Makassar	40
35	Yayasan Bulukumba	40
36	SD Al-Khairiyah 1, Surabaya	14
37	SDK Don Bosco, Surabaya	14
38	SD KR Alethia, Surabaya	14
39	SD ST Aloysius, Surabaya	14
40	SD Montesorri, Surabaya	14
41	SMP St. Petrus Tuapejat, Mentawai	83
42	Aliansi Pemuda Peduli Alor	41
TOTAL		3,342

CIMB Niaga Cares

Semai Benih Bangsa Program Character Based Holistic Education

In support of early education activities, CIMB Niaga in cooperation with Indonesia Heritage Foundation (IHF) organized the Character Based Education Training Program with the theme *Semai Benih Bangsa* Program since 2012 up to the present time.

This is a Holistic Based Character Education Training Program for Kindergarten/Early Childhood Teachers, which is expected to improve the quality of education for kindergarten/early childhood students in Indonesia. Through this training, the teachers and learners are expected to form into a whole person who is diligent in dealing with the full challenges of a rapidly changing world, as well as having a spiritual awareness that he is part of the whole (the person within a whole).



In 2016, the program was held 2 times, namely on April 4-14, 2016, which was attended by 8 teachers from 4 kindergarten/early childhood schools in Bali, Mataram, West Lombok, and Makassar. The second was held on December 8-10, 2016 and attended by 51 teachers from 16 kindergartens/early childhood schools, deriving from the Greater Jakarta area. The costs of this program is obtained from donations collected through the AMDB program extended to IHF.



Provision of Mini Banking Facilities

CIMB Niaga in cooperation with the Vocational Education Program, University of Indonesia (UI) built the Mini Banking Laboratory facilities and continue to reform with the objective to improve the practical insight and knowledge regarding banking for the Vocational Program students of the University of Indonesia.

Bourse Game Laboratory Magister Management UI

The Bourse laboratory is a laboratory used for Foreign Exchange Transactions and Money Market simulations. CIMB Niaga in cooperation with the Master of Management Faculty of Economics, University of Indonesia (UI) continues to make improvements to the Bourse Game Laboratory Program Implementation for the Graduate level students at the Faculty of Economics UI which has been held since 2008.

CIMB Niaga Cares

Education on Heroism

On November 18-20, 2016, the Company for the first time presented a musical show with the theme "The Equator", which narrates the heroic tales of heroes from different eras in Indonesia. The musical drama was held at Taman Ismail Marzuki, Jakarta with the expectation to further enhance the love of the Indonesian youths towards their country, subsequently encouraging them to continue the struggle of the heroes and contribute to the development of Indonesia.



Provision of Education Support Facilities

To enrich the learning access and improve the quality of education for the less fortunate, CIMB Niaga donated various educational facilities for schools and students in need.



In 2016, learning tool donations were provided in the form of education support tools (maps and globes, human skeleton and sporting equipment), construction of the Reading House at Gunung Geulis, as well as the donation of shoes to school through the 'Berbagi Sepatu untuk Negeri' Program in cooperation with the Kick Andy Foundation.

COMMUNITY DEVELOPMENT AND EMPOWERMENT

The Community Development and Empowerment Program is a form of CIMB Niaga's concern for the socio-economic development of the society. The purpose of this program is to help improve the welfare of the communities in the vicinity of CIMB Niaga branch offices through the establishment of strong character in the community, enabling a better progress to achieve social and economic independence. [G4-SO1]

To implement this program, CIMB Niaga provides two forums, namely through the Community Link Program and the Employee Volunteer Program. [G4-EC8]

Community Link

Community Link engages the stakeholders of branches and community agencies to submit a work program within the framework of the realization of corporate social responsibility in social matters. This program has an objective to improve the standard of living, life competencies, and welfare of the society.

Empowerment of Person with Disabilities Program (Blind People)

In order to provide employment opportunities for persons with disabilities, CIMB Niaga in collaboration with the Mitra Netra Foundation, employed 51 employees with disabilities consisting of 48 blind people in the telesales position, as well as 3 deaf people who serve phone banking through social media.

To support learning for persons with disabilities, CIMB Niaga and CIMB Niaga Sharia provided 10 laptops as well as devices to equip them in the working world.



CIMB Niaga Cares

Mobil Belajar CIMB Niaga

Since 2011, CIMB Niaga accompany with the Cinta Anak Bangsa Foundation (YCAB) provided the 'Mobil Belajar CIMB Niaga' for computer training for elementary to high school students, touring to schools in Jakarta and Tangerang, equipped with 13 laptops with internet connection.

On April 18, 2016, CIMB Niaga renewed the synergy with YCAB and inaugurated the CIMB Niaga Car Learning cooperation extension for the 2016-2017 period with a total costs amounting to Rp415,920,000.

Throughout 2016, 297 students from various schools in East Jakarta, North Jakarta, Tangerang, and Bogor have attended the CIMB Niaga Car Learning program.



Provision of Laptop for the Sahabat Pulau Foundation

On Thursday, September 22, 2016, taking place at the Branch Office of CIMB Niaga Ahmad Yani Makassar, CIMB Niaga handed 2 units of laptops to the Sahabat Pulau Foundation, which is utilized by the Sahabat Pulau Foundation for the development and empowerment of the Digital Reading House for children on the remote areas of Selayar Island, South Sulawesi.

Monitoring on the Community Link Program

Throughout 2016, CIMB Niaga conducted monitoring on the Community Link Program, namely a visit to the Usaha Mulia Foundation in Palangkaraya on July 28, 2016, with the Community Empowerment Program in the form of training in tailoring. A visit to Bulukumba, South Sulawesi through the development and inauguration of the Digital Reading House on August 28, 2016.

Employee Volunteer Program

Through this activity, CIMB Niaga employees are involved in various CSR activities in the environmental and social community fields as volunteers. Through the Employee Volunteer Program, CIMB Niaga employees participate in various activities, such as the Ayo Menabung dan Berbagi Program in 12 cities as well as the Tour De Bank in five cities in Indonesia.



Through the AMDB and Tour de Bank Programs, more than 275 employees of CIMB Niaga are involved as volunteer on duty to assist students in getting acquainted with CIMB Niaga.

In addition, on May 6, 2016, CIMB Niaga contributed to the success of the A trip with Activity Volunteerism event, which is a volunteer activity to assist the Maranatha Boys Orphanage in Bandung, which was attended by 60 CIMB Group employees. In this activity, the foundation received books and printers that can be used to support the learning activities in the foundation.

PHILANTHROPY

Through the philanthropy pillar, CIMB Niaga shares with the community, basing on the spirit to participate in providing happiness and prosperity for the people. CIMB Niaga Philanthropy is conducted in the form of donations or implementation of activities to the public, with the aim to help improve people's welfare. [G4-SO1]

In the field of philanthropy, the Company participated by adding value to the society through various social activities, among others: [G4-EC7]

CIMB Niaga Cares

Housing for Indonesian Female Migrant Worker (TKW) in Kuala Lumpur

Since 2010, CIMB Niaga in cooperation with the Indonesian Embassy in Kuala Lumpur and CIMB Foundation empowers female migrant workers who are in the law enforcement process. CIMB Niaga hopes this program can provide benefits to the TKW in Kuala Lumpur and be part of the solution to the existing conditions.

Lactation Room

Starting from understanding the need for breastfeeding mother at the office who want to provide exclusive breastfeeding, CIMB Niaga provides lactation room equipped with a cozy seat, milk bottles sterilizer (uPang UV Sterilizer), and a fridge to store breast milk while mother work.

Providing lactation room in CIMB Niaga offices area is the implementation and form of support from CIMB Niaga to the Government Regulation No. 33 of 2012 on Granting Exclusive Breastfeeding. Lactation room facilitates the needs of CIMB Niaga employee who is still breastfeeding their child after returning to work, and also for customers who are conducting banking transactions at the bank office. There are a total of 11 branches that have Lactation Room, spread in Jakarta, Karawaci, Bandung, Malang, Surabaya, Semarang and Yogyakarta.



Blood Drive Program

In 2016, two blood drives were organized, namely on May 12, 2016 at Griya CIMB Niaga Bintaro and Menara Sentraya Jakarta and on Thursday, December 1, 2016 at Graha CIMB Niaga Jakarta and Griya CIMB Niaga Bintaro with a total number of 713 blood bags collected which distributed through Palang Merah Indonesia (PMI).



CIMB Niaga Cares

Natural Disaster Recovery

Throughout 2016, the Company participated in the prevention and recovery efforts for natural disasters in Indonesia, including floods in Greater Jakarta, Karawang, Bandung, Purworejo, Garut, and Aceh, and the Aceh earthquake.

As a form of CIMB Niaga concern for the earthquake victims in Aceh, CIMB Niaga conducted a fundraising in December, 2016 through the CIMB Niaga Peduli Gempa Aceh Program. Total fundraising results as of December 31, 2016 amounted to Rp150,000,000,- which is a combination of donations from the stakeholders, CIMB Niaga Syariah Social Fund, and the Management of CIMB Niaga.

As a form of accountability program, CIMB Niaga distributed the total fundraising to the Palang Merah Indonesia (PMI), which will be utilized for the post-earthquake recovery program in Aceh in 2016. This fund is specifically used for (1) WASH (Water, Sanitation and Hygiene Promotions) Program, which is the provision of clean water to the victims of the earthquake and (2) Health Program, which is the provision of mobile health services.



Religious Holiday Celebration Program

CIMB Niaga participated in celebrating religious holidays as a form of corporate concern in various social activities related to the commemoration.

1. Ramadhan 1427 H

CIMB Niaga enlivened the month of Ramadhan through various CSR activities, among others:

- a. Provision of Donation in the Safari Ramadhan 2016 Program to 8 foundations and 4 mosques in the vicinity of CIMB Niaga branch offices in Jakarta, Bintaro, Karawaci, Batam, Semarang, Bandung, Surabaya, Makassar, and Medan.



No	Location	Date	Foundation
1	Jakarta - Tower	Tuesday, 14 June 2016	Mizan Amanah
2	Jakarta - Bintaro	Thursday, 23 June 2016	Husaini Pesanggrahan
3	Sumatera - Batam	Thursday, 16 June 2016	Permate Batam
4	Jateng - Semarang	Thursday, 16 June 2016	Rivadius Sholihin Al Islamy
5	Jabar - Bandung	Thursday, 16 June 2016	Pusat Zakat Umat
6	Jatim - Surabaya	Friday, 17 June 2016	Yatim Auliyaa'
7	Indtim - Makassar	Friday, 23 June 2016	Panti Asuhan Hizbullah
8	Sumatera - Medan	Thursday, 23 June 2016	Al - kahfi

No	Location	Date
1	DKM Bintaro Masjid Al - Hikmah	Friday, 24 June 2016
2	DKM Niaga Rahmat	Monday, 27 June 2016 - Thursday, 30 June 2016
3	DKM Karawaci - Tamgerang	Monday, 06 June 2016 - Friday, 01 July 2016
4	DKM Gajah Mada	Saturday, 25 June 2016

CIMB Niaga Cares

- b. In addition, on 25 June 2016, CIMB Niaga also conducted the cheap groceries sale for 500 residents in the vicinity of Menara CIMB Niaga Karawaci and Griya CIMB Niaga Bintaro.



2. Eid Al-Adha 1437 H



CIMB Niaga participated to enliven the celebration of Eid al-Adha 1437 H by providing 6 cows and 15

goats as sacrificial animals, which were spread across 8 locations, such as Graha CIMB Niaga Sudirman, Menara CIMB Niaga Karawaci, CIMB Niaga Gajah Mada Jakarta, CIMB Niaga Bandung, CIMB Niaga Surabaya, CIMB Niaga Banyuwangi, CIMB Niaga Malang and Pos Keadilan Peduli Umat Kupang. This activity is a form of CIMB Niaga's concern for others by sharing sacrificial animals to communities in need.

3. 2016 Christmas

As a form of awareness and gratitude, CIMB Niaga provided Christmas Donation in the amount of Rp40,000,000,- to four foundations that will be used to assist the development of the foundations and sharing to churches in need. The four foundations were, Bala Keselamatan Foundation, Kasih Tanpa Batas Foundation, Lion Club Foundation and the Thabita Care Child Social Welfare.



Unifying Spirit for Humanity (Qardhul Hasan Syariah)

Entering its fifth year of implementation, CIMB Niaga through its Sharia Business Unit (CIMB Niaga Syariah) continues to empower the Unifying Spirit for Humanity Program, which is a partnership program in disbursement of donations that focuses on infrastructure development, as well as economic, education, health and social empowerment. The provision of the assistance is based on the submission of the Institution Partner and in accordance with the decisions of the Social Fund Committee.

Throughout 2016, CIMB Niaga Syariah financed 491 activities with a total social fund disbursement of Rp19,118,214,185,-.



CIMB Niaga Cares

Donation

A donation is the contribution and participation of CIMB Niaga, either on its own initiative or request other parties, which may include funds, goods, or social programs together and given to communities in the vicinity of CIMB Niaga branch office network. Throughout 2016, the Company donated a total amount of Rp909,799,003,- for social, religion, education, economics, and health activities, as well as the development assistance of places of worship.



Details of Donation to the Communities

No	Donation Information	Total of Donations
1	Donation for the Implementation of Naposo Parsadaan Pomparan Somba Debata Siahaan (NPPSD) Christmas in the Greater Jakarta Area	Rp10,000,000,-
2	Emergency Natural Disaster Response for Flood Victims in the Regency of Karawang, which was disbursed through the KPPU	Rp10,000,000,-
3	School Uniform Donation for Students Victim of the Flood in the South Bandung area	Rp10,000,000,-
4	Donation for 27 flood victims who are CIMB Niaga employees for the purchase of cleaning kit from vendors Prosperindo	Rp5,930,820 ,-
5	Expense for the purchase of cleaning kit from Prosperindo, which will be donated to 6 additional flood victims referring to the recommendations of the Business Management Continuity (BCM)	Rp1,317,960,-
6	Donation to Yayasan Onkologi Anak Indonesia in the Concert de Charite event, Mentari School Grade 7	Rp5,000,000,-
7	Donation for the Tablig Akbar and assistance for the orphans as well as the less fortunates/ widows (KUMIS)	Rp5,000,000,-
8	Donation for the Facilities and Infrastructure of Madrasah Ibtidaiyah Nurul Falah in Tangerang	Rp13,142,723,-
9	Donation for Yayasan Onkologi Anak Indonesia in the Color Run Activity	Rp150,000,000,-
10	Donations for the Purchase of 500 Grocery Packages for the Community	Rp120,000,000,-
11	Donations for the Safari Ramadhan Program	Rp80,000,000,-
12	Donasi Dewan Kemakmuran Masjid untuk 4 Lokasi (Niaga Rahmat, Bintaro, Karawaci dan Gajah Mada)	Rp65,000,000,-
13	Donations for the Construction of GPIB Kinasih Church – Sarua Ciputat	Rp8,500,000,-
14	Donations for the construction of Jamie Al-Barokah Mosque	Rp10,000,000,-
15	Donations for the Construction of the Daar El Wafa Boarding School and Mosque in Banten	Rp10,000,000,-
16	Donations for the Renovation of Nurul Huda Mosque in Bogor	Rp2,475,000
17	Donations for the Construction of the Tahfizhul Qur'an (PTQ) An Nida Elementary School in Salatiga	Rp14,082,500,-
18	Donations for Free Health Treatment & Groceries in Karas Island – Batam	Rp10,000,000,-
19	Donations for the Construction of Ar-Rahman Mosque in Bungur Indah	Rp9,000,000,-
20	Donations proposal for Social Activities by Ketimbang Ngemis Palembang	Rp2,500,000,-
21	Donations proposal for Ramadhan Activities 1437H by Al Hurriyah Mosque in Bendungan Hilir	Rp2,000,000,-
22	Donations proposal for thr Renovation of the Heka Leka Education Center	Rp3,000,000,-
23	Donations proposal for Ramadhan Activities 1437H KIPCIM – Komunitas Peduli Anak Bangsa	Rp5,000,000,-
24	Donations proposal for Shanti Bhuana Management College in Bengkayang	Rp25,000,000,-

CIMB Niaga Cares

No	Donation Information	Total of Donations
25	Donations proposal for the Piatu Foundation by CNC Bandung	Rp3,000,000,-
26	Donations proposal for Ramadhan Activities 1437H for Nurul Fajar Mosque in South Tangerang	Rp1,000,000,-
27	Donations proposal for the Construction of the Ittidahul Muslimin Mosque in Tangerang	Rp3,000,000,-
28	Donations proposal for Ramadhan Activities 2016 for the Darul Qur'an Mulia Islamic School in Bogor	Rp3,000,000,-
29	Donations proposal for Ramdhan Activities of SEKOLAH SAJA in North Jakarta	Rp5,000,000,-
30	Donations proposal for the 2016 Pondok Ramadhan FEC Activities	Rp3,200,000,-
31	Donations proposal for the Daarut Tauhid Mosque	Rp5,700,000,-
32	Donations proposal for the Construction of the Nur Ihsan Mosque in Garut	Rp5,000,000,-
33	Donations proposal for the Construction of Al Muhtariah Islamic School in Bogor	Rp2,500,000,-
34	Donations for the Flood Emergency Response in Purworejo	Rp10,000,000,-
35	Fire incident donations for employee's house in the name of Ms. Linda Susyanti	Rp2,500,000,-
36	Seminar on No Apologies Focus on The Family Indonesia (FOFI)	Rp10,000,000,-
37	Donations for the Renovation of Nurul Iman Mosque	Rp3,000,000,-
38	Donations for Monthly Activities Supporting Funds of DKM AI – Muuzhofa	Rp2,800,000,-
39	Donations for Monthly Activities Supporting Funds of DKM AI – Hikmah	Rp2,000,000,-
40	Donations for the Construction of the Daarul Abroor Islamic School	Rp2,500,000,-
41	Donations for Monthly Activities Supporting Funds of DKM AI – Ikhlas GaMa	Rp2,000,000,-
42	Donations for the Purchase of Sacrificial Animal for the 2016 Eid al-Adha	Rp135,400,000,-
43	Social Assistance donations of Groceries in Cilebut	Rp5,000,000,-
44	Garut Flood Emergency Response donations through the PKPU	Rp10,000,000,-
45	Garut Natural Disaster donations through the PK-IJK and Perbanas Jabar	Rp5,000,000,-
46	Donations for the Renovation of the At – Taqwa Mosque	Rp2,500,000,-
47	Donations of 4 laptops to the Mitra Netra Foundation	Rp28,000,000,-
48	Donations for the Christmas Celebration in Naposo	Rp10,000,000,-
49	Donations of Cooperative Display Case of Babakan Kadu Elementary School in Tasikmalaya	Rp750,000,-
50	Kasih Natal 2016 donations	Rp40,000,000,-
51	Flood Emergency Response donations in Muara Gembong Bekasi	Rp10,000,000,-
52	Donations for the Ayo Sekolah Ayo Kuliah St. Nikodemus Program	Rp10,000,000,-
53	Donations for the Aceh Flood Through the PKPU and CIMB Niaga Aceh	Rp10,000,000,-
54	Donations for the Aceh Earthquake Through the PKPU and CIMB Niaga Aceh	Rp10,000,000,-
Total Donations Distributed		Rp909,799,003,-

CIMB Niaga Cares

ENVIRONMENTAL

The protection of the environment is an important initiative, a resource and at the same time support for a better life. In this field, CIMB Niaga supports environmental conservation, which is implemented through the Green Office Program and the Go Green Program.

Discussion on the environment is discussed in the “Environmental Sustainability” chapter on page 74.

2016 CSR AWARDS

The commitment for the contribution to the environment and society organized by CIMB Niaga has consistently received appreciation from various parties in the form of the following awards:

- Conduct Market Award – Consumer Protection, by the Financial Services Authority, March 22, 2016.

- 2016 Global CSR Awards – Bronze, in the category ‘Excellence in Provision of Literacy & Education Award’ by The Pinnacle Group International, April 21, 2016.
- 2016 Indonesia Green Awards, Indonesia Bio Diversity Preservation category, by The La Tofi School of CSR, May 21, 2016.
- 2016 Sustainable Business Award, Green Banking by Global Initiatives, August 5, 2016.
- 2016 Nusantara CSR Awards, Health Improvement Category, by The La Tofi School of CSR, October 18, 2016.
- 2016 Green Office Competition Awards, Champion in the Gold-Green Office Workplace Category, by Graha Niaga Tata Utama, December 19, 2016.

CSR FUNDING

In 2016, the realization of the Bank CSR program in the field of social and community development amounting Rp9,491,783,807 (Nine billion four hundred ninety one million seven hundred and eighty three thousand eight hundred and seven Rupiah).

(in Rupiah)

No	CSR Activity Pillar	2014	2015	2016
1	Education	5,117,216,172	7,159,607,198	7,166,282,929
2	Community Development and Empowerment	463,027,500	267,790,609	260,227,000
3	Philanthropy	4,249,221,035	1,510,971,261	987,451,280
4	Donation	576,479,875	769,098,410	219,150,223
5	Environment	88,650,316	57,576,900	534,355,000
6	Qardhul Hasan of CIMB Niaga Sharia	7,357,864,835	14,705,655,354	19,118,214,185
7	CSR Communication Program	1,134,572,600	168,530,000	324,317,375
	Total	18,987,032,333	24,639,229,732	28,609,997,992

CIMB Niaga Cares

2017 CSR PLAN AND STRATEGY

On an ongoing basis, CIMB Niaga prepares the plan and strategy for the implementation of policies, programs and CSR activities in 2017 as a form of positive commitment and contribution of the Company's presence to the environment, society, and all other stakeholders. In the future, the Company will continue to strategically and comprehensively create synergy between work units, and focuses on four main areas of education, philanthropy, community development and empowerment, and the environment.

1. Education

The implementation of the Scholarship Program collaborates with business units that can be used as a marketing tool for the acquisition of business at universities where students selected from the University will be submitted to receive the CIMB Niaga Scholarship Program.

In addition, CIMB Niaga will also be consistent to continue for implement the Ayo Menabung dan Berbagi (AMDB) Program in 2017 with a participant target of 6,000 students from elementary, junior high to senior high schools in 10 cities in Indonesia.

Both the Scholarship Program, the AMDB program, and other educational programs are attempted to be in synergy with CIMB Niaga's business strategy in the Company's business growth efforts.

2. Community Development and Empowerment

CIMB Niaga in cooperation with the Indonesian Embassy in Malaysia, will follow-up the cooperation in Shelter Rumah Kita Program, which is the housing for Indonesian Female Migrant Workers in Malaysia that are undergoing the process of law.

The Company will also employ persons with disabilities as CIMB Niaga's commitment to provide employment opportunities for persons with disabilities and coordinate with Mitra Netra Foundation as well as other foundations.

3. Philanthropy

In the field of philanthropy, the Company will focus on providing assistance in the form of donations for people in need. This becomes CIMB Niaga's commitment to continue to provide benefit to the stakeholders in terms of social religious activities, as well as post-disaster recovery efforts.

4. Environment

CIMB Niaga seeks to take action to conserve biodiversity in Indonesia to support the nature conservation program in Indonesia, especially bamboo planting in the area of Ngada, Nusa Tenggara Timur.

CSR funding sources are derived from the Company's operational costs by taking into consideration the financial needs and condition. In 2016, the realization of CIMB Niaga CSR program reached Rp9.49 billion.

Environmental Sustainability





CIMB Niaga has implemented Green Banking Policy in its business practices, with regard to the environmental aspects through various environmental policies and initiatives, as well as initiatives in environment management.

© Environmental Sustainability



Managing and preserving the environment is one of the commitments of a responsible Company. CIMB Niaga adopts two approaches in its management, namely internal environmental management in banking activities and participation in enhancing the sustainability, diversity, and sanitation of the external environment.

To that end, the Company's policy on environmental aspects starts internally, i.e. through various environment policies and initiatives as well as initiatives to manage the environment externally through CIMB Niaga's Peduli CSR Program.

Prioritizing Green Banking

As a banking company that raises and distributes funds, CIMB Niaga has implemented the Green Banking Policy in its business practices, by paying attention to environmental aspects.

The basic principles of an environment- friendly bank are to strengthen risk management capabilities, especially

those related to the environment, and to encourage an increase in the financing portfolio in environment-friendly business activities.

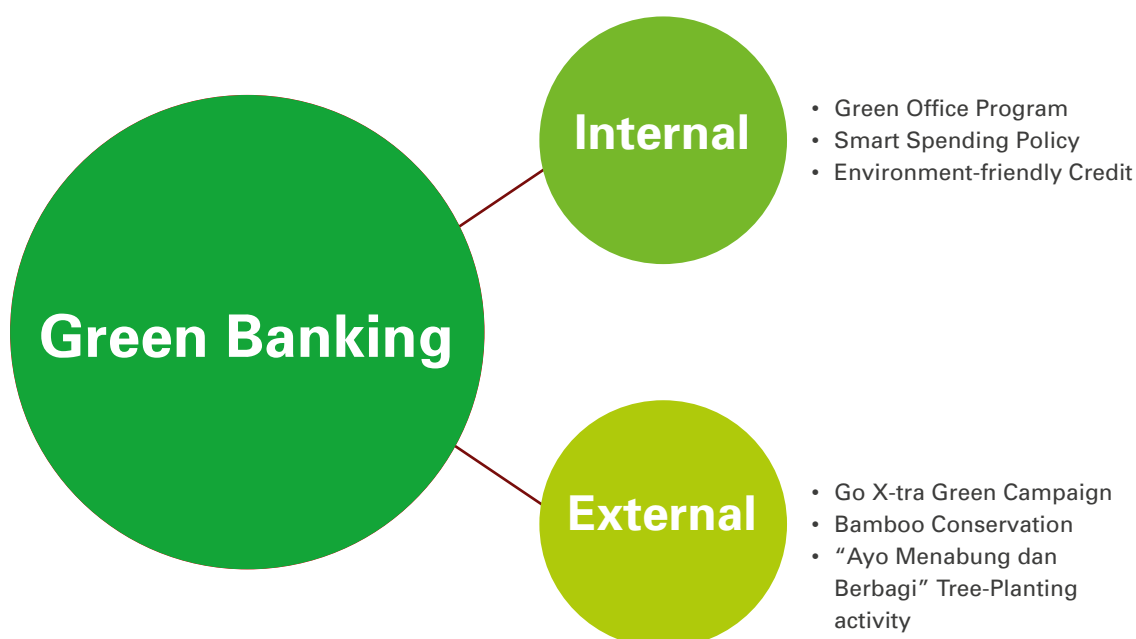
Application of CIMB Niaga's Green Banking Policy refers to:

- Law of the Republic of Indonesia No. 10/1998 on Banking
- Law No. 32 Year 2009 on Environmental Protection and Management
- MOU of the Minister of Environment and the Governor of Bank Indonesia on promoting the participation of banking sectors in order to support environmental management (No. B-07MENLH / 09/2004 /; No. 6/66 / KEP.GBI / 2004)
- Regulation of Bank of Indonesia
- The policy of the Indonesian National Council on Climate Change
- UN Framework on Climate Change (UNFCCC);
- United Nations Environment Program (UNEP); and
- Equator Principles (EP).



Green Banking Policy Approach

CIMB Niaga's Green Banking Program is divided into two main areas, internally, which focuses on the implementation of the principles of green banking in banking operations, and externally, intended for community involvement in environmental activities.



Environmental Sustainability

CORPORATE INTERNAL PROGRAM [G4-DMA]

Green Office Program

The Green Office Program is an internal program of CIMB Niaga, conducted nationwide, organized in stages with the aim of increasing the Company's productivity and of maintaining all stakeholders' awareness of the environment. This program is part of the company's plan to become a part of the Green Banking Industry in the future. [G4-DMA]

Recycle Program	Less Paper Office Program	Save Energy Program
<ul style="list-style-type: none"> • Work with third parties for office waste management, such as paper waste, organic and non-organic waste to be recycled. • Process organic waste into compost for personal use or to be sold. • The program runs periodically from the head office to the branch network. 	<ul style="list-style-type: none"> • Optimum utilization of the Multi-Function Printer (MFP) for scanning, fax or direct e-mail without the need to print/reproduce documents or photocopies. • Units/groups that are already using (MFP) are obligated to return or allocate the conventional copier, fax, scanner and printer at their disposal to another user, unless the printer is in the head of the group's office. • Gradually implement e-statement/e-billing. Administer the use of e-statements from internal activities, to entire client reporting or billing activities. • Optimum utilization of used paper to print or copy internal documents. • Optimize the utilization of equipment such as scanners, e-mail and internal company website to limit and regulate printing of brochures, company magazines and other internal communication. • Print 2 pages per one sheet of paper— print on both sides if the printer has this function. • Print using draft quality mode to save printer toner. 	<ul style="list-style-type: none"> • Turn off electrical appliances and lights when not in use and after office hours. • Turn on the energy-saving features in any electrical equipment and computers being used (if the function is available), for example: screen saver or power save mode applied to computers, LCDs, projectors, air conditioning, and others. • Mandatory use of fuel-efficient vehicles • Mandatory use of teleconferencing and video conferencing facilities for meetings with participants in remote locations.

Environmental Sustainability

Green Office Campaign @Graha CIMB Niaga

The Green Office Campaign is an activity to internalize the concept of Green Banking to employees of CIMB Niaga which is organized by the Community Development Group and Graha Niaga Tata Utama at Head Office. This program also supports the activities of PT Graha Niaga Tata Utama as the building management of the Company's head office.

Implementation of this program includes:

1. Socialization of the Green Office Concept

Green Office @Graha CIMB Niaga began with socialization that involved Ganda Mady Indotama (GMT) as the building caretaker in cooperation with the Building Manager (GNTU) on July 24, 2016. A total of 26 GMT employees were present in this socialization event, during which GNTU discussed sorting organic waste, inorganic waste, and paper. This socialization was expected to generate synergy in the processing of organic waste into liquid compost.

2. Provision of Green Plants

Provision of 400 potted green plants to create a green workspace in the workplace and the provision of compost bins, accompanied by socialization of how to care for green plants to each PIC on every floor zone. Provision of greenery in the workplace was also followed up with the monitoring and inspection of the condition of the plants and the response from employees.

3. Green Office Campaign @Graha CIMB Niaga

Green Office activities continued with the distribution of posters and stickers about saving natural resources in Graha Niaga, CIMB Niaga Tower as a reminder of the importance of conserving natural resources in the workplace.



Green Office Campaign Poster

Environmental Sustainability



Environmental Sustainability

Smart Spending Policy

As a Bank, the environmental impact of the main banking activities is the daily use of natural resources such as energy, water, and paper in each office of CIMB Niaga. The Company is committed to minimizing the negative impact of banking activities on the environment by encouraging efficient use and the saving of natural resources.

CIMB Niaga, through the Cost Management and Control Unit, has implemented the Smart Spending Policy which is a continuation of the policy carried out since 2009 to support the implementation of the Green Office Program. The Smart Spending Policy concerns efficiency in operational activities with the principles of being environment- friendly and having an impact on savings.

Socialization of this policy is continued periodically through the campaign "Smart Use to Save Cost" by using banners, posters, stickers and e-mail blasts to all employees to ignite a more environment-friendly implementation of banking operations policies.

Smart Spending Policy

- **Vehicle Rent**
Rental vehicles must be more efficient, be able to transport large numbers of people, and the vehicle should be no more than one year old at the time of rental, and must be in good condition. This aims to reduce greenhouse gas emissions, reduce the number of vehicles for business trips out of town, and reduce transportation costs.
- **Standardization of Paper Size**
The standard paper used for everyday purposes in operational activities of CIMB Niaga (photo copy, memos, and printing) is A4 70 grams HVS. In addition, this policy also aims to maximize both sides of the paper as an effort to save costs. The goal is to reduce waste paper and facilitate transport of waste by third parties who recycle the paper.
- **Socialization of E-Statement Facility**
The development of the digital era as well as the government's vision to make Indonesia become the largest digital economy have motivated CIMB Niaga ASEAN to help achieve this goal. Each type of correspondence to customers (Giro Statement, Education Saving Statement, Credit Card Statement and others) is now using paperless e-statements. This aims to reduce the use of paper and shipping costs related to the level of emissions from transportation.
- **Restrictions to Electricity Consumption**
The maximum use of electricity after office hours for overtime activities is restricted to 2 (two) hours. The objective of this policy is to control the use of electricity. In addition, the CIMB Niaga has conserved electricity through the use of energy-efficient electrical installations (ie types of lamps, zoning, installation of lamp fittings, etc), as well as the use of air conditioning during overtime. By reducing emissions from electricity usage, work hours become more effective and overtime is reduced.

Environmental Sustainability

Green Lending [G4-DMA]

In comply with the laws and regulations, CIMB Niaga has undertaken a policy of only lending to those parties that have and support environmental conservation policies, have environmental permits and meet the standards and guidelines set by the Government in the field of environment, including the results of the Environmental Impact Analysis (EIA) report for large-scale, and/or high risk companies.

This policy has been part of the Commercial Credit Policy, in this policy, one of the criteria in the assessment of the debtor's business prospects is the effort made by the debtor in managing the environment, in particular large-scale debtors have material impact on the environment.

The Company also conducts regular visits to customers and prospective customers to check the qualifications required and the implementation of risk mitigation efforts related to environment in its business operations. With this approach, CIMB Niaga also apply the prudent principles in lending, since failure to meet licensing and environmental requirements could result in termination of a business activity financed by the Company.

Green Lending policies established by CIMB Niaga is the application of the following government regulations:

- Elucidation of Article 8 of Law No. 7 of 1992 concerning Banking, as amended by Law No. 10 of 1998, related to the Environmental Impact Analysis (EIA) for large-scale and/or high risk enterprises.
- Law No. 23 of 1997 on Environmental Management and
- Government Regulation No. 27 of 1999 on EIA.

To support the Green Lending Policy, CIMB Niaga held socialization on the Granting of Commercial Credit in accordance with the Company KDPO, with the objective of providing an understanding for internal employees regarding the provision of credit. This socialization also describes the impact of granting credit without putting

into consideration the environmental conditions, and hence it was expected that every credit will be granted by considering environmental aspects.

The material for the dissemination of environment-related loans disbursement among others is about the Company's policy regarding the disbursement of funds that require the availability of the Environmental Impact Assessment (AMDAL) for large enterprises or high risk companies. It also contains requirement on the companies rating issued by the Ministry of Environment and Forestry, or Performance Rating Program in Environment Management (PROPER).

CORPORATE EXTERNAL PROGRAM

As part of the implementation of CSR, CIMB Niaga is committed to support all efforts of environmental preservation for future generations, such as biodiversity, and environmental sanitation. This commitment is realized through various CSR activities in the environmental field and carried out through a process of identification and interaction directly with stakeholders on the needs of environmental protection in the long term. [G4-DMA]

Go X-tra Green Campaign

The Go X-tra Green Campaign was held in conjunction with the tenth anniversary of CIMB Niaga Scholarship Program in 10 cities in Indonesia (Manado, Jakarta, Bandung, Yogyakarta, Malang, Semarang, Palembang, Medan, Makassar and Surabaya) inviting the scholarship grantees to participate in the implementation of the Go X-tra Green campaign.

Implementation took place on the same day as the Car Free Day (CFD) event in each city. The campaign was conducted by distributing plant seeds to support the green concept, and by handing out various kinds of souvenirs, designed to reduce the use of plastic household garbage. Accordingly, the scholars also invited residents to take care of the trash in the neighborhood and exchange it for merchandise or plant seeds that had been prepared in readiness.

Environmental Sustainability



Environmental Sustainability

Bamboo Conservation to Preserve the Environment

In line with CIMB Niaga's commitment to make a real contribution to preserve the environment and climate change mitigation efforts, the program is organized through cooperation between CIMB Niaga and the Indonesian Biodiversity Foundation (Kehati Foundation), which was conducted in two phases. In the first phase, 4,000 tabah bamboo seedlings were planted in 2012 - 2013. The second program in 2016 was the provision of equipment and for bamboo shoots in two villages, namely Patas Taro Village and Kerta Village, as well as the provision of 2,700 tabah bamboo seedlings, which were grown in Gambuk Hamlet, Padangan Pupuan Village, Tabanan, together with the delivery of post-harvest tools to process the bamboo shoots during first stage planting.

In addition to Bali, a similar initiative was also carried out on the island of Flores, East Nusa Tenggara. The Company also worked together with Kehati Foundation for the long-term environmental program with a target of planting 20,000 Betung Bamboo seedlings in Ngada, NTT. The area is dry, so the presence of bamboo cultivation is expected to increase the uptake of water needed by the people in the dry season. In 2016, CIMB Niaga committed to planting activities were initiated with 10,000 betung bamboo seedlings which will sustainable realized on the next year.



Environmental Sustainability

Various Benefits of Tabah Bamboo in Tabanan, Bali

2012

- The planting of 4,000 tabah bamboo seedlings in Gambuk Hamlet, Padangan Village, Pupuan Tabanan, Bali for the preservation of 8 ha of land.
- A collaboration of CIMB Niaga, the Kehati Foundation and the farmers in Batungsel Village, Pupuan, Tabanan (Bambu Alam Lestari Group) and Taro Patas Village, Gianyar (Pemulan Group).

2013

- Research on bamboo shoots post harvest handling.
- Tabah bamboo shoots produced were quite high in nutrition.
- Tabah shoots are delicious, soft, and have a longer preserve time after being processed and packaged.

2015

The first harvest and the groups agreed to start to develop a home industry to process bamboo shoots, that will be sold to ecotourism tourists or foreign buyers.

2016

- Planting of 2,700 seedlings in Gambuk Hamlet, Padangan Village, Pupuan.
- Extending cooperation with the Bamboo Research and Development Center, Udayana University as the party in charge.

Capacity Development

- Local institutions created from the activity.
- Pupuan's Organic Farming Group.
- Pupuan's Bambu Alam Sejahtera Farming Group.
- Pupuan's Tunas Bambu Producing-Cooperative for Women.
- Kerta Village's Bambu Alam Lestari Farming Group.
- Patas Hamlet-Taro Village's Bambu Alam Lestari Farming Group.
- Patas Hamlet-Taro Village's Swagina Women Farming Group.
- Producing-Cooperative Tunas Bambu.

Economic Added Values

- Featured Products of the Village:
 1. Bamboo shoots as food source.
 2. Building and farming materials.
- New work fields are created
- Employment Action
- Improved welfare of the people

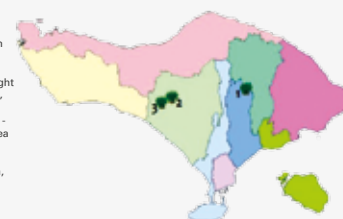
Nilai Tambah Ekologi

- 4,700 bambao plants.
- ± 13 ha restoration of critical land.

The activities were carried out in three locations, namely:

1. Dusun Patas, village of Taro, Tegallalang-Gianyar, with height of 500-600 m above sea level, 2,000 seedlings
2. Village of Batungsel, Pupuan - Tabanan, 700-800 m above sea level, 2,000 seedlings.
3. Dusun Gambug, Village of Padangan, Pupuan - Tabanan, 700-800 m above sea level, 2,700 seedlings

Note: 500 bamboo seedling = 1 hectare.



Environmental Sustainability

The importance of Bamboo to the Environment and empowerment aspects

Dr.Ir. P.K. Diah Kencana, MS

Lecturer at the Faculty of Agricultural Technology, Udayana University

Head of Bamboo Research and Development Center LPPM, Udayana University

Bamboo is already known to be a plant of biological resource, with high economic value, particularly for the people in rural areas, who treat bamboo as plants that are needed for socio-cultural events. Bamboo is a continuously used plant and must be available from the moment of birth until death as well as used in all cultural events and cannot be replaced by other plants.

Bamboo is the right plant to restore the function of damaged forests, because it grows in a clump quickly and can absorb water better than tap root plants. Bamboo has fiber and tap roots enabling the plant to absorb $\pm 90\%$ of rainwater, while other crops can only absorb 35-40%. This gives bamboo's root structure the ability to bind soil and water well, and more importantly can restore the function of forests as a buffer of life on earth.

In one day bamboo can grow from 30-90 cm. The average growth of bamboo up to maturity takes 3-6 years. At this age, the quality and strength of bamboo are their highest. The leaves are broad and lush, enabling the plant to absorb more CO_2 in the air. 1 Ha bamboo can absorb ± 12 tons of CO_2 from the air, making the air around a bamboo grove clean and healthy.

Preserving bamboo forests, means that there is a large vacuum capacity of carbon dioxide. In light of the many benefits of bamboo, the Government should begin to focus on the development of bamboo, especially in critical areas.

For the sustainability of the bamboo industry, there is a system referred to as ABG (Academic, Business and Government), triple helix or triangle. This means that bamboo cultivation can be done through strong cooperation between academia as a source of information and the results of the study can be applied by businesses and governments for licensing all activities of the industry. It is hoped that Indonesia can be the biggest producer of bamboo and its derivatives not only for Southeast Asia but for further afield.



Environmental Sustainability

Saving and Growing

The spirit of our environmental conservation is also transmitted to younger generations through “Ayo Menabung dan Berbagi” Program (AMDB) with elementary and junior high school children as participants. The Company teaches that the concept of saving is likened to planting trees. Like a tree, initially in the form of a mere seed or seedling, it then grows to become a large, shady tree. Saving money is a similar concept, initially we save a small amount of money, but if we save regularly, the balance of our savings account will become greater.

Through the AMDB Program, the students are invited to participate in planting trees by giving seed plants to every student who makes a saving. A total of 2,897 vegetable trees have been planted in 21 elementary schools in Indonesia throughout 2016.



AWARDS IN THE ENVIRONMENTAL FIELD

Indonesia Green Awards 2016

Appreciation for external stakeholders was received by CIMB Niaga for the efforts that have been shown in environmental conservation activities. One of them was the Indonesian Green Awards 2016 in the category of Indonesian Biodiversity Conservation, for the Community-Based Conservation and Development Program of Added Value for Tabah Bamboo in Tabanan, Bali.

The award was received by CIMB Niaga on May 21, 2016 in Taman Tebet, South Jakarta.

Sustainable Business Award 2016

Through the consistent and coordinated efforts of CIMB Niaga staff, the Company received the Sustainable Business Award, 2016. The award was presented by Bambang Brodjonegoro, Minister of National Development Planning/Head of Bappenas for the initiatives shown towards environmental concerns through the Smart Spending Program, Green Office, and Bamboo Preservation.

Green Office Competition Awards 2016

On December 19, 2016, CIMB Niaga received the award as First Winner in the Gold category in the Green Office Competition 2016 Awards, Graha Niaga organized by PT Graha Niaga Tata Utama.

This award is recognition of the commitment to and implementation of various initiatives to create a work environment that is green and conducive. This result is the fruit of the Green Office program implemented at CIMB Niaga Head Office and of other initiatives that support the Smart Spending Policy.

CIMB for Customers





As part of the financial services industry, public trust has become top priority for CIMB Niaga. Therefore, the Company has an aspiration to become the Best Bank in Customer Experience.

© CIMB for Customers



For more than 60 years, CIMB Niaga has grown and developed in Indonesia, we currently serve more than 5.8 million customers, both individuals and corporates, for more than 190 million financial transactions every year. As in the financial services industry, the trust of the customers is the main priority for CIMB Niaga. To that account, the Company aspires to become The Best Bank for Customer Experience.

In providing financial products and services to the community, CIMB Niaga always upholds the rights of the customers in accordance with the prevailing regulations. The Company's policy on Customer Responsibility is reflected in the following activities:

- Maintaining the quality of products and services
- Improving services
- Management of Customer Complaints

Maintaining Quality Products

CIMB Niaga is committed to aligning business strategy with consumer protection and improving the quality of its products and services. To that end, various efforts were taken such as the improvement of work processes by adopting lean six sigma methods, providing choices and ease of transaction for customers through a 24-hour Phone Banking service, as well as conducting internal campaign of Service From the Heart aims to establish a culture of customer-centric for all staff CIMB Niaga.

Transparency of Products and Services [G4-DMA]

CIMB Niaga provides various financial products and services, consisting of savings, lending, wealth management, as well as e-channel products that are tailored specifically to meet the needs of the customers.



Each product, activity, and policy of CIMB Niaga refers to the prevailing regulations and Company policy. In the event of a condition which has not been regulated in the product or activity policy, such condition will be communicated to the Company's officers or the Business Development Committee, who are authorized to approve the Product Policy. Each new product will require the approval from Bank Indonesia.

Meanwhile, to ensure that the customers obtain accurate financial products and services, CIMB Niaga has implemented the Products and Services Transparency Policy. In each sale, the CIMB Niaga employee conveys all information to the customer to ensure there will be no misinterpretation. In addition, the Company does not allow the obligation for a customer to obtain products and services in a package or bundling.

Summary of Financial Products and Services Transparency

Providing honest information on products and services, based on real information on the benefit, cost, and risk of each product and service

Delivering the information, including confirming with the customer or prospective customer on the explanation provided

Providing proof of ownership on the product or utilized services, as well as transaction information to the customer in a timely manner in accordance with the agreement

CIMB Niaga for Customers

Financial Literacy Education [G4-DMA] [FS-16]

Based on Inpres No. 6 of 2007 as well as the initiatives implemented by Bank of Indonesia and the Financial Services Authority (FSA), CIMB Niaga takes part in financial literacy education, including to customers and prospective customers. The education implementation plan is prepared in an annual program by the Corporate Secretary and reported to the Financial Services Authority through the Bank Business Plan.

The education implementation to the customers and prospective customers is regulated in the Products and Services Transparency policy as explained above. While the details on the implementation of the financial literacy education to the community can be viewed in the 'CIMB Niaga Cares' section on page 48.

As a public entity, CIMB Niaga is also active in the Banking Mediation Working Group, in cooperation with Bank of Indonesia and the Financial Services Authority as well as other banks involved in conducting the customer education program, both in the form of seminars on banking as well as other activities.

Customer Service [G4-DMA]

Quality services is the key to success. To that account, CIMB Niaga focuses on customer experience that emphasizes being customer-centric as an effort to improve the quality of services. In addition, the development and improvement in each aspect of services, products, and banking innovations are also based on the recommendations of customers. This is to ensure that customers obtain an optimal banking experience and benefit. In line with that, CIMB Niaga established the Customer Experience unit, with the function to manage and monitor customer services through a synergy with other relevant work units.

CIMB Niaga performs internal and external assessments on important indicators related to customer experiences, receiving input through various surveys, monitoring customer complaints, as well as evaluating the customers' experience on banking products and services offered in a periodic manner. Based on these matters, the Company is committed to enhancing and improving the quality of services, both related to the aspects of human resources, process, products, and infrastructure.

Various innovative services for customers were introduced, among others easiness of opening account online, requesting replacement of card and change of address through phone banking services, as well as the security and convenience of conducting transactions over the Internet or mobile banking. By prioritizing customer convenience in conducting banking transactions, as well as handling their requests or complaints in a comprehensive manner, the Bank wishes to improve customer satisfaction and loyalty.

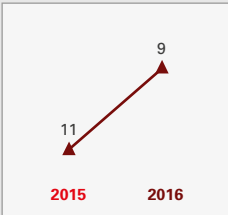
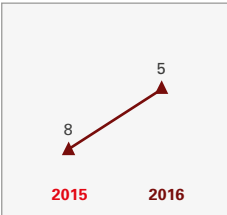
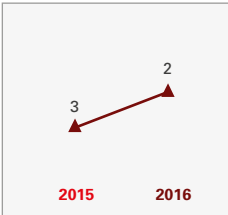
Customer Satisfaction Survey

As a continuous effort to meeting and exceeding the customer expectations, CIMB Niaga periodically conducts the Customer Satisfaction Survey (CSS) on the management of complaints. The customers' feedback is the followed-up with various services quality improvement initiatives.

The Company appoints a third party to conduct the Customer Satisfaction Survey (CSS) on a regular basis. The CSS is conducted through the sampling method with target of respondents deriving from all business segments, and randomly selected from various regions and education background, age, business type, and job background. In 2016, the rank of CIMB Niaga in 3 surveys carried out by the third party increased, compared to the rank in the previous year.

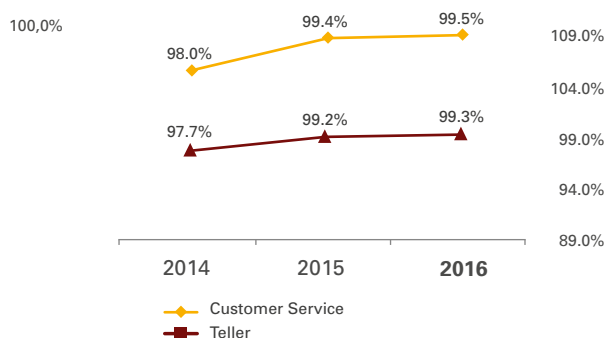
CIMB Niaga for Customers

Customer Satisfaction Survey Assessment Results [G4-PR5]

Organizer	MRI Bank Service Excellence Monitoring	ISMS Trisakti Institut on Service Management Studies	MarkPlus WOW Service Excellence Awards
Method	Mystery Shopping	Customer Interview	Customer Interview
Assessed Matters	Service Standards	Customer Satisfaction	Customer Experience
2015-2016 Rank			

In addition to conducting the CSS, the Company has also developed an internal customer satisfaction assessment system. The customers are able to provide direct feedback on the quality of services provided by the CS and teller using the customer feedback system are available in more than 300 branch offices.

Customer Satisfaction Assessment Results with the Customer Feedback System [G4-PR5]



The Company always follow up customers' feedback obtained through the Customer Satisfaction Survey (SKN), among others by developing mechanism for the settlement of customers request/complaint with the objective of ensuring that each requests / complaints can be solved in an efficient, timely, and quality manner. Time of completion of customers request/complaint in each

function is continuously monitored in order to maintain Service Level Agreement. Customers input is the main factor in improving and developing the Bank's services for achieving customers satisfaction.

Customer Complaint Management

CIMB Niaga established the Customer Care (CC) unit to ensure that all customer complaints on financial products or services are handled and managed appropriately and in accordance with the provisions of Bank Indonesia and the Financial Services Authority.

Complaints are submitted through various means, among others through the branch office, 24 hour 14041 phone banking service, email via 14041@cimbniaga.co.id, or via Facebook CIMB Indonesia and Twitter @CIMB Indonesia.

Each customer complaint is followed-up with a comprehensive monitoring system, to ensure the completion rate and time efficiency in the management of the complaint. In the 2016 period, there were 52,365 complaints received, with a 90% completion rate, in accordance with the Service Level Agreement. With a 88% of the customers are satisfied with the quality of the customer complaint resolutions.

CIMB Niaga for Customers

Performance of Customer Complaint Management [G4-PR5]

Indicator	2016	2015
Total Financial Transactions	190 million	176 million
Total Customer Complaints	52 thousand	57 thousand
Resolved in accordance with the SLA	90%	84%

Maintaining Customer Privacy

CIMB Niaga maintains the confidentiality and privacy of customer data in accordance with the prevailing regulations of the regulators. To that end, the Company possesses and implements policies on Customer Protection and the Provision of Information/Data/Document to External Parties. In principle, the Company does not provide personal data and/or information on its Customers to any third party, unless required by law or based on the approval of the concerned customer. [G4-DMA]

CIMB Niaga for Customers

The Company also implements imposing sanctions, starting from indiscipline sanctions, including reprimand or warning, up to termination of employment, in the event of violations that lead to loss of a Customer's Personal Data.

Nil
Incident of violations related to customer privacy or loss of customer data (2014-2016).

Nil
Incident of violations related to information and labeling of products and services (2014-2016)

CIMB Niaga's People





CIMB Niaga continues to develop and improve based on the Company's strategic plan and on its focus in conducting review on the organization and optimizing resources, including especially Human Resources.

© CIMB Niaga's People



Human Resources (HR) of CIMB Niaga implements a strategic role in the transformation and business development process conducted by the Company. Therefore, it is essential to have human resources that have the skills, integrity, and professionalism throughout the organization. As a Bank, to meet the needs of qualified human resources is a challenge, due to the higher talent war between companies in the banking industry, financial services, as well as with other business sectors.

With regard to these objectives, CIMB Niaga through the Directorate of Human Resources is dedicated to continuous development and improvement, with reference to the Company's strategic plans and focused on conducting a review of the organization, as well as to optimize available resources, including human resources through sustainable talent management and structured employee training and development programs.

About the Individuals of CIMB Niaga

Currently, there are 13,185 employees with diverse backgrounds supporting CIMB Niaga. The Company offers an equal opportunity for anyone to join CIMB Niaga based on competencies regardless of gender, ethnicity, religion, and race. The same principles apply to the remuneration system and employee development during a career at CIMB Niaga. [G4-DMA]

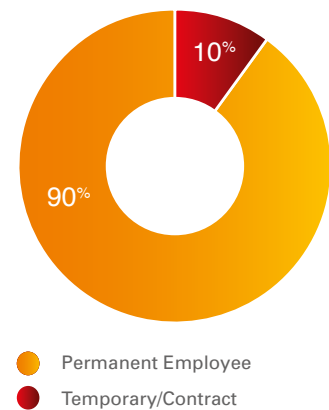
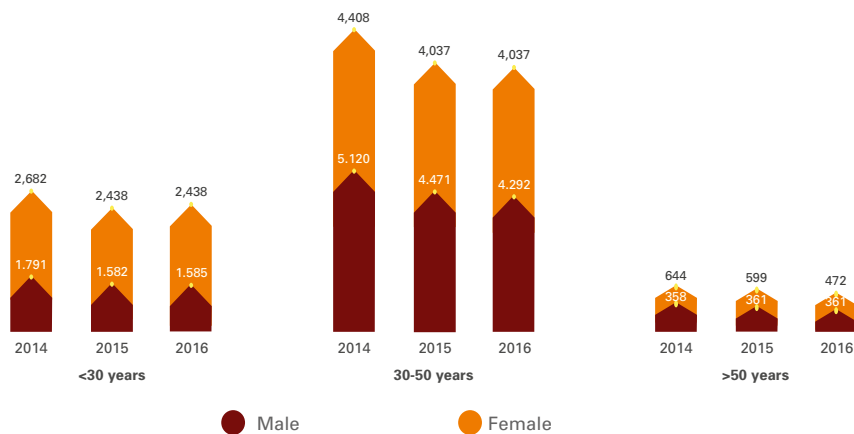
ABC - A Better CIMB Niaga

To create an excellent service to our customers and improve the effectiveness of cooperation in realizing synergies between the units or functions, the Company continuously promotes "A Better CIMB Niaga" (ABC) campaign, which contains three main behaviours that reflect the culture of the Company, namely work hard to satisfy customers; "Go the extra mile" to delight customers, Respect each other, engage openly and work together, and Recognise each other's efforts and always back each other up. These aspects are expected to prepare for, respond to, and anticipate the market challenges that are more open in the coming years.



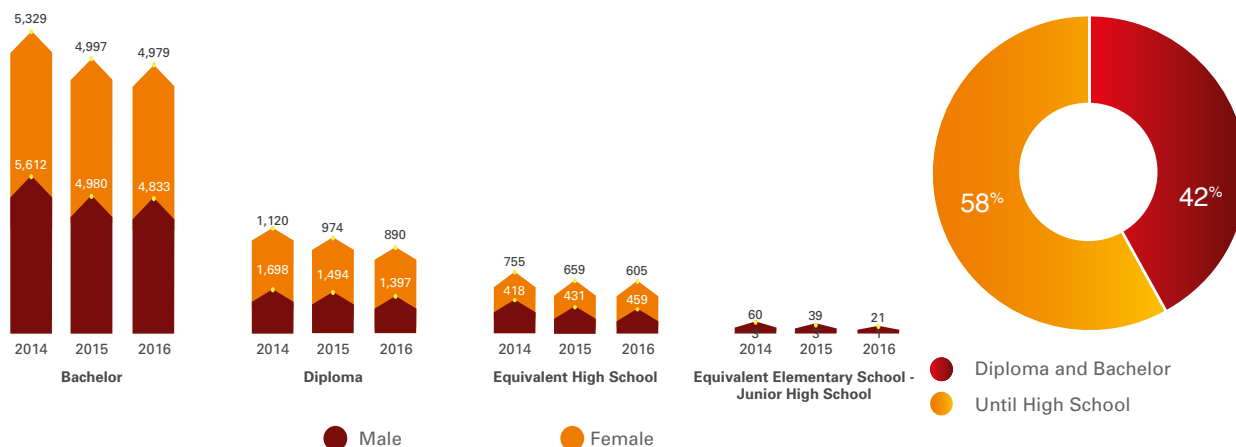
Composition of CIMB Niaga Employees as of December 31, 2016 [G4-10]

Based on Age

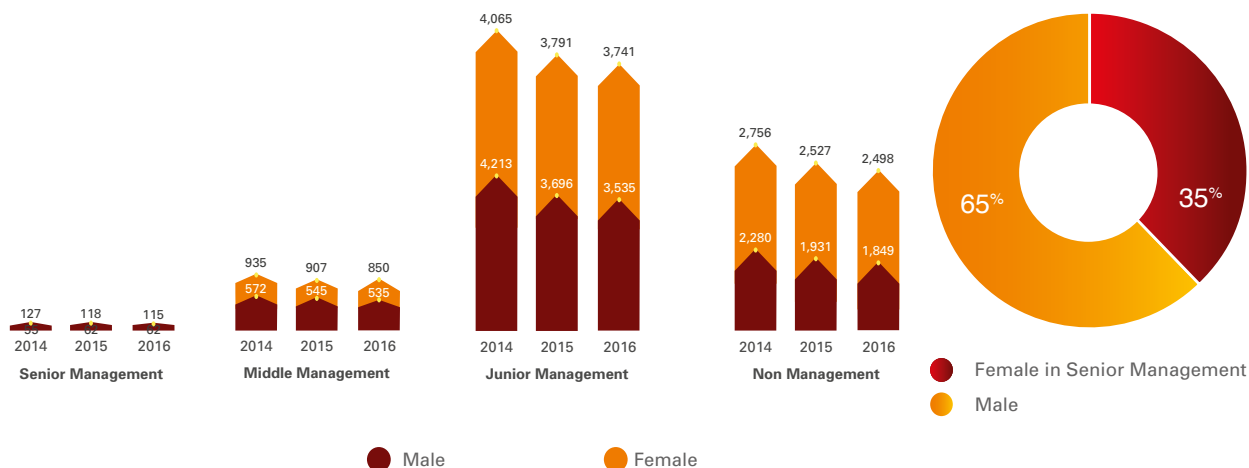


CIMB Niaga's People

Based on Education



Based on Level Position



Human Resource Management Strategy

CIMB Niaga has launched a long-term plan of Human Resource management in the form of a Human Capital Roadmap, which contains eight main priorities of Human Resource development during the period of 2015 to 2018. [\[G4-DMA\]](#)

1. Strategic Workforce Planning & Organization Transformation	2. Culture Building	3. Strategic Workforce Planning & Organization Transformation
4. Talent Management & Development		5. Critical Skills Development
6. Cost Efficiency & Increase Productivity	7. Regional Operating Model	8. Productive Employee Relations

CIMB Niaga's People

In 2016, the Company focused on four main priorities in developing Human Resources, namely:

1. Strategic MPP & Organization Transformation

The Company improved organization and Human Resources in order to be effective and efficient, as well as to support business goals by taking into account the risks encountered, from the improvement that has been made, the Bank has managed to increase the percentage of revenue generator from 32% to 35% in 2016.

2+3+3 Policy

We launched 2 + 3 + 3 policy that opens opportunities for high performing employees who have been working for two years to work in other business units with three-month transition period, in order to broaden their perspectives and career development. In 2016, there were 49 positions in the Bank that can be filled through this policy.

2. Culture Building

The synchronization process of corporate culture is done through the A Better CIMB Niaga (ABC) program with the implementation of 3 (three) Primary Behaviors. In 2016, the Company held 100 Directors' interaction sessions with employees, forming informal leader units and an ABC roadshow to increase the understanding of the corporate culture.

3. Cost Efficiency & Increase Productivity

The Directorate of Human Resources has undertaken several initiatives through automation, optimization and improvement of operational processes in a variety of human activities.

4. Talent Management & Development

Talent is a critical asset managed by Talent Management that is continuous, systematic and integrated, which includes:

- Development of Potential Leaders and Leadership Succession

The program includes the development of leadership competencies for the future in stages with The Complete Banker or through Crash Development Program.

The Complete Banker

The Complete Banker (TCB) builds leadership bench-strength and competent professionals in their field with the integrity and character that aligns with the value of the Company, to be able to contribute to achieve the goals and strategies of the Bank. Since 2010, TCB has recruited 262 graduates from the best universities.

- Talent Review Council

Talent Review Council (TRC) functions to assess and manage the best talent within the Bank to be developed in support of the Bank's plan and the succession process.

Recruitment

CIMB Niaga is implementing recruitment strategies and systems to ensure that the Company obtained the best talents as an asset of human resources through internal and external recruitment process. The needs of internal talent obtained through rotation / mutation of internal employee (2 + 3 + 3 policy) to enhance the experience and career development.

Meanwhile, the external strategy recruitment is done through a variety of approaches in accordance with the profile desirable by the Human Resource. During 2016, the Company has recruited 807 new employees of Fresh Graduate to meet the needs of the specialist competence in the field of work or certain work units through the Development Program.

New Manpower Recruitment [G4-LA1]

Age Group	2016		2015		2014	
	Male	Female	Male	Female	Male	Female
< 30 years	689	771	749	765	981	1,297
30 – 50 years	308	189	399	154	507	214
> 50 years	4	1	2	1	12	3
Total	1,001	961	1,150	920	1,500	1,514

CIMB Niaga's People

Level of Employee Turnover [G4-LA1]

Age Group	2016		2015		2014	
	Male	Female	Male	Female	Male	Female
< 30 years	253	306	382	391	419	444
30 – 50 years	307	303	464	271	518	377
> 50 years	10	5	5	2	2	
Total	570	614	851	664	939	821
% Turnover	8.90%		10.4%		12.0%	

Training and Development Program

Human Resources development programs are implemented in various methods, including education and training, learning programs and field assignments, talent development and education program, as well as integrated training through academic forums. Below are several CIMB Niaga training methods. [G4-DMA] [G4-LA10]

- **Academy**
Skills development and employee competency programs through an academy approach are a forum that integrates a series of recruitment process, training and development, performance monitoring, feedback and recognition. During 2016, the Bank launched various academies that cover almost all business lines of the Bank, which include the Service Academy, Sales Academy, Micro Small & Medium Enterprise Academy, Sharia Academy, Leadership & Culture Academy, Business Banking Academy, Treasury Academy, Enablers Academy and Risk Management Academy and Credit Academy.
- **Coaching dan Mentoring**
Coaching and mentoring, as well as sharing sessions for leaders and senior officials, provide guidance, share experiences and help employee self-development, improving self-confidence, optimism, and enthusiasm to work.
- **Train for The Trainer**
Training the Trainers (TTT) Method is intended for the distribution of knowledge and the development of the material to be carried out intensively, consistently, and accurately, as well as selecting qualified internal trainers in order to support training activities.

- **Hub Center**
Hub Center is the expansion of the educational infrastructure to increase the number of training programs and bring the Training Center closer to related businesses.
- **Online Learning**
CIMB Niaga develops training and education, as well as certifications that are conducted through online via LCMS (Learning Content Management System), with users increasing each year.
- **Leadership Development Training**
For the development of leadership skills, CIMB Niaga is implementing The Complete Banker (TCB) Program and several other programs that include Small Medium Enterprise Development Program (SMEDP), Relationship Manager Development Program (RMDP), Sharia Banking Development Program (SBDP), Operation and IT Development Program (OITDP), Teller Development Program and other development programs.

Employees Scholarship

As a token of appreciation for employees that are good talented and committed to develop themselves, CIMB Niaga in cooperation with the Faculty of Economics, University of Indonesia organized scholarships for employees. The number of beneficiaries since 2009 until 2016 reached 39 employees from various directorates for the education levels of Undergraduated, Graduated and Doctorate in various selected universities.

CIMB Niaga's People

Average hours of training per Employee based on the Levels of Position [G4-LA9]

Level Position	2016		2015		2014	
	Male	Female	Male	Female	Male	Female
Senior Management	62	73	29	33	45	37
Middle Management	64	62	36	38	31	29
Junior Management	70	72	34	36	51	48
Non Management	30	44	22	29	16	12
Overall	58	62	31	34	37	35
	60		32		36	

Note: Special hours of training including Management Trainee employees

Training Overview 2016	109,204 Total Training Day*	60 The Average Training Hours per Employee	101% The Increase in Average Hours of Training vs 2015
	87,957 Total face-to-face Training Participants**	25,533 Total Online Learning Participant	169.41 Rp billion Investment fro Training

* man-days

** All Staff & Management Trainees, excluding BOD & BOC

Remuneration and Employee Rights [G4-LA2]

In accordance with the Regulation and Employment Laws, CIMB Niaga ensures that employees attain welfare in accordance with their rights and obligations. As an organization with a performance-based work culture, CIMB Niaga is committed to implementing a system of remuneration that is competitive, fair and balanced, as well as to constantly ensure that no employee receives compensation below the provisions.

The employees reward system is different based on employment status, where employees still receive additional benefits such as Pension Funds and BPJS Employment. The reward components of CIMB Niaga include some of the following:

1. Salary
2. Health Benefits for Employees, Spouse, and Children
3. Permanent Disability Insurance, Life Insurance and Accident Insurance
4. Labour Social Security, including Accident Insurance, Life Insurance, and Pension Plan

5. Annual Leave and Other Paid Vacation
6. Allowance (THR), Jobsite Allowance, and other allowances
7. Pension Fund
8. Severance

In addition to compensation, the Company also provides appreciation to certain employees through the Total Rewards Statement program, which is given in the form of cash benefits, non-cash program recognition and development for employees. Appreciation is also given to permanent employees who entered employment period of 10, 15, 20, 25, 30, 35, and so on (multiples of 5 years).

In addition, the Company provides a loan facility for employee purposes such as home or apartment ownership, car ownership, education, loans, etc. (motor vehicle, computer, weddings, performing religious worship, circumcision, the purchase of sports equipment, and contractual rent or lease) or other emergency needs.

CIMB Niaga's People

Occupational Health and Safety CIMB Niaga

In the management of human resources, CIMB Niaga constantly pays attention to matters that can encourage the foundation of a favourable, comfortable, and safe working atmosphere as an important priority. [G4-DMA]

CIMB Niaga is committed to implementing health and safety in the workplace. This commitment is a joint agreement between the Company and all people of CIMB Niaga as confirmed in the Collective Labour Agreement. The occupational health and safety programs provided by the Company include:

- Supporting facilities and infrastructure for safety, namely access door, alarm, small fire extinguishers (APAR), smoke detectors and more.
- A comfortable, healthy, and adequate workspace facility.
- Debriefing employees with training on fire drills, and exercises in vigilance against crime, held at the headquarters and branch offices
- Emergency Rescue Training for employees, as well as the distribution of information in anticipation of various threats and disasters.

Health Facility for Employees

Clinics in the Main Offices	Lactation Room	Provision of Ambulances	Work Accident Compensation for Employees
Disease Treatment	Implementation of Health Talk, which is an Education to Employees for Healthy Living	Medical Check Up as well as Early Detection of Disease	Relief to Employees in Disasters

Accident Statistics [G4-LA6]

Category of Accident	2016		2015		2014	
	Male	Female	Male	Female	Male	Female
Fatal Accidents	0	0	0	0	0	0
Heavy Accidents (over 21 days)	2	3	1	0	0	0
Medium Accidents (3–21 days)	0	0	0	0	0	0
Light Accidents (< 3 days)	0	0	0	0	0	0

Industrial Relations

The realization of the Company's strategy requires a harmonious relationship between the Company and its employees, thus creating a workplace that is comfortable and fair, with improving employee productivity. For this purpose, we need healthy and constructive industrial relations between the employees, the Company and the Government (tripartite) to ensure protection of the interests and rights of all parties, the fulfillment of the obligations of all parties under the applicable regulations. [G4-DMA]

As a forum in organizing industrial relations, CIMB Niaga facilitates the existence of labour unions as partners in

building and maintaining harmonious industrial relations in the workplace. Every employee is given the freedom to engage in labour unions at the Company.

There are four Labor Unions in CIMB Niaga, which has members both at headquarters and branches of CIMB Niaga in Indonesia, the four Labor Unions are as follows:

1. Serikat Pekerja Bank CIMB Niaga Indonesia (SPBCNI)
2. Serikat Pekerja Ikatan Karyawan CIMB Niaga (IKCN)
3. Serikat Kerja Karyawan Bank CIMB Niaga (SKKBCN).
4. Serikat Pekerja Ikatan Komunitas Niaga (IKN).

CIMB Niaga's People

Inclusive Workplace

Worklife Balance

To encourage the creation of a Work-Life balance, CIMB Niaga facilitate an employee informal forum, namely CIMB Niaga Club (CNC), which includes four pillars, namely, Sports, Spiritual, Arts, and Social. Through CNC, employees can channel a variety of passions and talents together, interact, and communicate from various work units to strengthen the sense of family.

CIMB Niaga Club Event

Sport	<ul style="list-style-type: none"> Awarded the championship in several sports such as bowling, indoor soccer, tennis, basketball, shooting, etc. Working closely with the Palang Merah Indonesia (PMI) in the blood donation drives and ambulances for employees, First Aid Training for employees, and others
Spiritual	<ul style="list-style-type: none"> Ramadhan Spiritual Quotient Training Activity (RSQT) and Retreat (Easter)
Arts	<ul style="list-style-type: none"> CIMB Talent, where employees can channel their talents and compete in the arts
Social	<ul style="list-style-type: none"> Hobbyist Community such as CIMB Jelajah for employees with passion for hiking, exploring areas, photography enthusiasts, big motorcycle fans, and others.

The 2016 CIMB Indonesia Olympic

The 2016 CIMB Indonesia Olympic, with the theme of "all for one-one for all", was held on May 13 to 15, 2016, is a sporting events and momentum to strengthen the relationship and the foundation of brotherhood among management and employees, as well as to select Indonesian representatives to attend similar event at regional level, namely the 2016 CIMB SEA Games.

Retirement Program

CIMB Niaga implements a pension plan in which employees receive pension fund assistance in the form of contributions. The pension scheme amounts to 9% with the remaining pension contribution amounted to a maximum of 3% is charged to the employees, which is taken from their basic salaries.

To prepare employees who enter the Retirement Preparation Period, the Company offers a Pre-Retirement training program for employees and their partners organized by Learning & Development. This training provides enough information about the rights, obligations and procedures for processing claims for pension benefits, and expands the perspectives of employees on the various types of business that can be run after retirement. [G4-LA10]

Inclusive of Persons with Disabilities

In line with the commitment to equality and creating an inclusive workplace, CIMB Niaga provides an opportunity for community members with special needs or physical disabilities or persons with disabilities to be able to pursue a career in the Company. [G4-DMA]

Since 2013, CIMB Niaga has involved persons with disabilities to work as a Telesales and Phone Banking Officer. The Company believes persons with disabilities have an average ability that is relatively the same as non-disabled employees. Currently, the number of peoples with disabilities who work as Telesales are 48 blind of people, and Phone Banking of 3 deaf people. It is expected that this number will increase up to 60 people for the position of Telesales Funding at the end of Q1 of 2017. [G4-EC8]

To support people with disabilities, CIMB Niaga provides the infrastructure and special facilities such as a computer system that allows for activities of telesales/phone banking officers in general and a friendly environment for persons with disabilities in the office of CIMB Niaga Gajah Mada, where they mostly work.

CIMB Niaga's People



Reaching Dreams Through CIMB Niaga

Radinal Ali Zakaria (Jaka)

Bandung, August 12, 1989

S2 Social Worker Disability Specialist Concentration Community, College of Social Welfare (STKS) Bandung

Radinal Ali Zakaria, or fondly called Jaka, is one of the CIMB Niaga's Telesales officers in charge of contacting potential customers to offer a diverse range of products funding from CIMB Niaga. Maybe we never imagine that the Telesales officer who contacted you is a person with disabilities because of his eyesight.

The man who was born in 1989 attempted to apply for a job as a Telesales in CIMB Niaga despite of having no experience in banking moreover to be a Telesales. "At first it was difficult because I have no description on how to be a Telesales officer. Initially I was a bit stiff in using the computer application, but once I determined to try, I think it is quite interesting, because from there I can communicate to customers with all kinds of behavior," said this father of two children.

When asked what aspect aspires him today after working in one of the largest banks in Indonesia, Jaka replied that he would continue his career as a Telesales, and while working he plans to pioneer a social gathering to help persons with disabilities with education. This association is also a channel for my hobby and desire to become a social worker.

Index GRI G4 Core

This report has been prepared “in accordance” with the Sustainability Reporting Guidelines criteria from the Global Reporting Initiatives 4th Generation (GRI-G4) and the Financial Services Sector Disclosure GRI-G4 (FSSD). The option selected for this report is the ‘core’ option.

General Standard Disclosures

General Standard Disclosures	Description	Page
Strategy and Analysis		
G4-1	Statement from the most senior decision-maker of the organization	24
Organizational Profile		
G4-3	Name of the organization	6
G4-4	Primary brands, products, and services	6
G4-5	Location of the organization’s headquarters	6
G4-6	Number of countries where the organization operates	6
G4-7	Nature of ownership and legal form.	6
G4-8	Markets served	6
G4-9	Scale of the organization	9
G4-10	Total number of employees	99,100
G4-11	Percentage of total employees covered by collective bargaining agreements	100%
G4-12	Organization’s supply chain.	39
G4-13	Significant changes during the reporting period	23
Commitment to External Initiatives		
G4-14	How the precautionary approach or principle is addressed	34
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives	34,35
G4-16	List memberships of associations	39
Identified Material Aspects and Boundaries		
G4-17	Entities included in the organization’s consolidated financial statements	20
G4-18	Process for defining the report content	20
G4-19	Material aspects identified	23
G4-20	Aspect Boundary within the organization	23
G4-21	Aspect Boundary outside the organization	23
G4-22	Effect of any restatements of information provided in previous reports	23
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	23
Stakeholder Engagement		
G4-24	List of stakeholder groups engaged by the organization.	38
G4-25	Basis for identification and selection of stakeholders	37
G4-26	The organisation’s approach to stakeholder engagement	38
G4-27	Key topics and concerns that have been raised through stakeholder engagement	38
Report Profile		
G4-28	Reporting period	1 January – 31 December 2016

Index GRI G4 Core

General Standard Disclosures	Description	Page
G4-29	Date of most recent previous report	June 2016
G4-30	Reporting cycle	Annual
G4-31	Contact point for questions regarding the report or its contents.	23
G4-32	'In accordance' option the organisation has chosen	20
G4-33	Policy and current practice with regard to seeking external assurance for the report	110-111
Governance		
G4-34	Governance structure of the organization	29
G4-35	Delegation of Roles and Responsibilities	30
G4-38	Composition of Governance Body	33
G4-45	Highest Governance Body's Role in Risk Management	34
Ethic and Integrity		
G4-56	Organization's values, principles, standards and norms of behavior	11, 12
G4-58	Reporting System for Unethical Behavior	36

Specific Standard Disclosures

Material Aspects	Disclosures	Page	Omissions
Economic Performance			
G4-DMA		42	
G4-EC1	Direct economic value generated and distributed	42	
Indirect Economic Impacts			
G4-DMA		42, 43, 46, 51	
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	43, 53, 105	
Material			
G4-DMA		78	
G4-EN1	Materials Used by Weight or Volume	Not Specified	The Comprehensive data is not available. Will be presented in 2018
Energi			
G4-DMA		78	
G4-EN3	Energy consumption within the organization	Not Specified	The Comprehensive data is not available. Will be presented in 2018
Employment			
G4-DMA		98, 100, 104	
G4-LA1	Total number and rates of new employee hires and employee turnover	101	
G4-LA2	Remuneration	103	
Training and Education			
G4-DMA		102	
G4-LA9	Average hours and training	103	
G4-LA10	Programs for Skills Management and Learning	102, 105	
Occupational Health and Safety			

Index GRI G4 *Core*

Material Aspects	Disclosures	Page	Omissions
G4-DMA		104	
G4-LA6	Occupational Incidents	104	
Local Community			
G4-DMA		51	
G4-SO1	Operations with implemented local community engagement	50-73	
FS13	Inclusive Financial Services	45-47	
Anti-Corruption			
G4-DMA		35	
G4-SO3	Training and Socialization for Anti-Corruption	36	
G4-SO5	Confirmed Incident of Corruption and actions taken	36	
Product and Service Labeling			
G4-DMA	Policies for the fair design and sale of financial products and services	90	
	Financial Literacy	58, 92	
G4-PR4	Total Incident of violations related to labeling of products and services	96	
G4-PR5	Measurement result of Customers' Satisfaction Survey	93	
Customer Privacy			
G4-DMA		94	
G4-PR8	Total Incident of violations related to customer privacy	96	
Product Portfolio			
G4-DMA	Policies with specific environmental and social components applied to business lines	43	
G4-FS6	Percentage of the portfolio for business lines	44	
Audit			
G4-DMA	Audit to assess implementation of social and environmental policies and risk assessment	78	

Independent Assurance Statement
Report No. 0317/BD/0002/JK

To the management of PT Bank CIMB Niaga, Tbk

We were engaged by PT Bank CIMB Niaga, Tbk ('Bank CIMB Niaga') to provide assurance in respect to its Sustainability Report 2016 ('the Report'). The assurance has been carried out by a multi-disciplined assurance team with a broad range of skills and depth of experience, thus providing a high level of competency for the assurance engagement.

Independence

We were not involved in the preparation of any key part of the Report and carried out all assurance undertakings with independence and autonomy. We did not provide any services to Bank CIMB Niaga during 2016 that could conflict with the independence of assurance engagement.

Assurance Standards

We conducted our work in accordance with ISAE3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Accounting Standards Board. In addition, we have also planned and carried out our work in accordance with AA1000AS (2008) 'AA1000 Assurance Standards (2008)', issued by AccountAbility.

Level of assurance and criteria used

Our evidence-gathering procedures have been designed to obtain a limited level of assurance based on ISAE3000 and a moderate level of assurance engagement as set out in AA1000AS (2008) in order to provide confidence to readers by reducing risks or errors to a very low but not to zero. Moreover, the AA1000 AccountAbility Principles Standard (2008) of Inclusivity, Materiality and Responsiveness has also been used as criteria to evaluate the Report.

Scope of Assurance

We provided Type 2 assurance engagement under AA1000AS (2008). This involved:

- 1) an assessment of Bank CIMB Niaga's adherence to the AA1000 AccountAbility Principles Standard (2008) and
- 2) an assessment on the accuracy and quality of specified sustainability performance information contained within the Report, in relation to the agreed scope. The scope of work consisted of:
 - Community development programme
 - Product responsibilities
 - Human resources.

Responsibility

Bank CIMB Niaga is responsible for all information and claims contained in the Report, including established sustainability management target, performance management, data collection and report preparation, etc. Our responsibility in performing this engagement is to the management of Bank CIMB Niaga only for the purposes of verifying its statements relating to its sustainability performance, more particularly as described in the agreed scope. Our responsibility is to express our conclusions in relation to the agreed scope.

Methodology

We have assessed several assertions and specified datasets included in the report and the systems and processes used to manage and report these using the following methods:

- Reviewed report, internal policies, documentation, management and information systems
- Carried out interviews with staff involved in sustainability-related management and reporting
- Followed data trails to initial aggregated sources and checked sample data to a greater depth during the engagement process.

Limitations

Our scope of work was limited to a review of the accuracy and reliability of specified data and interviews with data providers, persons in charge of data collection and processing, as well as persons in charge of sustainability performance-related information.

Conclusions

Findings and conclusions concerning adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness include:

■ Inclusivity

An assessment has been made to determine whether Bank CIMB Niaga has included all key stakeholders in developing and achieving an accountable and strategic response to sustainability issues.

We found Bank CIMB Niaga demonstrates a strong commitment to stakeholder inclusivity. Bank CIMB Niaga has an effective system in place for key stakeholders to participate in the development of the organization's response in the context of sustainability. This is demonstrated for instance, by conducting needs assessment surveys and materiality level survey to the key stakeholders group.

However, we recommend that Bank CIMB Niaga continues to improve stakeholder inclusivity systems and procedures on a regular basis to maintain their effectiveness.

■ Materiality

An assessment has been made as to whether Bank CIMB Niaga has included in the Report the material information required by its stakeholders in order to enable them to make informed judgements, decisions and actions.

We found Bank CIMB Niaga has a strong process in place to determine material issues. Key material issues were adequately reported and were found to provide balanced information about Bank CIMB Niaga's sustainability performance. A range of internal stakeholders are involved in Bank CIMB

Niaga's materiality determination process. However, we recommend that Bank CIMB Niaga continues to conduct materiality test on a regular basis in future reports.

■ Responsiveness

An assessment has been made as to whether Bank CIMB Niaga demonstrates that it responds to its stakeholders and is accountable to them.

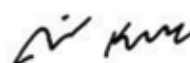
Bank CIMB Niaga was found to be responsive to key stakeholder concerns and expectations. This was achieved through the organization's allocation of resources to stakeholder engagement, the timeliness and accessibility of reported information, and the types of communication mechanisms regularly employed.

However, we recommend that continues to improve stakeholder engagement procedures on a regular basis in future reports.

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the data of the Report has been materially misstated.

All key assurance findings are included herein, and detailed observations and follow-up recommendations have been submitted to Bank CIMB Niaga management in a separate report.

Jakarta, March 20, 2017



James Kallman
President Director



AA1000
Licensed Assurance Provider
000-107

Moore's Rowland is an international organization specializing in audit, accounting, tax, legal and advisory services. Moore's Rowland is a member of Praxity AISBL, the world's largest Alliance of independent and unaffiliated audit and consultancy companies.

We can rely on the skills of more than 33,400 professionals operating together in 97 countries, sharing the same values and sense of responsibility, whilst in Indonesia is served by Moore's Rowland, one of the leading sustainability assurance providers.

Glossary

- **ASEAN Governance Scorecard** is a benchmark or measurement parameter of Corporate Governance agreed by ACMF (ASEAN Capital Market Forum), the association of the ASEAN capital market authority. ASEAN Corporate Governance Scorecard is made based on OECD Principles and expected to boost investor confidence to the companies listed in ASEAN.
- **GDP per Capita** stands for Gross Domestic Product per Capita. GDP is the market value of all goods and services produced by a country in a given period. GDP is one of the methods in calculating national income.
- **AA1000 SES framework (2006)** is a generally accepted framework to assess, design, implement, and communicating stakeholder engagement. The purpose of this framework is to establish the benchmark for good quality stakeholders engagement.
- **Masyarakat Ekonomi ASEAN (MEA)** is an association of countries in the region located in the region of Southeast Asia (ASEAN) which implemented a system of free trade Indonesia and all other ASEAN countries (Malaysia, Thailand, Filipina, Singapura, Brunei Darussalam, Vietnam, Laos, Myanmar, dan Kamboja) have agreed on MEA agreement or is called as ASEAN Economic Community (AEC).
- **Non Performing Loan (NPL)/Rasio Kredit Bermasalah** is the ratio between the total of loans which are non performing and the total of outstanding loans.
- **Capital Adequacy Ratio (CAR)/Rasio Kecukupan Modal** is the ratio used by the banking system regulator with the main objective to identify the health level of a bank, in particulars the risk of the capital structure of the bank.
- **Current Account Savings Account (CASA)** is a ratio that compares the total demand deposits plus savings with the total deposits third party. The higher of the proportion a lower cost of funds, it makes the better bank.
- **OECD (Organization for Economic Cooperation & Development)** is an organization for economic cooperation and development for developing countries that accept the principles of representative democracy and free economic markets. The OECD has 35 member countries.
- **Laku Pandai (Branchless Financial Services for Financial)** is a program from Financial Service Authority to provide banking services delivery or other financial services through cooperation with other network (bank agent), and is supported by information technology facility.
- **Equator Principles** are risk management frameworks, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects.
- **Global Reporting Initiatives (GRI)** is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.
- **Micro, Small, and Medium Enterprises Sector (MSMEs)** are productive business owned by individuals and/or individual business entities fulfilling the criteria in Law Number 20 Year 2008 regarding Micro, Small and Medium Enterprises (MSMEs).
- **The Blacklist of Bank Indonesia or the National Black List (NBL)** is the information about the identity of the account holder conducting withdrawal of blank Checks/or Bilyet Giro either through clearing or bank counter (over the counter).
- **The Bank Business Plan (BBO)** is a written document that describes the Bank's business plan for short-term (one-year) and medium-term (three-year) plans, including plans to improve business performance and strategies to realize the plan according to the target and time specified, compliance with prudential regulations and implementation of risk management.
- **Financial Literacy** is the ability to understand the knowledge and skills to manage financial resources to achieve well being.
- **Enterprise Wide Risk Management (EWRM)** refers to a comprehensive and integrated risk management framework through alignment of risk appetite with business strategy. This framework allows both Board of Directors and Senior Management to anticipate and manage current as well as potential risks that may arise in the future by considering the Company's risk profile that is affected by changes in the Company's business strategy, regulatory changes and business environment.

Feedback Sheet

We would like to thank you for taking your valuable time to read this Sustainability Report 2016. In an effort to improve the Sustainability Reporting the coming years, the PT Bank CIMB Niaga Tbk would like to ask you to kindly fill out this feedback sheet and send it back to us.

1. This Sustainability Report has provided you with any information on activities that have been conducted by PT Bank CIMB Niaga Tbk in its compliance with corporate social responsibility?
☐ Agree ☐ Don't Know ☐ Disagree
2. The material in this Sustainability Report includes data and information that is easily understood.
☐ Agree ☐ Don't Know ☐ Disagree
3. The material in this Sustainability Report includes data and information that is sufficiently complete.
☐ Agree ☐ Don't Know ☐ Disagree
4. The material in this Sustainability Report includes data and information that is accountable and can be validated.
☐ Agree ☐ Don't Know ☐ Disagree
5. The information in this Sustainability Report is well presented, well designed and laid out with suitable photographs.
☐ Good ☐ Don't Know ☐ Dissatisfactory
6. What information do you feel was useful in this Sustainability Report?

7. What information do you feel was not useful in this Sustainability Report?

8. What information was missing or incomplete and should be included in future Sustainability Reports?

Your Information

Full Name :
 Institution/ Company :
 Email :

Identification of stakeholder groups (select one):

- Government • NGO • Industry
- Academic • Media • Public
- Other

.....

Please send back this form to:

PT Bank CIMB Niaga Tbk
 Corporate Secretary
 Graha CIMB Niaga 16th Floor
 Jl. Jend. Sudirman Kav. 58
 Jakarta 12190, Indonesia
 Tel. : (62-21) 250 5252, 250 5353
 Fax. : (62-21) 252 6749
 Email : corporate.secretary@cimbniaga.co.id
 Facebook : CIMB Indonesia
 Twitter : @CIMBIndonesia
 www.cimbniaga.com



PT Bank CIMB Niaga Tbk

Corporate Secretary

Graha CIMB Niaga

Jl. Jend. Sudirman Kav. 58

Jakarta 12190, Indonesia

Tel. : (62-21) 250 5252, 250 5353

Fax. : (62-21) 250 5205

Email : corporate.secretary@cimbniaga.co.id

Facebook: CIMB Indonesia

Twitter : @CIMBNiaga

www.cimbniaga.com