

PERFORMANCE ASSESSMENT ON THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

BOARD OF COMMISSIONERS' (INCLUDING THE PRESIDENT COMMISSIONER) PERFORMANCE ASSESSMENT

The performance of the Board of Commissioners including the President Commissioner in carrying out their functions, duties and responsibilities are regularly evaluated and reported to the Shareholders.

PERFORMANCE ASSESSMENT POLICIES AND PROCEDURES FOR BOARD OF COMMISSIONERS

CIMB Niaga assess the performance of the Board of Commissioners through online survey, and all assessment results are confidential and anonymous.

The performance assessment of the Board of Commissioners is conducted annually (at least once a year), and includes:

1. Collegial performance assessment of the Board of Commissioners;
2. Individual performances assessment of each member of the Board of Commissioners; and
3. Performance assessment of the President Commissioner.

The performance assessment results are expected to contribute to the continuous performance of the Board of Commissioners' performance.

PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF COMMISSIONERS

The criteria applied in the performance assessment of the Board of Commissioners (including that of the President Commissioner) are as follow:

1. Collegial Performance Assessment of the Board of Commissioners

Collegial assessment criteria shall include:

- a. Effectiveness of the Board of Commissioners' role
- b. Effectiveness in implementation of duties and responsibilities
- c. Effectiveness of the Board of Commissioners' meetings
- d. Implementation of Good Corporate Governance and Sustainability Principles
- e. Effectiveness of Risk Management and Internal Control implementation

2. Individual Performances Assessment of Each Member of the Board of Commissioners

Individual assessment criteria shall include:

- a. Competency and capability

- b. Effectiveness in the implementation of duties and responsibilities
- c. Leadership

3. Performance Assessment of the President Commissioner

President Commissioner assessment criteria shall include:

- a. Effectiveness in the implementation of duties and responsibilities
- b. Leadership

PARTIES PERFORMING THE PERFORMANCE ASSESSMENT FOR BOARD OF COMMISSIONERS

The parties involved in the performance assessment of the Board of Commissioners are as follow:

1. Collegial Performance Assessment of the Board of Commissioners

The assessment is carried out by each Commissioner on the overall performance of the Board of Commissioners.

2. Individual Performances Assessment of the Board of Commissioners

Each Commissioner provides an assessment for each other Commissioners.

3. Performance Assessment of the President Commissioner

The assessment is carried out by each Commissioners on the performance of the President Commissioner.

The final evaluation of collegial and individual performance assessment of the Board of Commissioners including the performance assessment of the President Commissioner are presented by the Nomination and Remuneration Committee in the Board of Commissioners meeting. President Commissioner may provide feedback or improvements on the collegial and individual performance assessment of the Board of Commissioners if deemed necessary.

PERFORMANCE ASSESSMENT RESULTS FOR BOARD OF COMMISSIONERS IN 2020

In 2020, the Board of Commissioners had performed its supervisory functions well in ensuring that the Bank performed within the expectations of the shareholders and all other stakeholders. In detail, the results of the collegial and individual performance assessment of the Board of Commissioners were as follows:

Collegial Assessment	Individual Assessment (Average)	President Commissioner
4.0	4.3	3.7



Performance Highlights



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Management Discussion and Analysis



Risk Management

Pursuant to the commitment of the Bank to implement Good Corporate Governance principles, GCG implementation was one of the aspects assessed in the collegial performance assessment of the Board of Commissioners. In 2020, **the assessment result of the implementation of GCG by the Board of Commissioners was 4.2.**

Scoring Range

Scoring Range	Description
> 4.7	Exceptional
4.0 – 4.6	Outstanding
3.7 – 3.9	Exceeded Expectation
3.0 – 3.6	Met Expectation
< 3.0	Need Improvement

ASSESSMENT OF GCG IMPLEMENTATION ON THE ASPECT OF THE BOARD OF COMMISSIONERS

The assessment on the implementation of GCG by the Board of Commissioners is based on provisions of OJK No. 55/ POJK.03/2016 and No. 13/SEOJK.03/2017 that require Commercial Banks to perform self-assessment on Bank Governance.

PERFORMANCE ASSESSMENT PROCEDURES FOR BOARD OF COMMISSIONERS

The performance assessment of the Board of Commissioners is part in the GCG self-assessment of the Bank which are conducted periodically in every semester, in June and December in the current year.

PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF COMMISSIONERS

The performance assessment of the Board of Commissioners follow the governance system that is classified into 3 (three) aspects, namely Governance Structure, Governance Process, and Governance Outcome.

PARTIES CONDUCTING THE ASSESSMENT

The GCG self-assessment involves the Board of Commissioners, Independent Parties, Board of Directors, Executive Officers, and the independent functions, coordinated by the Compliance Unit.

RESULT OF THE PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS

Self-Assessment Results	
Bank's Governance Implementation	
Description	Rating
Duties and Responsibilities Implementation of the Board of Commissioners	2 (GOOD)

RECOMMENDATION AND ACTION PLAN

The structure and composition of the members of the Bank's Board of Commissioners and Committee at the level of the Board of Commissioners, have meet the minimum requirement, and equipped with all of the infrastructure (charter, guidelines, policies and procedures) to support the implementation of duties and responsibilities of the Board of Commissioners. In 2020, there was a change in the composition of the Board of Commissioners in compliance with OJK regulations and the Board of Commissioners Charter as the working guidelines of the Board of Commissioners is reviewed periodically. During 2020, no recommendations had not been followed up by the Board of Commissioners.

BOARD OF DIRECTORS' (INCLUDING THE PRESIDENT DIRECTOR) PERFORMANCE ASSESSMENT

The performance of the Board of Directors including the President Director in accomplishing their functions, duties and responsibilities are regularly evaluated and reported to the Shareholders.

PERFORMANCE ASSESSMENT POLICIES AND PROCEDURES FOR BOARD OF DIRECTORS

CIMB Niaga conducted the performance assessment of each member of the Board of Directors, including the President Director, to monitor the strategy implementation and performance of the Bank each year. The performance indicators of each member of the Board of Directors are determined using a Balanced Scorecard approach, in which the aspirations and strategic goals of the Bank are translated into Key Performance Indicators (KPI) in accordance with each member of the Board of Directors' duties and responsibilities, take into account the collegial and individual responsibilities for financial or non-financial. The KPIs set are mutually agreed upon by the Board of Directors, and with a recommendation from the Nomination and Remuneration Committee, which approved by the Board of Commissioner. The KPI are cascaded down to all employees to ensure alignment with the goals and strategies of the Bank.

The individual performances assessment of each member of the Board of Directors at the end of the year are submitted to the Nomination and Remuneration Committee for their input and recommendations before being submitted for approval by the Board of Commissioner.

In the past several years, the Bank had also carried out collegial performance self-assessment of the Board of Directors using online survey.

All results are treated confidentially and anonymously. The assessment results are discussed in the Board of Directors meeting and at the Nomination and Remuneration Committee for inputs on continuous improvements on the Board of Directors performance.

All performance assessments of the Board of Directors, both individually and collegially are conducted out at least once a year.

PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF DIRECTORS

The criteria applied in the performance assessment of the Board of Directors (including the President Director) includes:

1. Collegial Performance Assessment of the Board of Directors

Collegial assessment criteria shall include:

- Effectiveness of the Board of Directors' Role
- Effectiveness in the Strategy and Management Implementation of the Bank
- Effectiveness of the Board of Directors' Meetings
- Implementation of Good Corporate Governance and Sustainability Principles
- Effectiveness of Risk Management and Internal Control Implementation

2. Individual Performances Assessment of the Board of Directors

Components applied in the individual performance assessment of each Director (including the President Director) are as follows:

No	Performance Parameter	Directorate									
		Business Unit					Business Enabler				
		President Director	Commercial Banking* (Corporate and SME)	Consumer Banking (Retail)	Sharia Banking	Treasury and Capital Market	Risk Management	Operations and Information Technology	Compliance, Corporate Affairs & Legal	Finance & Strategic Procurement and Admin Property Management**	Transformation & Strategy**
1	Shared Target	-	10%	10%	10%	10%	10%	10%	10%	10%	10%
2	Financial	40%	35%	40%	40%	45%	10%	15%	10%	20%	10%
3	Customer	10%	15%	20%	20%	15%	10%	10%	20%	10%	10%
4	Key Focus Areas	15%	-	-	-	-	30%	35%	30%	30%	50%
5	Risk & Compliance	25%	30%	20%	20%	20%	30%	20%	20%	20%	10%
6	Learning & Growth	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

Note:

* Business Banking is in charge of the Corporate Banking, Commercial Banking and SME Banking

** Managed by 1 (one) Director

PARTIES PERFORMING THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The parties involved in the performance assessment of the Board of Directors are as follow:

1. Collegial Performance Assessment of the Board of Directors

Each Directors provides an assessment on the Board of Director's collegial performance. The results shall be discussed in the Board of Directors' meeting, with follow-up improvements or action plans (if necessary). The President Director/appointed officer, present the results of the collegial performance assessment of the Board of Directors, with improvement plan (if any) to the Board of Commissioners and the Nomination and Remuneration Committee for input and approval.

2. Individual Performances Assessment of the Board of Directors

The President Director carries out the performances assessment of each Directors. The individual assessment results for all Directors (including the President Director) will be discussed in the Nomination and Remuneration Committee for input and recommendation before the results are submitted to the Board of Commissioner for approval.



Performance Highlights



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PERFORMANCE ASSESSMENT RESULTS FOR BOARD OF DIRECTORS IN 2020

In general, the result of the individual performances assessment of the Board of Directors in 2020 was good, as well as the result of the collegial performance assessment of the Board of Directors was also good, with a score of **3.8**.

In addition, as form of the Bank's commitment to implement Good Corporate Governance principles, the GCG implementation was one of the aspects being evaluated in the collegial performance assessment of the Board of Directors. In 2020, **the assessment result for the implementation of GCG by the Board of Directors was 4.0**.

Scoring Range

Scoring Range	Description
> 4.7	Exceptional
4.0 - 4.6	Outstanding
3.7 - 3.9	Exceeded Expectation
3.0 - 3.6	Met Expectation
< 3.0	Need Improvement

ASSESSMENT OF GCG IMPLEMENTATION ON THE ASPECT OF THE BOARD OF DIRECTORS

The assessment on the implementation of GCG by the Board of Directors is based on provisions of OJK No. 55/POJK.03/2016 and No. 13/SEOJK.03/2017 that require Commercial Banks to perform self-assessment on Bank Governance.

PERFORMANCE ASSESSMENT PROCEDURES FOR BOARD OF DIRECTORS

The performance assessment of the Board of Directors is inherent in the GCG self-assessment by the Bank which is conducted periodically in every semester, in June and December in the current year.

ON PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF DIRECTORS

The performance assessment of the Board of Directors follow the governance system that is classified into 3 (three) aspects, namely Governance Structure, Governance Process, and Governance Outcome.

PARTIES CONDUCTING THE ASSESSMENT

The GCG self-assessment involves the Board of Commissioners, Independent Parties, the Board of Directors, Executive Officers, and the independent functions, coordinated by the Compliance Unit.

RESULTS OF THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

Self-assessment Result	
Bank's Governance Implementation	
Description	Rating
Duties and Responsibilities Implementation of the Board of Directors	2 (GOOD)

RECOMMENDATION AND ACTION PLAN

The structure and composition of the members of the Board of Directors of the Bank meet the minimum requirement, and equipped with all of the infrastructure (charter, guidelines, policies and procedures) to support the implementation of duties and responsibilities of the Board of Directors. The Board of Directors manages the Bank with the authorities and responsibilities as provided for in the Bank's Articles of Association and pursuant to prevailing laws and regulations. The Board of Directors' Charter, which serves as the working guidelines of the Board of Directors, is reviewed periodically.

The Bank has formed the Executive Committee in order to supports the implementation of the duties and responsibilities of the Board of Directors. The Board of Directors had followed up the audit findings and the recommendations of the IA, external auditors, and the results of audit by authorities. In the annual governance report, the members of the Board of Directors have disclosed all transparency aspects that are mandated by regulations, pertaining to affiliated relationship and share ownership by the management of the Bank.

In 2020, there was a change in the composition of the Board of Directors in compliance with the provisions of OJK and the Board of Directors' Charter as the working guideline of the Board of Directors is reviewed periodically. In 2020, no recommendations that had not been followed up by the Board of Directors.