

# Performance Assessment of the Board of Commissioners and the Board of Directors

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

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

## PERFORMANCE ASSESSMENT POLICIES AND PROCEDURES OF THE BOARD OF COMMISSIONERS

The performance assessment of the Board of Commissioners is conducted annually (at least once a year). In 2022, the Bank conducted the performance assessment independently through a survey method given to the Board of Commissioners. The performance assessment results



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are expected to provide input to improve the performance of the Board of Commissioners in the future.

The assessment policies and procedures include:

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.**

### PERFORMANCE ASSESSMENT CRITERIA OF THE BOARD OF COMMISSIONERS

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

#### 1. Criteria of Collegial Performance Assessment of the Board of Commissioners

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

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

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

#### 3. Criteria of Performance Assessment of the President Commissioner

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

### PARTIES PERFORMING THE PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS

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

#### 1. Collegial Performance Assessment of the Board of Commissioners

The assessment of the overall performance of the Board of Commissioners is conducted by each Commissioner.

#### 2. Individual Performance Assessment of Each Member of the Board of Commissioners

Each Commissioner provides an assessment of the other Commissioners.

### 3. Performance Assessment of the President Commissioner

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

All responses provided by the above mentioned parties are submitted directly through an online survey. The performance assessment results are confidential and anonymous and are compiled to be submitted to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee discusses the results of the performance assessment of the Board of Commissioners in the Board of Commissioners' meeting. The discussion results are followed up through action plans (if needed).

### PERFORMANCE ASSESSMENT RESULTS OF THE BOARD OF COMMISSIONERS IN 2022

In 2022, the following are the detailed performance assessment results of the Board of Commissioners:

Collegial Assessment	Individual Assessment (Average)	President Commissioner
4.55 (Outstanding)	4.83 (Exceptional)	4.63 (Outstanding)

The Bank's commitment to implement GCG is taken into account in the collegial performance assessment of the Board of Commissioners. In 2022, the **assessment results on GCG implementation by the Board of Commissioners was 4.33 (Outstanding)**.

#### Range Table

Range	Description
≥ 4.7	Exceptional
4.0 – 4.6	Outstanding
3.7 – 3.9	Exceeding Expectation
3.0 – 3.6	Meeting Expectation
< 3.0	Need Improvement

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

CIMB Niaga evaluates the aspects of the Board of Commissioners in GCG implementation during the fiscal year pursuant to the provisions of OJK Regulation No. 55/POJK.03/2016 and OJK Circular Letter No. 13/SEOJK.03/2017, requiring Commercial Banks to conduct self-assessment of the implementation of Bank Governance.

### PERFORMANCE ASSESSMENT PROCEDURES OF THE BOARD OF COMMISSIONERS

As part of GCG implementation, the Bank conducts a periodic assessment of the performance of the Board of Commissioners every semester, namely in June and December.



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## PERFORMANCE ASSESSMENT CRITERIA OF THE BOARD OF COMMISSIONERS

The criteria used in the performance assessment of the Board of Commissioners are structured into a Governance system, which is categorized into 3 (three) aspects, namely **Governance Structure, Governance Processes, and Governance Outcomes**.

## PARTIES CONDUCTING THE ASSESSMENT

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

## PERFORMANCE ASSESSMENT RESULTS OF THE BOARD OF COMMISSIONERS IN 2022

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

## RECOMMENDATIONS AND FOLLOW-UP

In 2022, there were no recommendations that have not been followed up by the Board of Commissioners.

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

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

## PERFORMANCE ASSESSMENT POLICIES AND PROCEDURES OF THE BOARD OF DIRECTORS

In order to monitor the implementation of the strategy and achievement of the Bank's performance, the performance assessment of the Board of Directors consists of:

1. **Collegial performance assessment of the Board of Directors**, conducted at least once a year
2. **Individual performance assessment of the Board of Directors, including the President Director**, conducted at least 2 (two) times a year

In 2022, the collegial performance assessment of the Board of Directors was carried out through a self-assessment using an online survey method, which was carried out independently by the Bank. The performance assessment results are confidential and anonymous, and are expected to provide confidence and objectivity in the performance quality of the Board of Directors, including as input for continuous improvement of the Board of Directors' performance.

As for the individual performance assessment of the Board of Directors, the Balanced Scorecard approach is used as an indicator of the performance of each member of the Board of Directors. The Bank's strategic aspirations and objectives contained in the Balanced Scorecard are translated into Key Performance Indicators (KPI) in accordance with the duties and responsibilities of each member of the Board of Directors by taking into account collegial and individual responsibilities, both financially and non-financially.

CIMB Niaga implements **2 (two) KPIs**, namely:

1. **Collective Scorecard**, which is used as the basis for assessing the performance of the Directorate and the Bank as an institution and determining the amount of performance-based compensation for the employees in the relevant Directorate.
2. **Individual Scorecard**, which is used as the basis for assessing the individual performance of the Board of Directors, including the President Director.

Both KPIs were mutually agreed upon by the Board of Directors after being recommended by the Nomination and Remuneration Committee and approved by the Board of Commissioners. The Collective Scorecard (include KPI Sustainability) is then communicated to all employees to ensure alignment with the Bank's objectives and strategies. At the end of the fiscal year, the Bank evaluates the performance assessments of the Board of Directors, both institutionally (Collective Scorecard) and individually (Individual Scorecard), to request input and recommendations from the Nomination and Remuneration Committee before submitting the results to the Board of Commissioners for approval.

## PERFORMANCE ASSESSMENT CRITERIA OF THE BOARD OF DIRECTORS

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

### 1. Collegial Performance Assessment of the Board of Directors

Collegial assessment criteria include:

- a. Effectiveness of the Board of Directors' Role
- b. Effectiveness of the Strategy and Management Implementation of the Bank
- c. Composition of the Board of Directors
- d. Board of Directors' Meetings Effectiveness, Conduct and Dynamic
- e. Implementation of Good Corporate Governance and Sustainability Principles
- f. Effectiveness of Risk Management and Internal Control Implementation



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## 2. Individual Performance Assessment of the Board of Directors (bank-wide and individual)

- a. The components applied in the performance assessment of the Directorate and the Bank on an institutional/bank-wide basis (Collective Scorecard) are as follows:

No	Performance Parameter	Directorate									
		Business Unit					Business Enabler				
		CIMB Niaga	Business Banking <sup>*)</sup>	Consumer Banking (Retail)	Sharia Banking	Treasury & Capital Market Management	Risk Management	Operations & Information Technology	Compliance, Corporate Affairs, & Legal	Strategy, Finance, & SPAPM	Human Resources
1	Financial	40%	40%	40%	40%	45%	15%	25%	15%	30%	25%
2	Risk, Compliance, Audit	25%	25%	25%	20%	20%	10%	15%	10%	15%	15%
3	Customer Experience	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
4	Service Delivery	-	-	-	-	-	25%**	10%	20%**	10%	15%
5	Key Focus Areas/ Projects	15%	15%	15%	20%	15%	30%	30%	35%	25%	25%
6	Purpose Driven (incl. Sustainability)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

<sup>\*)</sup> Business Banking oversees Corporate Banking, Commercial Banking, Emerging Business Banking and Transaction Banking.

<sup>\*\*)</sup> Service Delivery for the Directorate of Risk Management and the Directorate of Compliance, Corporate Affairs & Legal includes indicators related to the implementation of risk/compliance at the Bank as a whole

- b. The components applied in the individual performance assessments of each Director including the President Director (Individual Scorecard) include:

No	Performance Parameter	Directorate									
		Business Unit					Business Enabler				
		CIMB Niaga	Business Banking <sup>*)</sup>	Consumer Banking (Retail)	Sharia Banking	Treasury & Capital Market Management	Risk Management	Operations & Information Technology	Compliance, Corporate Affairs, & Legal	Strategy, Finance, & SPAPM	Human Resources
1	Financial	30%	25%	25%	30%	30%	-	15%	-	20%	20%
2	Risk, Compliance, Audit	25%	20%	20%	15%	15%	25%	15%	25%	15%	15%
3	Customer Experience	10%	10%	10%	10%	10%	10%	20%	10%	20%	20%
4	Key Focus Areas/ Projects	20%	30%	30%	30%	30%	50%	35%	50%**	30%	30%
5	People & Leadership Development	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

<sup>\*)</sup> Business Banking oversees Corporate Banking, Commercial Banking, Emerging Business Banking and Transaction Banking.

<sup>\*\*)</sup> including KPI Sustainability

## PARTIES PERFORMING THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The following are parties performing the performance assessment of the Board of Directors:

### 1. Collegial Performance Assessment of the Board of Directors

Each member of the Board of Directors provides an assessment on the Board of Director's collegial performance. All answers are submitted directly online. The assessment results are compiled for further submission to CIMB Niaga Management.

The collegial performance assessment results are discussed at the Board of Directors' meeting and then submitted to the Nomination and Remuneration Committee and the Board of Commissioners for input and approval of the improvement plan (if any).

### 2. Individual Performance Assessment of the Board of Directors (Bank-wide and Individual)

The President Director performs the performance assessment of each Directorate and each member of the Board of Directors. The individual assessment results of all Directorates (including the Bank) and all members of the Board of Directors (including the President Director) are discussed by the Nomination and Remuneration Committee for input and recommendations before being submitted to the Board of Commissioners for approval.



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## PERFORMANCE ASSESSMENT RESULTS OF THE BOARD OF DIRECTORS IN 2022

In 2022, the collegial performance assessment results of the Board of Directors proved that the Board of Directors has carried out its function in managing the Bank well and ensuring the achievement of Bank performance that can meet the shareholders' expectations and all stakeholders. **The collegial performance assessment score for the Board of Directors in 2022 reached 4.58 (Outstanding).** Furthermore, **the result of the assessment on GCG implementation by the Board of Directors is 4.55 (Outstanding).**

Range Table

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

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## PERFORMANCE ASSESSMENT PROCEDURES OF THE BOARD OF DIRECTORS

As part of GCG implementation, the Bank conducts a periodic assessment of the performance of the Board of Directors every semester, namely in June and December.

## PERFORMANCE ASSESSMENT CRITERIA OF THE BOARD OF DIRECTORS

The criteria used in the performance assessment of the Board of Directors are structured into a Governance system, which consists of 3 (three) aspects, namely **Governance Structure, Governance Processes, and Governance Outcomes.**

## PARTIES CONDUCTING THE ASSESSMENT

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

## PERFORMANCE ASSESSMENT RESULTS OF THE BOARD OF DIRECTORS IN 2022

Self-Assessment Results of Bank Governance Implementation	
Description	Rating
<b>Implementation of Duties and Responsibilities of the Board of Directors</b>	<b>2 (GOOD)</b>

## RECOMMENDATIONS AND FOLLOW-UP

In 2022, there was a change in the composition of the Board of Directors, which has met the provisions of the OJK and Charter of the Board of Directors as the working guideline of the Board of Directors, which is periodically reviewed. In 2022, there were no recommendations that the Board of Directors needed to follow up on.