

Remuneration Policy

CIMB Niaga has established and implemented a Risk-Based remuneration policy No. A.06.02 since October 2017, which was amended on 1 December 2018 by adding Sharia principles to the policy. Remuneration policy of the Bank is reviewed periodically. Until 2022, this policy is still relevant and thus there is no need to be updated. The Bank's remuneration policy aims to implement a competitive and fair risk-based remuneration system in accordance with OJK Regulation provisions No. 45/POJK.03/2015 on Implementation of Governance in Providing Remuneration at Commercial Banks, OJK Circular Letter No. 40/SEOJK.03/2016 on the Implementation of Governance in Remuneration at Commercial Banks, as well as OJK Regulation No. 59/POJK.03/2017 on the Implementation of Governance in Providing Remuneration for Sharia Banks and Sharia Business Units, the Bank also ensures that no individual receives compensation below the minimum wages set by the government.

In order to maintain its competitiveness, fairness and balance, CIMB Niaga uses the services of an independent external consultant, which is WTW to develop its remuneration policies and benchmarking.

OBJECTIVES AND BACKGROUND

CIMB Niaga implements remuneration policies that cover all levels of the Bank's organization, including the Board of Commissioners, Board of Directors, and all employees, comprising of both mandatory components and additional benefits, in accordance with the prevailing laws and regulations. The policy has the significant objective of attracting, motivating, and retaining the best talent as a part of the effort to ensure the availability of qualified human capital. The remuneration policy also takes into consideration short and long-term liquidity requirements, capital adequacy and strength, financial stability, the creation of risk management effectiveness, as well as potential future revenues.



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RISK-BASED REMUNERATION POLICY

CIMB Niaga implements a remuneration strategy that includes reviews on remuneration policies based on performance, risk, and empowerment. The Bank implemented the policy and procedure to establish an employee benefit program as a part of its remuneration strategy which considers the risk profile. The primary categories of risk outlined in the remuneration policy were adjusted in line with the Bank's annual risk profile, which considers factors such as market conditions, industry developments, business performance, certain positions, and the financial capacity of the Bank. As a result, the main risk profile has an impact on the implementation of variable remuneration. The remuneration policy at CIMB Niaga regulates the following:

1. Prudential principle in the provision of risk-based remuneration.
2. The application of variable remuneration in accordance with the regulatory requirements for the implementation of remuneration at Commercial Banks and Sharia Business Units.

DETERMINATION OF REMUNERATION BASED ON PERFORMANCE AND RISK

Performance evaluation is based on Key Performance Indicators (KPI), which are based on the Bank's objectives and strategies and taking into account risk, compliance, and good corporate governance. In accordance with this policy, CIMB Niaga conducts periodic evaluations and reviews as determined by the business needs and developments in the banking industry. The Bank has also implemented risk-based remuneration with the establishment of a Material Risk Taker (MRT) and the implementation of a deferred payment scheme.

REVIEW AND INDEPENDENCY ON THE IMPLEMENTATION OF THE REMUNERATION POLICY

Remuneration system and employee benefits are reviewed by the Bank on a regular and continuous basis. In order to ensure the independence of giving remuneration to all employees, including employees in

the control unit, the Bank ensures that the performance evaluation and determination of remuneration is carried out through supervision and review of the Nomination and Remuneration Committee.

The reviews take into account the following:

1. The Bank's performance and financial condition
2. Employee competency and performance (meritocracy)
3. Peer Remuneration practices (market competitiveness)
4. Eligibility and suitability of the position
5. Internal equity
6. Risk level attached to the position
7. The Bank's long-term strategy

The Bank periodically reviews and communicates its Wage Structure and Scale in accordance with the Minister of Manpower Regulation No. 1 Year 2017 on Wage Structure and Scale. In addition, the Bank's remuneration policy takes into account OJK Regulation No. 45/POJK.03/2015, OJK Regulation No. 59/POJK.03/2017 and OJK Circular Letter No. 40/SEOJK.03/2016 on Implementation of Governance in the Provision of Remuneration at Commercial Banks and Sharia Business Units.

DETERMINATION OF MATERIAL RISK TAKER

The Material Risk Taker (MRT) category is determined as follows:

1. MRT is determined using a qualitative method according to the portion of responsibility that affects the main risk profile as determined based on the Bank's annual risk profile evaluation.
2. MRT category is also determined quantitatively by comparing variable remuneration between MRT and non-MRT employees with consideration of performance and the level of risk attached to the position concerned.

Individuals who meet the aforementioned criteria, including all Board of Directors members and employees, are considered Material Risk Takers (MRT). Presently, the Bank has classified **13 (thirteen)** individuals as MRT.



Supporting Business Review



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Corporate Social Responsibility



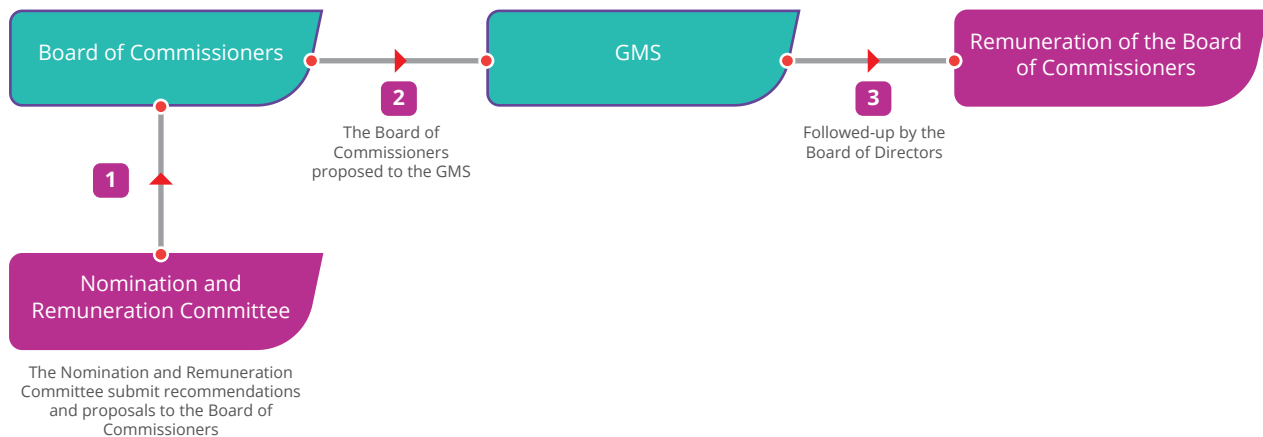
Other Corporate Data



Consolidated Financial Report

REMUNERATION OF THE BOARD OF COMMISSIONERS

PROCEDURE TO DETERMINE THE REMUNERATION OF THE BOARD OF COMMISSIONERS



CIMB Niaga determines the structure, policies and amount of remuneration for each member of the Board of Commissioners after taking into account their duties, authorities, performance, and responsibilities. CIMB Niaga also takes into account the remuneration applicable in similar industries (peers group) and the Bank's capabilities.

REMUNERATION POLICY OF THE BOARD OF COMMISSIONERS

The procedures for determining the remuneration of the Board of Commissioners are as follows:

1. The Nomination and Remuneration Committee conducts discussions regarding the Board of Commissioners' remuneration, taking into account information on the range and remuneration standards in similar industries (peers group) and the Bank's capabilities;
2. The Nomination and Remuneration Committee provides recommendations for further discussions at Board of Commissioners' meetings;
3. The Board of Commissioners studies the recommendations of the Nomination & Remuneration Committee and proposes to the GMS; and
4. The GMS determines the remuneration for the Board of Commissioners, to be further implemented by the Board of Directors.

REMUNERATION STRUCTURE OF THE BOARD OF COMMISSIONERS

Based on the resolution of the 2022 AGM, the Board of Commissioners' remuneration structure consists of an honorarium, meeting allowances, position allowances, transportation allowances, feast day allowances, year-end benefits, and other facilities, such as medical, communication, and club memberships. **No members of the Board of Commissioners (including Independent Commissioners) of CIMB Niaga receive any variable remuneration (shares, performance bonus or non-performance bonuses, as well as share options).**

Detailed information about the remuneration and other facilities of the members of CIMB Niaga's Board of Commissioners in the past two years are as follows:

1. REMUNERATION PACKAGES AND OTHER FACILITIES

| Type of Remuneration and Other Facilities | Amount Received in 1 Year by Non-Independent Commissioners | | | |
|--|--|--------------|-----------|--------------|
| | 2022 | | 2021 | |
| | Person | Rp (Million) | Person | Rp (Million) |
| Remuneration (salary, routine allowance, tantiem, and other non-deductible facilities) | 3 | 7,061 | 4* | 4,594 |
| Other natura facilities (housing, transportation, health insurance, etc.) which: | | | | |
| a. Can be owned | - | - | - | - |
| b. Cannot be owned | 3 | 9 | - | - |
| Total | 3 | 7,071 | 4* | 4,594 |

* Including remuneration for Non-Independent Commissioners that are no longer in position. Bank records in-natura remuneration in 2022 due to changes in Bank policy.



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| Type of Remuneration and Other Facilities | Amount Received in 1 Year by Independent Commissioners | | | |
|--|--|--------------|----------|--------------|
| | 2022 | | 2021 | |
| | Person | Rp (Million) | Person | Rp (Million) |
| Remuneration (salary, routine allowance, tantiem, and other non-deductible facilities) | 3 | 8,975 | 3 | 7,310 |
| Other natura facilities (housing, transportation, health insurance, etc.) which: | | | | |
| a. Can be owned | - | - | - | - |
| b. Cannot be owned | 3 | 93 | - | - |
| Total | 3 | 9,068 | 3 | 7,310 |

Bank records in-natura remuneration in 2022 due to changes in Bank policy.

| Remuneration per Person | Number of Non-Independent Commissioners | | Number of Independent Commissioners | |
|---|---|-------|-------------------------------------|------|
| | 2022 | 2021* | 2022 | 2021 |
| Above Rp5 billion | - | - | 0 | - |
| Between Rp2 billion up to Rp5 billion | 2 | 1 | 3 | 3 |
| Between Rp1 billion up to Rp2 billion | 1 | - | 0 | - |
| Between Rp500 million up to Rp1 billion | 0 | 2 | 0 | - |
| Below Rp500 million | 0 | - | 0 | - |

* Including remuneration for member of the Board of Commissioners that are no longer in position.

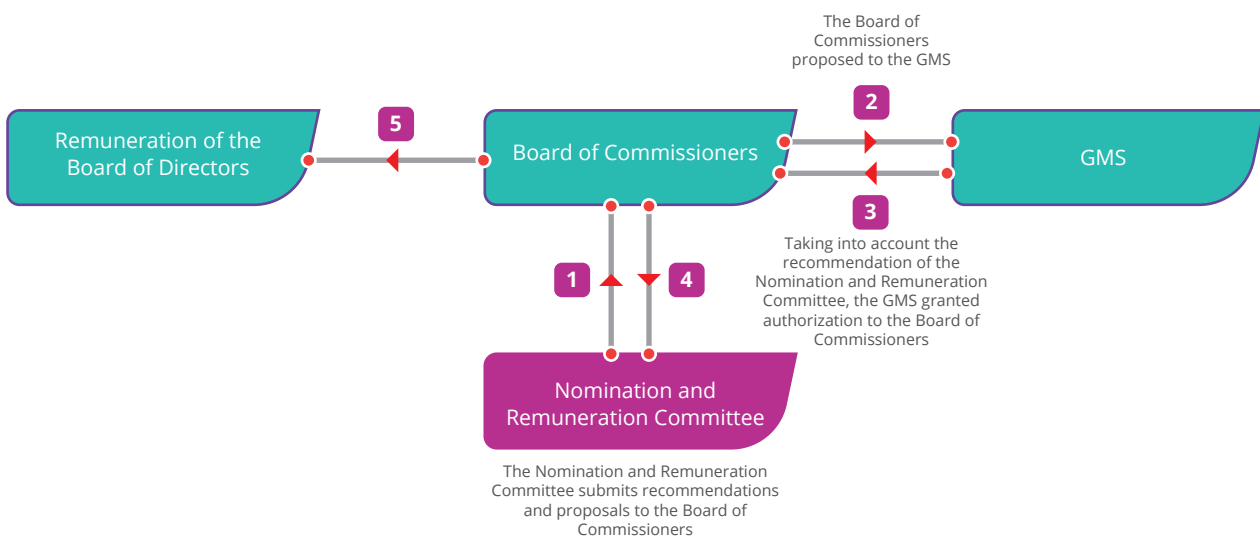
2. VARIABLE REMUNERATION FOR THE BOARD OF COMMISSIONERS

| Variable Remuneration* | Amount Received in 1 Year by Non-Independent Commissioners | | | | Amount Received in 1 Year by Independent Commissioners | | | |
|------------------------|--|--------------|------------|--------------|--|--------------|------------|--------------|
| | 2022 | | 2021 | | 2022 | | 2021 | |
| | Person | Rp (Million) | Person | Rp (Million) | Person | Rp (Million) | Person | Rp (Million) |
| Total | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

* Remuneration based on performance and risk (such as bonuses)

REMUNERATION OF THE BOARD OF DIRECTORS

PROCEDURE TO DETERMINE THE REMUNERATION OF THE BOARD OF DIRECTORS



CIMB Niaga determines the structure, policies and amount of remuneration for each member of the Board of Directors after taking into account their duties, authorities, performance, and responsibilities. CIMB Niaga also takes into account the remuneration applicable in similar industries (peer group) and the Bank's capabilities.



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REMUNERATION POLICY OF THE BOARD OF DIRECTORS

The procedures for determining the remuneration of the Board of Directors are as follows:

1. The Nomination and Remuneration Committee conducts discussions regarding the Board of Directors' remuneration after taking into account information about the remuneration standards in similar industries (peer group), the Bank's performance, each director's performance and risk involved in achieving the set KPI, as well as the Bank's capabilities.
2. The Nomination and Remuneration Committee provides recommendations for further discussion at the Board of Commissioners' meetings.
3. The Board of Commissioners studies the recommendations of the Nomination & Remuneration Committee and proposes to the GMS.
4. The GMS determines the remuneration of the Board of Directors by granting authority to the Board of Commissioners to determine the remuneration of the Board of Directors after taking into account the Nomination and Remuneration Committee's recommendations, to be further implemented by the Board of Directors

INDICATORS TO DETERMINE THE REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration is determined by taking into account the national economic conditions and achievement of the Bank's performance, including financial performance outcome, the Bank's soundness level and based on risk management in accordance with regulatory provisions. The performance indicators are described in detail in the performance assessment of the Board of Commissioners and the Board of Directors section of this Annual Report.

REMUNERATION STRUCTURE OF THE BOARD OF DIRECTORS

Based on the resolution of 2022 AGM, remuneration for the Board of Directors consists of salaries, transportation allowances, housing benefits, feast day allowances, year-end benefits, performance bonus, and other facilities, such as health facility, communication, and club membership. No members of the Board of Directors received any non-performance bonuses.

Detailed information about the remuneration and other facilities of members of CIMB Niaga's Board of Directors in the past two years are as follows:

1. REMUNERATION PACKAGES AND OTHER FACILITIES

| Type of Remuneration and Other Facilities | Amount Received in 1 Year by the Board of Directors | | | |
|--|---|---------------|-----------|---------------|
| | 2022 | | 2021 | |
| | Person | Rp (Million) | Person | Rp (Million) |
| Remuneration (salary, routine allowance, tantiem, and other non-natura facilities) | 10 | 73,847 | 11 | 80,296 |
| Other natura facilities (housing, transportation, health insurance, etc.) which: | | | | |
| a. Can be owned | - | - | - | - |
| b. Cannot be owned | 10 | 2,962 | - | - |
| Total | 10 | 76,809 | 11 | 80,296 |

- Including members of the Board of Directors who have just served or resigned in respective year.
- Bank records in-natura remuneration in 2022 due to changes in Bank policy.

| Remuneration per Person | Number of Members of the Board of Directors | |
|---|---|------|
| | 2022 | 2021 |
| Above Rp5 billion | 10 | 7 |
| Between Rp2 billion up to Rp5 billion | - | 3 |
| Between Rp1 billion up to Rp2 billion | - | - |
| Between Rp500 million up to Rp1 billion | - | - |
| Below Rp500 million | - | 1 |

Including members of the Board of Directors who have just served or resigned in respective year

2. VARIABLE REMUNERATION OF THE BOARD OF DIRECTORS

| Variable Remuneration* | Amount Received in 1 Year by the Board of Directors | | | |
|------------------------|---|---------------|-----------|---------------|
| | 2022 | | 2021 | |
| | Person | Rp (Million) | Person | Rp (Million) |
| Total | 10 | 59,479 | 11 | 39,596 |

Including members of the Board of Directors who have just served or resigned in respective year
*) Remuneration based on performance and risk (such as bonus).



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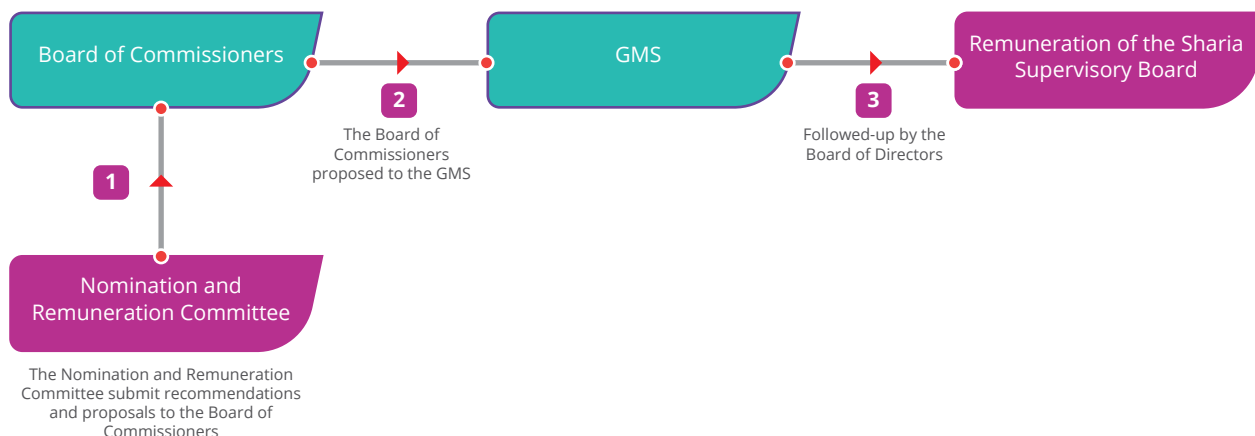
Management Discussion and Analysis



Risk Management

REMUNERATION OF THE SHARIA SUPERVISORY BOARD

PROCEDURE TO DETERMINE THE REMUNERATION OF THE SHARIA SUPERVISORY BOARD



CIMB Niaga determines the structure, policies and amount of remuneration for each member of the Sharia Supervisory Board after taking into account their duties, authorities, performance, and responsibilities. CIMB Niaga also takes into account the remuneration applicable in similar industries (peer group) and the Bank's capabilities.

REMUNERATION POLICY OF THE SHARIA SUPERVISORY BOARD

CIMB Niaga uses the following procedures to determine the remuneration of the Sharia Supervisory Board:

1. The Nomination and Remuneration Committee conducts discussions regarding the Sharia Supervisory Board's remuneration after taking into account information about the remuneration standards of similar industries (peer group) and the Bank's capabilities;
2. The Nomination and Remuneration Committee provides recommendations to be discussed at the meetings of the Board of Commissioners;
3. The Board of Commissioners studies the recommendations of the Nomination and Remuneration Committee and proposes to the GMS; and
4. The GMS determines the remuneration of the Sharia Supervisory Board, to be further implemented by the Board of Directors.

REMUNERATION STRUCTURE OF THE SHARIA SUPERVISORY BOARD

Based on the resolution of 2022 AGM, the Sharia Supervisory Board's remuneration structure consists of a honorarium, meeting allowances, feast day allowances, year-end benefits, and communication facilities.

No members of the Sharia Supervisory Board of CIMB Niaga received any variable remuneration (shares, performance based or other based bonuses as well as share options).

Detailed information about the remuneration and other facilities of the members of CIMB Niaga's Sharia Supervisory Board in the last two years are as follows:

1. REMUNERATION PACKAGES AND OTHER FACILITIES

| Type of Remuneration and Other Facilities | Amount Received in 1 Year by the Sharia Supervisory Board | | | |
|--|---|--------------|----------|--------------|
| | 2022 | | 2021 | |
| | Person | Rp (Million) | Person | Rp (Million) |
| Remuneration (salary, routine allowance, tantiem, and other non-natura facilities) | 3 | 1,868 | 3 | 1,864 |
| Other natura facilities (housing, transportation, health insurance, etc.) which: | | | | |
| a. Can be owned | - | - | - | - |
| b. Cannot be owned | 3 | 12 | - | - |
| Total | 3 | 1,880 | 3 | 1,864 |

Bank records in-natura remuneration in 2022 due to changes in Bank policy.

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| Remuneration per Person | Number of Members of the Sharia Supervisory Board | |
|---|---|------|
| | 2022 | 2021 |
| Above Rp5 billion | - | - |
| Between Rp2 billion up to Rp5 billion | - | - |
| Between Rp1 billion up to Rp2 billion | - | - |
| Between Rp500 million up to Rp1 billion | 3 | 3 |
| Below Rp500 million | - | - |

2. VARIABLE REMUNERATION FOR THE SHARIA SUPERVISORY BOARD

| Variable Remuneration* | Jumlah diterima dalam 1 Tahun oleh Dewan Pengawas Syariah | | | |
|------------------------|---|--------------|------------|--------------|
| | 2022 | | 2021 | |
| | Person | Rp (Million) | Person | Rp (Million) |
| Total | Nil | Nil | Nil | Nil |

*1 Remuneration based on performance and risk (such as bonus)

STOCK OPTIONS OWNED BY THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS, AND EXECUTIVE OFFICERS

In 2022, there were no CIMB Niaga stock options owned by members of the Board of Commissioners, the Board of Directors, and Executive Officers.

HIGHEST AND LOWEST SALARY RATIOS

| Ratio | 2022 | 2021 |
|---|-----------|------------|
| The highest and lowest ratio of employees' salary | 100.5 : 1 | 108.93 : 1 |
| The highest and lowest ratio of the Board of Directors' salary | 2.33 : 1 | 2.44 : 1 |
| The highest and lowest ratio of the Board of Commissioners' salary | 1.25 : 1 | 1.5 : 1 |
| The ratio of the highest Board of Directors' salary and the highest employees' salary | 2.55 : 1 | 2.37 : 1 |

VARIABLE REMUNERATION FOR EMPLOYEES

| Variable Remuneration | Amount Received in 1 Year by Employees | | | |
|-----------------------|--|----------------|--------------|----------------|
| | 2022 | | 2021 | |
| | Person | Rp (Million) | Person | Rp (Million) |
| Total | 7,910 | 419,748 | 8,710 | 251,048 |

FIXED AND VARIABLE REMUNERATION FOR MATERIAL RISK TAKERS (MRTS)

| Fixed Remuneration | 2022 | 2021 |
|---|--------|-----------|
| 1. Cash (Rp million) | 80,136 | 67,214.29 |
| 2. Shares/Instruments based on the shares issued by the Bank (shares) | - | - |

| Variable Remuneration | 2022 | | 2021 | |
|---|--------------|----------|--------------|----------|
| | Non-Deferred | Deferred | Non-Deferred | Deferred |
| 1. Cash (Rp million) | 49,007 | 14,072 | 24,337 | 5,541 |
| 2. Shares/Instruments based on the shares issued by the Bank (shares) | - | 8,717 | - | 9,628 |



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QUANTITATIVE INFORMATION FOR PARTIES CATEGORIZED AS MATERIAL RISK TAKERS

| Type of Variable Remuneration | 2022 | | | | 2021 | | | |
|--|-----------------------------|---|---------------------------------|--------------|-----------------------------|---|---------------------------------|---------------|
| | Remaining Deferred | Total Reduction during the Reporting Period | | | Remaining Deferred | Total Reduction during the Reporting Period | | |
| | | Due to Explicit Adjustments (A) | Due to Implicit Adjustments (B) | Total (A+B) | | Due to Explicit Adjustments (A) | Due to Implicit Adjustments (B) | Total (A+B) |
| 1. Cash (Rp million) | 16,451 | 1,315 | - | 1,315 | 9,401 | 4,032 | - | 4,032 |
| 2. Shares/ Stock-based instruments issued by the Bank (in shares and millions of rupiah which is conversion from the shares) | 6,513,512 shares (Rp14,268) | 907,541 shares (Rp2,184) | - | Rp2,184 | 6,532,585 shares (Rp21,119) | 2,278,256 shares (Rp5,845) | Rp184 | Rp6,029 |
| Total (Rp million) | 30,719 | 3,499 | - | 3,499 | 30,520 | 9,877 | 184 | 10,061 |

Note: Explicit adjustment was due to malus and cessation of employment (MRT) during the reporting period while the implicit adjustment was caused by decrease in the share price between the date of offered and the end date of the report.

TOTAL SEVERANCE GRANTED TO EMPLOYEES AFFECTED BY TERMINATION AND TOTAL AMOUNT PAID

| Severance Pay Paid per Person in 1 (One) Year | Number of Employees | |
|---|---------------------|------|
| | 2022 | 2021 |
| Above Rp1 billion | 0 | 2 |
| Between Rp500 million up to Rp1 billion | 3 | 17 |
| Below Rp500 million | 45 | 99 |