



Performance Highlights



Management Reports



Company Profile



Management Discussion and Analysis



Risk Management

The Bank has integrated orientation program materials into its digital learning (e-Learning) platform, specifically the Learning on the Go (LoG) application, which prospective Directors can access from anywhere and at any time.

PERFORMANCE ASSESSMENT POLICY AND PROCEDURE FOR COMMITTEES UNDER THE BOARD OF DIRECTORS (EXECUTIVE COMMITTEE)

Every year, the Board of Directors assesses the performance of Committees at the Board of Directors level. The criteria and basis for considering the Executive Committee's performance assessment based on each Term of Reference (TOR) are as follows:

1. Number of meeting held;
2. Attendance of member of the Board of Directors;
3. Minutes of Meeting Service Level Agreement (SLA);
4. Action Matters Arising; and
5. Meeting invitation distribution.

Throughout 2023, the Board of Directors assesses that the implementation of duties, responsibilities, and discussions at Executive Committee meetings are considered to be running properly and effectively. The participation of members of the Board of Directors at committee meetings during the financial year 2023, including decisions made during meeting discussions, can also be used as a reference.

PERFORMANCE ASSESSMENT RESULTS OF EXECUTIVE COMMITTEES IN 2023

No.	Executive Committee	Score
1	Risk Management Committee (RMC)	420 (Good)
2	Asset & Liability Committee (ALCO)	430 (Good)
3	Information Technology Steering Committee (ITSC)	435 (Good)
4	Credit Policy Committee (CPC)	490 (Excellent)

Range Table

Range	Description
>470 - 500	Excellent
400 - <470	Good
300 - <400	Fair
200 - <300	Poor
<200	Very Poor

The performance assessment of the Internal Audit Unit and Risk Management Unit is presented in the Internal Audit and Risk Management Unit section of this chapter in the Annual Report.

Board of Commissioners and Board of Directors Performance Assessment

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

In carrying out its functions, duties, and responsibilities, the Board of Commissioners, including the President Commissioner, is evaluated periodically, the result of which is reported to the Shareholders.

POLICIES AND PROCEDURES IN THE BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT

Performance assessment of the Board of Commissioners is carried out annually (at least once a year) and every three years the assessment will be conducted by third party. In 2023, the performance assessment of the Board of Commissioners was conducted independently by the Bank through a survey conducted on the Board of Commissioners.

The result of the performance assessment become input for improving the performance of the Board of Commissioners in the future.

The policies and procedures of the assessment are as follows:

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

BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT CRITERIA

The performance assessment of the Board of Commissioners (including the President Commissioner) is conducted using the following criteria:

1. Criteria for the Collegial Performance Assessment of the Board of Commissioners
 - a. Effectiveness of the Board of Commissioners' Role
 - b. Effectiveness of Tasks and Responsibilities Implementation
 - c. Composition of the Board of Commissioners
 - d. Effectiveness of Meeting, Work Ethics, and Dynamics of the Board of Commissioners
 - e. Implementation of Good Corporate Governance and Sustainability Principles

- f. Effectiveness of Risk Management and Internal Control Implementation
2. **Criteria for the Individual Performance Assessment of the Board of Commissioners**
 - a. Competency and capability
 - b. Effectiveness of Tasks and Responsibilities Implementation
3. **Criteria for the Performance Assessment of the President Commissioner**
 - a. Effectiveness of Tasks and Responsibilities Implementation
 - b. Leadership

PARTIES CONDUCTING PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS

The parties conducting performance assessment of the Board of Commissioners are as follows:

1. **Collegial Performance Assessment of the Board of Commissioners**
Assessment is conducted by each Commissioner on the overall performance of the Board of Commissioners.
2. **Individual Performance Assessment of Each Member of the Board of Commissioners**
Each Commissioner assesses other Commissioners.
3. **Performance Assessment of the President Commissioner**
Assessment is conducted by each Commissioner on the performance of the President Commissioner.

All responses given by the above parties are conveyed directly through an online survey. The result of the performance assessment is confidential and anonymous and will be compiled and submitted to the Nomination and Remuneration Committee. Subsequently, the Nomination and Remuneration Committee will present and discuss all performance assessment responses in the Board of Commissioners' meeting. The result will be followed up with an improvement or action plan (if needed).

BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT RESULT IN 2023

In 2023, the collegial and individual performance assessment of the Board of Commissioners produced the following results:

Collegial Performance Assessment	Individual Performance Assessment	President Commissioner
4.74 (Exceptional)	4.82 (Exceptional)	4.93 (Exceptional)

The Bank's commitment to implementing the principles of GCG is an aspect that shall be reviewed in the collegial performance assessment of the Board of Commissioners. In 2023, **the performance assessment result on GCG implementation by the Board of Commissioners was 4.71 (Exceptional).**

Range Table

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

PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS' GCG IMPLEMENTATION

CIMB Niaga carries out a performance assessment of the Board of Commissioners on GCG implementation in the financial year in reference to the Regulation of OJK No. 17 of 2023 and the Circular Letter of OJK No. 13/SEOJK.03/2017, which require public banks to carry out self-assessment on GCG implementation.

PROCEDURE FOR THE PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS

CIMB Niaga carries out performance assessment of the Board of Commissioners, including GCG self-assessment, periodically in every semester, or in June and December of the current year.

PERFORMANCE ASSESSMENT CRITERIA OF THE BOARD OF COMMISSIONERS

Criteria used in the performance assessment of the Board of Commissioners are described within the governance system and can be categorized into 3 (three) assessment: Governance Structure, Governance Process, and Governance Result.

PARTIES CARRYING OUT THE PERFORMANCE ASSESSMENT

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

BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT RESULT IN 2023

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

RECOMMENDATIONS AND FOLLOW-UP ACTIONS

In 2023, there was no recommendation that has not been followed-up by the Board of Commissioners.

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

In carrying out its functions, duties, and responsibilities, the Board of Directors, including the President Director, is evaluated periodically, the result of which will be reported to the Shareholders.

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

Policies for the performance assessment of the Board of Directors include:

1. Collegial performance assessment of the Board of Directors, carried out at least 1 (once) a year
2. Individual performance assessment of the Board of Directors (including President Director), carried out at least 2 (twice) a year

every three years, the assessment will be conducted by third party.

In 2023, a collegial performance assessment of the Board of Directors was conducted through a self-assessment online survey, independently carried out by the Bank. The results of the performance assessment are confidential and anonymous, serving as input for continuous improvement of the Board of Directors' performance.

In the individual performance assessment of the Board of Directors, the Bank uses a balanced scorecard as a performance indicator for each member of the Board of Directors. The Bank's aspirations and strategic objectives stated in the Balance Scorecard are interpreted into a Key Performance Indicator (KPI) in accordance with the tasks and responsibilities of each member of the Board of Directors by considering collegial and individual responsibilities, both financially and non-financially.

CIMB Niaga implements **2 (two) KPIs** as follows:

1. **Collective scorecard** as the basis for assessing the performance of the directorates and the Bank's institution and will determine performance-based compensation amounts for employees in relevant directorates.
2. **Individual scorecard** as the basis for determining the performance of the Board of Directors, including the President Director individually.

The two KPIs will be agreed upon by the Board of Directors and submitted to the Nomination and Remuneration Committee for recommendations as well as the Board of Commissioners for approval. Subsequently, the Collective Scorecard (including Sustainability KPI) will be disseminated to all employees to ensure alignment with the objectives and strategies of the Bank.

At the end of the financial year, CIMB Niaga will evaluate the performance assessment of the Board of Directors, both institutionally (Collective Scorecard) and individually (Individual Scorecard). The results will be submitted to the Nomination and Remuneration Committee for input and recommendations before final approval by the Board of Commissioners.

CRITERIA FOR THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The criteria used in the performance assessment of the Board of Directors (including the President Director) are as follows:

1. Collegial Performance Assessment of the Board of Directors

The criteria for collegial performance assessment are as follows:

- a. Effectiveness of the Board of Directors' Role
- b. Effectiveness of Bank's Strategy and Management
- c. Composition of the Board of Directors
- d. Effectiveness of Meeting, Work Ethics, and Dynamics of the Board of Directors
- e. Implementation of Good Corporate Governance and Sustainability Principles
- f. Effectiveness of Risk Management and Internal Control Implementation

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

- a. Components used in evaluating the performance of the Directorates and Bank institution/Bank-wide (Collective Scorecard) include:

Performance Parameter	Directorate									
	Business Unit						Business Enabler			
	CIMB Niaga	Business Banking*	Consumer Banking (Retail)	Sharia Banking	Treasury & Capital Market	Risk Management	Operations & Information Technology	Compliance, Corporate Affairs, & Legal	Strategy, Finance & SPAPM	Human Resource
Financial	40%	40%	40%	40%	45%	15%	25%	15%	30%	25%
Risk, Compliance, Audit	25%	25%	25%	20%	20%	10%	15%	10%	15%	15%
Customer Experience	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Service Delivery	-	-	-	-	-	25%**	10%	20%**	10%	15%
Key Focus Areas/Projects	15%	15%	15%	20%	15%	30%	30%	35%	25%	25%
Purpose Driven (including Sustainability)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

* Business Banking oversees Corporate Banking, Commercial Banking, Emerging Business Banking, and Transaction Banking

** Service Delivery for the Risk Management Directorate & Compliance, Corporate Affairs & Legal Directorate includes indicators on overall risk/compliance implementation in Bank

b. The components used in individual performance assessment for each Director including the President Director (Individual Scorecard), are as follows:

Performance Parameter	Directorate									
	Business Unit					Business Enabler				
	CIMB Niaga	Business Banking*	Consumer Banking (Retail)	Sharia Banking	Treasury & Capital Market	Risk Management	Operations & Information Technology	Compliance, Corporate Affairs, & Legal	Strategy, Finance & SPAPM	Human Resource
Financial	30%	25%	25%	30%	30%	-	15%	-	15%	15%
Risk, Compliance, Audit	25%	20%	20%	15%	15%	25%	15%	25%	15%	15%
Customer Experience	10%	10%	10%	10%	10%	10%	20%	10%	20%	20%
Key Focus Areas/Projects	20%	30%	30%	30%	30%	50%	35%	50%**	35%	35%
People & Leadership Development	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

* Business Banking oversees Corporate Banking, Commercial Banking, Emerging Business Banking, and Transaction Banking

** Including Sustainability KPIs

PARTIES CARRYING OUT THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The parties conducting performance assessment of the Board of Directors are as follows:

1. Collegial Performance Assessment of the Board of Directors

Each member of the Board of Directors assesses the performance of the Board of Directors collegially. All responses are collected directly online. The result will be compiled and reported to the management of CIMB Niaga.

The result of the collegial performance assessment of the Board of Directors will be discussed in the Board of Directors' Meeting and subsequently submitted to the Nomination and Remuneration Committee and the Board of Commissioners for input and approval on the improvement plan (if any).

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

Assessment is conducted by the President Director on the performance of each directorate or member of the Board of Directors. The assessment results of all directorates (including Bank) and all members of the Board of Directors individually (including the President Director) will be discussed by the Nomination and Remuneration Committee for input and recommendations before gaining approval from the Board of Commissioners.

BOARD OF DIRECTORS PERFORMANCE ASSESSMENT RESULT IN 2023

The results of the collegial performance assessment of the Board of Directors show that the Board of Directors has carried out its functions well in managing the Bank. The assessment also reflects that the Board of Directors

has continuously ensured the achievement of the Bank's performance that meets the expectations of the shareholders and all stakeholders. The score for the collegial performance assessment of the Board of Directors in 2023 was **4.60 (Outstanding)**, whereas the score for GCG implementation by the Board of Directors was **4.70 (Exceptional)**.

Range Table

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

PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS' GCG IMPLEMENTATION

In reference to the OJK Regulation No. 17 of 2023 and the OJK Circular Letter No. 13/SEOJK.03/2017, CIMB Niaga carried out the performance assessment of the Board of Directors' GCG implementation during the financial year. The regulation also requires public banks to carry out self-assessments on the implementation of banks' good governance.

PROCEDURES FOR THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

CIMB Niaga carries out the performance assessment of the Board of Directors, including GCG self-assessment, periodically each semester, in June and December for the current year.

CRITERIA FOR THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

Criteria used in the performance assessment of the Board of Directors are described within the governance system and can be categorized into 3 (three) assessment: Governance Structure, Governance Process, and Governance Result.



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PARTIES CARRYING OUT THE PERFORMANCE ASSESSMENT

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

BOARD OF DIRECTORS PERFORMANCE ASSESSMENT RESULT IN 2023

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

RECOMMENDATIONS AND FOLLOW-UP ACTIONS

In 2023, there was no recommendation that has not been followed up by the Board of Directors.

Policy on The Diversity of The Board of Commissioners and The Board of Directors

The diversity policy in the composition of the Board of Commissioners (BOC) and Board of Directors (BOD) has a strategic role in fostering an inclusive work environment that values diversity. Members of CIMB Niaga's BOC and BOD who are appointed at the General Meeting of Shareholders have a fairly diverse composition, both based on age, educational background, expertise, and experience required in carrying out their duties and responsibilities. Since September 2022, CIMB Niaga has had a Policy on Diversity in the Composition of Members of the BOC and BOD, which is reviewed on a regular basis in accordance with the Bank's Manual Framework Policy and considers the provisions in the capital market sector that regulate Good Corporate Governance.

CIMB Niaga also maintains a diverse range of expertise and experience among its BOC and BOD, which includes banking, economics, business, finance, governance, human resources, and risk management. The combination of these characteristics will influence the accuracy of the nomination and appointment process for individual members of the BOC and BOD, as well as the collegial BOC and BOD. The expertise of the BOC and BOD is also identified based on educational background, work experience, and training received. CIMB Niaga organizes a variety of training, workshops, and other relevant activities.

The Bank's Diversity Policy serves as a reference in succession planning for members of the BOC and BOD. To ensure that the Bank has an adequate talent pool and in accordance with the target and Diversity Policy of the Composition of Members of the BOC and BOD of the Bank.

DIVERSITY IN THE COMPOSITION OF MEMBERS OF THE BOARD OF COMMISSIONERS

Aspects of diversity in the composition of members of the BOC include, among others:

1. **Skills/Experience/Education, having at least:**
 - a. 1 (one) member who has expertise/work experience/education in the field of economics/business/finance; and/or
 - b. 1 (one) member who has expertise/work experience/education in the banking industry; and
 - c. 1 (one) member who has expertise/work experience/education in the field of risk management.
2. **Nationality**
The majority (more than 50% (fifty percent)) of members of the BOC shall be Indonesian citizens.
3. **Gender**
Consider the diversity in gender of members of the BOC.
4. **Age**
Members of the BOC shall be diverse in age level.
5. **Independence**
 - a. Minimum 50% (fifty percent) of members of the BOC are Independent Commissioners.
 - b. The term of office of an Independent Commissioner is 2 (two) consecutive terms, or a maximum of 9 (nine) years.