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## STRUCTURE AND MECHANISM OF CIMB NIAGA SBU SHARIA GOVERNANCE

### GCG STRUCTURE OF CIMB NIAGA SBU

The Governance structure of CIMB Niaga's SBU consists of the SSB and the Sharia Banking Director, who has established a number of Groups to carry out the operational business of CIMB Niaga's SBU. All sharia governance bodies at CIMB Niaga's SBU carry out their duties and responsibilities in accordance with their respective functions.

### MECHANISM OF SHARIA GOVERNANCE

In its daily operations, CIMB Niaga's SBU adheres to Sharia Governance principles. The Sharia Governance Mechanism refers to organizational management principles and practices that adhere to Sharia principles. CIMB Niaga's SBU implements Sharia Governance mechanisms to ensure that organizational activities and policies are consistent with Islamic ethical values, which are incorporated into the structure and processes of SBU organs and supporting organs. All SBU organs and supporting organs carry out their respective functions and roles in accordance with existing regulations and policies, allowing for continuous improvement in the implementation of Sharia governance.

### SHARIA SUPERVISORY BOARD (SSB)

The SSB is in charge of providing advice and suggestions to the Board of Directors and supervising the Bank's SBU activities in accordance with Sharia Principles. The SSB has the authority to supervise, monitor, provide sharia opinions, approve, and closely observe all CIMB Niaga's SBU activities. SSB members are appointed by the GMS following the recommendation from the National Sharia Council – Indonesian Ulema Council (DSN-MUI) and granting a Fit and Proper Test approval from the OJK.

### SSB CHARTER

The SSB Charter governs SSB guidelines, standards, and a code of ethics in order to improve the effectiveness of the daily implementation of SSB functions, duties, and responsibilities, as well as to establish quality standards for the management of institutional administration and SSB work results, both for the benefit of SSB, SBU, and other parties. CIMB Niaga's SBU SSB has an SSB Charter that serves as a framework for carrying out its duties and responsibilities. The SSB Charter was last updated in 2018 and is subject to periodic review in accordance with Indonesian rules and regulations.

The SSB Charter regulates the following:

1. Objective
2. Duties and Responsibilities
3. Membership
4. Work Plans and Mechanisms
5. Work Ethics and Hours
6. Remuneration and Facilities

7. Meetings and Meeting Minutes
8. Performance Assessment and Accountability
9. Supporting Units for the Implementation of SSB Duties and Responsibilities
10. Reporting

### MECHANISM OF APPOINTMENT, REPLACEMENT, AND/OR RESIGNATION OF SSB MEMBERS

The SSB Charter of CIMB Niaga's SBU contains provisions and mechanisms that govern the selection, appointment, replacement and/or resignation of SSB members, as follows:

1. SSB Member Criteria
 

A prospective member of the SSB shall meet the required integrity, competency, and good reputation criteria, as stipulated in the prevailing laws and regulations.
2. Procedures for Appointing SSB Members, including:
 

Prior to being appointed, SSB members must receive a recommendation from the National Sharia Council - Indonesian Ulema Council (DSN-MUI), approval from the GMS, and have passed the Fit and Proper Test in accordance with OJK regulations regarding Fit and Proper Test and Implementation of GCG for Sharia Commercial Banks and Sharia Business Units, as well as fulfilling other requirements set by other relevant institutions.
3. The procedures for the dismissal, replacement, and/or resignation of an SSB member include:
  - a. A member of the SSB has the right to resign from his position by notifying the Bank in writing of his intention to resign before it takes effect.
  - b. The Bank shall convene a GMS within 90 (ninety) days of the receipt of the resignation letter of the SSB member.
  - c. The proposal for the dismissal and/or replacement of an SSB member submitted to the GMS shall consider the recommendation of the Bank's Nomination and Remuneration Committee.
  - d. The Bank shall conduct a disclosure to the public and submission to the OJK at least 2 (two) working days following the receipt of the resignation letter of the SSB member.
  - e. In the event that the resignation resulted in reduction of the number of SSB members to less than the minimum number required by the prevailing regulations, the Bank shall appoint new SSB member(s) in accordance with the prevailing mechanisms and procedures for the appointment of SSB members.

- f. In the event that an SSB member resigns before his/ her term of office ends, the accountability for the implementation of duties carried out from the last accountability up to the date of the resignation shall be requested at the following Annual GMS.
- g. The dismissal and/or resignation of an SSB member shall be reported to the OJK within 10 (ten) calendar days of the effective date of such dismissal and/or resignation.

## MEMBERSHIP STRUCTURE AND COMPOSITION OF THE SSB IN 2023

In 2023, the membership structure and composition of CIMB Niaga's SSB complied with the applicable regulations as well as the SSB Charter, as follows:

1. CIMB Niaga's SSB consisted of 3 (three) members, one of whom appointed as a Chairman.

2. Replacement and/or appointment of all SSB members has considered the recommendations of the Nomination and Remuneration Committee as well as granted the approval of the GMS.
3. All SSB members have passed the Fit & Proper Test from the OJK.
4. All members of CIMB Niaga's SSB did not have family relationships up to the second degree with fellow members of SSB, members of the Board of Commissioners and/or Board of Directors, or the Controlling Shareholders.
5. The term of office of SSB members was effective from the date specified in the GMS that appointed them until the close of the third (3<sup>rd</sup>) AGMS following the date of appointment, without prejudice to the right of the GMS to dismiss them at any time in accordance with the Articles of Association and the prevailing regulations. Members can be re-appointed with due regard to the applicable provisions.

No	Name	Position	Masa Jabatan			
			GMS Appointment	BI/OJK Approval	Reappointment	Term of Office
1	Prof. Dr. M. Quraish Shihab, MA	Chairman concurrently member	AGMS 23 April 2008	No. 11/260/DPbS dated 11 February 2009	AGMS 10 April 2023	2023 - 2026
2	Prof. Dr. Fathurrahman Djamil, MA	Member	EGMS 19 December 2008	No. 11/260/DPbS dated 11 February 2009	AGMS 10 April 2023	2023 - 2026
3	Dr. Yulizar Djamiluddin Sanrego, M.Éc	Member	AGMS 28 March 2013	No. 15/825/DPbS dated 10 June 2013	AGMS 10 April 2023	2023 - 2026

## FIT AND PROPER TEST

The SSB Charter stipulates that SSB members have to be appointed at the General Meeting of Shareholders and the appointment is only effective when it has been approved by the OJK as stated in PBI No. 11 of 2009 on Commercial Sharia Banks and in the OJK Regulation No. 27/POJK.03/2016 on the Fit and Proper Test for Key Parties of Financial Services Institutions, which states that candidate SSB members must obtain approval of the Financial Services Authority prior to carrying out any actions, duties, and functions on a Sharia Supervisory Board.

All members of the SSB of CIMB Niaga's SBU have passed the fit and proper test without notes and have received approval from the OJK, which indicates that all members of the SSB have integrity, competence, and adequate financial reputation.

## SHAREOWNERSHIP BY SSB MEMBERS

All member of the Bank's SSB has no shares in the Bank, or in other financial institutions or companies.

## CONCURRENT POSITIONS OF SSB MEMBERS

Based on article 14 paragraph 4 of the OJK Regulation No.12 of 2023 concerning Sharia Business Units, members of the SSB may hold concurrent positions as SSB members at 4 (four) other sharia financial institutions, as also stated in the Bank's SSB Charter. The concurrent position of members of CIMB Niaga's SSB have met the above requirement. Information on concurrent positions of the members of CIMB Niaga's SSB is presented in the Company Profile Chapter of this Annual Report.

## DUTIES, RESPONSIBILITIES, AND AUTHORITY OF THE SSB

The SSB has the duties and responsibilities to provide advice and recommendations to the Director in charge of the SBU, and to oversee SBU activities in accordance with Sharia Principles. The scope of SSB's oversight and authorities over the SBU includes:

1. Assessing and ensuring compliance with Sharia Principles regarding the Sharia operational and product guidelines issued by the Bank.