

Sharia Supervisory Board Report

***Bismillahirrahmaanirrahim
Assalamu'alaikum wa rahmatullaahi wa barakatuh,***

Alhamdulillah rabbi 'alamin, praise and gratitude; let us praise Allah the Most High for His mercy and grace towards us. May peace and blessings be bestowed upon our beloved Prophet Muhammad, his family, and his closest companions.

Our prime task as the Sharia Supervisory Board (DPS) of the CIMB Niaga Sharia Business Unit (UUS) is to oversee the activities of the CIMB Niaga Sharia Business Unit to keep them compliant with sharia principles as part of the Bank's commitment to implement good corporate governance and maintain the trust of all Stakeholders, pursuant to Bank Indonesia Regulation No.11/33/PBI/2009 and Bank Indonesia Circular Letter No.12/13/DPbS concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.

As the Supervisory Board of the CIMB Niaga Sharia Business Unit in 2023, we actively carried out our oversight duties and responsibilities, as well as provided advice and recommendations to assist the Sharia Business Unit achieve growth. While doing so, we evaluated the unit's operations in financing, fund raising, and service transactions, as well as product development and other innovation initiatives.

We also ensured that all operational activities of UUS CIMB Niaga followed the Fatwa of the National Sharia Council – Indonesian Ulema Council (DSN-MUI), and that we worked closely with CIMB Niaga management and all employees. We also oversaw a number of other projects, including the development of a more in-depth and comprehensive Dual Leverage Banking Model (DBLM), which was supported by the implementation of the Sharia First program. We also conducted on-site supervision of business and support units on a regular basis to ensure compliance with CIMB Niaga's sharia business unit.

Based on our observations, we can conclude that operational activities for each and every product and service issued by the CIMB Niaga sharia business unit during the fiscal year 2023 complied with the fatwas of the National Sharia Council, the Indonesian Ulema Council, and the sharia opinions we had previously issued. In addition, all sharia banking transactions conducted by the sharia business unit followed the provisions of the Authority/Regulator as outlined in POJK/PBI and SEOJK/SEBI.

We can also see that, based on the provisions of the OJK and the DSN MUI Fatwa, as well as the commitment and dedication of management and all employees, the sharia business unit performed well. Financially, the Sharia business unit increased financing distribution by 17.1% to Rp55.2 trillion, up from Rp47.2 trillion the previous year. Total assets remained stable at Rp62.7 trillion. The non-performing financing ratio (gross NPF) was a modest 1.1%. CASA was recorded at Rp26.3 trillion, an increase of 29.74% from Rp20.2 trillion in the previous year. The Sharia business unit generated a profit of Rp1.9 trillion before taxes in 2023.

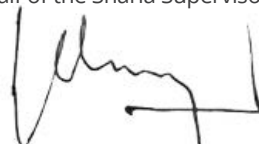
We would also like to point out that we found no practices that violated Sharia principles during the fiscal year 2023. As a result, we conclude that CIMB Niaga's sharia business unit's overall banking operations and transactions throughout the year were sharia compliant.

We also continue to encourage CIMB Niaga Sharia business unit management to continue their good work with enthusiasm and dedication so that they can best realize the hopes and targets they have set for the coming year. We are confident that by embracing sharia principles with sincerity and earnestness, we will always be able to provide sharia banking products and services that meet the needs of our consumers.

Finally, let us pray that *Allahu Subhanahu wa Ta'ala* grants us comfort and blessings for all of our efforts. *Amin yaa rabbal 'alamin.*

Waassalamu'alaikum wa Rahmatullaahi wa Barakatuh,

On behalf of the Sharia Supervisory Board



Prof. Dr. M. Quraish Shihab, MA
Chairman of the Sharia Supervisory Board