

Corporate Governance Report

Integrity in the tradition of trade

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A buoyant market evolves from innovations and geographic characteristics, which eventually opens new access to distribution and transactions between producers and consumers.


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Corporate Governance Report





CIMB Niaga applies the principles of good corporate governance in a consistent and transparent manner to create added values and provide higher level of confidence for stakeholders in our efforts to achieve targets and objectives.

IMPLEMENTATION OF CORPORATE GOVERNANCE

Prepared in accordance with the Regulations of Financial Services Authority (OJK)

Good Corporate Governance or GCG can be briefly defined as: Navigating a ship to the right the best possible. This is done by operating the ship in the right way to provide excellent values. Good Corporate Governance is managing the right thoughts with the right way at all time, at the right moment, and select the right people. The implementation of GCG has not only become a must but a necessity for the Company to carry out its role as an intermediary function in the Indonesian economy.

Purpose of Corporate Governance

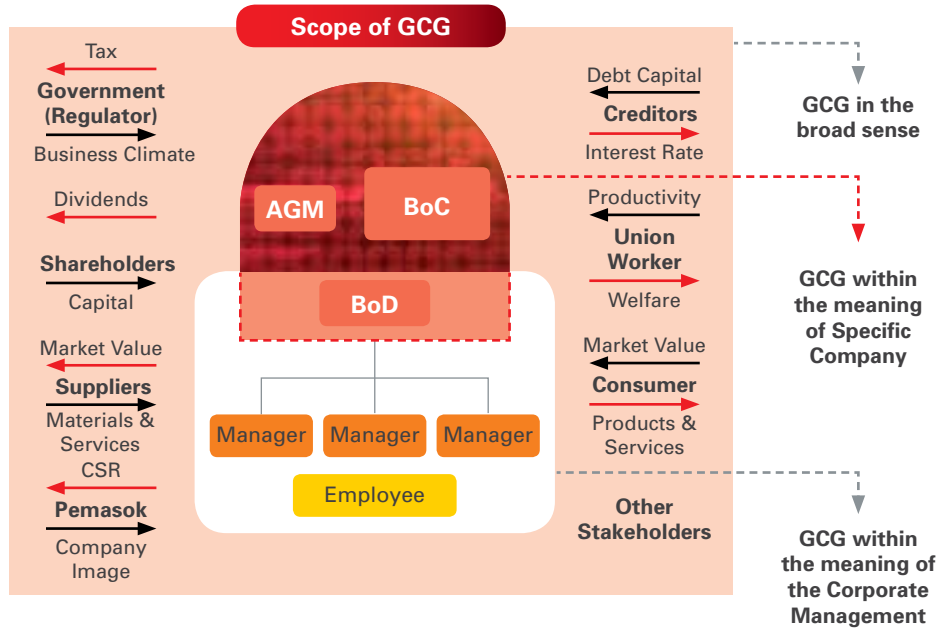
Consistent application of GCG principles through four aspects of the governance system benefits the Company in terms of:

- Creating the foundation to develop in the long-term
- Building corporate image
- Improving the Company's competitiveness
- Increasing the confidence of the Company's investors
- Enhancing the values of the Company's shares

Scope of GCG

The scope of corporate governance can be described as the relationship between the Company and its stakeholders.

In managing relationship between the Company and its stakeholders, the Company has a corporate governance framework that consists of four aspects of corporate governance systems that are developed and implemented based on the principles of good corporate governance: transparency, accountability, liability, independence, and fairness.



The 4 Aspects of GCG systems are: governance commitment, governance structure, governance process and governance outcomes. Every aspect is manifested in the form of guidelines, systems / mechanism, ratings / performance assessment that apply to all elements in the organization of the Company, as described in the figures below:



GCG Commitment

The Company's Commitment on GCG and its principles are set forth in the Company's policy statement: Vision, Mission, Organizational Values, Code of Ethics, GCG Charter, Charter and Work Guidelines in order to handle Complaint and Whistle Blowing System. This commitment is communicated to all elements and at all levels within the Company's organization.

GCG Structure

The structure of the Company consist of the Company's bodies and infrastructure:

- General Meeting of Shareholders
- Board of Commissioner and BOC Charter/Work Guidelines
- Board of Directors and BOD Charter/Work Guidelines
- Board of Commissioners Committees and Executive Committee
- Policies, Procedures, and Guidelines for Internal Systems
- Units with independent function (Risk Management Unit, Compliance Unit, Internal Audit Unit, Quality Assurance Unit)

The task and function of each element in the governance structure is described further in this corporate governance report.

Governance Process

The process of governance is an effective implementation of the duties and responsibilities of each component of the structure and infrastructure, which among others includes:

- The implementation of AGM, the Board of Commissioners meeting, the Board of Directors meetings, committee meetings
- The process of decision making and the management of conflicts of interest
- Recruitment of employees
- Internalization, socialization, and employee training
- The process of performance assessment based on key performance indicators
- Complaints handling through HR Helpdesk, CEO and Whistle Blowing Hotline.

In addition to the above, other matters in governance process within the Company's business and operational activities will be explained further in this report.

GCG Implementation Results

The results of GCG implementation in the Company's business activities and operations are reflected in the financial performance, financial and non-financial information disclosure, The Company's rating/award in soundness, and Company's social responsibility to the community.

Corporate Governance Compliance Statement

To ensure continuous performance of the Company in the long term, and in order to protect and enhance the interests of the shareholders and other stakeholders, the Company is committed to implementing good corporate governance in accordance with the principle of Transparency, Accountability, Responsibility, as well as fairness and equity.

The Boards of Directors and Commissioners placed priority in good culture governance in all our business lines, with due regard to all relevant provisions of existing law and best practices in line with the Company's commitment to implement good governance, not just only to meet the compliance aspects.

As evidence of the Company's commitment to implement good governance that is beyond compliance, in 2014 the Company earned the title as "The Best of ASEAN Corporate Governance Scorecard Overall" organized by the IICD (Indonesia Institute for Corporate Directorship), an independent non-profit organization that assesses governance practices of top 100 ASEAN public companies using the ASEAN Corporate Governance Scorecard, which is the standard best practices of Governance for public companies agreed upon by the ASEAN Capital Markets Forum (ACMF).

BOARD OF COMMISSIONERS

The Board of Commissioners shall carry out supervisory duties and provide advices to Directors regarding the implementation of the duties and responsibilities of Directors. In fulfilling its duties and responsibilities, the Board of Commissioners shall act independently.

The composition of the Board of Commissioners Bank Indonesia regulation on Good Corporate Governance (GCG) states that the Board of Commissioners shall at least consist of three members and at most equal to the number of Directors. At least one member of the Board of Commissioners must reside in Indonesia and at least 50% of the members of the Board Commissioners are independent. Bank Indonesia Regulation on Foreign Worker states that at least 50% of the Board members are Indonesian citizens.

CIMB Niaga has complied with this regulation as four of its Commissioners reside in Indonesia and four of the Board of Commissioners are independent. Besides, 50% of the members of the Board are Indonesian citizens.

In harmony with the principles of the ASEAN Corporate Governance Scorecard, the Board of Commissioners also has:

1. female members of the Board of Commissioners one of whom is an Independent Commissioner (minimum 1 female Independent Commissioner)
2. There are 8 members of the Board of Commissioners (minimum of 5 and a maximum of 12)
3. a majority of the Commissioners have work experience in banking.

Members of the Board of Commissioners in the 2014:

1. President Commissioner: Dato' Sri Nazir Razak
2. Vice President Commissioner: Glenn M.S. Yusuf
3. Independent Commissioner: Roy Edu Tirtadji
4. Independent Commissioner: Sri Hartina Urip Simeon
5. Independent Commissioner: Zulkifli M. Ali
6. Independent Commissioner: Pri Notowidigdo
7. Commissioner: Joseph Dominic Silva 1)
8. Commissioner: Hamidah Naziadin 1)
9. Commissioner: David Richard Thomas 2)
10. Commissioner: Ahmad Zulqarnain Onn 2)

1) Resigned effective September 15, 2015

2) Appointed during the AGMS held on March 27 2014 and effective after approval from OJK

All of these members of the Board of Commissioners of CIMB Niaga have met all qualifications as set forth in article 110 of the Company's Law, Bank Indonesia Regulation on Commercial Banks No 11/1/PBI/2009 Article 27, Bank Indonesia Regulation no 12/23 / PBI/2010 regarding Fit & Proper Test, Bank Indonesia Regulation No 9/8/PBI/2007 regarding employment of Foreign Workers and Knowledge Transfer Program, and Bapepam-LK regulation No. IX.1.6 which is an attachment of the decree of Chairman of Bapepam-LK. No. Kep-45/PM/2004 regarding Directors and Commissioners at Issuers and Public Companies.

The Board of Commissioner Charter is continuously updated with improvements and adjustments and made always pursuant to Indonesia's prevailing rules and regulations. The Charter is a work guide which binds all members of the Board of Commissioners.

Independence of the Members of the Board of Commissioners

Members of the Board of Commissioners of CIMB Niaga shall not have familial, financial, management, and stockownership relationships with each other and with members of the Board of Directors.

Family and Financial Relationships

Name	Familial Relationship with						Financial Relationship with					
	BOC		BOD		Controlling Shareholders		BOC		BOD		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
BOARD OF COMMISSIONERS												
Dato' Sri Nazir Razak	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓
Glenn M.S. Yusuf	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓
Roy Edu Tirtadji	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓
Sri Hartina Urip Simeon	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓
Zulkifli M. Ali	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓
Pri Notowidigdo	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓
Joseph Dominic Silva ¹⁾	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓
Hamidah Naziatin ¹⁾	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓
David Richard Thomas ²⁾	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓
Ahmad Zulqarnain Onn ²⁾	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓

1) Resigned effective September 15, 2015

2) Appointed during the AGMS held on March 27, 2014 and effective after approval from OJK

A member of the Board of Commissioners may only assume another position as a member of a Board of Commissioners or Directors, or Executive Officer in one non-financial organization/company, or as a member of a Board of Commissioners or Directors, or Executive Officer and assumes a supervisory function in one of non-bank subsidiaries in which the Bank has major control.

A member of the Board of Commissioners may also hold a different position assigned to him/her by the Bank's shareholders in a company within the Group; and/or in a non-profit organization or institution, as long as the relevant commissioner does not neglect his/her duties and responsibilities as a member of the Bank's Board of Commissioners.

Currently, none of the members of Board of Commissioners is assuming another position in subsidiaries of CIMB Niaga.

The table below shows the concurrent position of Board of Commissioners at other companies

No	Name	Position at CIMB Niaga	Position at Other Company	Corporation/ Organization
1	Dato' Sri Nazir Razak	President Commissioner	Chairman	CIMB Group Holdings Berhad
				CIMB Investment Bank
			Deputy Chairman	CIMB Bank Berhad
			Supervisory Board	Pride Foundation
				Rahah Foundation
				IIF Emerging Markets Advisory Council
				Asia Business Council
			Honor Member	CPA Australia
			Member	Securities Commission – Capital Market Advisory Council
				Bursa Malaysia – Securities Market Consultative Panel Committee
			Executive Committee	BNM – Malaysia International Islamic Financial Centre
			Chairman	EPF – Risk Investment Panel
			Member	EPF – Investment Panel
Mastercard Asia / Pacific Regional Advisory Panel				
Committee Advisor	CIMB Securities International PTE LTD			
Member	Kuala Lumpur Business Club			

No	Name	Position at CIMB Niaga	Position at Other Company	Cooperation/ Organization
2	Glenn M.S. Yusuf	Vice President Commissioner	Non Executive Independent Director	CIMB Group Holdings Berhad
			Commissioner	PT Surya Citra Media Tbk
3	Roy Edu Tirtadji	Independent Commissioner	Commissioner	PT Jababeka Tbk
4	Sri Hartina Urip Simeon	Independent Commissioner	Director	PT Mitra Bhadra Consulting
			Member of Audit Committee	PT Multi Bintang Indonesia Tbk
5	Zulkifli M. Ali	Independent Commissioner	-	-
6	Pri Notowidigdo	Independent Commissioner	Managing Partner	Amrop - Executive Search, Jakarta
			Advisor	Cordys, Service Software Platform, Jakarta
			Advisor	Insight Alpha, Business Intelligence, Jakarta
			Advisor	Indonesian Institute for Management Development, Jakarta
7	David Richard Thomas ¹⁾	Commissioner	Group Chief Risk Officer	CIMB Group Holdings Berhad
8	Ahmad Zulqarnain Onn ¹⁾	Commissioner	Executive Director	Khazanah Nasional Berhad
			Director	CIMB Bank Berhad

¹⁾ Appointed during the AGMS held on March 27 2014 and effective after approval from OJK

Duties and Responsibilities

- The Board of Commissioners is to perform its duties and responsibilities independently.
- The Board of Commissioners has to ensure that the principles of Good Corporate Governance are properly applied in all of the Company's main business activities at all levels and at least cover:
 - The execution of duties and responsibilities of the Board of Commissioners and the Directors;
 - The adequacy and implementation of duties of committees and working units undertaking the function of internal control;
 - The implementations of compliance function, internal auditor, and external auditor;
 - The implementation of risk management including making sure that internal control systems are in place;
 - Credit distribution to related parties and exposures to large funds;
 - The Company's strategic planning;
 - Transparency of the Company's financial and non-financial conditions.
- The Board of Commissioners must direct, monitor and evaluate the implementation of the Company's strategic policies.
- The Board of Commissioners shall monitor the implementation of anti fraud strategy.
- In monitoring as explained in item 3, the Board of Commissioners shall direct, monitor, and evaluate the Bank's strategic policy application.
- The Board of Commissioners shall refrain from taking part in operational decision making process, except in:
 - Fund raising for credit to be distributed to related parties as stipulated in Bank Indonesia regulations regarding Commercial Banks Legal Lending Limits; and
 - Other matters stipulated in the Company's Articles of Association or applicable rules and regulations.
- Decision making is part of the supervisory function of the Board of Commissioners; however it does not waive the Company's Directors management roles.
- Board of Commissioners must ensure that the Board of Directors follow up audit results and recommendations from Internal Audit, external auditors, monitoring results of Bank Indonesia and/ or of other regulatory bodies.
- The Board of Commissioners must follow up audit findings within seven working days by preparing reports on:
 - Any violation against financial and banking laws and regulations; and
 - Any condition or a condition having potentials to harm the Company's businesses.

10. The Board of Commissioners is obliged to form at least the following committees:
 - a. Audit Committee
 - b. Risk Monitoring Committee
 - c. Nomination and Remuneration Committee
 11. Members of the Committees described in item (7) above are appointed by the Directors, based upon a resolution made in a Board of Commissioners' meeting.
 12. The Board of Commissioners shall ensure that committees established as stipulated in item 9 have performed effectively.
 13. The Board of Commissioners shall make time to perform its duties and responsibilities optimally.
 14. The Board of Commissioners shall conduct active monitoring on Compliance Function by:
 - a. Evaluating the implementation of Compliance Function at least twice a year.
 - b. Giving advices in order to improve the quality of the Bank's Compliance Function.
 15. Based on item 14, The Board of Commissioners gives advices to the President Director to improve the quality of Compliance Function implementation.
5. Pursuant to Article 118 Paragraph (2) of the Company Law, in the event that the Board of Commissioners has to assume the Company's management under a certain situation and for a certain period, it will be subject to all regulations concerning the rights, authorities and responsibilities of the Directors of the Company.
 6. Pursuant to the Company's Articles of Associations, in the event that there is only one member of the Board of Commissioners due to the absence of the other members, he/she shall also perform and exercise all roles and authorities of the President Commissioner or other members of the Board as described in the Company Articles of Association.
 7. Pursuant to Article 15.3 of the Company Law actions to be taken by the Directors as described below in items (i) and (ii) and/or have a value exceeding those determined in the Company's policies must be approved by the Board of Commissioners:
 - (i) Actions that are beyond the Company's core business in financial/banking:
 - a. Purchase or by other means acquire immovable properties (including title to land and/or buildings);
 - b. Dispose or by other means transfer ownership of immovable properties (including a title to land and/or buildings);
 - c. Participate in partially or completely releasing rights in a company or other type of institution including but not limited to establishing a new company or closing down a subsidiary.
 - (ii) Carry out business activities not constituting every-day operations of the Company as a financial/banking institution on the account of their infrequency, and/or having transactional value higher than a certain nominal value. Some of the actions are:
 - a. borrow money or issue debenture which does not constitute the Company's daily business activities;
 - b. write off and /or charge off debts;
 - c. Make temporary investments and/ or purchase a debtor's assets for protective purpose.
 8. The Board of Commissioners has the authority to approve certain policies referring to stipulation set by relevant authorities.

Authority

1. In carrying out its duties, the Board of Commissioners is entitled to obtain expert assistance for a specified period.
2. The Board of Commissioners at any time during office hours Company is entitled to enter the Company's buildings and yard or other premises and has the right to examine all books, letters and other evidence, to check and match cash and other matters and has the right to know all the actions implemented by the Board of Directors.
3. The Board of Commissioners reserves the right to get clarification on all matters relating to the Bank's operations and its subsidiaries as well as matters relating to the ethics of the Company.
4. The Board of Commissioners by decision of the Board of Commissioners reserves the right to temporarily dismiss any member of the Board of Directors in accordance with the provisions of Article 106 paragraph (1) of the Company Law, that says that any member of the Board of Directors may be removed temporarily by the Board of Commissioners for a specified reason. Henceforth, referring to Article 106 paragraph (4), that says: within a period of 30 (thirty) days after the date of suspension a GSM shall be held, and pursuant to Article 106 paragraph (6) the GSM shall revoke or reaffirm the suspension.

Focus Control Board of Commissioners in the Year 2014

The focus and supervision work plan of the Board of Commissioners is prepared as a guide that was mutually agreed upon and serves as the basis for the schedule of Board meetings and joint meetings with the Directors.

The Board of Commissioners continues to support efforts to improve GCG implementation and promote corporate culture. Priority is given to business target achievements by observing risk management, internal control and compliance aspects. Through its committees the Board of Commissioners gives recommendations and inputs on various aspects of business and the Company's supporting businesses. In addition, the Board of Commissioners pays visits to employees in many regions.

The BOC has set the focus control that includes several important aspects in 2014, including the following:

1. Analyzed, gave feedback, and in agreement the Board of Directors approved the Bank's Business Plan (RBB) for 2014 and its revisions in June 2014 and submitted the Bank's Business Plan for 2015 to the Financial Services Authority (OJK) in late November 2014. The Board also monitored, analyzed and provided input on the Company's strategic plan including the high-margin business development efforts; income sources diversification; the growth of low-cost funds; transformation of sales and services; increased efficiency; human resource development as well as the vision and mission statement.
2. Reviewed the corporate action plan for 2014, which was the implementation of Annual General Meeting, the approval of the capital increase in subsidiary, PT CIMB Niaga Auto Finance (CNAF), PT CIMB Sun Life increased investment, acquisition of PT Kencana Intermusa Artha Finance (KITAF) shares from Marubeni Corporation and PT Marubeni Indonesia.
3. Periodically, the Board of Commissioners reviewed the Company's financial performance during every meeting; the Board of Commissioner invited Business Units and/or area to deliver their respective performance reports.
4. In accordance with regulators provisions, active supervision of the risk management becomes the focus of the Board of Commissioners, including by conducting self-assessment to measure the soundness of the Bank by using the Bank Risk-Based Rating (RBBR).
5. Ensure that the Board of Directors has updated audit findings and recommendation of the external auditor's examinations, of the Financial Services Authority (OJK) and of the audit of Bank Negara Malaysia.
6. Related to liquidity both in Rupiah and US Dollar, regularly presented reports to the Board of Commissioners and Board of Directors in order to obtain a clear picture of funding structure, liquidity and funding strategy.
7. The Board of Commissioner reviewed GCG Assessment Reports, transactions with related parties, and provided input for internal policies.
8. The Board of Commissioners received reports on investment plan and its accomplishments in terms of operation and information technology that includes the realization of 2014 plan and 2015 plan.
9. Monitored operational risk within the Company, including non-performing loans (NPL), impaired loans and frauds.
10. Related to the Human Resources, the Board of Commissioners through the Nomination and Remuneration Committee monitored manpower policy and HR management functions that contain risks carrying significant impacts and monitored the implementation of risk management related to Outsourcing.
11. Through the Audit Committee and Risk Monitoring Committee evaluated the implementation of the Company's compliance function and provided advices to those committees.
12. Through Risk Monitoring Committee, gave recommendations to the Management to conduct a thorough review of existing products and new products to be launched, monitored risk management, asset quality, the Company's soundness, and stress test results. Reviewed the Company's risk management policies that include policies of Contingency Funding Plan; evaluated the suitability of risk management policies with their implementation.
13. In order to support the effective implementation of task and responsibilities of the Board of Commissioners, during every meeting received reports from each committee, specifically: the Audit Committee, Risk Monitoring Committee and the Nomination and Remuneration Committee.

Recommendations of the Board of Commissioners

Supervision and advice of the Board of Commissioners is given through the Audit Committee, Risk Monitoring Committee and Nomination and Remuneration Committee, which are then presented and discussed at the Board of Commissioners meeting. Important recommendations for 2014 can be summarized as follows:

1. Gave inputs and approved the Company's corporate plan for 2014 which included: the Implementation of the Annual General Meeting, approval for the increase in capita in subsidiaries, namely PT CIMB Niaga Auto

Finance (CNAF) to the amount of Rp299.2 billion, the acquisition of shares in PT Kencana Internusa Artha Finance (KITAF) from Marubeni Corporation and P Marubeni Indonesia in the amount of 48.90 billion and increased investment in PT CIMB Sun Life (CSL) by Rp0.94 billion.

2. Provided input on the Company's financial targets, including net interest margin, non-performing loans and watch list of accounts, loan to deposit ratio, productivity, and market competition. The Board of Commissioners has been supporting the Company's strategy to continue to grow focusing on high margin business Corporate Banking, Commercial Banking, High End, and Sharia Banking while still maintaining the quality of assets in each of the business lines.
3. The Board of Commissioners gave input regarding the increase of cheap funds (CASA) and fee income both by developing the Company's services into more convenience transactions via CIMB@Work, CIMB@BizChannel, increased trade finance transactions, more competitive remittance transactions, value chain and Sharia Banking business service improvement through leverage models, as well as through the development of branchless banking, including increasing the number of ATM & CDM, improved features in CIMB Go Mobile and CIMB Clicks and video banking.
4. Periodically examined efforts to achieve cost efficiencies through the promoted culture of Smart Spending and Go Green initiative that focuses on Reduce, Reuse, Recycle, including efficient use of paper, the use of auto switch on for office lights, and more efficient use of air conditioner.
5. Reviewed and discussed the macro-economy and mining and coal industry, as well as new regulations passed by Bank Indonesia, to see who they might impact the Company's business and action plans. The Board of Commissioners also advised on strategies to improve cross-selling and accelerate the Company's credit approval process.
6. Based on the input of the Audit Committee, the Board of Commissioners gave recommendations to the Board of Directors, including:
 - The results of the review of the financial information that will issued by a be Publicly Listed Companies to the public and/or the authorities, among others, financial statements, projections, and other statements relating to financial information of the Issuer or Public Company;
 - The results of the review of adherence to laws and regulations relating to the position of the Company as the issuer;
 - independent opinion in the event of disagreements between management and the Public Accountant for services rendered;
 - The appointment of Accountant is based on independence, the scope of assignment, and fees;
 - A review of the conduct of the internal audit and oversaw the implementation of follow-ups by the Board of Directors on the findings of the internal auditor;
 - Review of complaints relating to accounting and financial reporting processes;
 - With regard to the potential conflict of interest;
 - The Implementation and deployment of fraud strategy and detection;
 - Provided inputs for improvement in the implementation of programs of Whistle Blowing System and Anti Fraud Management
7. Based on input from the Risk Monitoring Committee, the Board provided recommendations to the Board of Directors including:
 - Related to risk management, asset quality, the bank's health status, and results of the stress test.
 - Related to the Bank's risk management policies required including Funding Contingency Plan, the evaluation of the suitability of risk management policy implementation with the implementation of such policy and evaluation of the implementation of the Risk Management Committee and the Risk Management Unit.
 - Related to the Financial Statements and discussed ongoing initiatives/projects especially in terms of their risk implication to the Bank and the Bank Business Plan for the Year 2015.
 - Related aspects of risks in new products and activities including evaluating framework of product Post Implementation Review (PIR), reviewing strategies to improve CASA and fee income for commission from risk-based perspective especially their implications on liquidity and financing.
 - Related to strategies to handle and settle impaired accounts and NPL and recovery plan/strategy.
 - Related to reputation risk by monitoring customer complaints and regulator submitted and forwarded to the Board to be immediately assessed in terms of risks faced.
 - Related to the implementation of good corporate governance, including compliance with the policies and provisions of the rules and regulations including new BI regulations.

- Related adequacy of SOP/KDPO, internal control system and risk mitigation plans at business units and discussed lessons that can be learned from previous cases to prevent them from recurring.
 - Related to significant findings in risks and the implementation of risk policies, including investigation results and follow-up improvements and mitigation.
 - Information Technology (IT) and Control Infrastructure in Operations & IT, including IT preparation for security system.
8. Through the Nomination and Remuneration Committee, the Board made several recommendations, including:
- Related to the policy, nomination and /or replacement of members of the Board of Commissioners and the Board of Directors to be submitted to the General Meeting of Shareholders
 - In relation to remuneration policy, regarding the remuneration policy for the Board of Commissioners, DPS and the Board of Directors to be submitted to the General Meeting of Shareholders; remuneration policy and framework for Executive Officers and employees as a whole that has been approved by the Board of Directors.
- Manpower policy and HR management functions that contain risks with significant impacts on the company, including the company's growth in the future.
 - Related to responsibility to implement effective risk management in conducting outsourcing.
 - The alignment of the Company's Vision and Mission to the Company's business development and strategies.
9. In accordance with the Company's Articles of Association, approved the proposed actions on non-performing loans, restructuring and write-offs of credit that is above certain amount as specified in the Company's policies. In addition, the Board of Commissioners also approved credit disbursed to related parties to meet regulations and approved the purchases of fixed assets (including land rights and/or building rights)

Board of Commissioners Meeting

Attendance of Board of Commissioners

Frequency (13 Times)	Dato' Sri Nazir Razak	Glenn M.S. Yusuf	Roy Edu Tirtadji	Sri Hartina Urip Simeon	Zulkifli M. Ali	Pri Notowidigdo	Joseph Dominic Silva ¹⁾	Hamidah Naziadin ¹⁾	David Richard Thomas ²⁾	Ahmad Zulqarnain Onn ²⁾
Attendance	8	13	10	13	13	13	1	1	3	4
Teleconference	3	-	1	-	-	-	2	1	1	-

¹⁾ Resigned effective September 15, 2015

²⁾ Appointed during the AGMS held on March 27 2014 and effective after approval from OJK

Note: Most of members of the BOC attended BOC meetings at least 6 times in a year

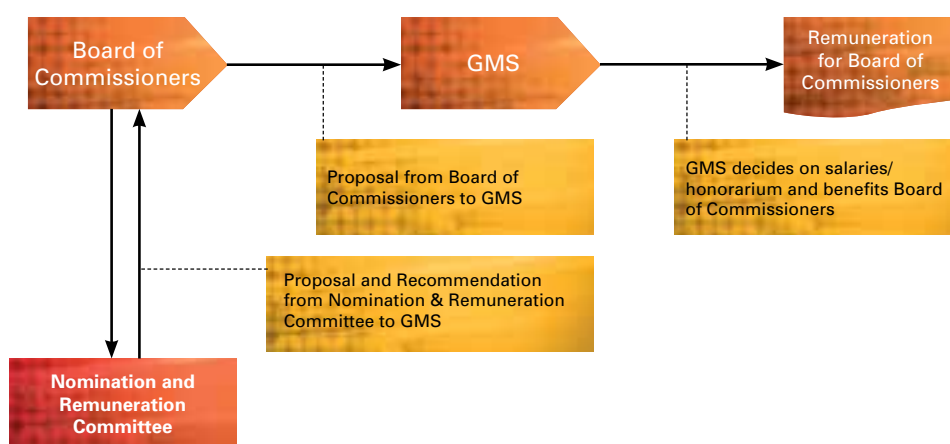
The agenda of Board of Commissioners meetings in 2014

No	Date	Meeting Agenda
1.	07 February 2014	<ul style="list-style-type: none"> a. Business Unit Performance (Jakarta) b. Financial Performance per December 2013 c. 2014 Target Achievement Strategy Report (Priority) d. Top Debtor NPL Progress Report e. Progress Report of Proyek1 Platform f. Report of BOC Committee (KA, KIPER, Nomrem Committee)
2.	21 February 2014	<ul style="list-style-type: none"> a. Financial Performance per January 2014 b. Key Performance Indicator (KPI) Board of Directors 2014 c. Report of FSA Insurance d. Report of BOC Committees (KA, KIPER, Nomrem Committee)
3.	27 March 2014	<ul style="list-style-type: none"> a. Financial Performance per February 2014 b. Report of Progress of 1Platform Project c. Good Corporate Governance Assessment Report d. Report of BOC Committees (KA, KIPER, Nomrem Committee)
4.	26 April 2014	<ul style="list-style-type: none"> a. Financial Performance per March 2014 b. Report of achievement of the 2013 Operating Plan, 2013 IT Project and 2014 IT Strategic Plan c. Report of the Executive Committee - Corporate Governance Committee d. Report of SME Business Model e. Report of BOC Committees (KA, KIPER, Nomrem Committee)
5.	30 May 2014	<ul style="list-style-type: none"> a. Financial Performance per April 2014 b. Report of KITAF Acquisition c. Report of BOC Committees (KA, KIPER, Nomrem Committee)
6.	18 June 2014	<ul style="list-style-type: none"> a. Report of Asset Quality
7.	26 June 2014	<ul style="list-style-type: none"> a. Financial Performance per May 2014 b. Report of BOC Committees (KA, KIPER, Nomrem Committee)
8.	22 July 2014	<ul style="list-style-type: none"> a. Financial Performance per June 2014 b. The realization of Bank Business Plan in Q2 2014 c. Report of BOC Committees (KA, KIPER, Nomrem Committee)
9.	21 August 2014	<ul style="list-style-type: none"> a. Operational Risk (Asset quality and Processing) b. Credit Management Risk Posture c. Credit Management d. Financial Performance per July 2014 e. Report of progress made in the 1Platform Project f. Report of BOC Committees (KA, KIPER, Nomrem Committee)
10.	26 September 2014	<ul style="list-style-type: none"> a. Report of Funding Liquidity b. Financial Performance per August 2014 c. Report of BOC Committees (KA, KIPER, Nomrem Committee)
11.	31 October 2014	<ul style="list-style-type: none"> a. Financial Performance per September 2014 b. Report of KITAF acquisition c. Base Gap Analysis Project d. Report of Risk Profile Q3 2014 e. Approval on Employee Loan f. Report of BOC Committees (KA, KIPER, Nomrem Committee)
12.	3 December 2014	<ul style="list-style-type: none"> a. Financial Performance per October 2014 b. 2015 Budget c. Consumer Loan Portfolio d. Cases of Frauds e. Report of KITAF acquisition f. Report of BOC Committees (KA, KIPER, Nomrem Committee)
13.	15 December 2014	<ul style="list-style-type: none"> a. Financial Performance per November 2014 Approval of BOC for selling CIMB Niaga Tower in Karawaci b. Sharia Strategy and Performance c. BOC Work Plan and Oversight Focus in 2015 d. Financial Performance per September 2013

Board of Commissioners Terms of Office

No.	Name	Position	Term of Office			
			Appointed in	OJK/BI Approval	Reappointed	Until
1	Dato' Sri Nazir Razak	President Commissioner	Extraordinary GMS January 26, 2012	No. 14/40/GBI /DPIP/Rahasia, dated 1 May 2012	March 28, 2013	AGMS for fiscal 2015 to be held in 2016
2	Glenn M.S. Yusuf	Vice President Commissioner	Extraordinary GMS January 26, 2012	No. 14/57/GBI/DPIP/ Rahasia, dated 18 June 2012	March 28, 2013	
3	Roy Edu Tirtadji	Independent Commissioner	Extraordinary GMS January 26, 2012	No. 10/156/GBI/ DPIP/Rahasia, dated 14 October 2008	March 28, 2013	
4	Sri Hartina Urip Simeon	Independent Commissioner	Extra Ordinary GMS September 4, 2007	No. 9/144/GBI/DPIP/ Rahasia, dated 28 September 2007	March 28, 2013	
5	Zulkifli M. Ali	Independent Commissioner	AGMS July 18, 2008	No. 10/156/GBI/ DPIP/Rahasia, dated 14 October 2008	March 28, 2013	
6	Pri Notowidigdo	Independent Commissioner	Extra Ordinary GMS March 28, 2013	No. 15/114/GBI/ DPIP/Rahasia dated 26 November 2013	-	
7	Joseph Dominic Silva	Commissioner	Extra Ordinary GMS April 30, 2009	No. 11/106/GBI/ DPIP/Rahasia, dated 18 August 2009	March 28, 2013	Resigned effective September 15, 2014
8	Hamidah Naziadin	Commissioner	Extra Ordinary GMS March 25, 2010	No. 12/112a/GBI/ DPIP/Rahasia, dated 27 August 2010	March 28, 2013	Resigned effective September 15, 2014
9	David Richard Thomas	Commissioner	Extra Ordinary GMS March 27, 2014	No. SR- 159/D.03/2014 dated 15 September 2014	-	The closing of the 4th AGMS effective as per OJK approval
10	Ahmad Zulqarnain Onn	Commissioner	Extra Ordinary GMS March 27, 2014	No. SR- 160/D.03/2014 dated 15 September 2014	-	OJK The closing of the 4th AGMS effective as per OJK approval

Procedure of the determination of remuneration for Board of Commissioners members



Board of Commissioners' Remuneration

No	Remuneration type and other Facilities	Amount Received in 1 Year	
		Commissioners	Million of Rupiah
1	Remuneration (salary, allowances, bonuses, and other facilities in the form of non-natura)	10**	13,782.54
2	Other Facilities in the form of natura (housing, transportation, health insurance, and others), with: *:	-	-
	a. Transferable ownership	-	-
	b. Non-transferable ownership	-	-
Total		10**	13,782.54

Remuneration Type per Commissioner in 1 Year	Number of BOC **
Above Rp2 billion	3
Between Rp 1 billion and Rp 2 billion	3
Between Rp 500 million and Rp 1 billion	2
Below Rp 500 million	2

* Valued in Rupiah equivalent

** Including to former commissioners

Assessment of Board of Commissioners Performance

Performance appraisal of the Board of Commissioners is conducted biannually, at the same time with GCG self assessment for Banks Soundness.

The methodology used is the Self Assessment that involves all members of the Board of Commissioners, Directors and Executive Officers by using GCG Self-Assessment Working Paper as stipulated in Bank Indonesia regulations. The purpose of this self-assessment is to ensure a comprehensive review of the adequacy of the duties and responsibilities of the Board of Commissioners to allow them to decide on an action plan which includes corrective actions required when there is a deficiency in the implementation of tasks and responsibilities Board Of Commissioners.

Indicators in the self assessment include Governance Structure, Governance Process and Governance Outcome pertaining to the Board of Commissioners. The performance of the Board of Commissioners in 2014 obtained a score of 1.5.

Range of Values	Description
1	Excellent
2	Good
3	Fair
4	Fairly Well
5	Poor

Report of the Board of Commissioners on its supervisory duties is delivered to the Company through the Corporate Secretary not later than 2 (two) months after the reporting date to be further attached in the Annual Report and submitted to the Annual General Meeting of shareholders for approval and distributed to relevant external parties pursuant to prevailing laws and regulations. Discussion and request for shareholders' approval at the AGM regarding the implementation of the supervisory duties of the Board of Commissioners will be done by the President Commissioner or other members of the Board of Commissioners appointed through Meeting / Circular of the Board of Commissioners.

Participation in Training

No	Name	Type of Training/Seminar	Date and Place
1	Dato' Sri Nazir Razak	International Advisory Board	10 – 11 January 2014 (Colombo, Sri Lanka)
		CIMB Asia Pacific Leaders Conference	2 – 5 March 2014 (New York)
		PETRONAS EP Planners Forum (Speaker)	3 April 2014
		Dialogue session with PM (sustainability & diversity) Securities Commission	9 April 2014
		National Colloquium on ASEAN 2014 Session: ASEAN Economic Community (Topic: The deepening of Capital Market & Financial Services Integration) (Speaker)	9 April 2014
		CIMB: IB Vision & Strategy Workshop	18 May 2014
		Asean Business Club Corporate Networking	21 May 2014 (Manila)
		IB Long-Term Strategic Review Programme	7 June 2014
		Invest Malaysia/APAC conference	9 – 10 June 2014
		Asean Business Club Forum	7 – 9 September 2014 (Singapura)
		Singapore Summit	19 – 20 September 2014 (Singapura)
		Annual Management Summit	28 – 29 November 2014 (Kuala Lumpur)
		Asean Business Club Forum	1 December 2014 (Kuala Lumpur)
2	Glenn M.S. Yusuf	-	-
3	Roy Edu Tirtadji	2014 Mid Year Budget Review	19 - 20 June 2014 (Jakarta)
4	Sri Hartina Urip Simeon	Leadership Series with Djoenaedi Joesoef	19 March 2014 (Jakarta)
		ASEAN Corporate Governance Scorecard	16 April 2014 (Jakarta)
		2014 Mid Year Budget Review	19 - 20 June 2014 (Jakarta)
		Breakfast Dialogue with Sofyan Djaili: Good Governance at BUMN – Strengthen Indonesia's Economic Pillar	26 August 2014 (Jakarta)
		Shared Value: Unlocking Social & Economic Performance in Indonesia with Business Insights	23 September 2014 (Jakarta)
		Leadership Series with Prof. Dr. Djokosantoso Moeljono	13 November 2014 (Jakarta)
5	Zulkifli M. Ali	2014 Mid Year Budget Review	19 - 20 June 2014 (Jakarta)
		2015 Planning & Strategic Meeting	6 - 7 November 2014 (Jakarta)
6	Pri Notowidigdo	ASEAN Corporate Governance Scorecard	16 April 2014 (Jakarta)
		4DX Implementation Town Hall	25 April 2014 (Jakarta)
		Leadership Series with TP Rachmat	4 June 2014 (Jakarta)
		Mid Year Planning Session	19 - 20 June 2014 (Jakarta)
		Banking Talent Management - Workshop	30 October 2014 (Jakarta)

No	Name	Type of Training/Seminar	Date and Place
7	David Richard Thomas	CBians (Management Trainees) - Introduction to Risk Management	12 February 2014 (Kuala Lumpur, Malaysia)
		Induction Session for Group Risk new Recruits	20 March 2014 (Kuala Lumpur, Malaysia)
		Essentials of Universal Banking Programme - Introduction to Risk Management	9 April 2014 (Kuala Lumpur, Malaysia)
		Risk Management Tutorial	16 May 2014 (Jakarta)
		Bank Negara Malaysia (BNM) Banking Supervision Programme - Overview of Risks in a Commercial Bank - Perspectives of a Chief Risk Officer	1 October 2014 (Kuala Lumpur, Malaysia)
		TCBians (Management Trainees) - Introduction to Risk Management	7 October 2014 (Kuala Lumpur, Malaysia)
		Essentials of Universal Banking Programme - Intro to Risk Management	15 October 2014 (Kuala Lumpur, Malaysia)
		2015 Planning & Strategic Meeting	6 -7 November 2014 (Jakarta)
		Pacific Pension Institute Singapore Roundtable	13 November 2014 (Singapore)
		OJK In-House Training - CIMB Group Enterprise Risk Management	4 December 2014 (Bandung, Indonesia)
		Just Technologies - Entrepreneur Mentoring	5 December 2014 (Kuala Lumpur, Malaysia)
		Induction for new Directors of CIMB Group Holdings Berhad, CIMB Investment Bank Berhad, CIMB Bank Berhad & CIMB Islamic Bank Berhad - Group Risk Framework	17 December 2014 (Kuala Lumpur, Malaysia)
8	Ahmad Zulqarnain Onn	Risk Management Tutorial	6 June 2014 (Jakarta)
		Invest Malaysia 2014	9-10 June 2014 (Kuala Lumpur, Malaysia)
		Khazanah Megatrend Forum 2014	29-30 October 2014 (Kuala Lumpur, Malaysia)
		Luncheon Session – GLC Transformation Programme, Beyond Graduation	9 October 2014 (Kuala Lumpur, Malaysia)
		CIMB Bank Directors' Induction Programme	2 December 2014 (Kuala Lumpur, Malaysia)
		Khazanah Nasional Berhad 2014 Global Lectures	2 December 2014 (Kuala Lumpur, Malaysia)
		CIMB Bank AMLA Training	17 December 2014 (Kuala Lumpur, Malaysia)

Commissioner Shareholding at the Company

Based on the Special Register records (list of shareholding of the Boards of Commissioners and Directors and their families in both the Company and other companies), which is updated every six (6) months or whenever there is a change, no member of the two boards hold shares at the Company as per December 31, 2012.

Shareholding in Other Companies

Based on the record of Special Register as per December 31, 2012, and in accordance with Bank Indonesia, members of the two Boards either individually or jointly have no more than 25% of the paid up capital of any other company. The Company has complied with this stipulation.

Table of Shareholding that reaches 5% or more of the paid up capital at other Companies as of December 31, 2014

Name	Other Company	Other Bank	Non-Bank Financial Institution	Description
BOARD OF COMMISSIONERS				
Dato' Sri Nazir Razak	-	-	-	None
Glenn M.S. Yusuf	-	-	-	None
Roy Edu Tirtadji	-	-	-	None
Sri Hartina Urip Simeon	-	-	-	None
Zulkifli M. Ali	-	-	-	None
Pri Notowidigdo	-	-	-	None
Joseph Dominic Silva ¹⁾	-	-	-	None
Hamidah Naziadin ¹⁾	-	-	-	None
David Richard Thomas ²⁾	-	-	-	None
Ahmad Zulqarnain Onn ²⁾	-	-	-	None

1) Resigned effective September 15, 2014

2) Appointed during the AGMS held on March 27 2014 and effective after approval from OJK on September 15, 2014

Audit Committee Report

Audit Committee Report

The Audit Committee is a Committee established to support the Board of Commissioners in effectively and independently discharging its oversight Duties and Responsibilities

Composition, expertise, and Independence

The composition of Audit Committee is as follow:

- Roy Edu Tirtadji , Chairman (Independent Commissioner)
- Sri Hartina Urip Simeon, Member (Independent Commissioner)
- Mawar IR Napitupulu, Member (Independent Party with expertise in finance and accounting)
- Shariq Mukhtar, Member (Independent Party with expertise in banking)
- Darminto, Member (Independent Party with expertise in finance and accounting)
- Sumantri Slamet, Member (Independent Party with expertise in banking)

Membership, composition and independency criteria of the above Audit Committee have complied with Bank Indonesia and OJK regulations. The committee consists of an Independent Commissioner as Chairman and independent parties who have expertise in financial or accounting and knowledge about law or banking. Most of the members are independent professionals.

Duties and Responsibilities

In line with the Audit Committee Charter, the Audit Committee conducts its duties and responsibilities independently with professionalism and due care. While the Board of Directors is responsible for ensuring proper financial reporting and adequacy of internal control, compliance and risk management system, the Audit Committee supports the Board of Commissioners in evaluating and monitoring financial reporting process, internal and external audit processes to secure strong Good Corporate Governance practices.

The Audit Committee's main duties is to review and secure:

1. Adequacy and integrity of internal control, management information system and governance.
2. Proper planning and implementation of the internal audit function.

3. Objective and independent external audit work in accordance with professional standards.
4. High quality financial reporting.
5. A culture of discipline and control awareness.

Pursuant to OJK regulation No. Kep-643/BL/2012 dated December 7, 2012, the tasks of the Audit Committee in addition to the above mentioned also include:

- a. reviewing financial information which will be released by a publicly listed company to the public and / or authorities such as financial reports, projections, and other statements relating to financial information;
- b. reviewing compliance with legislation related to activities carried out by a publicly listed company;
- c. giving independent opinion when there are disagreements between management and the appointed accountant for services the latter provides;
- d. giving recommendations to the Board of Commissioners on the appointment of public accountant based on independence, the scope of the audit work, and fee;
- e. reviewing the inspection by the internal auditor and overseeing the implementation of follow-ups by the Board of Directors based on findings from the internal auditors;
- f. examining complaints relating to accounting and financial reporting for a publicly listed company;
- g. Analyzing and giving advices to the Board of Commissioners related to potential conflict of interest in a publicly listed company, and
- h. keeping the confidentiality of the documents, data and information of a publicly listed company.

The Audit Committee Charter is reviewed annually and was last amended on June 28, 2013. This charter is subject changes due to the issuance of new regulations.

Focus in 2014

During 2014, the Audit Committee set out to conduct an evaluation on the following matters:

1. The objectivity and transparency of the process of preparing financial statements.
2. The reliability of corporate governance, risk management, compliance and control structure to support business development.
3. The effectiveness of governance, compliance and internal control.
4. The effectiveness of the implementation of fraud detection and prevention strategies.

Meeting in 2014

Audit Committee held 14 meetings in 2014, which included the ratification of the previous meeting, discussion of things that need to be followed up from the previous meeting and other matters that require further attention.

As stipulated in the Charter, the Audit Committee shall meet at least once in every three months. Meetings can only be held when attended by at least 51% of total members, including an Independent Commissioner and Independent Parties.

Data attendance of each member are as follow :

Frequency (14 times)	Roy Edu Tirtadji	Sri Hartina Urip Simeon	Mawar IR Napitupulu	Shariq Mukhtar	Darminto	Sumantri Slamet
Physical Attendance	13	14	14	12	13	14
Teleconference	-	-	-	-	-	-

Meetings throughout the year 2014 included the following:

1. Meeting with the Finance Director and executive officers to:
 - Review financial statements including financial statements presentation, the application of accounting and compliance with the generally accepted accounting principles.
 - Review the financial performance and the adequacy of the publication of the financial statements and reporting to the authorities.
2. Meeting with the Head of Internal Audit Unit to:
 - Discuss the audit plan, scope and findings, the revised audit plan, audit follow-up procedures and the adequacy of internal control systems,
 - review the achievement of Key Performance Indicator (KPI) of the Internal Audit per semester.
3. Meeting with the Director of Compliance to:
 - Discuss progress of audit follow-ups every quarter by Bank Indonesia and Bank Negara Malaysia.

- Discuss Compliance Director reports to Bank Indonesia, including the implementation of PPT APU and whistle blowing program.
 - Discuss risk of compliance in the area of human resources, fines to Bank Indonesia, and follow-ups of findings by Bank Indonesia. Moreover discussed were experiences from previous cases.
 - Discuss recommendations from the Financial Service Authority, Bank Negara Malaysia, and the Public Accountant
4. Meeting with Public Accountant to discuss the scope of the audit, the audit plan, audit findings and management letter has been submitted.
 5. Meeting with Directors and related work units to ensure the adequacy of internal control system in the management of non-performing assets, non-performing financing (NPF) Sharia, Corporate Banking anti Fraud Management and key projects in 2014, particularly the 1Platform.

The Audit Committee periodically reports its activities and gives recommendations to the Boards of Commissioners and Directors.

The Audit Committee periodically reports its activities and gives recommendations to the Boards of Commissioners and Directors.



Roy Edu Tirtadji

Chairman (Independent Commissioner)



Sri Hartina Urip Simeon

Member (Independent Commissioner)



Mawar I.R. Napitupulu

Member (Independent Commissioner)



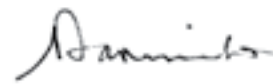
Sumantri Slamet

Member (Independent)



Shariq Mukhtar

Member (Independent)



Darminto

Member (Independent)

Audit Committee Profile



Shariq Mukhtar
Member

Sumantri Slamet
Member

**Sri Hartina Urip
Simeon**
Member

**Mawar I.R.
Napitupulu**
Member

Darminto
Member

Roy Edu Tirtadji
Chairman

Roy Edu Tirtadji

Chairman

Indonesian citizen, 67 years old. Chairman of the Audit Committee since March 2013. He also serves as Independent Commissioner of CIMB Niaga. Detailed profiles are listed in the Board of Commissioners.

Sri Hartina Urip Simeon

Member

Indonesian citizen, 77 years old. Member of the Audit Committee since March 2013. She also serves as Independent Commissioner of CIMB Niaga. Detailed profiles are listed in the Board of Commissioners.

Shariq Mukhtar

Member

U.S. citizen, 59 years old. Has served as a Member of the Audit Committee of CIMB Niaga since March 2013 and as a member of the Risk Monitoring Committee.

Currently, he is the owner of Solution Finders Management Consultants (SFMC). He began his career in the banking sector in April 1986 at Citibank in several countries with several functional positions such as Vice President Marketing Director at Citibank Indonesia, Head of Regional Marketing at ABN AMRO - Asia Pacific Region, Singapore since July 1999 - December 2000, Senior Vice President - Cards Business Manager at Citibank, NA Taiwan in Jan 2001 - November 2004, CEO of Consumer Banking at Citibank, NA Thailand in December 2004 - September 2005, Citi Country Officer at Citibank, NA Indonesia in October 2005 - August 2011 and Managing Director at Citibank, NA Singapore in September 2011 - June 2012.

Mr Mukhtar earned his Bachelor Degree in Economics from the University of Minnesota, Minneapolis with public accountant certificate. He was also the chairman of the Foreign Bankers Association of Indonesia in 2010-2011.

Mawar I.R. Napitupulu

Member

Indonesian citizen, 53 years old. Has served as a Member of the Audit Committee since March 2013.

She currently serves as Senior Managing Partner at the Accounting Firm RSM Aryanto, Amir Jusuf, Mawar and Saptoto (RSM AAJ Associates), Chairwoman of the Quality Review Board - Indonesian Institute of Certified Public Accountants, as well as faculty in the Department of Accounting, Faculty of Economics, University of Indonesia.

She earned an MBA Degree in Finance from the Katholieke Universiteit Leuven, Belgium, in 1990, a Bachelor Degree in Accounting from the Faculty of Economics, University of Indonesia, 1986.

Darminto

Member

Indonesian citizen, 61 years old. Has served as a Member of the Audit Committee since March 2013.

Currently he also serves as Independent Member of the Audit Committee of PT Bank Negara Indonesia (Persero) Tbk since 2008. Previously, he was an Independent Member of the Audit Committee of PT Indonesia Infrastructure Finance (IIF) and PT Garuda Indonesia (Persero). He is also experienced as a corporate executive in the textile industry and services company rating agency. In addition, he also worked as a financial consultant at Deloitte Touche Tohmatsu.

His permanent occupancy is a lecturer at the Faculty of Economics, the University of Indonesia for Corporate Finance and Investment Management. His highest position at the University of Indonesia was Deputy Vice Dean II.

He earned his Bachelor Degree in Economics from the University of Indonesia, a Master of Business Administration (MBA) from the State University of New York, and a doctorate degree from the Faculty of Economy the University of Indonesia.

Sumantri Slamet

Member

Indonesian citizen, 60 years old. Has served as Member of the Audit Committee since 2013 and is also a member of the Nomination & Remuneration Committee.

Besides the above positions, Sumantri Slamet is concurrently Independent Commissioner and Chairman of the Audit Committee of PT Multi Bintang Indonesia Tbk and a member of Trustee and Chairman of Risk Committee at Universitas Indonesia. He was up to August 2013 Head of Project Finance and Head of Investor Relations PT Medco Energy International Tbk dan Managing Directors at subsidiaries of PT Medco Energy International Tbk having operations overseas.

He also served as Director of the PT Surya Citra Media Tbk and its subsidiary PT Surya Citra Televisi (SCTV) during 2005 through 2008 . Prior to that from 1999 to 2004 he served as Vice Chairman of Bank Restructuring Agency (BPPN). He previously served as Managing Director of PT Kliring Deposit Efek Indonesia, and CEO of PT Kustodian Depositori Efek Indonesia during 1996-1998. . He was also appointed as a member of the Board of Commissioners of PT Bank Central Asia Tbk (BCA) , PT Astra International Tbk , PT Bank International Indonesia (BII) and Trimegah. When he was Commissioner at BII, he was concurrently a Member of the Nomination and Remuneration and also Chairman of the Audit Committee. Similarly, while serving as Commissioner at Trimegah he also was Chairman of the Audit Committee.

He earned his Bachelor Degree from the Faculty of Mathematics and Natural Sciences of the University of Indonesia in 1978. He completed his Master of Science Degree in 1981 and in 1983 and his Ph.D. in Computer Science from the University of Illinois at Urbana Champaign.

Risk Monitoring Committee Report

Risk Monitoring Committee

The Risk Monitoring Committee (KIPER) has been formed by the Board of Commissioners to assist the Board with its Risk Monitoring responsibilities.

Composition, Expertise and Independence

The composition of the Risk Monitoring Committee as of the end of 2014 is:

- Zulkifli M. Ali, Chairman (Independent Commissioner)
- Glenn M. S. Yusuf, Member (Independent Commissioner)
- Joseph Dominic Silva Member (Independent Commissioner) 1)
- David Richard Thomas (Commissioner) 2)
- Ananda Barata, (Independent Party)
- Binhadi, Member (Independent Party)
- Shariq Mukhtar, Member (Independent Party)

KIPER's membership, composition and independence criteria comply with the Bank Indonesia Regulations on Good Corporate Governance. Pursuant to the regulations, KIPER has to consist of at least an Independent Commissioner as Chairman, an independent party with expertise in finance, and an independent party with expertise in risk management. The number of Independent Commissioners and Independent Parties must represent at least 51% of KIPER's membership.

The record of each member's attendance is as follows::

Frequency (12 times)	Zulkifli M. Ali	Glenn M.S. Yusuf	Joseph D. Silva ¹⁾	Ananda Barata	Binhadi	Shariq Mukhtar	David Richard Thomas ²⁾
Attendance	12	12	1	12	11	10	1
Teleconference	-	-	1	-	-	-	1

1) No longer member of the Risk Monitoring Committee effective September 15, 2015

2) Member of Risk Monitoring Committee effective November 2014

The Risk Monitoring Committee Charter is reviewed annually, and was last amended on July 26, 2013.

Duties and Responsibilities

KIPER conducts its duties and responsibilities in a professional and independent manner without any non-regulated intervention from an external party.

KIPER is mainly tasked with monitoring the implementation of key risk management practices within the Bank's risk management framework, including:

Ensuring that the Company's risk management practices conform to its risk management policies.

Monitoring and evaluating the work of the Risk Management Committee (RMC) and the Risk Management Unit.

Meetings in 2014

As stipulated in the Charter, the KIPER shall meet at least 10 times a year. The meetings have to be attended by at least 51% of the committee members, including an Independent Commissioner and the Independent Parties. In 2014, the RMC held 12 meetings.

The meetings in 2014 included the following activities:

1. Advised the Board of Commissioners to focus on its oversight role in 2014.
2. Met with the Risk Management Unit to:
 - Monitor the Bank's risk management and stress test findings. Submit reports, and recommendations, to the Board of Commissioners on any significant issues that require its attention and in providing advices to the Board of Directors.
 - Review policies relating to risk management including the industrial limits framework and the capital management framework. Evaluate the suitability of risk management policies, and monitor and evaluate the activities undertaken by the Risk Management Committee and the Risk Management Unit.
 - Give recommendations to the Board of Commissioners regarding BOD's risk management policies.
3. Held meetings with the Finance Director and other finance executives to:
 - Review financial statements and discuss ongoing strategic initiatives/projects.
 - Review the Bank's Business Plan for 2015.
4. Met with the Board of Directors and the work units to:
 - Monitor the risks associated with products and activities, including evaluating the Post Implementation Review (PIR) framework.
 - Review the Company's strategy and business plan to improve the Current Accounts and Savings Account (CASA) and fee income over the Commission from risk based perspective of particularly the impacts of risks on liquidity and financing.
 - Evaluate the Bank's management strategies on the settlement of accounts, impaired accounts and NPL.
 - Monitor and evaluate the Company's compliance with policies and applicable laws, including the new regulation passed by BI.

- Monitor the adequacy of the Standard Operating Procedure (SOP), the internal control system and the risk mitigation plan within business units, as well as discuss lessons learned from past cases.

Discussion with the Director and/or the management of the work units, among others held with Commercial Banking and Sharia Banking, Consumer Banking, and Treasury.

5. Met with the Internal Audit Unit to review significant findings relating to risks and the application of risk policies, including findings of investigations and mitigation actions.
6. Met with the Director of Operations and the IT work unit and Senior Executives to discuss risk review, IT's latest report (specifically the 1P project) and the IT control infrastructure in Operations and IT, including IT readiness and security systems.

The Risk Monitoring Committee periodically reports to, and advises, the Board of Commissioners.



Zulkifli M. Ali
Ketua (Komisaris Independen)



Glenn M.S. Yusuf
Anggota (Komisaris)



David Richard Thomas
Anggota (Komisaris)



Ananda Barata
Anggota (Pihak Independen)



Binhadi
Anggota (Pihak Independen)



Shariq Mukhtar
Anggota (Pihak Independen)

Risk Monitoring Committee Profile



Shariq Mukhtar
Member

David Richard
Thomas
Member

Ananda Barata
Member

Binhadi
Member

Glenn M.S. Yusuf
Member

Zulkifli M. Ali
Chairman

Zulkifli M. Ali **Chairman**

Chairman of the Risk Monitoring Committee since March 2013, and a member of the Nomination & Remuneration Committee. He also serves as CIMB Niaga's Independent Commissioner. His full profile is available in the BOC Profile section.

Glenn M.S. Yusuf **Member**

Member of the Risk Monitoring Committee since March 2013. He also serves as the Vice President Commissioner of CIMB Niaga, and Non-Executive Independent Director of CIMB Group Holdings Berhad, Malaysia. His full profile is available in the BOC Profile section..

David Richard Thomas **Anggota**

American Citizen, 54 years. Member of the Risk Monitoring Committee since November 2014. He also serves as the Commissioner of CIMB Niaga. His full profile is available in the BOC Profile section.

Ananda Barata **Member**

Indonesian citizen, 55 years old. He has been serving as a member of the Risk Monitoring Committee since March 2013, and is also a member of the Nomination & Remuneration Committee.

Ananda Brata previously served as the Director of Operations & IT (2007-2008), as a Commissioner (2003-2007), and as an Independent Commissioner (2008-2013), during which time he also served as a member of the Audit Committee, and the Nomination and Remuneration Committee. He also served as the Director of PT Perusahaan Pengelola Aset (Persero) in 2004-2007, and the Head of Restructuring at Bank Restructuring Agency (IBRA) in 2000-2004. In addition, he has held various executive positions at PT Bank Universal, PT Bank Nusa Nasional and Chase Manhattan Bank, NA

He earned his Bachelor Degree in Business Administration, majoring in Finance, from the American University, Washington DC, USA.

Binhadi **Member**

Indonesian citizen, 79 years old. Member of the Risk Monitoring Committee since March 2013.

Binhadi also currently serves as the Commissioner of AJB Bumiputera 1912, the Vice Chairman of the Sub - Committee on Corporations - National Committee on Governance, a Honorable faculty member of the Indonesian Banking Development Institute and the Indonesian Banking School and a lecturer at the Institute for the Commissioners and Directors of Indonesia. He has a lot of experience at Bank Indonesia, where he most recently was a member of the Board of Directors (Deputy Governor), and at several commercial banks and financial institutions including Bank Niaga and as a Commissioner of Bank Mandiri.

He earned his Bachelor Degree in Business Administration from Universitas Tujuh Belas Agustus 1945 , Jakarta in 1964.

Shariq Mukhtar **Member**

U.S. citizen, 59 years old. Has served as a Member of CIMB Niaga's Audit Committee since March 2013, and as a member of the Risk Monitoring Committee. His full profile is available in the Audit Committee Profile section.

Nomination and Remuneration Committee Report

THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NomRem) is formed by the Board of Commissioners to assist the Board in supervising the implementation of Nomination and Remuneration policies for Board of Directors and employees pursuant to the Company's Deeds and Bank Indonesia Regulations.

Composition, expertise, and Independence

The composition of the NomRem Committee in 2014 is as follows:

- Pri Notowidigdo, Chairman (Independent Commissioner)
- Zulkifli M. Ali, Member (Independent Commissioner)
- Ananda Barata, Member (Independent Party)
- Sumantri Slamet, Member (Independent Party)
- Hamida Naziadin, Member (Commissioner)
- Ahmad Zulqarnain Onn (Commissioner 2)
- Eric G. Kosasih (Human Resources Executive Officer)

Membership, composition, and independency criteria of NomRem Committee have complied with Bank Indonesia Regulations. According to Bank Indonesia Regulations, the NomRem must at least consist of an Independent Commissioner, a Commissioner and an Executive Officer who is in charge of Human Resources or serves as an employee representative. The Committee must consist of at least three members. In the case when the Committee has more than three members, it should have at least two Independent Commissioners. The Chairman of the Committee must be an Independent Commissioner. Independent Commissioners and Independent Parties combined must represent at least 51% of all members of the NomRem.

The NomRem Committee conducts its duties and responsibilities in a professional pursuant to prevailing rules and regulations.

The NomRem Committee Charter is reviewed annually and was last amended 26 July 2013.

1) No longer member of the NonRem Committee effective September 15, 2015

2) Member of NonRem Committee effective November 2014

Duties and Responsibilities

The main duties and responsibilities of the NomRem Committee to make sure things are as follows:

The Committee is tasked to give recommendations to BOC including but not limited to the following:

1. In connection with the remuneration policy:
 - a. To evaluate the remuneration policy;
 - b. To evaluate the compatibility between the remuneration policy with the implementation of the policy;
 - c. To give recommendations to the BOC with regards to:
 - The remuneration policy for BOC, DPS and the Board of Directors to be submitted to the General Meeting of Shareholders, and
 - The framework of the remuneration policy for Executive Officers and the entire employees has been approved by the Board of Directors
2. In connection to nomination policy:
 - a. To prepare and give recommendations about system and procedure for replacement of members of BOC, BOD and Sharia Supervisory Board to be submitted to the General Meeting of Shareholders;
 - b. To give recommendations on prospective members of BOC and BOD and Sharia Supervisory Board to be submitted to the General Meeting of Shareholders;
 - c. To give recommendations on independent parties nominated for as members of the Audit Committee and the Risk Monitoring Committee.
3. The Committee shall ensure that the remuneration policy with at least respect to:
 - a. financial performance and the fulfillment of reserve as stipulated in prevailing rules and regulations;
 - b. individual job performance;
 - c. reasonableness of the peer group, and
 - d. consideration of the Company's long-term goals and strategies.

4. In the case of members of the Committee have a conflict of with a recommended proposal, then the proposal should disclose the conflict of interest along with considerations underlying the proposal.
5. On the authority granted by the AGM, the Committee conducts a review, provide advice and recommendations to BOC about changes related to remuneration and compensation policies for members of BOC, BOD, and Sharia Supervisory Board
6. Make evaluations and provide recommendations to the BOC about manpower policy and HR management function that contain significant risks including in the Company's future growth.
7. Assist BOC in its active oversight function in order to meet the responsibility to implement effective risk management in outsourcing in accordance with its scale, characteristics, and complexity, that at least include:
 - a. Approve and evaluate policies including improvements in outsourcing policy, and
 - b. Evaluate the accountability Board of Directors on risk management in outsourcing.
8. Give recommendations to the BOC with regard to independent parties nominated as members of the Audit Committee, Risk Monitoring Committee and the Nomination and Remuneration Committee.
9. Develop guidelines for and rules of the Committee (the Charter) and conduct a review at least once 3 in years.

Meetings in 2014

As stipulated in the Charter, the NomRem Committee shall meet at least 10 times a year. Meetings can only be held when attended by at least 51% of the total members, which includes an Independent Commissioner and an Executive HR. In 2014, the NomRem Committee held 12 meetings with 6-8 meeting agenda in each meeting.

The attendance record of each member is as follows.

Frequency (12 times)	Pri Notowidigdo	Zulkifli M. Ali	Ananda Barata	Sumantri Slamet	Hamidah Naziadin ¹⁾	Ahmad Zulqarnain Onn ²⁾	Eric G. Kosasih
Attendance	12	12	12	12	3	2	11
Teleconference	-	-	-	-	2	1	-


1) No longer member of the NonRem Committee effective September 15, 2015

2) Member of NonRem Committee effective November 2014

During 2014 NomRem Committee carried out its duties and manage to:

1. Provide assessment and recommendation of the nomination of candidates for the Board of Commissioners and Board of Directors proposed by shareholders with consideration of skills, competencies, and experience submitted. Furthermore, the proposed recommendation is to be forwarded to the Board of Commissioners and Directors for approval at the AGM.
2. To evaluate and provide input to the assessment of Key Performance Indicator (KPI) pertaining to the Board of Directors s based on the achievement of each KPI component. Provide direction for the preparation of the Board of Directors 2015 KPI framework, in order to be more focused in supporting the Company's strategy for the upcoming 2015.
3. Provide direction and evaluate the compensation of members of the Board of Commissioner and Director, with regard to the internal balance and comparison with the market to encourage their optimum performance. Provide recommendations on the framework from employee bonus distribution, the Board of Directors and senior leadership in a balanced and fair manner, with the principles of fairness and objectivity based on performance achievements.
4. Provide directions and inputs on the strategic plans for Human Resource Directorate in 2014, with a key focus on how to support the Company's business direction in 2014.
5. Provide guidance and give recommendations on the alignment of the Company's Vision, Mission and Values with those of CIMB group, by always upholding the principles Corporate Governance, taking to account the existence of CIMB Niaga as a local entity that has the characteristics as a multi-Local market in Indonesia, but proceed in executing the goals and aspirations as part of a regional bank in the ASEAN region.
6. Provide guidance and recommendation regarding the implementation of Risk Management and Internal Control in order to prevent and minimize frauds through the entire HR processes, such as, among others, recruitment, training and other intervention programs, rewards and sanctions, and the importance of inherent monitoring by leaders.
7. Evaluate and provide recommendations on the implementation of the project Branch Manager as Entrepreneur (BME), in order to ensure better synergies between units at branches to encourage progress and real achievements.
8. Provide guidance and recommendations to review and evaluate the effectiveness of non-retail loan process, especially CredAm organization (Credit Administration) under the Directorate of OIT.
9. Provide guidance and recommendations on Commercial Banking strategic plan under the newly assigned senior leaders.
10. Provide direction and evaluation of the implementation of the legal framework of the new organizational model, which became effective March 1, 2014, which is the decentralization of in-house legal officer in each business line, in order to handle matters related to operational legality.
11. Provide guidance and recommendations on the implementation of talent management framework in order to identify potential employees and create a succession plans for critical positions.
12. Provide guidance and recommendations on several proposals related to human resource management after the merger, the most important of which is employee loan and treatment schemes.
13. Provide guidance and recommendations on the negotiation process of Collective Labor Agreement that for the period of 2012 to 2014 expired on October 17, 2014.
14. Provide guidance and recommendations on comparative study conducted on banking productivity initiatives initiated by CIMB Niaga through Hay Group.
15. Provide guidance and recommendations on the management of Foreign Workers.
16. Provide direction, reviews, and recommendations on the proposed NRC Focus review for 2015.
17. Provide guidance and recommendations related to HR issues, including the settlement of issues related to industrial relations, Top HR Operational Risk reported quarterly, HR Metrics, and etc.

The NonRem Committee periodically reports its activities and give recommendations to the BOC.



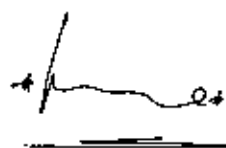
Pri Notowidigdo
Chairman (Independent Commissioner)



Zulkifli M. Ali
Member (Independent Commissioner)



Sumantri Slamet
Member (Independent)



Ananda Barata
Member (Independent)



Ahmad Zulqarnain Onn
Member (Commissioner)



Eric G. Kosasih
Member and Secretary of the Committee

Nomination and Remuneration Committee Profile



Sumantri Slamet
Member

Ananda Barata
Member

Pri Notowidigdo
Chairman

Zulkifli M. Ali
Member

Ahmad Zulqarnain Onn
Member

Eric G. Kosasih
Member and Secretary of
the Committee

Pri Notowidigdo
Chairman

Indonesian Citizens, 67 years. Chairman of the Nomination and Remuneration Committee of CIMB Niaga since March 2013. He also serves as Independent Commissioner. His full profile is available in the profile of the Board of Commissioners.

Zulkifli M. Ali
Member

Malaysian Citizens, 64 years. Member of Nomination and Remuneration Committee of CIMB Niaga since March 2013 and serves as chairman of the Risk Monitoring Committee. He also serves as Independent Commissioner of CIMB Niaga. His full profile is available in the profile of the Board of Commissioners.

Ahmad Zulqarnain Onn
Anggota

Malaysian Citizens, 43 years. Member of Nomination and Remuneration Committee of CIMB Niaga since March 2014. He also serves as Commissioner of CIMB Niaga. His full profile is available in the profile of the Board of Commissioners.

Ananda Barata
Member

Indonesian Citizens, 55 years d. Has Served as Member of Risk Monitoring Committee since March 2013 and also a member of the Nomination & Remuneration Committee. Detailed profile is available in the profile of Risk Monitoring Committee.

Sumantri Slamet
Anggota

Indonesian citizen, 60 years old. Has served as Member of the Audit Committee since 2013 and is also a member of the Nomination & Remuneration Committee.

Eric G. Kosasih
Member and Secretary

Has served as a Member and Secretary of the Nomination & Remuneration Committee of CIMB Niaga since January 2013. He is also the Company's HR Executive Officer.

Corporate Governance Committee Report

The Corporate Governance Committee (CG) previously held the same level as an Executive Committee with all of its members also holding the positions of Directors. The meeting of the Board of Directors on March 25, 2014 approved the proposed composition of the Committee to also include independent Commissioners. This was approved by the Board of Commissioners on April 26, 2014.

The Corporate Governance Committee terms of reference has been changed to reflect the above.

Structure in January – March 2014

- Chairman: President Director
- Vice Chairman: Director of Compliance, Corporate Affairs & Legal
- Secretary: Head of Compliance Unit
- Members:
 - All Directors
 - Head of Internal Audit Unit
 - Head of Risk Management Unit
 - Corporate Secretary
 - Senior HR Executives

Structure in April - December 2014

- Chairman: Sri Hartina Urip Simeon (Independent Commissioner)
- Vice Chairman: Pri Notowidigdo (Independent Commissioner)
- Secretary and member: Rudy Hutagalung (Corporate Secretary)
- Members:
 - Zulkifli M. Ali (Independent Commissioner)
 - Roy E. Tirtadji (Independent Commissioner)
 - Arwin Rasyid (President Director)
 - D. James Rompas (Vice President Director)
 - Lo Nyen Khing (Vice President Director)
 - Lydia Wulan Tumbelaka (Director of Compliance, Corporate Affairs & Legal)
 - Wan Razly Abdullah (Director of Strategy and Finance)
 - Harjanto Tanuwidjaja (Director of Human Resource)
 - Vera Handajani (Director of Risk Management)
 - Liston Siahaan (Head of Risk Management Unit)

Duties and responsibilities

1. Improve the Company's implementation of good corporate governance in accordance with the principles of transparency, accountability, responsibility, independence through continuous monitoring and evaluation of the Bank's business processes.
2. Ensure that the governance structure complies with any applicable regulations.
3. Socialize good corporate governance principles to all employees.
4. Assess the implementation of corporate governance both internally and externally.
5. Report on the application of good governance to the relevant parties.

Work Program in 2014

1. Keep the governance structure of the Board of Commissioners, the Board of Directors, the Committees and the Company's policies in compliance with the principles and provisions of good corporate governance (GCG)
2. Disclose the results of the Company's self-assessment of GCG implementation to stakeholders through the Annual Report.
3. Disseminate the principles of GCG in cooperation with the relevant units.
4. Maintain the quality of GCG implementation to remain competitive with industry benchmarks and independent institutions.

Work Realization in 2014

1. Changes in the Terms of Reference of the Corporate Governance Committee.
2. Self-assessment of the Company's implementation of the ASEAN Corporate Governance Scorecard whose results have been published on the Company website.
3. Report on the implementation of GCG, and the transparency of the Company's corporate governance, for the Syariah Business Units (UUS). This was contained in the 2014 Annual Report.
4. Review the results of GCG self-assessment for the period ended December 2013.

5. Internalize GCG through:
 - GCG Socialization, compliance, code of conduct, anti-fraud and whistle blowing training for employees.
 - Socialization of the policies that governs conflict of interests in trading securities for personal gain.
 - Promoting understanding of corporate governance, and regulatory compliance through the implementation of the "Ethics Driven Based on Individual Professionalism." GCG has now become the "The Culture of CIMB Niaga Bank" (GCG is now a part of all of the Company's processes)
 - Interconnecting the "Good Governance Culture" with "Good Results"
- 6 Improving the quality of GCG to conform with best practices by participating in:
 - The Annual Report Award 2013 organized by FSA (OJK), Bank Indonesia, the Ministry of SOE, National Committee on Governance, Indonesian Institute of Accountants, the Directorate General of Taxation and the Indonesia Stock Exchange.
 - The IICD Corporate Governance & Award 2014 organized by the Indonesian Institute for Corporate Directorship (IICD) in collaboration with Business Review Magazine, in which the Company won the category "Best Overall".
 - Compliance Working Group on Communication Forum of Banking Compliance Director (FKDKP) as well as the APU/PPT working group forum with PPAATK.
 - Alignment with subsidiaries in order to consolidate GCG-assessments.

Corporate Governance Committee Profile



Roy Edu Tirtadji
Member

Wan Razly Abdullah
Member

Harjanto Tanuwidjaja
Member

Vera Handajani
Member

Lydia Wulan Tumbelaka
Member

D. James Rompas
Member



Arwin Rasyid
Member

Zulkifli M. Ali
Member

Sri Hartina Urip Simeon
Chairman

Pri Notowidigdo
Vice Chairman

Lo Nyen Khing
Member

Sri Hartina Urip Simeon

Chairman

Indonesian citizen, 77 years old. Chairman of the Corporate Governance Committee since April 2014 and a Member of the Audit Committee since March 2013. She serves as the Independent Commissioner of CIMB Niaga. Detailed profile is available in the BOC profile.

Pri Notowidigdo

Vice Chairman

Indonesian citizen, 67 years. Vice Chairman of the Corporate Governance Committee since April 2014 and Member of the Audit Committee since April 2014. Also Chairman of the Nomination and Remuneration Committee of CIMB Niaga since March 2013. He also serves as Independent Commissioner. Detailed profile is available in the BOC Profile.

Zulkifli M. Ali

Member

Malaysian citizen, 64 years old. Member of Corporate Governance Committee since April 2014. Also, Chairman of Risk Monitoring Committee since March 2013 and member of the Nomination & Remuneration Committee of CIMB Niaga. Detailed profile is available in the BOC profile.

Roy Edu Tirtadji

Member

Indonesia citizen, 67 years old. Member of the Corporate Governance Committee since April 2014. Also, Chairman of the Audit Committee since March 2013. He is also the Independent Commissioner of CIMB Niaga. Detailed profile is available in the BOC Profile.

Arwin Rasyid

Member

Indonesian citizen, 57 years old. He has been serving as a Member of the Corporate Governance Committee since April 2014. President Director of CIMB Niaga since 2008. Detailed profile is available in the BOD Profile.

D. James Rompas

Member

Indonesian citizen, 56 years old. Has served as a Member of the Corporate Governance Committee since April 2014. Serving as Vice President Director of CIMB Niaga since 2009. Detailed profile is available in the BOD Profile.

Lo Nyen Khing

Member

Malaysian citizen, 51 years old. Has served as a Member of the Corporate Governance Committee since April 2014. Serving as Vice President Director of CIMB Niaga since 2012. Detailed profile is available in the BOD Profile.

L. Wulan Tumbelaka

Member

Indonesian citizen, 50 years old. Has served as a Member of the Corporate Governance Committee since April 2014. Serving Director of Compliance, Corporate Affairs, and Legal for CIMB Niaga since 2008. Detailed profile is available in the BOD Profile.

Wan Razly Abdullah

Member

Malaysian citizen, 43 years old. Has served as a Member of the Corporate Governance Committee since April 2014. Serving as Director of Strategy & Finance of CIMB Niaga since 2009. Detailed profile is available in the BOD Profile.

Harjanto Tanuwidjaja

Member

Indonesian citizen, 50 years old. Has served as a Member of the Corporate Governance Committee since April 2014. Serving as Director of Human Resources since 2012. Detailed profile is available in the BOD Profile.

Vera Handajani

Member

Indonesian citizen, 43 years old. She has served as a Member of the Corporate Governance Committee since April 2014. Also, has been serving as the Director of Risk Management since 2013. Detailed profile is available in the BOD Profile.

Rudy Hutagalung*

Member and Secretary

Indonesian citizen, 47 years old. Served as the Secretary and concurrently as a Member of the Corporate Governance Committee since April 2014. Also, has been serving as the Corporate Secretary of CIMB Niaga since October 1, 2013 and as the Head of Corporate Affairs & Legal CIMB Niaga. Detailed profile is available in the Corporate Secretary Profile.

Liston Siahaan*

Member

Indonesia citizen, 47 years old. Served as a Member of the Corporate Governance Committee since April 2014. Detailed profile is available in the Senior Executives Profile.

* Photos of the Company Secretary and the Senior Executive appear in this Annual Report.

The CG Committee periodically reports its activities, and gives recommendations, to the Board of Commissioners.



Sri Hartina Urip Simeon
Chairman (Independent Commissioner)



Pri Notowidigdo
Vice Chairman (Independent Commissioner)



Zulkifli M. Ali
Member (Independent Commissioner)



Roy Edu Tirtadji
Member (Independent Commissioner)



Arwin Rasyid
Member (President Director)




D. James Rompas
Member (Vice President Director)



Lo Nyen Khing
Member (Vice President Director)



L. Wulan Tumbelaka
Member (Director)



Wan Razly Abdullah
Member (Director)



Vera Handajani
Member (Director)



Harjanto Tanuwidjaja
Member (Director)



Rudy Hutagalung
Member and Secretary of the Committee



Liston Siahaan
Member

THE BOARD OF DIRECTORS

Requirements to Become a Director

The Directors of CIMB Niaga have met all the requirements stipulated in the Bank Indonesia Regulation (PBI) and by the Indonesian Financial Services Authority.

Bank Indonesia Regulation

PBI No. 11/1/PBI/2009 as amended by PBI. No 13/27/PBI/2011 regarding Article 27, stipulates that member of the Board of Directors shall have integrity, competence, and good financial reputation.

PBI No. 12/23/PBI/2010 regarding Fit & Proper Test. The incumbents shall pass a Fit & Proper Test, and obtain approval from Bank Indonesia before assuming their respective posts and performing their duties and functions.

PBI No. 9/8/PBI/2007 chapter 8 regarding Employment of Foreign Workers and Knowledge Transfer Program in the Banking Sector. A Director with a foreign nationality must meet the following requirements:

- a. He/she must pass the Fit & Proper Test, and
- b. He/she must have knowledge about Indonesia, especially about its economy, culture and language.

CIMB Niaga has four Directors who have foreign nationalities; Mohamed Fadzil Sulaiman, Wan Razly Abdullah, Samir Gupta and Lo Nyen King. All of them have met the requirements stipulated in the above regulations.

Laws on Limited Liability Companies and OKJ Regulations

The requirements to become a Director are stipulated in the Limited Liability Companies Act article 93 and OKJ Regulations (Bapepam-LK Regulation No. IX.I.6), an attachment to the decree of Chairman of Bapepam-LK. No Kep-45/PM/2004 regarding Directors and Commissioners of Issuers and Public Companies, which include:

- Possesses good character and morals;
- Has never been declared bankrupt, and has not been a member of a Board of Directors found guilty of causing bankruptcy to a company within a 5-year period prior to the appointment; and
- Has not committed a crime in the financial sector within a 5-years period prior to the appointment.

Directors and / or members of the Board shall refrain from directly or indirectly making untrue statements about material facts. They are obliged to disclose truthful material facts about the condition of a publicly listed company.

2014 Board Structure

1. President Director: Arwin Rasyid
2. Vice President Director: Daniel James Rompas
3. Vice President Director: Lo Nyen King
4. Director: Handoyo Soebali ¹⁾
5. Compliance Director: Lydia Wulan Tumbelaka
6. Director: Mohamed Fadzil Sulaiman ²⁾
7. Director: Wan Razly Abdullah
8. Director: Rita Mas'Oen
9. Director: Samir Gupta
10. Director: Megawati Sutanto
11. Director: Harjanto Tanuwidjaja
12. Director: Vera Handajani
13. Director: John Simon ³⁾

¹⁾ Submitted resignation during the AGM held on March 27, 2014

²⁾ Dismissed with Honor on March 27, 2014

³⁾ Appointed during the AGM held on March 27, 2014 and effective following FSA Approval on August 29, 2014

The BOD has 11 members, four of whom are female, and has met the principles of the ASEAN Corporate Governance Scorecard.

The Independence of the Directors

Currently, none of members of the Board of Directors and/or members of the Board of Commissioners, and the controlling shareholders has financial, management, shareholding or family relationships with each other.

Table of financial and family relationships between members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders of the Company.

Name	Familial Relationship with						Financial Relationship with					
	Board of Commissioner		Directors		Other Shareholders		Board of Commissioner		Directors		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Directors												
Arwin Rasyid	-	√	-	√	-	√	-	√	-	√	-	√
Daniel James Rompas	-	√	-	√	-	√	-	√	-	√	-	√
Lo Nyen Khing	-	√	-	√	-	√	-	√	-	√	-	√
Handoyo Soebali ¹⁾	-	√	-	√	-	√	-	√	-	√	-	√
Lydia Wulan Tumbelaka	-	√	-	√	-	√	-	√	-	√	-	√
Mohamed Fadzil Sulaiman ²⁾	-	√	-	√	-	√	-	√	-	√	-	√
Wan Razly Abdullah	-	√	-	√	-	√	-	√	-	√	-	√
Rita Mas'Oen	-	√	-	√	-	√	-	√	-	√	-	√
Samir Gupta	-	√	-	√	-	√	-	√	-	√	-	√
Megawati Sutanto	-	√	-	√	-	√	-	√	-	√	-	√
Harjanto Tanuwidjaja	-	√	-	√	-	√	-	√	-	√	-	√
Vera Handajani	-	√	-	√	-	√	-	√	-	√	-	√
John Simon ³⁾	-	√	-	√	-	√	-	√	-	√	-	√

¹⁾ Submitted resignation during the AGM held on March 27, 2014

²⁾ Dismissed with Honor on March 27, 2014

³⁾ Appointed during the AGM held on March 27, 2014 and effective following FSA approval on August 29, 2014

Reporting Duties of the Board of Directors

Each member of the Board of Directors shall disclose his or her family's share ownership in the Company or any other company. This information is recorded in Special Report, which is updated every semester or whenever changes take place.

Term of Office

No	Name	Position	Term of Office			
			Appointed in	BI/OJK Approval	Reappointed in	Until
1	Arwin Rasyid	President Director	Extra Ordinary GMS 18 July 2008	No. 10/137/GBI/DPIP/Rahasia, dated 16 September 2008	AGMS 28 March 2013	AGMS for fiscal year 2015 to be held in 2016
2	D. James Rompas *	Vice President Director	Extra Ordinary GMS 27 August 2009	No. 11/126/DPB3/TPB3-3/Rahasia, dated 9 September 2009	AGMS 28 March 2013	
3	Lo Nyen Khing	Vice President Director	Extra Ordinary GMS 29 October 2012	No. 15/9/GBI/DPIP/Rahasia, dated 15 January 2013	AGMS 28 March 2013	
4	Handoyo Soebali	Director	Extra Ordinary GMS 18 July 2008	No. 10/156/GBI/DPIP/Rahasia, dated 14 October 2008	AGMS 28 March 2013	Resigned effective 27 March 2014
5	L. Wulan Tumbelaka	Director	Extra Ordinary GMS 19 December 2008	No. 11/12/GBI/DPIP/Rahasia, dated 4 February 2009	AGMS 28 March 2013	AGMS for fiscal year 2015 to be held in 2016
6	Mohamed Fadzil Sulaiman	Director	AGMS 30 April 2009	No. 11/68/GBI/DPIP/Rahasia, dated 4 June 2009	AGMS 28 March 2013	Dismissed with Honor effective 27 March 2014
7	Wan Razly Abdullah	Director	Extra Ordinary GMS 27 August 2009	No. 11/106/GBI/DPIP/Rahasia, dated 18 August 2009	AGMS 28 March 2013	AGMS for fiscal year 2015 to be held in 2016
8	Rita Mas'Oen	Director	Ordinary GMS 27 August 2009	11/150/GBI/DPIP/Rahasia, dated 16 November 2009	AGMS 28 March 2013	
9	Samir Gupta	Director	Ordinary GMS 15 December 2010	No. 13/23/GBI/DPIP/Rahasia, dated 3 March 2011	AGMS 28 March 2013	
10	Megawati Sutanto	Director	Ordinary GMS 15 December 2010	No. 13/23/GBI/DPIP/Rahasia, dated 3 March 2011	AGMS 28 March 2013	
11	Harjanto Tanuwidjaja	Director	AGMS 1 March 2012	No. 14/66/GBI/DPIP/Rahasia, dated 17 July 2012	AGMS 28 March 2013	
12	Vera Handajani	Director	Ordinary GMS 26 July 2013	No. 15/113/GBI/DPIP/Rahasia, dated 26 November 2013	-	The closing of the 4 th AGMS effective as per approval of OJK
13	John Simon	Director	AGMS 27 March 2014	No. SR-143/D.03/2014, dated 29 August 2014	-	

* First time appointed as the Company's Director in 2000

Duties and Responsibilities

1. The Board of Directors is fully responsible for the management of the Company.
2. The Board of Directors is obliged to manage the Company in line with its authorities and responsibilities as outlined in the Articles of Association. The Directors are mainly tasked with:
 - a. Leading and managing the Company in line with the Company's objectives.
 - b. Controlling, maintaining and managing the Company's assets in the best interests of the Company.
 - c. Establishing an internal control structure, ensuring the implementation of the internal audit function at every management level and following up all internal audit findings in line with policies and directions given by the Board of Commissioners as part of the general management practice specified in the Standard Implementation of the Internal Audit.
3. The management functions outlined in points (1) and (2) above must be implemented with integrity.
4. Each Director is personally liable for any loss incurred by the Company when found guilty or proven to have intentionally failed in his/her duties.
5. The Board of Directors is obliged to implement GCG principles in each of the Company's business activities at all levels of the organization.
6. The Board of Directors is obliged to follow up all audit findings and post-audit recommendations made by the Internal Auditor, external auditors, Bank Indonesia and/or other relevant regulators.
7. As part of the implementation of Good Corporate Governance principles outlined in point (5), the Board of Directors is required to form:
 - a. An Internal Audit Unit
Rotation or dismissal of the Chief Audit Executive must be reported to Bank Indonesia and Bapepam-LK
 - b. A Risk Management Unit and a Risk Management Committee
 - c. A Compliance Work Unit
8. The Board of Directors is obliged to report to the Company's shareholders at the Annual General Meeting of Shareholders.
9. The Board of Directors should refrain from authorizing any party(s) that may lead to transferring its duties and responsibilities.
10. The Board of Directors should refrain from using a professional service for consultative purposes, or assigning an advisor, except during a special project.
11. Each member of the Board of Directors is allowed to hold another supervisory position at one of the Company's non-banking subsidiaries in which the Company has major control.
12. The Board of Directors must inform all employees about the Bank's HR policies through well-known and accessible media.
13. The Board of Directors must provide accurate, relevant and timely data and information to the Board of Commissioners.
14. The Board of Directors is accountable for every piece of information about the Company that is conveyed by the Corporate Secretary to the public.
15. The Board of Directors must:
 - a. Make a List of Shareholders, special lists, and minutes of GSM and those of the meeting of Directors.
 - b. Publish the Company's Annual Report and Bank's financial statements as described in the relevant laws regarding Document of Company.
 - c. Keep all of the Bank's lists, minutes of meetings and other documents as outlined in points (a) and (b). Related to point (c), all reports, minutes of meetings, and others documents are to be kept and stored at the Bank's premises.
16. Each member of the Board of Directors must disclose his and/or her family's share ownership at the Company or any other company. This share ownership will be recorded in a special list.
17. A member of the Directors failing to comply with the above point (1), thus causing a loss to the Company, will be held personally responsible.
18. The Board of Directors must obtain approval from the General Meeting of Shareholders when deciding to use more than 50% of the Company's assets as collateral in a single or several transactions.

Authority

1. The Board of Directors is authorized to represent the Company, both outside and inside a Court of Justice, in all matters and in all cases that bind the Company and other party(s) or vice versa, and take management- and ownership-related actions. Nevertheless, approval from the Board of Commissioners is still required when:
 - a. All measures taken by the Board of Directors pursuant to regulations require approval from the Board of Commissioners; or

- b. All measures taken by the Board of Directors in the following points (i) and (ii) that have exceeded, or potentially exceed, a certain value as stated in the Bank's policy require approval from the Board of Commissioners, for examples:
- (I). Actions beyond the scope of normal business activity of a financial institution:
1. To purchase or by other means acquire assets (including ownership of land or/and building).
 2. To sell or by other means transfer ownership of assets (including ownership of land and building titles).
 3. To participate in or release a partial or whole rights in a company or other type of institution including, but not limited to, establishing a new company or closing down a subsidiary.
- (II) Carry out business activities that do not constitute every-day operations of a financial/banking institution on the account of their infrequency, and/or have transactional value higher than a certain nominal value. Some of the actions are:
1. Borrowing money or issuing debentures that do not constitute the Company's daily business activities;
 2. Write off and /or charge off debts;
 3. Make temporary investments and/or purchase debtor's assets for protective purposes.
- The involvement of the Board of Commissioners, as explained above, does not remove any of the managerial responsibilities of the Board of Directors.
2. The rights to represent and take necessary measures on behalf of the Directors as well as the Company are collectively given to:
 - a. President Director and a Vice President Director; or
 - b. Two Vice President Directors; or
 - c. President Director and a Director; or
 - d. A Vice President Director and a Director; or
 - e. Two Directors in the absence of both the President Director and a Vice President Director.
 3. Pursuant to the prevailing laws of the capital market, transactions deemed to contain a conflict of interest between the Company and members of the Board of Directors, members of the Board of Commissioners or major shareholders of the Company, can only be made upon the approval of independent shareholders at the Annual General Meeting of Shareholders.
 4. If there is a conflict of interest between the Company and any member of the Board of Directors, the Company is represented by other members of the Board of Directors. If the Company has a conflict of interest with all members of the Board of Directors, it will be represented by the Board of Commissioners, without violating the regulation contained in point (3).
 5. (1) Each member of the Board of Directors is not authorized to represent the Company when:
 - a. There is a legal court action between him/her and the Company; or
 - b. He/she has a conflict of interest with the Company.

(2) In a situation described in Point 1, those who are authorized to represent the Company include:

 - a. Members of the Board of Directors who do not have a conflict of interest with the Company;
 - b. The Board of Commissioners when all members of the Board of Directors have a conflict of interest with the Company; or
 - c. Other party(s) appointed by the AGMS when all members of the Board of Directors and all members of the Board of Commissioners have a conflict of interest with the Company.
 6. The Board of Directors may assign authority in writing to one or more employee(s) of the Company, or to another party, to act on behalf of the Company for a particular legal action.
 7. The Board of Directors is not authorized to file bankruptcy on the Company's behalf to a Commercial Court before obtaining approval from GSM and should follow the Liability Settlement Act regarding bankruptcy and suspension of payment when doing so.
 8. Pursuant to BI Regulations, the Board of Directors has the obligation to establish Executive Committees such as the Asset & Liability Committee (ALCO), the Risk Management Committee (RMC) and the IT Steering Committee (ITSC).
 9. The Board of Directors has the authority to establish additional Executive Committees when deemed necessary.

Duties and Responsibilities of Each Director

Arwin Rasyid – President Director

Main Duties: To establish the Company's long-term strategies. To establish the Company's marketing strategy and product/ service development that is responsive to market demands and needs of all business segments. To provide policy directions and guidelines for operational support and banking services, information technology, systems and procedures, as well as legal, financial and human resources aspects. To ensure compliance in all banking operations so that the Company maintains its high ethical standards and complies with the principles of GCG and prudent banking practices.

Daniel James Rompas – Vice President Director and Director of SMME, and Sharia Director

Main Duties: With the President Director establishes the Company's long-term strategy and assists him in the performance of duties in directing the Directorate of Credit, MSME, Operations & Information Technology, and Sharia banking functions, as well as asset restructuring functions to achieve targeted business growth, with due regards to prudential aspects, the implementation of all aspects in overall risk management policy and the Company's business process to achieve efficient and effective banking.

Lo Nyen Khing – Vice President Director and Corporate Banking Director

Main Duties: To assist the President Director in setting short- and long-term corporate strategies in marketing, and service development in Corporate Banking, Commercial Banking, Sharia Banking, and Treasury and Capital Market. The goal is to achieve the targeted business growth by providing innovative products with due regard to risk management and the Company's strategy of efficient and effective banking.

Lydia Wulan Tumbelaka – Compliance, Corporate Affairs & Legal Director

Main Duties: To formulate the Company's compliance strategy, including when it comes to issues relating to compliance policies and principles, as well as ensuring that all the Company's internal regulations (policies, systems, procedures) are in line with the relevant rules and external regulations (those of Bank Indonesia, and/or other financial authorities). The Compliance, Corporate Affairs and Legal Director is also responsible for managing the Company's legal risk by keeping updated on developments in the Capital Market, especially those related to regulations. To provide public information about the Company. To maintain the Company's good reputation. To serve as a contact person between the Company, the public and the Government, including through CSR programs..

Wan Razly Abdullah – Strategy & Finance Director

Main Duties: To develop and monitor the implementation of business strategies, initiatives and budget to assist the achievement of the Company's vision and mission. To manage the financial performance of the Company with respect to productivity and efficient use of resources. To develop and manage the Company's information systems and performance, and report it to the relevant regulators and stakeholders. To optimize the profitability of the Company and Total Shareholders' Return, ROA, and ROE by formulating a Capital and investment strategy. To monitor and plan effective financial management and ensure its execution in accordance with accounting practices and standards.

Rita Mas'Oen – Operations & IT Director

Main Duties: To determine long-term strategies, and to direct the Operations & IT Division. To improve effectiveness and efficiency in managing banking transactions while ensuring keeping users up-to-date on the latest information.

Samir Gupta – Consumer Banking Director

Main Duties: To develop strategies and directions in services and sales of Consumer Banking products in branches throughout Indonesia and optimize market potential through development of competitive and innovative consumer banking products including digital banking in order to reach the stated profitability without disregarding the prudential

aspects, the comprehensive implementation of all aspects on the risk management policy for the accomplishment of efficient and effective banking business processes.

Megawati Sutanto – Credit Director

Main Duties: To provide strategic direction in all aspects of credit management, and Credit Underwriting Standards. To review and continuously improve the credit review and approval process. To increase effectiveness and efficiency in predetermined credit chains and maintain the quality of the loan portfolio. To ensure that business activities are carried out in accordance with the Company's policies and procedures, and Code of Ethics

Harjanto Tanuwidjaja – Human Resources Director

Main Duties: To provide strategic direction in human resources management and development. To improve productivity and quality of human resources. To support the achievement of the Company's business objectives. To ensure and maintain compliance with the applicable labor regulations and corporate culture.

Vera Handajani – Director of Risk Management

Main Duties: To set long term corporate strategy in collaboration with the President Director. To support the President Director in coordinating the Credit Directorate in order to achieve targeted business growth, with due regard to risk management and the Company's strategy of efficient and effective banking.

John Simon – Treasury & Capital Market Director

Main Duties: To determine the business strategy in marketing products of the Treasury & Capital Markets Directorate. To generate the best revenues possible through money market and capital market activities. To manage funding, liquidity and liability.

Directors Meeting

Table of Attendance of Directors Meetings

Frequency	Arwin Rasyid	D. James Rompas	Lo Nyen Khing	Handoyo Soebali ¹⁾	L. Wulan Tumbelaka	M. Fadzil Sulaiman ²⁾	Wan Razly Abdullah	Rita Mas'Oen	Samir Gupta ³⁾	Megawati Sutanto	Harjanto Tanuwidjaja	Vera Handajani	John Simon ⁴⁾
49 BOD Meetings	42	46	45	06	45	09	45	45	24	43	43	44	33

¹⁾ Resigned effective at the AGM held on March 27, 2014

²⁾ Resigned effective at the AGM held on March 27, 2014

³⁾ Special leave for the period of August 1, 2014-March 31, 2015

⁴⁾ Appointed at the AGM held on March 27, 2014, and effective following FSA Approval on August 29, 2014

Agenda of Directors Meeting

No	Date of Meeting	Agenda
1	7 January 2014	1. Movement of Credit and Funding 2. Consolidated Financial Performance December 2014 3. TaxResolution for fiscal year 2007onTaxAuditResults of Lippo 4. Alternative Theme for the 2013 Annual Report 5. Evaluation of the Fund Contingency Plan Process
2	15 January 2014	1. Movement of Credit and Funding 2. Report on the Development of the Color Run Indonesia 3. Operational Projects
3	21 January 2014	1. Movement of Credit and Funding 2. Financial Audit December 31, 2013 3. Review of the Internal Audit for Q4 2013 4. The Realization of the Bank Business Plan for Q4 2013 5. Closing Report on Cost Efficiency (EFI) – CIMB Niaga Bank 6. 2014 Budget 7. Strategies for Mikro Laju and Micro Linkage

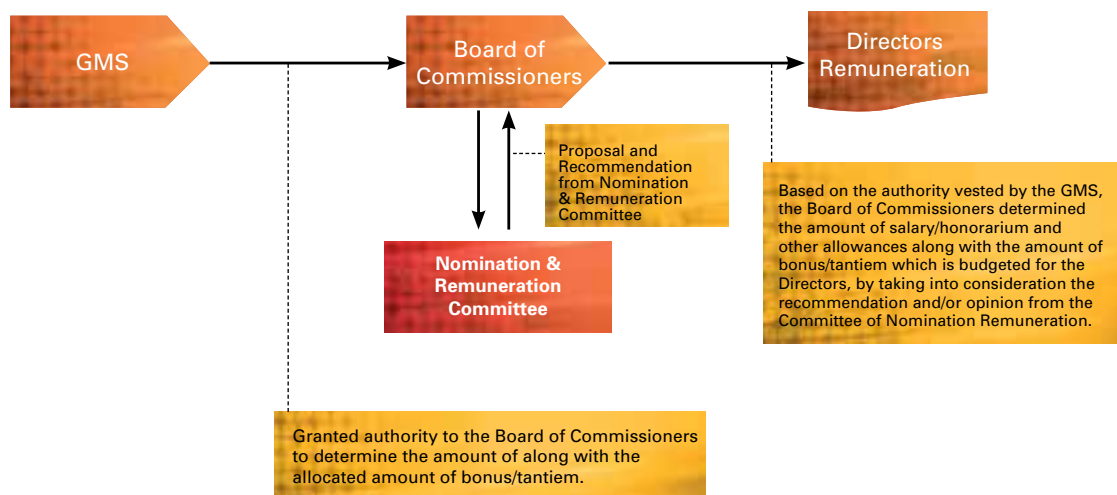
No	Date of Meeting	Agenda
4	28 January 2014	<ol style="list-style-type: none"> 1. Optimization of the Balance of Cash in Vault 2. Proposal for Location of New Data Center 3. Report of Assets (Idle Assets& Asset Disposal) 4. GMS 2014
5	4 February 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Corporate User Group in Cellular Phone Services 3. Consolidated Financial Statements January 2014 4. Financial Review of International Remittance 2013 5. Top NPL Debtors
6	11 February 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Radar Report Operational Plan January 2014
7	18 February 2014	<ol style="list-style-type: none"> 1. Report on tax status and Foreign Account Tax Compliance Act (FATCA) 2. Framework of Risk Based Product Post Implementation Review (PIR) 3. OJK Insurance Regulation and its impacts on CIMB Niaga and Subsidiaries
8	25 February 2014	<ol style="list-style-type: none"> 1. Report on the impacts of Floods in Manado 2. Report on CSR Activities
9	4 March 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Stress test Results of CIMB Niaga December 2013 3. Consolidated Financial Statements February 2014 4. Report on Remittance and Cross Border Domestic Transactions 5. Management Response in relation to the BNM Audit 2013
10	11 March 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Savings 2. Report on KPI Framework 2014 3. Consolidated Financial Statements February 2014 4. Report on Customer Experience
11	18 March 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Report on CIMB Niaga 1Platform 3. Internal Based Approach (IBA) Project Basel Implementation Gap Analysis 4. Report on the Heat Map
12	25 March 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Report on Executive Committee (ExCo) and Trans Committee (TransCo) (Incl. New ORC Design) 3. Corporate User Group (CUG) for Cellular Phone Services 4. Report on Trade Finance 5. Proposed Refined Strategic Plan-Mikro Laju 6. EIR for Fixed to Floating Rate of Mortgage Loans
13	2 April 2014	<ol style="list-style-type: none"> 1. Consolidated Financial Statements March 2014
14	9 April 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. SBU Performance 2014
15	15 April 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. The issuance of Bond Phase III 3. Mortgage Collateral Control & Monitoring 4. Radar Report of Operational Plan March 2014 5. Report of CIMB Niaga Indonesian Masters

No	Date of Meeting	Agenda
16	22 April 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Risk Profile Q1/2014, Bank Only, Syariah & Consolidated 3. The Realization of the Bank Business Plan 1Q 2014 4. March 2014 BOD KPI Achievement 5. 2013 Achievements & 2014 IT Plan 6. Internal Audit 1Q 2014 review
17	29 April 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Risk Committee TOR Amendment and Risk Appetite Statement CIMB Niaga 2014 3. Consumer Loan Credit Factory 4. Report on Foreign Account Tax Compliance Act (FATCA) 5. Benchmarking Highlight 1Q 2014 and Consolidated 2Q 2014 Forecast Update
18	8 May 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding
19	13 May 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Appointment of 1P Consultant 3. Radar Report on Corporate Operating Plan April 2014 4. Consolidated 2Q 2014 Forecast Update
20	20 May 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Top NPL Debtors 3. Proposed Risk Posture 2015
21	26 May 2014	<ol style="list-style-type: none"> 1. Report on the Status of Microfinance 2. Palm Oil Concentration Limit 3. NPL, DPD& Accrued Interest Income as of 22 May 2014 and Forecast Consolidated Financial Performance May 2014
22	3 June 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Re-Launch X-tra Fixed Rate (IDR denomination) Market Linked Deposit 3. Monitoring and Analysis of Foreign Currency Cash Flow 4. Report on Tax Cases Status 5. NPL, DPD & Accrued Interest Income as of 31 May 2014 6. Consolidated Financial Performance May 2014 7. Report on the Corporate User Group (CUG) and Mobile Phone Service
23	10 June 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. 1Platform Implementation 3. 1P Delegated of Authority
24	17 June 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. SBU Performance Highlight 3. Financial Performance Projection 4. Budget Meeting Preparation 5. Revisions of 2014 RBB
25	24 June 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Safari Ramadhan 2014 and CIMB Indonesia Olympic 2014 3. Cost Efficiency – Advertising & Promotion Expenses 2014 4. Proposed Capital Injection into PT CIMB Sun Life 5. Radar Report on Corporate Operating Plan May 2014
26	1 July 2014	<ol style="list-style-type: none"> 1. ICAAP- Material Risk Assessment (MRA) 2014 2. Movement of Credit and Funding 3. Forecast Financial Performance June 14

No	Date of Meeting	Agenda
27	8 July 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Sharia Unit Risk Profile Methodology 3. Bank-wide Stress Test Scenario as of June 2014 4. Consolidated Financial Performance June 2014 and Highlight SBU Performance June 2014
28	15 July 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Internal Audit High Level Summary 2Q2014 3. Classification of Sukuk Bond 4. Forecast Financial Performance June 2014 5. Radar Report on Corporate Operating Plan June 2014
29	22 July 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. EXCO Fixed Income Investments Sukuk Bond Reclassification 3. Forecast Consolidated Financial Performance July 2014 4. The realization of Q2 2014 Bank Business Plan 5. CIMB Niaga Syariah - Strategy 6. Operations & Service Readiness Check For Idul Fitri 1435 H Long Holiday
30	5 August 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Consolidated Financial Performance July 2014
31	12 August 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. 1P Implementation Phase 3. Report on The Color Run 4. Finance Update: <ul style="list-style-type: none"> - KPI Achievement - Change in Accounting Treatment for Auto Loan's Insurance Fee - BOD General Policy 2015 (Kebum) - Forecast FY14 & Budget Top Down 2015 - Forecast FY14 & Budget Top Down 2015
32	19 August 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Audit Plan for the year ending 31 Desember 2014 3. Digital Sales Enablement 4. New Brand Positioning of CIMB Niaga 5. NPL Projection
33	26 August 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. CIMBN FX Issue on GFMS Project 3. Building a Breakthrough Digital Strategy and Digital Sales Enablement 4. Forecast FY14 & Budget Top Down 2015 RORAC by BU's
34	2 September 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Consolidated Financial Performance 1st Cut August 2014 3. IT Projects Portfolio 2014 4. Basel Gap Analysis Project 5. Mobile Payment Initiatives Update 6. Property Insurance Policy Review
35	9 September 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Road Map Spin-Off UUS CIMB Niaga 3. EFI Initiatives & Performance Report 4. Budget 2015 Topdown and Financial Performance August 2014
36	16 September 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Forecast Update incl Loan by BU 2015 3. 1P Account No Length and Prefix for CIMB Niaga

No	Date of Meeting	Agenda
37	23 September 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. CIMB Niaga Stress Test Result as of June 2014 3. 2015 Planning & Strategy Session 4. CIMB Niaga 1P Implementation Phase
38	30 September 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Progress of the Syariah Banking Strategy 3. Forecast FY14 & Budget Top Down 2015-2017
39	7 October 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Syariah Provisioning and Performance, and Consolidated Financial Performance September 2014 3. Consolidated Financial Performance September 2014
40	14 October 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Bond Sales to Retail Customers 3. 3Q2014 Internal Audit Summary 4. Forecast FY 2014 & Budget Top Down 2015-2017
41	21 October 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Risk Profile Q3/2014 Bank Only, Syariah & Consolidated 3. Consideration for Alternative IT Service Provider 4. NPL Progress Report 5. Finance Update: <ul style="list-style-type: none"> - Realization of Bank Business Plan (RBB 3rd Quarter 2014) - BOD & BOM Achievement (Indication) - Annual Report Award 2013 Result
42	27 October 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Forecast FY14 & Budget Top Down 2015-2017
43	4 November 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. CIMB Niaga 1Platform Implementation Phase 3. Consolidated Financial Performance October 2014
44	11 November 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding
45	18 November 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding
46	25 November 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Interim Audit Findings November 2014 3. RBB 2015 Financial & Non Financial 4. Report on Capital Management Update 5. Forecast FY14 & Budget Top Dow 2015-2017
47	2 December 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. - Update Project Debit Card Migration to Chip Base <ul style="list-style-type: none"> - Credit Card: Transaction By PIN 3. TOR & Membership Executive Committee 4. Financial Performance 1st Cut November 2014 5. 2015 Audit Plan 6. Others <ul style="list-style-type: none"> - Report on NPL Progress
48	9 December 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. Pre-year End Audit Results 31 October 2014 3. Budget 2015
49	16 December 2014	<ol style="list-style-type: none"> 1. Movement of Credit and Funding 2. 2014 Employee Engagement Survey Result Preview 3. Budget 2015

Remuneration Approval Procedures for the Company's Directors



The amount of remuneration and benefits for the Company's Directors will be established at the GMS, a task assigned to the GMS by the Board of Commissioners. When making their decision, the GMS will take into consideration the recommendations made by the Remuneration and Nomination Committee.

The remuneration of the members of the Directors for their services as Commissioners in a non-bank subsidiary controlled by the Company has to be approved by the Company.

No	Remuneration type and other facilities	Amount Received in 1 Year	
		Person	Million Rupiah
1	Remuneration (salary, allowances, bonuses and other facilities (housing, transportation, health insurance and others)	13	153,223.79
2	Other facilities (housing, transportation, health insurance, and others), with *:		
	a. Can be owned	-	-
	b. Cannot be owned	-	-
Total		13	153,223.79

Remuneration Type per Commissioner in 1 Year	Number of Directors
Above Rp2 billion	13
Above Rp1 billion – Rp2 billion	-
Above Rp500 million – Rp1 billion	-
Rp500 and bellow	-

* Equivalent to Rupiah

Assessment of the Directors' Performance

CIMB Niaga has been applying the Balanced Scorecard (BSC) to execute strategies and monitor performances. In addition, the implementation of the BSC has been adjusted to accommodate growth and changes. This is in line with the Company's policy of maintaining its culture of high performance. To ensure that the Company's strategy is well executed, its strategic objectives are translated into KPI agreed upon by Directors' and all employees.

CIMB Niaga's KPI framework has been prepared in order to meet the strategic objectives outlined in the four Balanced Scorecard perspectives, namely Financial, Customer, Internal Process and People.

The appraisal of the Directors' performance in 2014 was based on collegial performance parameters and individual/sectoral performance. The performance appraisal took into account both quantitative and qualitative factors. Furthermore, the basis of success measurement of success can be reflected in the performance of the Bank's Board of Directors, which includes aspects of risk profile, Good Corporate Governance (GCG), profitability and capitalization.

The performance appraisal strategy for members of Directors is prepared jointly by the Directors, and approved by the Board of Commissioners through the Nomination and Remuneration Committee and the AGM. The scoring system is continually improved in line with the Company's business growth. The results of the performance appraisal are taken into account when the decision is made about each Director's remuneration.

Throughout 2014, the Directors had managed the company well achieving its financial targets given the challenging economic conditions. The Directors highly prioritized risk mitigation, and maintaining the quality and stability of the Company's assets.

Opinion of the Board of Commissioners on the performance of Directors

BOC gives an appreciation for all the efforts of made by the Board of Directors and the entire management that have enabled CIMB Niaga Niaga to manage be through market turbulence in 2014 and maintained its position as one of the leading banks in Indonesia. Although lower than expected, CIMB Niaga was still able to post quite high performance. The company posted a net profit of IDR2.3 trillion with an ROE of 8.5% and loan growth of 12.4%. The non-performing loan was higher than the industry at the end of 2014 and was maintained below the Bank Indonesia provisions. In terms of customer deposit, the Company's

fund grew 8.8% from the previous year. We also continued to grow our capital with a CAR of 15.58% at the end of 2014.

In connection with GCG, the Board of Commissioners is satisfied with CIMB Niaga structure, especially as the Bank received "The Best Overall ASEAN Corporate Governance Scorecard" Award from the Indonesian Institute for Corporate Directorship. This award demonstrates the success of the Board of Directors in applying GCG principles and its commitment to keep up transparency and accountability to all of the Bank's stakeholders.

Table of Rating Criteria for Directors

No.	Description/ Performance	Directorate											
		Business						Support					
		President Director	Corporate Banking	Commercial Banking	SMME	Consumer Banking	Treasury and Capital Market	Credit	Risk Management	Operations and IT	Compliance, Corporate Affairs & Legal	Strategy and Finance	HRD
1	Shared Target	5%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2	Profitability & Cost Management	25%	20%	20%	20%	20%	35%	10%	10%	10%	10%	10%	10%
3	Business Foundation	20%	25%	25%	25%	25%	10%	-	-	-	-	-	-
4	Customer	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
5	Key Initiatives & Improvement	5%	-	-	-	-	-	35%	35%	35%	35%	35%	35%
6	Manajemen Risiko	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
7	Learning & Growth	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

Training of the Directors

No	Name	Type of Seminar	Time and Place
1	Arwin Rasyid	Leadership Series with Djoenaedi Joesoef	19 March 2014 (Jakarta)
		Leadership Series with TP Rachmat	4 June 2014 (Jakarta)
		Seminar Industri Baja	16 June 2014 (Jakarta)
		Leadership Series with Prof. Dr. Djokosantoso Moeljono	13 November 2014 (Jakarta)
		Sharia Executive Training	14-15 November 2014 (Jakarta)
2	D. James Rompas	Leadership Series with Djoenaedi Joesoef	19 March 2014 (Jakarta)
		New Credit Process	23 June 2014 (Jakarta)
		Sharia Executive Training	14-15 November 2014 (Jakarta)
3	Lo Nyen Khing	Leadership Series with Djoenaedi Joesoef	19 March 2014 (Jakarta)
		Roundtable Discussion Implementasi Basel III Di Indonesia	21 April 2014 (Jakarta)
		Leadership Series with TP Rachmat	4 June 2014 (Jakarta)
4	Handoyo Soebali	Seminar Industri Baja	16 June 2014 (Jakarta)
		-	-
5	L. Wulan Tumbelaka	Leadership Series with Djoenaedi Joesoef	19 March 2014 (Jakarta)
		ASEAN Corporate Governance Scorecard	16 April 2014 (Jakarta)
		Leadership Series with TP Rachmat	4 June 2014 (Jakarta)
		Basel III and Liquidity Risk Management Framework	14 August 2014 (Jakarta)
		Hardwiring RM Process Into Strategic Loan Growth, Capital Planning & Corporate DNA	15-16 September 2014 (Moskow, Rusia)
6	M. Fadzil Sulaiman	Sharia Executive Training	14-15 November 2014 (Jakarta)
		-	-
7	Wan Razly Abdullah	Leadership Series with Djoenaedi Joesoef	19 March 2014 (Jakarta)
		Leadership Series with TP Rachmat	4 June 2014 (Jakarta)
		Basel II Introduction and It's Application in Business	13 August 2014 (Jakarta)
		Basel III and Liquidity Risk Management Framework	14 August 2014 (Jakarta)
		Senior Credit Workshop	28-29 August 2014 (Jakarta)
		7th Annual Liquidity, Treasury & FTP	3-5 September 2014 (Singapura)
		Leadership Series with prof. Dr. Djokosantoso Moeljono	13 November 2014 (Jakarta)
		Sharia Executive Training	14-15 November 2014 (Jakarta)
8	Rita Mas'Oen	Leadership Series with Djoenaedi Joesoef	19 Marh 2014 (Jakarta)
		Leadership Series with TP Rachmat	4 June 2014 (Jakarta)
		Transforming Your Risk Framework & Developing an Effective Risk Culture	11-13 June 2014 (Hongkong)

No	Name	Type of Seminar	Time and Place
9	Samir Gupta	4DX Implementation Townhall	25 April 2014 (Jakarta)
10	Megawati Sutanto	Transforming Your Risk Framework & Developing an Effective Risk Culture	11-13 June 2014 (Hongkong)
11	Harjanto Tanuwidjaja	Leadership Series with Djoenaedi Joesoef	19 March 2014 (Jakarta)
		4DX Implementation Townhall	25 April 2014 (Jakarta)
		Leadership Series with TP Rachmat	4 June 2014 (Jakarta)
12	Vera Handajani	Leadership Series with Djoenaedi Joesoef	19 March 2014 (Jakarta)
		GRC Forum 2014, Combined Assurance: Implementasi Governance, Risk Management, and Compliance (GRC) di Era Industri Keuangan Terintegrasi	15 April 2014 (Jakarta)
		ASEAN Corporate Governance Scorecard	16 April 2014 (Jakarta)
		Leadership Series with TP Rachmat	4 June 2014 (Jakarta)
		Basel II Introduction and It's Application in Business	13 August 2014 (Jakarta)
		Basel III and Liquidity Risk Management Framework	14 August 2014 (Jakarta)
		Capital Management	6 October 2014 (Jakarta)
		Southeast Asia Leadership Seminar	20-23 November 2014 (Phuket, Thailand)
13	John Simon	Risk Management Certification Program Level 5 public class	24 March 2014 (Jakarta)
		Asean Corporate Governance Scorecard	16 April 2014 (Jakarta)
		Leadership Series with TP Rachmat	4 June 2014 (Jakarta)
		Workshop Internal Based Approach (IBA) - Foundation Setting Basel 3	14 August 2014 (Jakarta)



Directors Meeting

Share Ownership at the Company

Based on the Special Register records (list of shareholding of the Boards of Commissioners and Directors, and their families in both the Company and other companies), which is updated every six (6) months, or whenever there is a change, member of the Directors who hold shares at the Company as per 31 December 2014 is as follow:

Name	Position	Number of Shares	%
Arwin Rasyid	President Director	1.381	0

Shareholding in Other Companies

Based Special Register records dated 31 December 2014, and in accordance with the rules of Bank Indonesia, members of the Directors, either individually or jointly, own no more than 25% of the paid up capital of any other company. The Company has complied with this stipulation.

Table of Shareholding that reaches 5% or more of the paid up capital at other Companies

Based on the Special Register record dated 31 December 2014, and in accordance with the rules of Bank Indonesia, no member of the Directors owns more than 5% of the paid up capital of any other company.

No	Name	Other Company	Other Bank	Non-Bank Financial Institution	Description
1	Arwin Rasyid	-	-	-	None
2	Daniel James Rompas	-	-	-	None
3	Lo Nyen Khing	-	-	-	None
4	Handoyo Soebali ¹⁾	-	-	-	None
5	Lydia Wulan Tumbelaka	-	-	-	None
6	Mohamed Fadzil Sulaiman ²⁾	-	-	-	None
7	Wan Razly Abdullah	-	-	-	None
8	Rita Mas'Oen	-	-	-	None
9	Samir Gupta	-	-	-	None
10	Megawati Sutanto	-	-	-	None
11	Harjanto Tanuwidjaja	-	-	-	None
12	Vera Handajani	-	-	-	None
13	John Simon ³⁾	-	-	-	None

¹⁾ Effective resigned at the AGM held on 27 March 2014

²⁾ Dismissed with Honor on 27 March 2014

³⁾ Appointed during the AGM held on 27 March 2014 and effective following FSA Approval on 29 August 2014

Positions outside the Company's the Directors on 31 Desember 2014

No	Name	Position at CIMB Niaga	Position outside CIMB Niaga	Company/Entity/Organization
1	Arwin Rasyid	President Director	None	-
2	Daniel James Rompas	Vice President Director	None	-
3	Lo Nyen Khing	Vice President Director	None	-
4	Handoyo Soebali ¹⁾	Director	None	-
5	Lydia Wulan Tumbelaka	Director	None	-
6	Mohamed Fadzil Sulaiman ²⁾	Director	None	-
7	Wan Razly Abdullah	Director	President Commissioner Commissioner	PT Kencana Internusa Artha Finance PT CIMB Niaga Auto Finance
8	Rita Mas'Oen	Director	None	-
9	Samir Gupta	Director	President Commissioner	PT CIMB Niaga Auto Finance
10	Megawati Sutanto	Director	None	-
11	Harjanto Tanuwidjaja	Director	None	-
12	Vera Handajani	Director	None	-
13	John Simon ³⁾	Director	None	-

¹⁾ Effective resigned at the AGM held on March 27, 2014

²⁾ Dismissed with Honor on March 27, 2014

³⁾ Appointed during the AGM held on March 27, 2014 and effective following FSA Approval on August 29, 2014

THE EXECUTIVE COMMITTEES

The Executive Committees are committees at the level of the Board of Directors established to support the implementation of the duties and responsibilities of the Directors. In accordance with BI Regulations, the Company is required to have three (3) Executive Committees, which are Risk Management Committee, Asset Liability Committee and IT Steering Committee. As its business is growing more complex that has made more important the implementation of good governance, the Company has formed eight additional Executive Committees based on Directors decree each carrying duties and responsibilities set out in the Terms of Reference of each Committee. The organizational structure of the Executive Committees is based on the minutes of meeting of the Board of Directors.

The composition of the Executive Committees is available in the Risk Management discussion of this annual report.

Risk Management Committee (RMC)

Structure

- Chairman: President Director
- Vice Chairman 1: Vice President Director and Corporate Banking Director
- Vice Chairman 2: Risk Management Director
- Member:
 - Vice President Director and SMME Director
 - Director of Operations and IT
 - Director of Commercial and Sharia Banking
 - Director of Compliance, Corporate Affairs & Legal
 - Director of Treasury and Capital Market
 - Director of Strategies and Finance
 - Director of Consumer Banking
 - Director of HRD

Duties and Responsibility

1. To recommend risk strategy, risk appetite
2. To review the implementation of risk management at the Company and its subsidiaries.
3. To review and analyze the consolidated risk reports
4. To review and analyze the consolidated risk profile whether individually or collectively with its subsidiaries each quarter.
5. To review and analyze capital adequacy at the Company and its subsidiaries.
6. To give approval for the bankwide and Management Action rigger (MAT) such as sector/industry limits Value at Risk (VaR) Limit

7. To have a report from the Secretary of Business Development Committee (BDC) related to products and activities that have been approved by the BDC.
8. 10. To review and approve proposals submitted by the ALCO (Asset & Liabilities Committee), ORC (Operational Risk Committee) dan CPC (Credit Policy Committee).
9. To review other important issues that needs to be addressed in Risk Management Committee.

Work Program in 2014

1. Approval for and evaluation of policies related to risk management.
2. Synergy with CIMB Group in the implementation of the best risk management strategy.
3. To improve effectiveness with a focus on key risk issues
4. Meet Bank Indonesia Regulation in the field of risk management.

Realization of Work in 2014

1. Performed an analysis and evaluation of several industrial sectors and determined limits for all sectors/industries
2. Approved Limit Value at Risk (VaR), Obligor Risk Rating, Internal Credit Rating, Score Card for consumer financing products (Credit Card and Personal Loan) and recalibrated score card applications at subsidiaries.
3. Approved the review of the end-to-end mortgage.
4. Approved the review of parameters in the calculation of Risk Based Bank Rating (RBBR)
5. Approved the proposed Product Limit Framework in consumer financing.
6. Evaluated liquidity especially related to the Financing to Deposit Ratio (FDR) parameters and to the competitiveness of return of Sharia Business Unit (UUS).
7. Approved the results of bank-wide stress tests.
8. Discussed the matter Arising from previous RMC meeting (if any).

Operational Risk Management Committee (ORC)

Structure

- Chairman: Vice President Director and SMME Director
- Vice Chairman 1: Risk Management Director
 - Vice Chairman 2: Director of Operations and IT
 - Secretary: Head of Operational Risk Management

- Member:
 - Vice President Director and Director of Corporate Banking
 - Director of Commercial and Sharia Banking
 - Director of Compliance, Corporate Affairs & Legal
 - Director of Treasury and Capital Market
 - Director of Strategies and Finance
 - Director of HRD
 - Chief Audit Executive**

* voting right refers to BoD Charter

** non-voting member

Note: all BOM are regular participants with not voting rights

Duties and responsibilities

1. Approve the framework and risk policies to ensure the framework is suitable for the size and complexity of the Company's business today and in the future
2. Review and update material issues related to operational risk and monitor the management's response/actions in managing the risks
3. Oversee the Company's operational risk control environment by:
 - a. Reviewing risk reports from all directorates
 - b. Requesting and reviewing thematic report
4. Review and approve the Company's operational policies and their changes that will be escalated to ORC based on necessity
5. Address other urgent and important issues which need ORC's decisions.

Work Program in 2014

1. Reviewed and approved the Operational Risk Policy and other relevant policies and ensured that these policies and procedures have been carried out adequately.
2. Improved the structure and scope of the ORC by introducing new reporting mechanism where business and support units are required to assess and report on risk ranking and control environment of operational risk.
3. Improved the monitoring function particularly in material operational risks and thematic risks to ensure mitigation actions had been made.
4. Evaluated the implementation of operational risk management process to ensure effective implementation of the Three Lines of Defense.
5. Reviewed the adequacy of risk identification and implementation of control over the activities of branchless banking.
6. Reviewed and monitored progress in projects and initiatives that were supportive of operational risk management.

2014 Work Realization

1. ORC approved Management Incident Policy and Operation Risk Losses among others, that regulate that operational risk incidents that have significant impacts to the Company shall be escalated to the Board of Directors and managed properly in order to ensure that the impacts are minimum.
2. Reviewed the assessment of risk presented by each business unit/support both conventional and Syariah including subsidiaries and gave direction and decisions for necessary environmental improvement and development of control system.
3. Reviewed and provided guidance on Branchless Banking activities such as Digital Lounge, Mobile Accounts, Go Mobile, etc. in order to ensure a thorough identification of risks and adequate risk mitigation
4. Reviewed operational risk incidents that have material impacts and cases of fraud in 2014 and ensured the root cause analysis has been done with mitigation and corrective process to prevent them from happening in the future.
5. Reviewed and provided guidance on the implementation of the Quality Assurance function as the first line of Defense.
6. Monitored the Handling of Customer Complaints Reports including reports that have been sent to the regulators to ensure prompt and proper treatment.
7. Reviewed the margin and statements transitory accounts and containment in order to ensure corrective and preventive actions have been implemented to prevent misuse.
8. Monitored corrective actions on monitoring and compliance activities and met the underlying document of foreign currency transactions to ensure they were made in accordance with regulations to minimize possible fines/penalties.
9. Reviewed and recommended corrective actions on the process of formulating policies and operational procedures to improve the quality and understanding of employees, for examples in Micro Finance and Sharia Units.
10. Reviewed and monitored operational activities in order to improve risk management, including incentive calculation process, dormant accounts handling, management of unregistered documents, pick up service, etc.

11. Monitored the readiness of the Company in complying with the FSA (OJK) regulations on Consumer Protection.
12. Approved improvements in the New Product Approval Policy.
13. Evaluated the achievement of Business Continuity Management (BCM) in 2013 and monitored the 2014 Business Continuity Plan.

Information Technology Steering Committee (ITSC)

Structure

- Chairman: Vice President Director
- Vice Chairman 1: Director of Operations and Information Technology
- Vice Chairman 2: Director of Consumer Banking
- Member:
 - Director of Strategy & Finance
 - Director of Compliance, Corporate Affairs & Legal
 - Director of Risk Management
 - Head of Transformation Office & Solution Delivery
 - Head of Technology Infrastructure
 - Head of Consumer Lending
 - Head of Centralized Bank Operation
 - Head of Service Quality & Network Development
 - Chief of Transaction Banking
 - Head of Internal Audit Unit

Duties and responsibilities

1. Formulate short-term and long term IT plans and budget allocation.
2. Make priorities and monitor strategic IT projects.
3. Formulate and monitor the effective implementation of IT policies.
4. Thoroughly monitor IT services efficiency.
5. Review budgets and IT spending pattern.
6. Assess the effectiveness of efforts to minimize risks in IT investment.
7. Address issues IT.
8. Review and evaluate activities in Business Continuity Plan (BCP) execution and in Disaster Recovery Plan (DRP).
9. Review and formulate a process/acquisition of new IT infrastructure.
10. Review and evaluate IT security.

2014 Work Programs

1. To formulate Information Technology strategic plan.
2. To determine priorities and monitor Information Technology projects.
3. To formulate and monitor the implementation of Information Technology policies.

4. To monitor the efficiency of Information Technology services.
5. To review capital expenditure and Information Technology budgets.
6. To evaluate post-implementation project for Information Technology investment risk analysis.
7. To address Information Technology issues.
8. To evaluate Business Continuity Plan and Disaster Recovery Plan.
9. To assess Information Technology infrastructure.
10. To evaluate IT Security.

2014 Work Realizations

1. Formulated IT Strategic Plan for 2014-2017.
2. Regularly monitored the development of strategic project status of Information Technology.
3. Established 2014 IT Policy.
4. Monitored the 2014 IT Service Level Agreement.
5. Established Information Technology projects in the 2014 Corporate Operating plan.
6. Evaluated the results of the Project Implementation Review of Corporate Operating Plan.
7. Evaluated Information Technology issues.
8. Established 2014 DR Testing Plan.
9. Monitored New Data Center Project.
10. Established Security Testing & Service in 2014.

Asset & Liability Committee (ALCO)

Structure

- Chairman: Director of Strategy & Finance
- Vice Chairman 1: Director Treasury and Capital Markets
- Vice Chairman 2: Vice President and Director of Corporate Banking
- Secretary: Assets and Liabilities Management Head
- Members
 - President Director
 - Vice President & Director of SMME
 - Consumer Banking Director
 - Director of Commercial Banking and Sharia
 - Treasury Sales Head
 - Head of the Risk Management Unit
 - Head of Syariah Banking
 - Head of the Internal Audit Unit *
 - Director of Risk Management **
 - Chief Corporate Banking Officer **
 - Chief Financial Institutions and Non-Banking Financial Institution Officer **
 - Transaction Banking Chief Officer **
 - Product and Performance Management Business Head - Commercial Banking **

- Preferred, Private, Wealth Management & Business Head Consumer Liabilities **
- SMME Chief Officer **
- Consumer Lending Head **

* Non-voting member

** Member since December 1, 2013

Duties & Responsibilities

Balance Sheet Management

- Review and approve risk objectives and returns to generate sound balance sheet.
- Approve all matters relating to risk management and balance yield according to predetermined limits.
- Review, evaluate and approve proposed hedging strategies in accordance to the agreed limits.
- Review, evaluate and approve new products and product variations of Corporate, Commercial, Retail and Syariah Banking.
- Assess, evaluate, and approve pricing of Corporate, Commercial, Retail and Syariah Banking products exclusive of capital markets and money markets.
- Analyze, review, and evaluate performances of each product particularly concerning issues on profitability, volume, and market share.

Liquidity Management

- Establish liquidity management policies.
- Assess resources and uses of funds, and monitor bank liquidity level to create an optimum level.
- Assess performance of initiatives in order to generate more customer deposits against predetermined targets in Retail, Commercial, Corporate, and Sharia Banking.
- Monitor and convince relevant parties in order to secure liquid cash flow in different scenarios (conditions).
- Address disputes between divisions arising in efforts to raise funds.
- Ensure that the Bank is capable of cost-effectively meeting cash flow commitments in a timely manner even during turbulence in the financial markets.
- Assess the maturity of funding and diversify funding sources by trying not to rely on fluctuating sources of funds.
- Secure the Bank's compliance with BI regulations.
- Oversee how LMAT (Liquidity Management Action Triggers) are being monitored.
- Monitor the development of stress testing in liquidity risk.
- Conduct periodic reviews of CFP (Contingency Funding Plan).
- Oversee liquidity risk management in line with new product and business developments.

Work Program for 2014

- To optimize the Company's balance sheet for optimum return.
- To revise FTP framework to improve transparency to business units, optimize balance sheet management, make more accurate price-signaling.
- To keep Company's liquidity position compliant with internal policies and external regulation.
- To manage interest risk.

2014 Work Realizations

- Established Total MAT LDR and KLDJ limits of 95.00% and 90.00% respectively.
- Established banking book limits on interest rate risk by measuring price value of base point (PVBP) as follows:

	Rp million	USD
ALERT (L&D)	7.000	40.000
MAT (L&D + T&M + EXCO)	15.000	45.000

- Ensured that the Company's liquidity remained at an optimum level through routine projections of estimated loans and savings per quarter.
- Adjusted third party funds and loan product interest levels in order to remain competitive in the market.
- Implemented the new FTP framework in order to improve transparency in Business Units, and ensure more optimum balance sheet management, and further optimize the accuracy of price signaling.

Credit Policy Committee (CPC)

Structure

- Chairman: Vice President Director and Director of Corporate Banking
- Vice Chairman 1: Director of Credit
- Vice Chairman 2: Director of Risk Management
- Secretary: Head of Credit & Operations Policy
- Member:
 - Vice President Director and Director of SMME & Sharia
 - Director of Commercial Banking
 - Director of Treasury & Capital Market
 - Director of Consumer Banking
 - Director of Operations & Information Technology
 - Director of Compliance, Corporate Affairs & Legal (Non-Voting Member)

Duties and Responsibilities

1. To determine and assure consistency of:
 - a. loan policy and credit management strategy including Risk Acceptance Criteria (RAC) in line with the Bank's risk appetite;
 - b. the Bank's compliance with the approved loan management policies and prevailing regulations particularly those which govern exposures to significant risks.
 - c. approval for changes in credit policy and the Bank's credit management strategy;
 - d. the number, nature, characteristics, exceptions to the principles and guidelines of credit, important trends in credit quality, market and economic trends and other matters potentially affecting the Bank's credit profile;
 - e. supervision of the implementation of the Bank's Credit Policy;
2. To approve the criteria for Bank executives as members of the Credit Committee.
3. To accept debtor notification that exceeds in-house credit limit.

2014 Work Program Realization

1. Delegated Authority (DA):
 - Changes in the composition of the Head Office Credit Committee (Executive Credit Committee, Senior Credit Committee, Credit Committee & Non Performing Loan Credit Committee).
 - Changes in the authority given to write off loans related to changes in write off components.
2. Improvement of policies related to:
 - a. Consumer Loans:
 - Make the Personal Loan Champion Challenger a Permanent Provision for Loan Assignment Liabilities, Monthly Gross Income Program Payroll, Liabilities Cross Sell and Payroll Cross Sell, make regular the Champion Challenger Personal Loan for CIMB Niaga Staff.
 - Revision and improvement of provisions of Personal Loans related to Framework, Methodology and Quality Acquisition Triggers.
 - Changes in the top brand of Auto Loans.
 - The determination of action triggers on collateral that is marked to market.
 - Changes in mortgage policies related to the collateral value of new financing from partner developers (Conventional & Sharia)
 - b. Commercial Loans:
 - Changes in the Policy of Credit Program, where financing can be disbursed through a scheme of Value Chain, Micro Commercial Linkage and Special Loan Purpose.

- Changes in the Policy of the Establishment of Public Appraisal Service Office (KJPP) for the Company's partners and the appointment of KJPP committee members.
 - Changes in Lending Policy Model for Small Medium Enterprise (SME) to Rp 5 Billion and Enhancement of Credit Retail Decision Engine (SME Retail Lending program up to Rp 10 billion) and Semi Product Program (Non-Retail SME Lending Program in the range of Rp 10 billion to 25 billion).
 - Changes in the Policy of Commercial Collateral related to the acceptance of collateral (shares and guarantees) and the implementation of Merchandise Inspection (regular checks of collateral).
 - Changes and adjustments to Policy for products of Trade Finance related to the minimum cash collateral coverage, on-condition approvals, the application for the Stand By Letter of Credit (SBLC) and on-condition Risk Participation.
 - Changes in Policy of Sector Limits (the determination and monitoring of hard limits). Improvements in the standard of Credit Agreement/General Terms Changes in the Policy of Treasury (Counterparty) related to Forex Transaction Facility.
- c. Sharia:
- Improvements in the Policy of Rahn related to the appointment of limit holders, the implementation of Credit Checking and maximum (cap) financing.

Business Development Committee (BDC)

Structure

- Chairman: Director of Consumer Banking
- Vice Chairman 1: Director of Strategy & Finance
- Vice Chairman 2: Director of Operations & Information Technology
- Secretary:
 - Head of Private, Preferred, Wealth Management & Consumer Liabilities Business
 - Corporate Finance & Special Projects Head
- Members:
 - President Director
 - Vice President Director & Director of SMME
 - Director of Treasury & Capital Markets
 - Director of Commercial Banking & Sharia
 - Compliance Director, Corporate Affairs & Legal *
 - Director of Risk Management
 - Head of Private, Preferred, Wealth Management & Consumer Liabilities Business

- Chief of Transaction Banking Officer
Syariah Banking Head
- Head of Sales & Distribution and Branchless Banking
- Head of the Risk Management Unit
- Corporate Finance & Special Projects Head
- Head of Internal Audit Unit *

* Non-voting member

Duties and responsibilities

1. Approve or reject proposals for a product or activity (be it a new product, product variation and product development).
2. Approve new distribution channels, variety, and development and new concepts for branches.
3. Ensure that product owners conduct performance reviews of all products / activities that require approval from Bank Indonesia, within 6 months after such product/activity is introduced.
4. Gain authority to request branches to give information or present their activities, marketing plans, and performance (when necessary).

2014 Work Programs

1. To develop products/activities and programs related to business and marketing, in order to produce quality products/activities and programs, that are beneficial and can meet the needs of customers and the society.
2. To improve the quality and added value to products and services both in terms of technology and services in order to allow fast and competitive response/feedback from the community.

2014 Work Realizations

1. Approved products/activities and programs of consumer banking (conventional and Syariah), wealth management, treasury (conventional and Syariah), branchless banking, transaction banking, corporate and commercial banking. Conducted more intense promotion and marketing for products with various promotional and marketing strategies for products of consumer banking (conventional and Syariah) including credit cards and debit cards. Conducted post Implementation Review of products of consumer banking (conventional and Syariah), wealth management, Treasury (conventional and Islamic), branchless banking, transaction banking, corporate and commercial banking.

Marketing and Communications Committee (MarCom)

Structure

- Chairman: Director of Consumer Banking
- Vice Chairman: Director of Compliance, Corporate Affairs & Legal
- Secretary: Corporate Communication Group Head
- Members:
 - President Director
 - Director of Corporate Banking
 - Director of Finance and Strategy
 - Head of Corporate Affairs
 - Head of Preferred, Private Wealth Management and Consumer & Business Liability
 - Head of Sales and Distribution Branch & Branchless Banking
 - Head of Consumer Lending
 - Head of Syariah Banking

Duties and responsibilities

1. Give strategic direction on CIMB Niaga brand, which includes strategies and integrated communication plans, value proposition and positioning executed in line with CIMB Niaga's corporate image.
2. Evaluate and approve marketing communications activities, including Above the Line and Below the Line campaigns and corporate events.
3. Provide strategic direction in the selection of communication media that are effective and efficient, comprehensive, and sustainable, including budgets involved.
4. Evaluate and give direction in all internal and external communications activities.
5. Coordinate marketing communication activities undertaken by corporate or business units.

2014 Work Realizations

1. Approved the communication plan for Syariah Platinum Card, CIMB Niaga Hypermart Savers, Tabungan Pendidikan Xtra, CIMB Niaga On Account, Tabungan iB Pahala and iB Rencana Haji, CIMB Niaga AirAsia BIG Card, VISA Paywave Card, Affinity Card, Preferred Infinite Card, and gave communication guidelines for JCB Ultimate Card.
2. Reviewed, provided input and approved Innovation From the Heart as CIMB Niaga new Brand Positioning.
3. Approved the communication plan and supported The Color Run.
4. Approved the corporate communication campaign in social media (Facebook) that is designed in the form of CIMB Niaga Ajak Teman, which allows the activation of Rekening Ponsel via CIMB Indonesia Facebook.
5. Approved the proposed umbrella campaign program - Ramadan - in Indosiar.
6. Directed and gave proposal related to Consumer Banking Campaign & Marketing Collateral Revamp.
7. Approved the proposed event of The Color Run in 2014. Monitored the Company's advertising expense.

Personnel Policy Committee (PPC)

Composition

- Chairman: President Director
- Vice Chairman 1: Human Resources Director
- Vice Chairman 2: Vice President & SMME Director
- Secretary: Head of Human Resources Business Partner
- Members:
 - Vice President Director & Corporate Banking Director
 - Compliance, Corporate Affairs & Legal Director
 - Credit Director
 - Operations & Information Technology Director
 - Consumer Banking Director
 - Treasury & Capital Market Director
 - Strategy & Finance Director
 - Risk Management Director

Duties and Responsibilities

1. Ensure that the HR policies and strategies are aligned with, and supportive of, CIMB Niaga's Vision, Values, Culture and Aspirations, as well as compliant with prevailing rules and regulations in Indonesia.
2. Review and approve guidelines for total compensation including salary, bonuses, incentives, benefits and other matters relating to remuneration.
3. Review and approve employment planning, and meet the need for labors both internal and external source, especially for senior leaders and executives.

4. Review and approve CIMB Niaga's organizational structure and changes made.
5. Review and approve the Annual Key Performance Indicators (KPIs), as well as the Company's Performance Management System and its achievements.
6. Review and approve employee development plans and training, including skill development and leadership training for senior executives.
7. Review and make decisions about operational risks related to Human Resource management.
8. Review and make decisions pertaining to industrial matters and Labor Union Management.

Work Program in 2014

1. Reviewed and approved the Remuneration Policy Framework for 2014 and several other HR operational policies. Ensured that the policy was carried out adequately.
2. Conducted review of CIMB Niaga's Vision, Values, and Culture to align them with current developments and the aspirations of shareholders.
3. Identified and enhanced the monitoring function, and ran development programs for high achievers.
4. Reviewed and monitored operational risks associated with human resources, and ensured that sanctions were imposed in accordance with the applicable regulations.
5. Reviewed and approved the Collective Labor Agreement for 2014-2016, as well as policy changes with respect to new employment regulations in Indonesia.

Work Realization in 2014

Throughout 2014, the PPC held 12 meetings with the following themes:

1. Criteria, polices and mechanisms for achievement bonuses and services in 2013, salary adjustments and promotions in 2014, which were based on the achievement profit, the performance of directorates and work units, individual performance, employee numbers, as well as internal and external wage levels.
2. Reviewed and approved the Company's new Vision and Mission, which included internalization and socialization efforts.
3. Approved the launch of a new competency model.
4. Approved the implementation of the Employee Engagement Survey (EES) and the Internal Customer Satisfaction Survey (ICSI).
5. Approved the 2014 performance assessment results through validation from each directorate/sub-directorate/area.

6. Approved the proposed changes to the Employee Loan scheme, and reviewed the impacts of the BPJS program – effective beginning of 2015 - on the Company's health scheme.
7. Approved the launch of a new performance indicator framework for 2015.
8. Launched the CIMB program Talent Review Board (TRC), as well as internal mobility at CIMB Niaga for employees who have held the same position for 3 consecutive years.
9. Determined that the Board of Commissioners and the Board of Directors represent CIMB Niaga with subsidiaries in accordance with applicable criteria and requirements.
10. Assessed and appointed executives for Sharia, Micro, ARR, Government Relations Corporate Banking. Assessed and appointed members of the Board of Management.
11. Approved the sanctions that had been imposed by the Disciplinary Committee, and provided guidance about possible actions that could prevent violations and enforced discipline.

Capital Investment Committee (CIC)

Structure

- Chairman: Vice President Director
- Vice Chairman: Strategy and Finance Director
- Secretary: PMO Group Head
- Members:
 - Consumer Banking Director
 - Commercial Banking & Sharia Director
 - Operations & Information Technology Director
 - Corporate Banking Director
 - Head of Information Technology
 - Head of Transformation Office
 - Head of Risk Management
 - Head of Business Unit

Duties and Responsibilities

1. Approve, and provide recommendations associated with, projects proposed by project coordinators (whether related or not related to IT) after taking into accounts limits in Capex budgeting and the availability of IT resources.
2. Guide the approval of Capex/Opex for each project.
3. Determine project rating (ie. a, b or c) based on its urgency in line with the Company's vision and mission.
4. Approve IT projects after consideration of recommendations of the IT Team about the available IT resources.
5. Hold meetings with ITSC (IT Steering Committee)

Work Realization in 2014

Having been approved as the Directors Executive Committee on 24 July 2012, the Capital Investment Committee (CIC) held a total of 11 meetings (4x mid year meeting funneling & 7x funneling meetings) in 2014 with the following discussions:

1. Overview of the 2014 corporate projects performance.
2. Approved corporate projects proposed by the business and supporting units to be implemented in 2015. Set priorities for approved projects.
3. Approved the budget for the approved projects to be implemented in 2015, including for project carried over from the previous year.
4. Approved the timeline for the implementation of projects approved for 2015, including for projects carried over from the previous year.

Table of Attendance of the Executive Committee Meeting

No	Name	ALCO	BDC	CPC	ITSC	MAR COM	ORC	PPC	RMC	CIC
		Attendance								
1	Arwin Rasyid	32	-	NM	NM	3	NM	6	1	NM
2	D. James Rompas	26	-	7	2	NM	6	9	7	5
3	Lo Nyen Khing	35	NM	6	NM	NM	2	10	10	3
4	Handoyo Soebali	2	NM	-	NM	NM	NM	1	NM	NM
5	L. Wulan Tumbelaka	NM	9	9	6	6	12	8	8	4
6	M. Fadzil Sulaiman	6	NM	-	NM	NM	NM	3	NM	NM
7	Wan Razly Abdullah	34	13	3	8	7	11	10	10	9
8	Rita Mas'Oen	NM	6	5	9	NM	11	7	5	7
9	Samir Gupta	20	7	2	2	8	2	6	3	4
10	Megawati Sutanto	NM	NM	5	NM	NM	2	10	4	NM
11	Harjanto Tanuwidjaja	NM	2	NM	NM	NM	9	11	8	NM
12	Vera Handajani	18	7	10	5	NM	14	11	12	5
13	John Simon	10	2	2	NM	NM	2	6	5	NM
Number of Meetings		47	16	10	9	9	14	12	12	9
Minimum Number of Meetings		10	9	6	6	6	9	6	10	1

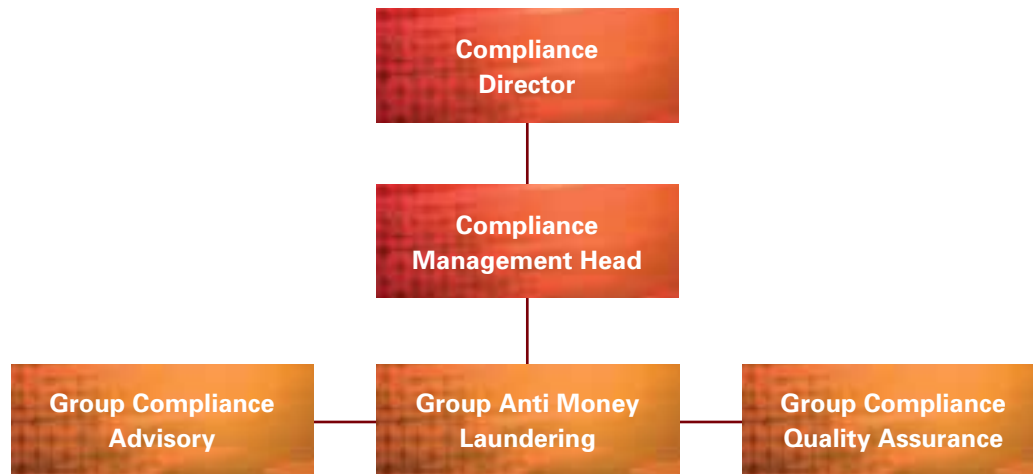
NM: Non Member



COMPLIANCE MANAGEMENT

Compliance Unit is chaired by Liston Siahaan

Organizational Structure



Compliance Culture and Principles

Compliance culture constitutes values, behaviors, and actions that are supportive of the Company's compliance with prevailing rules and regulations, including Sharia Principles for Sharia Business Unit.

To foster a culture of compliance, the Company prepares compliance policies based on the following principles of compliance:

1. Compliance starting from the top.
2. Compliance is the responsibility of all parties.
3. The fulfillment of the applicable laws and regulations.
4. Competence and integrity.
5. Oriented to stakeholders.
6. Dedication to the Company.
7. Orientation towards problem solving.

The Company applies culture and compliance principles to encourage all participants to comply with applicable laws and regulations and ethical standards to allow the Company to perform well and maintain its reputation.

Compliance Function

The Company has an independent and strategic Compliance Unit as an ex-ante function which is directly responsible to Director of Compliance and is structured to not face conflicts of interest when carrying out its responsibilities. The Compliance function includes actions to:

- a. Realize the implementation of a compliance culture at all levels of the organization and within all activities of the Company;
- b. Manage Compliance Risks faced by the Company;
- c. Ensure that policies, regulations, systems and procedures and business activities conducted by the Company are compliant with regulatory provisions and prevailing legislation, including the Sharia Principles for Sharia Business Unit; and
- d. Ensure compliance with the commitments made by the Company to regulators.

In carrying out its functions, SKK coordinates with business units and other supporting units to manage compliance risks properly to minimize the impacts of such risk and at its early stage. Therefore, SKK is supported and coordinates with the Designated Compliance & Operational Risk Officer (DCORO) stationed at relevant units, who are tasked to monitor the application of the principles of compliance and compliance risk mitigation in their respective work units. In addition, the SKK also manages the implementation of Anti -Money Laundering and Combating the Financing of Terrorism (AML and CFT) activities and those of Whistle Blowing system and monitors the implementation of GCG.

Duties

The duties and responsibilities of the Compliance Unit (SKK) include to:

- Make necessary measures to support the establishment of a compliance culture throughout the Bank's business activities at every level of the organization;
- Identify, measure, monitor, and control Risk Compliance with reference to Bank Indonesia regulations on the Application of Risk Management for Commercial Banks;
- Assess and evaluate the effectiveness, adequacy, and appropriateness of the Bank's policies, regulations, systems and procedures in line with applicable regulations;
- Review and/or recommend updating and refinement of the Bank's policies, regulations, systems and procedures in accordance with Bank Indonesia regulations and other legislation in force, including Sharia Principles for Sharia Banks and Sharia Business Units;
- Make efforts to ensure that the Bank's policies, regulations, systems and procedures and business activities comply with Bank Indonesia/OJK regulations and other prevailing legislations;
- Perform other tasks related to the compliance function.

To perform its duties and responsibilities SKK carries out various activities or compliance programs, including to:

- Monitor the implementation of Bank Indonesia regulations, including those related to prudential ratios.
- Socialize compliance programs in order for relevant units to comprehend applicable banking regulations through various tools such as regulation and compliance news updates.
- Update and administer databases that contain compliance provisions of banking authorities.
- Align compliance with other work units through the determination of persons in charge to monitor the implementation of compliance (DCORO) and self-assess using compliance matrix.
- Have compliance tests through:
 - compliance test against proposals for new policies or amendments thereto as and the Company's new products and activities, and
 - monitoring of implementation of work units compliance risk assessments using compliance matrix.

- Regularly report compliance both internally and to Bank Indonesia/OJK.
- Conduct self-assessment on the Bank's Compliance Risk in various work units.
- Coordinate with the Sharia Supervisory Board (DPS) related to the implementation of compliance function on sharia principles.
- In addition to the above, the Compliance Unit also serves as a coordinator for the implementation of programs of Anti -Money Laundering and Combating the Financing of Terrorism.

Compliance Indicators in 2014

The Company complied with the prudential ratios during 2014, as shown by the following indicators:

- The Bank's CAR (Capital Adequacy Ratio for credit risk, market risk and operational risk) was 15.50% or well above Bank Indonesia's minimum limit of 9-10%.
- There was no evidence of exceeding or violations of BI's regulations on Bank Lending Limit (LLL).
- Net NPL (Non Performing Loan) was 1.99%, or much lower than Bank Indonesia's maximum limit of 5%.
- The Bank's Statutory Reserves (GWM) met BI regulations, which was 8.13% for primary GWM (BI's minimum requirement is 8%)
- Foreign Exchange Statutory Reserves (GWM) was 8.18%, higher than BI's minimum limit of 8%.
- On and off balance sheet foreign exchange was 0.76%, below the maximum limit of 20% of capital.
- External Auditors stated that the Company's consolidated financial statements were present fairly, in all material respects, in accordance with accounting principles generally accepted in Indonesia.
- Commitments to external parties were principally fulfilled.

Development and Compliance Activities During 2014

As a function of ex-ante, basically the Compliance function supports other work units to ensure that business decisions and operations of the Company are in accordance with the Terms. In support of the Compliance function, SKK principally consists of Compliance Advisory; Anti-Money Laundering; Compliance and Quality Assurance.

Compliance Advisory-Related Activities

- a. Socialization and Internalization
 - To increase Compliance Awareness through socialization and internalization programs to every employee through various means such as CMG News (a medium for conveying information about the new provisions applicable to the relevant unit), Regulation Updates (a media to inform new regulations to relevant units) and training classes.
 - Throughout 2014, Socialization efforts to employees made through CMG News were for 105 provisions; through Regulation Updates to relevant units were for 48 provisions, while class training was given to 3,972 employees.
- b. Compliance Test
 - Compliance Testing is performed by reviewing and analyzing new policies and proposed new products and activities, in order to comply with applicable regulations.
 - During 2014, Compliance Testing was made on 83 new policies and 113 proposed new products and activities.
- c. Monitoring the implementation of compliance-related work units.
 - Monitoring the implementation of Compliance in working units through Compliance Matrix by DCORO. Compliance Matrix is a system of self-assessment to monitor business unit compliance with external regulations and monitor consolidated reports and support functions as follow up actions on business unit activities previously not compliant with relevant provisions.
 - DCORO assessment results were then validated by SKK, to be further used as the basis for the preparation of compliance reports.

The implementation and Reporting Activities of Anti-Money Laundering and Combating the Financing of Terrorism (AML and CFT)

The financial services industry particularly banking offers a wide range of products and services that are vulnerable to the possibility of misuse as a medium of money laundering and terrorism financing. In running its business the Company has a commitment to minimize the use of its products and services as a medium of money laundering and terrorism financing by applying programs of AML and CFT in accordance with the prevailing rules and regulations including in banking, and has always referred to internationally applied general principles.

In accordance with the regulations of the Prevention and Combating of Money Laundering No. 8 in 2010, the Law on Prevention and Combating the Financing of Terrorism Crime No. 9 in 2013, PBI No. 14/27/PBI/2012 and SEBI No. 11/31/DPNP, 31 November 2009, as well as INTRAC regulations, the Company has had and implemented AML and CFT programs set and actively supervised by the Board of Directors and Board of Commissioners, which include:

1. Approval of the policies and procedures of risk-based AML and CFT according to the complexity of the Company's business, which includes the following relevant provisions:
 - a. Customer Due Diligence (CDD) to identify Customers and update customer data, including a method to classify customer risk exposure to being used as money laundering and terrorism financing, the Beneficial Owner identification filter customer data against Anti-Money Laundering (AML Screening).
 - b. Continuous monitoring and analysis to identify the suitability between Customer transactions and CDD Customer profile, including the closure of business relationships and transaction rejections to implement AML and CFT
 - c. The identification and assessment of risks of money laundering and terrorism financing related the Company's products and services
 - d. The identification and Reporting of Suspicious Transactions (LTKM), Cash Financial Transactions (LTKT), Foreign Financial Transactions (LTKL) and Terpasu Service User System (SIPESAT) to INTRAC
 - e. The procedures of new employee screening and employee transaction monitoring as part of the implementation of Know Your Employee (KYE)
 - f. The administration of CDD documents and other documents related to AML and CFT at least 5 (five) years from the termination of business relationship with customers.
2. The establishment of Anti-Money Laundering Group (AML Group) which is responsible for the implementation of AML and CFT programs.

In carrying out its functions, the AML Group which is located at the central office, reports directly to the Director of Compliance, through the Compliance Unit. Currently AML Group consists of 14 (fourteen) employees who have the adequate knowledge and experience in assessing banking and risk mitigation related to the implementation of AML and CFT program. Given its large scope of operations, the Company has established local AML at each of its every branches and certain business units employing 4,684 employees.

3. The application of Management Information System for the implementation of AML and CFT. To monitor customer profile and transactions the Company already has an application system that can identify, analyze, monitor and report on the characteristics of transactions made by customers, including the identification of suspicious ones. Currently this application has been able to conduct a thorough monitoring on all customer transactions in the Company's products including in credit cards, wealth management and custody. The application comes with parameters and threshold, which are continuously developed along with changes in how money is laundered and terrorism financed.
4. The Duty to organize AML and CFT training to employees. Mandatory AML and CFT training is held for new and existing employees on a regular basis. The training applies an interactive method with materials tailored to the type of training participants. AML Group employees are given the opportunity to enroll in the training and certification of AML and CFT held within the country and overseas to improve the ability to analyze and mitigate risks of money laundering and financing of terrorism.
5. Internal Control to evaluate the adequacy and effectiveness of AML and CFT programs. To ensure that the implementation of APU and PPT program conforms to policies that have been introduced, a self-assessment procedure is applied to business and other units to be validated by the AML Group before being reported to the Director of Compliance. In addition, the Internal Audit Unit continuously performs audit work over the implementation of AML and CFT programs.
6. Reporting to relevant regulators on the implementation of AML and CFT. Reports to INTRAC and FAS on the implementation of AML and CFT are made by the AML Group at the head office compliant with prevailing stipulations, including by providing Customer Data to law enforcement officers. During 2014, the Company received an award from the INTRAC and the KPK for its cooperation in the provision of data to these institutions.

During 2014, the implementation of APU and PPT program that has been carried out by AML Group are as follows:

1. Conducted compliance test for 62 new products and 52 proposed policies and procedures that have relevance to the implementation of APU and PPT
2. Performed 44 correspondences with other banks pertaining to the implementation of APU and PPT
3. Gave advice 2,874 times related APU and PPT to existing business units and work units
4. Provided training of APU and PPT to 3,070 employees
5. Submitted reports to PPAK

No	Type of Report	Number of Report
1	LTKT	60.677
2	LTKM	317
3	LTKL	551.170

6. Provided customer data to regulators and law enforcement officials in accordance with prevailing legislation.

No	Regulator/Law Enforcer	Number of Report
1	PPATK	380
2	KPK	266
3	BNN/BARESKRIM	6

Compliance Quality Assurance-Related Activities

- a. Socialization of Conflict Management Policy through new employee induction program and or other awareness programs.
- b. Monitoring the status of findings or follow-ups that should be made by the Company, which then is periodically reported to the regulators.
- c. Coordinates the implementation of audit work by relevant regulators and serves as Liaison Bank in terms of dealing with regulators. During 2014, the regulators inspected 9 units at the head office and 7 at branch offices through Compliance Quality Assurance.
- d. Prepares compliance reports to the Management and regulators. During 2014 the Company submitted its monthly, quarterly, semi-annual, and annual reports.
- e. Implements self-assessment measures on the implementation of good governance together with subsidiaries to improve the Company's soundness.
- f. Participation in support of other units in the "IICD Corporate Governance 2014" and "2014 Annual Report Award (ARA)."

Responsibilities of the Director of Compliance

- a. formulate strategies to create a strong Compliance Culture within the Bank;
- b. propose compliance policy or compliance principles to the Board of Directors for approval;
- c. establish compliance system and procedures that will serve as the basis for the Bank's internal rules and guidelines;
- d. ensure that all policies, rules, systems, and procedures, and business activities are conducted in compliance with Bank Indonesia regulations and other prevailing stipulations, including Sharia principles for Sharia Commercial Bank Sharia Business Unit;
- e. mitigate Compliance Risk;
- f. take preventive actions to ensure that policies and / or decisions made by the Board of Directors or the management of foreign bank office do not deviate from Bank Indonesia stipulations and other prevailing regulations;
- g. carry out other duties related to Compliance Function;
- h. coordinate with the Sharia Supervisory Board in the implementation of Sharia Compliance Function; and
- i. report the performance of duties and responsibilities to President Director with a copy to the Board of Commissioners.

The Implementation of Guidelines and Regulations related to GCG

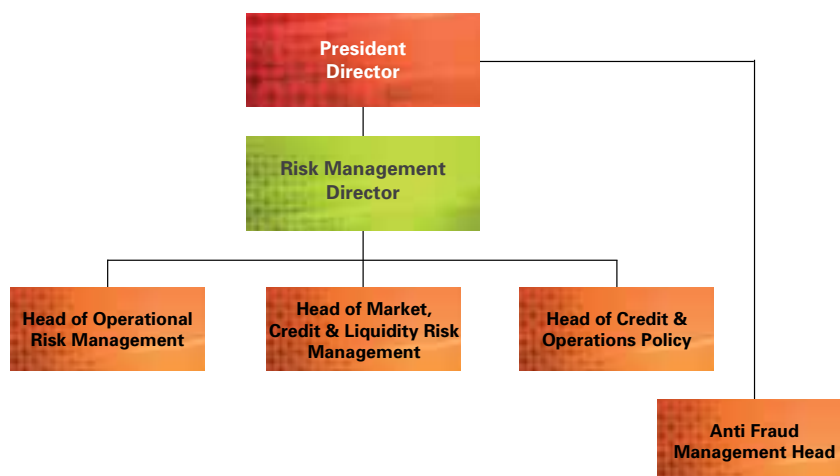
At the Company, commitment to the implementation of good corporate governance is supported by GCG structure and mechanisms in order to maintain sound and strong and improve sound CG.

GCG system implementation mechanism can be seen from:

- The adequacy of governance structure, which is the adequacy management composition (including BOC, Committees of BOC, Independent parties, BOD, Executive Committees and Independent Unit required by law.
- The availability of policies, systems and procedures to support the Company's operations at every level of the organization in accordance with the duties and functions of relevant business units and supporting units.
- The fulfillment of the Company's obligations to stakeholders through the availability of financial statements disclosure and that of non - financial aspects presented on time and pursuant to prevailing regulations.
- The application of risk management and internal control through the concept of 3 lines of defense.
- Company prepares and submits its bank business plan and its realization reports to stakeholders.
- The Company also actualizes GCG principles as specified in its GCG Charter through supporting policies (such as codes of conduct, handling of violations, enforcement of discipline and determination of sanctions for violations, corporate communications, and handling customer complaints).
- Programs and activities of socialization or training related to GCG and other policies related to employees at the Company's various units..

RISK MANAGEMENT

Risk Management Organizational Structure



The Company has adopted the Enterprise Wide Risk Management (EWRM) system when carrying out its risk management practices. The EWRM involves a series of strategies, processes, resources, competencies and technologies that aim to assess and manage risks. This framework ensures effective implementation of corporate governance, and consistent risk management practices, that guide business decisions in terms of pricing, resource allocation, among others. The implementation of EWRM is an ongoing initiative supported by senior management, investment in human resources and information technology.

The Company's risk management practices are supported by the independent Risk Management Unit, which determines the level of the Company's 'risk appetite' and 'risk tolerance' through the development of risk management policies and procedures.

Risks Faced by the Company

Based on the results of the material risk assessment (MRA), there are currently 9 main types of risk that need to be managed by the Company, including: credit risk, liquidity risk, market risk, operational risk, strategic risk, compliance risk, legal risk, reputation risk and the risk associated with the interest rate in the banking book. These risks are referred to in PBI No. 11/25/PBI/2009 regarding the Implementation of Risk Management for Banks, where the risk of interest rate in the banking book is classified as a market risk. For the Sharia Business Unit (UUS), there are two additional types of risks, ie the risk of return and investment risk in accordance with PBI No 13/23/PBI/2011, dated November 2, 2011 regarding the Application of Risk Management for Sharia Banks and Sharia Business Units.

Efforts to Manage Risk

The process of risk management is done through stages of risk identification, which aim to determine material risks inherent in the Company's products and activities. The Company monitors these risks on a regular basis to ensure that all of its risk mitigation strategies have been implemented and are effective in reducing the level of risk to the Company. The Company determines which risks to take, avoid, transfer or accept by considering the potential impact of these risks. This is done by examining the potential costs and benefits of the Company's products and activities.

The effectiveness of the Company's risk management strategy is regularly reviewed by the Risk Management Committee, the Executive Committee of the Board of Directors and the Risk Monitoring Committee at the level of the Board of Commissioners. The Risk Management Unit, and other relevant units, follow up the review findings in terms of policies and procedures, information systems, risk management methodologies, human resources and infrastructure. The Company continuously strives to implement a calculated risk management strategy based on the principles of good corporate governance.

Further information about risk management is available in the Risk Management/Report of Business Support section of this Annual Report

INTERNAL AUDIT



Restiana Linggadjaya

Chief Audit Executive

Indonesian citizen, 48 years, Chief Audit Executive of CIMB Niaga since March 1, 2010. Previously, he served as Chief Audit Executive at PT Bank Danamon Tbk from May 2004. He began his career at Citibank Indonesia in Financial Control (1990-1992), Foreign Exchange & Loans Deposit Operations (1992-1994) and Marketing & Product Development (1994-1996). His career continued in Indonesia PT ING Bank as Assistant Vice President, before becoming Vice President - Head of Treasury, Cash Management & Custody Operations (1996-1998). Then, at ABN AMRO Bank as Vice President, Internal Audit (2000-2002). He also served as Finance Director of PT Asuransi Allianz Life Indonesia (2002-2004). He graduated from the Faculty of Economics, Trisakti University in 1989 and earned his Master's degree from the Asian Institute of Management in Manila via scholarship program (1999-2000). He is also a Certified Internal Auditor of the Institute of Internal Auditors, Florida, USA (2006), Certified Risk Management Assurance (CRMA), Institute of Internal Auditors, Florida, USA (2013), and is also active as a conference speaker Internal Audit both domestically and overseas. He is a member of the Supervisory Board of the Institute of Internal Auditors Bank (IAIB) for the 2008-2010 period and the 2011-2014 period. In addition, he is the Vice President Institute of Internal Auditor (IIA) Indonesia for the period 2014-2017.

Internal Audit function

The Company's Internal Audit function is performed by the Internal Audit Unit (Internal Audit), led by a Head of Internal Audit Unit as Chief Audit Executive. Internal Audit provides independent and objective assurance and consulting that can add value and improve the operations of the Company. Internal Audit helps the Company in achieving its objectives by evaluating and improving the effectiveness of risk management, internal control and governance processes.

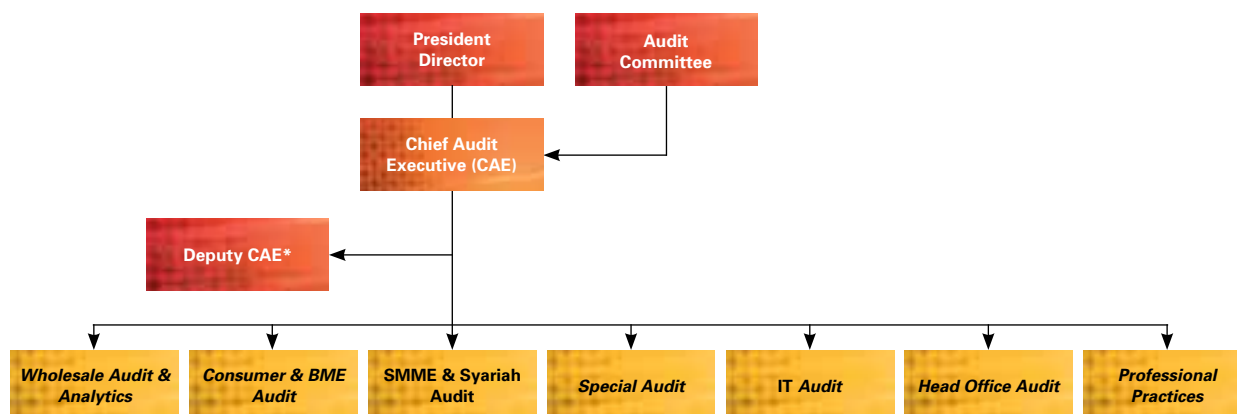
Structure and Status of Internal Audit

Pursuant to Bank Indonesia Regulation No.1/6/PBI/1999 dated 20 September 1999 concerning the Assignment of Compliance Director and Application of Standards Internal Audit Function and Regulation of Commercial Banks FSA (Bapepam - LK) No.IX.I. 7 decision of the Chairman of the attachment (d/h) Bapepam. Kep-496/BL/2008 November 28, 2008.

The Head of Internal Audit

Chief Audit Executive Director is appointed by the President Director with the approval of the Board of Commissioners effective on March 1, 2010. Appointment of Chief Audit Executive has been reported to Bank Indonesia and the OJK (Bapepam-LK), respectively No.002/DIR/III/2010 by letter dated March 5, 2010 and letter dated No.003/DIR/III/2010 March 5, 2010. As an independent watchdog unit, the Internal Audit Unit (Internal Audit) is responsible directly to the President Director and reports to the Board of Commissioners through the Audit Committee, Internal Audit at the appropriate organizational structure below.

Organizational Structure of Internal Audit



* Including Wholesale Audit & Analytics, Consumer & BME Audit, SMME & Syariah Audit

Number of Employees and Professional Certification

As of December 2014 the Internal Audit Unit employees numbered 138 people, including the Chief Audit Executive. To increase competency, internal auditors have been required to obtain professional certification as Qualified Internal Auditor (QIA). Other professional certification programs that have been followed include Certified Internal Auditor (CIA), Certified Risk Management Assurance (CRMA), Certified Information Systems Auditor (CISA) and Certified Ethical Hacker (CEH), the number of certifications held are as follows:

Certificate	Number of Auditors
International Certificates	
Certified Internal Auditor (CIA)	2
Certified Risk Management Assurance (CRMA)	5
Certified Information System Auditor (CISA)	12
Certified Information System Security Professional (CISSP)	1
Certified in Risk and Information Systems Controls (CRISC)	3
Certified Ethical Hacker (CEH)	9
Quality Assurance Review (QAR)	2
Certified Forensic Auditor (CFrA)	1
Certified Risk Management Professional (CRMP)	1
Certified Management Accountant (CMA)	1
Certified in the Governance of Enterprise IT (CGEIT)	1
Certified Incident Handler (CIH)	2
Financial Risk Manager (FRM)	1
Certified Internal Control Auditor (CICA)	2
Qualified Internal Auditor (QIA)	68
Badan Sertifikasi Manajemen Risiko (BSMR), Level I	82
Badan Sertifikasi Manajemen Risiko (BSMR), Level II	36
Badan Sertifikasi Manajemen Risiko (BSMR), Level III	11
Badan Sertifikasi Manajemen Risiko (BSMR), Level IV	2

Internal Audit Charter

As per OJK Rule (Bapepam-LK) attachment No. IX.I.7 of the Bapepam Chairman Kep-496/BL/2008 dated 28 November 2008 on the Establishment and Guidelines for Preparation of Internal Audit Charter and Regulation of Bank Indonesia No.1/6/PBI/1999 dated 20 September 1999 regarding Assignment Director of Compliance (Compliance Director) and the Application of Standards for Internal Audit Function of a Commercial Bank, the execution of their duties are guided by an Internal Audit Charter which contains the vision and mission, the function and scope of work, responsibility, authority, accountability, independence, impartiality and ethics of the Internal Audit Unit. The Internal Audit Charter is reviewed and updated periodically as needed. The last review and update was on 19 April 2013, approved by the President Director and Board of Commissioners.

Based on the Company's Internal Audit Charter, audits should convincingly show that:

1. Risks are identified and managed appropriately.
2. Interaction with the various governance groups works as it should.
3. Important information regarding the financial, managerial and operational matters is accurate, reliable and timely.
4. Actions of employees are in accordance with the policies, laws and regulations.
5. Resources are acquired economically and used efficiently and adequately protected.
6. Programs, plans and objectives are achieved effectively and efficiently.
7. Quality and continuous improvement are inherent in the process of control at the Company.
8. Legislation that significantly affects the Company is known and addressed appropriately.
9. Opportunity to improve management control, profitability, and reputation of the Company is identified and disclosed in the examination.

In the audit, the Internal Auditors are guided by a code of ethics that includes the principles of integrity, objectivity, confidentiality, and competency. Technically implementation refers to Standard Bank Internal Audit Functions as set by Bank Indonesia and professional standards of Internal Audit "The International Standards for the Professional Practice of Internal Auditing (ISPPA) "of the Institute of Internal Auditors.

Duties and Responsibilities of Internal Audit

In accordance with the Internal Audit Charter, Internal Audit duties and responsibilities are as follows:

1. Prepare annual audit plan based on risk-based methodology, and submit it to the Board of Directors and to the Board through the Audit Committee for approval.
2. Implement the approved annual audit plan, including specific tasks or projects requested by the Board of Directors or by the Board of Commissioners through the Audit Committee.
3. Secure a sufficient number of audit staff with the adequate knowledge, skills, and experienced and certified professionals to perform the audit.
4. Do audit work and assess the efficiency and effectiveness in finance, accounting, operations, human resources, marketing, information technology and other activities.
5. Prepare and submit audit to the auditees with a copy to the President Director, Director of Compliance and other relevant units as well as to the Board Commissioners through of the Audit Committee.
6. Periodically submit reports to the senior management and the Board of Commissioners through the Audit Committee with regards to the objective, authority, accountability, and audit work performance against what has been planned. This reporting also includes significant risk exposure and control issues.
7. Submit semester reports to the OJK on the summary of and findings from audit activities no later than two months after the end of the audit period.
8. Inform all significant findings to the Board of Directors and to the Board of Commissioners through the Audit Committee.
9. Follow up all audit findings and recommendations. All significant audit findings shall remain open until they are fully settled.

10. Inform the status of corrective action on audit findings and audit recommendations to the Board of Directors and to the Board through the Audit Committee.
11. Report to the Anti-Fraud Management if there is an indication of fraud.
12. Set up measures of success and the achievement of objectives of Internal Audit.
13. Make and file an adequate set of work papers in accordance with applicable regulations.

Focus and Audit 2014

In 2014, Internal Audit activities were focused:

1. To implement programs to identify initial problems independently by the management in order to strengthen internal control system in the first and second lines.
2. To continue Internal Audit's role as a partner in the implementation of 1Platform.
3. To extend the scope of Analytics & Desk Audits of branches that do not require on site audits and optimize the use of electronic working papers in order to improve the effectiveness and efficiency of resource use while and improving the effectiveness of audit reporting.
4. To develop an Internal Audit Job Competency Model.
5. To keep updating Internal Audit policies and procedures to address development in the banking industry and in international best practices.

During 2014, Internal Audit completed audit work in accordance with the audit plan. Every 6 months, the audit results were reported to Bank Indonesia.

SKAI has successfully re-certified the ISO 9001: 2008 on 27 May 2014, valid until 27 May 2017. SKAI performance was assessed by an independent party through the External Quality Assurance Review on July 2014, with a result of Generally Conforms and has been reported to OJK.

Audit Focus 2015

For 2015, Internal Audit has made a work plan by giving priority to:

1. Continue Internal Audit's role as a partner in the implementation of 1Platform.
2. Continue developing the Analytics & Desk Audit coverage for branches that do not require on-site audits and optimize the use of electronic working papers to improve the effectiveness and efficiency of resource while improving the effectiveness of audit reporting.
3. Continue developing the Internal Audit Job Competency Model.
4. Improve educational curricula of internal auditors and their career development.

Participation in the Internal Audit Professional Association

In order to expand the knowledge and professional competence of the internal auditors, the Internal Audit Unit has participated in auditor's professional associations including the Association of Bank Internal Auditors (IAIB), Institute of Internal Auditors (IIA) - Indonesian Chapter, Information Systems Audit and Control Association (ISACA), Indonesian Institute of Accountants (IAI), Institute of Internal Auditors Bank (IAIB) as well as being involved as resource persons in Banking Education programs organized by various public and private Universities, Internal Auditor Education Foundation (YPIA) and the Indonesian Institute of Audit Committee (IKAI).

STATEMENT OF INTERNAL CONTROL

Responsibilities of Boards of Directors and Commissioners

The Directors and Commissioners are committed to ensuring that Corporate Governance is run well as a basis for achieving the goals keeping and enhancing shareholder value. One implementation of good corporate governance is to ensure that the system of internal control has been conducted properly.

The Board of Directors is responsible for implementing a good internal control system to achieve the Company's objectives. The system of internal control is a process that is executed by (1) Board of Directors and Corporate Officers, who provide direction, guidance and supervision, (2) Executive Committee, (3) Internal Audit and (4) all employees. The Board of Commissioners with the assistance of the Audit Committee is responsible for oversight in order to ensure the implementation of internal control in general, including the Directors, who establishes internal control.

The system of internal control is designed to manage and control risks properly and not to eliminate these risks.

Key elements of internal control used to achieve the Company's internal control include ensuring that:

- Operations are run effectively and efficiently;
- Financial statements are accurate and reliable;
- Compliance with laws and regulations;
- Security of Company assets.

Evaluation of Internal Control

During the year 2014, the overall quality of the internal control system was good. Problems related to the adequacy of internal controls have been reported to the Board and follow-up measures have been taken to minimize the risk. Reports were also submitted to the Directors, and through the Audit Committee to the Board of Commissioners..

Control Environment

The Board of Commissioners, through committees, periodically review the control environment and assessments are independently communicated to the Directors for further action.

Risk Assessment and Risk Management

The Directors has established procedures to anticipate identify and respond to events and constraints that may affect the achievement of objectives.

The Board of Commissioners, through the Risk Monitoring Committee, ensures that the Board of Directors has implemented sound risk management.

Control Activities

Policies and procedures for key business units and support units have been prepared and approved by the Board of Directors, and are periodically reviewed and updated by the Risk Management Unit.

The Compliance Unit is responsible for disseminating the applicable banking regulations, to test compliance with internal policies and proposed new product/new activities, implement the Anti -Money Laundering (AML), Combating the Financing of Terrorism (PPT) and to monitor the implementation of compliance by a designated officer in the unit other work that is verified by the Bank of Quality Assurance (BQA). The Compliance Unit submits periodic compliance reports to the Board of Commissioners, and the Board of Directors of Bank Indonesia.

Company officials periodically review the existence and effectiveness of controls, conduct adequate division of duties, regularly verify the accuracy of the data and maintain a testing plan and emergency handling.

Information and Communication

Have provided data collection procedures and information technology that can generate reports on business operations, financial condition, risk management and regulatory compliance that supports the fulfillment of duties of Directors and Board of Commissioners.

Monitoring

Directors, Officers and Internal Audit conducts ongoing monitoring of the effectiveness of the overall implementation of internal control. The monitoring of the main risks have been prioritized and have become part of daily activities, including regular evaluation.

Directors and Executives of the Company are committed to act upon the results of monitoring and to the recommendations of Internal Audit.

EXTERNAL AUDITOR

In accordance with the provisions of FSA, the appointment of external auditor, and their audit fee, shall be proposed by the Audit Committee at the GMS.

More information about this can be found in the GMS section of this Annual Report.

Effectiveness and Frequency of Communication between the External Auditor and Directors

During the audit, there was intensive communication and cooperation between the external auditor and the management.

Overseeing the External Auditor

For fiscal year 2014, the Company appointed the public accounting firm KAP Tanudiredja, Wibisana dan Rekan (a member firm of the PricewaterhouseCoopers Global Network) to audit the Company's consolidated financial statements. This was the fifth year that the Company appointed KAP Tanudiredja, Wibisana dan Rekan to audit the Company. Before the 2005–2009 period, the Company's audit was conducted by KAP Haryanto Sahari and Rekan. KAP Tanudiredja, Wibisana dan Rekan was selected through a process consistent with the applicable regulations. The Audit Committee has been overseeing the appointment and the audit fee.

The Audit Committee monitored the implementation of the external audit process through regular meetings with the public accounting firm. Aside discussing the findings and progress made during the audit, the Committee also ensured that there were no obstacles during the audit and that it complied with any applicable rules and standards.

Time Frames Associated with the Appointment of the Accountant and Public Accounting Firm (KAP)

As per PBI regulation No 3/22/PBI/2001 on the transparency of Financial Conditions, a KAP can only be assigned for five consecutive years unless Bank Indonesia approves otherwise. KAP Tanudiredja, Wibisana & Partners (a member firm of PricewaterhouseCoopers Global Network) has been the Company's auditor since 2010.

The appointment of KAP Tanudiredja, Wibisana & Rekan was approved by the OJK through Letter No. S-63/PB/332/2014 dated 8 July 2014.

Other Services Provided by the Accountant and Public Accounting Firm to CIMB Niaga

During 2014, KAP Tanudiredja, Wibisana & Rekan provided audit services only.

Audit Fee

The total audit fee for 2014 amounted to USD590,453. This covers both the annual audit fee and the audit fee for subsidiaries.

Name of Certified Public Accountants

Name of Certified Public Accountants: Drs. Haryanto Sahari, CPA.

Name Public Accounting Firm

KAP Tanudiredja, Wibisana & Rekan.

Below is a table to the Public Accountants who were involved in auditing the Company in the past five years.

Year	Accounting Firm	Name of Accountant
2014	KAP Tanudireja Wibisana & Rekan	Drs. Haryanto Sahari, CPA
2013	KAP Tanudireja Wibisana & Rekan	Drs. Haryanto Sahari, CPA
2012	KAP Tanudireja Wibisana & Rekan	Drs. Haryanto Sahari, CPA
2011	KAP Tanudireja Wibisana & Rekan	Drs. Muhammad Jusuf Wibisana, M.Ec., CPA
2010	KAP Tanudireja Wibisana & Rekan	Drs. Muhammad Jusuf Wibisana, M.Ec., CPA

CORPORATE GOVERNANCE PROCESS

Corporate Strategic Plan

The Company's short-term and long-term strategic plan can be seen in the opening section of this Annual Report.

Provision of Funds to Related Parties and Large Exposures Provision

The table below shows the provision of funds to related parties and large exposure funding per December 31, 2014.

No.	Fund Distribution	Total		
		Debtor	Nominal (Rp million)	Total Credit
1	To Related Party	10	1,158.4	0.7%
2	To Key Debtor			
	a. Individual	25	21,247.0	12.0%
	b. Group	25	33,835.5	19.2%

Table of related parties of PT Bank CIMB Niaga Tbk as of December 31, 2014

No.	Related Party	Total (Rp million)	
		2013	2014
1	Members of the BOC, BOD, and Senior Executives	84,401	94,920
2	Parties Related to the Company	616,391	1,063,485
	- PT Lintas Marga Sedaya	19,879	67,820
	- PT CIMB Niaga Auto Finance	152,820	267,368
	- PT Kencana Internusa Artha Finance	412,083	316,667
	- PT CIMB Sun Life	8,534	8,534
	- PT CIMB Principal Asset Management	0	0
	- CIMB Bank Berhad	15,350	47,066
	- CIMB Thai Bank	830	494
	- PT CIMB Securities Indonesia	2,231	350,276
	- CIMB Bank Cambodia Plc	0	0
	- PT Niaga Management Citra	4,663	5,261
	TOTAL	700,792	1,158,405

Shares and Bonds Buyback

Buyback of shares or bonds is the Company's efforts to reduce the number of shares or bonds issued by the Company through share or bond repurchase mechanism in a manner in accordance with applicable regulations.

During 2014, the Company did not buy back shares or bonds.

Transparency of Financial and Non- Financial of the Company.

Transparency of Financial and Non- Financial of the Company. As part of the implementation of the principle of transparency in good governance, the Company complies with the regulations related to principles of transparency which include of financial and non-financial conditions. Compliance and commitment within the framework of the principle of transparency is realized as disclosure of financial condition through published financial statements and those of non-financial condition pertaining to the Company's actions/policies. Not only is transparency of financial and non-financial conditions reported to relevant authorities but it is also publicized through print media and the Company's website, widely accessible to stakeholders and the public. The Company also applies the principle of transparency to the characteristics of products and services offered to its customers.

The forms of information disclosure about the financial and non-financial conditions of the Company are as follows

1. Publication of quarterly financial statements through print media and submitted to regulatory authorities in accordance with applicable requirements.
2. Annual Report and the Company's Annual Corporate Governance Report are prepared and presented in accordance Bank Indonesia Regulation on Transparency of Financial Condition and GCG Implementation for Commercial Banks. The report was submitted to regulators, rating agencies, development agencies, banks, institutions / research institutions and financial magazines.

3. Annual Report, GCG Report and Quarterly Financial Reports are also available on the Company's website in order to be known by the stakeholders and the public.
4. Information management and the Company's activities include the Audit Committee Charter and the General Meeting of Shareholders (GMS) is also presented on the Company's website in accordance with applicable regulation.
5. In addition to the information required by regulation, the Company also presents information on banking products and services including the office network in order to facilitate the general public in accessing information on the products and services offered by the Company.
6. Information products and services are also presented through oral and written methods in the form of marketing/media kit or the like that contains the characteristics of the product, the benefits and risks other product details for customers.

Legal Issues / Litigation of Company and Subsidiaries

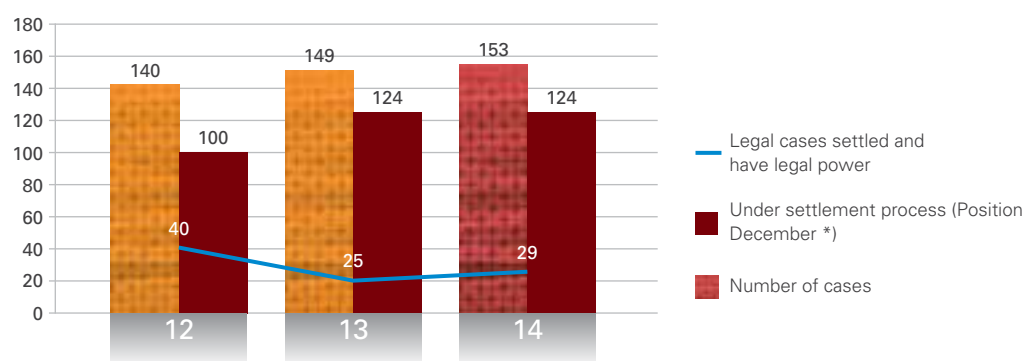
All legal issues faced by the Company in the year 2014 did not materially affect the status, position and continuity of the Company's operations.

The Company was faced with civil and criminal cases in 2014; in civil cases with the Company as a Defendant and in criminal cases as Reported Company.

Civil

Law Suits	Civil (the Company as Defendant)		
	Year 2012	Year 2013	Year 2014
Number of cases	140	149	153
Cases settled with legal force	40	25	29
Cases in settlement process	100	124	124

Civil Case (the Company as Defendant)



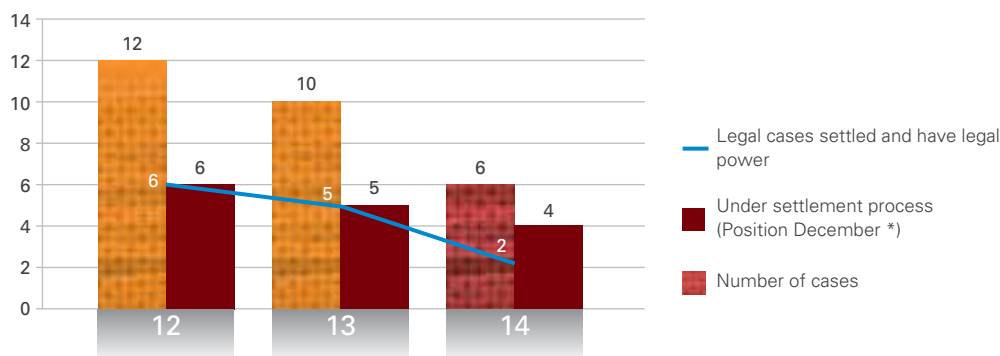
The increasing number of civil cases faced by the Company, among others, was caused by:

- Claims from Debtors or third parties for their assets placed as collateral.
- Claims on unlawful acts related to bank guarantees, interest rate changes, inquiries for credit agreement cancellation, and requests on cash deposits.

Criminal

Law Suit	Criminal (the Company as the Reported)		
	Year 2012	Year 2013	Year 2014
Law Suit faced	12	10	6
Settled cases	6	5	2
Cases in settlement process	6	5	4

Criminal (the Company as the Reported)



In 2014, the Company faced criminal cases that were caused by:

- Report from customers or a third party related to alleged unlawful banking measures.
- Report from customers or a third party related to alleged forgery or false information, and the inclusion of customer's name in the reporting of Debtor Information System in Bank Indonesia.

Below are the cases with case value of more than Rp10 billion.

1. Lawsuit of Time Deposit Liquidation (697/Pdt.G/2010/PN.Jkt.Sel)

Parties:	M- Plaintiff
Principal of Law Suit:	The Company – Plaintiff I and Plaintiff II
Value of Law Suit:	A request to the Company to liquidate Time Deposit
Law Suit Status	- Material in the amount of Rp11,000,000,000 and USD320,000 - Immaterial in the amount of 100,000,000,000
	The Company filed a Cessation Counter Memorandum on April 16, 2013

2. Lawsuit Case against unlawful acts Related to Bank Guarantee (187/Pdt.G/2012/PN.Jkt.Sel)

Parties:	ME (Plaintiff) The Company (Defendant I) PLN (Plaintiff II)
Principal of Law Suit:	A request to not liquidate Bank Guarantee
Value of Law Suit:	Material in the amount of Rp83,300,000,000 and USD5,000,000
Law Suit Status	[Plaintiff] filed a Cessation on December 23, 2014

3. Law Suit on Cancellation of Credit Facility (160/Pdt.G/2010/PN.Jkt.Pst)

Parties:	IS (Plaintiff) The Company (Defendant)
Principal of Law Suit:	Cancellation on Credit Facility provided by the Company
Value of Law Suit:	Material in the amount of Rp98,800,000,000
Law Suit Status	The Company filed a Contra Cessation on May 9, 2012

4. Law Suit against unlawful acts filed by bankrupted ex Debtor against (398/Pdt.G/2010/PN.Jkt.Sel)

Parties:	CI (Plaintiff) The Company (Defendant)
Principal of Law Suit:	Unlawful Acts done by the Company in offering derivative products
Value of Law Suit:	Material in the amount of Rp184,700,000,000
Law Suit Status	The Company filed a Contra Cessation on November 23, 2012

5. A Case of Unlawful action of the Company filed by a bankrupt former debtor no. (75/Pdt.G/2011/PN.Kds)

Parties:	CI (Plaintiff) The Company (Defendant) LPS (Codefendant)
Principal of Law Suit:	Plaintiff was declared bankrupt. Plaintiff later filed a lawsuit on unlawful actions committed by the Company related to the sale and purchase of foreign currency and the liquidation of time deposit of Plaintiff placed as collateral
Value of Law Suit:	- Material in the amount of Rp182,300,000,000 - Immaterial in the amount of Rp50,000,000,000
Law Suit Status	The Company filed a Contra Cassation on October 29, 2012

6. Law Suit against Unlawful Actions (240/Pdt.G/2011/PN.Jaksel)

Parties:	SA (Plaintiff I) SP (Plaintiff II) BUG (Plaintiff III) SB (Plaintiff IV) SPP (Plaintiff V) Bank II (Defendant I) Perusahaan (Defendant II) KD (Defendant III) MW (Defendant IV) DPK (Defendant V)
Principal of Law Suit:	This lawsuit is the same case previously filed by Plaintiffs and the former shareholders of KD, which had been rejected in its entirety by the Court with a decision that already obtained permanent legal force. In this lawsuit the Plaintiffs as the former shareholders of KD filed a lawsuit against the Company since the Company did not exercise the rights option of the Plaintiffs to buy back shares of KD from the Company, as set out in Settlement Decision of the Jakarta Commercial Court dated May 25, 1999 No.01 / PKPU / 1998 / PN.NIAGA.JKT.PST jo No.01 / bankruptcy / 1998 / PN.NIAGA.JKT.PST in the KD bankruptcy case.
Value of Law Suit:	- Material in the amount of Rp400,000,000,000 - Immaterial in the amount of Rp450,000,000,000
Law Suit Status	The Company filed a Contra Cessation on October 18, 2013

7. Lawsuit against Unlawful Action. Related to dispute on share ownership and dividend (338/Pdt.G/2010/PN.Jkt.Ut)

Parties:	WH (Plaintiff) GMS (Defendant) Perusahaan (Codefendant)
Principal of Law Suit:	Plaintiff has resigned from his position as commissioner of GMS and claimed that he was no longer accountable as PG for the debts of GMS to the Company. Plaintiff also filed a lawsuit to foreclose some of parcels which should have been placed as collateral in the Company.
Value of Law Suit:	Material in the amount of Rp13,500,000,000
Law Suit Status	The Company filed a Contra Memory Cessation February 8, 2013

8. A Case of Unlawful action no. (180/Pdt.G/2008/PN.Jkt.Pst)

Parties:	DMZ (Plaintiff I) STM (Plaintiff II) JCM (Plaintiff III) PNK (Plaintiff IV) KNV (Plaintiff V) RSV (Plaintiff VI) SNV (Plaintiff VII) RM (Defendant I) DSRA (Defendant II) Perusahaan (Codefendant)
Principal of Law Suit:	Plaintiffs filed a lawsuit and claimed that they never took delivery of cars from the Defendant I and sued Defendant I to pay all obligations to Codefendant and propose for cancellation of Credit Agreement with Codefendant
Value of Law Suit:	Material in the amount of Rp19,500,000,000
Law Suit Status	The Company filed a Contra Memory Cessation June 16, 2013

9. Law Suit on Breaches (175/Pdt.G/1998/PN.Jkt.Pst)

Parties:	WM (Plaintiff I) PE (Defendant I) Perusahaan (Defendant II) BTA (Defendant III) BUN (Defendant IV) DH (Defendant V) BCD (Defendant VI) BUS (Defendant VII) BB (Defendant VIII) SGP (Defendant IX) BS (Defendant X) BEI (Defendant XI) SAN (Defendant XII)
Principal of Law Suit:	The discontinuation of credit facility because the debtor failed to meet their obligation
Value of Law Suit:	Rp500,000,000,000
Law Suit Status	The Company filed a Contra Memory Cessation on May 26, 2001

10. Lawsuit against unlawful act (255/PDT.G/2008/PN.Jkt.Pst)

Parties:	II, IIM, DPP, KS (Plaintiffs) BGI (Defendant I) IS (Defendant II) RHIS (Defendant III) B (Defendant IV) ISB (Defendant V) RS (Defendant VI) HS (Defendant VII) S (Defendant VIII) KAP TTHR (Defendant IX) TI (Defendant X) JS (Defendant XI) KCRI now MI (Defendant XII) KKH ST (Defendant XIII) HT (Defendant XIV) FH (Defendant XV) APS (Defendant XVI) Company (Defendant XVII)
Principal of Law Suit:	Plaintiffs files a lawsuit on the basis that the Company as trustee for the issuance of subordinated bond I BGI has committed an unlawful act
Value of Law Suit:	- Material in the amount of Rp10,600,000,000 - Immaterial in the amount of Rp.400,000,000,000
Law Suit Status	The Company filed a Contra Memory Cessation on June 25, 2014

11. A lawsuit against debtor collateral action (365/PDT.G/2013/PN.Sby)

Parties:	S & TS (Plaintiffs) Perusahaan (Defendant I) KPKNL (Defendant II) TI (Defendant III) HA (Defendant IV) AZA (Defendant V) SPS (Defendant VI) BPN (Codefendant)
Principal of Law Suit:	A lawsuit to delay and even cancel auction of foreclosure
Value of Law Suit:	Material in the amount of Rp15,891,636,000
Law Suit Status	The Company filed an appeal in December, 2013

Important case faced by members of the Board of Directors and the Board of Commissioners

During 2014, no member of the Board of Directors and Board of Commissioners was faced with civic or criminal case.

Administrative sanctions by the Capital Market Authority or Other Authority

During 2014, the Company was not subject to administrative sanction from the capital market authority or other authority.

Legal Issues / Litigation in Subsidiary**1. CIMB Niaga Auto Finance (CNAF)**

The whole legal issues faced by CNAF in 2014 did not materially affect the status, position, and continuity of CNAF business operations and the Company.

In 2004, CNAF was faced with civil and criminal cases. In the civil case, CNAF was a Defendant while in the criminal cases, CNAF was a Reported.

Civil

Law Suit	Civil (the Company as Defendant)		
	Year 2012	Year 2013	Year 2014
Number of cases	3	5	25
Cases settled (and have legal force)	1	1	16
Cases in settlement process (as of December 2014)	2	4	9

Criminal

Law Suit	Criminal (the Company as the Reported)		
	Year 2012	Year 2013	Year 2014
Number of cases	5	4	18
Cases settled (and have legal force)	1	0	10
Cases in settlement process (as of December 2014)	4	4	8

Important case faced by members of the Board of Directors and Board of Commissioners of CNAF

During 2014, none of members of CNAF Board of Directors and Board of Commissioners were faced with lawsuit and/or civil and/or criminal cases.

2. KITA Finance (KITAF)

All legal issues faced in 2014 by KITAF did not materially affect the status, position and continuity of KITAF business operations of the Company.

KITAF was faced civil and criminal cases. In the civil case, KITAF was a Defendant while in the criminal case, KITAF was a Reported

Civil

Law Suit	Civil (the Company as Defendant)		
	Year 2012	Year 2013	Year 2014
Number of cases faced	3	5	4
Cases settled (and have legal force)	1	1	2
Cases in settlement process (as of December 014)	2	4	2

Criminal

Lawsuit	Criminal (the Company as the Reported)		
	Year 2012	Year 2013	Year 2014
Number of cases faced	0	0	1
Cases settled (and have legal force)	0	0	0
Cases in settlement process (as of December 2014)	0	0	1

Important case faced by members of the Board of Directors and Board of Commissioners of KITAF

During 2014, no member of the Board of Directors and Board of Commissioners of KITAF was faced with lawsuit and/or civil and/or criminal cases.

Material Transactions

During 2014 the Company did not do any material transactions as regulated by Bapepam-LK No IX.E.2, attached with Chairman Decree No. No Kep-614/BL/2011 dated November 28, 2011 regarding Material Transactions and Change in Core Business .

Conflict of Interest

During 2014, the Company did not have any transaction of this type as regulated in Bapepam Regulation No. No. IX.E.1, with attached Chairman Decree No. Kep-412/BL/2009 dated 25 November 2009 on Transactions with Affiliate and Conflict of Interest Transactions.

Conflict of Interest regulation is described further in Section III.2 paragraph (3) of the BOD Charter stipulating that to carry out legal action in the form of a transaction that contains a conflict of interest between the personal economic interests of members of the Board of Directors, board of directors or major shareholders with the economic interests of the Company, the Board of Directors need approval from the General Meeting of shareholders who do not have a conflict of interest in accordance with capital market regulations.

Transactions with Affiliates

In accordance with (formerly) Bapepam Regulation No. IX.E.1., Chairman Decree No. attachments No. Kep-412/BL/2009 dated November 25, 2009 on transactions with Affiliates and Conflict of Interest Transactions, Transaction with Affiliate is a transaction made by the Company or the Company Controlled by Affiliates of the Company or Affiliates of members of the Board of Directors, the Board of Commissioners, or the major shareholders of the Company.

Given the broad definition of Affiliate in accordance with the Capital Market Law, which may include relationships between the Company and certain parties (both individual and corporate) due to familial, ownership, share controlling relations and/or similarity of Directors and/or Board of Commissioners and / or majority shareholders, then presented in this Annual Report are transactions with affiliated parties in accordance with the Financial Statements of the Company (Affiliated Parties), which in essence is as follows.

Details of transactions with affiliated parties during 2014 are presented in the following table:

No	Related Party	Type of Relationship	Type of transaction
1	CIMB Group Holdings Berhad	Majority Shareholder	Customer Savings; Derivative Liability
2	PT CIMB Principal Asset Management	Owned by the same shareholder	Customer Savings
3	PT CIMB Sun Life	Owned by the same shareholder	Savings of Other Banks
4	CIMB Islamic Bank Berhad	Owned by the same shareholder	Customer Savings
5	CIMB Bank Berhad	Owned by the same shareholder	Savings of Other Banks' Loan Received
6	PT XL Axiata Tbk	Owned by the same shareholder	Savings of Other Banks
7	CIMB Bank (L) Limited	Owned by the same shareholder	Savings of Other Banks
8	PT CIMB Securities Indonesia	Owned by the same shareholder	Loan Distributed Customer Saving
9	PT Niaga Manajemen Citra	Managed by the Company's senior executives	Prepaid Expense Customer Savings
10	PT Commerce Kapital	Owned by the same shareholder	Customer Savings
11	Dana Pensiun PT Bank CIMB Niaga Tbk	Managed by the Company's senior executives	Customer Savings
12	Board of Commissioners, Directors and Senior Executives	The Company's management team	Credit Disbursed; Customer Savings

For additional information we disclose multiple business relations with Affiliated Parties related to the Company's core business activities carried out in 2014 or those carried from the previous year, among others, with: (i) CIMB Sun Life for bancassurance activities, (ii) CIMB Bank for credit transactions (two- step loan from JBIC), and (iii) CIMB Group Holdings for derivative transactions.

As for transactions with Affiliated Parties in supporting the main business activities are conducted with (i) CIMB Group for cooperative use of the "CIMB" logo, and (ii) CIMB Securities as underwriters for the issuance of CIMB Niaga Sustainable Bond Phase I in 2012 and the issuance of CIMB Niaga Sustainable Bonds Phase II in 2013.

PROGRAM OF SHARES FOR MANAGEMENT AND SHARE OWNERSHIP PROGRAM

a. Management Option Program (MOP)

CIMB Group Holdings Berhad allocates 162,180,111 shares of Bank CIMB Niaga to reward the management of Bank CIMB Niaga through MOP. CIMB Group Holdings Berhad, through its letter dated on June 22, 2006 offered this program to the certain levels of the Company's management. The grant date of this program was June 30, 2006, which is the date on which the management stated their participation in the program.

This option can be exercised at the grant date up to October 31, 2008 in accordance with percentages allocated in each period. The exercise price is determined ranging from Rp292 (full amount) to Rp368 (full amount).

MOP execution is recorded on the consolidated financial statements of Bank CIMB Niaga as set out in IAS 53 - Accounting for stock -based compensation. Therefore, CIMB Niaga has no obligation to deliver cash to the management (no impact on the cash flows of Bank CIMB Niaga). The Company treats this transaction as a transaction to be settled by the provision of shares (equity-settled) in the consolidated financial statements, in which CIMB Niaga records the expense and credits the share-based compensation reserve (leaving no impacts on total equity of Bank CIMB Niaga as a whole). The expense is measured at grant date based on the fair value of options using the Binomial method and amortized over the vesting period.

b. Stock Ownership Program (EOP)

EOP was given in March 2011 by CIMB Group, in which CIMB Group rewards ordinary shares of CIMB Group to certain employees (Senior Vice President, Executive Vice President, and the Board of Directors), which will be charged directly to the Company. Under the EOP, a portion of remuneration of certain employees will be used to purchase ordinary shares of CIMB Group in the capital market. The shares purchased will be given progressively to eligible employees on certain dates after the date of purchase, depending on work relationship between the employee and the Company.

Related companies will act on behalf of CIMB Group to undertake the administration of EOP and keep these shares during the period prior to the date of submission. Eligibility to participate in the EOP will be determined by the policy released by the Group Compensation Review Committee of CIMB Group.

Termination of employment other than retirement, disability or death, will also terminate the rights of the employees on the shares.

For the entire EOP program, CIMB Niaga has paid out as much as Rp35,030 (including taxes) to a company formed by CIMB Group (and the relevant tax office that deals with employee income tax) to purchase 1,034,802 shares at an average price of RM8.27 per share. This was effective on April 1, 2011. The granting rights of EOP is divided into four (4) tranches, each accounting for 25% of the total EOP with respective vesting period on October 1, 2011, April 1, 2012, October 1, 2012, and April 1, 2013.

On March 28, 2012, an additional EOP was provided with terms and conditions similar to the previous EOP. For the entire EOP program, CIMB Niaga has paid as much as Rp35,533 (including taxes) to a company formed by CIMB Group (and the relevant tax office that deals with employee income tax) to purchase 1,108,502 shares at an average price of RM7.70 per share. This was effective on April 1, 2012. The granting rights of EOP is divided into four (4) tranches, each accounting for 25% of the total EOP with respective vesting period on October 1, 2012, April 1, 2013, October 1, 2013, and April 1, 2014.

On March 25, 2013, an additional EOP was provided with terms and conditions similar to the previous EOP. For the entire EOP program, CIMB Niaga has paid as much as Rp43,374 (including taxes) to a company formed by CIMB Group (and the relevant tax office that deals with employee income tax) to purchase 1,220,675 shares at an average price of RM7.74 per share . It was effective on April 1, 2012. EOP rewarded to employees is divided into three (3) tranches, each accounting for 33.33% of the total EOP with respective vesting period, April 1, 2014, April 1, 2014, April 1, 2015, and January 1, 2016.

On March 25, 2014, an additional EOP was provided with terms and conditions similar to the previous EOP. For the entire EOP program, CIMB Niaga has paid as much as Rp32,084 (including taxes) to a company formed by CIMB Group (and the relevant tax office that deals with employee income tax) to purchase 1.250.297 shares at an average price of RM7.15 per share. This was effective on April 1, 2012. The granting rights of EOP is divided into three (3) tranches, each accounting for 33.33% of the total EOP with respective vesting period, March 31, 2015, March 31, 2016, and December 31, 2016.

Here is a mutation of the number of shares rights have been granted:

(Rp million)

	2014	2013	2012
Beginning Balance	1,853,708	1,127,267	778,472
Given	1,250,297	1,220,675	1,108,502
Executed (*)	(1,698,985)	(494,234)	(759,707)
Ending Balance	1,405,020	1,853,708	1,127,267

*) *Vested*

c. Program Equity Management (MES)

Granting rights in the program is conducted by the Nomination and Remuneration Committee of CIMB Group Holdings Berhad. This rights is not given to other parties (non-assignable and non-transferable), in which the Nomination and Remuneration Committee is to administer representing the major shareholders of CIMB Group. This compensation granting shall enter the vesting stage propotionally in several phases of the execution period.

On February 28, 2012, key shareholders of CIMB Group Holdings Berhad extended the period of MES from February 28, 2012 to 31 May 2012. MES can be executed until May 31, 2012, after which the voting rights of shares that had not yet been executed would remain the right of key shareholders of CIMB Group Holdings Berhad,

Here is a mutation of the number of shares rights have been granted:

(Rp million)

	2012	2011
Beginning Balance	1,430,738	2,704,868
Executed	(1,430,738)	(1,274,130)
Total by the end of the period	-	1,430,738

In 2012 and 2011, the reference price of rights was RM1.74.

Results of GCG Self-Assessment

In each semester of the year, the Company conducts self-assessment on the implementation of GCG in accordance with the provisions of SEBI No.15/15/DPNP of 2013, concerning the implementation of Good Corporate Governance for Public Company. The assessment is performed in order to ensure the application of the 5 basic principles of GCG within the Company, which includes 11 factors of GCG implementation to be assessed, namely:

1. The implementation of tasks and responsibilities of the Board of Commissioners;
2. The implementation of duties and responsibilities of the Board of Directors;
3. The adequacy and implementation of the tasks of the Committees;
4. The handling of conflicts of interest;
5. The application of compliance function;

6. The application of the internal audit function;
7. The application of external audit function;
8. The application of risk management including internal control systems;
9. The provision of funds to related party and that with large exposures;
10. transparency of the Company's financial and non-financial conditions, GCG implementation report and internal reporting; and
11. The Company's strategic plan.

The process of self-assessment is performed by involving the Board of Commissioners, Board of Directors, Independent Parties, Senior Executives, and independent units within the Company to produce a thorough and structured assessment on our GCG system. Presented below are the results of the Company's GCG self-assessment..

SELF ASSESSMENT RESULTS

SELF ASSESSMENT RESULTS GCG IMPLEMENTATION		
Company: PT. Bank CIMB Niaga Tbk		
As of: December 2014		
	Rating	Rating Defined
THE COMPANY (Individual)	2	Good
CNAF	2	Good
KITAF	2	Good
CONSOLIDATED	2	GOOD
ANALYSIS		

The Company's GCG rating (Individual and Consolidated) is categorized as level 2 (Good), showing that the Company's management has implemented GCG well, and adequately met the principles of GCG. Identified weakness detected in the implementation of GCG principles did not have significant impacts on the Company's operations and can be resolved by the Company's management.

GCG implementation at subsidiaries has adequately met the applicable provisions set forth for the subsidiaries and improved alignment with the Company. The subsidiaries have also identified matters need improvements related to policies and business processes to strengthen their respective GCG implementation.

Governance Structure

The Company's governance structure has met all applicable regulations. In addition to complying with the minimum requirements regarding the establishment of Committees, the Company has also established transactional committees to support the implementation of tasks and responsibilities of the Board of Directors in managing the Company's complex operations.

The Company's GCG infrastructure has meet all applicable provisions. Internal regulations have been formulated based on risk-based framework and adjusted to the Company's structure.

Governance Process

The Company's GCG structure and infrastructure are consistent with its roles, duties and responsibilities to carry out an effective governance process based on GCG principles, precautionary principle and the pillars of risk management.

Results of GCG Implementation

The Company has always adhered to the key prudential ratios in accordance with applicable regulations (such as Capital Adequacy/CAR, Lending Limit/LLL, Statutory GWM, Net Open Position/PDN, Non-Performing Loans/ Net NPL). The Company periodically discloses its financial and non-financial conditions in compliance with relevant authorities and the public.

Along with the growth of the Company organization in the face of changes in external factors (market, economic and regulatory environment), the Company has identified room for improvements that need to be followed up with normal behavior. Going forward the Company will remain committed to undertaking corrective measures to support its business sustainability.

Good Corporate Governance Awards

In 2014, the Company received awards from external independent parties that assess GCG practices. These awards serve not only as benchmarking tools for the Company but also led to a broader recognition within the industry for the Company's efforts and achievements in keeping up its commitment to GCG at every level within the organization. These awards include:

- The Best Overall Asean CG Scorecard 2014 for the Financial Sector Category (IICD and SWA Magazine).
- The 4th rank for the Financial Private Listed category in the event of 2013 Annual Report Awards.



Icon Dago Branch, Bandung



The Ratio of the highest to the Lowest Salary

The following table presents the ratios of the highest to the lowest salaries:

Ratio	CIMB Niaga 31 December 2014
Ratio of the highest wage and lowest wage	108.97 : 1
Ratio of the highest to the lowest salary of Directors	3.46 : 1
Ratio of the highest to the lowest salary of Commissioners	1.50 : 1
Ratio of the highest salary of Directors to the highest salary of employees	2.92 : 1

Corporate Culture

The Company had and has always upheld its corporate values contained in ICE, namely:

1. Integrity is Everything
2. Always Put the Customer First
3. Passion for Excellence

However, along with the development and dynamics in the Indonesian banking industry and the increasingly open market opportunities within the scope of ASEAN and ASEAN Economic Community in 2015, the Company is making some transitions in the implementation of its Vision, Mission and Core Values. The Company has adjusted them into:

- Vision: To become a leading ASEAN company.
- Mission: To provide universal banking services in Indonesia in an integrated manner as a company with a excellent performance in the ASEAN region and other major regions, as well as support the acceleration of ASEAN integration and connecting with other areas
- Corporate Values:

C = Customer-centric, present to serve customers and sell products and services that customers want,

H = High Performance, to work hard and well targeted for our customers, fellow employees, and other stakeholders,

E = Enabling People, encouraging all parties at CIMB Niaga to be broad-minded and ensure all employees have the ability to provide added value

S = Strength in Diversity, respecting cultural differences, differences in perspective and recognize any difference as potential strength,

I = Integrity, honest, honorable and professional in the execution of everything since integrity is the fundamental value of CIMB Niaga.

Meanwhile, the implementation of the Vision, Mission, and Values has been internally approved through the Board of Directors' Minutes of Meeting dated on October 14, 2014, and the Board of Commissioners' Circular No. 004/DEKOM/KP/X/2014 dated on October 31, 2014.

In order to implement the Company's Vision, Mission, and Values in their daily activities, employees at all levels shall refer to 3 Critical Behaviors as the guidance to all employees and management in implementing the corporate culture at CIMB Niaga, which are:

1. Go the extra mile to delight customers.
2. Respect each other, engage openly and work together.
3. Recognize each other's efforts and always back up each other.

For internal socialization of corporate culture to all employees, the Company is adopting a persuasive internal communications strategy through the Triangle Strategy, which are Ethos (Concept), Pathos (Activity), and Logos (Channel).

Ethos emphasizes on the aspect of fostering cultural concept to build with an aim of building better understanding towards the Vision, Mission, and Corporate Values, including through the presentation of slide of Vision, Mission, and Values during meetings at the levels of the Board of Directors, Sub-Directorate, Group, and Branches. Pathos emphasizes on the aspect of activities with an aim of building emotional ties between employees and top Management through organized sport activities, recreation, art, and religion, among others: CIMB Niaga Club, CIMB Niaga has Talent, Ramadan Spiritual Quotient Training (RSQT), Retreat, Internal Events (Open House, Halal Bil Halal, Christmas and other events). Logos emphasizes on communication channels used to optimize and make effective the utilization of existing communication channels to support the smooth delivery of internal information to all parties within the Company's internal environment.

Vision, Mission, Values, and the Three Main Behaviors are constantly and continuously communicated to the management and all employees through internal communication channels, such as: Inclusion on the back of employees and management ID card, serving an interesting comic via email to facilitate the message, email blast, CEO Messages, surveys, Internal portal CIMB Net, CIMB Niaga News, Formal Memo, Gathering/Sessions, Promotion Materials, Road Shows/Town Halls, Meeting, Training/Workshop and through other media. In addition, the Core Values should be reflected in the Company's internal activities by linking every activity with the spirit of the values with such outing activities, meetings, trainings, recognition programs for new employees and others.

The Company regularly provides information on the development and corporate culture at various occasions that engage employees, especially in regions during events such as Management Walkabout or Road show, Safari Ramadan, Leader's Talk, as well as similar events such as Id Mubarak, Echoes of Christmas show, CIMB Olympi.

Adequacy of Policies and Procedures

The company already owns and applies several policies and procedures to improve the implementation of GCG as follows:

- Charters of the Boards of Commissioners and Directors
- Code of Ethics Policy
- Whistle Blowing
- Anti Fraud Policy
- Discipline Enforcement and Violation Handling Policy
- Conflict Management Policy
- Occupational Health and Safety Policy
- Procurement Policy
- Services, Protection and Customer Handling Policy

The Company also has Standard Operating Procedure, Guidelines of the implementation of Technical Guide for the implementation of tasks in all areas of business.

The Company continually disseminates the policies and procedures.

Charters of the Boards of Commissioners and Directors

The intent and purpose of formulating these Charters is to establish guidelines and work ethic for the Boards of Commissioners and Directors that will enhance their effectiveness in implementing their tasks and responsibilities in daily activities and improve the quality of administrative management of the two boards and other parties related to the implementation of duties of the Boards of Commissioners and Directors.

The Company's Boards of Commissioners and Directors perform their duties and responsibilities as stipulated in the Charters of the Company's Boards of Commissioners and Directors.

Code of Ethics Policy

The Company upholds integrity by having and applying standard guidelines, which is Code of Ethics.

Statement Code is Applicable at all levels of the Organization

The Company has a Code of Ethics that provides guidelines to the Boards of Commissioners, Directors, and all employees.

The objective Policy Code

The objective Policy Code are the following:

- As guidance in developing policies, procedures, and management practices within the Company.
- As a basic guidelines for attitude and actions in performing tasks and making decisions.
- Provides an understanding of the propriety of employees in establishing relationships with fellow employees, the Company, customers, competitors, authorities or other stakeholders.
- Ensures the existence of equality and consistency of attitude and actions in implementing daily operations.

Contents of the Code of Ethics

Policies relating to the Code of Ethics include the following:

a. Conflict of interest

Each employee shall avoid situations that cause conflicts of interest. Employees must report any situation where conflict of interest cannot be avoided.

- b. Relations with customers
- Employees only sell the Company's products and other products that have been approved by the Board of Directors.
 - Employees must have adequate knowledge about products offered and their conformity with customers needs.
 - Employees must communicate products offered in a proper and transparent manner.
- c. Obligation to keep confidential customer information and customer personal data
- Failing to do such is a serious violation of law, and may result in the enforcement of penalty by the authorities, lawsuits filed by customers, and lawsuits from law enforcement officers.
- d. Prohibition to accept gifts/parcels/entertainment
- e. Prohibition to give gifts/parcels/entertainment to civil servants
- f. Prohibition on bribery in any form
- g. How to build relationship with vendors, suppliers, and consultants
- h. The obligation to be aware of transactions associated with the risk of money laundering and to report any suspected money laundering transaction to UKPN (Work Unit Introduction Principles Customer) and INTRAC (Center for Financial Transaction Reporting and Analysis)
- i. Prohibition to perform transaction of securities/stock/foreign exchange with insider information
- j. The provision of Stock Transaction
- Employees are not allowed to use their positions to obtain preferential treatment in buying or selling securities/stocks/foreign exchange for personal or familial gains, unless specified otherwise by the Company.

Forms of Code of Ethics socialization and Enforcement

In order to provide an understanding and compliance with the Code of Ethics, the Company periodically socializes the code through training sessions. The Company continuously monitors the implementation of the Code by providing a reporting media that can be accessed via email, telephone, SMS, and PO Box. The Company also gives strict sanctions to employees proven to have violated the applicable provisions.

(Whistle Blowing System)

One embodiment of the Company's commitment to internal control efforts is the implementation of policy regarding whistle blowing system. The Company has implemented this policy and whistle blowing system since 2011, and gradually improved it both on the reporting mechanism and the socialization of media reporting.

The mechanism and results of whistle blowing system during 2014 will be explained below.

How to Report Violations

All internal and external parties can participate in reporting violations (Whistle Blowing) to the Company. Communication channels provided by the Company for such reporting are made available through the following media:

- Electronic Mail: ayo.lapor@cimbniaga.co.id
- PO Box: PO Box AYO LAPOR JKS 12000
- SMS to phone number: 087829652767 (0878 AYO LAPOR)

Through his/her report, a whistle blower can report early indication of infringement along with available evidence. A whistle blower will also be asked to give a clear identity and address. If the report is not attached with a clear identity, the report will not have to be followed up.

Protection for Whistle Blower

The Company ensures confidentiality and protects the identity of the whistle blower at the time when the report is delivered or when the report is being investigated, as set forth in the Company's internal policies. To ensure the confidentiality, the name of the whistle blower will only be known by designated whistle blowing officers.

Report Handling

The incoming reports will be analyzed by a whistle blowing officer. If the report needs additional information, the whistle blowing officer will contact the whistle blower confidentially to request additional information. If the initial information is considered sufficient, the whistle blowing officer shall submit the report to the Internal Audit Unit (SKAI) to conduct an investigation in order to examine the validity of the report.

Furthermore, the whistle blower will receive further information about progress of the report, until the report is completely resolved.

However, if the report is not relevant to the scope of the whistle blowing program, the whistle blowing officer will give a response or notification that no further action will be made and will give information to the whistle blower about the units associated with the report.

The results of report will periodically be reported to the Board of Directors and Board of Commissioners through the Audit Committee, to ensure the report handling process that including complaint investigation process can be continuously monitored. The whistle blower's identity will be kept confidential during the process of handling and monitoring.

Parties that Manage Reports

Pursuant to the Company's internal policies, the party assigned to manage report is the Compliance Unit (CSU), and specifically two senior officials in the Compliance Unit who manage this whistle blowing program.

Results of Report Handling

During 2014, there were 30 reports of whistle blowing that had been followed up with the following details:

Whistle Blowing (WB) Report Status	2014	Description
Total WB Reports received	30	WB Reports received through communication channels established by the Company
a. WB Reports investigated	14	WB Reports through communication channel that based on the analysis of Whistle Blowing Officer indicate violations and need to be investigated further.
b. WB Report pre-closed	16	WB Reports through communication channel that based on the analysis of Whistle Blowing Officer indicate no violations and need no further investigations. Examples are employee complaint on benefit composition, inquiries related to the Company's policies and other reports.
c. WB Reports investigated and settled (Status Closed)	9	WB Reports related to violations that have been investigated.
d. WB Reports investigated but still in the process of investigation	5	WB Reports related to violations are under investigation and still need more data/information.
e. WB Report assumed FRAUD based on investigation	1	WB Reports identified as FRAUD based on investigation results

To increase the effectiveness of the whistle blowing program, the Company also conducted several efforts, such as:

- socialization through classroom, posters, stickers, and the Company websites;
- rewards to whistleblowers who are considered giving significant impact to the Company.

CEO Hotline

The Company provides the CEO Hotline as a channel of communication via text messages to the President Director concerning human resources, business, and other topics.

During 2014, there were 41 incoming text messages with the following details:

Number of text messages by classification	Total of Incoming Text messages	Number of text messages followed up
Human Resource	28	26 suggestions or ideas have been followed up
		2 Inquires have been followed up
Business	12	8 suggestions or ideas have been followed up
		4 complaints have been followed up
Other	1	No Complaint
		No Inquiry

Policy of Discipline Enforcement and Violation

The Company has a policy to handle internal violations committed by employees, and to regulate the roles and responsibilities of supervisors and unit leaders, duties and responsibilities of units related to violations, also duties and responsibilities of sanction committee.

In implementing the policy, the Company does not merely emphasize the punishment but also on the aspect of justice by awarding well-performing employees.

Sanctions will be imposed on mild, moderate, and severe violation in punishment starting from a reprimand, written warning letter, decline in authority, no bonus granted, no promotion, demotion or dismissal.

To maintain objectivity of sanctions determination, the sanctions are decided by a committee consisting of independent work units.

During 2014, the Company gave sanctions to 844 employees as described in table below.

No	Sanction	Total Sanctions
1	Reprimand	337
2	Warning Letter 1	230
3	Warning Letter 2	105
4	Warning Letter 3	75
5	Employment Termination	97
TOTAL		844

Legal Case	Number of Cases					
	Management		Permanent Employee		Non Permanent Employee	
	2013	2014	2013	2014	2013	2014
Total Frauds	-	-	9	11	-	1
Settled	-	-	4	4	-	-
In the process of internal settlement	-	-	5	5	-	1
Unsettled	-	-	-	-	-	-
Brought to court	-	-	-	2	-	-

Policy of Goods and Services Procurement

The Company has a policy for the procurement of goods and services, which governs tender process, whereby an evaluation to select a supplier must meet the following aspects:

- Transparency and avoiding conflicts of interest.
- Clear criteria and standards such as in technical skills, administrative and financial requirements as well as pricing.
- The process of tender shall be fair and transparent.

Policy of Management Conflict (Insider Trading/ Investment Policy)

The objective of this policy is to establish rules, identify, mitigate and manage potential conflicts of interest that may arise within the Company as a result of business unit activities (Covered Division).

This policy regulates share trading for employee's personal interests on shares. Every employee who is included in category of Covered Division as regulated in this policy shall fill in a form of confirmation and openness. Each Covered Division who will conduct Personal Account Trading (PAT) ought to open an account at CIMB Securities and have admittance first to Control Room before making a transaction.

It was expected that the use of insider information for internal personal gain can be mitigated by this policy.

Internal Violation (Fraud)

The table below summarizes the offenses (fraud) conducted by the board, honorary and outsourcing related to Company's business proceedings and operations whose impacts of deviations reach more than Rp100 million. This impact of deviations was excluding the recovery that has not been gained yet in an effort to redeem due to fraud case. The Company has imposed hard sanctions against the perpetrators. Sanctions to employees can be seen in section of Policy of Discipline Enforcement and Violation Handling.

- Bidders are set for at least 3 partners and approval from an authorized executive is required if less than 3 partners participate in a bidder.
- Managed by special unit called the Procurement Property and Administration Services (PPAS) and involves other units within the Company, including Bank Quality Assurance and Internal Audit to ensure governance process is executed with the best standards.

Customer Services, Protection and Customer Complaint Handling Policy

Focus on Customer Experience

The Company understands that a quality service is one of the keys to excelling in the increasing fierce competition in the banking industry. Therefore, the Company seeks to improve its Service Quality on an ongoing basis, with an intense focus on customer experience. The objective is not to only provide services that meet customer needs, but also to provide banking experience that exceeds their expectations.

The Company routinely conducts internal measurements on indicators of important services that have direct impacts on customer banking experience, listens to customer feedback through customer satisfaction surveys, actively monitors customer complaints, as well as evaluates customer experience towards the Company's products, services or promotions offered.

Based on the results of these efforts, the Company will make improvements and innovations in its entire customer touch points, be they related to the aspects of people, process, product and infrastructure. In 2014, the Company's customers, especially those who come to branch offices, have enjoyed improved service and their banking experience. An example of this effort is a better queue management where more than 80% of customers who come to the branch will only have to wait for less than 8 minutes before a teller serves them and for less than 15 minutes before a Customer Service serves them. Following the implementation of formless transaction for cash deposits, cash withdrawals, and transfer of books transactions, customers now no longer need to fill out a transaction form before making transactions at the Teller counter. Customer Service (CS) staff are now equipped with iPad devices that display brochure containing complete information about the Company's products and services to give customers more interactive experience.

Customer Satisfaction Survey

In addition to the customer satisfaction survey conducted by an independent party, the Company has developed a customer satisfaction measurement system that allows customers to give direct feedbacks on the quality of services provided by the CS and Teller using Customer Feedback System now available at more than 300 branches. In 2014, 97% of customers who come to branches and were captured through this system said they were satisfied with the branches' CS or Teller service.

The Company uses this feedback from the survey to improve service quality, which is getting closer to customer perception and wishes, as an effort to attain long-term customer loyalty.

Customer Complaint Handling

Customer Complaint is important to a company's business as it describes what customers wish and need. Every bank has to manage customer complaint well to allow it to give the best customer experience.

Currently, the Company has a special unit called Customer Care (CC), tasked to ensure customer complaints management and handling is done properly and in accordance with the provisions of Bank Indonesia. The company receives customer complaints through various channels and media, including print and social media. Customer Care unit is equipped with a system that is capable of filing bank-wide customer complaints, which allows immediate escalation of the complaints to the right unit that is tasked to handle and resolve the complaints.

Through this system, every customer who files complaints will receive a registration number, as a proof of complaints he has filed that will also help him or her monitor follow-ups for settlement. This system helps the Company evaluate each customer complaints, and subsequently do corrective and preventive actions in order to prevent the same dissatisfaction from reoccurring in the future. In addition, the system helps the Company in monitoring settlements of complaints, monitoring Service Level Agreement (SLA) for settlement of customer complaints and monitoring the development of the facility of reporting to Bank Indonesia pertaining to customer complaints.

For the Company, this OMPK system has better facilitated the Company in monitoring complaint settlement, monitoring SLA settlement of customer complaints, escalating media customer complaints from the receiving channel to the unit that settles customer complaints and serves as a means to report customer complaints to Bank Indonesia's pertaining to financial problems.

Despite significant increase from 123 million transactions in 2013 to 165.5 million in 2014, the Company managed to keep its customer complaints level at 2 bps. The company received 4,039 financial-related complaints per month in average and 948 non-financial-related complaints.

The Company is committed to maintaining the level of customer complaints resolution above 99%, as seen in the performance made within the last 2 years.

The level of Customer Complaint Settlement during 2014

Type of Customer Complaint	Settled within the Same Year	
	2013	2014
Financial	99.6%	98.9%
Non Financial	98.9%	99.3%
Total	99.3%	99.0%

As a public entity, the company is also active in the Banking Mediation Working Group, in collaboration with the Indonesian Bank and Financial Services Authority (FSA) together with other banks incorporated in it, in a program of consumer education in the form of seminar on banking and other activities

Giving Fund for Social Activities and political exclusion

The Company's internal policy prohibits the Company and its employees from involvement in political activities, including providing funds for political purposes. This policy is applied in order to maintain the independence and professionalism of employees and the Company. The Company believes that social activities give positive impacts to a wider audience in the long term. Social activities will be reported in a special section in the Corporate Social Responsibility Annual Report

Employee Welfare

Employee welfare is realized in various ways such as Social Security (Jamsostek), Health Benefits, Employee Loans, Pension Funds, and Life Insurance.

To keep improving it, employee welfare is reviewed through internal and external surveys and benchmarking against other companies that have good reputation.

Labor Union

The Company considers that the Union is a partner in building harmonious Industrial Relations in the work environment. To the Company communicates continuously with the Union. Testament to the good communications was the signing of Change of Collective Labor Agreement (CLA) for the period of 2014 to 2016 between the Negotiating Team of the Company and Union Negotiating Team on December 18, 2014.

To keep up an effective and intensive communication, the Company held at least 10 formal and informal meetings with the Union. The series of meetings were expected to address the information gap so the Company could absorb the aspirations of employees well. In addition, the meetings also allowed the Company to introduce policies prepared for employees in accordance with the intent and purpose of the policies. This should minimize miscommunication that may hamper the performance of employees and positive work environment.

Work Termination

In principle, the Company has done everything to prevent employment termination. In the event when it cannot be avoided, the employment termination will be referred to the prevailing rules and regulations.

Employee Development Program and Equal Opportunity

The Company is a performance-based organization, where employees are assessed based on their contribution and performance to the Company. Every employee has the same opportunity to develop themselves through career paths available. In addition to clear career management, the Company also designed various forms of training programs managed by the Learning and Talent Development. Trainings are held comprehensively and cover personal development, leadership, and technical skills.

Throughout 2014, the Company spent Rp152.1 billion for education and development of employees. The figure included Rp117.6 billion for education expense and the establishment of reserves for education expense in the amount of Rp34.5 billion, which will be allocated in 2015. The figure does not include educational fund of Rp12.7 billion reserved in the prior year 2013 that was added to the education budget in 2014. More detailed explanation of employee development expense is available in the chapter of "Human Resources & Talent Development" of this Annual Report.

Internal Communications

Communication plays an important role in helping the success of the various programs and activities of the Company. Good internal communication will deliver sustainable success, create support for policy management and enable efforts to transform business transformation in response to challenges in the market.

The Company is aware of the need to have an effective and efficient internal communication platform to reach out to its 15.003 employees, both permanent and contract. The success of the Company is evidenced by higher level of employee productivity, which has been improved due to several factors, including better attendance rate, how employees like the job assigned to them, how employees do the jobs assigned to them and how employees comprehend the jobs assigned to them.

The implementation of the Company's internal communication is done with the following principles:

1. Open and transparent
2. Two-way Communication
3. Full responsibility
4. Actual
5. Accurate and easy to comprehend

Information delivered is that which is related to the Company, builds understanding, pride, work order and internalizes the Company's vision, mission and values including the messages from the group and management, product info, activities/employee activities, socialization of the Company's campaigns, social activities and other information.

Throughout 2014, the Company held the following activities:

CONTENT	OBJECTIVE
CEO Hotline: Aspirations through text messages to the CEO regarding Human Resource, Business, and other aspects. During 2014, as many as 41 text messages were followed up.	A medium of communication between employees and leaders of Company for the advancement of the Company, compliance and improvement in service quality and human resources.
CIMBNET: Update news about the Company and other policies introduced by the management, Prescom Blog and information on the latest products and resource presented in details.	Deliver actual and factual information to employees through intranet network
Internal News: Disclose news about the Company's business activities, social activities, receives awards from external parties, publish news about branches, about business unit (product) and other information	Deliver actual and factual information to employees through e-mail blast
CIMB Niaga News: quarterly magazine with a circulation of 3,500 copies distributed to employees, the Board of Directors, the Board of Commissioners, Senior Executives and CIMB Group with the motto of internal communication media and education. In early 2014, CIMB Niaga News improved its quality both in terms of information delivered, grammar and layout design to make it easier to understand and more attractive.	Deliver news on activities, policies and aspirations to make it easily understood and spread among all elements of CIMB Niaga through quarterly magazine
<i>Walkabout Senior Management: During 2014 the management held 8 road shows in various areas or regions in Indonesia where the Company has operations by taking important moments such as Safari Ramadan, Halal Bi Halal and Echoes of Christmas and other important events</i>	Senior Event Management Walkabout is a face-to-face activity and two-way communication form between employees and the management with an aim of delivering the latest information and the Company's performance while directly listening to the aspirations of the employees.



Internal Communication Program of 2014

Communication Media	Topic	Total
Internal Email Blast	<i>Berita Internal</i>	1,320
	Information on CSR	48
	CEO Interactive Blog (CIMBNET)	17
	Information of the Company's performance	2
	Comics	40
	<i>Light and Easy Corner</i>	36
Internal Magazine CIMB Niaga News	Volume 15,16,17, dan 18	4
CEO Message		13
CEO Hotline		41
Management Roadshow	<i>Senior Management Walkabout</i>	8
Employee Events	<i>Open House</i>	1
	Halal Bihalal	1
	Gema Natal	1
	Olympi CIMB Indonesia	1
	Safari Ramadhan	1
Group Events	ASEAN Day Road Show	1
	CIMB Classic (Golf)	1
	CIMB SEA Games	1
Event Sponsorship	CIMB Niaga Indonesian Masters	1
	Indonesian Banking Expo (IBEX)	1

CIMB Niaga Club

CIMB Niaga Club (CNC) is an informal CIMB Niaga organization to facilitate employees' interests in fulfilling their hobbies, aspirations, and other creative activities in groups of sports, arts, social, and spiritual activities. In turn, the activities are expected to maintain a healthy balance of work and non-work activities in order to improve employees' productivity.

The spirit of togetherness in one big family through fairness and competition to always be the best is the motto of CIMB Niaga Club. The sense of togetherness among employees in participating in the events held by the CNC has not only created fresh atmosphere and a facility to exercise their hobbies and talents, but has also raised the reputation of CIMB Niaga through a variety of activities at the regional, national, and regional levels.

CNC activities:

1. Sports including Basketball, Badminton, Bowling, Shooting, Biking, Tennis, Football, Futsal, and Table Pool.
2. Arts including clubs of photography dance and percussion, group vocal and ethnic dances.
3. Social including donation to Social Foundation, in collaboration with business units.

4. Spiritual includes spiritual activities for Muslim, Christian Catholic and Protestant, including Ramadhan Spiritual held by CIMB Niaga and other activities carried out at branches.

CNC activities during 2014:

1. In Sports: Facilitating regular exercise for every sport, holding sports events for groups or branches of Bank CIMB Niaga (Football, Futsal, Tennis, Badminton, etc.) in certain cities (Jakarta, Medan, Bandung, Magelang, Surabaya and Makassar), in addition to participation in PERBANAS Sports Championships and Inter Company in Jakarta, Pekanbaru, Semarang - Central Java, Surabaya - East Java; and Bali.
2. The Olympi CIMB Indonesia, which engaged the entire areas including affiliated companies (KITAF, CIMB Niaga Auto Finance, CIMB Securities & CIMB Sunlife).
3. CIMB SEA Games, a biennial event, which in 2014 was held in Johor, Iskandar - Malaysia where the Company became the overall Champion at the regional level.
4. In Art: Participated in the modern dance (dance), competition, participants gathering for members of the photography club and performed singers at events within the Company and those at regional level, particularly in the arena of Indonesian Banking Expo (IBEX).
5. In Social and Spirituality: provided benefits and donations to social foundations and participated in social activities in the event of natural disasters (floods and landslides).

Awards received and other social activities during 2014:

No	Activity	Tournament	Achievement	Organizer	Period
1	Billiard	IPEBI 2014 Billiard Tournament	3rd Position in Group Category	Ikatan Pegawai Bank Indonesia (IPEBI)	15 & 22 November 2014
2	Soccer	2014 Islamic Finance Cup	Runner Up	Karim Consulting Indonesia	8 & 9 February 2014
3	Bowling	Intercomm League Season 36	First Position for individual 5th position for group category	Intercomm Bowling League	January - March 2014
4	Bowling	Intercomm League Season 37	First Position for Male Individual 3rd Position for Group Category	Intercomm Bowling League	April - June 2014
5	Bowling	Intercomm League Season 39	3rd Position for Female Individual	Intercomm Bowling League	November - December 2014
6	Bowling	Piala Menpora - Krida Utama OPEN	Ranked 3rd for Senior Division	Krida Utama Bowling League	November 2014
7	Bowling	Cihuy OPEN	Ranked 8th for Division C	Cihuy Bowling League	January 2014
8	Bowling	PIISEI Jaya	Ranked 5th for Group Category	PIISEI	June 2014
9	Bowling	HUT Lintas Artha	Runner Up for Individual Ranked 4th for Individual	Lintas Artha	April 2014
10	Basket Ball	Inter Bank Basket Ball Invitation	3rd Place for Male	Perbanas & BNPD Jabar	August - September 2014
11	Table Tennis	Inter Bank Table Tennis Tournament	Semi Final	Perbanas & BNPD Jabar	March 2014
12	Badminton	Inter Bank Badminton Tournament	Semi Final	Perbanas & BNPD Jabar	May 2014
13	Badminton	Badminton Tournament			
14	Badminton	Asbisindo Tournament (the Semarang Association of Sharia Banking)	Runner Up	Asbisindo	September 2014
15	Futsal	KitFutsalismo Tournament	3rd Position	KitFutsalismo Medan	Mei 2014
16	Futsal	BPR Kanti Cup Futsal Tournament	Runner Up Male	BPR Sukawati Pancakanti Bali	November 2014
17	Futsal	Asbisindo Futsal Tournament	3rd Position	Asbisindo Cup	May 2014
18	Music	Inter Bank Music Festival	Among the Top 10	Perbanas & BNPD Jabar	December 2014
19	Social	Mass Circumcision	78 children	Karyawan dan pengurus CNC Bandung	June 2014
20	Social	The ledul Adh animal sacrifice			



Corporate Governance based on the Asean Corporate Governance Scorecard

Completing the Report on Corporate Governance according to the standards of the Financial Services Authority, hereby we deliver the Company's self-assessment on the implementation of Corporate Governance in accordance to the ASEAN Corporate Governance Scorecard.

I. Rights of Shareholders

The Company's shares, whether class A and class B shares are ordinary shares which gives equal rights to its owners in accordance with the Company's Articles of Association, namely:

1. The right to dividends

The Company's shareholders have the same rights to the dividends issued by the Company in accordance with the number of shares owned recorded in the Register of Shareholders on the recording date.

2. The right to participate on the amendments of the Articles of Association

The Company's shareholders have the right to participate in the voting on matters that have been regulated in the Law on Limited Liability Company related to the authorities of shareholders, including the amendments to the Articles of Association in the General Meeting of Shareholders (AGM) held by the Company.

3. The authority in the issuance of the Company's new shares

Shareholders of the Company has the right to initially buy the new shares to be issued by the Company. If this right is not used, then the right can be transferred by the shareholder to other shareholders or other third parties.

4. Actively participate in the GMS

Shareholders have the same rights and opportunities to participate actively in the GMS, namely to be present and give opinions and/ or vote on the agenda of the GMS among others:

- a. Approval of the Annual Report and Annual Financial Statements.
- b. Determination of the use of earnings.
- c. Appointment of the Certified Public Accountant.

- d. Approval of the appointment of the Board of Directors and/ or Board of Commissioners and/ or Sharia Supervisory Board.
- e. Determination of the remuneration of the members of the Board of Directors, Board of Commissioners, and Sharia Supervisory Board.
- f. Other agendas which require the approval of shareholders.

5. The right to nominate members of the Board of Directors and Board of Commissioners:

Referring to the Regulation of the Financial Services Authority No. 32/POJK.04/2014, the Company's shareholders (including the minority shareholders) who either individually or jointly own at least 1/20 of the Company's total issued shares have the right to propose the agenda of the Meeting, including the agenda regarding the nomination of the members of the Board of Directors and/ or Board of Commissioners.

6. Management of the vote on the nomination of members of the Board of Directors and Board of Commissioners in the GMS:

Although the voting on the nomination of members of the Board of Directors and the Board of Commissioners in the GMS held in 2014 was performed collectively (not individually per nomination), shareholders still retain the right to disagree or be abstain from voting for a particular candidate. The Company continues to strive to improve the process and procedures of the voting on the nomination of the members of the Board of Directors and Board of Commissioners at the GMS thus in the next GMS if there is an agenda to nominate the members of the Board of Directors and/ or Board of Commissioners, voting will be conducted per individual candidate of Director and Commissioner.

7. Rights in the GMS:

- a. The right to obtain information on the rules of the GMS, including information on the summary of the voting procedure as presented orally by the Company Secretary before the AGM is opened and comprehensively announced/ uploaded and written in the Company's website.

- b. Shareholders' rights to vote (voting right) in which every 1 (one) share entitles its holder to give 1 (one) vote.
- c. Equal access to public information namely through the provision of information via the website or through other mass media publications.
- d. In every decision-making in the GMS, the minority shareholders are given the opportunity to ask questions, express opinions, and has the right to approve or disapprove, including on the remuneration for the Board of Directors, Board of Commissioners and the Sharia Supervisory Board.
- e. Shareholders who are unable to attend the GMS may appoint others to be the authorized representative in the GMS.
- f. The mechanism adopted in the vote on each agenda of the GMS is "raising hand", where the Charirman of the meeting asks shareholders who "disagree" and "abstain", which will subsequently be concluded that the shareholders who do not raise their hands are the shareholders who vote "agree".
- g. The Chairman of the GMS explains each agenda of the GMS.
- h. Calculation and validation of the vote is conducted by the Notary appointed by the Company, and the Registrar as the independent supporting profession.
- i. Report and the publication of the AGM decisions is delivered through IDXNet (Indonesia Stock Exchange) and the website, and performed on the next working day after the GMS, and publication in the newspaper is performed the next business day after the publication in IDXNet.
- j. Minutes of the GMS include among others:
 - Explanation on the voting procedure and the process of the voting performed in the GMS.
 - The opportunity for shareholders to ask questions or raise issues related to the agenda of the GMS. Kesempatan pemegang saham mengajukan pertanyaan atau isu-isu yang berkaitan dengan agenda RUPS.
 - Note the questions asked by the shareholders and the answers to the questions.
 - Record the result of voting (agree, disagree, abstain) for each agenda of the GMS.
 - Record the members of the Board of Directors and Board of Commissioners present at the GMS, including the attendance of the President Director and President Commissioner.
 - Record the decision on each agenda of GMS.
- k. In the Company's Annual General Meeting of Shareholders in 2014 :
 - Publication on the Notification of GMS was performed in February 25, 2014 (30 days before the GMS) and the publication on the Invitation of GMS was performed in March 15, 2014 (15 days before the GMS).
 - The GMS was attended by the President Director, President Commissioner, the Head of Audit Committee, members of the Board of Directors, members of the Board of Commissioners as well as members of the Audit Committees and members of the other Board of Commissioners' Committees.
 - The GMS in 2014 was held in an easily accessible location thus easen the shareholders to attend the GMS either with private or public transportation.

8. Institutional shareholders with above 5% shares ownership

Currently, in the Company there are no institutional shareholders (excluding CIMB Group Sdn Bhd which is the controlling shareholder of the Company) with shares of above 5% or more of the total shares issued by the Company.

II. Equitable Treatment of Shareholders

1. Voting rights and ownership

Currently, the Company has two classes of shares, namely Class A Shares with a nominal value of Rp 5,000 and Class B Shares with a nominal value of Rp 50. Both classes of shares provide the same rights that every one share entitles its owner to give 1 (one) vote. Publications on the voting rights attached to each share class is as stated in Article 5, paragraph 5.1 of the Company's Articles of Association.

2. GMS Notification and Invitation

- a. GMS notification and invitation is announced through 1 (one) newspaper in Bahasa Indonesia with national circulation and uploaded on the Company's website in Bahasa Indonesia and English.
- b. Every decision of the GMS only contains one agenda/ topic or in other words there is no merging of several topics in the same decision.

- c. Notice regarding the availability of Power of Attorney to attend the GMS is also uploaded on the Company's website, and is provided in the office of the Corporate Secretary and the Company's Registrar's office.

3. Insider trading

- a. In addition to being regulated in the applicable legislations, the prohibition of abuse of insider information is also subjected to the provisions of Article 4.7 of the Company's Code of Ethics, and the policy of Conflict Management.
- b. The Company has reported to the regulator that during 2014 there were no share transactions conducted by the Board of Directors and Board of Commissioners.

4. Related-party transactions performed by the Company with the Board of Commissioners and Board of Directors

- a. Related-party transactions is stipulated in the investment policy of the Charter of the Board of Commissioners and Board of Directors, as well as the Company's Code of Conduct.
- b. During 2014 there were no share transactions conducted by the Company with the Board of Directors and Board of Commissioners.

5. Transactions with conflict of interest

Referring to the applicable laws and regulations regarding Transactions with Conflict of Interest, in 2014 the Company has no Transactions with Conflict of Interest.

6. Protection for the minority/ independent shareholders of violations

Protection for the minority/ independent shareholders is stipulated in the Articles of Association of the Company on the Conflict of Interest GMS which require the approval of independent shareholders, Conflict Management Policy, the Board of Directors Charter and the Charter of the Board of Commissioners, as well as the Code of Conduct governing insider trading, the transactions with affiliated parties (related-party transactions) and the transactions with conflict of interest (conflict of interest transactions).

In 2014, there are no insider tradings, related-party transactions and conflict of interest transactions in the Company.

III. Role of Stakeholders

1. The Company pays attention to the role of stakeholders, among others:

- a. Safety and security of customers, as disclosed in the section: protection services and customer complaints handling in the Corporate Governance Report.
- b. Suppliers, as disclosed in the section: procurement of goods and services in the Corporate Governance Report.
- c. Environmental and the systematic effort to interact with the community, as expressed in the Social Responsibility section in this Annual Report and the Sustainability Report.
- d. Anti-Fraud and the prohibition to receive gratification, as disclosed in the disclosure of information concerning internal fraud and settlement measures by the Company.

The company always ensures that the rights of creditors implemented as appropriate, inter alia with regard to the provisions of Article 23, Articles of Association, which stipulates that a legal act merger, consolidation, takeover, or Separation Company always consider the interests of which is in the interests of creditors and other business partners of the Company .

The Company always ensures that the rights of creditors are applied as appropriate, among others with regard to the provisions of Article 23 of the Company's Articles of Association, which stipulates that a legal act of company merger, consolidation, takeover, or separation always consider among others the interests of the Company's creditors and other business partners.

The Company provides and publishes an e-mail address, phone number, so that stakeholders (including customers, suppliers and the general public) can express their concerns or complaints to the Company easier, as expressed in the Company's website.

2. The mechanism to increase performance, development, and employee participation in the Company

The policies related to health, safety and welfare of employees, training and development programs for employees, records of employee training and development programs, the remuneration policy has been disclosed in the section: Human Resources and Talent Development, and in the Company's Sustainability Report.

IV. Disclosure and Transparency

The Company discloses information related to important matters, including:

1. Structure of Ownership of the Company

Ownership of shares of 5% and more, either directly or indirectly

CIMB Group Sdn Bhd is a controlling shareholder who directly owns 96.92% and indirectly owns 1.02% of the Company's shares through PT Commerce Kapital. Thus currently there are no other shareholders who own 5% of the Company's shares or more either directly or indirectly.

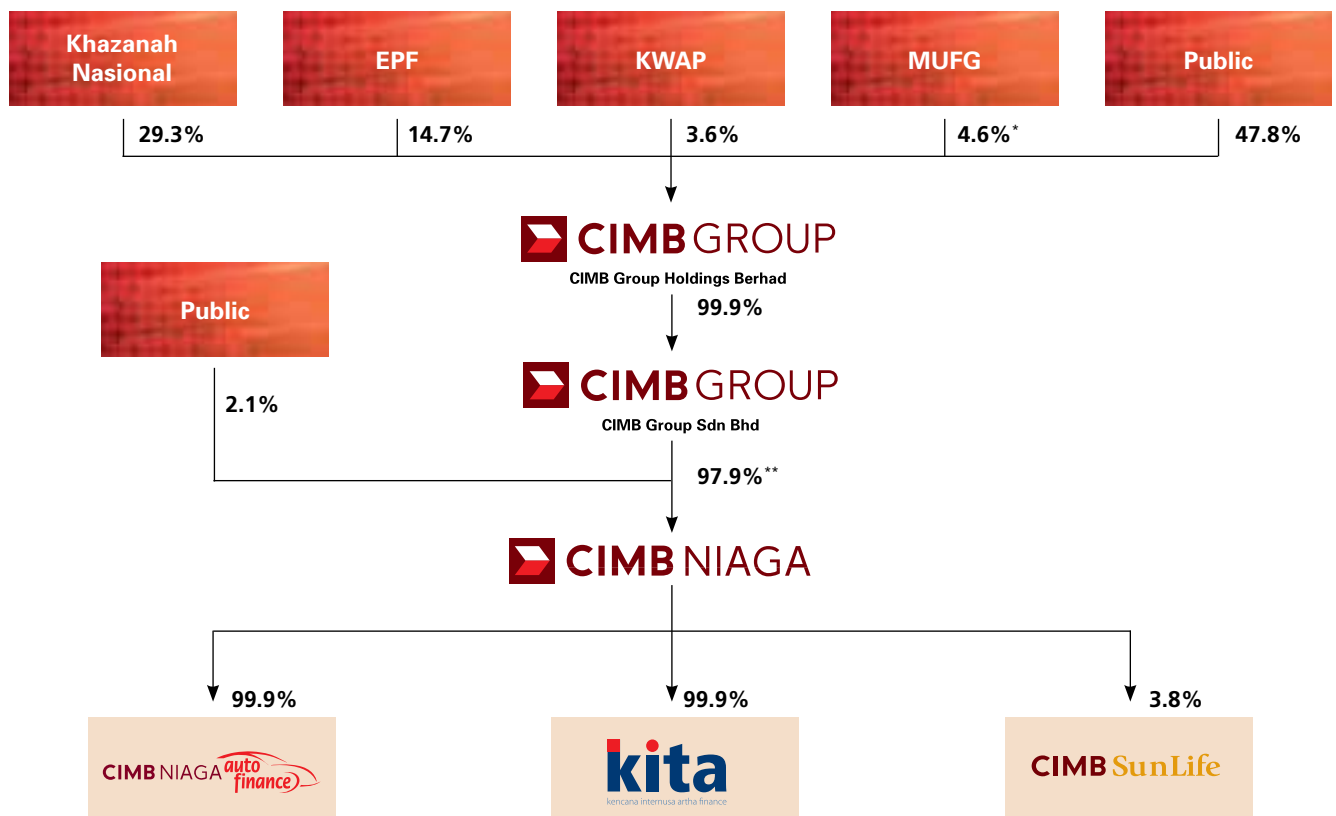
Share ownership of the Company's Board of Commissioners and Board of Directors

As of December 31, 2014, the members of the Board of Directors and Board of Commissioners have no shares in the Company, either directly or indirectly, except Mr. Arwin Rasyid as the Company's President Director who owns 1,381 shares (or 0.00% of the total shares issued by the Company).

Shareholdings of the Members of the Board of Directors and Board of Commissioners in Other Companies

In accordance with the applicable provisions of the Financial Services Authority, all members of the Board of Directors and Board of Commissioners either individually or jointly shall not have more than 25% of the paid up capital of other companies.

Ownership structure of the Company and its Subsidiaries



* Only direct shares through BTMU

** Including ownership through PT Commerce Kapital of 1.02%

2. Main Risk

Main risk is disclosed in the section: Risk Management Discussion

3. The purpose and objectives of the Company

The purpose and objectives of the Company is to engage in the business of commercial banking. In order to achieve these objectives, the Company may undertake major business activities and conduct supporting business activities as set forth and described in Article 3 of the Company's Articles of Association.

4. Performance Indicators

The indicators of financial performance are disclosed in the section Financial Performance, while indicators of non-financial performance are disclosed in the section Management Analysis and Discussion.

5. Policy on Dividend

As stated in the 2014 Bank's Business Plan, the Company with the approval of the shareholders, plans to distribute dividend up to a maximum of 40% of the profit of the current year, taking into account the Company's condition and ability as well as the need for capital to support the Company's future business development.

6. Policy on Whistleblowing

The policy on whistleblowing is disclosed in the Corporate Governance Report.

7. Biography, trainings, number of meetings, and the remuneration of the Board of Commissioners and Board of Directors

Biography, trainings, number of meetings, including details of attendance, and remuneration are disclosed in a special section: the Board of Commissioners and Board of Directors, in this Corporate Governance Report.

8. Statement of the Company's compliance with the rules of Corporate Governance

Statement of the Company's compliance with the rules of Corporate Governance is disclosed in the Message from the President Director and the early part of this Corporate Governance Report.

9. Disclosure of Information Related to Material Transactions and Conflict of Interest Transactions

Based on the Articles of Association and applicable legislations, the Company is required to disclose material transactions and conflict of interest transactions. During 2014, the Company did not perform material transactions as regulated in the Regulation of Bapepam-LK No. IX.E.2, the Company also did not perform conflict of interest transactions as set out in the Regulation of Bapepam-LK No. IX.E.1.

10. Disclosure of information on affiliated parties, the nature of the relationship and the nature of the transaction

Details of transactions with affiliated parties during 2014 as set out in Regulation of Bapepam-LK No. IX.E.1 as disclosed in the Corporate Governance Report.

A number of business relations with affiliated parties are related to the Company's major activities that occurred in 2014 or continuing from the previous year, among others were (i) bancassurance activities with CIMB Sun Life, (ii) credit transactions with CIMB Bank (two-step loan from JBIC), and (iii) derivative transactions with CIMB Group Holdings for.

As for transactions with affiliated parties that support the main business, among others, was with CIMB Group to work together using the logo "CIMB".

11. Disclosure of company shares trading by insiders

During 2014, no employees, members of the Board of Directors and Board of Commissioners of the Company performed company shares transactions.

12. Openness and transparency on the cost of external audit

The cost of external audit for the fiscal year 2014 for audit services was USD 590,453. These costs include annual fees and audit of subsidiaries. Given during 2014 the external auditor only provided audit services, then there were no other non-audit fees.

13. The communication media to deliver Company information

i. Quarterly financial performance report

Every 3 (three) months, the Company reports its financial performance to regulators, including the FSA and the Indonesia Stock Exchange. Submission of the report is also conducted via publications through OJKNet and IDXNet namely the electronic reporting facility provided by the FSA and the Indonesia Stock Exchange. In 2014, reporting was conducted in February (financial statements for December 31, 2013), April (financial statements for March 31, 2014), July (financial statements for June 30, 2014), and October (the financial statements as of September 30, 2014).

ii. Analyst Meeting

The Company performs an analyst meeting once every 3 (three) months also, related to the performance of the Company corresponding to the quarterly financial period in which the material is uploaded on the Company's website.

iii. Explanation to the Media

The company also conducts an explanation to the media, either through press release or press conference related to the Company's performance, either quarterly, semiannual or annual. In addition, explanation to the media is also carried out for each information related to services, products and other

matters related to the Company that need to be known by the public.

iv. Company Website

The company also provides a means of public information namely the website www.cimbniaga.com as a medium of communication on all public information related to the performance, products, promotions, and services.

v. Media or other means of communication

In addition to the media or the means mentioned above, the Company also conducts internal communication as disclosed in the section Internal Communication in this Annual Report.

14. Submission of financial statements and annual report in a timely manner**i. Submission of Financial Statements**

The Company delivers the financial statements and annual report to the regulator before the deadline specified, with the following details:

No	Financial/Annual Report	Reporting Deadline	Report Disclosure
1	Financial Statements as per December 31, 2013	90 days after fiscal year end	18 Feb 2014
2	2013 Annual Report	120 days after fiscal year end	12 March 2014
3	Financial Statements as per March 2014	30days after end of reporting period	29 April 2014
4	Financial Statements as per June 30, 2014	30days after end of reporting period	24 July 2014
5	Financial Statements as per September 30, 2014	30days after end of reporting period	29 October 2014
6	Financial Statements as per December 31, 2014	90 days after end of fiscal year	12 February 2015

ii. Declaration of truth of the Financial Statements

The Board of Directors has declared responsible for the preparation and presentation of the Consolidated Financial Statements of the Company and its subsidiaries as disclosed in the front page of the Audited Consolidated Financial Statements.

- iii. Notification, invitation and decisions of the GMS, and
- iv. Compilation of the Company's Articles of Association contained in Deed No. 22 dated April 21, 2014 created before Ashoya Ratam, SH, MKn, Notary in Jakarta, which has been uploaded in the Company's website as well as the Corporate Policies (Governance Charter, Charter of the Board of Directors, Charter of the Board of Commissioners, Charter of the Commissioners' Committees and the Company's Code of Ethics), and etc.

15. Company Website discloses the information related to the Company to the public

The Company's website among other contains:

- i. Informasi on the Company's products, services, business services and operations.
- ii. Annual Report (current and previous), information on analyst meeting, press conference, structure of shares ownership, structure of the Company's group. The Annual Report can also be downloaded without charge through the App Store with the iPad and Play Store in the Android Tab with the keyword "CIMB Niaga Corporate Report"

16. Corporate Secretary and Investor Relations

Corporate Secretary:

Phone : (62-21) 250-5252, 250-5353 ext.46055

Fax : (62-21) 252-6749

Email: corporate.secretary@cimbniaga.co.id

Investor Relations:

Phone: (62-21) 250-5252, 250-5353

Fax: (62-21) 250-5205

Email: investor.relations@cimbniaga.co.id

V. Responsibilities of the Board

1. Duties and Responsibilities of the Board of Commissioners

Corporate Governance Policies

The company has a range of policies related to Governance, namely the Good Corporate Governance Charter, Board of Commissioners Charter, Board of Directors Charter, Code of Conduct which are uploaded in the Company's website.

The types of decisions that require the approval of the Board of Commissioners

In accordance with the provisions of Article 15, paragraph 3 of the Company's Articles of Association, the actions of the Directors that require prior approval from the Board of Commissioners, among others are the acts beyond the Company's operations (acquire immovable assets, relinquish rights to immovable, assets, perform investment in other companies), and the business activities outside the everyday business activities of the Company (to borrow money or issue debt securities that are not included in the daily business activities, delete or remove receivables, and undergo temporary investment and/or purchase of assets of the debtor to rescue credit).

Besides, the Board of Commissioners need to approve the Company's policies such as the Risk Management Policy and the Anti-Money Laundering Policy based on the rules of the Financial Services Authority.

Roles and Responsibilities of the Board of Commissioners and Board of Directors

The roles and responsibilities of the Board of Directors are contained in Article 18 of the Articles of Association on the Duties and Responsibilities of the Board of Commissioners. The Board of Commissioners is responsible for supervising the Duties and Responsibilities of the Board of Directors. In carrying out the duties and responsibilities, the Board of Commissioners established an Audit Committee, Risk Monitoring Committee, and the Nomination and Remuneration Committee.

Meanwhile the duties and responsibilities of the Board of Directors is further as set forth in Article 15 on the Duties and Responsibilities of the Board of Directors namely fully responsible for the implementation of the Company's management. The Board of Directors shall manage the Company in accordance with its authority as stipulated in the Articles of Association in good faith and full personal responsibility (if found guilty or negligent in performing his/ her duties). Directors are also required to implement the principles of corporate governance in all of the Company's business activities, and so on.

2. Vision, Mission and Core Values of the Company

The vision, mission and core values of the Company are disclosed in the opening section of this Annual Report.

The review on the vision, mission and core values Company

The vision, mission and core values of the Company became effective from January 1, 2015 under the approval of the Board of Commissioners through the Circular Decision of the Board of Commissioners dated October 31, 2014 based on the recommendation of the Nomination and Remuneration Committee, dated 23 October 2014. The vision, mission and core values of the company will be evaluated periodically once every 5 years or in accordance with the Company's strategy.

3. Review on Corporate Strategy

The Board of Directors reviews the Company's annual business strategy through the Annual Budget Meeting as the basis for the filing of the Bank's Business Plan for the next year to the Financial Services Authority (FSA), followed by the Midyear Budget Review Meeting conducted in the second half of the year as the basis for filing revisions on the Bank's Business Plan in the current year.

4. Monitoring/ supervision over the implementation of corporate strategy

The Board of Directors shall supervise the Company's achievement over the Bank's Business Plan among others through the monthly or semi-annually Performance Management Meeting (PMM). The company is also reporting to the Financial Services Authority regarding the achievement of the Company RBB strategy.

5. Code of Conduct

Disclosure of the Code of Conduct

The Company's Code of Conduct has been uploaded on the Company's website. The Company's Code of Conduct applies to all employees with direct work relations, both permanent and temporary employees. The Code of Conduct also applies to the Board of Directors and Board of Commissioners and the Sharia Supervisory Board.

How to apply and monitor compliance to the Code of Conduct

In order to provide an understanding and compliance to the Code of Conduct, the Company provides periodic socialization, monitor on an ongoing basis, including through the Internal Communication media as well as in the form of the provision of reporting media which can be accessed via email, phone, SMS and PO Box.

6. Independent Commissioner

The composition of the Independent Commissioner

The composition of the Company's Independent Commissioner is contained in the Corporate Governance Report.

The relations between the Independent Commissioner and the major shareholder

The Company's Independent Commissioner has no family relations to the second degree, including in laws with fellow members of the Board of Directors or the Board of Commissioners, and independent from the controlling shareholder. Similarly, the Board of Directors of the Company has no family relationship to the second degree, including in laws with fellow members of the Board of Directors or the Board of Commissioners.

Work of Office of the Independent Commissioner

According to the provisions of Article 17.3 of the Company's Articles of Association, the term of office of the Commissioners is until the closing of the 4th AGM after the effective date of appointment, and the work tenure of the Independent Commissioner is maximum of 2 periods since his/ her appointment as Independent Commissioner.

Having regard to the Decision of the Director of the Indonesia Stock Exchange: Kep-00001/BEI/01-2014 dated January 20, 2014 on the Regulation No. I-A on the Registration of Shares and Equity besides the Shares Issued by the Listed Company, and related to the Indonesia Stock Exchange Circular Number: SE-00001/BEI/02-2014 dated February 4, 2014 in which the term of office of the Independent Commissioner is limited to a maximum of 2 periods, or equal to 8 years, thus until this moment, none of the term of office of the Company's Independent Commissioner has exceeded the maximum period according to the rules mentioned above. Likewise, in terms of the standard best practices of the ASEAN Corporate Governance Scorecard, the cumulative term of office of the Independent Commissioner shall not exceed nine (9) years.

7. Determination of the limit of concurrent positions for the Board of Directors and Board of Commissioners

The Board of Directors and Board of Commissioners have met the requirements of the Financial Services Authority related to the concurrent position of the Board of Directors and Board of Commissioners of the bank. The regulation regulates more strictly than the limits stated in the 5 positions of ASEAN Corporate Governance Scorecard.

8. Profile, schedules, and meetings of the Board of Commissioners

The profile and meeting schedule as well as the agenda of the meeting of the Board of Commissioners are contained in the Corporate Governance Report.

9. Criteria for the selection of new Directors and Commissioners

Criteria for the selection of new Directors and Commissioners is contained in the section Tasks of Corporate Governance and included in the responsibilities of the Nomination and Remuneration Committee.

10. The process of appointment of new Directors and Commissioners

The process of election/ appointment of Directors is set forth in the Charter of the Board of Directors, and the election/ appointment of Commissioners which among others regulates that the appointment of Directors and Commissioners shall be conducted by the GMS based on the recommendations of the shareholders who have obtained recommendations from the Nomination and Remuneration Committee with reference to the criteria and certain requirements established.

The term of office of the Board of Directors and Board of Commissioners in accordance with the Articles of Association of the Company is effective from the date set in the AGM on the appointment until the closing of the fourth AGM after the effective date of appointment, without reducing the rights of the GMS to dismiss at any time in accordance with the provisions of the Company Law and the Articles of Association of the Company.

11. The remuneration policy of the Board of Directors and Board of Commissioners

The remuneration and the shares management program are disclosed in the Corporate Governance Report and specifically for Shares Management Program is disclosed in the Audited Financial Statements. Except as disclosed in this Annual Report, there are no other remuneration programs received by the Board of Commissioners.

In accordance with the provisions of Article 96 and 113 of the Company Law, the GMS determines the salary and remuneration of the Board of Directors and Board of Commissioners with regard to the recommendations and opinions from the Nomination and Remuneration Committee of the Company.

12. The Nomination and Remuneration Committee and Audit Committee

These committees are explained in the Corporate Governance Report, including the composition, background expertise, membership, number of

meetings, as well as the responsibility to recommend the appointment, the appointment and dismissal of the External Audit, which all have met the ASEAN Corporate Governance.

13. Profile of the Corporate Secretary

Profile and information related to the Corporate Secretary are fully disclosed in the Corporate Governance Report.

14. Internal Audit

The Company's Internal Audit Unit as disclosed in the Corporate Governance Report is chaired an official with independent function as the Head of Internal Audit.

According to the provisions of the legislations in force and the provision of point IV.11 of the Audit Committee Charter, one of the duties and responsibilities of the Audit Committee is to make recommendations to the Board of Commissioners on the appointment, dismissal and performance assessment of the Head of Internal Audit.

15. Control of risk management

Control of risk management is disclosed in the Corporate Governance Report and Risk Management Report. The Board of Directors and Board of Commissioners conducts a review on the control (including operational, financial and compliance controls) and on the Company's risk management system with the concept of Enterprise Wide Risk Management (EWRM).

16. Management of the main risk

The management of the main risk is disclosed in the Risk Management Report. The Company performs significant risk identification process in its business activities, risks measurement supported by adequate infrastructure, such as forming an independent Risk Management Unit, develop policies and procedures as well as the availability of data and system. In addition, the Company is also preparing risk mitigation measures to maintain the level of loss in accordance with the risk appetite and risk tolerance.

17. Statement of the Board of Directors regarding the adequacy of the risk management control

Statement of the Board of Directors is disclosed in the Risk Management Report, and further outlined in the Message from the President Director. Directors of the Company has stated that the Company's internal control for risk management has been carried out as well as possible so that risks can be mitigated.

18. Acting Chairman and President

In accordance with the provisions of Article 14 and Article 17 of the Articles of Association of the Company, the position of President Commissioner and President Director should be held by different people. Profile of the President Commissioner and President Director are disclosed in the Corporate Governance Report.

19. Duties and responsibilities of the President Commissioner and the background of the Board of Commissioners

Duties and responsibilities of the President Commissioner shall be as stipulated in Article 108 of the Company Law and Article 18 of the Articles of Association of the Company. The majority of the Board of Commissioners namely 6 of 8 Commissioners have banking background as the Company's main business activities, and only 2 of the 8 Commissioners who have non-banking background, namely Mrs. Sri Hartina Urip Simeon with a background in manufacturing and Mr. Pri Notowidigdo with a background of Human Resources.

20. Diversity of the Board of Directors and Board of Commissioners (Diversity Policy)

In maintaining a competitive edge, the majority members of the Board of Directors and Board of Commissioners who besides having a background in banking, also possess competence and varied background and experiences. This was deemed necessary to ensure strong decision-making process and the maintenance of effective management. Diversity in the composition of the Board of Directors and Board of Commissioners is also considered important by the Company to ensure good utilization of differences in various skills, regional and industry experiences, backgrounds, gender and other differences.

21. Program orientation for new Directors and Board of Commissioners

The orientation program for new members of the Board of Directors is set out in the Charter of Directors (Appendix 3), and orientation program for new members of the Board of Commissioners is set out in the Charter of the Board of Commissioners (Appendix 2). This is to provide inputs to the new Directors and Commissioner in order to gain an understanding of the Company in a relatively short time so that they can carry out their duties effectively and efficiently.

22. Policies that encourage the Board of Directors and Board of Commissioners to attend continuous professional education programs

The Company from time to time facilitates the Board of Directors and Board of Commissioners for trainings, conferences, seminars, workshops, study visits as part

of the continuing professional education program which is important to maintain and improve the competence of the Board of Directors and Board of Commissioners.

23. Succession of the Directors

In accordance with the scope of duties and responsibilities, the Nomination and Remuneration Committee (Nomrem) is responsible and give special attention to any plan of changes of the Management. Nomrem Committee also discusses with the controlling shareholder related to the recommendation on the candidates of the Company's management. The entire process is conducted with respect to the direction of the regulator and is always adjusted to the provisions of the applicable laws. This has been proven in the change of management in 2014 in which the Director of Treasury & Capital Market who no longer served was replaced by his/ her successor. To ensure ongoing sustainability, in its organizational structure the Company has two Vice Presidents who are prepared to be able to replace the President Director if necessary.

For long-term strategy, the Company also has conducted a variety of continuous training programs. One of the programs to produce the Company's future leaders is placing the best graduates of the education program The Complete Banker (TCB) to directly help the application of the tasks of the Board of Directors including the President Director and Vice President Director in a certain period of time. The Directors will also be their mentor in their initial period of employment after graduating from the TCB program.

24. The annual performance assessment of Directors

More detailed explanation of the annual performance assessment of the Board of Directors are disclosed in the Corporate Governance Report. The performance assessment is conducted by the Board of Commissioners through the Nomination and Remuneration Committee with reference to the Bank's Business Plan (RBB) which has been prepared by the Board of Directors and approved by the Board of Commissioners and submitted to the Financial Services Authority.

25. The process of the annual performance assessment of the Board of Commissioners

The annual performance assessment of the Board of Commissioners is conducted through self-assessment method on a questionnaire. The assessment is conducted once in a year.

26. The criteria used in the annual performance assessment of the Board of Commissioners

The assessment criteria consists of structure and purpose, development, the process of interaction and

communication with management and shareholders, strategy and planning, accountability and audit.

Although self-assessment is performed on each member of the Board of Commissioners, but given that legally the Board of Commissioners is collective, the results of the assessment is an assessment of the overall organ of the Commissioners.

27. The purpose of assessment on the Board of Directors

Assessment on the Board of Directors aims to ensure that the Company's strategy is focused and works well. Assessment on the Board of Directors is performed by applying the Balanced Score Card (BSC) approach, in which strategic objectives are translated into Key Performance Indicators (KPI) agreed by the Board of Directors and socialized up to the bottom line of the organization.

28. The criteria used in the assessment of Directors

Criteria for performance assessment on the Board of Directors based on the individual/ sectoral and collegial performance parameters. The performance assessment considers both quantitative and qualitative factors. The basis of the results of performance measurement is reflected on the level of health of the Company that includes the aspects of risk profile, Good Corporate Governance (GCG), earnings and capital.

29. Performance assessment by the Board of Directors' Committees

At the end of 2014, the Board of Directors with the approval of the Board of Commissioners restructured the Board of Directors' Committee into two committees, namely the Executive Committee, which is a committee established based on the regulations of the Financial Services Authority rules, which consists of the Asset & Liability Committee (ALCO), Risk Management Committee (RMC), Information & Technology Steering Committee (ITSC), and Credit Policy Committee (CPC), as well as the Operation Risk Committee (ORC), another executive committee formed by the Board of Directors based on the business needs and corporate activities.

In addition to the Executive Committee, the Company formed the Business Committee namely a special committee established by the Director in charge (related to certain aspects of the task of the Director) or certain Designated Director. Assessment of each committee is disclosed in the Corporate Governance Report.

Annual General Meeting of Shareholders 2014 (AGM)

The Annual General Meeting of Shareholders dated 27 March 2014, in Soehanna Hall - The Energy Building 2nd Floor Jl. Jenderal Sudirman Kav 52-53, SCBD Lot 11 A, Jakarta Selatan 12190. The meeting was attended by the shareholders and or the proxies representing a number of 24,627,215,392 shares or 97.99% from the total of 25,131,606,843 shares issued by the Company, and has decided upon the following matters:

1. Approved and accept the Company's Annual Report for the fiscal year 2013, including the report on the supervision conducted by the Board of Commissioners, and endorsed the Consolidated Financial Statements of the Company and its Subsidiaries for the fiscal year 2013.
 2. a. Approved the Company's use of Net Income of the fiscal year 2013 amounting approximately Rp 4,282,417,000,000 with the following details:
 - i. The company's net profit will not be used as reserves because the amount of the Company's required reserves has met the minimum number of required reserves in accordance with Article 70 of the Law on Limited Liability Company;
 - ii. The Company will not distribute dividend for the financial year 2013. The entire net income of the fiscal year 2013 will be recorded as retained earnings, and will be used to strengthen the Company's capital in order to fund the Company's operations.
 3. Approved the re-appointment of the Public Accounting Firm "Tanudiredja, Wibisana & Partners" (a member firm of PricewaterhouseCoopers International Limited) as the public accountant to audit the Company's consolidated financial statements for Fiscal Year 2014.
 4. Approved the salary/ honorarium and other allowances for the Board of Commissioners, Board of Directors, and Sharia Supervisory Board for the fiscal year 2014, with the following details:
 - b. The amount of salary/ honorarium and allowances for the members of the Board of Commissioners shall be a maximum of Rp 16,110,789,072 gross per year.
 - c. Approve the delegation of authority to the Board of Commissioners to determine the amount of:

Menyetujui pelimpahan kewenangan kepada Dewan Komisaris untuk menentukan besarnya:

 - Salary and other benefits for the members of the Sharia Supervisory Board for the fiscal year 2014.
 - Salary and other allowances as well as the amount of bonus/ tantiem budgeted for the entire members of the Board of Directors for the fiscal year 2014.
- By considering the recommendations/ opinions of the Nomination and Remuneration Committee.
5. Approved the amendments of the provisions in the Company's Articles of Association, namely Article Pasal 3 Paragraph 3.2, Article 14 Paragraph 14.2, Article 14 Paragraph 14.4, Article 17 Paragraph 17.3 dan Article 17 Paragraph 17.5 and then restructure the entire provisions of the Company's Articles of Association;
 6. a. Approved the resignation of:
 - Mr HANDOYO SOEBALI from his position as Director
 - Mrs HAMIDAH NAZIADIN from her position as Commissioner, effective since the appointment of David Richard Thomas as Commissioner
 - Mr JOSEPH DOMINIC SILVA from his position as Commissioner, effective since the appointment of Ahmad Zulqarnain Onn as Commissioner
 b. Approved the dismissal with respect Mr MOHAMED FADZIL SULAIMAN as Director
 - c. Approved the appointment of:
 - I. Mr DAVID RICHARD THOMAS as Commissioner
 - ii. Mr AHMAD ZULQARNAIN ONN as Commissioner
 - iii. Mr JOHN SIMON as Director

Upon the recipient of the report of the Ministry of Law and Human Rights on the amendments of the provisions of the Company's Articles of Association, namely Article 14 Paragraph 14.2 and Paragraph 14.4, as well as Article 17 Paragraph 17.3 and Paragraph 17.5, thus the term of office of Mr DAVID RICHARD THOMAS and Mr AHMAD ZULQARNAIN ONN as well as Mr JOHN SIMON is until the closing of the fourth AGM after the respective effective date of their appointment.
 7. Others:
 - a. Report on the appointment of the member of the Board of Directors as Independent Director.
 - b. Accountability Report on the use of the proceeds from the Public Offering of the Bank CIMB Niaga Sustainable Bond I Phase II Year 2013 with fixed interest rate ("PUB Phase II")

Compliance on the Implementation of GMS

Report to the regulators	: 18 February 2014 Report on the GMS to be held, including the venue, time and agenda.
Announcement in 2 newspaper	: 25 February 2014 Notification to shareholders on: <ul style="list-style-type: none"> - The GMS to be held and the invitation to the GMS - Registration of the shareholders who have the rights to attend the GMS - Disclosure to the shareholders either individually or jointly owns at least 1/10 of the Company's shares to propose an agenda
Registration of the shareholders with the right to attend	: 11 March 2014
Invitation published in 2 newspaper	: 12 March 2014 Notification to shareholders on: <ul style="list-style-type: none"> - Time, venue, and agenda of the GMS - General rules on the requirements to attend the GMS - Explanation on each of the agenda (the Company discloses)
Code of Conduct	: Briefly explained by the Corporate Secretary before the GMS starts, also uploaded in detail on the Company's website, as well as distributed to the shareholders before entering the meeting room.
Material of the GMS	: <ul style="list-style-type: none"> - Annual Report 2013 - Curriculum Vitae of the new BOD and BOC - Draft on the amendments of the Articles of Association - Explanation on the Agenda of GMS
Venue of the GMS	: Accessible to the shareholders, located next to the Head Office of the Company, namely: Soehanna Hall, The Energy Building 2nd Floor Jl. Jend. Sudirman Kav. 52 – 53 SCBD LOT 11A, Jakarta – 12190
Attendance Quorum	: The GMS was attended by shareholders or their proxies representing a number of 24.627.215.392 shares or 97.99% from the total of 25.131.606.843 shares, or more than 1/2 (half) or 50% from the total shares with voting rights issued by the Company.
Chairman of the GMS	: Dato' Sri Nazir Razak as President Commissioner
Attendance of the President Commissioner	: Dato' Sri Nazir Razak as President Commissioner attended the GMS
Attendance of the Independent Commissioner	: All of the Independent Commissioners attended the GMS, namely: <ul style="list-style-type: none"> - Mrs Sri Hartina Urip Simeon - Mr Roy Edu Tirtadji - Mr Zulkifli M. Ali - Mr Pri Notowidigdo - Mr Pri Notowidigdo
Attendance of the Head of the Audit Committee	: Mr Roy Edu Tirtadji, as Independent Commissioner and Head of the Audit Committee attended the GMS

Attendance of the Head of the Nomination and Remuneration Committee	: Mr Pri Notowidigdo, as Independent Commissioner and Head of the Nomination and Remuneration Committee attended the GMS
Attendance of the Head of the Risk Monitoring Committee	: Mr Zulkifli M. Ali, as Independent Commissioner and Head of the Risk Monitoring Committee attended the GMS
Attendance of the President Director	: Mr Arwin Rasyid as the President Director attended the GMS
Attendance of the Independent Director	: All of the members of the Board of Directors of the Company are Independent Directors. From 12 Directors, there was only 1 Director who did not attend the GMS, thus the level of attendance of the Independent Director in the meeting was 91.67%
Attendance of the Compliance Director	: Mrs Lydia Wulan Tumbelaka attended the GMS

Compliance to the discussion on each agenda of the GMS:

	AGENDA 1	AGENDA 2	AGENDA 3	AGENDA 4	AGENDA 5	AGENDA 6	AGENDA 7
-	Approval on the Company's Annual Report and Endorsement of the Company's Financial Statements for the fiscal year ending December 31, 2013	Determination of the use of Company's profit for the fiscal year ending December 31, 2013	Appointment of a Public Accounting Firm for the fiscal year 2014 and the honorarium as well as other requirements related to the appointment	Determination of the amount of salary/ honorarium and allowances for the members of the Board of Commissioners, Board of Directors, and Sharia Supervisory Board of the Company	Approval on the amendments of the Articles of Association of the Company	Changes in the composition of the Company's Management	Others: l. Report on the appointment of the members of the Company's Board of Directors as Independent Director. m. Accountability report on the use of the proceeds from PUB I Phase II in 2013 with fixed interest rate
Explanation of Agenda	Uploaded in the website in March 12, 2014 together with the invitation to the GMS, and explained to the shareholders by the Chairman of the GMS in the discussion on agenda 1	Uploaded in the website in March 12, 2014 together with the invitation to the GMS, and explained to the shareholders by the Chairman of the GMS in the discussion on agenda 2	Uploaded in the website in March 12, 2014 together with the invitation to the GMS, and explained to the shareholders by the Chairman of the GMS in the discussion on agenda 3	Uploaded in the website in March 12, 2014 together with the invitation to the GMS, and explained to the shareholders by the Chairman of the GMS in the discussion on agenda 4	Uploaded in the website in March 12, 2014 together with the invitation to the GMS, and explained to the shareholders by the Chairman of the GMS in the discussion on agenda 5	Uploaded in the website in March 12, 2014 together with the invitation to the GMS, and explained to the shareholders by the Chairman of the GMS in the discussion on agenda 6	Uploaded in the website in March 12, 2014 together with the invitation to the GMS, and explained to the shareholders by the Chairman of the GMS in the discussion on agenda 7
The opportunity to ask to the shareholders							
- Question	None	None	None	None	None	None	None because it is a report
- Answer	None	None	None	None	None	None	None because it is a report
Voting	Performed by raising hand	Performed by raising hand	Performed by raising hand	Performed by raising hand	Performed by raising hand	Performed by raising hand	Performed by raising hand
Disagree	None	None	None	None	None	None	None because it is a report
Abstain	None	None	None	None	Exist	Exist	None because it is a report
Voting	Performed with electronic tabulation (barcode)	Performed with electronic tabulation (barcode)	Performed with electronic tabulation (barcode)	Performed with electronic tabulation (barcode)	Performed with electronic tabulation (barcode)	Performed with electronic tabulation (barcode)	None because it is a report
Independent Party Counting the Vote	Agreement through deliberation, thus no voting	Agreement through deliberation, thus no voting	Agreement through deliberation, thus no voting	Agreement through deliberation, thus no voting	0.05% of shares was abstain, thus vote was counted by the Notary and Registrar (Independent Party)	0.05% of shares was abstain, thus vote was counted by the Notary and Registrar (Independent Party)	None because it is a report
Other issues in the agenda of GMS	None	None	None	None	None	None	None

Government Regulations with Significant Impact on CIMB Niaga in 2014

SUPERVISION & PRUDENTIAL BANKING

• THE FEES CHARGED BY THE FINANCIAL SERVICES AUTHORITY

In early February 2014, the Government issued Government Regulation No.11 of 2014 on the fees charged by the Financial Services Authority, which is accompanied by the regulation POJK 3/POJK.02/2014 and SEOJK Bo.4/SEOJK.02/2014 on the Procedures to collect fees by the Financial Services Authority. In these provisions, the fees charged by the FSA covers the cost of licensing, approval, registration, validation, and review of the corporate actions; and an annual fee related to regulation, supervision, inspection, and research.

The amount of the annual fee payable calculated independently with reference to the previous year's audited annual financial statements:

- a. Phase I payment no later than April 15 of the current year by 25%.
- b. Phase II payment no later than July 15 of the current year by 25%.
- c. Phase III payment no later than October 15 of the current year by 25%.
- d. Phase IV payment no later than December 31 of the current year by 25%.

• INTEGRATED RISK MANAGEMENT AND INTEGRATED GOVERNANCE FOR FINANCIAL CONGLOMERATION

In connection with the functions of regulation and supervision by the Financial Services Authority carried out in an integrated manner to all the activities in the financial services sector, in mid-November 2014 the FSA published the two provisions for the Financial Services Institutions (LJK) included in the financial conglomeration regulating the implementation of risk management and governance for financial conglomeration. The definition of financial conglomeration in accordance with the definition of POJK is the LJK who is in a group or groups due to the relationship of ownership and/ or control. The structure of financial conglomeration consists of: Main entities, subsidiaries and/ or the related companies and its subsidiaries. The types of LJK included in the financial conglomeration are:

- a. Banks;
- b. Insurance and Reinsurance Company;
- c. Securities Company; and/ or
- d. Financing Company.

- Integrated Risk Management
Supervision of the Board of Directors and Board of Commissioners of the Main Entity;

 1. The adequacy of policies, procedures and limits of the Integrated Risk Management;
 2. The adequacy of identification, measurement, monitoring, control of integrated risk and Integrated Risk Management Information System; and
 3. Thorough system of internal control on the implementation of Integrated Risk Management.

The risks that shall be managed in the Integrated Risk Management includes:

1. Credit risk;
2. Market risk;
3. Liquidity risk;
4. Operational Risk;
5. Risk of law;
6. The risk of reputation;
7. Strategic risk;
8. Risk of compliance;
9. The risk of intra-group transactions;
10. Insurance risk.

➤ Integrated Governance

Integrated Governance is governance which applies the principles of transparency, accountability, responsibility, independency or professional, and fairness integrated in the financial conglomeration. To integrate governance in the financial conglomeration, the Main Entity shall at least have:

1. The Board of Directors in charge of:
 - a. Integrated Compliance Unit; and
 - b. Integrated Internal Audit Unit.
2. The Board of Commissioners in charge of the Integrated Governance Committee.
3. Guidelines for LJK on the Integrated Governance in the Financial conglomeration.

The framework of the Integrated Governance for the Main Entity covers the following:

- a) Requirements for the Board of Directors and Board of Commissioners of the Main Entity;
- b) Duties and Responsibilities of the Board of Directors and Board of Commissioners of the Main Entity;
- c) Duties & Responsibilities of the Integrated Governance Committee;
- d) Duties & Responsibilities of the Integrated Compliance Unit;
- e) Duties & Responsibilities of the Integrated Internal Auditor;
- f) Integrated Risk Management.

The framework of the Integrated Governance for LJK in the Financial Conglomeration covers:

- a) Requirements for prospective candidates for the Board of Directors and the Board of Commissioners;
- b) Requirements for prospective members of the Sharia Supervisory Board (if LJK perform activities based on Islamic principles);
- c) Structure of the Board of Directors and Board of Commissioners;
- d) The structure of the Sharia Supervisory Board (if LJK performs activities based on Islamic principles);
- e) The independence of the actions of the Board of Commissioners;
- f) Implementation of the function of management of LJK by the Board of Directors;
- g) Implementation of the supervisory function of the Board of Commissioners;
- h) Implementation of the supervisory function of the Sharia Supervisory Board (if LJK perform activities based on Islamic principles);
- j) Implementation of the compliance function, the internal audit function, and the implementation of external audit;
- k) The risk management function;
- l) The remuneration policy;
- m) Management of conflicts of interest.

- **ASSESSMENT ON THE LEVEL OF HEALTH OF THE SHARIA BANK AND SHARIA BUSINESS UNIT**

In mid-June 2014, the FSA published the provisions concerning the assessment of the level of health of the Sharia Business Unit (SBU) which revoked the previous BI requirements. The provisions include:

1. The Company shall make an assessment of the health level of the business activities of the Sharia Business Unit. Especially for the Sharia Business Unit, the assessment on the level of health includes the assessment of the risk profile of the SBU which includes the type of risk as follows:
 - a) Credit risk;
 - b) Market risk;
 - c) Liquidity risk;
 - d) Operational Risk;
 - e) Risk of law;
 - f) Strategic risk;
 - g) Compliance risk;
 - h) The risk of reputation;
 - i) The risk of yield; and
 - J) Investment Risk
2. The report on the assessment of the health level is submitted biannually, with a deadline no later than 1 month after the semester of the report ends.

PROVISIONS BASED ON FINANCIAL PRODUCTS/ SERVICES

- **MAXIMUM INTEREST RATE OF FUND**

Since October 2014, banks in BOOK 3 and BOOK 4 implemented the provision of the FSA regarding the maximum interest rate of funds. In the provision, banks in BOOK 3 shall:

1. Provide maximum deposit interest rate as much as the interest rate for LPS guarantee for a nominal of up to 2 billion by considering all the incentives for depositors;
2. Provide maximum deposit interest rate of 225 bps (above the BI rate) by considering all the incentives for depositors for nominal deposits over 2 billion;
3. Decrease credit interest rate soon after the imposition of the maximum interest rate of the third-party fund and report that commitment through RBB and realization to the FSA.
4. Conduct a targeted credit expansion according to the target of the business plan taking into account the availability of resources and the application of the principles of prudence.

- **ELECTRONIC MONEY**

1. Permit as the Publisher of electronic money (e-money) is given by Bank Indonesia and is valid for a period of five years and may be extended by Bank Indonesia.
2. The publisher can cooperate with other parties in the course of the activities of Electronic Money, where cooperation with other parties in the provision of public services, is prohibited to be conducted exclusively.
3. Other parties cooperating with the issuer in providing the facility of Electronic Money are:
 - a. Organizer of transfer of funds; or
 - b. Indonesian legal entity.
4. Organizer of transfer of funds shall meet at least the following requirements:
 - a. Has obtained a license from Bank Indonesia;
 - b. Place deposit on the Issuer with the appropriate amount specified by the Issuer; and
 - c. Pass the due diligence test performed by the Issuer
5. The issuer may charge service fee to the Electronic Money Holder, in the form of:
 - a. Electronic Money media replacement cost for the first time use or the replacement of damaged or lost Electronic Money media;
 - b. Top up cost through other parties in cooperation with the Issuer or the delivery channel of any other party;

- c. Cash Withdrawal Fee through other parties in cooperation with the Issuer or using the delivery channel of any other party; and/ or
 - d. The administrative fee for Electronic Money that is not used within a certain period.
6. Electronic Money Issuer is prohibited to:
- a. Set a minimum value of the Electronic Money as: the requirement to use Electronic Money; and/ or requirement of the termination of the use of Electronic Money (redeem);
 - b. Detain or block the Electronic Money Value unilaterally; and/ or
 - c. Apply charge for the termination of the use of Electronic Money (redeem).
7. Digital Financial Services (LKD) is a the service in the activities of payments and financial system performed through the cooperation with third parties as well as the use of tools and devices based on mobile technology and web-based in order to inclusive finance.
8. LKD Agent is a third party who cooperates with the Issuer and act for and on behalf of the Issuer in providing LKD. LKD agent can be:
- a. Organizer of transfer of funds or legal entity in Indonesia
 - b. Individual
9. The provision of LKD through the individual LKD Agent can only be performed by an Issuer in the form of Bank Commercial based on the Business Activities (BOOK) 4. The Issuer performing LKD through LKD Agent shall deliver to Bank Indonesia the plan to implement LKD activities through LKD Agent.

• FOREIGN CURRENCY AGAINST RUPIAH TRANSACTIONS

In November 2014, Bank Indonesia issued the provision related the foreign currency against Rupiah transactions between the Bank and the domestic and foreign parties. Key points of the provision include:

- ▶ Foreign Exchange against Rupiah Transactions between the Bank and the Domestic Parties
 - 1. The Company shall have a written internal guidelines in conducting Foreign Exchange against the Rupiah Transactions.
 - 2. The Company shall use quoted prices (exchange rate) established by the Company in conducting Foreign Exchange against Rupiah Transactions with the Customers.
 - 3. The Company shall have Underlying Transaction for the Foreign Exchange against Rupiah Transactions of above a certain amount (threshold).
- 4. The Foreign Exchange against Rupiah Transactions is prohibited to exceed the nominal value of the Underlying Transaction.
- 5. The Duration of Derivative Transactions is prohibited to exceed the period of Underlying Transaction.
- ▶ Foreign Exchange against Rupiah Transactions between the Bank with Foreign Parties
 - 1. The Company shall have a written internal guidelines in conducting Foreign Exchange Transactions against Rupiah
 - 2. The Company shall have Underlying Transaction for the Foreign Exchange against Rupiah Transactions of above a certain amount.
 - 3. The Foreign Exchange against Rupiah Transactions is prohibited to exceed the nominal value of the Underlying Transaction.
 - 4. The Duration of Derivative Transactions is prohibited to exceed the period of Underlying Transaction.
 - 5. The Company is prohibited to performed transactions with Foreign Banks, namely:
 - a. Lending or Financing (Rupiah/ FX);
 - b. Placement in Rupiah;
 - c. Purchase of Securities in Rupiah issued by Foreign Parties, except with regard to import or export or the purchase of bank drafts by migrant workers for delivery to countries accepted by non-Foreign Party;
 - d. Inter-office bill in Rupiah;
 - e. Inter-office bill in Foreign Currency in the context of granting credit or financing abroad;
 - f. Investment in Rupiah;
 - g. Foreign Currency against Rupiah Transactions if the transaction or potential transaction related to structured products (both the Bank as Issuer or selling agent of the structured products).

CORPORATE SECRETARY



Rudy Hutagalung

Corporate Secretary concurrent as the Head of Corporate Affairs & Legal

He is an Indonesian citizen, 47 years old, he was appointed as the Corporate Secretary of CIMB Niaga since October 1, 2013 concurrently as the Head of Corporate Affairs & Legal of CIMB Niaga. Previously he occupied the position of Head of Legal and Litigation of CIMB Niaga 2012 -2013. He once occupied the position as Relationship Director-Corporate Banking, Clydesdale Bank (Australian Banking Corp. Group) London, United Kingdom, 2010-2012 and General Manager Bank Mandiri Europe Limited (BMEL) London, UK, 2004-2010. He was also the Business Analyst Head in Investor Relations Group Bank Mandiri, Jakarta, 2001-2004. He began his banking career since 1992 occupying various positions in Treasury, International Banking and Corporate Banking.

He obtained his PhD in Law (M&A) from the American University, London, UK in 2009, Master of Law in Business and Commercial Law from the University of Minnesota, Law of School, USA in 1999 and Bachelor of Law from Gadjah Mada University, Yogyakarta in 1990.

Organizational Structure of the Corporate Affairs & Legal/Corporate Secretary



Legal Basis of the Appointment of Corporate Secretary

The Company has appointed a Company Secretary through the Circular Decision of the Company's Board of Directors dated September 26, 2013, where the appointment is performed based on the FSA Regulations (Bapepam-LK) No. IX.I.4 on the Formation of Corporate Secretary with regard to Kep-00001/BEI/01-2014 regarding the Amendments on the Regulation No. IA on the Registration of Shares and Equity Besides the Shares Issued by the Listed Company dated January 20, 2014.

This appointment has also been reported to the FSA on October 2, 2013 and was advertised in the newspaper *Bisnis Indonesia* on October 2, 2013.

Period Position Company Secretary

Term of Office of the Corporate Secretary

Based on the above appointment, the term of office of the Corporate Secretary became effective since October 1, 2013.

Report on the Implementation of the Function of Corporate Secretary

1. Following the Development of the Regulations in the Capital Market

Provide input to the Board of Directors and Board of Commissioners, especially related to the issuance of new regulations by the Capital Market Authority, namely: Indonesia Stock Exchange ("IDX"), including:

- The Decision of the Board of Directors of BEI No. Kep-00001/BEI/01-2014 dated January 20, 2014, concerning Regulation No. IA on the Registration of Shares and Equity in addition to the Shares Issued by Listed Companies associated with the minimum of 7.5% of public shareholders (free float), minimum number of shareholders is 300 shareholders, minimum of Independent Commissioner is 30%, Independent Director minimum 1 person, tenure of the Independent Commissioner and Independent Director, and others.
- Circular Letter of IDX No. SE-00001/BEI/02-2014 dated February 4, 2014 related to the terms Independent Directors and Independent Commissioner.

Regulations of the Financial Services Authority, among others:

- No.32/POJK.04/2014 on the Plan and Implementation of the General Meeting of Shareholders.
- No.33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of the Issuing Company or Public Company.
- No.34/POJK.04/2014 on the Nomination and Remuneration Committee of the Issuing or Public Company.

- No.35/POJK.04/2014 on the Corporate Secretary of the Issuing or Public Company.
- No.36/POJK.04/2014 on the Sustainable Public Offering on Debt Securities and/ or Sukuk.
- No.37/POJK.04/2014 on the Mutual Funds in the form of Collective Investment Limited Investment Agreement.
- No.38/POJK.04/2014 on the addition of the Company's capital without providing pre-emptive rights.

2. Management of Information Transparency

Sesuai dengan peraturan yang berlaku dan sejalan dengan penerapan prinsip-prinsip Tata Kelola Perusahaan yang baik, termasuk diantaranya membantu Direksi dan Dewan Komisaris dalam pelaksanaan Tata Kelola Perusahaan, meliputi:

- In accordance with the applicable regulations and in accordance with the application of the principles of good corporate governance, including assisting the Board of Directors and the Board of Commissioners in corporate governance practices, including:
- Conduct and document the General Meeting of Shareholders on March 27, 2014, Public Expose on December 3, 2014, and ensure regular quarterly communication to investors on a quarterly basis through the Analyst Meeting held in the form of physical or onference call namely on February 18 2014, April 29, 2014, July 24, 2014, and October 29, 2014.
- Organized and attended Board of Commissioners' meetings once a month, and the Board of Commissioners' meetings attended by the Board of Directors once in every 3 months. Thus during the year the Company held 12 meetings of the Board of Commissioners in which there are four meetings attended by the Board of Directors. The Company also set up and attend meetings of the Board of Commissioners' Committees.
- Organized and attended Board of Directors' meetings in 2014. The Company held 49 meetings of the Board of Directors.
- Create the minutes of meetings of the Board of Directors' and Board of Commissioners' meetings, and save/ document the minutes of meetings, deeds of the AGM, the Register of Shareholders and the Special Register.
- Perform changes/ adjustments on the work guidelines of the Board of Commissioners' and Board of Directors' Committees in accordance to the current regulations.
- Disclosure of information to the public by providing information on the webstie and reported to the Indonesian Stock Exchange and the FSA any material information which can influence the investors or the price of securities on the Stock Exchange, as follows:

Date	Subject of Report
18 February 2014	Notification on the Plan on the General Meeting of Shareholders of PT Bank CIMB Niaga Tbk ("Perseroan")
18 February 2014	Submission of the complete Consolidated Financial Statements (long form) and the Proof of the Publication of the Financial Statements of PT Bank CIMB Niaga Tbk and its subsidiaries (Audited) as of December 31, 2013
25 February 2014	Submission of the Proof of Advertisement on the Notification on the Annual General Meeting of Shareholders of PT Bank CIMB Niaga Tbk
27 February 2014	Transparancy on the information required to be disclosed immediately to the Public
12 March 2014	Submission of the Proof of Advertisement on the Invitation to the Annual General Meeting of Shareholders of PT Bank CIMB Niaga Tbk
12 March 2014	Submission of the Annual Report of PT Bank CIMB Niaga Tbk fiscal year 2013
12 March 2014	Report on the Decisions of the Annual General Meeting of Shareholders of PT Bank CIMB Niaga Tbk
29 March 2014	Submission of the complete Consolidated Financial Statements (long form) and the Proof of the Publication of the Financial Statements of PT Bank CIMB Niaga Tbk and its subsidiaries (Audited) as of March 31, 2014
1 April 2014	Submission of the Proof of Advertisement on the Decisions of the Annual
1 April 2014	Delivery of the Book of Annual Report of PT Bank CIMB Niaga Tbk 2013
11 April 2014	Report on the usage of the proceeds from the Sustainable Public Offering of Sustainable Bond I of Bank CIMB Niaga Phase II year 2013 with fixed interest rate
24 July 2014	Submission of the complete Consolidated Financial Statements (long form) and the Proof of the Publication of the Financial Statements of PT Bank CIMB Niaga Tbk and its subsidiaries (Audited) as of June 30, 2014
5 September 2014	Explanation by Bank CIMB Niaga Tbk ("CIMB Niaga") on the provision Bursa Free Float 7,5%
2 October 2014	Report on the disclosure of the investment in PT CIMB Niaga Auto Finance (CNAF)
29 October 2014	Submission of the complete Consolidated Financial Statements (long form) and the Proof of the Publication of the Financial Statements of PT Bank CIMB Niaga Tbk and its subsidiaries (unaudited) as of September 30, 2014
10 November 2014	Explanation on the Letter of the Jakarta Stock Exchange No. S-05173/BEI.PGI/10/2014
18 November 2014	Announcement of the Plan on the Annual Public Expose of PT Bank CIMB Niaga Tbk
2 December 2014	Submission of the Report on the activities of the Annual Public Expose in 2014

3. Serve as a liaison between the Company and other parties

The Company Secretary is responsible to the Board of Directors, and any information submitted by the Company Secretary is the official information from the Company. The Company Secretary is a unit that acts as a liaison of the shareholders, investors, authorities and other stakeholders.

For easier and faster communication, the Company has published an address, telephone number, facsimile number, and e-mail of the Corporate Secretary as stated in the section "Contact Addresses of the Corporate Secretary and Investor Relations" in this Annual Report, on the website, as well as other communication media of the company.

4. Training followed Company Secretary

In order to improve knowledge and understanding in order to assist in the implementation of tasks, during 2014 the Company Secretary has attended the following trainings:

Date	Training
16 April 2014	ASEAN Corporate Governance Scorecard
23 May 2014	Inheritance Law and its Relations with Banking
4 June 2014	Leadership Series with Mr Rachmat
10 July 2014	Establishment of Online Legal Entity – Regulations and its Implementation
13 August 2014	Based Approach (IBA) Project-Base Implementation GAP Analysis
28 August 2014	Active Role of Banking in Supporting the Development of the Import Substitute Industry to create independent Economy
29 August 2014	The Deposit Insurance Agency - "Implementation of Role, Duties and Functions"
13 November 2014	Leadership Series bersama Bapak Djokosantoso Moeliono
14 November 2014	Executive Shariah Training
27 November 2014	ASEAN Corporate Governance Scorecard
3 December 2014	Invitation for ASEAN Stock Exchange-Nasional Winner Ceremony
19 December 2014	Power Relations in Modern constitutional "The Independence of BI and Supervision of FSA"

a. Investor Relations and Media Relations

The company continues to build a good image through the development of relationships with investors/analysts interactively or delivery of information on a regular basis, especially related to the Company's performance. Submission of information is performed through analyst meetings, roadshows, participation in investor conferences, conference calls, and other communications media, including the Company's website at the address www.cimbniaga.com.

The main function of Investor Relations is to establish good relationships and interact with investors, capital market, and shareholders, which include:

- Development of a communication strategy, especially related to investors, potential investors, analysts, fund managers, and the equity market community in general.

- The preparation of materials for the presentation of quarterly financial performance and the implementation of analyst meetings, teleconferencing, and road show and investor conferences.
- Communication of the Company's performance to external parties such as investors, fund managers, and potential investors.
- Maintain good relations with investors, fund managers, analysts and rating agencies.
- Coordinate the preparation, publication, and distribution of the Annual Report with all stakeholders.
- Provision of data and company information for investors and the capital market.

During 2014, the Company have performed the following activities:

Activity	2013	2014
Press Conference	10	17
Analyst Meeting	4	4
Quarterly Financial Statements	4	4
Annual Report	1	1
Public Expose (Including the Public Expose on the Public Offering of Bonds)	1	1
Press Conference	136	83
Media Review (berita foto dan berita tulis yang menyebutkan CIMB Niaga)	5,940	7,953
Visit to Media	6	3
Media Engagement	20	26
Travel with the Media to the Office of CIMB Niaga in Indonesia and CIMB Group network	6	1
Special meetings with investors, analysts, securities office, correspondence banks.	25	14
Annual GMS	1	1
Extraordinary GMS	1	1
Publishing the Prospectus related the Corporate Actions	1	-

In line with the implementation of good corporate governance, the Company constantly strives to improve the quality and access to information to analysts and investors, and the media.

Public Relations Values

In 2014, the Company actively provided information to the public, through activities related to public relations to enhance the Company's reputation. This effort aimed to obtain Public Relations (PR) Values and good reporting.

PR Values produced by a company is considered to be one of the tools that can help to quantify the formation of the image in order to produce a good corporate reputation.

In 2014, the Company was able to record positive growth in PR Values. The company was ranked fifth in terms of PR Values among 10 major banks, and second among national private banks in the country. In measuring and counting PR Values, the Company took an independent monitoring agency within the regional scale.

b. Mass Media Promotion

The company started the year 2014 by becoming the main sponsor of the event The Color Run, held on January 26, 2014, in the Senayan East Parking. Participants of the event entitled The Happiest 5K On The Planet reached 11,000 participants and this was the first Color Run event conducted in Indonesia. Promotional activities were carried out since the end of 2013, generating PR Value of Rp16,379,586,931, as well as the hot topic discussed in social media. The event The Color Run is considered very successful in improving the branding and awareness of CIMB Niaga, especially the segment Gen Y.

On April 22 to 27, 2014, the Company also became the main sponsor of an international golf tournament, CIMB Niaga Indonesian Masters, held at Royale Jakarta Golf Club. This activity generated 496 coverage in various media and the equivalent media value of Rp27.455.912.610.

Throughout 2014, the Company launched its flagship products, namely the savings Pendidikan Xtra, Tabungan iB Pahala and iB Rencana Haji, the savings ON Account, the credit card CIMB Niaga AirAsia BIG as well as the credit card JCB Ultimate. CIMB Niaga also continued to promote our flagship products such as the Online Account Opening, Rekening Ponsel, CIMB Niaga Hypermart Savers, Festival Fantasi Junior 2, and the Festival Fantasi Junior 3, mortgage promo, car loan, Xtra Funds, as well as various Credit and Debit Cards promotions.

Several advertising promotional activities were also conducted and aired in the TVC CIMB Clicks, Go Mobile, Rekening Ponsel and the savings Pendidikan Xtra in Indonesian TV channel aired in English in some countries, The Indonesian Channel.

In the month of Ramadan, the Company entered into an integrated communication through Ramadan programs in the private national television by lifting the products Rekening Ponsel, CIMB Niaga Hypermart Savers and Credit Card.

Towards the end of 2014, the Company became a sponsor for the annual event Kompas Travel Fair, which was held at the JCC Senayan on 26-28 September 2014, with as many as 36,749 visitors and value of return on investment of Rp 7 billion. Again, the Company also became the main sponsor for the event The Color Run held on November 23, 2014, in the Senayan East Parking. This time, participants increased to 13,000 participants.

In the closing of the campaign, the Company carried out an integrated campaign to communicate the theme "Kado akhir tahun" to communicate the CIMB Niaga Credit Card AirAsia BIG Card, Points Xtra, Mortgage, KPM and Tabungan Junior. Communication was done through radio in several cities, cinema ad, online and internal media.

Various strategies and communication were always developed in order to increase acquisition and awareness of each of the corporate activity and the Company's product innovations. Intense communication was performed through printed media, radio, cinema, online and social media so that the campaign could be integrated into all levels of society.

c. Social Media

Currently, the Company has 3 social media accounts, among others, twitter @CIMBIndonesia and @CIMB_Assists, as well as the Facebook account CIMB Indonesia. These accounts have the function as a medium to deliver information on all existing product promos, corporate activities such as The Color Run Indonesia and CIMB Masters, brand awareness, tips, and other information. In addition, these three accounts also provide a response to the question of fans/ followers either customers and non-customers of CIMB Niaga. There is a difference between the two twitter accounts @CIMBIndonesia and @CIMB_Assists from the management. CIMBIndonesia is managed by CIMB Niaga, while CIMB_Assists is managed on a regional basis by four countries, namely Indonesia, Malaysia, Thailand and Singapore.

CIMB Indonesia Facebook account is still in its function as a channel of communication in promoting the Company's products and activities. Throughout 2014, the Company also held a variety of exciting programs such as The Color Run Indonesia, CIMB Niaga Ajak Teman and other programs, which can be followed by all the fans in the Fan Page of CIMB Indonesia. These programs were conducted with the aim to increase awareness of the Company, as well as increase the active participation of the fans in the programs designed.

Some of the programs carried out, among others, CIMB Niaga Ajak Teman, The ASEAN Traveller Quiz, CIMB Niaga Air Asia BIG Credit Card Campaign & CIMB Niaga Short Movie Competition.

CIMB Ajak Teman is a program created with the purpose of the acquisition of customers of Rekening Ponsel. Each user is prompted to register his/ her friends to use Rekening Ponsel. 10 users who register the most will be

winner. The post CIMB Niaga Ajak Teman on Facebook received 75,318 likes, 219 comments and 48 shares.

Another interesting activity is The Color Run CIMB Niaga. The difference with the previous activities, The Color Run this time reached more participants than before namely 12,000 from 11,000 participants. Of the 5,391 sample participants taken by the social media unit, as much as 60% sample data that follows this activity is male. While the age range is between 26-30 years or 30% or 1,621 of the total samples taken. In social media, this activity is supported by posts on social media and the presence of CIMB Niaga Gear. CIMB Niaga Gear is a bracelet with RFID technology capable to be synchronized with social media users. Reach in social media through this bracelet was quite high, as many as 1,984,403 people on Facebook and 1,399,407 on Twitter accounts exposed information about The CIMB Niaga Color Run. Besides posting The Color Run in CIMBIndonesia twitter account, at the time of the event the Company received high enough engagement with a total of 31 retweets and hashtag #TheColorRunCIMBNiaga as many as 3,333.

With this activity, the Bank has also received an award as the Best of the Best Indonesia Most Experiential Brand Activation 2014 for the category Running Activation.

With the programs in social media, the number of fans in the Fan Page CIMB Indonesia at the end of December 2014 reached 788 374 people. While the number of followers of CIMBIndonesia reached 26 345 people.

The role of social media as a channel of communication will be improved so that the Company can eventually become an effective communication channel to convey the company message or receive inputs from the general public. Corporate social media activities are carried out during working hours 08:30 to 17:30 and all questions or statements will be taken no more than 30 minutes since being conveyed.





 **CIMB NIAGA**
Indonesianmasters

ROYALE JAKARTA GOLF CLUB
April 24th - 27th, 2014

CIMB NIAGA
Syariah



Press Release

During 2014 the Company issued 83 press releases with details as follows:

No.	Description	Date
JANUARY		
1.	First working day in, CIMB Niaga is ready to serve the customers	1
2.	Support The Color Run presented by CIMB Niaga, CIMB Niaga offers various interesting products and promos	5
3.	Ending the program Ayo Menabung & Berbagi 2013, CIMB Niaga gives donations to the Indonesia Heritage Foundation and Sokola Foundation	16
4.	CIMB Niaga helps the victims of the Jakarta and Manado flood	19
5.	CIMB Niaga launches the savings CIMB Niaga Hypermart Savers	23
6.	First in Indonesia, The Color Run presented by CIMB Niaga is held in Jakarta	26
7.	CIMB Niaga Syariah again is ranked as the first Digital Brand of The Year 2013	31
FEBRUARY		
8.	CIMB Niaga awards scholarships to 45 excelling students	6
9.	Mikro Laju CIMB Niaga helps the victims of the flood in Pati	13
10.	In 2013, CIMB Niaga records a consolidated net profit of (Audited) Rp4.28 Trillion	18
11.	CIMB Niaga organizes the Festival Fantasi Junior 2	22
12.	CIMB Niaga Syariah donates one unit of Ambulance to PPPA Daarul Qur'an	23
13.	Sang Empat Hebat Hadir di CIMB Niaga Indonesian Master 2014	25
MARET		
14.	CIMB Niaga Hadirkan Digital Lounge di Surabaya	1
15.	Sambangi Aceh, CIMB Niaga Gelar Ayo Menabung & Berbagi 2014	6
16.	CIMB Niaga Syariah Raih Penghargaan di Ajang IFAC 2014 dan Indonesian Bank Loyalty Award 2014	11
17.	Hubungan Manis & Modis Eraman Malaysia dan CIMB Niaga	13
18.	CIMB Niaga Tawarkan Program Bebas Pilih Bunga KPR	18
19.	RUPST CIMB Niaga Setujui Laporan Keuangan Tahun Buku 2013	27
APRIL		
20.	CIMB Niaga Bidik Konsumen Porsche	2
21.	Libur Pemilu, Nasabah Dapat Manfaatkan <i>Branchless Banking</i> CIMB Niaga	7
22.	CIMB Niaga Hadirkan Terobosan Baru, Promosi Belanja Rekening Ponsel	9
23.	Bisnis Personal Loan CIMB Niaga Tumbuh Positif	13
24.	CIMB Niaga Syariah Terus Berdayakan Program <i>Unifying Spirit for Humanity</i>	17
25.	CIMB Niaga Bekerja Sama dengan AirAsia Indonesia dan Think Big Digital Terbitkan Kartu Kredit	21
26.	CIMB Niaga Luncurkan Tabungan Pendidikan Xtra	23
27.	CIMB Niaga Serahkan Mobil Unit Donor Darah ke PMI	25
28.	CIMB Niaga Catat Laba Bersih Rp1,10 Triliun di Kuartal Pertama Tahun 2014	29
MEI		
29.	Wisata Edukasi, CIMB Niaga Ajak Anak Kurang Mampu ke Museum-museum di Jakarta	4
30.	Transaksi Tertinggi, Pemilik Kartu Kredit CIMB Niaga Bawa Pulang Mobil	5
31.	CIMB Niaga Digital Lounge Hadir dan Melayani Medan Setiap Hari	22
32.	CIMB bersama Asiamoney Selenggarakan <i>Asiamoney-CIMB ASEAN Domestic Bond Markets Round Table Series Ke-2</i>	25
33.	CIMB Niaga Sediakan Tabungan Usaha untuk Kemudahan Bisnis	31
JUNE		
34.	CIMB Niaga Raih <i>Corporate Image Award</i> 2014	5
35.	CIMB Niaga, Best Managed Company di Indonesia	6
36.	CIMB Niaga Dukung Peluncuran The New Porsche Macan	9
37.	CIMB Niaga Alihkan Operasional Kantor Cabang Panglima Sudirman Surabaya	15
38.	Libur Sekolah, CIMB Niaga Perbanyak Program Tabungan Junior	18
39.	CIMB Niaga Syariah Hadir di iB Vaganza Depok	19
40.	Operasikan SiMOLEK, CIMB Niaga Dukung OJK Edukasi Masyarakat	22
41.	CIMB Niaga Terima Social Business Innovation Award 2014	27

No.	Description	Date
JULY		
42.	CIMB Niaga organizes Safari Ramadhan 1435 H	3
43.	Presidential Election in July 9, Digital Lounge CIMB Niaga in the Mall remains open	8
44.	CIMB Niaga organizes Smart Driving Experience	12
45.	CIMB Niaga organizes Bazaar Ramadhan 1435 H and Sembako Murah	16
46.	CIMB Niaga donates to the orphans in Madiun	21
47.	Rekening Ponsel ease the transfer of money for ied	22
48.	CIMB Niaga records a net profit of Rp1,95 Trillion in the first semester of 2014	24
49.	Ied holiday, CIMB Niaga operations will be limited	25
AUGUST		
50.	<i>Personal Loan CIMB grows 43,8%</i>	15
51.	Olympi CIMB Indonesia 2014	20
52.	CIMB Niaga transfers the operations of KCP Micro Finance Ciracas	20
53.	CIMB organizes the 8th Annual Conference in Indonesia	22
54.	Users of CIMB Clicks increases by 29,8%	25
55.	CIMB Niaga Syariah launches Tabungan iB Pahala Haji and iB Rencana Haji	28
SEPTEMBER		
56.	CIMB Niaga wins the Banking Performance Competition-IBEX 2014	1
57.	CIMB Niaga organizes Annual Gathering for the recipients of scholarships	4
58.	For the second time, CIMB Niaga presents 'The Color Run' in Jakarta	11
59.	Realize your holiday dream with CIMB Niaga AirAsia BIG Card	15
60.	Register in Digital Lounge CIMB Niaga, The Color Runner receives discount	22
61.	59th Anniversary, CIMB Niaga organizes various CSR activities	26
62.	CIMB Niaga invites the less fortunate children for educational visit in Trans Studio Bandung	27
OCTOBER		
63.	Alfamart, Alfamidi, Lawson and DAN+DAN serves payments	2
64.	BOpen daily, CIMB Niaga Digital Lounge is ready to serve the people of Denpasar	6
65.	CIMB Niaga shares financial literacy with the children of Papua	7
66.	Care for the health of the elderly, CIMB Niaga embraces Alzheimer Indonesia	15
67.	In Balikpapan, CIMB Niaga organizes the exhibition "Rumah Kampoeng Halaman"	17
68.	ON Account from CIMB Niaga for the current generation	21
69.	CIMB Niaga reports a consolidated net profit (unaudited) of Rp2,30 Trillion as of September 30, 2014	29
NOVEMBER		
70.	CIMB Niaga & JCB launches Ultimate Card	4
71.	CIMB Niaga Digital Lounge is present in Solo	7
72.	Integrating services, CIMB Niaga Syariah relocates the KCS in Medan	11
73.	Visited 6 elementary schools, CIMB Niaga shares financial literacy with students in Jakarta	13
74.	Realize banking and capital market synergy to open access for the society to invest	14
75.	CIMB Niaga, Good Company 2014	18
76.	Together with CIMB Niaga, PP Property increases mortgage in East Java	19
77.	Held for the second time in Jakarta, CIMB Niaga fosters The Color Run as part of healthy living	23
78.	CIMB Niaga gives donation to Alzheimer Indonesia	24
DECEMBER		
79.	CIMB Niaga organizes Public Expose	3
80.	CIMB Niaga gives scholarships for excelling students and BUTIK	4
81.	CIMB Niaga Indonesian Masters in 23 - 26 April 2015	18
82.	CIMB Niaga signs the PKB for the period 2014-2016	21
83.	CIMB Niaga serves the banking needs of the community at the year end	29

Sharia Corporate Governance Report

Sharia Supervisory Board (DPS)

The composition of CIMB Niaga's DPS:

1. Chairman: M. Quraish Shihab
2. Members:
 - Fathurrahman Djamil
 - Yulizar Djamaludin Sanrego

Duties and responsibilities

The duties and responsibility of the Sharia Supervisory Board is to give advice and suggestions to the Director in charge of supervising the activities of Sharia Business Unit (UUS) to conform with the Islamic principles.

The scope of the supervision of DPS to the UUS includes:
Assess and ensure compliance with Sharia Principles of the operational guidelines and products issued by the Company;
Oversee the Company's new product development process in order to conform with the National Sharia Board fatwa - Indonesian Ulema Council;

Ask for fatwa to the National Sharia Council - Indonesian Ulema Council for the Company's new products with no fatwa;

Conduct periodic review on the fulfillment of Sharia Principles of the mechanisms of fund raising and distribution of funds and services of the company; and

Request data and information related to sharia aspects from the Company's working units in order to implement its tasks.

Work Programs of DPS in 2014

1. Organize DPS Meeting at least 1 month for the discussion on the sharia compliance problems related to products filing, operational guidelines, financing models, financing proposals, and so forth.
2. Actively follow activities and establish communication with CIMB Islamic Sharia Committee and external parties (BI and DSN-MUI) for the development of insights

related to the creation of contracts, products and others.

3. Periodically review Sharia compliance in the Branch Offices (KCS) and formulate the DPS Monitoring Reports (LHP) once in every 6 months to the Board of Directors, Commissioners and the Financial Services Authority.
4. Fill the Sharia GCG Self-Assessment Questionnaire in 2014.

Realization of the Work Program of DPS in 2014

1. In 2014, DPS conducted 12 meetings to discuss several issues related to products filing, operational guidelines, financing models, financing proposals, and so forth.
2. To establish communication between CIMB Islamic and CIMB Niaga Syariah, representatives from the CIMB Islamic Shariah Committee attended the regular meetings of DPS and vice versa DPS representatives were invited to attend meetings of the CIMB Islamic Shariah Committee in Malaysia.
3. Attended the Ijtima' Sanawi (Annual Meeting) of the Sharia Supervisory Board in 2014.
4. Shariah compliance review has been carried out through the test sample on financing, funding and service transactions at 4 (four) KCS in 2014.
6. LHP DPS was created and reported for the period from January to June 2014 and in August 2014, and for the period from July to December 2014 was reported in February 2014.
7. Filled in the Sharia GCG Self Assessment questionnaire as many as 1 times in 2014.

Concurrent Position of the Members of DPS

Based on Bank Indonesia Regulation No.11/10/PBI/2009 on the Sharia Business Unit, Article 11, paragraph 3 states that members of the DPS can occupy concurrent position as a member of DPS in a maximum of four (4) other Islamic financial institutions.

The concurrent positions of the members of CIMB Niaga Syariah DPS have met the requirements of Bank Indonesia. The concurrent positions of the DPS members in outside CIMB Niaga Syariah can be seen in the table below:

Name	Posisi di Perusahaan Lain	Company
M. Quraish Shihab Chairman	None	None
Fathurrahman Djamil Member	Chairman of DPS	Bank BCA Syariah
	Member of DPS	<ul style="list-style-type: none"> AIA Cabang Syariah, CIMB Niaga Autofinance, Adira Finance Syariah
Yulizar Djamiludin Sanrego Member	Chairman of DPS	None
	Member of DPS	<ul style="list-style-type: none"> DPS Tifa Finance DPS Panin Securitas DPS Indonesia Exim Bank DPS Indosurya Finance

Frequency of DPS Meetings and Level of Attendance

Regular meetings are performed once in a month based on deliberation. Minutes of the regular meetings are well documented.

As of December 2014, The Sharia Supervisory Board held 12 (twelve) regular meetings and 8 (eight) non-regular meetings.

Report on the Attendance in Regular DPS Meetings

No	Name	Frekuensi Rapat Januari - Desember 2014	Jumlah Kehadiran
1	M. Quraish Shihab	12	12
2	Fathurrahman Djamil	12	11
4	Yulizar D. Sanrego	12	11

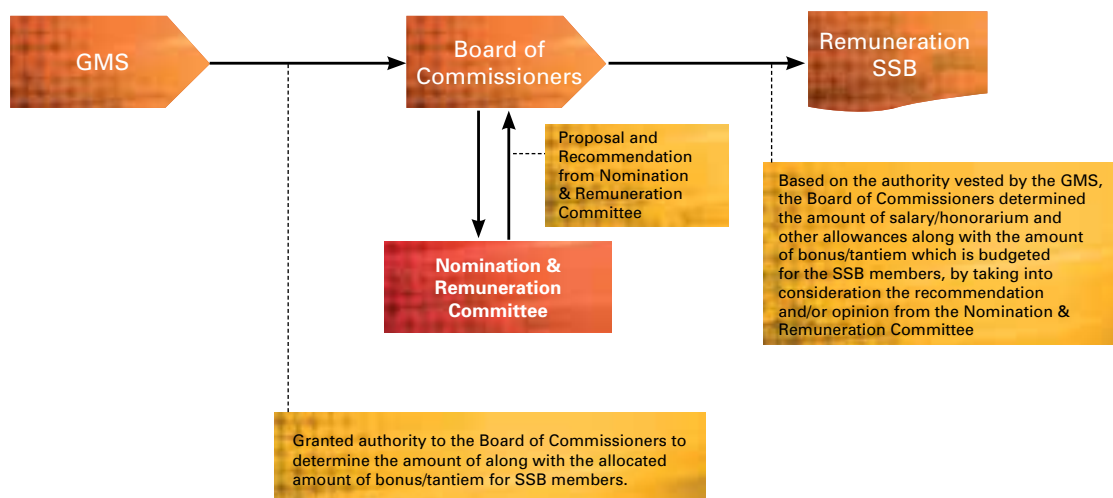
Results of the Meetings

The DPS regular meetings in 2014 resulted several agreements covering the provisions, , policies/procedures, activities and products as follows:

No.	Subject
001/DPS/KNP/I/2014	Consumer Financing on Deposit Guarantee
002/DPS/KNP/I/2014	Multipurpose Financing on Payroll/Cessie Guarantee
003/DPS/KNP/I/2014	Employees Assignment to Sharia Branch Office in the Conventional Head Office- DBLM Implementation of Operational and Service
004/DPS/KNP/I/2014	Expense Recognition of SFTP Financing DPD and NPF as Ta'widh Financing Products Musharaka and Mudaraba with Akad
005/DPS/KNP/I/2014	The relations between SEBI 14/34/DASP and the Net Payable Monthly Facility Charge Sharia Gold Card
006/DPS/KNP/I/2014	Financing products with Musyarakah and Mudharabah contract
007/DPS/KNP/II/2014	Savings products: iB Pahala Haji and Tabungan iB Rencana Haji
008/DPS/KNP/II/2014	Savings products: Tabungan iB X-Tra Mudharabah, Tabungan iB X-Tra Valas Mudharabah and Tabungan iB Payroll Mudharabah
009/DPS/KNP/II/2014	Policy and operational procedures of the Sharia Funding Products
010/DPS/KNP/II/2014	Usance Payable at Sight L/C (UPAS)
011/DPS/KNP/II/2014	Money Market Lines (MML)
012/DPS/KNP/II/2014	Sale and Lease Back pada Transaksi L/C (Refinancing)
013/DPS/KNP/III/2014	The program profit sharing bonus with the concept Ju'alah
014/DPS/KNP/III/2014	CIMB Niaga Syariah Hypermart Savers
015/DPS/KNP/III/2014	Usance Payable at Sight L/C - refinement
016/DPS/KNP/III/2014	Banker's Acceptance (BA)
017/DPS/KNP/III/2014	Use of Non-Syariah insurance up to maturity on the conversion and Take Over facilities

No.	Subject
018/DPS/KNP/IV/2014	Money Market Lines (MML) - refinement
019/DPS/KNP/IV/2014	Platinum Syariah Card
020/DPS/KNP/IV/2014	Closing of Non-sharia insurance for apartment collateral
021/DPS/KNP/IV/2014	Refinancing of used vehicles with Murabahah contract - Indirect Finance (Channeling through Multifinance)
022/DPS/KNP/VI/2014	Standardization of the calculation of profit sharing according to the principles of sharia
023/DPS/KNP/VI/2014	Determination of Gross Yield (GY) under Actual as compensation of the subsidy given by the Bank
024/DPS/KNP/VII/2014	Syariah Gold Card Programs
025/DPS/KNP/VII/2014	MoU (PKS) with Third Party
026/DPS/KNP/IX/2014	The mechanism Murabahah discount (addition of clause in the Murabahah contract as a form of information)

Remuneration of the Sharia Supervisory Board



The Director of the Company in charge of the Sharia Business Unit (UUS) must propose remuneration for members of the Sharia Supervisory Board (DPS) to the President Director to receive consideration and approval, and then proposed to the Board of Commissioners through the Nomination and Remuneration Committee to be finally approved at the GMS.

No	Type of Remuneration/ other facilities	Number received in a year	
		Person	in million Rupiah
1	Remuneration (salary, routine allowances, tantiem, and other non-natura facilities)	3 DPS	1,311.77
2	Other facilities in the form of natura (housing, transportation, health insurance, etc) which*:		
	a. Can be owned	-	-
	b. Cannot be owned	-	-
	Total	3	1,311.77

Type of Remuneration per person in 1 year	Number of DPS
Above Rp2 billion	-
Above Rp1 billion – Rp2 billion	-
Above Rp500 million – Rp1 billion	1
Rp500 and bellow	2

* Equivalent in Rupiah

DIRECTOR OF SHARIA

Duties and Responsibilities of the Director of Sharia

- Perform management and supervision based on the precautionary and Sharia principles
- Follow up the recommendations from the Sharia Supervisory Board
- Apply Bank Indonesia regulations related to the Sharia Business Unit (UUS)

Transparency of the financial and non-financial condition

List of Consultant and Consular

No	Consultant	Field
1	Silverlake	Information Technology
2	Digital Mind System	Information Technology
3	Treemas	Information Technology
4	e Bowrk	Information Technology
5	Sahassa	Information Technology
6	Nucleus	Information Technology

Number of Internal Fraud and the Settlement Efforts

Based on the report of the Internal Audit and the Anti Fraud Management, there were no internal fraud during 2014.

Internal Fraud

Internal Fraud in 1 year	Number of Frauds committed by					
	Board of Commissioners/ Directors		Permanent Employees		Temporary Employees	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Total Fraud	-	-	4	-	-	-
Have been settled	-	-	-	-	-	-
In the process of settlement internally within the Company	-	-	3	-	-	-
Settlement has not been sought	-	-	-	-	-	-
Undergo legal process	-	-	1	-	-	-

Legal Issues (Civil and Criminal) and Settlement Efforts

There are no legal issues during 2014.

Non-halal income and its use

There are no non-halal income throughout 2014.

Distribution of funds for social activities

Throughout 2014, CIMB Niaga's Sharia Business Unit performed social fund distribution as many as 241 times with a total value of Rp7.357 billion. Recipients of the social funds among others were educational institutions, humanitarian organizations, and religious institutions, with the following details:

No	Distributed to	Activities	Amount (Rp)
1	Donation to several Mosques and other social infrastructure developments.	61	1,331,500,000
2	Education	43	1,231,745,800
3	Social and religious activities including donation to orphans, ramadhan activities, etc	108	2,311,470,035
4	The program: Bersatu dalam Semangat Kemanusiaan (Unifying Spirit for Humanity Program)	20	2,225,149,000
5	Development of productive economy	9	258,000,000
	Total	241	7,357,864,835

Results of GCG Self-Assessment

In accordance to PBI 11/33/PBI/2009, the Company has conducted self-assessment based on the assessment of respondents consisting of the Sharia Supervisory Board, the Board of Directors and executive officers and validated by other significant information.

The basic composite score (self-assessment) of Sharia GCG implementation is 1.52 or categorized as "Good".

Rating of each GCG factor can be seen in the table on the summary of the calculation of composite score as follows:

Aspect to be assessed	Weight (B) %	Rank (P)	Score (B x P)
Implementation of the duties and responsibilities of the Director of Sharia Business Unit	35	1.25	0.44
Implementation of the duties and responsibilities of the Sharia Supervisory Board	20	1.22	0.24
Application of the Sharia Principles in the Acquisition of Funds and the Distribution of Funds and Provision of Services	10	1.75	0.17
Distribution of Funds to Customers of Core Financing and Funds Deposit by Core Depositors	10	2.03	0.20
Transparency of the financial and non-financial conditions, report on the implementation of GCG and internal reporting	25	1.84	0.46
Composite Score	100		1.52 (Baik)

Composit Score	Composite Predicate
Composite Score < 1.5	Very Good
1.5 ≤ Composite Score < 2.5	Good
2.5 ≤ Composite Score < 3.5	Good Enough
3.5 ≤ Composite Score < 4.5	Not Good Enough
4.5 ≤ Composite Score < 5	Bad