

Corporate Governance Report



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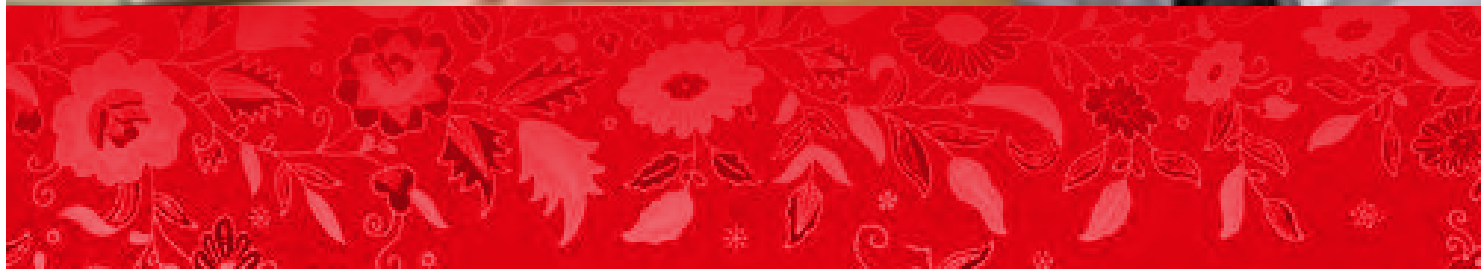
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◎ Corporate Governance Report



CIMB Niaga was awarded “The Best in Financial Sector” and named as one of the Top 50 Public Listed Companies in Indonesia during “The 8th Corporate Governance Conference and Awards” organised by IICD at Hotel Indonesia Kempinski, Jakarta.

GCG Self-assessment Results Position: December 2016		
Entity	Rating	Rating Description
CIMB NIAGA (Individual)	2	Good
CNAF	2	Good
Consolidated	2	GOOD

Corporate Governance Implementation in the Bank

Bank CIMB Niaga realises that implementation of Corporate Governance is no longer a necessity, but is instead a major foundation to run a business. By good governance management, the Bank can improve the quality of decision-making, perform sound banking activities, maintain customer and public trust, and play its intermediary role in the economy of Indonesia.

Good Corporate Governance (GCG) can be depicted in analogy as the steering of a ship in the proper way. The proper way means in an accurate, right, and careful manner, emphasizing good values. GCG is doing the right thing in the right way, at the right time and by the right people. To implement GCG, the Bank refers to the five principles of GCG, namely Transparency, Accountability, Responsibility, Independence, and Fairness. GCG is built on solid integrity, so that its principles can be implemented at all levels of the organisation, and the activities in CIMB Niaga can be conducted consistently and sustainably.

In its journey of more than 60 years, CIMB Niaga has consistently applied the GCG principles to maintain harmony and balance between the interests of the Bank and its stakeholders to achieve optimal performance. The implementation of Good Corporate Governance refers to four pillars, namely Governance Commitment, Governance Structure, Governance Process and Governance Outcome, that represent CIMB Niaga's accountability to stakeholders, including customers, employees, stakeholders and society.

Along with the increased complexity in organisations and the banking business, as well as developments in banking products and services, the good governance practices of policy, implementation, and monitoring will be continuously improved to deliver the best results. The governance structure in CIMB Niaga was formally approved in 2011 in the GCG Charter, Board of Commissioners (BoC) Charter, Board of Directors (BoD) Charter, Committee Charters and Code of Conduct.

Purpose of GCG

The consistent application of Good Corporate Governance principles through the 4 (four) governance systems will provide benefits for the Bank to:

1. Establish a foundation for the Bank's long-term development.
2. Strengthen the Bank's image.
3. Improve the Bank's competitiveness.
4. Increase investor trust in the Bank.
5. Increase the share value of the Bank.

CIMB Niaga is realizing that the sustainability of the Bank is not only measured by financial performance and increasing profits, but also by its internal performance, which includes ethics and Good Corporate Governance. In line with one of the Bank's Core Values, which is Customer Centric, CIMB Niaga is aiming to become the best bank in Indonesia. To reach its goal, CIMB Niaga performs with the spirit to serve customers at all times with high priority in all business activities by providing innovative solutions through its products, processes and services.

In line with the brand promise of CIMB Niaga in 2017, "Forward" has been adapted from "Innovation from the Heart", launched in 2015 with the spotlight on the similar spirit. The "Forward" brand promise, which will also be implemented at regional levels, is closely linked to the implementation of Good Corporate Governance, whereby "Forward" focuses on the role of CIMB Niaga to provide the best service at all times in support of customer throughout the banking products life cycles, yet firmly grounded in the Good Corporate Governance framework.

Good Corporate Governance Guidelines

CIMB Niaga has established its own Good Corporate Governance Manual which refers to:

- OJK Regulation No. 55/POJK.03/2016 dated 7 December 2016 concerning on Implementation of Corporate Governance for Commercial Banks;
- OJK Regulation No. 29/POJK.04/2016 dated 29 July 2016 concerning on Annual Report of Issuers or Listed Companies;
- BI Circular Letter No. 15/15/DPNP dated 29 April 2013 concerning on Implementation of GCG for Commercial Banks;
- Indonesia Corporate Governance Roadmap;
- OJK Regulation No.21/POJK.04/2015 dated 16 November 2015 concerning on Implementation of GCG for Listed Companies;
- OJK Circular Letter No.32/SEOJK.04/2015 dated 17 November 2015 concerning on GCG Guidelines for Listed Companies;
- OJK Circular Letter No.30/SEOJK.04/2016 dated 3 August 2016 concerning on Type and Content of Issuer or Public Company Annual Reports;
- ASEAN Corporate Governance (CG) Scorecard;
- The Articles of Association and General Meeting of Shareholders resolutions;
- BoC and/or BoD decisions;
- Internal Regulations (Employment Guidelines, Code of Ethics, Standard Operating Procedures).

Periodically, CIMB Niaga reviews and evaluates the comprehensiveness and updates GCG policy and procedure to ensure that such provisions are relevant to and in alignment with current organisational conditions, corporate strategies, and prevailing rules and regulations.

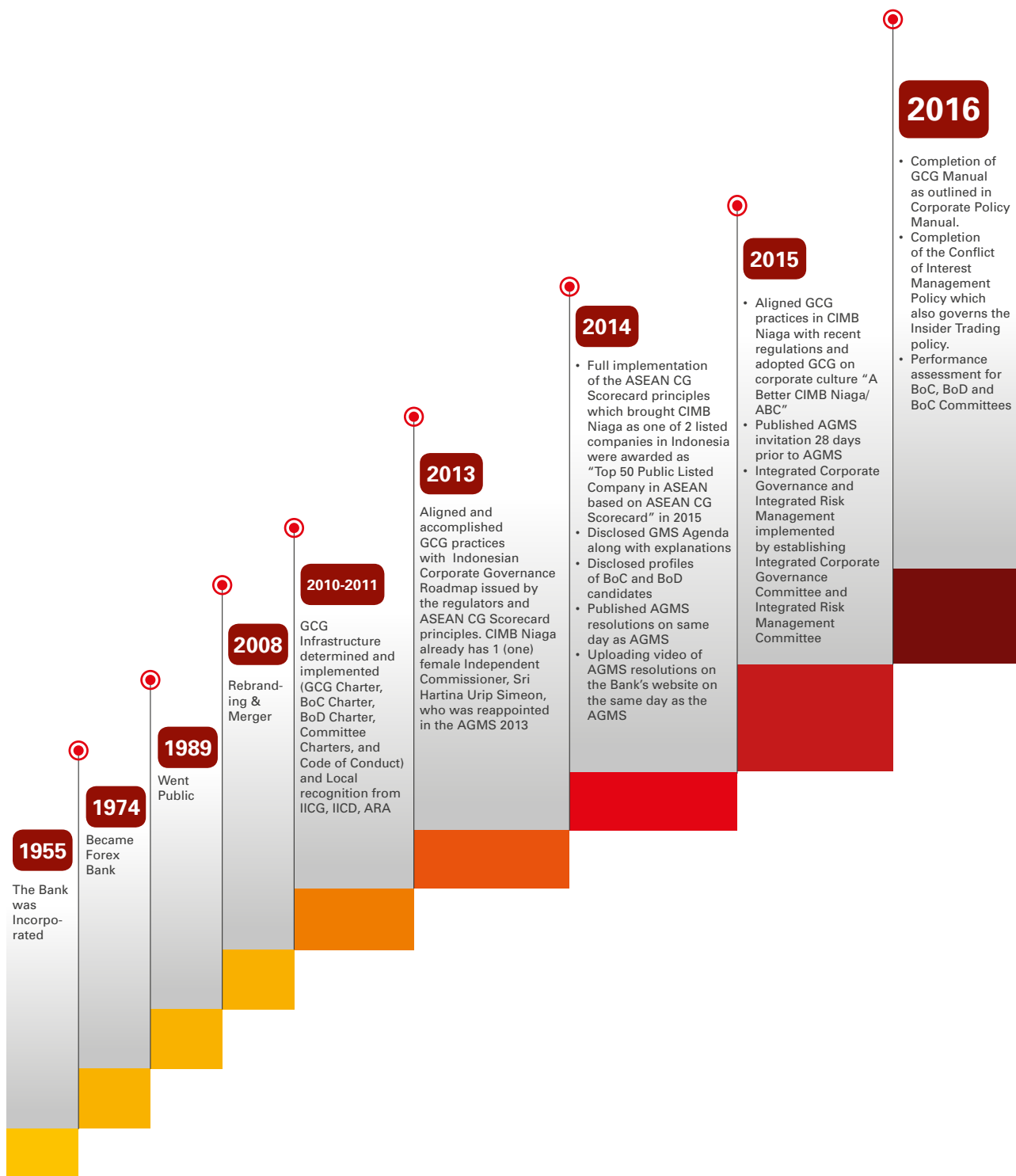
GCG guidelines are governed by the Corporate Policy Manual, which serves as the highest ranking policy at CIMB Niaga. As stated in the Corporate Policy Manual, Good Corporate Governance is implemented based on the principles of Transparency, Accountability, Responsibility, Independence and Fairness (TARIF) as follows:

- a. Disclosure of General Meeting of Shareholders (GMS) Agenda along with accompanying details for each agenda item and profiles of BoC and BoD candidates.
- b. Disclosure of GMS resolutions made on the same day as completion of the GMS meeting.
- c. Refinement of GCG Manual, incorporated into the Corporate Policy Manual, which serves as the main reference for all other Bank policies.
- d. Bank Analyst Meetings held as physical meetings or conference calls, by distributing press releases to the media and by holding press conferences on a quarterly basis as a means to deliver information to stakeholders.
- e. Conducting evaluation of BoC, BoC Committees and BoD and BoC Committee at the end of the year.
- f. Information disclosure which includes financial statements, Annual Report, realisation of proceeds from public offering, bond-related reports and other matters in accordance with the prevailing OJK and IDX regulations, through the websites of IDXNet, SPE OJK and the Bank's website.

Corporate Commitment to Good Corporate Governance is outlined in the Vision, Mission, Core Values, Code of Conduct, Corporate Policy Manual, as well as best practices in Good Corporate Governance Charter and Working Instructions, and the Whistleblowing System. Such commitment is communicated to all sections and levels of the Bank.

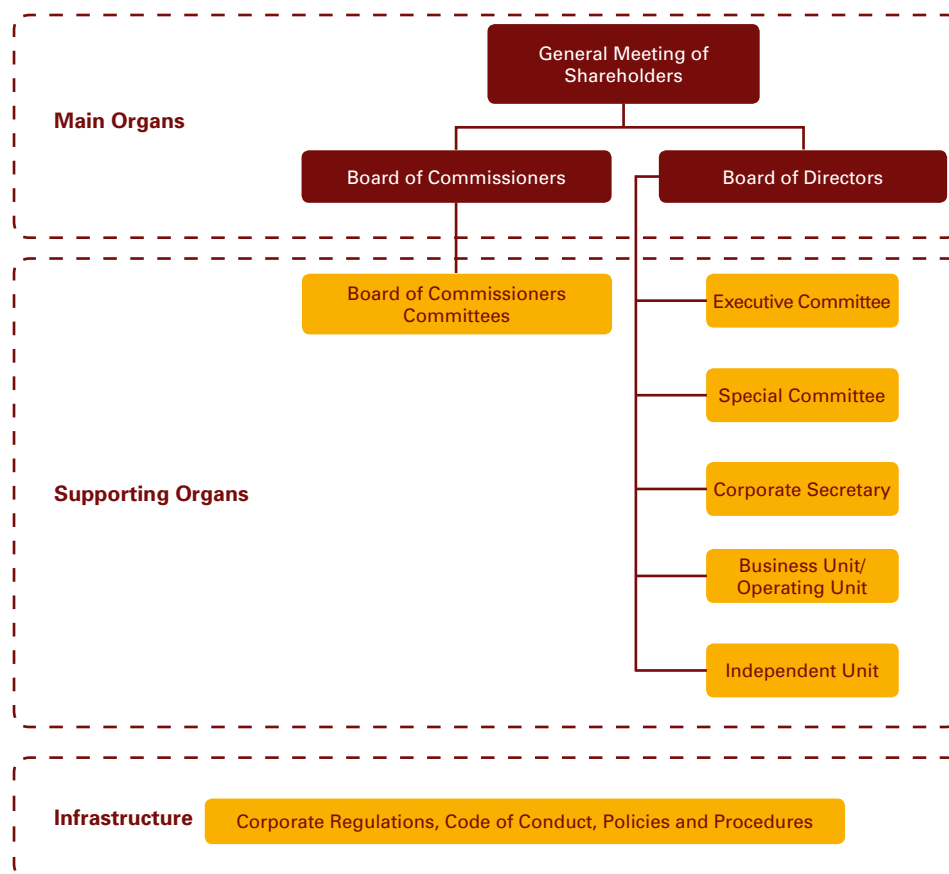
Corporate Governance Roadmap

CIMB Niaga strives to make continuous improvement in the implementation of GCG and has aligned with the Roadmap of Indonesian Corporate Governance as well as GCG Guidelines for Listed Companies and the principles of the ASEAN CG Scorecard. Good Corporate Governance in CIMB Niaga has been structurally implemented in stages as follows:



Corporate Governance Structure

Pursuant to the prevailing rules and regulations, CIMB Niaga's governance structure is designed to provide clarity in the allocation of duties, responsibilities, mechanisms and flow of decision making processes, and in reporting among the organs of the Bank. CIMB Niaga corporate governance structure is determined as follows:



Infrastructure

Corporate governance is implemented in a systematic and sustainable manner to enable GCG principles to become the reference for business activities in CIMB Niaga. Corporate governance is achieved based on interaction among all organs of the Bank. The governance structure of the main organ consists of the GMS, the BoC and BoD, whereby the GMS holds the highest position. To maximise the function of major organs in the governance structure, so that its implementation is assisted by supporting organs comprising BoC Committees, Corporate Secretary, BoD Committees and Internal Audit Unit.

BoC committees are established to assist and strengthen the oversight duties of the BoC. The following are the Committees at the BoC level:

1. Audit Committee
2. Risk Oversight Committee
3. Nomination and Remuneration Committee
4. Integrated Corporate Governance Committee.

The BoD and management are assigned to manage, control, and be responsible for the implementation of Good Corporate Governance in CIMB Niaga, assisted by BoC Committees, Corporate Secretary, BoD Committees and Internal Audit Unit. The following are the Committees at the BoD level:

Corporate Governance Structure

1. Executive Committees:
 - a. Assets & Liabilities Committee (ALCO)
 - b. Credit Policy Committee (CPC)
 - c. Information Technology Steering Committee (ITSC)
 - d. Risk Management Committee (RMC)
 - e. Operational Risk Management Committee (ORC)
 - f. Capital Management Committee (CMC).
2. Beside the mandatory Executive Committee, the BoD is also authorised to establish other committees as deemed necessary based on business needs, as specifically established by the Director in charge (related to matters under the duties of the respective Director) or the appointed Director (hereinafter referred to as "Designated Director").

GCG Implementation

Implementation of Good Corporate Governance sets forth to enhance corporate values and sustainable growth in a work culture that upholds professionalism, integrity, quality of service and prudential banking. CIMB Niaga is committed to place GCG as the major foundation in conducting its business activities with this maintain sustainability of the Bank in responding to the challenges and business competition within the banking industry.

Pursuant to OJK Regulation No. 18/POJK.03/2014 dated 18 November 2014 and OJK Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 on the Implementation of Integrated Corporate Governance for Financial Conglomeration, CIMB Niaga as the Main Entity (ME) within the CIMB Indonesia Financial Conglomeration, has refined, and made adjustments to, its integrated structure and infrastructure with:

- 1 Establishment of Integrated Corporate Governance (ICG) Committee and Integrated Risk Management (IRM) Committee;
- 2 Implementation of Integrated Compliance Unit, Integrated Internal Audit Unit, and Integrated Risk Management Unit;
- 3 Production of Integrated Corporate Governance Charter.

CIMB Niaga has implemented integrated corporate governance together with all subsidiaries and affiliates in a comprehensive and effective manner. In addition, CIMB Niaga is continuously applying the GCG principles based on the ASEAN CG Scorecard.

The year of 2016 was the second year for CIMB Niaga to implement the ICG and IRM. The ME and other members of the CIMB Indonesia Financial Conglomeration will continue to improve its integrated corporate governance structures and processes to reach a higher level. To achieve this goal, the ME has the role and responsibility of ensuring the framework, infrastructure and reporting that have been conducted during GCG and Risk Management activities. Comprehensive details on such matters can be viewed under the Integrated Corporate Governance Report section in this Annual Report.

GCG Self-Assessment

In accordance with Bank Indonesia Circular Letter No. 15/15/DPNP of 2013, concerning the Implementation of Good Corporate Governance for Commercial Banks, each semester, CIMB Niaga conducts a GCG self-assessment. Self-assessment is conducted on three aspects of governance, namely, structure, and process, as well as outcomes of eleven (11) GCG assessment factors as follows:

1. Implementation of BoC duties and responsibilities;
2. Implementation of BoD duties and responsibilities;
3. Comprehensiveness and enforcement of the Committees' duties;
4. Management of conflicts of interest;
5. Implementation of the compliance function;
6. Implementation of the internal audit function;
7. Implementation of the external audit function;
8. Implementation of risk management including internal control systems;
9. Loans to related parties and large exposures;
10. Transparency of the Bank's financial and non-financial conditions, the GCG implementation report, and internal reporting;
11. Corporate strategic plan.

The self-assessment process is conducted by involving the BoC, BoD, Independent Party, Executive Officers, and independent units in the Bank to generate a comprehensive and structured assessment of the Bank's GCG system. Such self-assessment also includes the adoption of GCG principles for subsidiaries in accordance with the prevailing regulations applicable to finance companies. The following is the result of the GCG self-assessment of December 2016.

GCG Self-assessment Results of December 2016		
Entity	Rating	Rating Description
CIMB Niaga (Individual)	2	Good
CNAF	2	Good
Consolidated	2	GOOD
Analysis		
<p>The Company's GCG Rating (Individual and Consolidated) is categorised as level 2 (Good), which reflects the management has implemented GCG well, and adequately met the principles of GCG. Any weaknesses in GCG principles implementation generally do not have significant impacts on the operational activities and can be resolved by Company management. The Company is committed to continue improvement to support the Company's sustainability.</p> <p>The implementation of GCG in subsidiaries has generally complied with the prevailing regulations. The subsidiaries also improved their alignment with the Company and identified matters needing improvement related to policies and business processes in order to strengthen their respective Good Corporate Governance implementation.</p> <p>Governance Structure The Company's governance structure and infrastructure already comply with prevailing regulations. In addition to complying with the minimum requirement regarding committee establishment, the Company also formed a Transactional Committee to support the BoD roles and responsibilities in managing operational activities. The corporate internal regulations are prepared based on a risk-based framework and are adapted to the Company's organisational levels.</p> <p>Governance Process The Company's governance structure and infrastructure are implemented according to the roles, duties and responsibilities related to carry out an effective process, based on GCG principles, sound and prudential principles, and the pillars of risk management.</p> <p>Governance Outcome The Company complies with key prudential ratios in accordance with the prevailing regulations and duly discloses its financial and non-financial conditions in compliance with regulations to relevant authorities and the public on a regular basis.</p>		

GCG Self-Assessment

External Assessment

In 2016, GCG assessment was also conducted by external parties, namely the Indonesian Institute for Corporate Directorship (IICD) and OJK. Both parties conducted assessment based on ASEAN CG Scorecard standards. The assessment criteria included the rights of shareholders, equal treatment of shareholders, roles of stakeholders, disclosure of information and transparency, and management responsibilities (BoD and BoC).

In the assessment made by the IICD, CIMB Niaga was awarded “The Best in Financial Sector” award and was included in the Top 50 Public Listed Companies in Indonesia in “The 8th Corporate Governance Conference and Awards.”

General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is the highest organ in CIMB Niaga's corporate governance structure which functions as a forum for shareholders to make decisions. In the GMS, decisions are made based on the interests of the Bank, and are conducted properly and transparently. The GMS is granted with any authority not granted to the BoD and the BoC, as stipulated in the Articles of Association and prevailing rules and regulations.

The GMS held by CIMB Niaga refers to the following legal references:

1. Law No. 40/2007 of Limited Liability Companies.
2. OJK Regulation No. 32/POJK.04/2014 of Planning and Conduct of General Meeting of Shareholders of Listed Companies.
3. The Articles of Association.

Rights, Authority and Responsibilities of Shareholders

Shareholders holding class A and class B shares have equal rights. The rights reserved by shareholders are as follows:

1. Attending GMS and giving 1 (one) vote per share.
2. Proposing the agenda of the GMS.
3. Granting power of attorney to other party if unable to attend the GMS.

4. Receiving GMS agenda 21 days prior to the GMS, to enable the shareholder to vote during the process of proposing resolutions.
5. Making inquiries about each topic and resolution in GMS agenda.
6. Declaring agree, disagree, or abstained votes in each proposed GMS agenda resolution.

The rights and obligations of shareholders are governed in detail in the Articles of Association of CIMB Niaga, which can be accessed via [www.cimbniaga.co.id].

The Bank encourages all shareholders, including institutional shareholders, to attend the GMS .

In 2016, Bank CIMB Niaga organised 1 (one) Annual General Meeting of Shareholders (AGMS), held on 15 April 2016, located at a strategic venue and easily accessible to the shareholders, at Financial Hall, Graha CIMB Niaga 2nd floor, Jl. Jend. Sudirman Kav. 58, South Jakarta.

Annual General Meeting of Shareholders Procedures

AGMS procedures in 2016 were conducted in accordance with the provisions in the AoA and OJK Regulation No. 32/POJK.04/2014 on the Planning and Conduct of the GMS of Listed Companies.

Schedule of Notification, Announcement, Invitation, Conduct and Submission of AGMS Resolutions:

	Activity	Provision
Notification of AGMS to Regulator	Notification Letter of AGMS to OJK and IDX (e-Reporting) dated 1 March 2016	Notification of date and agenda of the AGMS is disclosed in a clear and detailed manner and submitted at least 5 days prior to the AGMS announcement to the public.
Announcement of AGMS	- Announced in Investor Daily on 8 March 2016. - Evidence of announcement submitted to OJK and IDX (e-Reporting) and posted on www.cimbniaga.com on 8 March 2016.	Announced in at least 1 (one) national newspaper in Bahasa Indonesia, via the IDX website and corporate website at least 14 (fourteen) days prior to the AGMS invitation date.
Invitation of AGMS along with the description of AGMS agenda	- Announced in Investor Daily on 24 March 2016. - Evidence of invitation submitted to OJK and IDX (e-Reporting) and posted on www.cimbniaga.com on 24 March 2016	Announced in at least 1 (one) national newspaper in Bahasa Indonesia, via the IDX website and corporate website at least 21 (twenty-one) days prior to the AGMS.

General Meeting of Shareholders

		Activity	Provision
AGMS Conducted		15 April 2016 started at 2.11 PM (local time) until 3.36 PM (local time)	
Summary of AGMS Resolutions	Publication	- AGMS main resolutions and video of AGMS were posted on www.cimbniaga.co.id on the same day of the AGMS on 15 April 2016 - Announced in Investor Daily and posted on www.cimbniaga.co.id on 18 April 2016.	Announcement of resume of AGMS resolutions was announced 1 (one) working day after the AGMS.
	Report to Regulator	Evidence of announcement submitted to OJK and IDX (e-Reporting) on 19 April 2016.	Evidence of resume of AGMS resolutions was submitted to the OJK and IDX 1(one) working day after the announcement.
AGMS Resolutions		Deed of Resume of the AGMS from the Notary was submitted to OJK and IDX (e-Reporting) on 14 April 2016	Deed of AGMS summary was submitted to OJK and IDX 2 (two) working days after the AGMS.

AGMS Process

Date & Time	15 April 2016 from 2.11 PM (local time) to 3.36 PM (local time)
Venue	Location (easily accessible to shareholders): Financial Hall Graha CIMB Niaga 2 nd floor JI Jenderal Sudirman Kav. 58 South Jakarta 12190
Quorum	The AGMS was attended by shareholders and/or proxies representing 24,618,723,016 shares or 97.96% of the total shares of 25,131,606,843 of Class A and Class B already issued by the Company
AGMS Chairman	Dato' Sri Nazir Razak, President Commissioner
Attendance of BoC including President Commissioner	Dato' Sri Nazir Razak, the President Commissioner, and all BoC members were present (except for Roy Edu Tirtadji who was unable to attend).
Attendance of Audit Committee Chairman	Roy Edu Tirtadji was unable to attend
Attendance of Nomination and Remuneration Committee Chairman	Pri Notowidigdo was present
Attendance of Risk Oversight Committee Chairman	Zulkifli M. Ali was present
Attendance of BoD including President Director	Tigor M. Siagaan, the President Director, and all BoD members were present.
Attendance of Compliance Director	Lydia Wulan Tumbelaka, as Compliance Director, was present.
Independent Party to calculate quorum and votes for AGMS resolutions	Notary Ashoya Ratam, SH, MKn as Public Notary PT SIRCA DATAPRO PERDANA as Share Registrar
Total number of shareholders making inquiries and/or giving opinions	There were no shareholders and/or their representatives who made inquiries/submitted responses
Procedures for AGMS resolutions	The resolutions were made amicably. However, should the meeting fail to reach a consensus, the resolutions are made based on the results of voting. Specific for the appointment of the BoC, BoD and Sharia Supervisory Board conducted by individual voting.

Voting Count Process

Disclosure of voting results and procedures for the AGMS on 15 April 2016 can be found in Rules of Conduct of GMS distributed to shareholders and read out by the Corporate Secretary prior to the

commencement of the AGMS. Disclosure of voting count and procedures is fully disclosed in the AGMS Rules of Conduct posted on the corporate website together with the AGMS invitation.

Resolution and Realisation of AGMS 2016

The AGMS held by the Bank on 15 April 2016 realised the agenda and resolutions as follows:

Agenda 1 Approval on the Company's Annual Report and Ratification of the Company's Financial Statements for Financial Year ended 31 December 2015		Realisation
a.	To approve and duly accept the Annual Report of the Company for the financial year of 2015, including Supervisory Task Report of the Board of Commissioners and the Board of Sharia Supervisory, and to ratify the consolidated Financial Statements of the Company and its subsidiaries for financial year of 2015, which has been audited by the Public Accountant Firm "TANUDIREDDJA, WIBISANA, RINTIS & Rekan" (a member firm of PricewaterhouseCoopers Global in Indonesia), with the opinion that the consolidated financial statements present fairly, in all material aspects, the consolidated financial position of PT Bank CIMB Niaga Tbk and its subsidiaries ended on the December 31, 2015, financial performance, and consolidated cash flows for the year ended on that date, in accordance with Standard Financial Accounting in Indonesia, as stated in its report dated 24 February 2016.	Realised in 2016
b.	By the approval of the Annual Report for the financial year of 2015, and the ratification of the consolidated financial statements for the financial year of 2015, therefore in accordance with the provisions of Article 11 paragraph 11.6 of the articles of association of the Company, the Meeting also gives a complete acquittal and discharge to all members of Board of Directors of the Company (including member of Board of Directors that have been resigned within the financial year 2015) for all management actions during the financial year 2015, and all members of Board of Commissioners of the Company for all supervisory actions during the financial year 2015, as far as such actions were reflected in the Company's Annual Report and Consolidated Financial Statements for the financial year of 2015, except for the act of fraud, embezzlement and other criminal acts.	
Total Votes		
Agree	Against	Abstain
24,618,723,016 shares or 100%	Nil	Nil

Agenda 2 Determination on the use of the Company's profit for Financial Year Ended 31 December 2015		Realisation
To approve the appropriation of Net Profit of the Company for financial year of 2015 in the total amount of more or less Rp427,831,000,000,- with the following descriptions;		Realised in 2016
a.	Company does not set aside any amount of its net profit of 2015 financial year as statutory reserves fund, since the amount of statutory reserves fund of the Company have complied with the minimum required amount of statutory reserve fund in accordance with Article 70 of Law Number 40 Year 2007 concerning Limited Liability Company.	
b.	No distribution of dividend for the financial year of 2015.	
Therefore the total Company's Net Profit for financial year of 2015 will be recorded as retained earnings, and will be used to strengthen the Company's capital in order to finance business activities of the Company.		
Total Votes		
Agree	Against	Abstain
24,618,723,016 shares or 100%	Nil	Nil

General Meeting of Shareholders

Agenda 3 Appointment of Public Accountant Firm for Financial Year 2016 and Determination of the Honorarium and other Requirements related to the Appointment		Realisation
<p>a. To approve the reappointment of Public Accountant Firm "TANUDIREDDJA, WIBISANA, RINTIS & Rekan" (a member firm of PricewaterhouseCoopers Global in Indonesia) as Public Accountant Firm to audit Consolidated Financial Statements of the Company for the financial year of 2016, and to approve the delegation of authority to the Board of Commissioners of the Company to determine the honorarium and the other terms of the appointment of said Public Accountant Firm.</p> <p>b. To approve the delegation of authority to the Board of Commissioners of the Company to appoint other public accountant firm who will audit the Consolidated Financial Statements of the Company for financial year of 2016, in the event that:</p> <p>i. There is objection from the Financial Services Authority ("OJK") on the appointment of said Public Accountant Firm "TANUDIREDDJA, WIBISANA, RINTIS & Rekan"; or,</p> <p>ii. Public Accountant Firm "TANUDIREDDJA, WIBISANA, RINTIS & Rekan" has done a partnership restructuring therefore the Public Accountant Firm becomes a different Public Accountant Firm.</p> <p>For the said delegation of authority the following terms shall apply:</p> <p>a. One of the big four public accountant firm in Indonesia;</p> <p>b. The honorarium and the other terms of appointment should be determined competitively and reasonably; and</p> <p>c. Should not contradict with the applicable laws and regulations.</p>	Realised in 2016	
Total Votes		
Agree	Against	Abstain
24,618,723,016 shares or 100%	Nil	Nil

Agenda 4 Change in the Composition of the Board including Sharia Supervisory Board of the Company	Realisation
<p>a. To ratify the resignations of Mr. Lo Nyen Khing from his position as Vice President Director of the Company to be effective as of July 31, 2015, and Mr. Harjanto Tanuwidjaja from his position as Director of the Company to be effective as of December 1, 2015.</p> <p>b. To approve the appointment of the Board of the Company to be effective as of the date as determined in the approval letter issued by OJK and/or when all requirement as set forth in the OJK approval letter have been fulfilled, except for the reappointment of the members of Board of Commissioners, Directors, and Board of Sharia Supervisory who have served before, which appointment will be effective after this meeting is closed ("Effective Date") up to the close of the fourth AGMS after the Effective Date, provided that in the event that OJK does not approve such appointment or the requirement determined by OJK could not be fulfilled, then such appointment shall be considered as null and void without any GMS' approval is required.</p> <p>Therefore the complete composition shall be as follows:</p> <p>i. Board of Commissioners:</p> <ul style="list-style-type: none"> - Dato' Sri Nazir Razak President Commissioner - Glenn Muhammad Surya Yusuf Vice President Commissioner - Zulkifli M. Ali Commissioner, and Independent Commissioner - Pri Notowidigdo Commissioner, and Independent Commissioner - Armida Salsiah Alisjahbana Commissioner, and Independent Commissioner - Jeffrey Kairupan Commissioner, and Independent Commissioner - David Richard Thomas Commissioner - Ahmad Zulqarnain Onn Commissioner <p>ii. Board of Directors:</p> <ul style="list-style-type: none"> - Tigor M. Siahaan President Director - Wan Razly Abdullah Director - Rita Mas'Oen Director - Megawati Sutanto Director - Vera Handajani Director - John Simon Director - Lani Darmawan Director - Pandji Pratama Djajanegara Director - Frans Rahardja Alimhamzah Director - Hedy Maria Helena Lapian Director - Fransiska Oei Lan Director, and Compliance Director <p>iii. Board of Sharia Supervisory:</p> <ul style="list-style-type: none"> - M. Quraish Shihab Chairman - Fathurrahman Djamil Member - Yulizar Djamiluddin Sanrego Member <p>c. To approve the delegation of authorities to the Board of Directors of the Company, with the right of substitution, to restate the resolution regarding the change of composition of the Board of Directors of the Company in notarial deed and report to the authority body, and related to that, to carry out necessary action in accordance to the prevailing regulations.</p>	Realised in 2016

Total Votes				
	Appointment	Agree	Against	Abstain
Part A	Mohamed Nazir Bin Abdul Razak (also referred to as Dato' Sri Nazir Razak) as President Commissioner	24,618,708,738 shares or 99.999942% (net abstain votes)	400 shares or 0.000016%	13,878 shares
	Glenn Muhammad Surya Yusuf as Vice President Commissioner	24,618,708,738 shares or 99.999942% (net abstain votes)	400 shares or 0.000016%	13,878 shares
	Zulkifli Bin Mohd Ali as Independent Commissioner	24,618,708,738 shares or 99.999942% (net abstain votes)	400 shares or 0.000016%	13,878 shares
	Pri Notowidigdo as Independent Commissioner	24,618,709,138 shares or 100% (net abstain votes)	Nil	13,878 shares
	Armida Salsiah Alisjahbana as Independent Commissioner	24,618,709,138 shares or 100% (net abstain votes)	Nil	13,878 shares
	Jeffrey Kairupan as Independent Commissioner	24,618,709,138 shares or 100% (net abstain votes)	Nil	13,878 shares

General Meeting of Shareholders

Total Votes				
	Appointment	Agree	Against	Abstain
Part B	Wan Razly Abdullah Bin Wan Ali as Director	24,615,781,838 shares or 100% (net abstain votes)	Nil	2,941,178 shares
	Rita Mas'Oen as Director	24,615,761,838 shares or 99.987972% (net abstain votes)	20,000 shares or 0.000081%	2,941,178 shares
	Megawati Sutanto as Director	24,615,781,838 shares or 100% (net abstain votes)	Nil	2,941,178 shares
	Vera Handajani as Director	24,615,795,716 shares or 100% (net abstain votes)	Nil	2,927,300 shares
	Lani Darmawan as Director	24,615,761,838 shares or 100% (net abstain votes)	Nil	2,961,178 shares
	Pandji Pratama Djajanegara as Director	24,615,781,838 shares or 100% (net abstain votes)	Nil	2,941,178 shares
	Rahardja Alimhamzah as Director	24,615,781,838 shares or 100% (net abstain votes)	Nil	2,941,178 shares
	Hedy Maria Helena Lopian as Director	24,615,781,838 shares or 100% (net abstain votes)	Nil	2,941,178 shares
	Fransiska Oei Lan as Director	24,615,795,716 shares or 100% (net abstain votes)	Nil	2,927,300 shares
Part C	M. Quraish Shihab as Chairman	24,615,795,716 shares or 100% (net abstain votes)	Nil	2,927,300 shares
	Fathurrahman Djamil as Member	24,615,781,838 shares or 100% (net abstain votes)	Nil	2,941,178 shares
	Yulizar Djamiluddin Sanrego as Member	24,615,781,838 shares or 100% (net abstain votes)	Nil	2,961,178 shares

Agenda 5 Determination on Salary/Honorarium and Allowances for BoC, BoD, and Sharia Supervisory Board of the Company	Realisation
<p>To approve the amount of salary/honorarium and other allowances of the Board of Commissioners, Directors, and Sharia Supervisory Board for the financial year of 2016 as follows:</p> <p>a. The amount of salary/honorarium and allowances for all members of the Board of Commissioners, is maximum of Rp20,765,983,144,- gross per year;</p> <p>b. To approve the delegation of authority to the Board of Commissioners of the Company to determine the amount of:</p> <p>i. salary/honorarium and allowances for all members of Sharia Supervisory Board for the financial year of 2016;</p> <p>ii. salary/honorarium and other allowances and the amount of bonus/tantiem which is budgeted for all members of the Board of Directors for financial year of 2016;</p> <p>provided that the Board of Commissioners shall consider the advice/opinion given by the Nomination and Remuneration Committee.</p>	Realised in 2016
Total Votes	
Agree	Against
24,618,723,016 shares or 100%	Nil
Abstain	Nil

Agenda 6 Approval on the Amendment of Company's Articles of Association		Realisation
a. To approve the amendment of provision of Article 15 paragraph 15.5. of the Company's Articles of Association; b. To approve the delegation of authorities to the Board of Directors of the Company, with the right of substitution, to restate resolution regarding the amendment of Articles of Association of the Company in notarial deed and report the result to the authority body, and related to that, to carry out necessary action in accordance to the prevailing regulations.		Realised in 2016
Total Votes		
Agree	Against	Abstain
24,618,723,016 shares or 100%	Nil	Nil

Agenda 7 Integrated Financial Conglomeration Report & Report of the Expiration of Terms of Office and Appointment of BoC Committee Member		Realisation
a. In accordance to the Financial Services Authority (OJK) Regulation No.17/POJK.03/2014 and No.18/POJK.03/2014, the Company reports the establishment of the Integrated Financial Conglomeration of CIMB Indonesia; b. The Company reports the expiration of terms of office for the BOC Committees (Audit Committee, Risk Monitoring Committee, and Nomination and Remuneration Committee) and also reports the appointment of the BOC Committee members effective after the closing of the Meeting until the closing of the fourth AGMS.		No decision was made due to the nature of the reporting.

Resolutions and Realisations of the GMS in the Previous Year

The information on the agenda, resolutions and realisation of the AGMS in 2015 as follows:

Agenda 1 Approval on the Company's Annual Report and Ratification for the Company's Financial Statement for Financial Year Ended 31 December 2014		Realisation
1. To approve and duly accept the Company's Annual Report for financial year 2014, including the supervisory task report of the BoC, and to ratify the Consolidated Financial Statements of the Company and its subsidiaries for financial year 2014 which were audited by Public Accountant firm "Tanudiredja, Wibisana & Partners" (member firm of PricewaterhouseCoopers International Limited), with the opinion that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bank CIMB Niaga Tbk and its subsidiaries as of December 31, 2014, financial performance, and consolidated cash flows for the year ended on that date, in accordance with Financial Accounting Standards in Indonesia as stated in its report dated 11 February 2015 2. To approve the Annual Report for financial year 2014 and the ratification of the Consolidated Financial Statements for financial year 2014, in accordance with the provisions of Article 11, paragraph 11.6 of the Articles of Association, the GMS also granted a complete acquital and discharge to all members of the Board of Directors (including members of the Board of Directors who resigned within the financial year 2015) for their management actions during the financial year 2014, and all member of Board of Commissioners for their supervisory actions during the financial year 2014, to the extent such actions were reflected in the Company's Annual Report and the Consolidated Financial Statements for financial year 2014, except for embezzlement, fraud and other criminal acts.		Realised in 2015
List of Question/Opinion 3 questions were asked by shareholders		
Total Votes		
Agree	Against	Abstain
24,617,687,454 shares or 100%	Nil	Nil

General Meeting of Shareholders

Agenda 2 Determination on the use of the Company's Profit for the Financial Year Ended 31 December 2014		Realisation
<p>To approve the use of Net Profit of the Company for the financial year 2014 totaling Rp2,342,431,000,000 with the following details:</p> <p>a. The Company does not set aside any amount of its net profit of the financial year of 2014 as statutory reserves fund, since the amount of statutory reserves fund of the Company have complied with the minimum required amount of statutory reserve funds in accordance with article 70 of Law Number 40 Year 2007 on Limited Liability Companies.</p> <p>b. No distribution of dividends for financial year 2014</p> <p>Accordingly, the total Company's net profit for financial year 2014 will be recorded as retained earnings, and will be used to strengthen the Company's capital to finance the Company's business activities.</p> <p>List of Question/Opinion 1 question was asked by shareholders</p>		Realised in 2015
Total Votes		
Agree	Against	Abstain
24,617,687,454 shares or 100%	Nil	Nil

Agenda 3 The Appointment of Public Accountant Firm for Financial Year 2015 and Determination of the Honorarium and other Requirements Related to the Appointment		Realisation
<p>1. To approve the re-appointment of the Public Accountant firm "Tanudiredja, Wibisana Rintis & Partners" (member firm of PricewaterhouseCoopers International in Indonesia) as a Public Accountant to audit the Consolidated Financial Statements of the Company for financial year 2015, and to approve the delegation of authority to the Board of Commissioners to determine the honorarium and the other terms of appointment of said Public Accountant Firm.</p> <p>2. To approve the delegation of authority to the Board of Commissioners to appoint another public accounting firm who will audit the Consolidated Financial Statements of the Company for financial year 2015, in the event of any objection made by OJK on the appointment of Public Accountant "Tanudiredja, Wibisana Rintis & Partners".</p> <p>Such delegation of authority should meet the following requirements:</p> <p>a. The alternative Public Accountant being appointed should be one of the big four public accounting firms in Indonesia;</p> <p>b. The amount of audit fees and other requirements for such appointment should be competitive and reasonable; and</p> <p>c. The appointment is not contrary to the prevailing laws and regulations.</p> <p>List of Question/Opinion No question was asked by shareholders</p>		Realised in 2015
Total Votes		
Agree	Against	Abstain
24,617,687,454 shares or 100%	Nil	Nil

Agenda 4 Change in Company's Board Composition	Realisation		
<p>1. To accept the resignation of Arwin Rasyid from his position as President Director of the Company effective Since the close of this Meeting, with gratitude and highly appreciation for his contribution and dedication during his tenure as the President Director of the Company.</p> <p>In addition, to give a complete acquittal and discharge for his management actions as performed during his tenure from 1 January 2015 to 10 April 2015 to the extent such actions are reflected in the Annual Report and the Consolidated Financial Statements of 2015, and as approved and ratified by the GMS for financial year of 2015 to be held in 2016, except for the act of fraud, embezzlement and other criminal acts.</p> <p>2. To approve the appointment of Tigor M Siahaan as the new President Director of the Company. The appointment will be effective as of the date determined in the OJK approval letter and/or the fulfillment of the requirements set forth by OJK (the "Effective Date"); should OJK fail to approve the appointment of Tigor M Siahaan as the President Director of the Company or to meet OJK requirements for his appointment as President Director, the appointment shall be considered null and void without requiring approval from the GMS.</p> <p>The term of office of Tigor M Siahaan as the President Director of the Company commences from the Effective Date until the close of the fourth AGMS after the Effective Date.</p> <p>Accordingly, the structure of the Members of the Board of Directors and the Board of Commissioners from the Effective Date is as follows:</p> <p>BOARD OF DIRECTORS President Director : TIGOR M SIAHAAN; Vice President Director : DANIEL JAMES ROMPAS; Vice President Director : LO NYEN KHING; Compliance Director : LYDIA WULAN TUMBELAKA; Director : WAN RAZLY ABDULLAH; Director : RITA MAS'OPEN; Director : SAMIR GUPTA; Director : MEGAWATI SUTANTO; Director : HARJANTO TANUWIDJAJA; Director : VERA HANDAJANI; Director : JOHN SIMON.</p> <p>BOARD OF COMMISSIONERS President Commissioner : Dato' SRI NAZIR RAZAK; Vice President Commissioner : GLENN MUHAMMAD SURYA YUSUF; Independent Commissioner : SRI HARTINA URIP SIMEON; Independent Commissioner : ROY EDU TIRTADJI; Independent Commissioner : ZULKIFLI M. ALI; Independent Commissioner : PRI NOTOWIDIGDO; Commissioner : DAVID RICHARD THOMAS; Commissioner : AHMAD ZULQARNAIN CHE ONN.</p> <p>3. To approve the authority granted to the Board of Directors of the Company, with the right of substitution, to restate the decisions regarding the changes in the composition of the Board of Directors in a notarial deed and to notify the relevant authorities and to perform other matters required pertaining to such restatement in accordance with the prevailing regulations.</p> <p>List of Question/Opinion 2 questions were asked by shareholders</p>	Realised in 2015		
Total Votes			
Agenda	Agree	Against	Abstain
Resignation of Mr. Arwin Rasyid	24,617,497,955 shares or 99.9993%	179,499 shares or 0.0007%	10,000 shares
Appointment of Mr. Tigor M. Siahaan	24,617,487,455 shares or 99.9992%	179,499 shares or 0.0007%	20,000 shares

General Meeting of Shareholders

Agenda 5 Determination on the Salary/Honorarium and Allowances for BoC, BoD and Sharia Supervisory Board of the Company		Realisation
<p>To approve the amount of salary/honorarium and other allowances for the Board of Commissioners and the Board of Directors and the Sharia Supervisory Board for financial year 2015 is as follows:</p> <p>a. The amount of salary/honorarium and allowances for all members of the Board of Commissioners at a maximum of Rp19,332,947,000 gross per year;</p> <p>b. Delegation of authority to the Board of Commissioners to determine the amount of:</p> <p>i. salary/honorarium and allowances for all members of the Sharia Supervisory Board for financial year 2015;</p> <p>ii. salary/honorarium and other allowances and bonus tantiem budgeted for all members of the Board of Directors for financial year 2015;</p> <p>Provided that the Board of Commissioners shall consider the recommendation and opinion given by the Nomination and Remuneration Committee.</p> <p>List of Question/Opinion No question was asked by shareholders</p>		Realised in 2015
Total Votes		
Agree	Against	Abstain
24,617,538,354 shares or 99.9993%	149,100 shares or 0,0006%	Nil
Agenda 6 Approval on the Amendment of the Articles of Association of the Company		Realisation
<p>1. To approve the amendment of provision of the Articles of Association in compliance with OJK Regulation No.32/POJK.04/2014, No.33/POJK.04/2014, and No.38/POJK.04/2014 and further restatement of all provisions of Articles of Association of the Company.</p> <p>2. To approve the authority granted to the Board of Directors, with the right of substitution, to restate the resolution regarding the amendment and restatement of Articles of Association in a notarial deed and to report the relevant authorities and with due regard to the foregoing, to perform other matters required pertaining to such restatement in accordance with the prevailing regulations.</p> <p>List of Question/Opinion No question was asked by shareholders</p>		Realised in 2015
Total Votes		
Agree	Against	Abstain
24,617,507,955 shares or 99.9992%	179,499 shares or 0.0007%	Nil
Agenda 7 Report of Use of Proceeds from Public Offering of Shelf Registration Bond I Bank CIMB Niaga Phase II Year 2013 with Fixed Rate		Realisation
<p>To report the utilisation of the remaining proceeds from the Public Offering of Shelf Registration Bond I Bank CIMB Niaga Phase II Year 2013 with Fixed Interest Rate amounting to Rp1,228,877,357,206 for loan expansion in order to develop the business based on the prospectus.</p>		No decision was made due to the nature of the reporting.

Board of Commissioners

CIMB Niaga's Board of Commissioners is one of GCG main organs responsible for the supervisory function to ensure that the Bank's management activities are aligned with predetermined business objectives. The BoC exercises its supervision duties and provides advice regarding to the implementation of the duties and responsibilities of the BoD. In fulfilling its duties and responsibilities, the BoC shall act independently.

Legal References

The establishment of CIMB Niaga's BoC refers to the following regulations:

1. Law No. 40 of 2007 on the Limited Liability Companies
2. OJK Regulation No. 33/POJK.04/2014 on the BoD and BoC of Issuers or Public Companies.
3. Deed of Statement No. 57 dated 26 April 2016 concerning on AGMS Resolutions of PT Bank CIMB Niaga Tbk.
4. Recommendation from Nomination and Remuneration Committee of PT Bank CIMB Niaga Tbk No. 005/NOMREM/KP/III/2016 dated 23 March 2016
5. Circular Decision of the BoC of PT Bank CIMB Niaga Tbk No. 007/DEKOM/KP/IV/2016.

Board of Commissioners Composition

The Bank has met all applicable requirements in which members of the BoC shall be more than three members, namely 8 (eight) members and shall not exceed the number of Directors. There are 4 (four) members of the BoC reside in Indonesia and 4 (four) members are Independent Commissioners, 50% members of the Board of Commissioners are Indonesian citizens, and is chaired by the President Commissioner.

Replacement and/or appointment of members of the BoC is conducted pursuant to the recommendation from the Remuneration and Nomination Committee and approval of the AGMS and OJK. All members of the BoC have passed the Fit and Proper Test.

In line with the principles of ASEAN Corporate Governance Scorecard, the composition of the BoC also consists of:

1. 1 (one) female member of the Board of Commissioners, who is also an Independent Commissioner (a minimum of 1 (one) female Independent Commissioner).
2. 8 (eight) members of the Board of Commissioners (a minimum of 5 (five) members and a maximum of 12 (twelve) members).
3. In terms of expertise, the majority of the BoC having work experience in the banking sector.

Members of the BoC of CIMB Niaga in 2016 are as follows:

No.	Name	Position
1	Dato' Sri Nazir Razak	President Commissioner
2	Glenn Muhammad Surya Yusuf	Vice President Commissioner
3	Pri Notowidigdo	Independent Commissioner
4	Zulkifli M. Ali	Independent Commissioner
5	David Richard Thomas	Commissioner
6	Ahmad Zulqarnain Onn	Commissioner
7	Roy Edu Tirtadji *)	Independent Commissioner
8	Sri Hartina Urip Simeon *)	Independent Commissioner
9	Armida Salsiah Alisjahbana **)	Independent Commissioner
10	Jeffrey Kairupan **)	Independent Commissioner

* The term of office as Independent Commissioner and members of the Committee ended as of the close of the AGMS on 15 April 2016.

** Effectively serves as Independent Commissioner since 14 September 2016.

Board of Commissioners

Duties and Responsibilities of the Board of Commissioners

1. The BoC shall perform duties and responsibilities independently.
2. The BoC shall ensure the implementation of good corporate governance in all business activities of the Bank, at all levels of the organisation, and at least should be realised in:
 - a. The performance of duties and responsibilities of the BoC and BoD;
 - b. The comprehensiveness and the tasks implementation of the committees and working units to perform the function of internal control;
 - c. Implementation of compliance function, internal auditors and external auditors;
 - d. Implementation of risk management, including the internal control system;
 - e. Provision of funds to related parties and large exposures;
 - f. The Bank's strategic plan; and
 - g. Transparency of the Bank's financial and non-financial conditions.
3. The BoC shall supervise the performance of duties and responsibilities, as well as giving advice to the BoD.
4. The BoC monitors the implementation of anti-fraud strategy.
5. In conducting the supervision as referred to item (3), the BoC shall provide direction, monitor, and evaluate the implementation of the Bank's strategic policy.
6. In conducting supervision as referred to item (5), the BoC are prohibited from involving in the decision-making operations of the Bank, except:
 - a. Provision of funds to related parties as stipulated in Bank Indonesia Regulation on Legal Lending Limit (LLL) Commercial Bank; and
 - b. Other matters specified in the Articles of Association and/or applicable laws and regulations.
7. Decision-making by the BoC as referred to item (6) is part of supervision duties by the BoC and shall not negate the responsibility of the BoD on the implementation of the Bank's management.
8. The BoC shall ensure that the BoD has followed-up on audit findings and recommendations from Internal Audit, External Auditor, results of the OJK and/or supervision of other authorities.
9. The BoC shall notify the Financial Services Authority and/or other supervisory authority within 7 (seven) days from the discovery of:
 - a. Any violation of legislation in financial and banking sector; and
 - b. Any circumstances or estimated circumstances which may harm the Bank's business continuity.
10. In order to create effectiveness in the performance of the duties and responsibilities, the BoC shall form at least:
 - a. The Audit Committee;
 - b. Risk Oversight Committee;
 - d. Nomination and Remuneration Committee;
 - e. Integrated Corporate Governance Committee.
11. The appointment of the Committees members as referred to item (10) shall be carried out based on decision of the BoC, and followed-up by the BoD.
12. The BoC shall ensure that the Committees as referred to item (10) and item (11) perform their duties effectively.
13. The BoC shall provide sufficient time to carry out their duties and responsibilities optimally.
14. The BoC shall conduct active monitoring on Compliance Function by:
 - a. Evaluating the implementation of the Bank's Compliance Function at least 2 (two) times a year.
 - b. Providing suggestions to improve the quality of Bank Compliance Function.
15. Refer to item (14) above, the BoC shall submit their suggestions on improving the quality of compliance function to the President Director.
16. Since CIMB Niaga is the main entity (ME) of the financial conglomeration of CIMB Indonesia, then its BoC shall supervise the implementation of Integrated Corporate Governance (ICG).

17. The duties and responsibilities of the BoC as referred to item (16) at least:
- To ensure that each Financial Service Institution has performed governance in accordance to ICG manual.
 - To supervise the implementation of duties and responsibilities of the BoD, as well as provide guidance or advice to the BoD regarding to the implementation of ICG manual.
 - To evaluate the ICG manual and to provide strategy for improvement.

Duties and Responsibilities of President Commissioner

The duties and responsibilities of President Commissioner are stipulated in Article 18, paragraph (7) of the Articles of Association and BoC Charter. The duties are in the following:

- In the event that there is only one member of the BoC, all duties and authority that are given to the President Commissioner or members of the BoC shall also apply to him /her.
- The President Commissioner chairs the BoC.
- Receiving the notification from the BoD (on behalf of the Company) on the appointment of one or more members of the BoC pursuant to GMS approval completed with notices regarding the rights and obligations including remuneration, working conditions, orientation programmes, and so forth, to be forwarded to concerned member of BoC.
- Approving/disapproving the request of a member of the BoC meeting to be absent from duties for more than 3 (three) consecutive months.
- The President Commissioner may propose to convene a meeting of the BoC.
- Signing the BoC Meeting invitations (however in the event that the President Commissioner is unavailable or unable to sign the invitation, then it can be signed by another member of the BoC and/or by the Corporate Secretary).

- Leading meetings of the BoC (however in the event that the President Commissioner is absent or unavailable, then the BoC Meeting shall be chaired by a member of the BoC present and elected by the Meeting of the BoC).
- Receiving the notification from the members of BoC who are unable to attend the meeting of the BoC.
- On behalf of the BoC and together with the BoD sign external reports.
- Discussing and requesting for approval from the shareholders in the AGMS regarding the supervisory duties of the BoC (in this case as also carried out by other members of the BoC appointed by the BoC).
- Assessing individual performance of each Independent Commissioner and Commissioner.

Authority of the Board of Commissioners

- In performing their duties, the BoC shall be entitled to seek help from experts within a limited time.
- The BoC shall at anytime during Bank's office hours be entitled to enter buildings and premises and other places utilised or controlled by the Bank and are entitled to examine all accounts, letters, and other evidential tools, examine and check cash flow and other conditions. BoC also entitled to realise all actions performed by the BoD.
- The BoC deserves the right to gain explanation on all concerning matters relating to the operations of the Bank and its subsidiaries including the matters related to the Bank's Code of Conduct.
- The BoC pursuant to resolution of BoC is entitled to suspend a Director according to Article 106 paragraph (1) of UUPT and by paying attention to POJK No. 33/POJK.04/2014 and the Bank's Articles of Association, which stipulated that members of the BoD may be temporarily suspended by the BoC by stating the reasons. Henceforth, referring to Article 106 paragraph (4): a GMS shall be convened no later than 90 (ninety) days from the suspension date resolving whether to revoke or reinforce such suspension, in accordance with Article 106 paragraph (6).

Board of Commissioners

5. In the event of the BoC managing the Bank in a certain situation and for a certain period, Article 118 paragraph (2) of UUPT shall apply: the BoC in certain circumstances for a certain period of time perform the function of management, then all of the provisions regarding rights, authority, and obligation of the BoD of the Bank and third parties shall be applied.
6. In the event of there is only one Commissioner available, all duties and authorities granted to President Commissioner or other Commissioners as stipulated in the Articles of Association, herein shall also be applied to him.
7. As stipulated in the Articles of Association Article 15.3, BoD actions mentioned in items (i) and (ii) below with value exceeding amount set out in Bank's discretion anytime must be agreed to by the BoC, as follows:
 - (i) Performing actions beyond the Bank's business activity as banking financial institutions, namely:
 - a. buying or otherwise obtaining/acquiring immovable assets (including right on land and/or building);
 - b. selling or otherwise transferring the immovable assets (including right on land and/or building);
 - c. taking part or participating or releasing the right partly or entirely in any company or other entity including but not limited to establish a new company or dissolve subsidiary;
 - (ii) Performing action on Bank's business activities as banking financial institution that is not main activity of the Bank, with consideration of such high frequencies, routine and amount of transactions are above a certain nominal namely:
 - a. borrowing or issuing debentures that is not included in daily business activities of the Bank;
 - b. conducting writing-offs and charge-offs;
 - c. performing temporary capital participation and/or debtor assets purchase in order to salvage credit.

8. The authority of the BoC to approve the Bank's policies, referring to the provisions set by the competent authority.

Board of Commissioners Focus of Supervision in 2016

The BoC focus of supervision and work plan are prepared as guidelines that are mutually agreed and served as the basis for preparing the agenda of BoC meetings as well as joint meetings with the BoD.

The BoC constantly monitors to ensure implementation of GCG in all Bank activities, with main attention on the achievement of business targets, with regard to risk management, and with prudence and compliance with all applicable regulations. Through its committees, the BoC provided recommendation and input regarding the Bank's business and its business support. Moreover, members of the BoC also conduct face-to-face meeting with employees in regional offices during regular events held by the Bank.

The BoC has focus of supervision that concerns about several material aspects in 2016 which are:

1. Analysed, provided feedback, and together with the BoD approved the Bank's 2016 Business Plan (RBB) and its revision in late June 2016 and the 2017 Business Plan submitted to the OJK in November 2016. The BoC also monitored, analyzed and provided input regarding the Bank's strategic plan, which included high-margin business development; diversification of income sources; growth of low-cost funds; transformation of sales and services; improvement of efficiency; and human resource development.
2. Reviewed the Bank's financial performance periodically, in every meeting of the BoC and/or meetings of the Committees, and also invited the Business Units to submit their performance result.
3. In line with the applicable regulations, active supervision on risk management was the focus of the BoC, including self-assessment on the Bank using Risk Based Bank Rating (RBBR). In 2016, through the Risk Oversight Committee, the BoC

monitors risk management, asset quality, the Bank's soundness status, and stress test results. Assessing mandatory risk management policies of the Bank which include Funding Contingency Plan policy, evaluate the concordance between risk management policies and the implementation.

4. Ensured that the BoD has followed-up on audit findings and recommendations from Internal Audit, including improvements based on findings from external auditor and regulators.
5. Received BoD reports to gain a clear picture of the funding structure and liquidity as well as the Bank's funding strategy related to liquidity both in Rupiah and US Dollar.
6. Reviewed GCG Assessment Reports, related party transactions and approve the Audit Committee (AC) Charter, the Charter of Risk Oversight Committee (ROC) and the Charter of Nomination and Remuneration Committee (NRC) to comply with applicable regulations.
7. Received the latest report on investment and realisation regarding the operations and information technology implemented in 2016.
8. Monitored the operational risk in the Bank which includes non-performing loans (NPL), impaired loans, and fraud.
9. Approved the review and recommendation from Nomination and Remuneration Committee in the nomination of members of the BoC, BoD, Sharia Supervisory Board and independent party that will be appointed as Member of the Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee and Integrated Corporate Governance Committee. Including changes related to remuneration and compensation policy for the BoC, BoD and Sharia Supervisory Board.
10. Regarding to Human Resources, the BoC through the Nomination and Remuneration Committee, monitors the manpower policy and HR management functions that involve risks which might have significant impact on the Bank, as well as supervision on the implementation of risk management related to outsourcing.
11. Through the Audit Committee and Risk Oversight Committee, the BoC evaluated the implementation of the Compliance Function at the Bank and provided advice, including giving recommendation to management to conduct a thorough review of existing products and to be launched new products.
12. In order to create the effectiveness on the implementation of the duties and responsibilities of the BoC, in every meeting the BoC receives reports from each committee, the Audit Committee, Risk Oversight Committee, the Nomination and Remuneration Committee and Integrated Corporate Governance Committee.

Board of Commissioners Charter

The BoC has a BoC Charter that is constantly updated with improvements and adjustments that refer to the rules and regulations prevailing in Indonesia. This Charter serves as guidelines and procedures that bind all Commissioners. The BoC Charter was last updated on 3 August 2012 and has been uploaded to the Bank's website www.cimbniaga.com.

Independence of the Board of Commissioners

The BoC of CIMB Niaga continues to uphold the independence principle in performing their duties, always putting the interests of the Bank above their own interests. The BoC also maintains the order in exercising their duties well so that it can not be influenced by any party.

Board of Commissioners

Independent Commissioner

1. Criteria of Independent Commissioner

The criteria for Independent Commissioner of the Bank has been adjusted to comply with SEBI No. 15/15/DPNP dated 29 April 2013 on the GCG of Commercial Banks and POJK No. 33/POJK.04/2014 dated 8 December 2014 on the BoD and BoC of Public Listed Companies in Article 21, paragraph (2), as follows:

- a. Not a person who worked or had authority and responsibility to plan, lead, control, or supervise over the activities of the Bank within the last 6 (six) months;
- b. Do not have direct or indirect shareholdings in the Bank;
- c. Do not have any affiliation with the Bank, members of the BoD, other members of the BoC, or Ultimate Shareholder of the Bank;
- d. Do not have any business relationship directly or indirectly related to the Bank's business activities.

2. Statement of Independence of Each Independent Commissioner

Aspects of Independence	Zulkifli M. Ali	Pri Notowidigdo	Armida Salsiah Alisjahbana	Jeffrey Kairupan
Not a person who worked or had authority and responsibility to plan, lead, control, or supervise over the activities of the Bank within the last 6 (six) months.	√	√	√	√
Do not have direct or indirect shareholdings in the Bank.	√	√	√	√
Do not have any affiliation with the Bank, members of the BoD, other members of the BoC or Ultimate Shareholder of the Bank.	√	√	√	√
Do not have any business relationship directly or indirectly related to the Bank's business activities.	√	√	√	√

Statement that are read out during the AGMS 15 April 2016 by Mr. Zulkifli M. Ali as Independent Commissioner, who has served for more than two terms of office are as follows:

"In terms of my reappointment as Independent Commissioner who has exceeded 2 (two) periods of terms of office, according to OJK Regulation No. 33/POJK.04/2014, hereby I declare that I shall remain independent, and hence I:

1. Do not have direct or indirect shareholdings in the Bank;
2. Do not have any affiliation with the Bank, members of the BoD, other members of the BoC, or major shareholders of the Bank;
3. Do not have any financial, management, share ownership and/or family relation with other members of the BoC, BoD, as well as the controlling shareholder of the Bank;

4. Do not have any direct or indirect business relationship with the Bank's activities.

Board of Commissioners Development Programme

To support the duties implementation of the BoC, in order to achieve sustainable growth and effective management, CIMB Niaga always encourages the development programme for the BoC through an orientation program, designated for new Commissioners and a training programme for Commissioners.

New Commissioners Orientation Programme

The new Commissioner orientation programme is set out in the BoC Charter (Appendix 2), uploaded on the Bank's website and is aimed to provide input to new Commissioners in order to gain an understanding of the Bank in a relatively short time so that he/she can carry out duties effectively and efficiently.

Board of Commissioners Training Program

In accordance with Employment Implementation Regulation (P2K) on the Implementation of Employee Learning and PBI No.11/19/PBI/2009 dated 4 June 2009 and the amendment in PBI No. 12/7/PBI/2010 dated 19 April 2010 on Risk Management Certification for Management and Officers of Commercial Banks, the BoD and BoC are required to undergo a competency test programme/certification in accordance with the provisions of regulators for Risk Management and Refreshment. A maximum of 90 (ninety) days after the issuance of the new organisational structure, the BoD and BoC shall pass the risk management certification.

Besides, some of key training is also provided to develop the competence of members of the BoD and the BoC, such as Media & Crisis Handling training, Personal Branding & Public Speaking training, aiming to improve the communication skills to face diverse audiences and effectively communicate through media, as well as hold discussions on leadership/entrepreneurship practices by inviting prominent Leadership Teacher/Entrepreneurs from various industries to enrich knowledge and to have better understanding on business opportunities.

This program also set forth in the BoC Charter (Appendix 2) uploaded to the website of the Bank.

Board of Commissioners Training in 2016

No.	Name	Type of Training/Seminars/Workshop/Sharing Knowledge	Date and Place
1	Dato' Sri Nazir Razak	Special Commemorative on Tun Abdul Razak (ASLI/Yayasan Cemerlang)	14 January 2016 in KL, Malaysia
		Speaker – SHELL People Development Week	18 January 2016 in KL, Malaysia
		ABC Council – Singapore	18 - 20 February 2016 in Singapore
		Risk Appetite Workshop for BoDs of CIMBGH/CIMB Bank/ CIMB Investment & CIMB Islamic - MCIMB	24 March 2016 in KL, Malaysia
		Speaker - StarLIVE: Power Talk Biz Series Menara Star	26 March 2016 in UK, London
		MSWG-IIC Governance Week Renaissance Hotel	30 March 2016 in KL, Malaysia
		Speaker – Perdana Talk MCIMB	31 March 2016 in KL, Malaysia
		(Speaker) UEM Lecture Series Mercu UEM	1 April 2016 in KL, Malaysia
		Inter Pacific Bar Association Conference KL Convention Center	14 April 2016 in KL, Malaysia
		(Speaker) Alice Smith 70 th Anniversary Premier Luncheon	11 May 2016 in KL, Malaysia
		Khazanah Euro Mixer Roadshow KEIL	16– 18 May 2016 in UK, London
		BSG Challenged of guest conference & international Advisory Board	19 – 20 May 2016 in Oxford
		World Economic Forum	1 – 2 June 2016 in KL, Malaysia
		(Talk) Kupa Table Dialogue	20 July 2016 in Sabah, Malaysia
		(Talk) Razak School of Government Forum	25 July 2016 in KL, Malaysia
		(Talk) British Malaysian Society	14 September 2016 in KL, Malaysia
		BSG (Blavatnik School of Governance) Conference (Host)	19 - 20 September 2016 in Oxford
		Khazanah Megatrend Forum	20 - 27 September 2016 in KL, Malaysia
		(Speaker) Career Evening – Young Indonesian Profession	17 October 2016 in UK, London
		(Speaker) Dialogue with Malaysian Student	1 November 2016 in UK, London
ABC/KLBC Vietnam Mission	7 - 9 December 2016 in Hanoi, Vietnam		
International Advisory Panel	9 - 10 December 2016 in Hanoi, Vietnam		

Board of Commissioners

No.	Name	Type of Training/Seminars/Workshop/Sharing Knowledge	Date and Place
2	Glenn Muhammad Surya Yusuf	Risk Management Training (in-house)	11 February 2016 in Jakarta
		Risk Appetite Workshop for BoDs of CIMBGH/CIMB Bank/ CIMB Investment & CIMB Islamic - MCIMB	24 March 2016 in Jakarta (via TelePresence)
		2017 Risk Posture Workshop with the Board	28 September 2016 in Jakarta (via TelePresence)
		GCG Training based on Asean Corporate Governance Scorecard	27 October 2016 in Jakarta
3	Pri Notowidigdo	Speaker at Learn from The Master	11 August 2016 in Jakarta
		GCG Training based on Asean Corporate Governance Scorecard	27 October 2016 in Jakarta
4	Zulkifli M. Ali	Khazanah Megatrend Forum	20 - 27 September 2016 in KL, Malaysia
		4th annual Future of Banking & Financial Services Conference	19 October 2016 in Jakarta
		GCG Training based on Asean Corporate Governance Scorecard	27 October 2016 in Jakarta
5	David Richard Thomas	TCBians (Management Trainees) - Business & Career Prospects of Risk Division	10 March 2016 in KL, Malaysia
		Briefing to 1 new CIMBGH Director	18 April 2016 in KL, Malaysia
		CIMB-NTU Accelerated Universal Banking Program	3 August 2016 in Singapore
		Risk Posture Workshop with Combined Board Risk Committee	28 September in KL, Malaysia
		GCG Training based on Asean Corporate Governance Scorecard	27 October 2016 in Jakarta
6	Ahmad Zulqarnain Onn	CIMB Board of Directors – Risk Appetite Workshop	24 March 2016 in KL, Malaysia
		Khazanah Research Institute & World Bank Event – Talk by Dr. Axel van Trotsenburg, Vice-President of the World Bank, on “Global Economic Trends and Implications for Low and Middle Income Countries”	28 March 2016 in KL, Malaysia
		Credit Suisse - 19th Asian Investment Conference	5 – 8 April 2016 in KL, Malaysia
		Invest Malaysia 2016	12 – 13 April 2016 in KL, Malaysia
		The 6th Annual Malaysia Roundtable: Pensions and Investments: Taking the Long View	4 May 2016 in KL, Malaysia
		Lippo Bank Case Study Show	6 May 2016 in KL, Malaysia
		CPE 1 (Continuing Professional Education) -by Prof. Charles Fine & Dr. Loredana Padurean of Asia School of Business (Driving Strategic Innovation and Entrepreneurship in Organisations).	26 May 2016 in KL, Malaysia
		CPE 2 by Hamish Taylor (Turnaround – Achieving Breakthrough),	27 May 2016 in KL, Malaysia
		Dinner Talk with YBhg Tan Sri Nor Mohamed Yakcop; YM Raja Tan Sri Dato’ Seri Arshad Bin Raja Tun Uda; YBhg Datuk Ganen Sarvananthan; Dr. Nungsari Ahmad Radhi	27 May 2016 in KL, Malaysia
		WEF on ASEAN	1-2 June 2016 in KL, Malaysia
		12 th World Islamic Economic Forum (Speaker: Industry Hardtalk – Closing the Funding Gap in Infrastructure)	2-4 August 2016 in Jakarta
		Perdana Fellowship Programme 2016 : Building True Value – Twelve Ideas Shaping Khazanah (Panel)	12 August 16 in KL, Malaysia
		Khazanah Megatrend Forum 2016 Introducer for Special Address with Jaime A.Zobel de Ayala (Chairman/CEO Ayala Corp)	26-27 September 16 in KL, Malaysia
		Risk Posture Workshop for Board of Directors of CIMBGH/CIMB Bank/CIMB Investment & CIMB Islamic	28 September 16 in KL, Malaysia
2016 Khazanah SPG Year-End-Retreat	20-22 October 2016 in KL, Malaysia		

No.	Name	Type of Training/Seminars/Workshop/Sharing Knowledge	Date and Place
		GCG Training based on Asean Corporate Governance Scorecard	27 October 2016 in Jakarta
		Khazanah Global Lectures by Dr. Jane Goodall	31 October 2016 in KL, Malaysia
		International Forum of Sovereign Wealth Funds (IFSWF)	8-11 November 2016 in Auckland, New Zealand
		Speaker on Management of Super Holding Company; How to Build Sustainable Value Creation of Companies at Lembaga Management, Faculty of Economics and Business, Universitas Indonesia, "Benchmarking Regional Companies Seminar"	24 November 2016 in Jakarta
		8th Southeast Asia Institutional Investment Forum & Institutional Excellence Awards	30 November – 1 December 2016 in Singapore
		Khazanah's 2016 Board Retreat	5 – 7 December 2016 in KL, Malaysia
7	Armida Salsiah Alisjahbana*	Risk Management Certification Training Level 1	13 – 25 April 2016 in Jakarta
		Risk Management Certification Training Level 2	7 – 9 June 2016 in Jakarta
		GCG Training based on Asean Corporate Governance Scorecard	27 October 2016 in Jakarta
		Master Class – Risk Governance Training & Certification	7 December 2016 in Denpasar, Bali
8	Jeffrey Kairupan*	Risk Management Certification Training Level 1	13 – 25 April 2016 in Jakarta
		Risk Management Certification Training Level 2	7 – 9 June 2016 in Jakarta
		GCG Training based on Asean Corporate Governance Scorecard	27 October 2016 in Jakarta
		International Seminar on Sustainable Finance 2016	1 December 2016 in Denpasar, Bali
		Master Class – Risk Governance Training & Certification	7 December 2016 in Denpasar, Bali
9	Roy Edu Tirtadji **	The terms of office as an Independent Commissioner and members of the Committee ended since the close of AGMS on 15 April 2016.	
10	Sri Hartina Urip Simeon **		

* Effectively serves as Independent Commissioner since 14 September 2016.

** The term of office as an Independent Commissioner and members of the Committee ended since the closing of AGMS on 15 April 2016.

Disclosure of Concurrent Positions

Commissioners may only hold position as members of the BoC, BoD or Executive Officers of a non-financial institution/company, or members of a BoC, BoD or Executive Officers that perform oversight function in one of non-bank subsidiary controlled by the Bank. However, concurrent position is allowed if the non-

independent member of a BoC is performing functional duties for Bank's shareholders which are legal entities in the business group; and/or members of the BoC at nonprofit organisations or institutions, providing that the concerned as long as he/she does not neglect the duties and responsibilities as a member of the BoC.

No member of the BoC hold concurrent positions in the subsidiaries of CIMB Niaga.

Concurrent position of BoC in 2016:

No	Name	Position at CIMB Niaga	Position in Other Companies	Company/Entity/Organisation
1	Dato' Sri Nazir Razak	President Commissioner	CIMB Group Holdings Berhad	Chairman
			CIMB Group Sdn. Bhd	Director
			CIMB Bank Berhad	Deputy Chairman

Board of Commissioners

No	Name	Position at CIMB Niaga	Position in Other Companies	Company/Entity/Organisation
			PRIDE Foundation	Trustee
			Rahah Foundation	Trustee
			EPF – Investment Panel	Member
			EPF - Risk Investment Panel	Chairman
			Mastercard Asia/Pacific Regional Advisory Panel	Member
			Khazanah Nasional Berhad	Board Member
			Kuala Lumpur Business Club	Member
			CPA Australia	Honorary Member
			Securities Commission – Capital Market Advisory Council	Member
			Asia Business Council	Trustee
			Asean Business Club Malaysia	Member
			Endeavor Malaysia	Founding member
			Blavatnik International Advisory Board	Member
			CIMB Foundation	Director
			Malaysia - China Chamber of Commerce (MCCC)	Honorary President
			World Economic Forum ASEAN Regional Business Council	Chairman
			Queen's Park Ranger, UK	Board Member
			Center of Asian Philanthropy	Advisory BoD
2	Glenn Muhammad Surya Yusuf	Vice President Commissioner	CIMB Group Holdings Berhad	Independent Director
			PT Surya Citra Media	Independent Commissioner
3	Zulkifli M. Ali	Independent Commissioner	-	-
4	Pri Notowidigdo	Independent Commissioner	PT Profesindo Reksa Indonesia	President Director
			Arghajata Strategic Consulting, Jakarta	Partner Advisor
5	David R. Thomas	Commissioner	CIMB Group Holdings Berhad	Group Chief Risk Officer
			International School of Kuala Lumpur (non for profit)	Director
			GK1Word (non for Profit)	Director
6	Ahmad Zulqarnain Onn	Commissioner	CIMB Bank Berhad	Board of Director
			Khazanah Nasional Berhad	Executive Director, Invesment/ Head Strategic Management Unit
7	Armida Salsiah Alisjahbana *	Independent Commissioner	Faculty of Economics and Business, Universitas Padjadjaran, Bandung	Lecturer
			Center for Sustainable Development Goals Studies, Universitas Padjadjaran, Bandung	Director
			Akademi Ilmu Pengetahuan Indonesia (AIPI)	Member
			Economic Research Institute For Asean and East Asia (ERIA), Jakarta Indonesia	Member Governing Board
8	Jeffrey Kairupan *	Independent Commissioner	PT Tehillah Indonesia Synergi (PMA)	Director
9	Roy Edu Tirtadji **	Independent Commissioner	PT Jababeka Tbk	Commissioner
10	Sri Hartina Urip Simeon **	Independent Commissioner	Mitra Badra Consulting	Director

* Effectively serves as Independent Commissioner since 14 September 2016.

** The term of office as Independent Commissioner and member of Committee ended from the close of AGMS on 15 April 2016.

Term of Office of Board of Commissioners

No	Name	Position	Term of Office			
			GMS Appointment	Approval BI/OJK	Re-appointment	Validity Period
1	Dato' Sri Nazir Razak	President Commissioner	EGMS 26 January 2012	No. 14/40/GBI /DPIP/Classified, dated 1 May 2012	AGMS 15 April 2016	AGMS 2020
2	Glenn Muhammad Surya Yusuf	Vice President Commissioner	EGMS 26 January 2012	No. 14/57/GBI/ DPIP/Classified, dated 18 June 2012		
3	Zulkifli M. Ali	Independent Commissioner	EGMS 18 July 2008	No. 10/156/GBI/ DPIP/Classified, dated 14 October 2008		
4	Pri Notowidigdo	Independent Commissioner	AGMS 28 March 2013	No. 15/114/GBI/ DPIP/Classified, dated 26 November 2013		
5	David Richard Thomas	Commissioner	AGMS 27 March 2014	No. SR- 159/D.03/2014 dated 15 September 2014	-	AGMS 2018
6	Ahmad Zulqarnain Onn	Commissioner	AGMS 27 March 2014	No. SR- 160/D.03/2014 dated 15 September 2014	-	
7	Armida Salsiah Alisjahbana*	Independent Commissioner	AGMS 15 April 2016	No. SR- 184/D.03/2016 dated 14 September 2016	-	AGMS 2020
8	Jeffrey Kairupan*	Independent Commissioner	AGMS 15 April 2016	No. SR- 183/D.03/2016 dated 14 September 2016	-	
9	Roy Edu Tirtadji**	Independent Commissioner	EGMS 26 January 2012	No. 10/156/GBI/ DPIP/Classified, dated 14 October 2008	28 March 2013	AGMS 15 April 2016
10	Sri Hartina Urip Simeon **	Independent Commissioner	EGMS 4 September 2007	No. 9/144/GBI/ DPIP/Classified, dated 28 September 2007		

* Effectively serves as Independent Commissioner since 14 September 2016.

** The term of office as an Independent Commissioner and members of the Committee ended since the closing of AGMS on 15 April 2016.

Board of Commissioners Recommendations

Supervision and advice from the BoC are delivered either through the Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee, or Integrated Corporate Governance Committee, and were discussed during BoC meetings. Some important recommendations for 2016:

1. Provided input and approved the corporate plan for 2016, which included: Implementation of the AGMS divestment approval of PT CIMB Sun Life (CSL), Bonds Issuance (Sustainable Public Offering II Phase 1 2016).

Board of Commissioners

2. Provided input on the Bank's financial targets, including Net Interest Margin, Non-Performing Loans and Watch List Accounts, Loan to Deposit Ratio, productivity, and market competition. Board of Commissioners supports the Bank's strategy to develop high margin businesses, namely Corporate Banking, Commercial Banking, High End, and Sharia Banking by maintaining quality of assets in each business at good levels.
3. Provided input related to the increase of low-cost funds (CASA) and incoming fee both through the development of Bank transaction services for convenience and improvement of customer experience through CIMB@Work, CIMB@BizChannel, improving transactions and services through Transaction Banking products, value chain as well as enhancing the Sharia Banking business services through dual banking leverage model, as well as through the development of branchless banking as the optimisation of ATM, CDM and SST, the development of new platforms for CIMB Clicks (internet banking) and improvement of GoMobile services (mobile banking), agent banking and tablet banking including programmes to improve the turn-around time for better customer experience during the transaction.
4. Periodically also provided input related increased efficiency through cost efficiency programmes, IT transformation programme and productivity improvement of the front liners and back office which will affect the acceleration and improvement in customer service.
5. Reviewed and discussed the macroeconomic and coal and mining industry conditions provisions in new banking regulations, as well as the impact on the Bank's business and its action plan.
6. Based on input of the Audit Committee, the BoC provided recommendations to the BoD about:
 - Results of reviews on financial statements which included presentation of financial statements, accounting treatment and compliance with generally accepted accounting principles, as well as financial performance and adequacy of the financial statements publication and reporting to authorities.
 - Results of reviews of the follow-up progress of audit results by regulator and Bank Negara Malaysia.
 - Independent opinion in the event of dissenting opinion between management and Public Accountant for the services rendered.
 - Appointment of Public Accountant based on the independence, scope of the assignment, and fees.
 - Review of audit implementation by internal auditor and overseeing implementation of follow-ups by the BoD on findings of internal auditor;
 - Review of complaints relating to accounting and financial reporting processes.
 - Implementation and strategy for fraud detection; including implementation of whistleblowing program.
7. Based on input of the Risk Oversight Committee, the BoC provided recommendations to the BoD concerning:
 - Related to risk management, asset quality, the Bank's soundness, and stress test results.
 - Related to policy/framework established by the BoD regarding risk management, including capital management (Internal Capital Adequacy Assessment Process), which includes determination of risk appetite, risk posture, sector appetite, as well as implementation of stress testing.
 - Related to the Financial Statements and initiatives discussion / on going projects, particularly in strategic implications in attention to risks of the Bank including Bank Budget Plan for the year 2017 as well as the strategy and business plan of each unit in order to ensure compliance with the rules of risk and the Bank's risk appetite.
 - Related to risks of new products and activities, including evaluating the Post Implementation Review (PIR), reviewing strategies to improve CASA and revenue from Commission Fees from a risk perspective, mainly regarding implications for Bank liquidity and financing.
 - Related to strategies for handling and settlement of impaired accounts and, NPL and strategy plan/recovery.

- Recommendations for customer and regulator monitoring complaints that is addressed or copied to BoC to be immediately assessed in terms of risk.
 - Related to monitoring of significant audit findings from standpoint of operational risk management, including results of investigations and follow-up of amendment and mitigation.
 - Related to the implementation process of Basel, IFRS9 project and Information Technology (IT) development updates, in particular the ongoing 1P project.
8. Through the Nomination and Remuneration Committee, the BoC made several recommendations, including:
- Recommendation on nomination policy in selecting and/or replacing members of BoC and BoD, as well as the Sharia Supervisory Board (SSB) to be submitted to the GMS and of Independent Party to be appointed as member of the Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee and Integrated Corporate Governance Committee.
 - Regarding remuneration policy, namely regarding the remuneration policy for the BoC, SSB and the BoD to be submitted to the GMS; and remuneration policy for executive officers and employees as a whole to be approved by the BoD.
- Changes related to remuneration and compensation policy for the Boards of Commissioners, BoD and SSB.
 - Manpower policies and HR management functions that contain risks with significant impact on the Bank including its future growth.
 - Provided recommendations on the balanced and fair bonus distribution of bonus for the BoD, considering objectivity based on the achievement of the performance.
 - Provided input for the assessment of the Key Performance Indicator (KPI) of members of the BoD based on achievement of each component of the KPI.
 - Provided input for the assessment of the Key Performance Indicator (KPI) of the BoC and Independent Party members of committees under the BoC in accordance with a pre-determined assessment framework.
9. Pursuant to the Articles of Association, the BoC approved the proposed measures for substandard loans, restructuring and write off of loans above that certain limit set out in Bank policies. In addition, the BoC also gave approval for related party loans in compliance with applicable regulation.

Board of Directors

The Board of Directors is the main organ for GCG implementation, responsible for managing Bank operations, acting for and on behalf of the Bank inside and outside of court. Members of CIMB Niaga's BoD work within their respective areas of duties to collectively achieve effective management for optimum results. In undertaking its duties, the BoD always embraces professionalism, objectivity, strategic thinking, and prioritises the interests of the Bank, as an effort to enhance added values for stakeholders and ensure business sustainability.

Legal References

Legal References for BoD appointment:

1. Law No. 40 of 2007 on Limited Liability Companies
2. Law No. 7 of 1992 concerning Banking as amended by Law No. 10 of 1998
3. PBI No.13/2/PBI/2011 dated 12 January 2011 on Compliance Function for Commercial Banks
4. POJK No.27/POJK.03/2016 dated 22 July 2016 on Fit and Proper Test For Key Executives in Financial Services Institutions
5. PBI No.12/23/PBI/2010 dated 29 December 2010 on Fit and Proper Test
6. PBI No. 11/1/PBI/2009 dated 27 January 2009 as amended by PBI No. 13/27/PBI/2011 dated 28 December 2011 on Commercial Banks
7. PBI No.9/8/PBI/2007 dated 13 June 2007 on Employing Foreign Workers and Transfer of Knowledge Program in the Banking Sector
8. POJK No.38/POJK.03/2016 dated 1 December 2016 on Risk Management in IT application by Commercial Banks
9. POJK No.55/POJK.03/2016 dated 7 December 2016 on GCG Implementation for Commercial Banks
10. POJK No.18/POJK.03/2016 dated 16 March 2016 on Risk Management Implementation for Commercial Banks
11. PBI No.1/6/PBI/1999 dated 20 September 1999 on the Appointment of Compliance Director and Affirmation of Standards for Internal Audit Function Implementation for Commercial Banks
12. POJK No.33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Listed Companies
13. Deed of Statement No. 57 dated 26 April 2016 concerning on AGMS Resolutions of PT Bank CIMB Niaga Tbk.
14. Recommendation from Nomination and Remuneration Committee of PT Bank CIMB Niaga Tbk No. 005/NOMREM/KP/ III/2016 dated 23 March 2016.
15. Circular Decision of the Board of Commissioners of PT Bank CIMB Niaga Tbk No. 007/DEKOM/KP/ IV/2016.

Board of Directors Composition

In 2016, the composition of the BoD of CIMB Niaga changed since the close of the Annual General Meeting of Shareholders (AGMS) held on 15 April 2016 as 3 (three) of its members had completed their terms of office. The BoD of CIMB Niaga composition in 2016 was:

No.	Name	Position
1	Tigor M. Siahaan	President Director
2	Wan Razly Abdullah	Director
3	Rita Mas'Oen	Director
4	Megawati Sutanto	Director
5	Vera Handajani	Director
6	John Simon	Director
7	Lani Darmawan**	Director

No.	Name	Position
8	Fransiska Oei***	Director
9	Hedy Lopian****	Director
10	Pandji P. Djajanegara*****	Director
11	D. James Rompas*	Vice President Director
12	L. Wulan Tumbelaka*	Director
13	Samir Gupta*	Director

* The term of office as member of the BoD ended as of the close of AGMS on 15 April 2016.

** Effectively served as member of the BoD since 3 May 2016.

*** Effectively served as a member of the BoD since 27 July 2016.

**** Effectively served as member of the BoD since 15 August 2016.

***** Effectively served as member of the BoD since 28 September 2016.

Board of Directors Duties and Responsibilities

The duties and responsibilities of BoD are specified in the Articles of Association and BoD Charter that have been uploaded to the Bank's website www.cimbniaga.com.

Scope of Work and Responsibilities of Each Director

Tigor M. Siahaan – President Director

Determining the Bank's long-term strategy, marketing strategy and developing products/services in all business segments based on market demand. Providing oversight and guidance for policy making in supporting areas such as in Operations and Banking Services, Information Technology, Systems and Procedures, Legal Aspects, Finance, and Human Resources, and ensures that Compliance Function across all banking operations is properly undertaken and Risk Management Policies are well implemented to ensure that the Bank has high ethical standards and pursue compliance with GCG principles and prudential banking practices.

Wan Razly Abdullah – Director of Strategy and Finance

Developing and monitoring strategies and business initiatives as well as budget to help the Bank achieve its vision and mission. Managing the Bank's financial performance by focussing on productivity and efficiency in using the Bank's resources, developing and managing information systems and the Bank's performance then reporting to regulators and communicating to stakeholders. Director of Strategy and Finance develops capital and investment strategies to optimise profitability and Total Shareholder Return, ROA, and ROE. Monitoring and planning an effective

financial management and ensuring adherence to accounting practices in accordance with all applicable rules and standards.

Rita Mas'Oen – Director of Operations & Information Technology

Determining long-term strategy and aiming the Directorate of Operations & IT to improve effectiveness and efficiency in managing operational transactions as remaining reliable and in conformity to quality standards, as well as ensuring good communication flow with users as deemed necessary.

Megawati Sutanto – Director of Credit

Providing strategic direction in all aspects of credit management, establishing Credit Underwriting Standards based on best practices, reviewing credit applications and constantly improving the quality of the review and approval process for credit application to be more effective and efficient in the pre-established credit chain, as well as maintaining the quality of the credit portfolio while ensuring business activities are carried out in compliance with all policies and procedures.

Vera Handajani – Director of Risk Management

Providing strategic directions in the area of risk management by considering the principle of prudence, all aspects of risk management, and the Bank risk appetite. Assuming the responsibility to educate and focus on risk management to reach all the stated targets. Following-up, implementing and executing in all directions provided by regulators regarding risk management.

Board of Directors

John Simon – Director of Treasury and Capital Market

Providing strategic directions in the area of marketing and in the development of Treasury & Capital Markets products and services to increase the Bank's profitability growth through money markets and capital markets. Managing funds, liquidity, and liability levels of the Bank to ensure that the Bank operates in a prudent manner.

Lani Darmawan – Director of Consumer Banking

Developing strategies and providing guidance in the areas of customer service and sales at all branches in Indonesia and optimizing market potential through the development of innovative and competitive products of Consumer Banking. This is an effort to achieve the targeted level of Bank profitability but with due regard to prudential practices, and implementation of risk management policy, and to create effective and efficient banking business processes.

Fransiska Oei – Director of Compliance, Corporate Secretary and Legal

Developing compliance strategy, including matters related to the policies and principles of compliance, and ensuring that all of the Bank's internal regulations (policies, systems, procedures) are consistent with all binding external regulations (those of Bank Indonesia, the OJK and other financial institutions/authorities). Taking responsibility to manage legal risks faced by the Bank, with current developments in the capital market, especially when there are regulatory changes. Providing public with all information they may need especially on the Bank's current condition as a public company, including maintaining the Bank's reputation, and acting as a contact person between the Bank and the government and the public, and implement programmes of corporate social responsibility.

Hedy Lapijan – Director of Human Resources

Providing strategic thinking in the area of human resource management and development to improve productivity and the quality of human resources as an effort to help the Bank achieve its corporate objectives, ensuring that the Bank remains compliant with all applicable regulations on employment, and support the corporate culture.

Pandji P. Djajanegara – Director of Sharia Banking

Providing innovative strategic thinking in terms of sharia banking business practice by ensuring the policies and procedures are available, and by developing, marketing, and selling products while managing the sharia banking business including in daily operations, business development and relations with customers, system and work processes, in an effort to achieve profitability and business growth consistent with the Bank's objectives and the principles of sharia banking.

Board of Directors Development Programme

In order for the BoD to undertake its duties to achieve the Bank's sustainable growth and effective management, CIMB Niaga encourages activities that will enhance the competence of the BoD through an orientation programme for new Directors and through training programmes for Directors.

Orientation Programme for New Directors

Orientation programmes for new Directors are governed under the BoD Charter (Appendix 3), uploaded to the Bank's website. This orientation programme aims to provide insights to new Directors so they can immediately comprehend the Bank's business and do duties effectively and efficiently.

Board of Directors Training Programme

Pursuant to the Regulation on Employment (P2K) on Employee Learning and PBI No.11/19/PBI/2009 dated 4 June 2009 as has been amended through PBI No. 12/7/PBI/2010 dated 19 April 2010 on Risk Management Certification for Management and Key Executives of Commercial Bank, the BoD and BoC are obliged to participate in competency test/certification in accordance with regulator provisions for Risk Management & Refreshment. Members of the BoC and BoD have to earn a risk management certificate within a maximum 90 (ninety) day period after the issuance of a new organisational structure.

In addition, the BoD and BoC are from time to time engaged in training to improve the competence of their members, and such trainings include Media & Crisis Handling and Personal Branding & Public Speaking with aiming to improve their communication skills to

communicate effectively with audience of various backgrounds. The training is governed through discussions on leadership/ entrepreneurship practices by inviting well-known leadership/entrepreneur teacher/ practitioners from various industries to broaden horizons and better comprehend business opportunities.

This programme is also governed under the BoD Charter (Appendix 3), uploaded to the Bank's website.

Board of Directors Training in 2016

No.	Name	Type of Training/Seminars/Workshop/Sharing Knowledge	Date and Place
1	Tigor M. Siahaan	Basel Update and Impact to CIMB Group	22 January 2016 in KL, Malaysia
		Syariah Executive Program	11 February 2016 in Jakarta
		Leadership Series with Dr. Boenjamin Setiawan PhD	23 February 2016 in Jakarta
		Decoding a Tax Amnesty	10 May 2016 in Jakarta
		CIMB Executive Innovation Workshop	24 May 2016 in KL, Malaysia
		Transformation & Innovation Through Digital	12 – 13 August 2016 in Jakarta
		Khazanah Megatrend Forum 2016	25-28 September 2016 in KL, Malaysia
		Enhancing Corporate Governance Disclosure Policy and Practice Based on ASEAN Corporate Governance Scorecard	27 October 2016 in Jakarta
		Training IRB & RAROC	8 November 2016 in Jakarta
2	Wan Razly Abdullah	Media Handling Training	7 January 2016 in Jakarta
		Basel Update and Impact to CIMB Group	22 January 2016 in KL, Malaysia
		Workshop Direktorat – Strategy & Finance	29 – 31 January 2016 in Bandung
		Leadership Series with Dr. Boenjamin Setiawan PhD	23 February 2016 in Jakarta
		Lunch and Learn for Strategy & Finance	17 March 2016 in Jakarta
		IFC Forum	24 May 2016 in Jakarta
		Indonesian Financing Company Association Seminar	27 May 2016 in Jakarta
		Service from the Heart	19 October 2016 in Jakarta
		Enhancing Corporate Governance Disclosure Policy and Practice Based on ASEAN Corporate Governance Scorecard	27 Oktober 2016 di Jakarta
Training IRB & RAROC	8 November 2016 in Jakarta		
3	Rita Mas'Oen	Media Handling Training	7 January 2016 in Jakarta
		Leadership Series with Dr. Boenjamin Setiawan PhD	23 February 2016 in Jakarta
		Post AMS Ops & IT	8 April 2016 in Yogyakarta
		Enhancing Corporate Governance Disclosure Policy and Practice Based on ASEAN Corporate Governance Scorecard	27 October 2016 in Jakarta
		Training IRB & RAROC	8 November 2016 in Jakarta
		SINGAPORE FINTECH FESTIVAL-FINTECH CONFERENCE	16 November 2016 in Singapore
4	Megawati Sutanto	Media Handling Training	14 January 2016 in Jakarta
		Refreshment Risk Management Certification – Level 5	19 February 2016 in Jakarta
		Media Handling with Talkinc	4 March 2016 in Jakarta
		Workshop Credit Forum	23 June 2016 in Solo
		Enhancing Corporate Governance Disclosure Policy and Practice Based on ASEAN Corporate Governance Scorecard	27 October 2016 in Jakarta
		Training IRB & RAROC	8 November 2016 in Jakarta

Board of Directors

No.	Name	Type of Training/Seminars/Workshop/Sharing Knowledge	Date and Place
5	Vera Handajani	Media Handling Training	14 January 2016 in Jakarta
		Basel Update and Impact to CIMB Group	22 January 2016 in KL, Malaysia
		Syariah Executive Program	11 February 2016 in Jakarta
		Leadership Series with Dr. Boenjamin Setiawan PhD	23 February 2016 in Jakarta
		Basel Update and Impact to CIMB Niaga	21 March 2016 in Jakarta
		Induction Programme for New Directors	1 June 2016 in Jakarta
		Enhancing Corporate Governance Disclosure Policy and Practice Based on ASEAN Corporate Governance Scorecard	27 October 2016 in Jakarta
		Training IRB & RAROC	8 November 2016 in Jakarta
		ABS-MAS RISK CONFERENCE-REG TECH FORUM	17 - 18 November 2016 in Singapore
		Revisit Enterprise Risk management and learning Best Practices of Credit Risk management	1-2 December 2016 in Bandung
6	John Simon	Seminar Workshop Derivative & Hedge Accounting	7 January 2016 in Jakarta
		Seminar Cement Industry Outlook 2016	22 January 2016 in Jakarta
		Economic Forum CIMB Niaga 2016	4 February 2016 in Jakarta
		Syariah Executive Program	11 February 2016 in Jakarta
		Refreshment Risk Management Certification – Level 5	19 February 2016 in Jakarta
		Leadership Series with Dr. Boenjamin Setiawan PhD	23 February 2016 in Jakarta
		Media Handling with Talkinc	4 March 2016 in Jakarta
		Basel Update and Impact to CIMB Niaga	21 March 2016 in Jakarta
		Asiamoney ASEAN Bonds & Treasury Discussion	26 May 2016 in Jakarta
		2nd Digital Leadership Series Event featuring Modalku	18 August 2016 in Jakarta
		Launching & Market Socialisation of Conduct Versi II	25 August 2016 in Jakarta
		2Q16 Country Town Hall	5 September 2016 in Jakarta
		Enhancing Corporate Governance Disclosure Policy and Practice Based on ASEAN Corporate Governance Scorecard	27 October 2016 in Jakarta
		Training IRB & RAROC	8 November 2016 in Jakarta
Socialisation of "Economy Profit GMC Deck"	15 December 2016 in Jakarta		
7	Lani Darmawan**	Basel Update and Impact to CIMB Group	22 January 2016 in KL, Malaysia
		Refreshment Risk Management Certification – Level 5	19 February 2016 in Jakarta
		Leadership Series with Dr. Boenjamin Setiawan PhD	23 February 2016 in Jakarta
8	Fransiska Oel***	Workshop & Certification of Banking Compliance for Executive Level	21 – 22 April 2016 in Jakarta
		Refreshment Risk Management Certification – Level 5	4 May 2016 in Jakarta
		Media Handling Skills Training	2 June 2016 in Jakarta
		Senior Credit Workshop	21 – 22 July 2016 in Jakarta
		2nd Counter – Terrorism Financing Summit	9 August 2016 in Bali
		Panelist – Workshop on Alternative Dispute Resolution Institution in Financial Services Sector	11 August 2016 in Jakarta
		Enhancing Corporate Governance Disclosure Policy and Practice Based on ASEAN Corporate Governance Scorecard	27 October 2016 in Jakarta
		Discussion and Seminar 'Penerapan Regim APU-PPT di Indonesia: Evaluasi dan Tinjauan ke Depan'	27 October 2016 in Jakarta
		Training IRB & RAROC	8 November 2016 in Jakarta
		Risk & Governance Summit 2016 'Ethical Governance, The Soul of Sustainability'	29 November 2016 in Jakarta
		National Anti-Corruption Conference (KNPK): 'Reforming Law Enforcement and Transparent and Accountable Public Services'	1 December 2016 in Jakarta

No.	Name	Type of Training/Seminars/Workshop/Sharing Knowledge	Date and Place
9	Hedy Lopian****	Refreshment Risk Management Certification – Level 5	28 April 2016 in Jakarta
		Induction Programme for New Directors	1 June 2016 in Jakarta
		Media Handling - Maverick	2 June 2016 in Jakarta
		Senior Credit Workshop	15 August 2016 in Jakarta
		Who Move My Cheese	7 October 2016 in Cirebon
		Lunch and Learn “Combine Assurance”	25 October 2016 in Jakarta
		Enhancing Corporate Governance Disclosure Policy and Practice Based on ASEAN Corporate Governance Scorecard	27 October 2016 in Jakarta
		Training IRB & RAROC	8 November 2016 in Jakarta
		Seminar Leadership In Tune	28 November 2016 in Jakarta
10	Pandji P. Djajanegara*****	Media Handling with Talkinc	4 March 2016 in Jakarta
		Strategy Business & How to Achieve Syariah Banking	17 March 2016 in Jakarta
		Basel Update and Impact to CIMB Niaga	21 March 2016 in Jakarta
		Refreshment Risk Management Certification – Level 5	21 March 2016 in Jakarta
		Induction Programme for New Directors	1 June 2016 in Jakarta
		Enhancing Corporate Governance Disclosure Policy and Practice Based on ASEAN Corporate Governance Scorecard	27 October 2016 in Jakarta
		Training IRB & RAROC	8 November 2016 in Jakarta
11	D. James Rompas*	Seminar Cement Industry Outlook 2016	22 January 2016 in Jakarta
12	L. Wulan Tumbelaka*	Workshop of Legal Function in Bank Assessment	27 January 2016 in Jakarta
		Syariah Executive Program	11 February 2016 in Jakarta
		Leadership Series with Dr.Boenjamin Setiawan PhD	23 February 2016 in Jakarta
13	Samir Gupta*	Basel Update and Impact to CIMB Group	22 January 2016 in KL, Malaysia
		Syariah Executive Program	11 February 2016 in Jakarta

* Term of office as a member of BoD ended as of the close of the AGMS held on 15 April 2016.

** Effectively served as a member of the BoD since 3 May 2016.

*** Effectively served as a member of the BoD since 27 July 2016.

**** Effectively served as a member of the BoD since 15 August 2016.

***** Effectively served as a member of the BoD since 28 September 2016.

Board of Directors Charter

CIMB Niaga BoD works under the guidelines offered by the BoD Charter that is continuously updated with improvements and adjustments referring to all applicable regulations in Indonesia that bind every Director. The BoD Charter was last updated on 16 May 2011 and has been uploaded to the Bank's website www.cimbniaga.com.

All Directors have met all BoD criteria in accordance with all applicable rules and regulations, including the following:

1. The BoD has 10 (ten) members, exceeding the minimum requirement of 3 (three).
2. All members of the BoD are domiciled in Jakarta, Indonesia.
3. The majority of members of the BoD have had experience of at least 5 (five) years in operations as Executive Officer of Banks and do not assume concurrent positions in banks, companies or other institutions.
4. All members of the BoD have been appointed during the AGMS and have passed the Fit and Proper Test given by OJK.

Board of Directors

Board of Directors Independence

All Directors have no financial, management, stock ownership, or family relationship with other Directors, Commissioners and/or with the Controlling Shareholders. Hence, all members of the BoD are independent.

Board of Directors Concurrent Positions

No	Name	Position at CIMB Niaga	Position Outside in Other Companies	Company/Entity/Organisation
1	Tigor M. Siahaan	President Director	None	-
2	Wan Razly Abdullah	Director	President Commissioner	PT CIMB Niaga Auto Finance
3	Rita Mas'Oen	Director	None	-
4	Megawati Sutanto	Director	None	-
5	Vera Handajani	Director	None	-
6	John Simon	Director	None	-
7	Lani Darmawan**	Director	None	-
8	Fransiska Oei***	Director	None	-
9	Hedy Lopian****	Director	None	-
10	Pandji P. Djajanegara*****	Director	None	-
11	D. James Rompas*	Vice President Director	None	-
12	L. Wulan Tumbelaka*	Director	None	-
13	Samir Gupta*	Director	None	-

* Term of office as member of the BoD effectively ended as of the closing of AGMS held on 15 April 2016.

** Effectively served as a member of the BoD since 3 May 2016.

*** Effectively served as member of the BoD since 27 July 2016.

**** Effectively served as member of the BoD since 15 August 2016.

***** Effectively served as member of the BoD since 28 September 2016.

Wan Razly Abdullah concurrently serves as President Commissioner of PT Bank Niaga Auto Finance in order to oversee the subsidiary controlled by the Bank.

Term of Office of Board of Directors

No	Name	Position	Term of Office			
			GMS Appointment	Approval BI/OJK	Re-Appointment	Validity Period
1	Tigor M. Siahaan	President Director	AGMS 10 April 2015	No. SR-84/D.03/2015, dated 19 May 2015	-	AGMS 2019
2	Wan Razly Abdullah	Director of Strategy & Finance	EGMS 27 August 2009	No. 11/106/GBI/DPIP/Classified, dated 18 August 2009	AGMS 15 April 2016	AGMS 2020
3	Rita Mas'oen	Director of Operations & Information Technology	EGMS 27 August 2009	11/150/GBI/DPIP/Classified, dated 16 November 2009		
4	Megawati Sutanto	Director of Credit	EGMS 15 Desember 2010	No. 13/23/GBI/DPIP/Classified, dated 3 March 2011		
5	Vera Handajani	Director of Risk Management	EGMS 26 July 2013	No. 15/113/GBI/DPIP/Classified, dated 26 November 2013		
6	John Simon	Director of Treasury & Capital Market	EGMS 27 March 2014	No. SR-143/D.03/2014, dated 29 August 2014	-	AGMS 2018

No	Name	Position	Term of Office			
			GMS Appointment	Approval BI/OJK	Re-Appointment	Validity Period
7	Lani Darmawan**	Director of Consumer Banking	AGMS 15 April 2016	No. SR-75/D.03/2016 dated 3 May 2016	-	AGMS 2020
8	Fransiska Oei***	Director of Compliance, Corporate Secretary and Legal	AGMS 15 April 2016	No. SR-138/D.03/2016 dated 27 July 2016	-	
9	Hedy Lopian****	Director of Human Resources	AGMA 15 April 2016	No. SR-154/D.03/2016 dated 15 August 2016	-	
10	Pandji P. Djajanegara*****	Director of Sharia Banking	AGMS 15 April 2016	No. SR-27/PB.13/2016 dated 4 October 2016	-	
11	Daniel James Rompas *	Vice President Director	EGMS 27 August 2009	No.11/126/DPB3/TPB33/Classified, dated 9 September 2009	-	AGMS 15 April 2016
12	Lydia Wulan Tumbelaka *	Director of Compliance, Corporate Affairs and Legal	EGMS 19 December 2008	No. 11/12/GBI/DPIP/Classified, dated 4 February 2009	-	
13	Samir Gupta *	Director of Consumer Banking	EGMS 15 December 2010	No. 13/23/GBI/DPIP/Classified, dated 3 March 2011	-	

* Term of office as member of BoD ended as of the close of the AGMS held on 15 April 2016.

** Effectively served as member of the BoD since 3 May 2016.

*** Effectively served as member of the BoD since 27 July 2016.

**** Effectively served as member of the BoD since 15 August 2016.

***** Effectively served as member of the BoD since 28 September 2016.

Policy, Frequency and Attendance of Board of Commissioners, Board of Directors and Joint Meetings

BoC and Joint Meetings of BoC and BoD

1. The BoC shall convene at least 1 (one) meeting in a month, or at any time when deemed necessary.
2. The BoC shall convene at least 1 (one) joint meeting with the BoD in 3 (three) months or at any time when deemed necessary.
3. Members of the BoC must attend at least 75% (seventy five percent) of all meetings convened in a full year and shall attend meetings in person at least six (6) times in a full year.
4. In the event that a member of the BoC is unable to attend the meeting in person, he/she can attend the meeting via teleconference or telepresence technology.
5. Minutes of BoC meetings shall mention the medium as to how BoC members attend the meeting: in person or via teleconferencing/telepresence.
6. BoC meetings for 2017 had been scheduled before the end of 2016 and were uploaded to the Bank's website.
7. Minutes of the meetings shall be signed by all attending BoC and BoD members and shall be delivered to each one of them.

Frequency of Meetings and Attendance of BoC in 2016

No.	Name	Meeting			
		BoC (8 times)	Attendance	BoC invited BoD (4 times)	Attendance
1	Dato' Sri Nazir Razak	8/8	100%	4/4	100%
2	Glenn Muhammad Surya Yusuf	8/8	100%	3/4	75%
3	Pri Notowidigdo	8/8	100%	4/4	100%
4	Zulkifli M. Ali	8/8	100%	4/4	100%
5	David Richard Thomas	6/8	75%	4/4	100%
6	Ahmad Zulkarnain Onn	7/8	88%	4/4	100%
7	Roy Edu Tirtadji *	1/2	50%	1/2	50%
8	Sri Hartina Urip Simeon *	2/2	100%	2/2	100%
9	Armida Salsiah Alisjahbana **	6/6	100%	2/2	100%
10	Jeffrey Kairupan **	6/6	100%	2/2	100%

Most members of the BoC attended meetings in person at least 6 (six) meetings during the year.

* Term of office as member of the BoC ended as of the close of AGMS held on 15 April 2016.

** Began to attend BoC meetings after appointment at the AGMS held on 15 April 2016.

BoC Meeting Agendas in 2016

Every Board of Commissioners meeting has a list of core agenda items, including:

1. Ratification of the Minutes from previous Board of Commissioners meetings;
2. Discussion of unresolved issues from previous Board of Commissioners meetings;
3. Summary of credit proposal from previous month; and
4. Reports of the Committees to the Board of Commissioners: Audit Committee, Risk Oversight Committee, and Nomination and Remuneration Committee.

In addition, the following topics were also discussed:

No	Date	Meeting Agenda
1.	26 January 2016	Approval and Updates: a. Financial Performance per December 2015, the Project Agreement, the Bank's Business Plan Realisation Report ("RBB") Q4 2015 b. 1P Project Update c. Update on Anti-Fraud Management d. Asset Quality Update Q4
2.	24 March 2016	1. Summary of credit proposals per February 2016 2. Approval and Updates: a. Financial Performance per February 2016; b. Update on the NPL.
3.	25 May 2016	Approval & Update: a. Financial Performance per April 2016 and Revised Business Plan Update 2016 b. Project Approval and Issuance of Senior Bonds
4.	24 June 2016	Approval & Update: a. Financial Performance per May 2016 b. Approval of Revised Business Plan 2016 c. Asset Quality Update
5.	26 August 2016	Update: a. Financial Performance per July 2016 b. Update on the analysis of personnel costs
6.	30 September 2016	Approval & Update: a. Financial performance per August 2016; b. Adjustments Budget 2016; c. Update 1P; d. Update IT Outsourcing Services via iCIMB;
7.	25 November 2016	Approval & Update: a. Financial Performance per October 2016 b. Approval RBB 2017 c. Target 2017 1. Cost & Benefit Report 1P 2. Update Microfinance Asset Sales 3. Progress recalibration Commercial Banking
8.	19 December 2016	Approval & Update: a. Financial Performance per November 2016 b. Targets Update 2017 c. Business Momentum Update: 1. Corporate Banking, Commercial Banking and Small and Medium Enterprise Unit 2. Consumer Banking 3. Sharia Banking d. Proposal of Work Plan and Focus of BoC Supervision BoC in 2017

Policy, Frequency and Attendance of Board of Commissioners, Board of Directors, and Joint Meetings

BoC Invited BoD Meetings Agenda in 2016

No	Date	Meeting Agenda
1.	27 February 2016	1. Message from President Commissioner 2. Summary of Credit Proposal Approval per January 2016 3. Approval & Update: a. Monitoring Reports Business Plan (RBB) in Second Half 2015 b. Approval of Project Car c. Update Trade Finance & Securities Services d. NPL Case Update e. Update of 1P
2.	15 April 2016	1. Message from President Commissioner 2. Summary of Credit Proposal Approval per March 2016 2. Summary of Proposal Approval Credit per March 2016 3. Asset Quality of Quarter 1 2016
3.	27 July 2016	1. Message from President Commissioner 2. Summary of Credit Proposal Approval per June 2016 3. Approval & Update: a. Realisation of Bank Business Plan (RBB) for Semester 1 2016 b. Asset quality Semester 1 2016 c. Update on Employee Costs d. Update on Anti-Fraud Management for Semester 2016
4.	27 October 2016	1. Message from President Commissioner 2. Summary of Credit Proposal Approval per September 2016 3. Approval & Update: a. Update on Realisation of 3Q 2016 of Bank Business Plan b. RBB Budget Update 2017 - draft 1 c. Asset Quality Update d. Update on Micro Finance Asset Sales

BoD Meeting

1. Meetings of the BoD are held at least 1 (one) time in a month, or at any time deemed necessary.
2. Meetings of the BoD invited BoC are held at least 1 (one) time in 3 (three) months or at any time deemed necessary.
3. Each Director shall maintain a meeting attendance rate of at least 75% by attending meetings in person.
4. In the event that a Director is unable to attend the meeting in person, he/she can attend the meeting by teleconference or telepresence.
5. Minutes of BoD meetings shall mention the medium of how its members attend the meeting: in person or via teleconference/telepresence.
6. Meetings of the BoD for 2017 were scheduled at the end of 2016 and uploaded to the Bank's website.

Name	The Presence in the BoD Meeting		Description
	Number of Attendance	Percentage	
Tigor M. Siahaan	36	97%	37 Meetings
Wan Razly Abdullah	33	89%	
Rita Mas'Oen	31	83%	
Megawati Sutanto	34	91%	
Vera Handajani	30	81%	
John Simon	32	86%	

Name	The Presence in the BoD Meeting		Description
	Number of Attendance	Percentage	
Lani Darmawan	22	81%	Began to attend the meeting after being appointed at the AGMS on 15 April 2016. There were 27 effective meetings after the AGMS.
Fransiska Oei	21	78%	
Hedy Lopian	22	81%	
Pandji P. Djajanegara	23	85%	
D. James Rompas	6	60%	Not serving on the BoD after the close of the AGMS on 15 April 2016.
L. Wulan Tumbelaka	8	80%	
Samir Gupta	6	60%	

BoD Meetings Agenda in 2016

Date	Agenda
5 January 2016	<ol style="list-style-type: none"> 1. Platform Update 2. Consolidated Financial Performance per December 2015 YTD 3. HR Update
12 January 2016	<ol style="list-style-type: none"> 1. Bank-wide Stress Test Scenario per Dec 2015 2. Tax Lawyer Appointment 3. Assessment on External Auditor 2016 (PwC)
19 January 2016	<ol style="list-style-type: none"> 1. Year End Findings Bank CIMB Niaga 2. Audit Internal 4Q 2015 Review 3. Proposed Divestment of PT CIMB Sun Life 4. Annual Report 2015 5. Assessment on External Auditor 2016 (PricewaterhouseCoopers/PwC) 6. Realisation of Rencana Bisnis Bank ("RBB") 4Q 2015 7. Risk Profile Q4/2015
2 February 2016	<ol style="list-style-type: none"> 1. Stress Test Scenario per Dec 2015 2. Financial Performance Jan '16 YTD 3. Annual General Meeting of Shareholders
16 February 2016	<ol style="list-style-type: none"> 1. Waive FTP Charge/Credit Due to Fixed Asset Revaluation 2. Regulatory Consistency Assessment Program (RCAP) 3. Learning & Culture: 2016 Focuses
23 February 2016	<ol style="list-style-type: none"> 1. Proposed Divestment of PT CIMB Sun Life 2. Approval on Fee of External Auditor for FY 2016 3. 2011 Tax Assessment
2 March 2016	<ol style="list-style-type: none"> 1. Sector Appetite & Limit 2016 2. 2015 EFI Achievement and 2016 EFI Organisation Chart 3. Financial Performance per Feb '16 YTD 4. Framework and Policy for Bonus & Merit Increase
15 March 2016	<ol style="list-style-type: none"> 1. IFC USD Borrowing Prepayment 2. New Set Up of Credit Approval process (Head Office) 3. New Set Up of Asset Quality Meeting & Approval Process 4. Credit Card Business Update – Proposal to maximise growth & profitability 5. Outstanding Performance Recognition Award (OPeRA) 2015 6. Annual Report Approval 7. Investor Due Diligence Approval
31 March 2016	<ol style="list-style-type: none"> 1. Go Mobile Upgrade – Additional Budget Request 2. FY2014 Tax Audit Update
5 April 2016	<ol style="list-style-type: none"> 1. Financial Performance per Mar '16 YTD 2. CIMB Indonesia Olympic 2016 and CIMB SEA Games 2016

Policy, Frequency and Attendance of Board of Commissioners, Board of Directors, and Joint Meetings

Date	Agenda
19 April 2016	<ol style="list-style-type: none"> 1. Risk Profile of Q1 2016 2. Brand Positioning Mapping 3. Audit Internal of 1Q 2016 Review 4. Final Result of FY 2014 Tax Audit 5. Assessment on Draft Tax Amnesty Law and CIMB Niaga Position 6. 2016 Mid-Year Budget Meeting 7. Realisation of RBB 1Q 2016 8. T18 Indonesia In-Country Programmes
3 May 2016	<ol style="list-style-type: none"> 1. Executive Committee & Business Committee Update 2. New Data Center (DC) & Data Recovery (DR) Project Update 3. Financial Performance per April 2016 YTD
17 May 2016	<ol style="list-style-type: none"> 1. NCD Steering Committee Appointment & IDR Shelf Registration Bond (Sustainable Public Offering /PUB) Issuance Proposal. 2. Project Cambridge (General Insurance) 3. 2016 RBB Revision
24 May 2016	ER Temporary Override For Disbursement
31 May 2016	<ol style="list-style-type: none"> 1. Progress Update Spin Off Project CIMB Niaga Syariah and Sharia Business - First Proposal 2. CIMB Niaga Software License (Microsoft) 3. Unit KPI: Q1 2016 Performance 4. Marketing, Branding & Communication Updates
7 June 2016	<ol style="list-style-type: none"> 1. Evaluation of 2014 Tax Audit Result 2. Consolidated Financial Performance per May 2016 3. RBB 2016 – revision (Bank Business Plan)
21 June 2016	<ol style="list-style-type: none"> 1. Single Digit Loans Rate 2. Ops & Service Readiness for Iedul Fitri 1437H – Mass Holiday
13 July 2016	<ol style="list-style-type: none"> 1. Financial Performance per June 2016 YTD 2. Sharing information, Data & Document: Policy & Procedures
19 July 2016	<ol style="list-style-type: none"> 1. Operational Car Sharing with Grab and Uber for Business 2. Integrated Stress Test Scenario 3. New Security Features of CIMB Niaga- Bilyet Giro 4. Realisation of RBB (Bank Business Plan) of 2Q 2016 5. Evaluation of FY 2014 Tax Assessment
26 July 2016	Audit Findings of 31 May 2016 of PT Bank CIMB Niaga Tbk
2 August 2016	<ol style="list-style-type: none"> 1. Update: New Security Features of CIMB Niaga – Cheque (Bilyet Giro) 2. Go Mobile Upgrade: Additional Request 3. Tax Amnesty 4. Consolidated Financial Performance per Aug 2016 YTD 5. The Color Run 2016
16 August 2016	<ol style="list-style-type: none"> 1. Confirmation of Minutes of the previous BoD Meeting and the Joint Meeting of the BoD and BoC dated July 27, 2016 2. Outsource Service IT 3. Introduction of iCIMB 4. Update on OJK Audit 2016 (Exit Meeting) 5. Tax Amnesty update 6. Go Mobile Upgrade 7. Fixed Asset Gold & Silver 8. Payment Process Tracking Update 9. Double Decker Bus
31 August 2016	<ol style="list-style-type: none"> 1. Confirmation of the Minutes of Meeting of Directors dated August 16, 2016 2. National Customer Day 4-5 September 2016 3. CIMB [X] – Redefining The Way We Bank 4. CIMBN Position on Tax Amnesty 5. Year End Budget Meeting 6. Proposal Budget 2017 7. Proposal of Rebase Budget 2016 8. Project Cambridge: Update on The Term and Condition 9. Risk Posture
6 September 2016	<ol style="list-style-type: none"> 1. Confirmation of Minutes of the previous BoD Meeting 2. Proposal Budget 2017 3. Corporate Sponsorship & Event Update
20 September 2016	<ol style="list-style-type: none"> 1. Confirmation of Minutes of the previous BoD Meeting 2. Proposal Budget 2017 3. Corporate Sponsorship & Event Update

Date	Agenda
4 October 2016	<ol style="list-style-type: none"> 1. Confirmation of Minutes of the previous BoD Meeting 2. Collaboration Solution Roadmap 3. Building Future Leaders 4. Note the OJK for RBB Revised 2016 5. Proposal Budget 2017 6. Financial Performance per September 2016 YTD
11 October 2016	Proposal Budget 2017
18 October 2016	<ol style="list-style-type: none"> 1. Confirmation of Minutes of the previous BoD Meeting 2. a. Audit plan FY ending 31 Dec 2016 b. 1P Implementation Review c. Cyber Security Standard Implementation Roadmap 3. Audit Internal of 3Q 2016 Review 4. Proposal of Asset Purchase in Denpasar, Tangerang, Pekanbaru 5. Risk Profile of Q3 2016 6. Action Plan: Strategy & Planning Session 2017 7. Proposal Budget 2017 8. Realisation of RBB Revision of 3Q 2016
1 November 2016	<ol style="list-style-type: none"> 1. Confirmation of Minutes of the previous BoD Meeting 2. ATM Management Tools 3. Learning Budget Utilisation Report 2016 4. 2016 Year-end Review 5. Handling of New vs Old Cheque and BG 6. Conflict of Interest Management Update & Revision 7. Whistle Blowing Policy Revision & Update 8. Update on Improvements Cash Collateral bank Guarantee; Loans Trust Receipt 9. Target of 2017
8 November 2016	Consolidated Financial Performance per Oct 2016
15 November 2016	<ol style="list-style-type: none"> 1. Confirmation of Minutes of the previous BoD Meeting and the Minutes of Meeting of Directors invites the BoC dated October 27, 2016 2. Update on Cirebon initiatives 3. Bottom-Up Stress Test (BUST) for Financial Sector Assessment Process (OJKP) 2016 4. Learning Budget Utilisation Report 5. Musical Drama "Khatulistiwa" 6. RBB of 2017 Financial and Non Financial
22 November 2016	<ol style="list-style-type: none"> 1. 1P Benefit Tracking Review 2. 2017 Business Banking Customer Segmentation Rules
29 November 2016	<ol style="list-style-type: none"> 1. Confirmation of Minutes of the previous BoD Meeting 2. Matters Arising of BoD Meeting on 15 December 2016 3. CS & Teller Hybrid Role Risk Assessment & Mitigation 4. Investigation Update
6 December 2016	<ol style="list-style-type: none"> 1. Confirmation of Minutes of the previous BoD Meeting 2. Business Momentum Presentation (Corporate, Commercial, SME, Consumer & Syariah Banking) 3. HR Update <ol style="list-style-type: none"> a. Employee Engagement Survey of 2016 b. Internal Customer Satisfaction Survey c. Integrated Business process and Organisation Review d. Family Relationship Policy Update 4. Consolidated Financial Performance per November 2016
13 December 2016	<ol style="list-style-type: none"> 1. Delegated Authority Alignment 2. 2017 Audit Plan 3. CFP Testing IV
14 December 2016	Interim Audit Findings and early warnings for year-end audit
20 December 2016	<ol style="list-style-type: none"> 1. Confirmation of Minutes of the previous BoD Meeting 2. Summary of Proofing Reports TMM (Tagihan Macam-Macam) & MMU (Macam-Macam Utang) of October 2016 3. New Brand Promise "Forward" 4. Preparation of Branch Operation for end of the year 5. Update HOCA 6. 2016 Annual Report Project 7. Project Cambridge - Approval for Final Terms and Conditions on LCA

Policy, Frequency and Attendance of Board of Commissioners, Board of Directors, and Joint Meetings

BoD Invited BoC Meetings

Name	Attendance Meetings of the BoD invited BoC		Description
	Number of Attendance	Percentage	
Tigor M. Siahaan	4	100%	4 (four) Meetings
Wan Razly Abdullah	4	100%	
Rita Mas'Oen	4	100%	
Megawati Sutanto	4	100%	
Vera Handajani	4	100%	
John Simon	4	100%	
Lani Darmawan	1	50%	Began to attend the meeting after being appointed at the AGMS on 15 April 2016. There were 2 (two) effective meetings.
Fransiska Oei	2	100%	
Hedy Lopian	2	100%	
Pandji P. Djajanegara	1	50%	
D. James Rompas	2	100%	Not serving on the BoD after the close of the AGMS on 15 April 2016.
L. Wulan Tumbelaka	1	50%	
Samir Gupta	2	100%	

BoD invited BoC Meetings Agenda

No	Date	Agenda
1	27 February 2016	1. Message from the President Director 2. Financial Performance Report per January 2016
2	15 April 2016	1. Message from the President Director 2. Financial Performance Report per March 2016
3	27 July 2016	1. Message from the President Director 2. Financial Performance Report per June 2016
4	27 October 2016	1. Message from the President Director 2. Financial Performance Report per September 2016

Affiliation Between Boards of Commissioners, Directors and Controlling Shareholders

Most members of the BoC and all members of the BoD have no affiliation, family or financial relation to other members of the BoC, BoD and Controlling Shareholder.

CIMB Niaga always tries to maintain the independency and tries to avoid conflict of interest that may impair the ability to perform duties in a professional and objective manner.

Board of Commissioners

Name	Family Relationship with						Financial Relations with					
	Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
BOARD OF COMMISSIONERS												
Dato' Sri Nazir Razak	-	√	-	√	-	√	-	√	-	√	√	-
Glenn Muhammad Surya Yusuf	-	√	-	√	-	√	-	√	-	√	√	-
Pri Notowidigdo	-	√	-	√	-	√	-	√	-	√	-	√
Zulkifli M. Ali	-	√	-	√	-	√	-	√	-	√	-	√
David Richard Thomas	-	√	-	√	-	√	-	√	-	√	√	-
Ahmad Zulqarnain Onn	-	√	-	√	-	√	-	√	-	√	√	-
Roy Edu Tirtadji*	-	√	-	√	-	√	-	√	-	√	-	√
Sri Hartina Urip Simeon*	-	√	-	√	-	√	-	√	-	√	-	√
Armida Salsiah Alisjahbana**	-	√	-	√	-	√	-	√	-	√	-	√
Jeffrey Kairupan**	-	√	-	√	-	√	-	√	-	√	-	√

* Term of office as Independent Commissioner and Committee Member effectively ended as of the close of the AGMS on 15 April 2016.

** Appointed in the AGMS on 15 April 2016 and effectively served as member after OJK approval on 14 September 2016.

Board of Directors

Name	Family Relationship with						Financial Relations with					
	Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
BOARD OF DIRECTORS												
Tigor M. Siahaan	-	√	-	√	-	√	-	√	-	√	-	√
Wan Razly Abdullah	-	√	-	√	-	√	-	√	-	√	-	√
Rita Mas'Oen	-	√	-	√	-	√	-	√	-	√	-	√
Megawati Sutanto	-	√	-	√	-	√	-	√	-	√	-	√
Vera Handajani	-	√	-	√	-	√	-	√	-	√	-	√
John Simon	-	√	-	√	-	√	-	√	-	√	-	√
Lani Darmawan**	-	√	-	√	-	√	-	√	-	√	-	√
Fransiska Oei***	-	√	-	√	-	√	-	√	-	√	-	√
Hedy Lopian****	-	√	-	√	-	√	-	√	-	√	-	√
Pandji P. Djajanegara*****	-	√	-	√	-	√	-	√	-	√	-	√
D. James Rompas*	-	√	-	√	-	√	-	√	-	√	-	√
L. Wulan Tumbelaka*	-	√	-	√	-	√	-	√	-	√	-	√
Samir Gupta*	-	√	-	√	-	√	-	√	-	√	-	√

* Term of office as member of the Board of Directors ended as of the close of the AGMS on 15 April 2016.

** Effectively served as member of the Board of Directors since 3 May 2016.

*** Effectively served as member of the Board of Directors since 27 June 2016.

**** Effectively served as member of the Board of Directors since 15 August 2016.

***** Effectively served as member of the Board of Directors since 28 September 2016.

Performance Assessment of Board of Commissioners and Board of Directors and Committees

Performance Assessment of the Board of Commissioners and Committees under the Board of Commissioners ("BoC Committees")

Performance Assessment Procedures of Board of Commissioners and BoC Committees

Performance assessment of the BoC and BoC Committees is conducted every year through a self-assessment methodology, which includes collective performance assessment of BoC, individual performance of each Commissioner, and performance assessment of BoC Committee as an institution; as well as assessment of each individual member of BoC Committees. The final evaluation will be conducted by President Commissioner on the recommendation from the Nomination and Remuneration Committee.

Performance Assessment Criteria of the Board of Commissioners and BoC Committees

Criterion used in the performance assessments are:

- **Collective Assessment**

Collective assessment is conducted by every member of BoC on overall performance of BoC, and by every member of BoC Committee on overall performance of BoC Committees. This assessment includes the structure of BoC/BoC Committees, strategic thinking, supervision and governance, as well as the effectiveness of BoC/BoC Committees in discussing the issues/problems as well as in giving recommendation to the Bank.

- **Individual Assessment**

Individual assessment is conducted by each Commissioner and member of a BoC Committee on his/her own performance, or personal self-assessment, which includes strategic thinking, knowledge of banking industry, and individual contribution in performing his/her function as member of BoC/BoC Committee.

The performance assessment of the BoC and BoC Committees is conducted by Commissioner and BoC Committee member and it is discussed with the Nomination and Remuneration Committee, which requires the approval from the President Commissioner.

Parties that Conduct the Performance Assessment of BoC and BoC Committees

Performance assessment is conducted by each Commissioner through self-assessment method.

Result of Performance Assessment of Board of Commissioners and BoC Committees in 2016

1. Board of Commissioners

In 2016, the BoC did a satisfactory job in performing their supervisory function to ensure the Bank's performance meet stakeholder expectations.

The result of the BoC self-assessment in 2016 reached the score of 3.9 (Exceeding Expectation). Strategic Thinking criteria reached the average score of 4.2 (Very Satisfactory) which was the highest score, while the lowest score was Board Structure criteria that reached the score of 3.8 (Exceeding Expectation). Meanwhile, the average value of individual assessment for each member of BoC was 4.1 (Very Satisfactory).

2. BoC Committees

The result of self-assessment of BoC Committees in 2016 was as follows:

AC	ROC	NRC	ICGC
3.8	4.6	4.2	3.7

The average point of performance assessment of each individual member of BoC Committee reached the score of 4.4 (Very Satisfactory).

Value Range Chart is as follows:

Range of Values	Description
4.7	Extraordinary
4.0 – 4.6	Very Satisfactory
3.7 – 3.9	Exceeding Expectations
3.0 – 3.6	According to Expectations
3.0	Needs Improvement

Performance Assessment of Directors (including President Director) and Committees at Directors Level (“Exco”)

Procedures of Performance Assessment of Directors

The Directors performance assessment is annually conducted to monitor strategy implementation and performance achievement. The Bank applies the Balanced Scorecard approach in defining strategic objectives into the Key Performance Indicators (KPI) as approved by the Board of Directors, then to be discussed with the Nomination and Remuneration Committee before being submitted to gain approval of the BoC.

Parties that Conduct the Director’s Performance Assessment

Parties that were involved in the assessment of Directors were the President Director, Nomination and Remuneration Committee, and BoC.

Results of Performance Assessment of the Directors in 2016

No.	Parameter of Performance	Directorate										
		Business Unit					Business Enabler					
		President Director	Business Banking *	Retail Banking	Sharia Banking	Treasury and Capital Market	Credit *	Risk Management	Operational and IT	Compliance, Corporate Affairs & Legal	Strategy & Financial	Human Resources
1	Shared Target	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2	Financial	40%	50%	50%	45%	40%	20%	10%	25%	15%	25%	20%
3	Customer	10%	5%	5%	10%	10%	10%	20%	10%	20%	10%	15%
4	T18 Initiatives/Key Focus Areas	10%	10%	10%	10%	10%	25%	30%	30%	30%	30%	30%
5	Operational Excellence, Risk & Compliance	20%	15%	15%	15%	20%	25%	20%	15%	15%	15%	15%
6	Learning & Growth	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

* Notes:

- Business Banking oversees Corporate Banking, Commercial Banking and MSME Banking.
- Credit oversees Asset Restructuring & Recovery and Credit Underwriting for the business segment.

The KPI were distributed to all employees to ensure the harmony between Bank’s achievements and the Bank’s objectives and strategy.

The Director’s KPI Framework was prepared in accordance with the Bank’s objectives and Result of Directors Performance Assessment in 2016 to achieve the performance targets in 2016 as aligned with the aspiration and target of 2018 or “T18”. Those performance targets were set in each Director’s KPI based on the duties and responsibilities of the assigned Directors, which covered the collective and individual responsibilities, including financial and non-financial targets.

The results of Director performance and evaluation, based on individual KPI achievements at year-end, will be subject to Nomination and Remuneration Committee feedback before approval of the BoC. This Performance Appraisal is used to measure the achievements of the KPI targets. It will affect the directorate’s performance assessment from each Director.

Performance Assessment of Board of Commissioners and Board of Directors and Committees

Procedures of Exco Performance Assessment Implementation

The Exco performance assessment was conducted at year-end to evaluate Exco performance effectiveness as conducted by Exco members through the self-assessment method.

ExCo Performance Assessment Results

No	Name of Committee	Score
1	Risk Management Committee (RMC)	405
2	Asset & Liability Committee (ALCO)	413
3	Information Technology Steering Committee (ITSC)	480
4	Operational Risk Management Committee (ORC)	430
5	Credit Policy Committee (CPC)	410
6	Capital Management Committee (CMC)	480

Performance Rating

A (Excellent)	: >= 470 - 500
B (Good)	: 400 - < 470
C (Fair)	: 300 - < 400
D (Poor)	: 200 - < 300
E (Very Poor)	: < 200

Remuneration Policy

CIMB Niaga provides a variety of remuneration systems to support the welfare of the BoC and BoD and employees, which includes those meant to fulfill regulatory requirements, and those that are supplemental in nature. This remuneration system is one of the most important aspects to attract, motivate, and retain the best employees in order to ensure excellent human resources quality.

The formulation of the remuneration policy is closely associated to Bankability while at the same time is based on market competitiveness, fairness, and risk based assessment in line with OJK guidance and policies. To maintain the Bank's remuneration competitiveness, the Bank always performs benchmarking through surveys conducted by an independent party.

The scope of the Bank's remuneration policy has been and will be adjusted to POJK No. 45/POJK.03/2015 dated 23 December 2015 and SEOJK No. 40/SEOJK.03/2016 dated 26 September 2016 on the Implementation of Good Corporate Governance in Remuneration for Commercial Banks :

- The prudence principles in the provision of performance and risk-based remuneration.
- The determination of Material Risk Taker (MRT) is categorised as follows:
 - a. Material Risk Takers (MRT) can be determined through the qualitative method in accordance with the portion of responsibility that influences the main risk profile, which will be determined in accordance with the risk profile evaluation, determined by the Bank every year.
 - b. The determination of the MRT category can also be performed quantitatively through variable remuneration comparison between MRT and non-MRT employees by taking into account the performance and level of risk of the respective positions.
- Enforcement of variable-based remuneration is in accordance with regulatory provisions related to remuneration for commercial banks.

Improvement in the remuneration strategy includes assessment of performance-based and risk-based remuneration policy, empowerment through system functioning, and improvement on the policies and procedures for the benefit program. Additionally, studies and changes to incentive schemes in order to encourage synergy between the Bank's strategy and business unit strategy is conducted with due regard to the principle of operational and financial risk.

The development of a retention strategy on talent emphasises self-development and exposure within key projects as well as participation in other assignments, while still based on positions and competencies to retain qualified employees and methods to improve employee performance and achievement.

Assessment of the remuneration system and employee welfare is carried out in a periodic and continuous manner, taking into account the following:

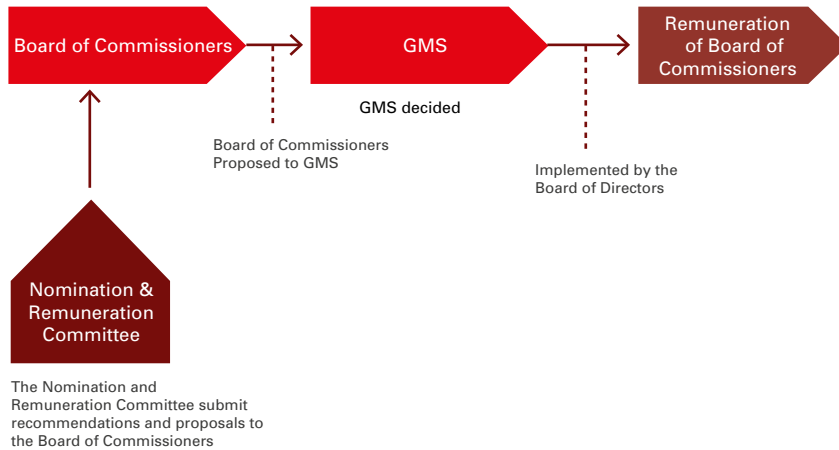
- Bank financial performance.
- Employee competency and performance (meritocracy).
- Applicable remuneration practices in the market (market competitiveness).

CIMB Niaga is committed to implementing a competitive, fair, and balanced remuneration system, to ensure that no employee receives compensation under only conditions set by the government. CIMB Niaga has also conducted a review and update on the remuneration policy to be relevant to industry developments and business strategies as well as gradually adopting requirements for compliance with applicable banking regulations related to remuneration.

The following is the Bank's remuneration practice with due observance of POJK No. 45/POJK.03/2015 and SEOJK No. 40/ SEOJK.03/2016 on Governance Implementation in the Provision of Remuneration for Commercial Banks.

Remuneration Policy

Board of Commissioners Remuneration Determination Procedure



The formulation of structure, policy, and remuneration of each Commissioner is conducted with respect to the duties, authority, performance, and responsibility of the BoC, and the prevailing remuneration in the banking industry (peers group), and Bank ability.

Procedure for determining the BoC remuneration:

- Nomination and Remuneration Committee discuss the recommendation of the BoC's remuneration with respect to information on the market range and standard of remuneration in the banking industry (peers group) and Bank ability;
- Nomination and Remuneration Committee submit the recommendation to be discussed in the BoC meeting;
- BoC analyzes the recommendation from Nomination and Remuneration Committee and propose the remuneration for the BoC to the GMS.

Board of Commissioners' Remuneration Structure

The BoC remuneration structure consists of honorarium, meeting, transportation, holiday allowances, and year-end allowances, as well as other facilities such as health and communication facilities, and club membership. Based on the 2016 AGMS decision, detailed information in regards to remuneration and facilities policy for members of the CIMB Niaga BoC is as follows:

A. Received Remuneration and Other Facilities Package

No	Type of Remuneration and Other Facilities	Amount Received in 1 year by BoC	
		Person	Rp (million)
1	Remuneration (salary, routine allowances, tantiem, and other non-natura facilities)	10	16,068.63
2	Other natura facilities that:	-	-
	a. Could be Owned	-	-
	b. Could Not be Owned	-	-
	Total	10	16,068.63

Remuneration Per Person in 2016	Number of Commissioners
Above Rp5 billion	-
Above Rp2 billion s/d Rp5 billion	3
Above Rp1 billion s/d Rp2 billion	5
Above Rp500 million s/d Rp1 billion	2
Up to Rp500 million	-

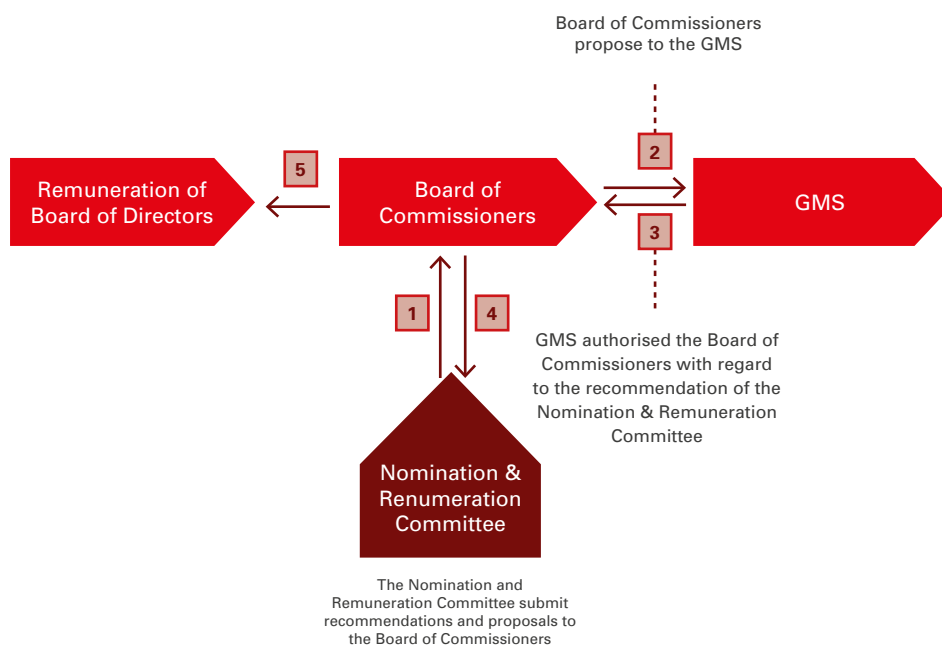
Note: Including the remuneration for 2 (two) Commissioners who were no longer active as of close of the AGMS on 15 April 2016.

All members of Board of Commissioners (including Independent Commissioners) of CIMB Niaga did not receive any shares or bonuses.

B. Variable Remuneration for the Board of Commissioners

Variable Remuneration	Amount Received in 1 year	
	BoC	
	Person	Rp (million)
Total	Nil	Nil

Board of Directors Remuneration Determination Procedure



Remuneration Policy

The formulation of the structure, policy, and remuneration amount of each Director is conducted with respect to the duties, powers, and responsibilities of the BoD, the prevailing remuneration in the banking industry (peers group), the Bank performance, the individual performance of each Director, and the Bank ability.

Procedure for determining BoD remuneration:

- The Nomination and Remuneration Committee discusses the Board of Directors remuneration by considering the information on the remuneration market range and standards with similar industries (peer group) as well as the Bank performance, the performance and risks of each Director with the achievement of predefined KPIs, as well as Bank ability.
- Afterward, the Nomination and Remuneration Committee gives recommendation to be discussed in a BoC meeting.

- The BoC studies the proposal from the Nomination and Remuneration Committee, and suggests the remuneration to the GMS.
- The GMS determines the remuneration for Board of Directors by granting authority to the BoC to set BoD remuneration with regards to the recommendations submitted by the Nomination and Remuneration Committee, to be accordingly implemented by the BoD.

Indicators for Determining Board of Directors Remuneration

The determination of BoD remuneration is based on the Bank's performance achievement indicators covering the Bank's financial performance and level of health. Furthermore, the remuneration is also determined by considering national economic conditions. Further details on the performance indicators are outlined in the Performance Assessment of the BoC and BoD in this Annual Report.

Board of Directors Remuneration Structure

The BoD remuneration structure consists of salary, bonus, transportation, housing allowance, holiday allowance, and year-end allowance, as well as other facilities such as health and communication facilities, and club memberships. Based on the 2016 AGMS decision, detailed information in regards to remuneration and facilities policy for members of the CIMB Niaga BoD is as follows:

A. Remuneration and Other Facilities Package

No	Type of Remuneration and Other Facilities	Amount Received in 1 year by BoD	
		Person	Rp (million)
1	Remuneration (salary, routine allowances, tantiem, and other non-natura facilities)	13	120,865.82
2	Other natura facilities that:	-	-
	a. Could be Owned	-	-
	b. Could Not be Owned	-	-
	Total	13	120,865.82

Remuneration Per Person in 2016	Number of Directors
Above Rp5 billion	8
Above Rp2 billion s/d Rp5 billion	5
Above Rp1 billion s/d Rp2 billion	-
Above Rp500 million s/d Rp1 billion	-
Up to Rp500 million	-

Note: Including the remuneration for 2 (two) Directors who were no longer active as of close of the AGMS on 15 April 2016.

B. Variable Remuneration for the Board of Directors

Variable Remuneration	Amount Received in 1 year	
	BoD	
	Person	Rp (million)
Total	13	48,580

Note: Including the remuneration for 2 (two) Directors who were no longer active as of close of the AGMS on 15 April 2016.

Employee and Management Share Ownership Programme

During 2016, CIMB Niaga has no employee and/ or management share ownership programme.

Desc./Name	Name	Number of Share Owned (shares)	Number of Stock Option		Option Price Rp	Period
			Distributed (shares)	Exercised (shares)		
BoD	Nil	Nil	Nil	Nil	Nil	Nil
BoC	Nil	Nil	Nil	Nil	Nil	Nil
Executive Official	Nil	Nil	Nil	Nil	Nil	Nil
Total		Nil	Nil	Nil	Nil	Nil

Highest and Lowest Salary Ratio

Ratio	2016
Ratio of the highest and the lowest of Employee's salary	104.6 : 1
Ratio of the highest and the lowest of Director's salary	4.0 : 1
Ratio of the highest and the lowest of Commissioner's salary	1.5 : 1
Ratio of the highest of Director's and the Highest of Employee's salary	3.6 : 1

Variable Remuneration for Employees

Variable Remuneration	Amount Received in 1 Year	
	Employee	
	Person	Rp (million)
Total	10,223	247,314

Remuneration Policy

Fixed and Variable Remuneration for Parties in the Material Risk Takers (MRT) Category

A. Fixed Remuneration			
1. Cash		Nil	
2. Share/share based instrument issued by the Bank		Nil	
B. Variabel Remuneration		Non-Deferred	Deferred
1. Cash		Nil	Nil
2. Share/share based instrument issued by the Bank		Nil	Nil

Quantitative Information for Parties in the MRT Category

Type of Variabel Remuneration	Deferred Balance	Total Decrease on Reporting Period		
		Explicit Adjustment (A)	Implicit Adjustment (B)	Total
				(A)+(B)
1. Cash (in Million Rupiah)	Nil	Nil	Nil	Nil
2. Share/share based instrument issued by the Bank (in number of share and in nominal of million, conversion value of the shares)	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

Total Severance Granted to Employees Affected by Termination and Total Amount Paid

Nominal Amount of Severance paid per person in 1 (One) Year	Number of Employees
Above Rp1 billion	30
From Rp500 million to Rp1 billion	78
Up to Rp500 million	472

Diversity of Board of Commissioners and Board of Directors Policy

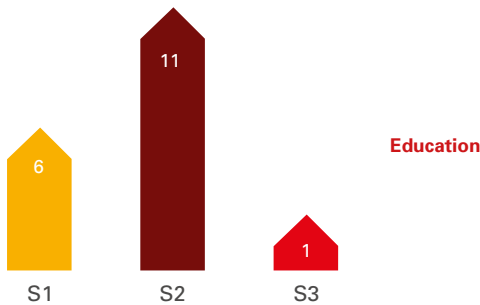
In maintaining competitive excellence, the Bank has members on the BoC and BoD who not only in majority have banking background, but also varied competencies, backgrounds and experience. The Bank considers this to be an important element to ensure strong decision making processes and effective Bank management.

The diversity policy in the Bank's BoC and BoD composition is as follows:

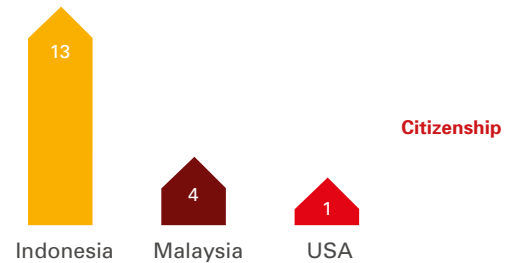
1. Has at least 1 (one) female member in the composition of the BoC and BoD
2. Has an educational background and expertise in accounting, finance, law, and business.
3. Has at least 1 (one) Commissioner who is a foreign citizen to enrich the knowledge and experience of the BoC in banking industry development both domestically and abroad.

The composition diversity is reflected on the following graphic:

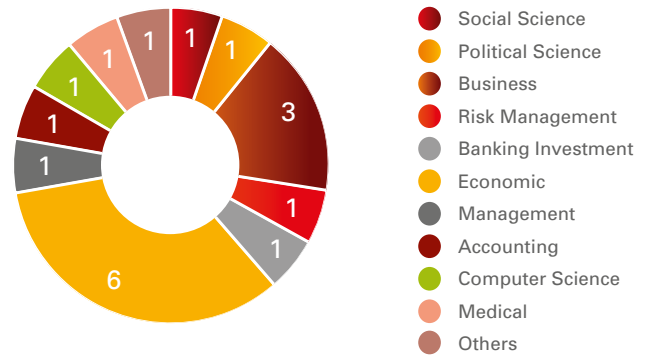
Educational Background of BoC and BoD



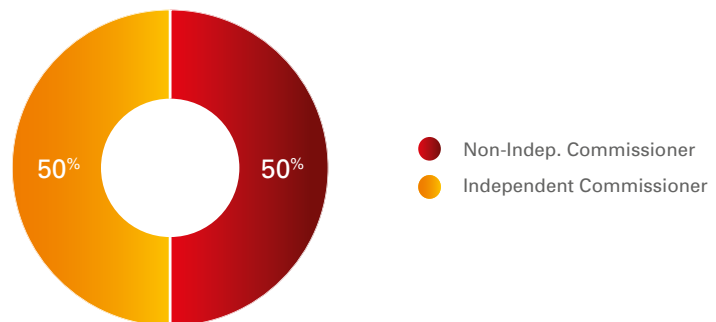
Citizenship of BoC and BoD



BoC and BoD Expertise

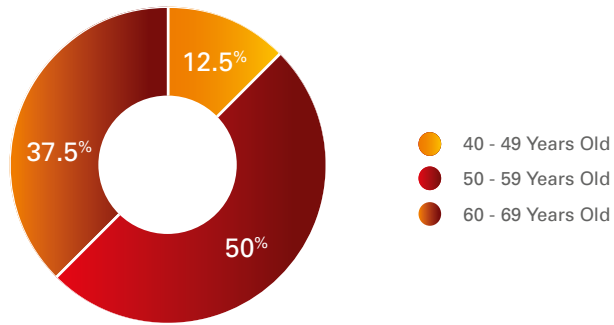


Composition of Commissioners

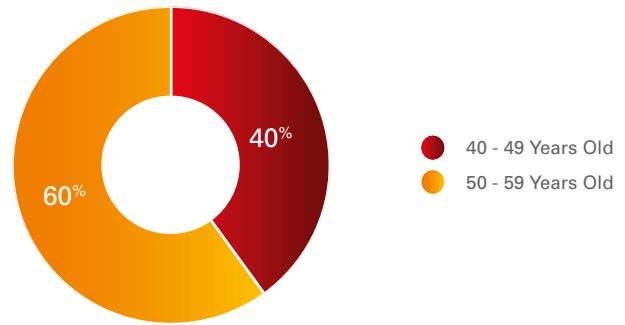


Diversity of Board of Commissioners and Board of Directors Policy

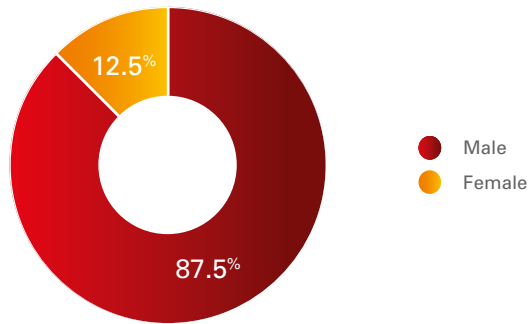
Age of BoC



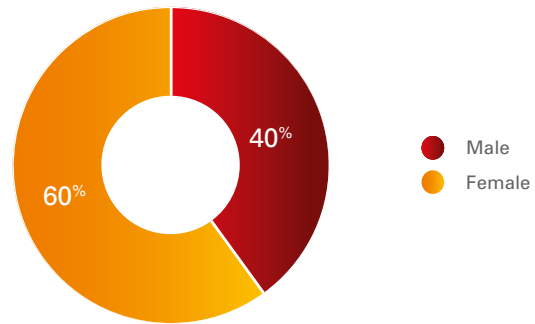
Age of BoD



BoC Gender



BoD Gender



Board of Commissioners Committees

Audit Committee

The Audit Committee was established to assist the BoC in performing its oversight for effective and independent implementation and reporting of financial reports, adequacy of risk management and internal control. The Audit Committee also monitors compliance with the applicable laws and regulations.

Legal References

The establishment of the Audit Committee is based on the following regulations:

- POJK No. 55/POJK.04/2015 dated 23 December 2015 on the Establishment and Work Guidelines of the Audit Committee.
- POJK No. 33/POJK.04/2014 dated 8 December 2014 on the Boards of Commissioners and Directors of Issuer or Public Company.
- POJK No. 55/POJK.03/2016 dated 7 December 2016 on Implementation of Corporate Governance for Commercial Banks.
- SEBI No. 15/15/DPNP dated 29 April 2013 on the Implementation of Good Corporate Governance for Commercial Banks.
- PBI No. 13/2/PBI/2011 dated 12 January 2011 on Commercial Bank's Implementation of the Compliance Function.
- SEBI No. 13/28/DPNP dated 9 December 2011 on the Implementation of the Anti Fraud Strategy for Commercial Banks.
- Articles of Association on the duties and authorities of the Board of Commissioners.

Audit Committee Charter

The CIMB Niaga Audit Committee established the Charter or Guideline that govern the membership, structure, authority, duties and responsibilities, meetings, activities, and standard operating procedures of the Audit Committee in conducting its functions.

The Audit Committee charter was last updated on 21 March 2016 uploaded to the Bank's website. Furthermore, the Audit Committee charter is periodically reviewed in order to ensure compliance with the latest applicable regulations.

Structure and Membership

The membership and composition, as well as the independence of members of the Audit Committee has comply with regulator provisions. The CIMB Niaga Audit Committee for the period of 2016 consisted of 1 (one) Chairman who is an Independent Commissioner, 1 (one) member who is an Independent Commissioner and 2 (two) members who are non-commissioner members as independent parties with the requisite competence and qualifications in banking accounting and finance.

Members of the Audit Committee were appointed based on Nomination and Remuneration Committee Recommendation No. 006/NOMREM/KP/III/2016 dated 23 March 2016, as approved by Board of Commissioners Circular Decision No. 007/DEKOM/KP/IV/ 2016 dated 6 April 2016. The appointment was effective at the close of the 2016 AGMS up to the close of the 2020 AGMS.

Audit Committee Membership Composition in 2016





No	Name	Position	Position in the Committee	Period Position
1	Zulkifli M. Ali*	Independent Commissioner	Chairman	2016 - 2020
2	Jeffrey Kairupan*	Independent Commissioner	Member	2016 - 2020
3	Mawar I. R. Napitupulu	Independent Party	Member	2016 - 2020
4	Yap Tjay Soen*	Independent Party	Member	2016 - 2020
5	Roy Edu Tirtadji**	Independent Commissioner	Chairman	2013 - 2016
6	Sri Hartina Urip Simeon**	Independent Commissioner	Member	2013 - 2016
7	Sumantri Slamet**	Independent Party	Member	2013 - 2016
8	Darminto**	Independent Party	Member	2013 - 2016
9	Shariq Mukhtar**	Independent Party	Member	2013 - 2016

* Appointed at the AGMS on 15 April 2016.

** Term of office as a member of the Audit Committee ended at the close of the 2016 AGMS on 15 April 2016.

Board of Commissioners Committees

Qualifications and Profiles of Members of the Audit Committee

Member Profile	Career Background	Education
 <p>Zulkifli M. Ali Chairman</p>	<p>Appointed as Chairman of the Audit Committee at the AGMS on 15 April 2016 and concurrently serves as Chairman of the Risk Oversight Committee. He also serves as an Independent Commissioner.</p> <p>Detailed profile is listed in the Board of Commissioners Profiles.</p>	Listed in the Board of Commissioners Profiles.
 <p>Jeffrey Kairupan Member</p>	<p>Appointed as member of the Audit Committee at the AGMS on 15 April 2016. He also serves as an Independent Commissioner.</p> <p>Detailed profile is listed in the Board of Commissioners.</p>	Listed in the Board of Commissioners Profiles
 <p>Mawar I.R. Napitupulu Member</p>	<p>Indonesian citizen, 54 years old. Appointed as the member of Audit Committee since March 2013.</p> <p>Currently, Mawar I.R. Napitupulu serves as Senior Managing Partner in the Public Accounting Firm of Amir Abadi Jusuf, Aryanto, Mawar & Associates (RSM Indonesia), Chairwoman of the Professional Honorary Committee Indonesian Institute of Certified Public Accountants, and Lecturer at Faculty of Economics, University of Indonesia</p>	Bachelor Degree in Accounting from the Faculty of Economics University of Indonesia in 1986 and MBA Degree in Finance from the Katholieke Universiteit Leuven, Belgium in 1990.
 <p>Yap Tjay Soen Member</p>	<p>Indonesian citizen, 63 years old. Appointed as member of the Audit Committee since AGMS on 15 April 2016.</p> <p>Previously, Yap Tjay Soen served as Managing Director and Chief Financial Officer at PT Bank Negara Indonesia Tbk since 2008 to March 17, 2015. President Director and Group CEO of PT Tuban Petrochemical Industries (2002-2007), Vice President Director of Bank International Indonesia (1999-2001), Chief Operating Officer of Asia Food & Properties Singapore (1998-1999), Astra International (1989-1988), Vice President of Citibank Indonesia (1980-1988).</p>	Bachelor Degree in Mechanical Engineering from McGill University in 1976 and a Master of Business Administration in 1980 from McGill University, Montreal Canada.

Training for Independent Party of Audit Committee

No.	Name	Training/Seminar/Workshop/Sharing Knowledge	Organizer	Date and Place
1.	Mawar I. R. Napitupulu	RSM Asia Pacific Regional Conference 2016 include IFRS Series	RSM International	3-6 May 2016 in Taipei, Taiwan
		Public Hearing Exposure Draft	Indonesian Institute of Accountants (IAI)	22 August 2016 in Jakarta
		Overview of POJK No. 38/POJK.05/2015 and No. 2/POJK.05/2014, and Accounting Aspects of Financial Statement of Insurance Industry	Indonesian Institute of Public Accountants (IAPI)	8 September 2016 in Jakarta
		Risk Management based on Audit	Indonesian Institute of Public Accountants (IAPI)	17 November 2016 in Jakarta
		Sharing Professions: Application of Discount Rate in Asset Valuation and Business Valuation by Appraiser	Indonesian Institute of Public Accountants (IAPI)	5 December 2016 in Jakarta

No.	Name	Training/Seminar/Workshop/Sharing Knowledge	Organizer	Date and Place
		Introduction of Bank Audit and Overview of IFRS 9	Indonesian Institute of Public Accountants (IAPI)	6 December 2016 in Jakarta
		The development of the Public Accountant Profession in Indonesia & Discussion on the Drafting of Audit Quality Indicator and Determination of Fee for Financial Statement Audit Services	Indonesian Institute of Public Accountants (IAPI)	7 December 2016 in Jakarta

Term of Office

The term of office of Audit Committee members shall not be longer than the term of office of the BoC in accordance with POJK No. 55/POJK.04/2015 and the Audit Committee Charter and can only be re-elected for one other term. The term of office of members of the Committee that are appointed during an existing BoC term of office will automatically end with that BoC term of office.

Audit Committee Independence

All members of the Audit Committee have met all the established criteria of independency and are able to carry out their duties independently, and uphold the interests of the Bank without the influence by any party. This can be observed from the Audit Committee membership, which consists of 1 (one) Chairman who is an Independent Commissioner, 1 (one) Member who is an Independent Commissioner and 2 (two) members who are non-Commissioner members as Independent Parties.

Duties and Responsibilities

In conducting its functions, the Audit Committee has the following duties and responsibilities:

1. To review financial information issued by the Bank to the public and/ or authorities, including: financial reports, projections, and other statements related to the Bank's financial information.
2. To review the compliance to the regulations relevant with the Bank's activities.
3. To provide an independent opinion in the event of a disagreement between management and the Public Accountant regarding the services provided.
4. To provide an independent recommendation to the Board of Commissioners regarding the appointment of the Public Accountant regarding the independence, scope of the assignment, and fees; to discuss the

nature and scope of the proposed audit plan; to review the audit adequacy by taking into account all crucial risks; and to ensure coordination should more than one Public Accountant are assigned.

5. To review the audit implementation by Internal Audit.
6. To examine the planning, execution, and oversee the follow-up implementation by the BoD on internal and external audit findings.
7. To review and report to the BoC on complaints relating to the Bank's accounting and financial reporting, including allegations of improper decisions by BoD meetings or any deviation from carrying out a BoD meeting decision. If necessary, the Audit Committee may conduct an examination, either by the Audit Committee itself or by assigning a third party. The report shall be submitted to the BoC no later than two (2) business days after the completion of the report.
8. To review and provide advice to the BoC related to any potential conflicts of interest, which is a conflict between the economic interests of the Bank and the personal interests of the owner, member of the BoC, BoD, executive officers and/ or any parties affiliated with the Bank.
9. To assist the BoC in active supervision of the Compliance Function by:
 - a. Evaluating the implementation of the Compliance Function within the Bank's internal regulations and legislation relating to the activities of the Bank at least 2 (two) times within one (1) year.
 - b. Providing suggestions to enhance the quality of the Bank's Compliance Function.
10. To assist the BoC in conducting active supervision on the Anti-Fraud implementation strategy by reviewing the Anti-Fraud Implementation Strategy Report submitted by the Anti-Fraud Management.

Board of Commissioners Committees

- To provide recommendations to the BoC on the appointment, dismissal, and performance assessment of the Chief Audit Executive.
- To maintain the confidentiality of the Bank's documents, data, and information.

- Review the robustness of the compliance and control structure of the Bank.
- Review the effectiveness of fraud investigation, detection, and prevention.

Activity Report 2016

The activities and recommendations generated by the Audit Committee during 2016

- Accountability and transparency of financial statements.
- Provide recommendations on the appointment of a Public Accounting Firm for 2016.
- Review the implementation of the 1Platform project.

The Audit Committee provided activity reports and recommendations to the BoC on a regular basis.

Audit Committee Meeting and Attendance Level

The Audit Committee Charter stipulates that the Audit Committee shall hold a meeting at least once every 3 (three) months, and that members must physically attend in person at least two (2) times a year. Additionally, meetings can only be held if attended by at least 51% of total members, including the Independent Commissioner and Independent Parties.

During 2016, the Audit Committee held 12 (twelve) meetings, which included the ratification of minutes of the previous meeting, discussion of matters requiring follow-ups from previous meetings, and other substantive matters requiring the Audit Committee's attention.

Table of Attendance at the Audit Committee Meeting for January - December 2016

Frequency of Meetings	Zulkifli M. Ali*	Jeffrey Kairupan*	Mawar IR Napitupulu	Yap Tjay Soen*	Roy Edu Tirtadji**	Sri Hartina Urip Simeon**	Sumantri Slamet**	Darminto**	Shariq Mukhtar**
Attendance at the Audit Committee meetings	9	9	12	9	3	3	3	3	3
Physical Presence	9	9	12	9	2	3	3	3	3
Attendance through teleconference or telepresence	-	-	-	-	1	-	-	-	-

* Appointed as chairman and member of the Audit Committee at AGMS on 15 April 2016.

** The term of office as a member of the Audit Committee ended at close of the AGMS dated 15 April 2016.

Meetings throughout 2016 discussed the following agenda:

- Meeting with the Director of Finance and executive officers to:
 - Conduct a review on the financial reporting including: financial statement presentation, accounting treatment, and compliance with generally accepted accounting principles/practices.
 - Review the Bank's financial performance and the adequacy of the published financial statements and reporting to the authorities.
 - Discuss recommendations as well as progress

of follow-ups on the external auditor's audit results.

- Meeting with the Chief Audit Executive to:
 - Discuss the audit plan, audit scope, audit findings, follow-up of audit recommendations, and the adequacy of the internal control systems.
 - Performance of Internal Audit.
- Meeting with the Compliance Director to:
 - Discuss the recommendations as well as progress of follow-ups to the Financial Services Authority and Bank Negara Malaysia audit results.

- Discuss the possibility of compliance risk in the area of human resources, penalties from the Bank Indonesia, and the follow-up on Bank Indonesia's audit findings. Additionally, discussed lessons learned from the existing cases.
4. Meeting with the Anti Fraud Management (AFM) to discuss :
 - The Fraud Prevention Program, such as the Anti Fraud Campaign, Anti-Fraud Awareness Training to Staff, Anti-Fraud Awareness Dissemination of information to the customers, E-learning, P&P for CP certification, and Private Banking.
 - Fraud Investigations conducted during 2016, as well as monitoring of sanctions against the perpetrators of fraud.
 - Detection of fraud through the ACL (Audit Command Language) fraud detection system, Thematic review on Credit Review/ Credam, Detection of dormant and mortgages accounts, and WB Outsourcing.
 5. Meeting with the Public Accountant to discuss the audit plan, audit scope, audit findings, recommendations from the audit results, and the management letter which has been submitted.
 6. Meeting with the related Director and work units to ensure the adequacy of internal control systems in the management of Non-Performing Assets, Non-Performing Loans (NPL) in the

Corporate and Commercial Banking units, as well as the status of key projects in 2016, including review the post of 1Platform project implementation.

In addition to these meetings, the Audit Committee periodically provided activity reports and recommendations to BoC and BoD.

Plan for 2017

In 2017, the Audit Committee has established a work plan with emphasis on:

1. Conduct a study of the accountability and transparency of the financial statements
2. Conduct further reviews of the implementation of the 1Platform project
3. Assess the robustness of the Bank's compliance and control structure
4. Conduct a study on the effectiveness of prevention, detection and investigation of fraud
5. Conduct a study of the Digital Banking road map
6. Conduct a study on the IFRS 9 implementation

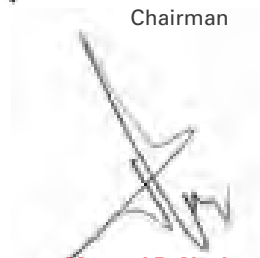
The composition, structure and membership requirements, duties and responsibilities, authority, and organisation of meetings and reporting are comprehensively stated in the Audit Committee Charter, which has been uploaded in the Bank's website.



Jeffrey Kairupan
Member



Zulkifli M. Ali
Chairman



Mawar I.R. Napitupulu
Member (Independent Party)



Yap Tjay Soen
Member (Independent Party)

Board of Commissioners Committees

Risk Oversight Committee

The Risk Oversight Committee was established by and is responsible to the BoC to support the effectiveness of BoC duties and responsibilities related to application of the Bank's risk management principles.

Legal References

The establishment of the Risk Oversight Committee is based on the following regulations:

- POJK No. 55/POJK.03/2016 dated 7 December 2016 on Implementation of Corporate Governance for Commercial Banks.
- SEBI No. 15/15/DPNP dated 29 April 2013 on Good Corporate Governance Implementation for Commercial Banks.
- Articles of Association on the duties and authorities of the Board of Commissioners.

Risk Oversight Committee Charter

CIMB Niaga Risk Oversight Committee established a Charter that govern the membership, structure, authority, duties and responsibilities, meetings, activities and standard practices of the Risk Oversight Committee in carrying out its functions.

The Risk Oversight Committee Charter was last updated on 29 April 2016 and has been uploaded to the Bank's website. Furthermore, the Risk Oversight Committee Charter is periodically reviewed to ensure compliance with the most recent applicable regulations.

Structure and Membership

Membership and composition, as well as the independence of the Risk Oversight Committee members has fulfilled BI and OJK requirements. In 2016, CIMB Niaga Risk Oversight Committee consisted of 1 (one) Chairman who is an Independent Commissioner, 2 (two) members who are Commissioners, and 2 (two) non-commissioner members as Independent Parties with competencies and qualifications in finance and risk management.

Members of the Risk Oversight were appointed based on Nomination and Remuneration Committee Recommendation No. 006/NOMREM/KP/III/2016 dated 23 March 2016, and approved by Board of Commissioners Circular Decision No. 007/DEKOM/KP/IV/2016 dated 6 April 2016. The appointment was effective at the close of the 2016 AGMS up to the close of the 2020 AGMS.

Risk Oversight Committee Membership Composition in 2016

No	Name	Position	Position in the Committee	Period Position
1	Zulkifli M. Ali	Independent Commissioner	Chairman	2016 - 2020
2	Glenn M. S. Yusuf	Vice President Commissioner	Member	2016 - 2020
3	David Richard Thomas	Commissioner	Member	2016 - 2020
4	Firmanzah**	Independent Party	Member	2016 - 2020
5	Sri Indrastuti (Tuti) S. Hadiputranto****	Independent Party	Member	2016 - 2020
6	Yap Tjay Soen***	Independent Party	Member	2016 - 2020
7	Ananda Barata*	Independent Party	Member	2013 - 2016
8	Binhadi*	Independent Party	Member	2013 - 2016
9	Shariq Mukhtar*	Independent Party	Member	2013 - 2016



* Term of office as a member of the Risk Oversight Committee ended at the close of the 2016 AGMS on 15 April 2016.

** Appointed at the AGMS on 15 April 2016.

*** Appointed at the AGMS on 15 April 2016 and no longer served as a member of the Risk Oversight Committee in July 2016.

**** Serves as a member of the Risk Oversight Committee in July 2016 replacing Yap Tjay Soen.

Qualifications & Profiles of Members of the Risk Oversight Committee

Member Profile	Career Background	Education
 <p>Zulkifli M. Ali Chairman</p>	<p>Appointed as Chairman of the Risk Oversight Committee since March 2013 and concurrently serves as Chairman of the Audit Committee. He also serves as an Independent Commissioner.</p> <p>Detailed profile is listed in the Board of Commissioners Profiles</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 <p>Glenn M. S. Yusuf Member</p>	<p>Appointed as member of the Risk Oversight Committee since March 2013. He also serves as Vice President Commissioner.</p> <p>Detailed profile is listed in the Board of Commissioners Profiles</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 <p>David Richard Thomas Member</p>	<p>Appointed as member of the Risk Oversight Committee since November 2014. He also serves as Commissioner.</p> <p>Detailed profile is listed in the Board of Commissioners Profiles</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 <p>Firmanzah Member</p>	<p>Indonesian citizen, 40 years old. Appointed as of the Risk Oversight Committee since April 2016.</p> <p>Currently he serves as Rector at Paramadina University, Professor of the Faculty of Economics and Business at the University of Indonesia, and the Index Committee of Infrastructure Stock of PT Sarana Multi Infrastruktur Indonesia (Persero).</p>	<p>Holds a PhD in Strategic and International Management at the University of Pau et Pays de l'Adour, France. Master of Philosophy from the University of Science and Technology of Lille 1, France. MBA from the University of Pierre Mendes-Grenoble II, France and Master of Management and Economics degree from the University of Indonesia.</p>
 <p>Sri Indrastuti (Tuti) S. Hadiputranto Member</p>	<p>Indonesian citizen, 73 years old. Appointed as of the Risk Oversight Committee since July 2016.</p> <p>She is one of the founding partners of Hadiputranto, Hadinoto & Partners, a prominent Law Firm in Indonesia, member of Baker & McKenzie International Law Firm.</p> <p>She specialised in corporate, mergers and acquisitions and debt restructuring of Indonesian companies/banks.</p> <p>She was member of the Board of Commissioners of the Indonesia Stock Exchange (IDX) in 2001 - 2004, serving as a member of various IDX committees, the last one was the Membership Discipline Committee.</p> <p>She has been consistently named as top rankings in leading legal directories such as Chambers Asia, Asia Pacific Legal 500, IFLR1000 and AsiaLaw Profile, and in 2016 was named as one of The Most Inspiring Women in Indonesia by Forbes Indonesia.</p>	<p>She holds a Bachelor Degree in Laws from the University of Indonesia in 1970, Master of Laws from the University of Washington in 1981.</p>

Board of Commissioners Committees

Training for Independent Party of Risk Oversight Committee

No.	Name	Training/Seminar/Workshop/Sharing Knowledge	Organizer	Date and Place	
1.	Firmanzah	Jury of Mandiri Award	Bank Mandiri	28-29 January 2016 in Jakarta	
		Panelist of Indonesia Economic Quarterly	World Bank	15 March 2016 in Jakarta	
		T20 Summit	G20 Think Tanks	28-31 July 2016 in Beijing, China	
		Speaker in various of events including:			
		Trans Pacific Partnership	Bappenas	24 February & 2 March 2016 in Jakarta	
		General Lecture: Strategy for the Development of Education and Professionalism in Improving Competitiveness in MEA	UIN	8 March 2016 in Jakarta	
		Role of Insurance Industry in Empowering SMEs & Cooperatives	KMI	29 March 2016 in Jakarta	
		Launching of Study on the Stability of Financial System	Bank Indonesia	30 May 2016 in Jakarta	
		Book launching "Out of the Comfort Zone: Transformation of Peruri to Become Best Company"	Peruri	13 June 2016 in Jakarta	
		Capacity Building for the Implementation of DPR-RI Budget Function: Macro Policy Design of State Budget in the National Development	FPKB RI	26 August 2016 in Cisarua, West Java	
		FGD on the Challenge of Creating 2 Million Decent Job	Bappenas	1 November 2016 in Jakarta	
		Annual Meeting of BI Sulawesi	Bank Indonesia	6 November 2016 in Gorontalo	
		Annual Meeting of BI South Sulawesi	Bank Indonesia	29 December 2016 in Makassar, South Sulawesi	

Term of Office

The term of office of the Risk Oversight Committee members shall not be longer than the term of office of the BoC as stipulated in the Risk Oversight Committee Charter and can only be re-elected for one other term. The term of office of members of the Risk Oversight Committee that are appointed during an existing BoC term of office will automatically end at that BoC term of office.

Duties and Responsibilities

The Risk Oversight Committee conducts duties and responsibilities in a professional and independent manner without interference from any party that does not comply with legislation.

In general, the main duties and responsibilities of the Risk Oversight Committee are to provide recommendations to the BoC to support effective carrying out of BoC duties and responsibilities with regard to risk management, such as:

1. Evaluate alignment between risk management policies and implementation of Bank policy; and
2. Monitor and evaluate the operation of risk management Executive Committees: Risk Management Committee and Risk Management Unit.

Activity Report 2016

In 2016, the Risk Oversight Committee carried out its activities in accordance with the Risk Oversight Committee's Work Plan, which is prepared once a year, referring to the duties and responsibilities of the Risk Oversight Committee as stated in the Risk Oversight Committee Charter. Activities and recommendations generated during 2016 were, among others:

1. Review and submit recommendations to the BoC on the policy/ framework adopted by the BoD with regard to risk management, including capital management (Internal Capital Adequacy Assessment Process), which includes the determination of the risk appetite statement, risk posture, sector appetite, as well as the implementation of the stress test.

2. Evaluation on the duty implementation of the Risk Management Committee and Risk Management Unit and the evaluation on the conformity between risk management policies and their implementation through the discussion of:
 - a. Internal reports that include monitoring results of macro-economic conditions, financial performance and risk indicators of the Bank in order to ensure conformity with the Bank's risk appetite.
 - b. Mandatory reports to the Bank Supervisory consisting of the Risk Profile Report, Bank Rating Report and other reports to ensure conformity of the submitted information with the risk conditions faced by the Bank.
3. Monitoring of Bank credit risk through the discussion of:
 - a. Status and projection of asset quality of each loan segment in order to ensure that each business units have taken the necessary steps to maintain and improve the Bank's asset quality to ensure compliance with the predetermined risk appetite.
 - b. Thematic review of Loan portfolios that had a high correlation with economic fluctuations in 2016.
 - c. The implementation status of the initiative to improve the credit process.
4. Evaluation on the Bank strategic steps through the discussion of:
 - a. Budget planning, business strategy and 2017 Bank Business Plan in accordance with Bank's risk appetite.
 - b. Risk aspects of initiatives/strategic projects in progress including proposal of new products and activities.
 - c. Latest report on the implementation of the Basel and IT projects, in particular the 1Platform project, which has been running since January 2016.
5. Monitoring on significant audit findings from the point of view of operational risk management, including the report of investigations results as well as improvement and mitigation follow-ups to be conducted.

The Risk Oversight Committee provides activity reports and recommendations to the BoC on a regular basis.

Committee Meeting and Attendance Level

The Risk Oversight Committee Charter stipulates that the Risk Oversight Committee shall hold at least 10 (ten) meetings per year and at least once in 3 (three) months and that members shall physically attend at least 2 (two) meetings per year. Meetings can only be held if attended by at least 51% of the total members, including an Independent Commissioner and an Independent Party.

Board of Commissioners Committees

During 2016, the Risk Management Committee has conduct 12 (twelve) meeting throughout the year.

Table of Attendance at the Risk Oversight Committee Meeting for January – December 2016

Frequency of Meetings	Zulkifli M. Ali	Glenn M.S. Yusuf	David Richard Thomas	Firmanzah**	Tuti Hadiputranto****	Yap Tjay Soen***	Ananda Barata*	Binhadi*	Shariq Mukhtar*
Attendance at the Risk Oversight Committee meetings	12	11	12	9	4	3	3	-	3
Physical Presence	12	11	4	9	4	3	3	-	3
Attendance through teleconference or telepresence	-	-	8	-	-	-	-	-	-

* Term of office as a member of the Risk Oversight Committee ended at the close of the AGMS on 15 April 2016

** Appointed at the AGMS on 15 April 2016.

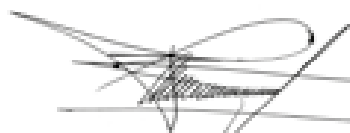
*** Appointed at the AGMS on 15 April 2016 and no longer serves as a member of the Risk Oversight Committee as of July 2016.

**** Serves as a member of the Risk Oversight Committee in July 2016 replacing Yap Tjay Soen.

The composition, structure and membership requirements, duties and responsibilities, authority, organisation of meetings and complete reporting are comprehensively stated in the Risk Oversight Committee Charter, which has been uploaded to the Bank's web site.



Zulkifli M. Ali
Chairman



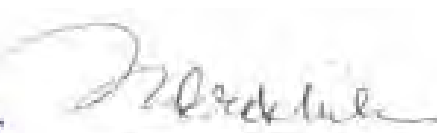
Glenn M. S. Yusuf
Member



David Richard Thomas
Member



Firmanzah
Member (Independent Party)



Sri Indrastuti (Tuti) S. Hadiputranto
Member (Independent Party)

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is established by the BoC to assist its supervisory responsibility in the implementation of nomination and remuneration policies for the BoC, BoD and employees with due observance to prevailing regulations

Legal Reference

The establishment of Nomination and Remuneration Committee refers to the following regulations:

1. POJK No. 55/POJK.03/2016 dated 7 December 2016 on Implementation of Corporate Governance for Commercial Banks.
2. OJK Regulation POJK No. 34/POJK.04/2014 dated 8 December 2014 on Nomination and Remuneration Committees of Issuers or Public Companies.
3. SEBI No. 15/15/DPNP dated 29 April 2013 on Implementation of Good Corporate Governance for Commercial Banks.
4. PBI No. 11/33/PBI/2009 dated 7 December 2009 on Implementation of Good Corporate Governance for Sharia Banks and Sharia Business Units.
5. PBI No. 13/25/PBI/2011 dated 26 January 2016 on Prudential Principles for Commercial Banking in Performing Transfer of Selected Work to Other Parties.

Nomination and Remuneration Committee Charter

The Nomination and Remuneration Committee (NRC) Charter conforms to POJK No. 34/POJK.04/2014 which took effect in 2016. The NRC Charter was last updated on 26 February 2016 and has been uploaded to the Bank's website. The Charter will be reviewed periodically in order to comply with the prevailing regulations.

Structure and Membership

The membership, composition, and independency of the Nomination and Remuneration Committee membership comply with the prevailing regulations, and consists of 2 (two) Independent Commissioners and a Commissioner.

Nomination and Remuneration Committee members were appointed upon Nomination and Remuneration Committee Recommendation No. 006/NOMREM/KP/III/2016 dated 23 March 2016 and approved by Board of Commissioners Circular Decision No. 007/DEKOM/KP/IV/2016 dated 6 April 2016. The appointment takes effect from the close of AGMS 2016 until the close of the AGMS 2020.

The Nomination and Remuneration Committee performs its duties and responsibilities in a professional and independent manner, without interference from any parties not in compliance with law and regulations.

Nomination and Remuneration Committee Membership Composition in 2016:




No	Name	Position	Position in the Committee	Period Position
1	Pri Notowidigdo	Independent Commissioner	Chairman	2016 - 2020
2	Ahmad Zulqarnain Onn	Commissioner	Member	2016 - 2020
3	Armida S. Alisjahbana*	Independent Commissioner	Member	2016 - 2020
4	Zulkifli M. Ali**	Independent Commissioner	Member	2013 - 2016
5	Ananda Barata**	Independent Party	Member	2013 - 2016
6	Sumantri Slamet**	Independent Party	Member	2013 - 2016

* Appointed at AGMS on 15 April 2016.

** Term of office as member of NRC ended at the close of the AGMS on 15 April 2016.

Board of Commissioners Committees

Qualification & Profile of Member of Nomination and Remuneration Committee

Member Profile	Career Background	Education
 <p>Pri Notowidigdo Chairman</p>	<p>Serves as Chairman of the Nomination and Remuneration Committee since March 2013. He also serves as an Independent Commissioner.</p> <p>Detailed profile is listed in the Board of Commissioners Profiles.</p>	Listed in the Board of Commissioners Profiles.
 <p>Ahmad Zulqarnain Onn Member</p>	<p>Serves as member of the Nomination and Remuneration Committee since November 2014. He also serves as an Commissioner</p> <p>Detailed profile is listed in the Board of Commissioners Profiles</p>	Listed in the Board of Commissioners Profiles.
 <p>Armida S. Alisjhabana Member</p>	<p>Appointed as member of the Nomination and Remuneration Committee since the AGMS on 15 April 2016. She also serves as an Independent Commissioner.</p> <p>Detailed profile is listed in the Board of Commissioners Profiles</p>	Listed in the Board of Commissioners Profiles.

In order to comply with POJK No. 55/POJK.03/2016 dated 7 December 2016 concerning Implementation of GCG for Commercial Banks, the NRC is also equipped with an executive in charge of Human resource (HR), namely Joni Raini, who also serves as member and secretary of the Nomination and Remuneration Committee.

During 2016, Joni Raini attended training related to Leadership, Risk & Governance, including the ASEAN Corporate Governance Scorecard organised by IICD, Basel Update and Impact on CIMB Niaga, Competing Through Organisation: Talent, Leadership & Culture, and Leadership Series with Dr. Boen, as well as attending several internal coordination meetings and workshops in the Directorate of Human Resources.

Term of Office

The term of office of the NRC cannot be longer than the BoC term of office as stipulated in POJK No. 34/POJK.04/2014 and the Articles of Association and

members can be re-appointed. The term of office of a member of the NRC who is appointed during the BoC term of office will end simultaneously with that BoC term of office.

Duties and Responsibilities

The Nomination and Remuneration Committee is assigned and responsible to provide recommendations to the BoC with regards to the following areas:

1. Nomination policy:

- Prepare and provide recommendations on the appointment and/or replacement system and procedures for Commissioners and Directors, and Sharia Supervisory Board for submission to the GMS;
- Provide recommendations on prospective Commissioners and Directors, and Sharia Supervisory Board members to the BoC for submission to the GMS;

- c. Evaluate the performance and establish a development programme for the BoC, BoD and Sharia Supervisory Board;
- d. Provide recommendations on Independent Parties to be nominated as Audit Committee, Risk Oversight Committee, and Integrated Corporate Governance Committee members.

2. Remuneration Policy:

- a. Evaluate remuneration policy.
- b. Evaluation conformity between the remuneration policy and implementation.
- c. Provide recommendations to the BoC on:
 - The remuneration structure, policy and amount for the BoC, SSB, BoD and members of BoC Committees; and
 - The remuneration policy framework for executives and employees as a whole, as approved by the BoD.

3. NRC shall ensure that the remuneration policy takes into account:

- a. financial performance and fulfillment of reserves as stipulated in prevailing laws and regulations;
 - b. individual work performance;
 - c. fairness with peer group; and
 - d. consideration of the Bank's long term goals and strategies.
4. In the event that NRC members have a conflict of interest with proposed recommendations, then the proposal shall disclose the conflict of interest as well as the considerations underlying the proposal.

Activity Report 2016

Throughout 2016 NRC has carried out the following duties:

1. Conducted assessment and recommendations on prospective members nomination of the Directors, Commissioners, Committee and Independent Party proposed by the Shareholders by taking into account the skills, competencies, and experience. Furthermore, the recommendation was submitted and discuss in the GMS.

2. Provided direction and recommendation on the implementation of talent management in the company, to identify potential employees and create a succession plan for critical positions.
3. Provided recommendations and proposals to support the Talent Review Council programme and put emphasis more on the identified talent by giving a larger role as part of retention. NRC also advised the management to observe talent outside Jakarta region as part of efforts to support business growth.
4. Conducted evaluation and provided input on the assessment of Key Performance Indicators (KPI) on which the NRC advised the management to develop new indicators that are more represent the Bank performance and emphasised the unit achievements should be in align with the overall performance of the Bank.
5. Provided recommendations on POJK concerning risk basis remuneration including the definition of material risk taker, the impact of the new regulation towards the Bank sustainability and the method of payment
6. Conducted evaluation and provided input on Consumer Banking initiatives in strengthening the segments of Credit Card, Auto, and branch efficiency.
7. Provided recommendation on bonus distribution framework for employees, directors and senior management in a balanced and fair manner, based on the principle of fairness and objectivity according to the performance achievement
8. Provided recommendations regarding the management of underperforming employees by highlighting the importance of intense monitoring on the employee performance, consistent process and the impact on business.
9. Provided review and recommendation on the remuneration scheme for BoD, BoC, SSB and Committees Members in order to maintain the level of fairness and competitiveness to create a positive impact on the overall Bank performance.
10. Provided input for the improvement process of running a leadership development programme for both permanent employees and employees under development programmes.

Board of Commissioners Committees

11. Provided recommendations on management initiatives on new schemes for health care benefits to create the best output for employees as well as for the Bank.
12. Provided input on improvement to the nomination process of the BoD in order to acquire candidates with the best qualifications and align with the Bank internal succession plan.
13. Provided feedback to the management on the follow-up plan of the Employee Engagement Survey (EES) and the Internal Customer Satisfaction Index (ICSI) results to ensure the plan are on-target and effective.
14. Provided feedback on handling the Labour Union to reach mutual agreement and maintain a better relationship between management and Labour Union.
15. Provided input on the method implementation of Merit Increase, promotion and bonus payments that linked to KPI.
16. Conducted initial discussions and provided recommendations related to pension conversion plans by taking into consideration of the employee's aspirations, the pension fund investment method, the use of consultants and their impact on business and organisation.
17. Provided improvement processes so that risk evaluation is conducted not only by the Risk Management unit, but also by the Risk Oversight Committee.
18. Conducted discussions and provided recommendations for the capability development programme for the BoC and BoD.

19. Conducted discussions and developed a policy on the Nomination and Performance Assessment for the Commissioners, Directors, and Sharia Supervisory Board and Committee
20. Provided direction and recommendations related to the Integrated Corporate Governance Committee (ICGC). The main tasks of the ICGC is to evaluate the implementation of Integrated Corporate Governance through assessment of internal control and the implementation of integrated compliance, and made recommendations to the BoC on the nomination and improvement of IGC Manual.
21. Provided guidance and recommendation on Human Resource issues in general, such as problem solving of industrial relations issues, Top HR Operational risks that are reported quarterly, HR Metrics, and so forth.

The NRC reports its activities and recommendations to the BoC on a regular basis

Nomination and Remuneration Committee Meetings and Attendance

Pursuant to the NRC Charter, the NRC shall hold at least 10 (ten) meetings in a year. The meetings can only be held if attended by at least 51% of total members, including Independent Commissioner and HR Executive.

In 2016, the NRC held 12 (twelve) meetings with levels of attendance as follows:

Frequency of Meetings	Pri Notowidigdo	Ahmad Zulqarnain Onn	Armida S. Alisjahbana*	Zulkifli M. Ali**	Ananda Barata**	Slamet Sumantri**	Joni Raini
Total Attendance (include Telepresence)	12	12	9	3	3	3	12
Physical Presence	12	4	8	3	3	3	12

* Serves as a Nomination & Remuneration Committee member as of close of the AGMS on 15 April 2016.

** Term of office as member of the NRC ended at the close of the AGMS on 15 April 2016.

The composition, structure, and membership requirements duties and responsibilities, authority, organisation of meeting, and complete reporting are comprehensively stated in the NRC Charter, which has been uploaded to the Bank website.

Director's Successor

The NRC is responsible to any replacement or change of management of the Bank. NRC coordinates with controlling shareholder to propose candidates of the Bank management. This process is conducted in accordance to the applicable laws and regulations. It was proven at the rotation of the Board in 2014, in which the Director of Treasury & Capital Markets no longer served, that he was replaced by his successor. For long-term strategy, the Bank also carries out various ongoing training programmes. One particular programme to build next future leader candidates of the Bank is to place The Complete Banker (TCB) program's top graduate as director's assistance as they will be able to directly work with the BoD including the President Director and Vice President Director. The Directors will also be mentors during their early working life after graduating from the TCB program.

Criteria of Director or Commissioner Nomination

- Nominee for Directors or Commissioner may come from internal or external sources.
- Nominee should possess a solid background and high integrity, adequate ability, knowledge and experience in accordance with the field of work, and the ability to communicate effectively.
- Nominee should have sufficient knowledge to understand financial statements, Bank's business processes, risk management, and be knowledgeable with legislation related to capital market, banking, and other related legislation.
- Nominee should have at least 10 (ten) years of working experience with an adequate education background.

- Nominee should comply and exhibit qualities set forth in the Bank Code of Conduct.
- Nominee should meet all the requirements and criteria set by the applicable legislation, including the Law of Limited Liability Company, BI regulation on commercial banks, BI regulation on the Implementation of Good Corporate Governance for Commercial Bank's, BI regulation on Fit and Proper Test, and others.

Process of Selecting Directors and Commissioners

As stipulated in the provisions of Article 14, paragraph 2 of the Articles of Association, members of the BoD/BoC are appointed by the GMS based on nominees who meet the requirements in accordance with the Law of Limited Liability Companies and Banking Regulations.

The NRC or Shareholders may appoint external party (independent) to select the candidates for the Directors and/or the Commissioner. Then the independent party will further provide a number of candidates that meet with the qualifications required by the Bank to the NRC or Majority Shareholder. In this stage of selection, the NRC or Majority Shareholder shall consider each candidate (including identifying the skills, professionalism and characteristics of each candidate) so that with such identification, the gap or void in the Bank organisation can be filled.

The nomination process of the BoD and BoC appointed at the AGMS held on 16 April 2016:

1. The identification of nominees is undertaken by the NRC, or may be proposed by Shareholders (excluding the Independent Commissioners and BoC)
2. NRC will assess the nominee based on criteria that includes:
 - a. Track record includes sanctions that might have been imposed (if any),

Board of Commissioners Committees

- b. Formal and informal education background, including achievements and recognitions
 - c. Candidates competency to occupy the position of Director or Commissioner
 - d. Summary of previous work experience
 - e. Possession of loss credit/financing.
3. Based on the assessment, the NRC provides recommendations to the BoC to be approved/disapproved.
 4. Thereafter, the BoC decides whether to submit the nominee to the shareholders for approval at the GMS, and also presented to the OJK for a fit and proper test.
 5. Nominees are decided by the shareholders through voting process carried out individually by secret ballot.
 6. The candidate becomes effective after completing the above procedures and obtaining the approval of the shareholders at the GMS, and passing the OJK fit and proper test.



Pri Notowidigdo
Chairman



Ahmad Zulqarnain Onn
Member



Armida S. Alisjahbana
Member



Joni Raini
Member Concurrently as Secretary

Integrated Corporate Governance Committee

The Integrated Corporate Governance Committee (ICGC) was established to support the BoC in performing oversight of Integrated Corporate Governance implementation in the CIMB Indonesia Financial Conglomerate to comply with prevailing provisions and regulations.

Legal References

The establishment of the ICGC refers to the following regulations:

1. POJK No. 18/POJK.03/2014 dated 18 November 2014 on Integrated Corporate Governance for Financial Conglomerations.
2. SEOJK No. 15/SEOJK.03/2015 dated 25 May 2015 on Integrated Corporate Governance for Financial Conglomerate.
3. ICGC Charter.
4. The Articles of Association on duties and responsibilities of the BoC.

Integrated Corporate Governance Committee Charter

The ICGC of CIMB Niaga has a Charter, or guidelines, that governs membership, structure, authority, duties and responsibilities, meetings, activities and procedures.

The ICGC Charter has been effective since 21 August 2015 and has been uploaded to the Bank's website and is periodically reviewed to comply with prevailing regulations.

Structure and Membership

The membership, composition, and independence of the ICGC membership has comply with OJK regulation.

ICGC members were appointed based on Nomination and Remuneration Committee Recommendation No. 006/NOMREM/KP/III/2016 dated 23 March 2016 on approved by BoC Circular Decision No. 007/DEKOM/KP/IV/2016 dated on 6 April 2016 with latest amendment from Nomination and Remuneration Committee Recommendation dated 22 June 2016 and approved in BoC meeting dated 24 June 2016.

Integrated Corporate Governance Committee Membership Composition in 2016

No.	Name	Position	Position in the Committee
1	Jeffrey Kairupan*	Independent Commissioner of CIMBN	Chairman
2	Armida S. Alisjahbana*	Independent Commissioner of CIMBN	Member
3	Endang Kussulanjari S.**	Independent Party	Member
4	Serena K. Ferdinandus	Independent Commissioner of CNAF	Member
5	Albertus Banunaek	President Commissioner of CPAM	Member
6	Inarno Djajadi	President Commissioner of CSI	Member
7	Yulizar D. Sanrego	Sharia Supervisory Board of CIMBN	Member
8	Vera Handajani	Director of Risk Management of CIMBN	Member
9	Fransisca Oei***	Director of Compliance of CIMBN	Member
10	Restiana Linggadjaya	Chief Audit Executive of CIMBN	Member
11	Sri Hartina Urip Simeon****	Independent Commissioner of CIMBN	Chairman
12	Roy Edu Tirtadji****	Independent Commissioner of CIMBN	Member
13	Binhadi****	Independent Party of CIMBN	Member
14	L. Wulan Tumbelaka****	Director of Compliance of CIMBN	Member
15	Rudy Hutagalung****	Corporate Secretary of CIMBN	Member
16	Pri Notowidigdo*****	Independent Commissioner of CIMBN	Member & Acting Chairman

* Appointed at AGMS on 15 April 2016 and effective upon obtaining approval from OJK on 14 September 2016.

** Based on NRC recommendation in a meeting on 22 June 2016; approved by BoC meeting on 24 June 2016.





*** Appointed at AGMS on 15 April 2016 and effective upon obtaining approval from OJK on 27 July 2016.




**** Term of office as a member of ICGC ended at the close of the AGMS on 15 April 2016.

***** He served as a member of ICGC up to the AGMS on 15 April 2016 when appointed Acting Chairman up to 14 September 2016 when replaced by Jeffrey Kairupan.

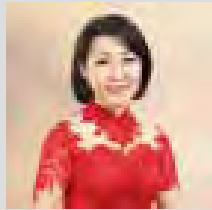
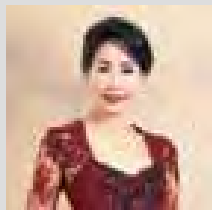

Board of Commissioners Committees

Qualifications and Profiles of Members of Integrated Corporate Governance Committee

Member Profile	Career Background	Education
 <p>Jeffrey Kairupan* Chairman</p>	<p>Appointed as Chairman of the Integrated Corporate Governance Committee since the AGMS on 15 April 2016. Detailed profile is listed in the Board of Commissioners Profiles</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 <p>Armida S. Alisjahbana* Member</p>	<p>Appointed as member of the Integrated Corporate Governance Committee since the AGMS 15 April 2016. Detailed profile is listed in the Board of Commissioners Profiles</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 <p>Endang Kussulanjari S.** Member</p>	<p>Indonesian citizen, 60 years old. Appointed as member of the Integrated Corporate Governance Committee since August 2016. Currently she also serves as a Commissioner of PT. PEFINDO Credit Bureau.</p>	<p>She holds a Master of Arts from the University of Colorado Boulder, Colorado - USA and a Bachelor of Economics from the University of Gadjah Mada, Yogyakarta, Indonesia.</p>
 <p>Serena K. Ferdinandus Member</p>	<p>Indonesian citizen, 56 years old. Appointed as member of the Integrated Corporate Governance Committee since March 2015. Currently, she also serves as Risk Management Committee member of PT. Elnusa Tbk since 2016, Independent Commissioner and Head of the Audit Committee of PT Bank CIMB Niaga Auto Finance since 2012, Member of the Audit Committee of PT Blue Bird Tbk since 2014, Commissioner of PT Anpa International since 2012 and Chief Audit Executive (Head of Internal Audit & Risk Management) of PT Ithaca Resources since 2009. Previously, she served as Audit Committee member of PT. Elnusa Tbk. (2015 - 2016), Audit Committee member of PT Chandra Asri Petrochemical Tbk (2009 - 2015) and PT Barito Pacific Tbk (2009-2013). She also held the position of Senior Vice President of Investment Banking Division at PT NC Securities (2002 - 2009), Vice President of Investment Banking Division and Direct Investment Division at PT Danareksa (Persero) and PT Danareksa Finance (1996-2001) and Manager of the Audit Division at Ernst & Young, Sarwoko & Sandjaja in Indonesia (1986 - 1995) and Ernst & Young, Dallas.</p>	<p>She holds a Bachelor Degree of Economics from the University of Indonesia.</p>

Member Profile	Career Background	Education
 <p>Albertus Banunaek Member</p>	<p>Indonesian citizen, 61 years old. Appointed as member of the Integrated Corporate Governance Committee since March 2015.</p> <p>Currently, he also serves as President Commissioner (Independent) of PT CIMB Principal Asset Management since 2011. He is also the Founder/CEO of AMConsult. Previously, he served as President Director of PT KAF Finance (1999 - 2003), Managing Director of CAF Finance (1997-1999), Chief Operating Officer of Ometraco Group (1992-1997) and held various positions in General Management, Consulting, Banking & Finance, including PT Jayapari Steel Tbk., Business Advisory Indonesia, HSBC Bank and BDN Bank.</p> <p>He previously held positions mostly in finance, banking and capital markets with his last position as Vice Chairman of the Capital Market Committee at the Chamber of Commerce of Indonesia (1992-2012). He also served as the Secretary General (1997-2004) in the Asian Leasing Association and as Chairman (1999-2004) and Secretary General (1995-1999) in the Indonesian Leasing Association. He also joined the Indonesian Justice and Unity Party (PKPI). In 2002-2008 he held various positions as Deputy Treasurer, Treasurer and last position as Coordinator IX for Eastern Indonesia (Bali, West Nusa Tenggara and East Nusa Tenggara).</p>	<p>He holds a Master of Law Degree from the University of Indonesia in 2006. The best graduate of the Indonesian National Defense Institute (Lemhanas, KRAXXXV/2002).</p>
 <p>Inarno Djajadi Member</p>	<p>Indonesian citizen, 54 years old. Appointed as member of Integrated Corporate Governance Committee since March 2015.</p> <p>Currently he also serves as President Commissioner/Independent Commissioner of PT CIMB Securities Indonesia since 2014 and President Commissioner of PT Kliring Penjaminan Efek Indonesia since 2013. Previously, he served as President Commissioner of PT Maybank Kim Eng Securities (2013-2014), as well as Commissioner (2010 - 2013) and President Director (2003 - 2009) of PT Kliring Penjaminan Efek Indonesia. In addition, he served as President Director of PT Madani Securities and Director in various companies including PT Widari Securities, PT Mitra Duta Sekuritas and PT Aspac Uppindo Securities.</p>	<p>Graduate with a Bachelor Degree in Economics from the University of Gajah Mada and obtained the certification as Securities Investment Manager in 1999 and Vice Underwriter in 2009.</p>
 <p>Yulizar D. Sanrego Member</p>	<p>Full profile listed in the Shariah Supervisory Board Profiles.</p>	<p>Listed in the Shariah Supervisory Board Profiles.</p>

Board of Commissioners Committees

Member Profile	Career Background	Education
 <p>Vera Handajani Member</p>	Detailed profile is listed in the Board of Directors Profiles	Listed in the Board of Directors Profiles.
 <p>Fransisca Oei*** Member</p>	Detailed profile is listed in the Board of Directors Profiles	Listed in the Board of Directors Profiles.
 <p>Restiana Linggadjaya Member</p>	Detailed profile is listed in Internal Audit Report (IAU)	Listed in Internal Audit Report (IAU)

* Appointed in AGMS on 15 April 2016 and effective upon obtaining approval from OJK on 14 September 2016.

** Based on NRC recommendation in a meeting on 22 June 2016 approved by BoC meeting on 24 June 2016.

*** Appointed based on AGMS on 15 April 2016 and effective upon obtaining approval from OJK on 27 July 2016.

Training for Independent Party of Integrated Corporate Governance Committee

No.	Name	Training/Seminars/ Workshop/Sharing Knowledge	Date and Place
1	Endang Kussulanjari S.	Refreshment Program for Risk Management Certification	11 April 2016 in Jakarta
		National Seminar on Internal Audit 2016	27 – 28 April 2016 in Bali
2	Inarno Djajadi	Sources for the Financial and Banking National Symposium on “Banking and Finance Sector readiness in Facing ASEAN Economic Community”	28 – 29 April 2016 in Jakarta
		Sources for the National Seminar on Indonesia Economic Outlook 2016	14 December 2016 in USU - Medan

Term of Office

The term of office of the IGCG shall be no longer than term of office of the BoC as regulated in the Articles of Association and members may be re-elected for one other term. The term of office of ICGC members appointed during an existing BoC term of office will automatically end with that BoC term of office.

Independence of Integrated Corporate Governance Committee

The members of the Integrated Corporate Governance Committee have met all independence criteria and are capable of performing their duties independently, highly upholding the interest of the Company without interference from any parties. These can be seen from the membership of the ICGC which comprises:

1. An Independent Commissioner who serves as a Chairman in one of the committees in the main entity, as Chairman and member;
2. Independent Commissioner who represents and is appointed from financial institutions within the Financial Conglomeration, as a member;
3. An independent party, as a member;
4. Member of Sharia Supervisory Board of financial services institutions of the Finance Conglomeration, as a member.

Duties and Responsibilities

Duties and Responsibilities of IGCG are to:

1. Evaluate the implementation of Integrated Corporate Governance by assessing the adequacy of internal controls and the implementation of the integrated compliance function;
2. Provide recommendations to the BoC of the Main Entity for improvements of the Integrated Corporate Governance Charter.

Activities Report 2016

During 2016, IGCG focused on performing the following evaluations:

1. Review Integrated Risk Management reports.
2. Review Integrated Capital Adequacy Ratio Report.
3. Review Integrated Internal Audit Report.
4. Review Integrated Compliance Report.
5. Prepare and submit Self-Assessment Report of Integrated Corporate Governance Implementation to Financial Services Authority regularly as of June and December 2016.
6. IGCG report the activities and recommendations to the BoC of Main Entity periodically.

IGCG reports their activities and recommendations to the BoC on a regular basis.

Committee Meetings and Attendance

The IGCG Charter stipulates that the IGCG shall hold meetings at least twice a year which is on 11 February 2016 and 12 August 2016. The meeting shall only be held if attended by at least 51% of the total members, including Independent Commissioners and Independent Parties.

During 2016, the IGCG held 2 (two) meetings, which includes the approval of the previous meeting's resolutions, discussion of matters that require to be follow-up refer to the previous meetings, and other matters that require attention, with the frequency of attendance as follows:

Board of Commissioners Committees

Name	Attendance at the ICGC Corporate meeting	Physical Presence	Attendance through teleconference or telepresence technology
Jeffrey Kairupan*	1	√	-
Armida S. Alisjahbana*	1	√	-
Endang Kusulanjari S.**	-	-	-
Serena Ferdinandus	2	√	-
Albertus Banunaek	2	√	-
Inarno Djajadi	2	√	-
Yulizar D. Sanrego	-	-	-
Vera Handajani	1	√	-
Fransisca Oei***	1	√	-
Restiana Linggadajaya	2	√	-
Sri Hartina Urip Simeon****	1	√	-
Roy Edu Tirtadji****	1	√	-
Binhadi****	-	-	-
L. Wulan Tumbelaka****	1	√	-
Rudy Hutagalung****	1	√	-
Pri Notowidigdo*****	2	√	-

* Appointed in AGMS on 15 April 2016 and effective upon obtaining approval from OJK on 14 September 2016.

** Based on NRC recommendation in a meeting on 22 June 2016 and approved by BoC meeting on 24 June 2016.

*** Appointed based on AGMS on 15 April 2016 and effective upon obtaining approval from OJK on 27 July 2016.

**** Term of office as a member of ICGC ended at the close of the AGMS on 15 April 2016.

***** He served as a member of ICGC up to the AGMS 15 April 2016 then appointed Acting Chairman up to 14 September 2016 then replaced by Jeffrey Kairupan.

The meetings in 2016 discussed the following agenda:

1. Confirmation of previous Minutes of Meeting of CIMB Indonesia Integrated Corporate Governance.
2. Discussion of the matters that required to follow-up refer to the previous meetings to identify and update their status.
3. Integrated Risk Management Report.
4. Integrated Capital Adequacy Ratio Report.
5. Integrated Internal Audit Report.
6. Integrated Compliance Report.
7. Integrated Corporate Governance Evaluation Report.
8. Others.

In addition to the meetings, the ICGC periodically reports their activities and provides recommendations to the BoC and BoD.



Jeffrey Kairupan
Chairman



Armida S. Alisjahbana
Member



Endang Kussulanjari S.
Member



Serena K. Ferdinandus
Member



Albertus Banunaek
Member



Inarno Djajadi
Member



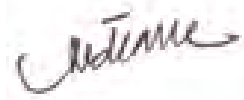
Yulizar D. Sanrego
Member



Vera Handajani
Member



Fransisca Oei
Member



Restiana Linggadjaya
Member

Board of Directors Committees

Executive Committees (“ExCo”)

Executive Committees operate at the BoD level and were formed to support the tasks and responsibilities of the BoD. In accordance with POJK (formerly Bank Indonesia), the Bank is required to have 3 (three) Executive Committees, namely the Risk Management Committee, the Asset and Liability Committee and the IT Steering Committee. However, as stipulated in the Charter of the BoD, the BoD also has the authority to establish other committees according to business needs. With the growing complexity of the business and the importance of good governance practices, CIMB Niaga has 6 Executive Committees:

1. Risk Management Committee (RMC)
2. Asset & Liability Committee (ALCO)
3. Information Technology Steering Committee (ITSC)
4. Operational Risk Management Committee (ORC)
5. Credit Policy Committee (CPC)
6. Capital Management Committee (CMC)

Other committees specifically formed by a specific Director (as part of his/her role) or by a certain appointed Director, (referred to as “Designated Director”), are the BDC, the MarCom, the PPC and the CIC with allocation of roles and responsibilities set out in the Terms of Reference (TOR) of each Committee.

The structure of membership and details of roles and responsibilities of the Executive Committees of CIMB Niaga are as follows:

Risk Management Committee (RMC)

RMC is responsible for providing recommendations to the President Director in formulating and refining policies, evaluating progress and the condition of the risk profile, as well as providing advice and remedial measures.

Structure and Membership

Chairman : President Director
 Vice Chairman 1: Director of Risk Management
 Vice Chairman 2: Director of Credit
 Members:

- Director of Operations & Information Technology
- Director of Compliance, Corporate Secretary & Legal
- Director of Strategy & Finance
- Director of Sharia Banking

- Director of Consumer Banking
- Director of Treasury & Capital Market
- Director of Human Resources
- Director of Business Banking
- Chief of Corporate Banking
- Chief of Commercial Banking
- Chief of Transaction Banking
- Chief of MSME Banking
- Chief Audit Executive
- Chief of Corporate Strategy

Duties and Responsibilities

The RMC has a wide range of responsibilities as the parent committee of the entire risk management system in the Bank. Duties and responsibilities of the RMC include to:

1. Develop and recommend policies and risk management framework, including risk management strategies and the Bank’s Risk Appetite Statement (RAS).
2. Assess the risk exposure and risk management of the Bank and its subsidiaries on a regular basis as well as on an incidental basis as a result of changes in external and internal conditions.
3. Approve the risk profile report, stress testing, including their synopsis and follow-up on risk mitigation.
4. Approve specific risk management policy in addition to other policies as approved by other Executive Committees.
5. Review capital adequacy of the Bank and its subsidiaries.
6. Provide approval of Bank limits as a whole or management action triggers (MAT), such as sector and industrial limits, VaR limits, and others.
7. Evaluate and approve treasury market risks, excess of market risk limit, changes in the process of measurement of market risks.
8. Make decisions on received reports by ALCO (Asset & Liability Committee), ORC (Operational Risk Committee) and CPC (Credit Policy Committee).
9. Obtain decision letters by the Business Development Committee (BDC), and Executive Committees related to new products and activities.

2017 Work Programme

1. Risk management policy approval and evaluation.
2. Increase Committee role in best risk management.

3. Increase meeting effectiveness with a focus on key risk issues.
4. Comply with BI /OJK Regulation relating to risk management.

2016 Work Realisation

1. Provided recommendations and approval of policy and risk management frameworks, including tcredit risk management model and policy stress test.
2. Approved market risk limit, operating limit for consumer products, and changes in the in-house limit.
3. Approved the review results and report parameter calculation of Risk Profile, Material Risk Assessment (MRA) and Risk Based Bank Rating (RBBR), CAR, Integrated Risk Management, Sector Appetite and ICAAP.
4. Evaluated condition and development of Bank portfolios, such as portfolio of plasma financing schemes, quality of assets of consumer portfolios, and increased watch list accounts.
5. Approved the score card model for credit card exposure at default, CNAF A-Score, and personal loan B-score.
6. Approved the results of stress testing conducted Bank-wide.
7. Discussed matters arising from the previous RMC meetings.

Asset & Liability Committee (ALCO)

ALCO supports the Board of Directors with the task of analyzing and evaluating the management of assets and liabilities, and related decision-making through the formulation of policies, strategies and objectives to ensure that assets and liabilities are well-managed to comply with regulator policy.

Structure and Membership

Chairman : President Director

Vice Chairman 1 : Director of Strategy & Finance

Vice Chairman 2 : Director of Treasury & Capital Market

Members:

- Director of Operations & Information Technology
- Director of Credit
- Director of Consumer Banking
- Director of Sharia Banking

- Director of Human Resources
- Director of Compliance, Corporate Secretary & Legal
- Director of Risk Management
- Director of Business Banking
- Chief of MSME Banking
- Chief of Transaction Banking
- Chief of Corporate Strategy Initiatives
- Chief of Commercial Banking
- Chief of Corporate Banking

Duties and Responsibilities

Review of Balance Sheet and NII

- To review and analyse the Bank's balance sheet plan by business, asset and liability mix, currency, growth, yield and margin;
- To review variations between actual and planned balance sheet and how these impact loan-to-deposit and other balance sheet ratios, and funding plan, and whether the Bank will remain within the established risk appetite;
- To review NII and NIM trends including forecasted positions, and variances from planned net interest rate margin, and detail any required actions as appropriate;
- To review the impact on earnings (NII) under both a base case and under stressed economic scenarios;
- To review and ensure the FTP is appropriate and acts as effective arbitrator between business lines in designing and implementing FTP to promote consistency across the Bank; and
- To review and approve pricing that requires regulatory approval or notification and pricing for current and new products to be in line with the Bank's strategic objectives and business plan.

Contingency Funding Plans

- To review the Contingency Funding Plan ("CFP") as an operational business plan and assess the capacity of the plan to ensure that any management action is realistic; and
- To ensure that early warning indicators are up-to-date and relevant.

Asset Liability Management

- To review ALM framework and policies to ensure they are appropriate for the size and complexity of the current and future operations of CIMB Niaga;

Board of Directors Committees

- To promote consistent policies and practices across the Bank;
- To approve Management Action Triggers (“MAT”)/ limits for liquidity risk and interest rate risk in the banking book;
- To set, monitor and review the hedging strategies of the banking units within CIMB Niaga;
- To review and ensure that the Bank’s risk profile is within established MAT/ limits for liquidity risk and interest rate risk in the banking book, including reviewing internal and regulatory stress testing results across material currencies and banking units within CIMB Niaga;
- To review and approve ALM risk model parameters and model validation results; and
- To identify and review liquidity and funding requirements and appropriate actions to address these requirements.

2017 Work Programme

1. Optimise the Bank’s balance sheet in order to reach optimum profit.
2. Maintain the Bank’s liquidity in accordance with balance sheet requirements and ensure liquidity is in compliance with internal and external regulations.
3. Ensure that the process of the Bank’s migration from BUKU 3 to BUKU 4 is going according to plan and prepare mitigation steps for any potential liquidity risk that may arise from such a process.
4. Monitor the implementation of Liquidity Coverage Ratio reporting systems in accordance with the regulator policy.
5. Maintain and monitor the risk of Interest Rate Risk in the banking book.
6. Conduct Contingency Funding Plan in accordance with policy.

2016 Work Realisation

1. Ensured that the Bank’s liquidity condition was at an optimal level through regular projection of loans and deposits spanning 3 months.
2. Adjusted the interest rate of third party funds and loan products to maintain competitiveness in the market.
3. Adjusted the FTP Sharia Banking level to increase business performance within the sharia segment.
4. Issued Negotiable Certificates of Deposit and senior bonds as alternative and diversified funding sources.

Bonds

Type	Date of Issue	Due Date	Coupon	Nominal
Sustainable Bonds II Phase I Year 2016 Series A	3 November 2016	13 November 2017	7.25%	IDR 432 Bio
Sustainable Bonds II Phase I Year 2016 Series B	3 November 2016	3 November 2019	8.00%	IDR 386 Bio
Sustainable Bonds II Phase I Year 2016 Series C	3 November 2016	3 November 2021	8.25%	IDR 182 Bio

NCD

Type	Date of Issue	Due Date	Coupon	Nominal
NCD II CIMB Niaga Year 2016 Series B	16 June 2016	13 January 2017	7.60%	IDR 230 Bio
NCD II CIMB Niaga Year 2016 Series C	16 June 2016	16 March 2017	7.80%	IDR 910 Bio

5. Prepared work steps related to liquidity risks in preparing the migration process of CIMB Niaga from BUKU 3 to BUKU 4.
6. Conducted contingency funding plan on 13 December 2016.

Information Technology Steering Committee (ITSC)

Role is to provide views and recommendations on policies of maintaining and developing technology and the information system in CIMB Niaga.

Structure and Membership

1. Committee membership consists of a minimum 3 Directors and added with other members as Directors/Board Management Committee in accordance with meeting agendas.
 2. Structure of committee member consists of:
 - Chairman : President Director
 - Vice Chairman 1: Director of Operations & Information Technology
 - Vice Chairman 2: Director of Strategy & Finance
- Members:
- Director of Risk Management
 - Director of Consumer Banking
 - Board Management Committee related according to the agenda.
 - Chief Audit Executive
 - Head of Unit Operations and/or the Information Technology

Duties and Responsibilities

1. To approve Information Technology (IT) Strategic Plan to be in line with the strategic plans of the Bank's businesses.
2. To determine priority and monitor the alignment of IT projects approved with the Information Technology Strategic Plan.
3. To monitor the appropriateness between IT project results with the plans and projections.
4. To ensure appropriateness of IT with the Bank's management information systems and business needs.
5. To review the effectiveness of efforts in minimizing risks on the Bank's investment in the IT sector so that such investment provides contribution to the Bank's business goals.

6. To monitor performance and efficiency of IT services and efforts to enhance those services.
7. To settle all problems related to IT that cannot be settled by the user and administrator in an effective, efficient, and timely manner.
8. To review and monitor IT security, including policy and mitigation of IT security risks.

2017 Work Programme

1. IT Strategic Plan review.
2. Priority determination and monitoring of IT Projects.
3. Monitor implementation and evaluate post-implementation of IT projects.
4. Monitor implementation of IT policies in accordance with the Bank's business activities.
5. Review IT budget and capital expenditures.
6. Efficient monitoring of IT services.
7. Review of IT problems.
8. Evaluation of IT security.

2016 Work Realisation

1. Decided on IT Strategic Plan 2017 in line with Key Initiatives.
2. Routinely monitored the development status of IT strategic projects in the Corporate Operating Plan 2016.
3. Evaluated post implementation review results of IT projects.
4. Set out IT policy implementation such as Disaster Recovery Testing Plan 2016, System Decommissions 2016, and Application Ownerships 2016.
5. Monitored expenditures related to IT strategic projects in the Corporate Operating Plan 2016.
6. Set out steps to improve IT services such as application performance through identification of Obsolete Operating Systems & Databases and improvement of the Remote Access Policy to shorten SLA when trouble-shooting.
7. Evaluated and provided solutions to IT problems.
8. Set out the IT security plan 2016 – 2018.

Board of Directors Committees

Operational Risk Management Committee (ORC)

ORC plays the role of managing operational risk policies, ensuring adequate operational risk in order to implement adequate control.

Structure and Membership

Chairman : Director of Risk Management

Vice Chairman 1: Director of Operations &
Information Technology

Vice Chairman 2: President Director

Secretary : Head of Operational Risk
Management

Members:

- Director of Credit
- Director of Compliance, Corporate Secretary & Legal
- Director of Treasury & Capital Market
- Director of Strategy & Finance
- Director of Consumer Banking
- Director of Sharia Banking
- Director of Human Resources
- Director of Business Banking
- Chief Audit Executive
- Chief of Corporate Strategic Initiative
- Chief of MSME Banking
- Chief of Corporate Banking
- Chief of Commercial Banking

Duties and Responsibilities

1. Approve the operational risk framework and policies to ensure that such framework is appropriate for the size and complexity of the operations of the Bank at present and in the future.
2. Conduct a review of the Bank's material operational risks and monitor the response and management measures in order to effectively manage operational risk.
3. Monitor the overall environmental risk control of the Bank's operations by:
 - a. Reviewing risk reports from each directorate;
 - b. Asking for and reviewing thematic reports.
4. Review and approve Bank operational policy including amendments that are extended to the ORC in accordance with need.
5. Take care of other important or critical items decided by ORC.

2017 Work Programme

1. Review and approve the operational risk management framework as well as other related policies and ensure that the framework and the policies have been adequately carried out.
2. Monitor the performance of the Bank in managing its operational risk by using various tools of operational risk management (ORM Tools).
3. Review the results of risk assessment evaluation submitted by each business/supporting unit in both conventional and by sharia banking, including subsidiaries, and provide direction and make the decision to remedy the control of environment and required development systems.
4. Improve monitoring functions, especially for critical and thematic operational risks to ensure that mitigation measures have been implemented in order to prevent any recurrences in the future, as well as corrective action taken, within the specified length of time.
5. Evaluate the implementation of the operational risk maintenance processes by ensuring effectiveness of the "Three Lines of Defense".
6. Review and monitor all project developments as well as initiatives that support the maintenance of operational risks.

2016 Work Realisation

1. Approved the policy enhancement related to new product approval and activities to simplify the approval process flow for new products and activities.
2. Conducted assessments of risk positions presented by each business and support unit, both conventional and sharia, as well as by subsidiaries and provided direction, and made decisions on, improvement of the control system development environment needed to monitor compliance, according with the appropriate target dates.
3. Reviewed results of the Business Impact Analysis 2015 and BCM Work Plan 2016 and approved the testing schedule for the Business Continuity and Disaster Recovery Plan 2016.
4. Reviewed and provided guidance on mitigating incidents of scrip counterfeiting which were rife

in 2016 by approved the scrip design changes to improve the security features of the scrip.

5. Discussed on operational risk events that had material impact and fraud cases in 2016, to ensure that a root cause analysis had been done, accompanied by mitigation action, as well as process improvements, to prevent recurring incidents.
6. Reviewed and discussed operational risk events on retirement loan activities, to ensure that risk mitigation measures and process improvements had been effected.
7. Performed review and discussion on joint review results related to Commercial & Wholesale Funding Middle Office.
8. Approved deviation proposals on Policy Instruction of Transactions through Fax (Custody Service). Reviewed transaction/escrow account reports to ensure corrective and preventive actions had been carried out to prevent misappropriation.
9. Reviewed the results of Legal review on accounts categorised as High Watch List to ensure adequate reviews had been done to minimise impact of operational risk events.
10. Monitored corrective action on documents to be obtained and exception reports associated with loans.
11. Approved Call Tree Automation, System Criticality Categorisation Assessment (SCCA), Framework BCM TOR, amendment of CMC composition, and results of SCCA in 2016 to ensure system critical applications had appropriate infrastructure and Disaster Recovery Plan.

Credit Policy Committee (CPC)

The CPC role is to assist the BoD in formulating credit policy, and provide suggestions for improvement related to loans. CPC policy also serves to ensure compliance with corporate governance principles in the areas of credit policy in the interests of the Bank and its stakeholders.

Structure and Membership

Chairman : President Director
 Vice Chairman 1 : Director of Credit
 Vice Chairman 2 : Director of Risk Management

Members:

- Director of Treasury & Capital Market
- Director of Consumer Banking
- Director of Operations & Information Technology
- Director of Compliance, Corporate Secretary & Legal
- Director of Strategy & Finance
- Director of Human Resources
- Director of Sharia Banking
- Director of Business Banking

Roles and Responsibilities

- a. Set out the direction of credit policy, including Risk Acceptance Criteria, process and loan approval, in a line with the Bank's risk appetite to encourage positive loan growth, taking into account prudential banking practices.
- b. Set out and ensure consistency from:
 - i. Bank compliance with credit management policies and prevailing rules, especially those governing significant risk exposure.
 - ii. Approve policies and strategies of the Bank's loan management, and;
 - iii. Monitor loan policy implementation.
- c. Approve the criteria of Bank appointment of members of the Credit Committee.

2016 Work Plan and Realisation

1. Loan Policy Perfection:
 - a. Conventional
 - i. Non-Retail:
 - Made changes to the process of loan policy for the non-retail sector related to the Debtor as included in the Anti Money Laundering (AML), book/ drawdown of loans for Debtor coming from loan take-over and checked against the Debtor's obligation to the Bank as a Lender, or to Non-Bank Lenders.
 - Treasury products related to Foreign Exchange (FX) Limit Programme.
 - Notification of the in-house limit of large debtors.
 - Changed lending model of factoring without recourse.
 - Changed appointment policy for third party appraisal related to offices of public appraisal.

Board of Directors Committees

- Changed counterparty policy related to internal audit findings on potential of interpretation differences of mixed-bank understanding.
 - Terms of Reference (ToR) of Preferred Private & Wealth Management (PPWM).
 - Changed approval authorisation on release of Import Usance Documents with Discrepancies, negotiation for non-customers for Correspondent Bank Bills Discounting (CBBB) product, and One Bank Technique.
 - Changed joint approval authority (Jointly Delegated Authority) and the Credit Committee and the Asset Quality Committee (AQC).
 - Reviewed on Loan Sale Approval, amendment to Foreign Exchange and Derivative Transactions Approval, and amendment to commercial policy related to Target Markets or Sector Appetites.
 - Amendment to policy and procedures of Third Party Appointments related to Insurance.
 - Amendment to trade finance products related to Correspondent Bank Bill Discounting (CBBB).
 - Policy of Champion Challenger.
 - Affirmation of Exception Policy (ER).
 - Amendment to Counterparty Policy related to Cross Limit.
 - Adjustment of Legal Lending Limit/MAT with Risk Appetite Statement (RAS) 2016.
 - Revision of commercial loan policy relating to third party cooperation for Notary/Officer of Land Deed (PPAT).
 - Revision of commercial loan policy relating to amendment of Delegated Authority (DA) as deviation of Loan Agreement (PK) of an amount that is not legalised by a Notary/PPAT.
 - Updated policy relating to Sector Appetite and Limits.
 - Revision of commercial policy (non retail) relating to High Risk Credit and Special Consideration Credit.
 - Additional provision relating to Referral Disclosure in Loans.
 - Affirmation of the usage of vendor for general insurance company and insurance broker company for non-retail segment.
 - Revision of Legal Lending Limit Policy.
 - Approval Authorisation relating to Modification Request in General Requirements for Credit (SUK).
 - Revision of authorisation of policy and organisation.
 - Amendment to credit policy relating to Accepting Share and Bond Pledging.
 - Rules relating to Acceptance of Share and Bond Pledging of CIMB Niaga (benchmarking result with other banks).
 - Revision of commercial loan policy, relating to Inclusion of Collateral Market Value in Loan Agreements.
 - Proposal to Revamp Lending Model for Distributor Financing.
 - Affirmation of BI checking regulation – SME loan programme.
 - Revision of requirements to provide Yearly Work Plan (RKAT).
 - Changes to Counterparty Policy relating to monitoring and reporting process.
 - Delegation of Authority (DoA) for the approval of lending programme –Value Chain Distributor Financing.
- ii. Consumer:
- In 2016 there were policy adjustments of retail products to external policies issued by regulators, the government and business strategies in accordance with the risk level defined by the Bank.
- b. Sharia:
- Revision of the iB Gold Pledge Policy (Rahn)-Financing to Value (FTV) and extension of financing in accordance with SEOJK No.36/ SEOJK.03/2015.
 - Approval of Working Capital for AR/ Inventory, PTK Extra and Cash Line.
 - SME Retail Lending Programme for sharia schemes.
 - Changes on Sharia Conversion Policy.

Capital Management Committee (CMC)

The CMC's role is to assist the BoD in directing and controlling the risks arising from capital management, with focus on Bank-only and consolidated.

Structure and Membership

1. Committee membership comprises all Directors plus executive officers appointed by the BoD.
 2. Structure of committee membership consists of:
 - Chairman : President Director
 - Vice Chairman 1: Director of Strategy & Finance
 - Vice Chairman 2: Director of Risk Management
- Members:
- Director of Credit
 - Director of Compliance, Corporate Secretary & Legal
 - Director of Treasury & Capital Market
 - Director of Operations & Information Technology
 - Director of Consumer Banking
 - Director of Human Resources
 - Director of Sharia Banking
 - Director of Business Banking
- Invitee : Chief of Corporate Strategy Initiatives
- Secretary : Head of Finance

Duties and Functions

Committee Duties

1. To set, achieve, and maintain safe and optimal capital targets, and efficient capital structure for the Bank.
2. Ensure diversification of capital sources.
3. Allocate capital efficiently among operational and business units, aligned with the long-term business strategy and relevant return of capital.

Committee Functions

1. Assess market conditions and solutions/instruments relating to capital management, such as optimal sources of fund and solutions to achieve the capital adequacy targets.
2. Develop and set up policies, strategies, and capital management procedures in accordance with the size, characteristics, business complexity and risk level of the Bank, as well as to ensure that the Bank maintains an adequate capital level to anticipate the risks of the Bank.
3. Ensure that capital management strategy illustrates capital needs, capital expenditure anticipation, capital targets, and expected sources of capital and are included in the Bank's Strategic Plan.
4. To ensure capital management strategies, policies and procedures are communicated and implemented Bank-wide.
5. To review and approve the limits of Internal Capital Target (ICT) ratio including the trigger ratio which is the minimum capital level that triggers the necessary remedial actions.
6. Review and approve the dividend payment target ratio to balance a secure capital adequacy and an efficient capital structure.

Board of Directors Committees

2017 Workplan

1. To manage a stable capital related to the Bank's new category as Bank BUKU 4.
2. To set annual Capital Adequacy Ratio (CAR) limit which is known as Internal Capital Target (ICT) and Trigger Ratio as a part of the capital limits that trigger actions for capital compliance.
3. Identify significant events and transactions, carried out by the Bank and determine the impact on the Bank's capital.

2016 Work Realisation

1. As a form of comprehensive capital supervision, ICT compliance to actual capital was monitored by RMC on a monthly basis. Determination of the ICT above had already included minimum regulatory levels in accordance with the Bank's risk profile, new regulation impacting minimum capital levels such as capital buffer, stress test simulations, projected business growth, and significant events or transactions as occurred in 2016.
2. CMC also identified significant events/transactions carried out by the Bank and determined the impact on the Bank's capital as a form of Bank capital management. Some significant events/transactions that were monitored closely by CMC as representative of the BoD were as follows:
 - i. Asset revaluation acknowledgement
 - ii. Impact of 1P intangible assets acknowledgement.

Director attendance at Executive Committee Meetings

No	Name	RMC	ORC	ITSC	ALCO	CPC	CMC
		Attendance					
1	Tigor M. Slahaan	10	10	6	33	13	3
2	Wan Razly Abdullah	12	9	6	36	11	4
3	Rita Mas'Oen	6	6	6	2	11	3
4	Megawati Sutanto	14	10	6	1	13	3
5	Vera Handajani	14	10	6	24	13	3
6	John Simon	14	11	5	43	13	4
7	Lani Darmawan*	8	6	5	27	7	3
8	Fransiska Oei*	6	4	4	1	7	2
9	Hedy Lopian*	4	4	3	8	5	2
10	Pandji Djajanegara	13	9	5	35	13	3
	Number of Meetings	14	11	6	50	13	4
	Minimum Number of Meetings	10	10	6	12	10	4

* Began to attend the meeting after being appointed at the AGMS on 15 April 2016.

Corporate Secretary

Corporate Secretary Profile



Fransiska Oei
Corporate Secretary

Fransiska Oei

Complete profile is listed in the BoD Profiles.

Legal Reference

Fransiska Oei, Compliance Director, was appointed as Corporate Secretary based on BoD Circular Letter No. 001/ SIR/DIR/IX/2016 dated 21 September 2016 to comply with OJK Regulation No. 35/POJK.04/2014 dated 8 December 2014 and IDX Regulation No. I-A dated 20 January 2014.

Her appointment was reported to OJK (both OJK Bank Supervisory and OJK Capital Market) on 23 September 2016 and announced to the public through the IDXNet (e-reporting) on the same day.

Corporate Secretary Term of Office

Based on the above appointment, Fransiska Oei was appointed as Corporate Secretary, effectively on 26 September 2016, which previously held by Budiman Poedjirahardjo from 1 March 2016 until 25 September 2016 who replaced Rudy Hutagalung.

Corporate Secretary Training

For the purpose of enhancing knowledge and gaining better understanding on the roles implementation, the Corporate Secretary participated in the following training/seminars/workshops in 2016:

Date	Workshop	Location	Organizer
21-22 April	Workshop & Certification of Banking Compliance for Executive Level	Jakarta	FKDKP – Forum Communication for Director of Compliance
4 May	2016 Indonesia Certificate in Banking Risk & Regulation Refreshment Program	Jakarta	The Risk Forum
2 June	Media Handling Skills Training	Jakarta	PT Maverick Solusi Komunika
9 August	2 nd Counter – Terrorism Financing Summit	Bali	PPATK – Center for Financial Transaction Reporting and Analysis
11 August	Panelist – Worskhop on Alternative Dispute Resolution Institution in Financial Services Sector	Jakarta	OJK - Financial Fervices Authority, LAPS -Alternative Dispute Resolution Institue & Australian Aid
27 October	Enhancing Corporate Governance Disclosure Policy and Practice Based on ASEAN Corporate Governance ScoreCard	Jakarta	IICD – Indonesian Institute for Corporate Directorship
15 November	Speakers at the seminar of 'Application of the APU-PPT regime in Indonesia: Evaluation and Perspectives for the Future'	Jakarta	Ernst & Young
29 November	Risk & Governance Summit 2016 'Ethical Governance, The Soul of Sustainability'	Jakarta	OJK
1 December	National Anti-Corruption Conference (KNPK): 'Reforming Law Enforcement and Transparent and Accountable Public Services'	Jakarta	KPK - Corruption Eradication Commission

Corporate Secretary

Organisational Structure of the Corporate Secretary



Corporate Secretary Activities in 2016

1. Monitored the development of Capital Market regulation, particularly the prevailing regulations in the Capital Market, such as to ensure the compliance with the new regulations issued by OJK, IDX and other regulators related to capital markets and inform as well as advice the BoC and BoC about the new regulations. Regarding among others:
 - POJK No. 27/POJK.03/2016 on Fit and Proper Test for Main Entity of Financial Institution.
 - POJK No. 29/POJK.04/2016 on Annual Report of Issuer or Listed Company.
 - SEOJK No. 30/SEOJK.04/2016 on Form and Content of Annual Report of Issuer or Listed Company.
2. Conducted and documented the AGMS held on 15 April 2016, Public Expose on 3 October 2016, and ensuring quarterly regular communications with investors through Analyst Meetings held physically or via conference calls on 24 February, 29 April, 29 July, and 28 October 2016.
3. Administered, and attended BoC monthly meetings, BoC quarterly meetings attended by BoD members, and BoC Committee meetings as well as prepared the Minutes of Meetings.
4. Administered and attended BoD monthly meetings and BoD quarterly meeting attended by BoC members as well as prepared the Minutes of Meetings.
5. Made changes/adjustments on Corporate Policy Manual, BoD Charter, and Conflict of Interest Management Policy in accordance with the prevailing regulations and implementation of Bank corporate governance.
6. Prepared disclosure of information for the public based on prevailing laws and regulations.
7. Administered and distributed all Bank's incoming letters to the respective Divisions/Units to be follow-up.
8. As liason officer between Bank and shareholders, investors, authorities or other stakeholders.

Disclosure of Information in 2016

In 2016, the Corporate Secretary submitted information to the public through mass media, IDX website and Bank website in both Bahasa Indonesia and English, and also submitted to IDX and OJK on regular or incidental basis as follows:

Periodic Reports

Types of Reports	Purpose	Report Period	Total
Monthly Reports of Securities Holder Register BNGA	IDX	Monthly	12
Consolidated Financial Statements of the Company and Subsidiaries	OJK & IDX	Quarterly	4
Annual Report	OJK & IDX	Annually	1
Annual Rating Report	OJK & IDX	Annually	2
Report on Foreign Currency Debt	OJK	Monthly	12
Financial Statements of Holding Entity	OJK	Semi-Annually	2
Annual Report of Holding Entity	OJK	Annually	1
Report from Related Parties	OJK	Semi-Annually	2

Ad-hoc Reports

Date	Reporting Topics
Jan – Dec 2016	Submitted 12 Reports on Information Disclosure of Certain Shareholders
5 January 2016	Acquisition of PT Kencana Internusa Artha Finance by PT CIMB Niaga Auto Finance.
12 January 2016	Preparation for the 13 th Interest Payment of Sustainable Bond I Bank CIMB Niaga Phase I Year 2012 Series B
12 January 2016	Realisation of Capital Participation Increase at PT CIMB Sun Life (CSL).
11 February 2016	Preparation for the 9 th Interest Payment of Sustainable Bond I Bank CIMB Niaga Phase II Year 2013
18 February 2016	Disclosure of Information regarding the Acceptance of Notification on the Amendment of the Articles of Association of PT CIMB Sun Life from the Ministry of Justice and Human Rights.
29 February 2016	Change of Corporate Secretary.
1 March 2016	Notification of Plan for General Meeting of Shareholders (GMS) of PT Bank CIMB Niaga Tbk.
8 March 2016	Submission of Advertisement Proof on the AGMS Announcement of PT Bank CIMB Niaga Tbk
16 March 2016	AGMS Notification (Correction) of PT Bank CIMB Niaga Tbk. Additional: Agenda of AGMS.
23 March 2016	Divestment plan of PT CIMB Sun Life by CIMB Group Holdings Berhad through CIG Berhad and PT Bank CIMB Niaga Tbk.
24 March 2016	PT Bank CIMB Niaga Tbk. AGMS Invitation
18 April 2016	Submission of Advertisement Proof on the AGMS of PT Bank CIMB Niaga Tbk.
19 April 2016	Confirmation on Preparation for the 14 th Interest Payment of Sustainable Bond I Bank CIMB Niaga Phase I Year 2012 Series B
19 April 2016	Disclosure of Information regarding the Release of CIMB Group on the Statement of Dato' Sri Nazir Razak who would take voluntary leave of absence from his position as Chairman of CIMB Group and Director of CIMB Bank.
19 April 2016	Resolutions of AGMS of PT Bank CIMB Niaga Tbk.
3 May 2016	Confirmation on Preparation for the 10 th Interest Payment of Sustainable Bond I Bank CIMB Niaga Phase II Year 2013 Series B
10 May 2016	Clarification the News of BNGA Shares Price in Newspaper
7 June 2016	Confirmation on Preparation for the 18 th Interest Payment of Bond I Bank CIMB Niaga Year 2011 Series B
7 June 2016	Confirmation on Preparation for the 22 nd Interest Payment of Subordinated Bond II Bank CIMB Niaga Phase II Year 2010 with Fixed Rate
24 June 2016	Confirmation on Preparation for the 24 th Interest Payment of Subordinated Bond I Bank CIMB Niaga Year 2010
1 July 2016	Disclosure of Information on Realisation of the Divestment of Shares in PT CIMB Sun Life
11 July 2016	Explanation on the Share Transaction Volatility

Corporate Secretary

Date	Reporting Topics
22 July 2016	Confirmation on Preparation for the 15 th Interest Payment of Sustainable Bond I Bank CIMB Niaga Phase I Year 2012 Series B
4 August 2016	Confirmation on Preparation for the 11 th Interest Payment of Sustainable Bond I Bank CIMB Niaga Phase II Year 2013 Series B and C
24 August 2016	Preparation of the Company for the Payment of the Principal of Sustainable Bond I Bank CIMB Niaga Phase II Year 2013 Series B
5 September 2016	Explanation on the Share Transaction Volatility of BNGA
7 September 2016	Change in the Composition of Shareholders of PT Bank CIMB Niaga Tbk.
9 September 2016	Preparation for the 19 th Interest Payment of Bond I Bank CIMB Niaga Year 2011 Series B
9 September 2016	Preparation for the 23 rd Interest Payment of Subordinated Bond II Bank CIMB Niaga Year 2010 with Fixed Rate
16 September 2016	Plan for the 2016 Annual Public Expose of PT Bank CIMB Niaga Tbk.
20 September 2016	Preparation for the 25 th Interest Payment of Subordinated Bond I Bank CIMB Niaga Year 2010
23 September 2016	Notification on the Change of the Corporate Secretary of PT Bank CIMB Niaga Tbk.
26 September 2016	Notification on the Change of Time and Place for Annual Public Expose of PT Bank CIMB Niaga Tbk.
26 September 2016	Plan for the 2016 Annual Public Expose of PT Bank CIMB Niaga Tbk. (correction)
27 September 2016	Submission of Material for the 2016 Public Expose of PT Bank CIMB Niaga Tbk.
29 September 2016	Plan for the 2016 Annual Public Expose of PT Bank CIMB Niaga Tbk. (correction)
4 October 2016	Submission of Proof of Summarised Prospectus Publication for Public Offering of Sustainable Bond II.
5 October 2016	Submission of the Report of the 2016 Annual Public Expose of PT Bank CIMB Niaga Tbk.
17 October 2016	Preparation for the 16 th Interest Payment of Sustainable Bond I Bank CIMB Niaga Year 2012 Series B
27 October 2016	Submission of Proof of Announcement of Correction and/or Supplement of Summarised Prospectus Public Offering of Sustainable Bond II Phase I, 2016.
2 November 2016	Submission of Prospectus and Proof of Announcement on of Correction and/or Supplement of Summarised Prospectus Public Offering of Sustainable Bond II Phase I, 2016.
7 November 2016	Preparation for the 12 th Interest Payment and Redemption of Principal of Sustainable Bonds I Phase II Year 2013 Series B
9 December 2016	Preparation for the 24 th Interest Payment of Subordinated Bond II Bank CIMB Niaga Phase II Year 2010 with Fixed Rate
9 December 2016	Preparation for the 20 th Interest Payment and Redemption of the Principal of Bond I Bank CIMB Niaga Phase II Year 2011 Series B
20 December 2016	Changes in Internal Audit
23 December 2016	Redemption of Bonds I Bank CIMB Niaga Year 2011 Series B.

Internal Audit Unit (IAU)

The Internal Audit Unit (IAU) manages the internal audit function in CIMB Niaga. The main duties of IAU are to ensure that the management process and operations of the Bank comply with the prevailing laws and regulations, and support the Bank's interests and vision. The IAU is also responsible for ensuring the adequacy and proper implementation of internal control process.

Internal Audit Charter

The IAU of CIMB Niaga adopt the Internal Audit Charter as the guideline defining its vision and mission, function and scope of work, responsibility, authority, accountability, independence, impartiality, and code of conduct. The IAU Charter is periodically reviewed and updated according to the organisation's requirements. The last reviewed and updated was carried out on 20 January 2016 and had been approved by the President Director and the BoC.

The Internal Audit Charter is developed to comply with POJK No. 56/POJK.04/2015 on Establishment and Guidelines for the Preparation of Internal Audit Charter, POJK No. 18/POJK.03/2014 dated 18 November 2014 on Implementation of Integrated Corporate Governance for Financial Conglomeration, and PBI No.1/6/PBI/1999 dated 20 September 1999 on the Assignment of the Compliance Director and the Application of Internal Audit Function Implementation Standard of Commercial Banks.

The Internal Audit Charter regulates the implementation of the audit function to ensure that:

1. Risks have been appropriately identified and managed.
2. Interactions with relevant governance groups have been well managed.
3. Important information on financial, managerial, and operational aspects is accurate, reliable and timely.

4. Employee conduct is in accordance with prevailing policies, laws and regulations.
5. Resources are acquired economically and used efficiently, and are adequately protected.
6. Programmes, plans and targets are well achieved.
7. A culture of quality and continuous improvement has been embedded in the control processes of CIMB Niaga.
8. Laws and regulations having a significant impact on CIMB Niaga are appropriately acknowledged and addressed.
9. Opportunities to improve management control, profitability, and the reputation of CIMB Niaga are identified and disclosed during examination

Appointment of Chief Audit Executive

The Chief Audit Executive was appointed by President Director with the approval of BoC effective on 1 March 2010 based on Decision Letter No. 085/MEMO/HR-OPS/II/2010. The appointment of Chief Audit Executive has been reported to Bank Indonesia and OJK (formerly Bapepam-LK), based on letter No. 002/Dlr/III/2010 dated 5 March 2010 and letter No.003/Dlr/III/2010 dated 5 March 2010, respectively. As an independent control unit, IAU reports directly to the President Director and to BoC in a matrix through the Audit Committee. The BoD also reserves the right to terminate the Chief Audit Executive if he/she is not considered competent in performing his/her duties based on the assigned responsibilities.

Internal Audit Unit (IAU)

Chief Audit Executive Profile



Restiana Linggadjaya
Chief Audit Executive

Restiana Linggadjaya

Chief Audit Executive

Indonesian citizen, 50 years old, appointed as Chief Audit Executive of CIMB Niaga since 1 March 2010 and concurrently as member of the Board of Management since 1 April 2014. Previously, she served as Chief Audit Executive of PT Bank Danamon Tbk since May 2004. She started her career in Citibank Indonesia in Financial Control (1990-1992), Foreign Exchange & Loans Deposit Operations (1992-1994) and Marketing & Product Development (1994-1996). She also had a career in PT ING Indonesia Bank as Assistant Vice President, prior to becoming Vice President – Head of Treasury, Cash Management & Custody Operations (1996-1998). She worked at ABN AMRO Bank as Vice President, Internal Audit (2000-2002). She also previously served as Financial Director at PT Asuransi Allianz Life Indonesia (2002-2004).

Graduated from Faculty of Economics, Trisakti University in 1989 and obtained her Master degree from Asian Institute of Management in Manila through a scholarship programme (1999-2000). She is a Certified Internal Auditor, Institute of Internal Auditors, Florida USA (2006) and Certified Risk Management Assurance (CrMA), Institute of Internal Auditors, Florida USA

(2013). She is also actively involved in being a speaker in Internal Audit seminars, both domestic and abroad. She was a member of the Supervisory Board, Institute of Bank Internal Auditors (IAIB) from 2008-2010 and 2011-2014. She also serves as Vice President of Institute of Internal Auditor (IIA) Indonesia for the period of 2014-2017.

Training and workshops attended in 2016 were Media Handling, Credit Process, Sharia Executive Program, Internal Audit Workshop, Media Handling with Talking, Capital Markets, Tax Amnesty and Tax Update, Corporate Governance, IRB and RAROC and IT Security.

IAU Human Resource and Professional Certification

As of December 2016, the number of internal auditors in IAU was 129 auditors, including the Chief Audit Executive. To improve their competency, the auditors are required to obtain a professional certification, such as the Qualified Internal Auditor (QIA). Other professional certification programmes that the auditors have obtained include the Certified Internal Auditor (CIA), Certified Risk Management Assurance (CRMA), Certified Information Systems Auditor (CISA) and a Certified Ethical Hacker (CEH), with the number of certifications obtained as follows:

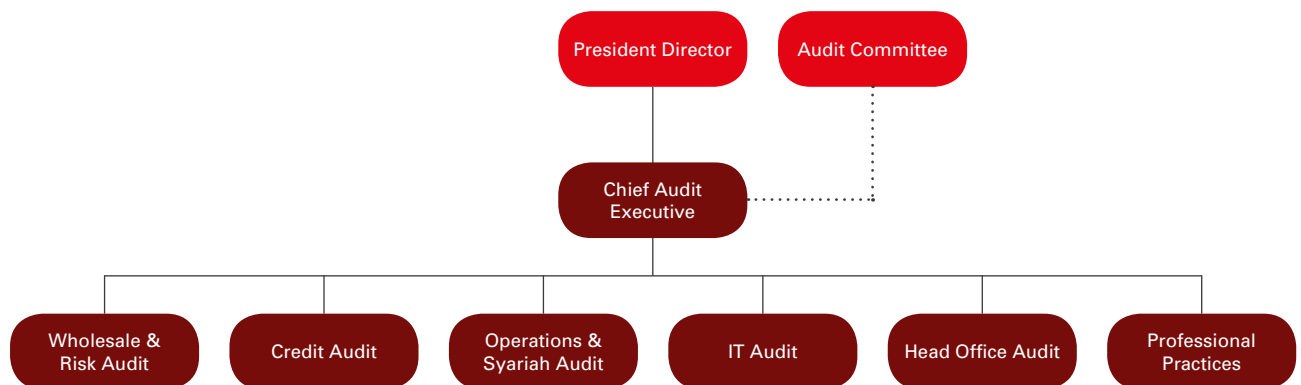
Certifications	Total Auditor
International Certification	
Certified Internal Auditor (CIA)	4
Certified Information System Auditor (CISA)	8
Certified Ethical Hacker (CEH)	10
Certified in Risk Management Assurance (CRMA)	3
Quality Assurance Review (QAR)	2
Certified in Risk and Information System Controls (CRISC)	3
Certified Risk Management Professional (CRMP)	1
Certified Information System Security Professional (CISSP)	1
Certified Forensic Auditor (CFrA)	1
Certified Incident Handler (CIH)	1
<i>Certified Objective for Information and Related Technology (COBIT5)</i>	2
<i>Certified Information System Manager (CISM)</i>	1
Certified Anti Money Laundering Specialist (CAMS)	1
Certified Internal Control Auditor (CICA)	1

Certifications	Total Auditor
National Certification	
Qualified Internal Auditor (QIA)	61
Risk Management Certification Level I	82
Risk Management Certification Level II	32
Risk Management Certification Level III	5
Risk Management Certification Level IV	1
Risk Management Certification Level V	1

In addition, the IAU has also continuously developed the skills and competence of its auditors by assigning them to various training, seminars and workshops within Indonesia and abroad. In 2016, a total of 592 auditors participated in 72 training programmes with total 13,248 training hours.

IAU Structure and Composition

Pursuant to PBI No.1/6/ PBI/1999 dated 20 September 1999 on the Assignment of Compliance Director and the Application of Internal Audit Function Implementation Standard in Commercial Banks, and POJK No. 56/ POJK.04/2015, the composition of IAU in the Bank's organisation structure is under the BoD.



IAU Roles and Responsibilities

The IAU has a role in providing an independent and objective assurance and consulting service that adds value and improves the operations of the Bank. The IAU assists the Bank in achieving its objectives by evaluating and improving the effectiveness of risk management, internal controls and governance processes.

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

1. Develop the annual audit plan based on a risk-based methodology, and submit the annual audit plan to the BoC and BoD through the Audit Committee for approvals.
2. Carry out the approved annual audit plan, including specific duties or projects requested by the BoD, or the BoC through the Audit Committee.
3. Ensure availability of sufficient number of audit staff with the knowledge, skills, appropriate experience and certifications to perform the audits.
4. Conduct audit activities and provide assessments on the efficiency and effectiveness of finance, accounting, operations, human resources, marketing, IT and other activities.
5. Prepare audit reports and submit the reports to the auditee with copies to the President Director, Compliance Director and other relevant units, as well as to the BoC through the Audit Committee.
6. Report periodically to the BoD and the BoC through the Audit Committee regarding the purpose, authority, and responsibility, and performance of IAU activity compared with plan. The reports shall also include identification of significant risk exposures and control issues.

Internal Audit Unit (IAU)

7. Prepare semester reports on audit results for OJK, no later than 2 months after the end of the period.
8. Report any IAU findings which could significantly disrupt CIMB Niaga business continuity to OJK.
9. Report external review results, and a general view of internal audit results, compliance with SPFAIB, and improvement measures to OJK.
10. Carry out follow-ups of audit findings and recommendations. All significant audit findings will still be considered "unfinished" until the findings are resolved.
11. Inform on status of corrective actions on audit findings and recommendations to the BoD and the BoC through the Audit Committee.
12. Inform the Anti-Fraud Management unit on indications of fraud identified by Internal Audit.
13. Develop and store verification papers in accordance with prevailing regulations.
14. Implement and report Quality Assurance and Improvement programmes (QAIP) that cover all aspects of internal audit activity. The QAIP Internal Audit includes the evaluation of compliance with the definition of Internal Audit and Standards, as well as the evaluation of auditor compliance with the code of ethics. The QAIP also evaluates the efficiency and effectiveness of internal audit activity and identifies opportunities for improvement.
15. Submit quality assurance and improvement programmes concerning Internal Audit activities.
16. In terms of Integrated Corporate Governance and the role of CIMB Niaga as the Main Entity that established the IAU, the duties of Integrated IAU (IIAU) are performed by the existing IAU with responsibilities as follows:
 - a. Perform audits of financial service institutions on an individual entity basis, collective basis, and based on reports from internal audit units of the financial service institutions.
 - b. Monitor and evaluate the conduct of internal audit units in each member of CIMB Indonesia Financial Conglomerate; coordinate with internal audit units of the members of CIMB Indonesia Financial Conglomerate based on functions; and compile IIAU audit results of from each member of the CIMB Indonesia Financial Conglomerate.

- c. Prepare and submit a performance report covering the roles and responsibilities of IIAU to the Director appointed to oversee the financial services institutions in the Financial Conglomerate, Compliance Director of the Main Entity, and the BoC of the Main Entity.

Participation in the Internal Audit Professional Association

To expand knowledge and develop professional competence of the internal auditors, the IAU has organised auditor participation in internal audit professional associations, among others are the Association of Bank Internal Auditors (IAIB), the Institute of Internal Auditors (IIA) - Indonesian Chapter, Information Systems Audit and Control Association (ISACA), Indonesian Association of Accountants (IAI).

Audit Activity Report 2016

During 2016, the Internal Audit Unit implemented its work plans with the following priorities:

1. Positioning itself as a partner for business and support units for the purpose of improving Company performance, particularly in corporate governance, risk management and internal control.
2. Continuing IAU role as a partner in the post-implementation of 1 platform.
3. Improving and developing CAAT's (Computer Assisted Audit Techniques) including review of exception reports to improve effectiveness and efficiency of data to support the conduct of audits.
4. Performing upgrades of the TeamMate system management audits to support effective and efficient audits.
5. Conducting consultative reviews of a number of processes and activities, such as the opening of mobile phone bank accounts through Sales Representatives (SR), Credit Administration, Sharia Dual Banking Leveraging Model and IT Projects.
6. Reviewing existing policies and procedures in IAU so as to remain updated and in conformity with prevailing professional standards.

During 2016, Internal Audit Unit completed audits according to the audit plan.

2017 Work Plan

For 2017, Internal Audit Unit has prepared its annual plan priorities as follows:

1. Conduct Thematic Audits for a number of audit activities.
2. Review the implementation of AML (anti-money laundering) and CFT (counterfeit transaction) activities in each business line and for business support.
3. Continue IAU's role as partner in the post-implementation of 1 Platform project.
4. Optimise the continuous auditing process to support all audit processes and continuous audit processes.
5. Continue IAU's role in providing consultative review to business and support units.
6. Review Quality Assurance by independent external parties.
7. Continue cooperation with each business line to support and improve Bank performance through good corporate governance, risk management and internal control by exercising IAU's role as business partner.
8. Review the existing policies and procedures in IAU to remain updated and in conformity with the prevailing professional standards.

To realise the work plan, IAU will continue to improve the competency of its auditors, to develop the methodologies, and to enhance and optimise the usage of audit tools.

Compliance Management

Profile of Compliance Management Head



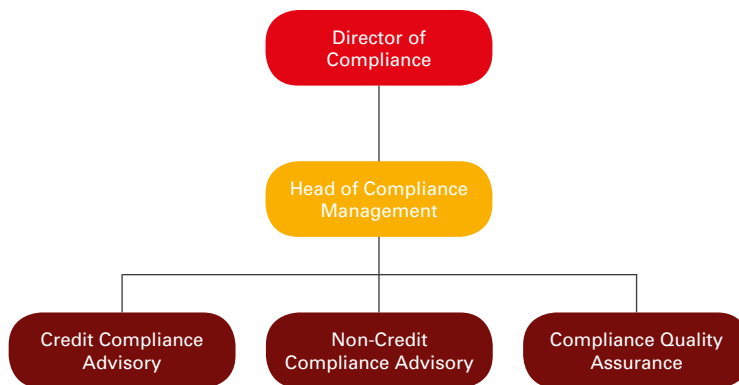
Liston Siahaan
Head of Compliance Management

Indonesian citizen, 48 years old. Currently serves as Head of Compliance Management of CIMB Niaga since October 2013. Previously he served as Risk Management Division Head at Bank Niaga and worked at Indonesian Bank Restructuring Agency, as well as at PT Pefindo. Graduated from Institute of Technology Bandung in 1992 and Master of Management from Prasetya Mulya Business School Jakarta.

Liston Siahaan

Head of Compliance Management

Compliance Management Organisational Structure



Compliance Principles

In line with Bank Indonesia Regulation No. 13/2/PBI/2011 relating to the Implementation of Commercial Banks Compliance, CIMB Niaga should manage compliance risks and assure a compliance culture for business activities. Compliance has an important role for the Bank, which operates in a highly regulated industry within a complex business environment. Compliance also embodies GCG to assess the soundness of the

Bank. CIMB Niaga is committed to comply with the prevailing regulations, through managing compliance risks based on the following core principles:

1. Start from the top,
2. Compliance is the responsibility of all parties,
3. Compliance is enforced for fulfilment of prevailing laws and regulations,
4. Compliance practice is in line with competency and integrity in accordance with responsibilities,

5. Oriented to the stakeholders,
6. Dedication to the Bank, and
7. Oriented towards problem solving.

Compliance Functions

CIMB Niaga has an independent Compliance Unit, which is directly responsible to the Compliance Director. The Compliance Unit is responsible for implementation of the compliance function and monitoring GCG implementation. To implement the compliance function, the Compliance Unit is responsible to assure that policy, regulation, system and procedures, and business activities comply with prevailing regulations.

Compliance Activities in 2016

Compliance Management has a strategic action to establish a Compliance Culture in all business activities and at all levels within the organisation, by:

1. Preparing and conducting compliance programmes to enhance compliance awareness through socialisation and training through electronic media and in-class (face-to-face) training.
2. Monitoring the prudential ratio.
3. Coordinating with the Sharia Supervisory Board (SSB) related to Compliance Function implementation in accordance with sharia principles.
4. Identifying, measuring, monitoring and controlling Compliance Risks through:
 - a. Compliance risk profile self-assessment to determine the Bank Risk Profile.
 - b. GCG Self-assessment Bank-only and consolidated with subsidiaries
 - c. Coordinating assessment of compliance risk conducted by the Risk Control Unit (RCU) and Designated Compliance & Operational Risk Officers (DCORO) in each business unit using the Compliance Matrix.
 - d. Validation of Compliance Matrix reports.
 - e. Monitoring action plans related to compliance concern in each working unit.
5. Review and/or provide recommendations on updates and refinements of the Bank's policies, regulations, systems, and procedures to comply with prevailing regulations including sharia principles, such as:
 - a. Socialisation of new or updated regulation to related units, including preparing gap analysis regarding current conditions.
 - b. Updating and managing the external regulation database.
6. Assess and evaluate the effectiveness, adequacy and suitability of the Bank's policies/ procedures, and as well as to assure that Bank policies, regulations, systems and procedures and business activities comply with the prevailing regulations as follows:
 - a. Conduct compliance testing for internal policies/ procedures (both new and old).
 - b. Conduct compliance testing for new products/ activities and also post implementation reviews on these new products/activities.
 - c. Providing advice/opinion/review on compliance implementation.
7. Performed other duties that relate to compliance functions such as:
 - a. Report compliance status periodically to management and regulators.
 - b. Coordinate regulator audits and monitoring activities.
 - c. Monitoring commitments to regulators.
 - d. Contribute in Banking Compliance Director Communication Forums (FKDKP).
 - e. Coordination with related units and CIMB Indonesia Financial Conglomeration members for reporting the Implementation of Integrated Corporate Governance and Integrated Risk Management.

Compliance Management

No	Compliance Activity	2016
1	Internalisation/Dissemination through:	
	a. CMG News	162 meetings
	b. Memos on Updating	91 memos
	c. In-class & e-Learning Training	3,258 participants
2	Compliance Opinion	1,737 opinions
3	Request of Monitoring Data from Regulators	379 data sets
4	Compliance Test on:	
	a. New Products/Activities	84 products and activities
	b. Policy and Procedure	68 policies and procedures
5	Conduct coordination with related parties, internal to CIMB Niaga as well as with Affiliates to harmonise compliance activities in the Financial Conglomeration of CIMB Indonesia.	

Compliance Indicators in 2016

- Capital Adequacy Ratio/CAR (credit risk, market and operational risk) was 17.64%, above the regulation threshold.
- No over limit or violations on Maximum Legal Lending Limit regulation.
- Net Non-Performing Loans (NPL) was 2.19%, under regulation threshold of 5%.
- Statutory Reserves of 6.76%, complying with minimum regulation threshold 6.5%.
- Foreign Exchange Statutory Reserves of 8.33%, complying with the minimum threshold of 8%.
- On and off balance sheet was 1.67%, complying with the maximum threshold of 20%.
- Commitments to external parties were principally fulfilled.

Anti-Money Laundering and Counter Terrorism Financing (AML and CFT)

Profile of AML and CFT Unit Head



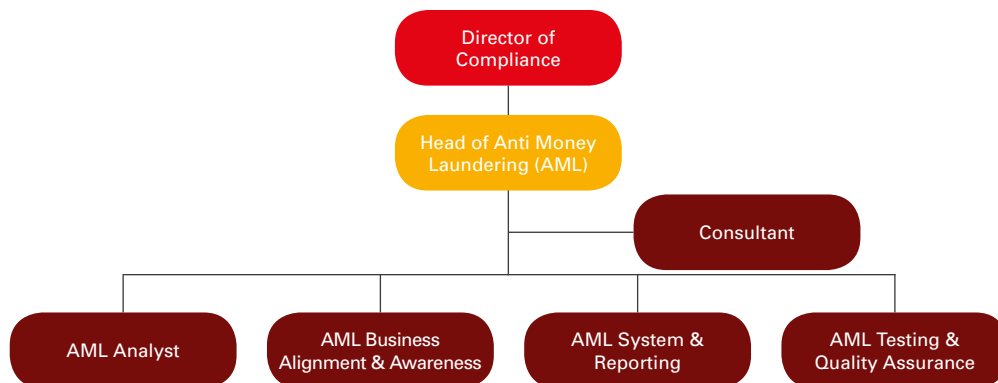
Entin Rostini
Head of Anti Money Laundering (AML)

Indonesian citizen, 52 years old. Head of Anti Money Laundering (AML) since December 2016. She has experience as a Compliance Head in Bank Chinatrust Indonesia and AML Head in Bank Danamon Indonesia. Graduate from Faculty of Economic University of Padjajaran Bandung majoring in Accounting and Master of Finance from the University of Gajah Mada Yogyakarta.

Entin Rostini

Head of Anti Money Laundering (AML)

Organisational Structure of Anti-Money Laundering And Counter Terrorism Financing (AML and CFT)



The financial services industry, particularly banking with a wide range of products and services, is vulnerable to the possibility for misuse as a tool for money laundering and terrorism financing. In managing its business activities, the Bank has committed to minimise the misuse of its products and services as a tool for money laundering and terrorism financing activities by implementing AML and CFT programmes

in accordance with prevailing laws and regulations as well as referring to general international principles.

Pursuant to the Law on Prevention and Countering Criminal Acts of Money Laundering No. 8/2010 of, The Law on Prevention and Countering Criminal Acts of Terrorism Financing No. 9/2013, Bank Indonesia Regulation No. 14/27/PBI/2012 dated 28 December 2012 and Bank Indonesia Circular Letter No.15/21/DPNP

Anti-Money Laundering and Counter Terrorism Financing (AML and CFT)

dated 14 June 2013, as well as other regulation issued by related Authorities, the Bank has established and implemented AML and CFT programmes, which are actively defined and monitored by the BoD and BoC, including:

1. Approval for the policies and procedures of risk-based AML and CFT according to Bank business complexity, which cover the following related provisions:

- a. Customer Due Diligence (CDD) to customer identification and update customer data, including a method to classify customer risk exposure to money laundering and terrorism financing, beneficial owner identification and customer data filtered using the Anti-Money Laundering Watch list (AML Screening).
- b. Continuous monitoring and analysis to identify suitability between customer transactions and customer CDD profile, including termination of business relationship and rejection of transactions in order to implement AML and CFT.
- c. Identification and risk assessment of money laundering and terrorism financing related to Bank products and services.
- d. Identification and Report to PPAJK for Suspicious Financial Transactions (LTKM), Cash Transactions (LTKT), Foreign Financial Transactions (LTKL), and Integrated Service User System (SIPESAT).
- e. New Employee screening procedures and employee transaction monitoring as implementation of the Know Your Employee (KYE) principle.
- f. Administration of CDD documents and other documents related to AML and CFT for a minimum of 5 (five) years after termination of the business relationship with customer.

2. Establishment of AML Unit responsible for the implementation of AML-CFT programmes

In carrying out its functions, the AML Unit is located at head office and reports directly to the Compliance Director. The AML Unit consists of employees with sufficient banking knowledge and experience in risk assessment and mitigation related to the implementation of AML and CFT

programmes. In addition, looking at the scale of the Bank, branch and certain business units form a local AML team, which currently consists of 3,380 employees.

3. Management Information System Implementation for AML and CFT

To monitor customer profiles and transactions, the Bank has an application to identify, analyze, monitor and provide reports on the characteristics of the transactions made by its customers, including suspicious transactions identification. Currently this application has been capable for comprehensively monitoring all customer transactions at the Bank, including credit cards, wealth management and custody. The application is equipped with parameters and thresholds, continuously updated in accordance to the evolving methods of money laundering and terrorism financing.

4. Mandatory AML and CFT trainings for Employees

AML and CFT training is mandatory to be regularly attended for all new and existing employees. The training is conducted in interactive methods whereby the materials are customized, based on the category of participants. In addition, AML unit employees are specifically provided with both domestic and overseas training and certifications of AML and CFT, to improve their competence in analyzing and mitigating AML and CFT risks.

5. Internal controls to evaluate the adequacy and effectiveness of the AML and CFT programmes

To ensure that AML and CFT programmes have been implemented in accordance with established policies, the Bank implements a self-assessment procedure for business units and other units, which will be validated by the AML Unit prior to reporting to the Compliance Director. In addition, audits for the AML and CFT programmes are conducted regularly by the IAU and by the regulators (OJK, BI, PPAJK, and BNM).

6. Reporting to relevant regulators on implementation of AML and CFT

Reports to PPATK and OJK for AML and CFT implementation conducted by the AML Unit at head office are in accordance with prevailing regulations, including the submission of customer data to the designated authorities.

During 2016, the AML and CFT programmes implemented by the Bank were as follows:

- a. Performed compliance testing for 119 new products, and 71 proposed policies and procedures relevant to AML and CFT implementation.
- b. Sent out 45 correspondences with other banks related AML and CFT.
- c. Provided 1,716 advisories related to AML and CFT to Bank business units and work units.
- d. Provided AML and CFT related training to ± 9,993 participants.
- e. Submit report to PPATK.

Types of Reports	Number of Reports
LTKT	107,543
LTKM	821
LTKL	601,171
SIPESAT	855,900

- f. Provided customer data to regulators and law enforcement in accordance with prevailing laws and regulations.

Regulatory/Law Enforcement	Number of Reports
PPATK	888
KPK	184

Public Accountant/External Auditor

Pursuant to OJK regulations, the appointment of the public accountant and the determination of audit fees are proposed by Audit Committee through GMS. More information can be found under GMS sections in this Annual Report.

Name of Public Accountant

Name of Certified Public Accountant: Drs. Muhammad Jusuf Wibisana, M.Ec., CPA.

Name of Public Accountant Firm

Tanudiredja, Wibisana, Rintis & Partners.

Effectiveness and Communication Frequency between Public Accountant and Directors

During the conduct of audit process by the Public Accountant, communication and cooperation between Public Accountant and the BoD is done intensively and regularly.

External Auditor Monitoring

In 2016, the consolidated financial statements of the Bank were audited by Public Accountant Firm, Tanudiredja, Wibisana, Rintis and Partners (member firm of the PricewaterhouseCoopers International Network) and it was the second year of the work. Previously, for the period of 2010 to 2014, the Public Accountant Firm of the Bank was Tanudierdja, Wibisana and Partners. The appointment of Tanudiredja, Wibisana, Rintis and Partners was made through a corresponding process in accordance with prevailing regulations. The appointment has been reviewed and supervised by the Audit Committee including the audit fees, which were stipulated on the basis of fairness.

The Audit Committee monitors the implementation of the external audit processes through regular meetings with the Public Accountant Firm to discuss all findings and progress during the audits by the Public Accountant Firm, to assist and to ensure that there are no potential obstacles during the audit process, evaluating the audit quality, assuring the audit process was in accordance with prevailing rules and standards.

Financial Statements Audited by Public Accountant and Public Accounting Firm Number of Period

Pursuant to Bank Indonesia Circular Letter No. 3/32/DPNP on The Relationship between Bank, Public Accountant Firm, and Bank Indonesia, the appointment of Public Accountant Firm can only be made for 5 (five) consecutive years unless it meets certain conditions and seeks the approval of Bank Indonesia. In 2016, Tanudiredja, Wibisana, Rintis & Partners served as auditor of the Bank for consecutively 2 (two) years.

The appointment of Tanudiredja, Wibisana, Rintis & Partners was approved by the Financial Services Authority (OJK) through Letter No. S-124/PB.332/2016 dated 9 August 2016.

Other Non-Audit Services Provided by the Public Accountant Firm

During 2016, no fees were paid to the Public Accounting Firm Tanudiredja, Wibisana & Partners for non-audit services.

Audit Fees

Total audit fee for the year of 2016 was IDR 12,685,000,000 including annual audit in the amount of IDR 7,626,300,000 and Bank's subsidiary (CNAF) audit for IDR 1,079,400,000, as well as interim audit pertaining to issuance of Sustainable Bonds II of Bank CIMB Niaga Phase I year 2016 in the amount of IDR 3,975,000,000.

Below is the list of Public Accounting Firm that has audited the Bank's during the last five years:

Year Examination	Public Accounting Firm	Person in Charge
2016	KAP Tanudiredja, Wibisana, Rintis & Associates	Drs. Muhammad Jusuf Wibisana, M.Ec., CPA
2015	KAP Tanudiredja, Wibisana, Rintis & Associates	Drs. Muhammad Jusuf Wibisana, M.Ec., CPA
2014	KAP Tanudiredja Wibisana & Associates	Drs. Haryanto Sahari, CPA
2013	KAP Tanudiredja Wibisana & Associates	Drs. Haryanto Sahari, CPA
2012	KAP Tanudiredja Wibisana & Associates	Drs. Haryanto Sahari, CPA

Internal Control System

CIMB Niaga has established an Internal Control System as a fundamental component in monitoring the Company's management, serving as a benchmark for sound and controlled banking operations. The Internal Control System supports the Company in achieving its performance goals, adds value for the stakeholders, minimises the risk of loss, and maintains compliance with prevailing laws and regulations.

CIMB Niaga's Internal Control System framework refers to COSO - (Committee of the Sponsoring Organisations of the Treadway Commission) – Integrated Internal Controls Framework in preparing the internal control baseline to ensure adequacy of operational and financial controls, financial reporting, operational effectiveness and efficiency, as well as compliance with prevailing laws and regulations.

Legal References

Internal Control System in CIMB Niaga is established in reference to the following regulations:

1. POJK No. 18/POJK.03/2016 dated 16 March 2016 on Risk Management Implementation for Commercial Banks.
2. SEOJK No. 34/SEOJK.03/2016 dated 1 September 2016 on the Application of Risk Management for Commercial Banks.
3. SEBI No. 5/21/DPNP dated 29 September 2003 on Risk Management Implementation in Commercial Banks.

Internal Control System Implementation and Compatibility with COSO - Internal Control Framework

CIMB Niaga's internal control structure is established based on two aspects – operational and financial control. Internal control of the Bank's operations and financial reporting refers to the international standard of Committee of Sponsoring Organisations of the Treadway Commission (COSO).

COSO states that internal control is a system or process undertaken collectively by the BoC and BoD, management, and employees to provide adequate assurance of control objectives achievement.

COSO – Internal Control Framework consists of 5 (five) control components:

- a. Control Environment
- b. Risk Assessment
- c. Control Activities
- d. Information and Communication
- e. Monitoring.

The following describes internal control system implementation in CIMB Niaga in reference to COSO:

1. Control Environment

BoC, through its established Committees, periodically reviews the control environment of the Company and conducts independent assessments, which will be communicated to the BoD for follow-up.

2. Risk Assessment and Risk Management

The BoD have established procedures to anticipate, identify, and respond to events and constraints that may affect achievement of the Bank's objectives.

The BoC, through the Risk Oversight Committee, ensures the implementation of sound risk management procedures by the BoD.

3. Control Activities

Policies and procedures of the main business and support units have been arranged and approved by the BoD, and are periodically reviewed and updated by the Risk Management Unit.

The Compliance Management is responsible to socialise prevailing banking regulations, test compliance with established internal policies, and to propose new products and activities. It also implements Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) procedures, and monitors the implementation of compliance through a designated officer verified by the Bank of Quality Assurance (BQA). The Compliance Management submits periodic compliance reports to the BoC, BoD and regulators.

Internal Control System

The Bank's executives periodically review the presence and effectiveness of controls, perform segregation of duties reviews, conduct regular data verification, and maintain and test the contingency plans.

4. Information and Communication

Data collection and information technology infrastructure generate reports of business activities, financial conditions, risk management implementation, and compliance with provisions that support the BoC and BoD in conducting their duties.

5. Monitoring

Directors, Executives, and Internal Audit conduct continuous monitoring of the overall effectiveness of internal control implementation. The monitoring of major risks is prioritised and has become part of the daily activities, including regular evaluation.

The Bank's Directors and Executives are committed to performing follow-ups on the recommendations from Internal Audit Unit.

Within the framework of the internal control system, CIMB Niaga adopted the concept of Three Lines of Defense, the latest implementation of control strategies in COSO - Internal Control Framework, which has been described in Risk Management section in this Annual Report.

Internal Control Statements

The BoC and BoD are committed to the implementation of GCG as the basis in achieving the Bank's objectives and enhancing its value. Ensuring the adequacy of the internal control system is a part of GCG implementation.

The BoD are responsible for implementing a good internal control system to achieve the Bank's objectives. The internal control system is a comprehensive process undertaken by:

1. BoD and all Executives that provide direction, guidance, and supervision,

2. Executive Committees,
3. Internal Audit Unit,
4. All employees.

The BoC is assisted by the Audit Committee is responsible for oversight on the implementation of internal control in general, including policies in place by the BoD, who establish the internal control system.

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

This internal control statement describes key elements applied to achieve the Bank's internal control objectives:

1. Effective and efficient operations;
2. Accurate and reliable financial statements;
3. Compliance with laws and regulations;
4. Safeguard Bank assets.

Evaluation of Internal Control Effectiveness

In 2016, CIMB Niaga maintained internal control according to control principles and this overall demonstrated that a reliable system of quality control is in place.

Issues related to the adequacy of internal control were reported to the BoD and follow-up measures were taken to minimise risks. Reports were also submitted to the BoC through the Audit Committee.

Risk Management

To perform risk management functions, CIMB Niaga has implemented risk management functions aligned with an Enterprise Wide Risk Management (EWRM) framework. EWRM is a comprehensive framework which includes risks management activities and business decision-making processes. One of the major components of the EWRM framework is a robust corporate governance to improve the four eyes principle mechanism and transparency within all risk management processes. In the risk management process, the Bank involves all levels within the organisation, starting from the BoD, senior management and all employees participating in the three lines of defense.

Risk is a major component of the business planning process, including deciding on the risk appetite, and risk posture of new products/activities all to assure alignment between corporate strategy, business growth, operational plans, capital requirements and risk. The Bank is optimizing risk management functions to support and affect business decisions related to pricing, allocation of resources, and other business decisions. As a result, the Bank expects to maintain credibility with customers, shareholders and other stakeholders.

The risk management process within EWRM covers identification of significant risks in business activities; risk measurement and aggregation through adequate methodology; sustainable management and continuous control; risk reporting to expose, evaluate and manage risks; and alignment of risk exposures with the Bank's risk appetite.

EWRM features continuous initiatives supported by an adequate risk management infrastructure, including to establishing and renew risk management policies and procedures and maintain risk levels within acceptable limits and adequate human resource and technology. EWRM is also supported by the Risk Management Unit, acting as an independent party.

Risk Identification and Measurement

CIMB Niaga adopts two methods in the risk identification process: risk profile assessment and Comprehensive Risk Assessment (CRA). Risk profile assessment refers to the standard methodology

required by regulators, while CRA is an internal approach, a comprehensive and sustainable risk identification process. In determining the categories of material risks, the Bank considers not only potential financial impacts, but also non-financial impacts such as reputation and compliance with regulatory requirements.

Types of Risk

Currently, based on the CRA assessment process the Bank manages nine major risk categories which are credit risk, market risk, liquidity risk, operational risk, strategic risk, compliance risk, legal risk, reputational risk, and interest rate risk in banking book, all aligned with risk types that have to be managed by the Bank under risk profile assessment process. Specifically for Sharia Business Unit (SBU), there are two additional risk categories which are return risk and investment risk, based on OJK Regulation No. 65/POJK.03/2016, dated 23 December 2016 on the Risk Management for Sharia Banks and Sharia Business Units, and in accordance with OJK Regulation No 17/POJK.03/2014 on Integrated Risk Management Implementation for Financial Conglomerations, the Bank also manages intra-group transactional risks.

CIMB Niaga measures and monitors these risks on a periodic basis to ensure that all risk mitigating strategies have been well implemented and that risk mitigation steps are effectively pursued within the Bank's risk appetite and risk tolerance. Risk measurement determines risk rating, risk scoring, sensitivity analysis on a portfolio of interest rate related instruments (DV01), NOP, LCR, EVE and stress testing by adopting best practice methodology. For operational risk, risk management is conducted through a variety of operational risk tools including Loss Event Data (LED) Management, Key Risk Indicator (KRI), Risk and Control Self-assessment (RSCA), review of new products and services, and Control Issue Management (CIM), which monitors corrective actions through gap control. The Bank performs periodic reviews for the assumptions used, sources of data, methodology and procedures adopted in quantifying risks, changes in business environment and market conditions, along with regulatory requirements.

Risk Management

Risk Management

Risk management activities are conducted under the EWRM concept by firstly identifying the risks presenting material impact on the Bank's products and activities in order to assign respective risk levels. Further, the Bank determines which risks to be managed, avoided, transferred or accepted by considering the risk impacts along with cost and benefits analysis.

As a part of risk management process, CIMB Niaga constantly assures the reporting process, with periodic review of the effectiveness of the Bank's risk management system conducted by the Risk Management Committee (RMC) and other Executive Committees, and the Risk Oversight Committee at the Board of Commissioners level. The evaluation results serve to improve the Bank's risk management process as followed-up by Risk Management Unit and other units. The Bank has committed to implement a comprehensive risk management system in accordance with prudential principles and good corporate governance.

Details of Risk Management are to be found in the Risk Management Report section in this Annual Report.

Evaluation of Risk Management System Effectiveness

The risk management process is evaluated by RMC, which has responsibility to implement the risk management framework. RMC is led by the President Director and consists of all BoD members and certain executive officers. During RMC meetings, comprehensive discussion covers monthly risk exposure reports and other specific matters such as risk appetite dashboard monitoring as a traffic light that related to risk-taking activities. RMC also reviews the ICAAP (Internal Capital Adequacy Assessment Process) to assess the Bank's risk-weighted capital adequacy, policies and procedures approval, integrated risk management, risk limit and modeling approvals, and methodologies adopted during the risk measurement process. Other Executive Committees also discuss specific risk issues such as the Asset Liability Committee (ALCO), Operational Risk Committee (ORC) and Credit Policy Committee (CPC), with all decisions well-documented.

In addition, evaluation of risk management strategies is performed by the BoC through the Risk Oversight Committee. Some risk related matters that require BoC's approval are risk management policy approval, composing of Risk Appetite Statement, and business unit risk level approvals for the current year.

Legal Issues/Litigation of Bank and Subsidiaries

Legal Issues

Legal issues of the Bank (excluding sharia cases, which are disclosed in the Sharia Business Unit Corporate Governance Report) in 2016 consisted of criminal and civil cases. The Bank's roles are as a Defendant in civil cases, and as Plaintiff in the criminal cases.

Civil

Legal Issue	Civil Case (Bank as Defendant)		
	2014	2015	2016
Total Cases	149	127	134
Resolved Cases (Final and Legally Binding Decisions)	25	14	13
Cases in Settlement Process (Position December 2016)	124	113	121

Related to civil cases, Bank litigation pertained most commonly to:

- Lawsuits brought by debtors or third parties on collateral pledged
- Lawsuits concerning bank guarantees, interest rate charges, requests to annul loan agreement, requests to disburse term deposits.

Criminal

Legal Issue	Criminal Case (Bank as Defendant)		
	2014	2015	2016
Total Cases	12	5	6
Resolved Cases (Final and Legally Binding Decisions)	6	3	1
Cases in Settlement Process (Position December 2016)	6	2	5

In criminal cases, the litigation involving the Bank pertain most commonly to:

- Reports from customers or third parties concerning allegations of banking crimes
- Reports from customers or third parties concerning allegation of forged letters or false statements, and statements of customer names on the Bank Indonesia Debtor Information System.

The following disclosure identifies cases valued above Rp10 billion

1. Lawsuit on Bilyet Deposit (697/Pdt.G/2010/PN.Jkt.Sel)	
Parties:	M - Plaintiff Bank - Defendant I and Defendant II
Subject:	Request to disburse the bilyet deposits to the Bank
Value:	- Material Rp11,000,000,000 and USD302,000 - Non-material Rp100,000,000,000
Status	Supreme court decided to reject the Lawsuit proposed by M (Plaintiff)

2. Lawsuit on Annul Loan Facility (160/Pdt.G/2010/PN.Jkt.Pst)	
Parties:	IS (Plaintiff) Bank (Defendant)
Subject:	Annulment of loan facility from the Bank
Value:	Material Rp98,800,000,000
Status	Decision of Appeal to the Supreme Court decided against the claim of IS (Plaintiff)

Legal Issues/Litigation of Bank and Subsidiaries

3. Lawsuit of Illegal Act (240/Pdt.G/2011/PN.Jaksel)

Parties:	SA (Plaintiff I) SP (Plaintiff II) BUG (Plaintiff III) SB (Plaintiff IV) SPP (Plaintiff V) BII (Defendant I) Bank (Defendant II) KD (Defendant III) MW (Defendant IV) DPK (Defendant V)
Subject:	This lawsuit is the same lawsuit motioned by the Plaintiffs and other ex-shareholders of KD against the Bank. The Court rejected the first lawsuit in its entirety and the Court's decision was final and binding. In this case, the Plaintiffs who are the ex-shareholders of KD, motioned a lawsuit against the Bank for the Bank's failure to exercise the Plaintiffs' option to repurchase KD's shares from the Bank as stipulated in the Decision of Settlement issued by Central Jakarta Commercial Court dated 25 May 1999 No. 01/PKPU/1998/PN.Niaga.Jkt.Pst jo No. 01/Pailit/1998/PN.Niaga.Jkt.Pst with respect to bankruptcy of KD.
Value:	- Material Rp400,000,000,000 - Immaterial Rp450,000,000,000
Status	Supreme Court granted the file petition for judicial review of the Bank (Bank won). Case is closed.

4. Lawsuit on Illegal 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) Bank (Defendant XVII)
Subject:	Plaintiffs motioned a lawsuit claiming that the Bank as the trustee agent in the issuance of subordinated bonds I BGI has committed illegal act.
Value:	- Material Rp10,600,000,000 - Immaterial Rp400,000,000,000
Status	On-going cassation process in the Supreme Court

5. Countersuit concerning on Debtor's Collateral Auction (365/PDT.G/2013/PN.Sby jo 886/Pdt.Plw/2013/PN.Sby)

Parties:	S & TS (Plaintiff) Bank (Defendant I) KPKNL (Defendant II) TI (Defendant III) HA (Defendant IV) AZA (Defendant V) SPS (Defendant VI) BPN (Co-Defendant)
Subject:	Lawsuit to postpone and cancel the auction concerning the execution of mortgage right
Value:	Material Rp15,891,636,000
Status	On-going cassation process in the Supreme Court

6. Lawsuit on non-payment deposits placed by the Bank as Custodian (297/PDT.G/2015/PN.JKT.SEL)

Parties:	HAM (Co-Defendant) BM (Defendant) Bank (Plaintiff)
Subject:	Bank acted as Custody Bank based on instructions from MI, in which HAM itself, however the license for MI has been revoked. Under the notice of OJK, the funds placed in Deposits at BM Jababeka have been lost.
Value:	Material Rp12,000,000,000 Immaterial Rp 3,200,000,000
Status	On-going cassation process in the Supreme Court

7. Lawsuit on Guarantee Auction & Seizure Objection (06/PDT.G/2016/PN.PBG)

Parties:	ER (Plaintiff I) RMS (Plaintiff II) YS (Defendant I) Bank (Defendant II) KPKNL Purwokerto (Defendant III) Notary SW (Defendant IV) Notary Sugiharto (Defendant V) BPN Purbalingga (Co-Defendant)
Subject:	Lawsuit on guarantee auction and seizure objection
Value:	Material Rp17,500,000,000 Immaterial Rp2,800,000,000
Status	Monitoring the decision of Supreme Court

8. Lawsuit on Illegal Act (253/PDT.G/2016/PN.JKT.UT)

Parties:	SGI (Plaintiff) Bank (Defendant X)
Subject:	Claiming for guarantee seizure request
Value:	Material Rp290,000,000,000 Immaterial Rp300,000,000,000
Status	Monitoring of the result of authentication hearing

9. Lawsuit on non credit disbursement objection (560/Pdt.G/2014/PN.Jkt.Sel)

Parties:	MH (Plaintiff I) EXP (Plaintiff II) D (Defendant I) FAI (Defendant II) BR (Defendant III) MR KPKNL (Defendant IV) AG KPKNL (Defendant V) Bank (Defendant VI) BPN (Defendant VII) Chairman of The Board Commissioners OJK (Co-Defendant)
Subject:	Claiming that the Bank has committed breach of contract relating to the disbursement of a loan during the merger and restructuring processes that made the Debtor become a Non-Performing Loan and the Plaintiff seeks for compensation
Value:	Material Rp133,000,000,000 Immaterial Rp500,000,000,000
Status	Monitoring if any possible appeal

Legal Issues/Litigation of Bank and Subsidiaries

Material Cases Involving Incumbent Members of The Boards of Directors and Boards of Commissioners

In 2016, there were no members of the Bank's BoD and BoC involved in a case and/or civil and/or criminal disputes.

Litigation Involving the Subsidiaries

CIMB Niaga Auto Finance (CNAF)

Legal cases of CNAF in 2016 consisted of civil and criminal cases. CNAF roles are as Defendant in the civil cases, and as Reported party in the criminal cases.

Civil

Legal Issue	Civil Case (Bank as Defendant)		
	2014	2015	2016
Total Cases	25	22	22
Resolved Cases (Final and Legally Binding Decisions)	16	14	7
Cases in Settlement Process (December 2016 Position)	9	9	15

Criminal

Legal Issue	Criminal Case (Bank as Defendant)		
	2014	2015	2016
Total Cases	18	18	20
Resolved Cases (Final and Legally Binding Decisions)	10	9	1
Cases in Settlement Process (December 2016 Position)	8	9	19

Material Cases Involving Incumbent Members of CNAF Boards of Directors and Board of Commissioners

In 2016, there were no members of CNAF's BoD and BoC involved in a case and/or civil and/or criminal disputes.

Impact of Legal Issues for the Bank and Subsidiaries

Litigation involving the Bank in 2016 did not materially affect the status, position, and business continuity of the Bank and Subsidiaries.

Administrative Sanction from the Financial Services Authority

During 2016, there were no material administrative sanctions affecting the business continuity of CIMB Niaga or administrative sanctions imposed on members of the BoD and BoC of CIMB Niaga.

Information Access and Corporate Data

Investor Relations

The Bank consistently builds a positive image by fostering relationship with investors/analysts through interactive communications or regular information dissemination, especially information on the Bank's performance. This information is delivered through analyst meetings, conference calls, and other media, including the Bank's website www.cimbniaga.com.

The main function of Investor Relations is to foster close relationships and interaction with investors, capital markets, and shareholders. The activities include:

- Development of communications strategy, particularly with investors, prospective investors, fund managers, and the capital market community in general.
- Preparation of material for the quarterly financial performance expose, analyst meetings, and teleconferences.
- Communicate the Bank's performance to external parties, such as investors, fund managers, and prospective investors.
- Maintain close relationship with investors, fund managers, analysts, and rating agencies.
- Coordinate the development, publication, and distribution of Annual Report to all stakeholders.
- Provide the Bank's data and information to investors and the capital market communities.

Social Media

Currently, CIMB Niaga has 6 (six) social media accounts, among others:

1. Facebook CIMB Niaga
2. Instagram CIMB Niaga
3. YouTube CIMB Niaga
4. Google+ CIMB Niaga
5. Twitter @CIMBNiaga and @Cimb_Assists.

These accounts are utilised as information disclosure channels of the Bank, such as brands, product promotion, tips, and other information. In addition, 4 (four) out of the 6 (six) accounts also respond to questions of fans/followers, both customers and non-customers of the Bank. Twitter accounts @CIMBNiaga and @Cimb_Assists are distinguished in term of their management @CIMBNiaga is managed by CIMB Niaga, while @Cimb_Assists is managed regionally by four countries, Indonesia, Malaysia, Thailand, and Singapore.

Throughout 2016, the Bank held a variety of communication campaigns that rely on social media as the communications channel. Several large-scale communication activities undertaken in 2016 include the seasonal communication campaign, the MASA? communication campaigns, and Leads Ads Facebook campaign for sharia and mortgages. These programmes are carried out with the aim of increasing awareness about the Bank, increasing the active participation of the fans or followers and acquire business leads in order to support business growth. In addition, the Bank also utilises social media to communicate the big events of CIMB Niaga, such as The Color Run presented by CIMB Niaga, 2017 Jakarta Fashion Week, and Equator Musical Drama.

The seasonal communication campaign is the activities undertaken to celebrate the seasonal momentum in Indonesia such as the Chinese New Year, Ramadan, Independence Day, Christmas, and New Year. In each of these seasonal momentums, the Bank launches a video as a material of communication and broadcasted on the official Facebook and Instagram accounts. During 2016, seasonal video campaign activities managed to reach over 30 million Facebook users.

To introduce a range of CIMB Niaga retail banking product excellence, in 2016 the Bank launched the MASA? communication campaign. The campaign is designed specifically in the form of a video series of 9 videos that featured national artists and famous stand-up comedian in Indonesia. Each video conveys the message about the advantages of CIMB Niaga retail products such as Savings, Mortgages and Credit Cards. More than 30 million viewers have watched the campaign's overall video series.

In the same year, Facebook also introduced its new feature, namely Facebook Leads Ads, whereby the Bank can install online registration form via Facebook through this feature. CIMB Niaga has become one of the companies that utilised this feature for the campaign of mortgages and Hajj Savings.

Information Access and Corporate Data

Another interesting activity carried out in 2016, the Bank made a new initiative involving internal staff. The concept of this initiative is the Bank conducting recruitment of 200 staff who are considered to have the potential to become CIMB Niaga brand ambassadors in the social media world. To support this activity, the Bank utilises an application that serves as a content library for the brand ambassadors and also as a tool to measure the performance of each ambassador. In the same year, the Bank also uses social media as a communications channel for conveying information as well as answering questions related to the enhancement to the Bank's main operational system, which was initialised at the beginning of 2016. This was carried out in order to assist customers in obtaining the clarity of information and assistance in the event of transaction issues during the system enhancement process.

With programmes in the Social Media, the number of fans on the CIMB Niaga Fan Page at the end of December 2016 reached 863,703 people, an increase of 13% compared to year-end of 2015. @CIMBNiaga twitter followers is 58,651 people, increasing by 72% from the end of 2015. As for the number of @CIMB_Niaga instagram followers reached 11,876 people, an increase of 118% compared to the end of 2015.

The role of social media as the Bank's communication channel is increasingly enhanced, subsequently becoming an effective communication channel to convey the message of the Bank or receive input from the public. The Bank's social media activities is run 24 hours, 7 days a week with response time of less than 5 minutes since the response was posted, making CIMB Niaga as one of the best in the banking industry in terms of social media response time.

Press Release in 2016

No.	Title	Date
JANUARY		
1	CIMB Niaga Uses New Core Banking System	19
2	Winner of the 2015 Regional CIMB ASEAN Stock Challenge Goes for London	20
3	CIMB Niaga Reports the 2015 Ayo Menabung dan Berbagi Program	28
4	CIMB Niaga Syariah Delivers Ambulance for Free Medical Services	29
FEBRUARY		
5	2016 Economic Forum: CIMB Niaga Ready to Support the Customers to Optimise Business and Investment Opportunities	4
6	The Global Startupbootcamp FinTech Acceleration Program is in Jakarta in the Search for the Best FinTech Business	5
7	CIMB Niaga Digitalised Banking Transaction	17
8	CIMB Niaga Offers State Retail Sukuk SR008	23
9	CIMB Niaga Reports BAU Net Profit of Rp856 Billion in 2015	24
10	CIMB Niaga Banker Heads BPJS Employment	24
11	CIMB Niaga Handed Over the Spend & Win Program Prize	27
MARCH		
12	2016, CIMB Niaga Implements AMDB in 10 Cities	2
13	Denpasar Initiates the 2016 CIMB Niaga City Integrated Program	7
14	CIMB Niaga Credit Card Users Reaches More Than 2 Million	14
15	CIMB Niaga Encourages the Recipient of Berinovasi dari Hati Scholarship	16
16	CIMB Niaga Divested 51% of Ita Shares in PT CIMB Sun Life	23
17	Meeting the Needs of the Community, CIMB Niaga Disbursed Rp23.3 Trillion for Mortgages	27
18	2015, CIMB Niaga Syariah Posts Positive Performance	30
APRIL		
19	CIMB Niaga Presents 'Untuk Bandung dari Hati'	6
20	CIMB Niaga AGMS Approved the 2015 Financial Statements	15

No.	Title	Date
21	Literate in Technology, CIMB Niaga Provides Learning Car for Elementary – High School Students	18
22	CIMB Niaga Presents 'Untuk Yogyakarta dari Hati'	21
23	7 August 2016, 'The Color Run Presented by CIMB Niaga' Warms Jakarta Up with Tropical Colors	22
24	Supermentor-11: CIMB Niaga Consistent in Developing Quality HR	23
25	CIMB Reinforces Aspiration to become the Leading Digital Bank in Indonesia	27
26	CIMB Niaga Reported Net Profit of Rp269 Billion in the First Quarter of 2016	29
	MAY	
27	Payment for AirAsia Indonesia Tickets Can Now Use CIMB Niaga Mobile Banking Accounts	10
28	CIMB Niaga Organises Sport Competition for Employees	13
29	CIMB Niaga Develops Cooperation with Cinemaxx Junior	17
30	CIMB Niaga Transaction Banking Obtains International Award	18
31	'The Color Run Presented by CIMB Niaga' Teaches 5K Runners to Lead a More Colorful Life	19
32	CIMB Niaga Develops Innovative and Comprehensive Retail Products	26
	JUNE	
33	Synergy of CIMB Niaga and UPH in Providing CFP® International Certification	2
34	CIMB Niaga and Mr Montir Organise Free Motorcycle Repair for 1,000 GO-JEK Riders	18
35	CIMB Niaga Presents 'Untuk Makassar dari Hati'	22
36	'The Color Run Presented by CIMB Niaga' Organised Writing Competition for Media Journalists and Bloggers	24
	JULI	
37	CIMB Niaga Appointed by the Government as Repatriation Funds Collecting Bank	21
38	CIMB Niaga Posted Net Profit of Rp736 Billion in the First Semester of 2016	29
	AUGUST	
39	Supporting Tourism, CIMB Niaga Handed Over TransJakarta Tourism Bus	7
40	'The Color Run Presented by CIMB Niaga' Thousands of Runners Illuminate Parkir Timur Senayan Jakarta	7
41	CIMB Niaga Launches the Wave n Go Credit Card	7
42	CIMB Niaga and ASABRI Cooperates for Pension Fund Payment	15
43	CIMB Niaga Strengthens the Treasury and Capital Market Businesses	31
	SEPTEMBER	
44	2016 Kompas Travel Fair, A Million of Holiday Packages for "Traveller"	2
45	CIMB Niaga Commemorates the 2016 National Customer Day	5
46	CIMB Niaga Savings Customers Drives Home a BMW 320i	8
47	CIMB Niaga Meeting the Free Float Regulation	9
48	Longest standing shares transaction competition in the ASEAN region organised by CIMB Niaga in search of the best securities dealers in South East Asia	20
49	CIMB Niaga Offering CIMB Niaga Continuous Bond II Phase I Year 2016	30

Information Access and Corporate Data

No.	Title	Date
	OCTOBER	
50	For the First Time, CIMB Niaga and Sinar Mas Land Present XTRA XPO	1
51	Bancassurance with CIMB Niaga Sun Life Financial Launches X-Tra Jaga Insurance to Mark the Expansion of the Bancassurance Agreement with CIMB Niaga	2
52	CIMB Niaga Presents the Equator Musical Drama: Recognizing the Country's Footsteps	4
53	CIMB Niaga Strengthens the Wealth Management Business	19
54	CIMB Niaga Supports the 2017 Jakarta Fashion Week	22
55	CIMB Niaga Reports a Net Profit of Rp1.3 Trillion in the First Nine Months of 2016	28
	NOVEMBER	
56	CIMB Niaga Syariah Launches iB Mapan Wakaf Savings	1
57	2017 Indonesian Economic Outlook: Continuing Reforms: Maintaining Resiliency and Spurring Economic Growth	10
58	CIMB Niaga Provides West Java Motor Vehicles Tax Payment Services Through ATM	14
59	Inspiring Love to the State through Arts, Cultural, and Historical Performance	18
	DECEMBER	
60	Offering iB Mapan Wakaf Savings, CIMB Niaga Syariah Collaborates with 7 Institutions	13
61	CIMB Niaga Facilitates Apartment Residents for Payment Transactions	14
62	Supporting the Youth, CIMB Niaga Granted Scholarship to 286 Students	16
63	2017 Economic Outlook: Global Threats Still Lurking	22

Code of Conduct

Bank upholds the highest levels of integrity as evidenced by having and implementing a standard of behaviour guideline in the Code of Conduct. The Code of Conduct sets out employees' responsibilities to achieve a high standard of professionalism and ethics according to the Bank's vision, mission and values. The Code of Conduct applies to all levels of the organisation, including the BoC, BoD and all employees.

Code of Conduct Objectives

The Code of Conduct has the following objectives:

- As a guideline in policy making, procedure formulation, and management practices within the Bank.
- As a guideline of conduct and actions in the performance of duties and decision-making.
- To provide an understanding of the expected conduct in employees' interactions with other employees, with the Bank, with customers, with competitors, and with other key stakeholders.
- To ensure consistency of behaviour in the performance of day-to-day responsibilities.

Code of Conduct Contents

The set of standards that relate to the Code of Conduct is as follows:

a. Conflict of Interest

All employees must not place themselves in a situation where their personal, family, or group interest comes into conflict or appearance of conflict with their obligation to the Bank. When a conflict of interest does confront an employee in the performance of his/her duties, they must disclose its existence promptly to the Bank.

b. Relationship with Customers

- Employees only offer products and services of the Bank, and other legitimate products that have been approved by the Board of Directors.
- Employees shall have adequate knowledge regarding the Company's products and their suitability to meeting customers' needs.
- Employees must ensure that the customers understand the products and services they propose to purchase and the alternatives, and all costs and downside risks related to the products or services.

c. Obligation to maintain confidentiality of the customers' information and personal data

A breach of confidentiality is considered a serious offence and may result in the assignment of penalties by authorities, lawsuits from customers, or lawsuits from law enforcement agencies.

- d. Prohibition from receiving gifts, rewards or entertainment.
- e. Prohibition from giving gifts, rewards, or entertainment as gratification to state officials.
- f. Prohibition against bribery of any form.
- g. Stipulation on relationships with vendors, suppliers and consultants.
- h. Obligation to be cautious with transactions that have a risk of money laundering and to report any transaction suspected of being money laundering to the AML CFT (Anti Money Laundering and Counter Terrorism Financing) Unit as well as to the PPATK (Financial Transaction Reporting and Analysis Center).
- i. Prohibition against the practice of insider trading with regards to the transactions of bond/stock/foreign exchange.
- j. Provisions regarding engaging in transactions of Bank's stock. Prohibition from abusing one's position to attain preferential treatment when purchasing or selling bonds/stocks/foreign exchange for his or her personal/family/group benefit, unless otherwise permitted by the Bank.

Statement on the Code of Conduct

The Code of Conduct is applicable to all employees of the Bank who have direct working relationships both permanent and non-permanent employees, including the BoC and BoD. The Code of Conduct sets out responsibilities of all parties at all levels of the organisation as well as being part of the Bank's commitment for GCG, which is supporting the Bank's achieving its vision and mission.

Code of Conduct

Code of Conduct Dissemination and Enforcement

To ensure that the Code of Conduct is understood and complied with by employees, the Bank regularly disseminates it through media provided by the Bank, and requests all employees to attest and comply with the Code of Conduct. In addition, the Bank's Code of Conduct is also uploaded to the Bank's website and internal web (e-Manual). The Bank also continuously monitors implementation of the Code of Conduct by providing a reporting channel accessible by:

- Email: ayo.lapor@cimbniaga.co.id
- SMS : +62878 296 52767 (+62878 AYO LAPOR).

The Bank imposes serious penalties on employees who breach the applicable policies of the Code of Conduct in the course of their work.

Type of Sanction and Number of Breaches of Code of Conduct in 2016

The Bank imposes penalties for anyone who violates the Code of Conduct and related policies or any applicable laws or regulations. During 2016, 201 employees were disciplined, with total of 209 sanctions letters issued with penalties ranging from Coaching, to Letters of Reprimand, Warning Letter 1, Warning Letter 2, Warning Letter 3, to Termination of Service.

No	Sanction	Total Sanction
1	Coaching	4
2	Reprimand Letter	46
3	Warning Letter 1	67
4	Warning Letter 2	12
5	Warning Letter 3	31
6	Termination	49
Total		209

Disciplinary and Breach Handling Policy

The Bank has in place policy to address internal breaches committed by employees, including stipulations of role and responsibilities of unit supervisors and managers. The policy also sets forth the role and responsibilities of a unit related to violations, as well as duties and responsibilities of the Sanction Committee.

In implementing the policy, the Bank does not focus only on enforcing penalties, but also exercises fairness by rewarding high-performing employees.

Counselling or sanctions are given to employees in accordance with the level of the offense that includes counselling, reprimand, written warning letter, or termination. To maintain the objectivity of sanctions, the sanction is determined by the Disciplinary Committee.

Whistleblowing System

One example of the Bank's commitment to internal control is the implementation of the whistleblowing system policy. The Bank has established and implemented the whistleblowing system along with the policy since 2011, and has gradually made improvements in both the reporting mechanism and the socialisation through media reporting.

Below is the mechanism and results of the whistleblowing system in 2016.

Reporting Channels

All parties, internal and external, can lodge reports (whistleblowing) of any breach to the Bank. The Bank has provided different reporting channels as follows:

- e-mail: ayo.lapor@cimbniaga.co.id
- PO Box: PO Box AYO LAPOR JKS 12000
- SMS to: 087829652767 (0878 AYO LAPOR)

The whistleblower is not required to include identity as well as proof of violations reported. However, if the whistleblower has evidence in the form of data, information, or an early indication about violations, it can be included when reporting. Each whistleblower must have a strong reason in reporting a violation or potential violation, and must have good faith.

Whistleblower Protection

Pursuant to the Bank's internal policy, the Bank guarantees the confidentiality of the whistleblower and shall protect the whistleblowers during the reporting period or upon the follow-up of reporting by a unit in charge of the investigation. To ensure confidentiality, the name of the whistleblower is only disclosed to and known by the appointed whistleblowing officer.

Whistleblowing Handling

The reports will be analyzed by the whistleblowing officer. Should additional information be required, the whistleblowing officer will initiate a confidential contact with the whistleblower to request the information. Once the initial information is considered sufficient, the whistleblowing officer submits a report to the working unit in charge for investigation to determine the validity of the report.

The whistleblower will receive further information on the progress of the reported incident up to the conclusion of the follow-up. However, if the initial reports are deemed irrelevant to the scope of the whistleblowing program, the whistleblowing officers will provide a response or notification that no further action will be taken and will inform the whistle blowers of the appropriate units that can follow-up the initial report.

The whistleblowing officer must administer the abuse report. For the purpose of supervision and investigation process, the report results are periodically submitted to the Risk Management Director and President Director with a copy to Compliance Director and Human Resources Director. The identity of whistleblower during the process shall be kept confidential throughout the follow-up and oversight process.

Whistleblowing Management

In accordance with the Bank's internal policy, an independent unit is currently specifically responsible to manage the whistleblowing reports.

Whistleblowing System

Whistleblowing Results

In 2016, 47 whistleblowing reports were received and followed-up. The details are as follows:

Whistleblowing Report Status		YTD 2016
Total WB Reports		47
A.	WB reports investigated	3
B.	WB reports not investigated (pre-CLOSED)	44
C.	WB reports investigated and concluded (Status CLOSED)	3
D.	WB reports under ongoing investigations (Status OPEN)	0
E.	WB reports PROVEN based on investigations	0
F.	WB reports PROVEN based on investigations and related to FRAUD	0

Goods and Services Procurement Policy

In discharging its function as a Bank, CIMB Niaga has adopted a policy for the Procurement of Goods and Services as the main reference for the conduct of procurement by all departments, either in the conventional bank or sharia business unit.

The policy is one of the embodiments of the GCG process in transparency on procurement, which ensures that procurement undergoes a bidding process, by observation of the following aspects:

- Implementation of the principles of transparency and avoidance of conflicts of interest;
- Maintain focus on the goal of obtaining the best quality goods or services and optimal purchasing efficiency through comparison of the quality and price offered by the Vendor.

The Procurement, Property and Admin Services (PPAS), under the Directorate of Strategy & Finance, is in charge of managing procurement by involving other units, including Legal, Finance, Internal Audit, and Bank Quality Assurance to ensure that the process is in line with the best standards of GCG.

The whole process of procurement is carried out by observing the prevailing procedures, which include authorisation and limit approval levels, classification, and job description and responsibilities within the goods and services procurement process in the Bank.

Activities related to criteria and selection of partners (Vendors)

Only vendors who have passed the verification test, as conducted prior to doing business with the Bank for the first time, can be invited to participate in the procurement of goods and services. Review of the approved listed vendors will be conducted regularly.

The vendor verification includes:

1. Ensuring the completeness of the vendor's business licenses, in compliance with prevailing external regulations.
2. Visiting the business location of the vendor.
3. Cross checking references.
4. Screening to determine whether the vendor is on Bank Indonesia's black list and Anti Money Laundering application.

Internal Fraud

The Bank has adopted an Anti-Fraud policy as described in the chapter of Risk Management section in this Annual Report, which is part of the Bank's system of Bank's internal controls and is considered intrinsic to the development of a culture of compliance and nurturing risk awareness of the potential and consequences of fraud in all levels of organisation. This policy defines the framework, governance, and implementation of the Bank's anti-fraud strategy to control fraud by taking into account the characteristics and range of potential fraudulent activities, and is implemented in form of the fraud control system.

The following table contains data of fraud committed by management, permanent and non-permanent employees related to work processes and operational activities of the Bank with a financial impact over Rp100 million. The financial impact of these fraudulent activities exclude funds that may have been subsequently recovered. CIMB Niaga has imposed appropriate penalties on the perpetrators.

Internal Fraud Case	Number of Cases Performed by					
	Management (BoC & BoD)		Permanent Employees		Non-Permanent Employees	
	2015	2016	2015	2016	2015	2016
Has been resolved	-	-	8	8	-	-
In the settlement process in the Company's internal	-	-	2	-	-	-
Yet obtained its completion	-	-	-	-	-	-
Has been followed-up through the legal process	-	-	1	4	-	-
Total Fraud	-	-	11	12	-	-

Note: This data is for financial impact of over Rp100 million

Transparency of the Bank's Financial and Non-Financial Conditions

CIMB Niaga meets the obligation governing transparency and publication of its financial and non-financial conditions in accordance with the prevailing regulations, through the submission and publication of information in the printed media and on the Bank's website, as follows:

1. Monthly Financial Reports submitted to the regulators are also published on the Bank Indonesia and Bank's websites.
2. Quarterly Financial Reports submitted to regulators, also published in printed media and on the Bank's website.
3. Annual Report of CIMB Niaga prepared and presented with due observance to the rules and regulations and submitted to regulators, rating agencies, banking development institutions, research institutions, financial magazines and published on the Bank's website.
4. Corporate Governance Information, including among others the Annual Corporate Governance Report, the Vision, Mission and Corporate Values, the Composition and Profiles of the BoC and BoD, and internal policies pertaining to corporate governance including Articles of Association and Committee Charters are all also published on the Bank's website.
5. Corporate Information and Products including its office network are published in the Annual Report and on the Bank's website to facilitate easy access by customers, investors and the general public about the Bank's products and services.
6. Information concerning Complaint Procedures, Information Security Policy and Tips for Customers in using banking services are published on the Bank's website for to comply with the consumer protection regulations.
7. Other information intended to support the disclosure of information, financial education and public service.

Share Buybacks and Bond Buybacks

In 2016, CIMB Niaga conducted no Share Buyback or Bond Buyback transactions.

Corporate Culture

Since the end of 2014, CIMB Niaga has been on a journey to develop its organisational culture. This was an important step for CIMB Niaga as culture needs to be in sync with strategy and operating model to realise the Company's objectives. CIMB Niaga's culture underlines the importance of delivering a better customer experience as well as improving the effectiveness of working together in creating synergies between units through a programme called A Better CIMB Niaga (ABC).

The ABC Culture emphasises the importance of 3 (three) critical behaviours as a way of each individual in the Bank, and is believed will support the acceleration of CIMB Niaga's progress towards a stronger company. The 3 (three) critical behaviours are:

1. Go the extra mile to delight customers,
2. Respect each other, engage openly and work together,

3. Recognise each other's efforts and always back each other up.

These 3 critical behaviours are aligned with the Bank's core values, namely: Customer Centric, High Performance Culture, Enabling People, Strength in Diversity, and Integrity.

ABC and 3 (three) critical behaviours are delivered/administered through various activities, such as:

1. Real action of the BoD that aims to directly discuss and listen to employees' aspirations in establishing better collaboration
2. Establishment of Informal Leader cells across conventional and sharia branches to transmit ABC's positive vibrancy.
3. ABC Roadshows to all employees in order to raise awareness and provide a better understanding of ABC.

Exposure to Related Parties

The provision of funds for the Bank's related parties (including the BoC, BoD subsidiaries and other related parties) is conducted properly with the fair market price and normal commercial terms (arm's length).

Provision of Funds to Related Parties refers to Bank Indonesia Regulation No. 8/13/PBI/2006 on Amendment to Bank Indonesia Regulation No. 7/3/PBI/2005 on Legal Lending Limit (LLL) for Commercial Banks. During 2016, there were no violations or breach of the LLL in the provision of funds to related parties of CIMB Niaga.

Customer Protection Policy

CIMB Niaga formed a Customer Care Unit (CC Unit) in charge to ensure that the handling and management of customer complaints related to CIMB Niaga products/services are conducted properly and in accordance with the regulations of Bank Indonesia and the Financial Services Authority on Standard Operation Procedure (SOP) on Settlement of Customer Requests/Complaints, updated in March 2016. Customer complaints are handled through various channels including branches, phone banking and social media. Each complaint is recorded in the Bank's comprehensive customer complaints monitoring system for follow-up to ensure the timely and efficient handling of the complaints. During 2016, 52,365 customer complaints were received, with a 90% Service Level Agreement (SLA) settlement level.

CIMB Niaga is committed to aligning its business strategy with efforts to protect customers rights and improve of quality of its products and services. To that end, the Bank undertook series of efforts to improve internal work processes by adopting Lean Six Sigma methods, to provide choices and convenience for customers to transact business through 24-hour Phone Banking services, as well as conducting an internal campaign "Service from the Heart", which aims to establish a customer-centric culture in all CIMB Niaga staff.

As an on-going effort to meet customer needs and to surpass their expectations, CIMB Niaga periodically conducts customer satisfaction surveys during complaints handling. Customer feedback is then incorporated in a variety of service quality improvement initiatives.

CIMB Niaga also active in thte Banking Mediation Working Group which includes Bank Indonesia, Financial Services Authority and other banks. The implementation of customer protection principles are also realised in the customer education programmes and activities, seminars on banking and financial inclusion services, Corporate Social Responsibility activities and other activities.

Anti-Corruption Policy

CIMB Niaga has Anti-Corruption Policy included in the Code of Conduct of CIMB Niaga, among others include:

1. Policy for Gratuities and Gifts.
2. Policy with Suppliers/Vendors/Consultants.
3. Whistleblowing System Policy.

In addition to supporting the implementation of the Anti-Corruption Policy, CIMB Niaga also has a programme "Ayo Lapor" set forth in the Whistleblowing System Policy.

Protection of Creditor Rights

In order to protect the rights of creditors, the Bank has implemented an honest and transparent information disclosure system, and has adopted a policy to ensure equal treatment, without discrimination, to all creditors. With the disclosure of information, all creditors and business partners have the right to obtain relevant information according to their needs, so all parties can make objective decisions on the basis of fair, reasonable and accurate consideration.

In order to guarantee that the rights of creditors are executed properly, these rights are set forth in the agreements entered into by both parties.

As part of the implementation of the rights of creditors, the Bank commits to fulfill its obligations as agreed in a timely manner and seek to avoid delays and omissions that could potentially be detrimental to both parties.

Dividend Policy

The Dividend Policy is stipulated in the 2016 Bank Business Plan submitted to the OJK where the Bank makes it possible to make a dividend payout at maximum level of 40% of the actual net profit of the Bank and by maintaining the minimum 2016 CAR at 17%. However, dividend payouts may be exercised by

taking into consideration the conditions and capacity of the Bank, as well as with regard to capital requirements and business continuity in order to maintain the Bank's business development in the future.

Conflict Management Policy (including Insider Trading)

The Bank has adopted a Conflict of Interest Management Policy which was revised in 2016. The purpose of this policy is to establish rules, to identify, minimize, and manage the potential of conflict of interest that may arise within the Bank as a result of business unit activities that obtain information about the Bank, customers and the CIMB Group.

This policy regulates the procedures for trading of Bank's and CIMB Group securities also to reaffirm the prohibition on the use of Insider Information (Insider Trading) for private securities transactions by employees and management (in this case the BoC and BoD). This policy also stipulates a blackout period during which employees and management are prohibited from transacting Bank shares.

Employees and management who plan to transact Bank or CIMB Group shares (except during the blackout period), are required to obtain prior approval from the Control Room (Corporate Affairs unit) at least 2 (two) working days before the planned transaction and Control Room of CIMB Group by filling out the employee transaction application form.

Likewise, if employees and/or management carried out a securities transaction, they are required to notify the Bank's Control Room (Corporate Affairs unit) within 2 (two) working days after executing the transaction.

This policy expects to mitigate the use of insider information for personal gain.

Funds for Social and Political Activities

The Bank's internal policy prohibits employees or the Bank's involvement in political activities, including provision of funds for political interests. This policy is in place to maintain the independence and professionalism of the Bank and employees. With

respect to social activities, the Bank believes that meaningful programmes in this area can generate positive and long-term impact to the public. Social activities are reported under the separate Corporate Social Responsibility section in this Annual Report.

OJK - Corporate Governance Guideline for Public Companies

Pursuant to OJK Regulation No. 21/POJK.04/2015 regarding the Implementation of Corporate Governance in Listed Companies and OJK Circular Letter No. 32/SEOJK.04/2015 concerning Corporate Governance Guidelines for Listed Companies, the implementation of 5 (five) aspects, 8 (eight) principles of good corporate governance, and 25 (twenty five) recommendations are required by OJK. CIMB Niaga hereby submits its responses regarding the implementation of the required OJK GCG aspects and principles based on either a “comply or explain” approach as follows:

Aspects	Principles	Recommendations	Implementations
1. Relationship between Public Companies and shareholders in Assuring the Rights of Shareholders	Principle 1: Increase the Value of General Meeting of Shareholders	1.1 Public company has the options or technical procedures of opened and closed voting, observing independency and the interests of shareholders	Complied The Company has formulated the GMS Rules uploaded in the Company's website 21 days prior to the GMS and distributed to shareholders upon entering meeting venue
		1.2 All members of the BoC and BoD of public company attend the AGMS	Explanation All members of the BoC, BoD attended the AGMS on 15 April 2016 except for 1 member of the BoC was unable to attend due to health problems
		1.3 GMS minutes available on the website of a public company for at least 1 (one) year	Complied On the same date of the GMS on 15 April 2016, the Company uploaded the GMS minutes including material information and resolutions of the meeting. GMS minutes from 2013 to 2016 is available in the Company's website.
	Principle 2: Enhancing Quality of Communications between the Public Companies with Shareholders or Investors	2.1 Public company has communications policy concerning its interaction with shareholders or investors	Complied The Company has a policy of communication with shareholders and investors (customers) set forth in the Code of Conduct and uploaded in the Company's web. The Company carries out such communication among others through the implementation of the GMS, Public Expose, Analyst Meeting, as well as providing public information including disclose accurate information, provided contact address in both the website and in the Annual Report, access to Social Media (Facebook, Twitter, Instagram), Call Center, so that shareholders and investors can easily communicate with the Company.
		2.2 Public company discloses its communications policy with shareholders or investors via website	Complied The Company disclosed communication policy with shareholders or investors (customers), including the address of the Company that can be contacted has been uploaded on the Company's web site. The communication policy was set forth in the Code of Conducts which is available in the Company's web site.

OJK - Corporate Governance Guideline for Public Companies

Aspects	Principles	Recommendations	Implementations
2. Function and Role of the BoC	Principle 3: Strengthen the BoC Membership and Composition	3.1 The determination of number of the BoC members considers the condition of public company	Complied Number of members of the BoCs complied with the provisions and take into consideration the needs, conditions and capabilities of the Company.
		3.2 The BoC composition considers diversity of skills and knowledge	Complied The composition of the BoC comprises diverse skills, knowledge, experience and citizenship which aims to support and maintain a competitive advantage.
	Principle 4: Enhance the Quality of the BoC Duties and Responsibilities Performance	4.1 The BoC has self-assessment policy to measure the board's performance	Complied The assessment policy of the BoC and Committees at BoC Level is set forth in the Nomination and Remuneration Committee Charter
		4.2 Self-assessment policy to appraise the BoC performance is disclosed in the annual report of a public company	Complied The BoC assessment policy is stipulated in the Attachment of the Charter of Nomination and Remuneration Committee, and results of the assessment of BoC is disclosed in the BoC Report of this Annual Report
		4.3 The BoC has the policy concerning members' resignation in the event that a member is involved in financial crimes	Complied Policies concerning the rights of BoC member to resign is stipulated under Article 17.6 of the Articles of Association, and in the Charter of the BoC. Resignation must be followed-up in the GMS. In addition, in the event of breach committed by the BoC members, the GMS reserves the rights to dismiss the BoC member at any time (for instance, the breach of financial crimes committed by the BoC members)
		4.4 The BoC or committee that exercises the nomination and remuneration function develop succession policy in the process of the Directors nomination	Complied Succession policy is stipulated in the Nomination and Remuneration Committee Charter and is also disclosed in the Report of the Nomination and Remuneration Committee in this Annual Report. Some of the Company officials that are recognised for their performance and competency have been nominated and appointed Director, including Ms. Megawati Sutanto (Credit Director) and Mr. John Simon (Director of the Treasury), who served until now.

Aspects	Principles	Recommendations	Implementations
3. BoD Function and Role	Principle 5: Strengthen the BoD Membership and Composition	5.1 In identifying number of the directors, public company considers its condition and decision making effectiveness	Complied Without compromising the decision making effectiveness of respective Director, the BoD membership considers: - The Company's financial condition and capacity. - Organisational needs and complexity as the fifth largest Bank in Indonesia which requires a balanced number of BoD.
		5.2 The BoD composition reflects necessary diversity of skills, knowledge, and experience	Complied The Company's BoD consists of individuals with diverse background of skills, knowledge, and experience. It can be seen from the profile of each BoD. The diversity of the BoD of the Company is required to enrich the culture, and fill the gap and void that may occur.
		5.3 The directors responsible for accounting or finance have relevant expertise and knowledge	Complied The Company's Finance Director, Mr. Wan Razly Abdullah is an expert and seasoned accountant with experiences in various foreign companies. He graduated from Institute of Chartered Accountants in England and Wales and is a holder of degree in Law and Accounting from University of Manchester, UK.
	Principle 6: Enhance the Quality of the BoD Duties and Responsibilities Performance	6.1 The BoD have self assessment policy to measure BoD performance	Complied In implementing strategy and monitoring the performance achievement, the Company applies Balanced Scorecard that converted to Key Performance Indicators (KPIs), adopting four perspectives of balanced scorecard: finance, customer, internal process, and people. The BoD performance is reflected from the level of the Company's soundness indicated by risk profile, Good Corporate Governance (GCG), profitability, and capital.
		6.2 Self-assessment policy to appraise the BoD performance is disclosed in annual report of the public company	Complied BoD performance is assessed using Balanced Scorecard approach that is converted into KPI, disclosed in the Report of the BoD section in this Annual Report.
		6.3 The BoD have a policy concerning member resignation in the event that a member is involved in financial crimes	Complied The Company has in place the Policy that stipulates the rights of BoD to resign under the Article 14.6. of the Company's Articles of Association and BoD Charter. The policy also stipulates the indication of financial crimes committed by the BoD, BoC, based on the resolution of BoC Meeting, is entitled to temporary dismiss member of the BoD which must be followed-up in the AGMS.

OJK - Corporate Governance Guideline for Public Companies

Aspects	Principles	Recommendations	Implementations
4. Stakeholders Participation	Principle 7: Enhance Corporate Governance through Stakeholders Participation	7.1 Public company has in place the policy to prevent insider tradings	Complied The Company has in place policy of stock trading by Insider namely Conflict of Interest Management Policy, which was uploaded on the Company's website and disclosed in Conflict of Interest Management Policy section (including Insider Trading).
		7.2 Public company has in place the anti-corruption and anti-fraud policies	Complied The Company has in place Anti-Fraud policy of its own and Anti-Corruption Policy which is included in the Code of Conduct, Gratuity Policy and Whistleblowing Policy as disclosed in the Anti-Fraud and Anti-Corruption section in this Annual Report.
		7.3 Public company has in place the policy on suppliers or vendors selection and capacity building	Complied The Company has in place policy on the selection of suppliers or vendors as disclosed in the section of Policy and Vendor Selection in this Annual Report.
		7.4 Public company has in place the policy to fulfill the rights of creditors	Complied The Company applies and respects the rights of creditors by adopting equal treatment to all creditors, exercise the rights and obligations on time, and no hidden corporate information (disclose).
		7.5 Public company has in place the whistleblowing system policy	Complied The Company has in place the Whistleblowing policy as disclosed in the section of Whistleblowing in this Annual Report
		7.6 Public company has in place the policy of longterm incentives for the directors and employees	Complied The provision of long-term incentives to Directors and employees through stock ownership program (EOP), Management Option Program (MOP), Equity Management Program (PEM) as disclosed in the Audited Statements for the fiscal year 2016. Additionally, the Company has also provided Employee Stock Option Program (ESOP).
5. Information transparency	Principle 8: Enhance Information Disclosure Implementation	8.1 Public company utilises range of information technology platforms other than website as channels of information disclosure	Complied In addition to website, the Company also uses other forms of IT such as Phone Banking and social media applications (Instagram, Facebook, and Twitter), as media channel for information disclosure.
		8.2 Annual report of public company discloses the ultimate beneficiaries of at least 5% shareholding in the public company, in addition to the disclosures of ultimate beneficiaries of shareholding in a public company through majority and controlling shareholders	Complied The Company has no other shareholders that own 5% of shares other than Majority/Controlling shareholder, as in the disclosure of shareholders of 5% or more and 20 largest shareholders disclosed in the section of Shares and Other Securities Information in this Annual Report.

Other Compliance to ASEAN Corporate Governance Scorecard

The Rights of Shareholders

- As stipulated in the Articles of Association, all shareholders of both Class A and Class B shares have the same rights to dividends, to vote for amendments to the Articles of Associations, for the issuance of new shares, etc.
- The Articles of Association also specify the right to transfer assets, which normally become due during a divestment or liquidation.
- Shareholders also have the right to vote at the AGMS to determine the salaries and allowances for the BoD and BoC.
- And the right to propose nominees to be Commissioners and Directors for shareholders that either individually or collectively hold at least 1/20 of the Company's issued or paid up shares.
- Voting by shareholders to determine candidates to be members of the BoD and BoC during the 2016 AGMS was done individually with CLOSED ballots.
- The voting procedure at the AGMS 2016 was disclosed in meeting rules of conduct posted on the Bank's website on March 24, 2016 (21 days before the AGMS) in conjunction with the call for the AGMS.
- For each of the agendas discussed, the Chairman of the Meeting gives an opportunity for shareholders to ask questions. All questions put to and answered by the Chairman of the Meeting, or authorised by the Chairman of the Meeting, have been noted in the Minutes of the AGMS.
- Key decisions of the AGMS were disclosed on the website and through the media on April 15, 2016 (same day with the GMS), and in printed media on April 18, 2016 (1 (one) day after GMS)
- Voting results (agree, abstain, and disagree) on each of the AGMS agendas are published in the Minutes of the AGMS. The Minutes also mention Directors and Commissioners who attended the meeting.
- The 2016 AGMS was attended by Mr. Zulkifli M. Ali, Independent Commissioner who was also Chairman of the Audit Committee.

- The GMS was held in a place that is easily accessible to shareholders either by private vehicle or by public transportation with an alternative route that is not subject to the odd/even car registration plate regulation.
- The method of decision making during a GMS is deliberation and voting is conducted if no agreement is reached through deliberation.
- Calculation and validation of votes cast by shareholders, and the deeds of the Minutes of the GMS are performed by independent parties, namely Registrar and Notary.

Equal Treatment to the Shareholders

- Article 13.2 of the Articles of Association stipulate that for voting rights and equality, holders of Class A shares with a nominal value of Rp 5,000 and Class B shares with a nominal value of Rp 50 both have 1 (one) vote for 1 (one) share.
- GMS decisions are made for each agenda item, with each agenda item covering one specific matter and each decision made shall not include multiple topics.
- Announcement, Notification, and the Minutes of the GMS are published in the media and any other matters related with GMS material are presented in 2 (two) languages, Bahasa and English, and are uploaded to the Bank's website.
- A Public Accountant firm which is proposed during the GMS is identified with its track record in similar types of work and later recommended by the BoD to the Audit Committee, after being analyzed including fee determination on the basis of fairness, the Public Accountant Firm is first approved by the BoC before being proposed to the GMS.
- In the event that the Bank has conflict of interest with the personal interests of any member of the BoD and/or BoC, then in accordance with Article 15.7 of the Articles of Association, and the Board of Directors Charter and the Board of Commissioners Charter, the Bank is represented by members of the BoD and/or BoC that do not have a conflict of interest.

Other Compliance to ASEAN Corporate Governance Scorecard

Stakeholders

- The Bank has always had a strong commitment to preserve the environment as stipulated in some policies such as environment-friendly credit policy, green banking office program, green banking socialisation, and environmental preservation through Corporate Social Responsibility (CSR) programmes concerning the environment, education, and philanthropy. Hence, this commitment will assist the Bank in preserving the environment by engaging the surrounding communities. The activities will also create interaction between the community/society and the Bank.
- In preparing remuneration such as salaries, allowances, benefits and other compensation for services of various components, the Bank applies the principle of internal balance, being competitive in the market, and the Bank's ability as set forth in its internal Human Resources (HR) policies.

Disclosure and Transparency

- The Bank always discloses to the public any material information that may influence the value of its securities or investors' decisions as stipulated in POJK No. 31/POJK.04/2015 on Disclosure of Material Information or Fact by Issuer or Public Company.
- The information disclosure should include parties, the relationship of each transaction, and the nature of each transaction.
- Information disclosed also includes quarterly financial performance, analysts meetings, and press conferences or press releases to the media, and through the Bank's website.
- The Bank's annual financial statements for financial year 2015 were published on 25 February 2016, and for financial year 2016 on 21 February 2017 (in less than 120 days).
- On its website, the Bank also discloses information about its products, businesses and services along with the other relevant information.

Responsibility of the Board

- Corporate Governance Policy is a part of the Corporate Policy Manual posted on the Bank's website together with attachments.
- Types of decisions that require approval from the BoC are disclosed in the Board of Commissioners authority section.
- Roles and responsibilities of the BoD and BoC have been set in the Articles of Association.
- The BoD was reviewed the corporate strategy for 2 (two) times per year, through the Budget Meeting as the basis for the Bank Business Plan (RBB), and the Midyear Budget Review before the middle of the current year as a basis to evaluate the Bank Business Plan Strategy.
- The BoC oversees the implementation of the Bank's strategy (in this case the realisation of RBB) to be further reported to the OJK.
- The Bank has disclosed its Code of Conduct which is posted on the Bank's website. The Code of Conduct stipulates that all employees, BoD and BoC must abide by the Code of Conduct.
- The Independent Commissioner must not have any second degree, including in-laws, familial relationship with BoD, BoC, and ultimate shareholders and shall be independent from ultimate shareholders.
- The Charters of the Audit Committee, the Risk Oversight Committee, and the Nomination and Remuneration Committee are available on the Bank's website.
- Independent Commissioners who serve members of Audit Committee are respectively Zulkifli M. Ali as Chairman and Jeffrey Kairupan as member, with both having experience in accounting. Zulkifli M. Ali previously served as Group Administration and Development Controller, and Jeffrey Kairupan had experience (among others) as Head of Bank Indonesia's Balance of Payments Bureau with his latest position being expert staff on the Board of Governors of Bank Indonesia.

- In accordance with the provision of point IV.4, the Audit Committee Charter has been posted on the Bank's website, where it states that the Audit Committee has the responsibility to recommend the selection, appointment, and dismissal of the external auditor.
- In accordance with the provisions of Article 16 and 19 of the Articles of Association, the Board of Directors and the Board of Commissioners shall hold meetings separately. According to Board of Commissioners Charter, Section VIII.1.1., the Board of Commissioners shall hold 1 (one) meeting per month, and 1 (one) meeting every 3 (three) months in which the Board of Commissioners invites the Board of Directors to attend. This also applies to the Board of Directors in terms of convening meetings.
- In accordance with Board of Commissioners Charter point VIII.1.6. and Board of Directors Charter point VIII.1.5, the material of the Board of Commissioners meetings must be submitted to members of the Board of Commissioners according to the time agreed. The agreed time is within 5 (five) working days prior to the meeting.
- The role of the Corporate Secretary in supporting the duties and responsibilities of the Board of Commissioners in accordance with point VIII.1.3 of the Board of Commissioners Charter is to attend Board of Commissioners meetings, and in accordance with Board of Commissioners Charter point VIII.2.1, to take the Minutes of Board of Commissioners meetings. As well as according to point VIII.1.2. of the Board of Directors Charter, the Corporate Secretary shall attend Board of Directors meetings and according to point VIII.1.6. Board of Directors meeting invitations shall be signed by the Corporate Secretary also in point VIII.2.1., the Corporate Secretary shall take the Minutes of Board of Directors meetings.
- The Head of Internal Audit is the employee assumes an independent role whose responsible and reports directly to the President Director.
- The Bank has one (1) female Independent Commissioner out of 8 (eight) Commissioners, and six (6) female Directors out of ten (10) Directors.

Integrated Corporate Governance Report

In order to support and create sustainable development of financial services institution, stable and highly competitive characteristics, the institution needs to implement GCG. The ownership or control in various financial services sectors increases the complexity of transactions and interaction among the financial services institutions in the Financial Conglomeration, which requires the implementation of Integrated Corporate Governance in order to improve the quality of GCG in the Financial Conglomeration.

Referring to the above explanation, Financial Services Authority (OJK) issued Regulation No.18/POJK.03/2014 dated 18 November 2014 and Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 on the Implementation of Integrated Corporate Governance for Financial Conglomeration, which aims to improve the quality of GCG in a Financial Conglomeration. The regulation stipulates the establishment of Financial Conglomeration, the appointment of a Main Entity in Financial Conglomeration, and the implementation of Integrated Corporate Governance (ICG) in a comprehensive and effective manner in accordance with the regulation.

ICG Programme in 2016

1. Maintain the ICG structure in compliance with the principles and provisions of Integrated Corporate Governance, at the level of Board of Commissioners, Board of Directors, Committees, Integrated Working Units, and through the policies and procedures in the respective entities.
2. Communicate information pertaining to ICG implementation transparently and share the results of the ICG self-assessments with stakeholders through the Annual Report.
3. Conduct socialisation of Integrated Corporate Governance principle with related units of the organisation
4. Conduct self-assessment on the implementation of ICG of CIMB Indonesia Financial Conglomeration.
5. Prepare reports related to ICG implementation.

ICG Realisation in 2016

1. Changed composition of the Financial Conglomeration, where in Semester I/2016, PT Kencana Internusa Artha Finance (KITAF) and PT CIMB Niaga Auto Finance (CNAF) a subsidiary merged.
2. Changed the composition of the membership of the ICG Committee.
3. Conducted self-assessment on the implementation of ICG of CIMB Indonesia Financial Conglomeration.
4. Submitted Implementation of Self-Assessment Report and ICG Annual Report to regulators.
5. Submitting the Integrated Risk Profile Report to regulators.
6. Aligned with members of the Financial Conglomeration during preparation of reports related to the implementation of ICG on each Financial Institution (FI), including Internal Audit, Risk Management and Compliance.
7. Held 2 (two) ICG Committee Meetings in 2016. Recommendations made by the ICG Committee on the implementation of ICG were as follows:
 - a. Recommended Integrated Risk Management Report, recommended documentation for ratings results by the integrated risk profile assessment using weighted rating approved by RMC of Main Entity (ME).
 - b. Recommendation for integrated Internal Audit Report, to provide explanations concerning gaps between the total audits plan with the total audit realisation, to be disclosed in the summary of audit plan and realisation.

ICG Self-Assessment Report

ICG Self-Assessment Method

ICG Self-Assessment is conducted semi-annually based on the self-assessment method. The assessment is conducted on 3 (three) aspects of governance: structure, process and outcome based on 7 (seven) Self-Assessment of Integrated Corporate Governance Implementation factors:

1. Duties and responsibilities of ME Board of Directors,
2. Duties and responsibilities of ME Board of Commissioners,
3. Duties and responsibilities of the ICG Committee,
4. Duties and responsibilities of Integrated Compliance,
5. Duties and responsibilities of Integrated Internal Audit,
6. Activities of Integrated Risk Management, and
7. Preparation and implementation of ICG Charter.

ICG self-assessment is conducted by members of the ICG Committee and Integrated Risk Management (IRM) Committee by evaluating the structure, process and results of ICG in each evaluation factor. In

addition, CIMB Niaga as the Main Entity (ME) also considers the data and other information obtained from other units such as Risk Management, Internal Audit, Corporate Affairs, Human Resources, and other business units as affiliates parties, as validation factors in ICG self-assessment in the CIMB Indonesia Financial Conglomeration.

ICG Self-Assessment Results

ICG self-assessment results for the period ending December 2016 is rated "2" (Good), which mean the Financial Conglomeration implementation of integrated corporate governance is overall good. This is reflected by the sufficient adoption of ICG principle implementation; however, there is still weaknesses in the implementation. In general the weaknesses are less significant and can be resolved by Main Entity and/or the members of FI of CIMB Indonesia Financial Conglomeration.

The results of self-assessment of ICG implementation in CIMB Indonesia Financial Conglomeration are as follows:

Self-assessment Result on the Implementation of ICG in the CIMB Indonesia Financial Conglomeration	
Holding Entity	: PT. Bank CIMB Niaga ("Bank")
Position	: December 2016
Rating	Rating Description
2 (Good)	<p>The Financial Conglomeration is assessed as having effectively implemented its Integrated Corporate Governance in general. This result is reflected in the adequate level of adoption of Integrated Corporate Governance principles.</p> <p>However, there were still yet deficiencies in the implementation of Integrated Corporate Governance, which in general the identified deficiencies are considered less significant and can be resolved under normal measures by Main Entity and/or financial service institutions as members of CIMB Indonesia Financial Conglomeration.</p>
Analysis	
<p>Result of Self-assessment of ICG implementation in this report are based an analysis of seven ICG factors, and data or any other significant information related to ICG implementation in CIMB Indonesia Financial Conglomeration. In general, ICG Implementation Principles have been implemented in accordance with the provisions of POJK 18/POJK.03/2014 and SEOJK No. 15/SEOJK.03/2015 on the Application of Integrated Corporate Governance for Financial Conglomeration, yet, there are some issues that need to be addressed and improved in each aspect of governance, namely structure, process and results (outcomes).</p> <p>Throughout 2016, a number of improvements in ICG implementation were conducted. The results obtained in ICG implementation reflected the structure and processes derived from the application of the Integrated Corporate Governance by Main Entity and/or financial service institutions in Financial Conglomeration.</p>	

Integrated Corporate Governance Report

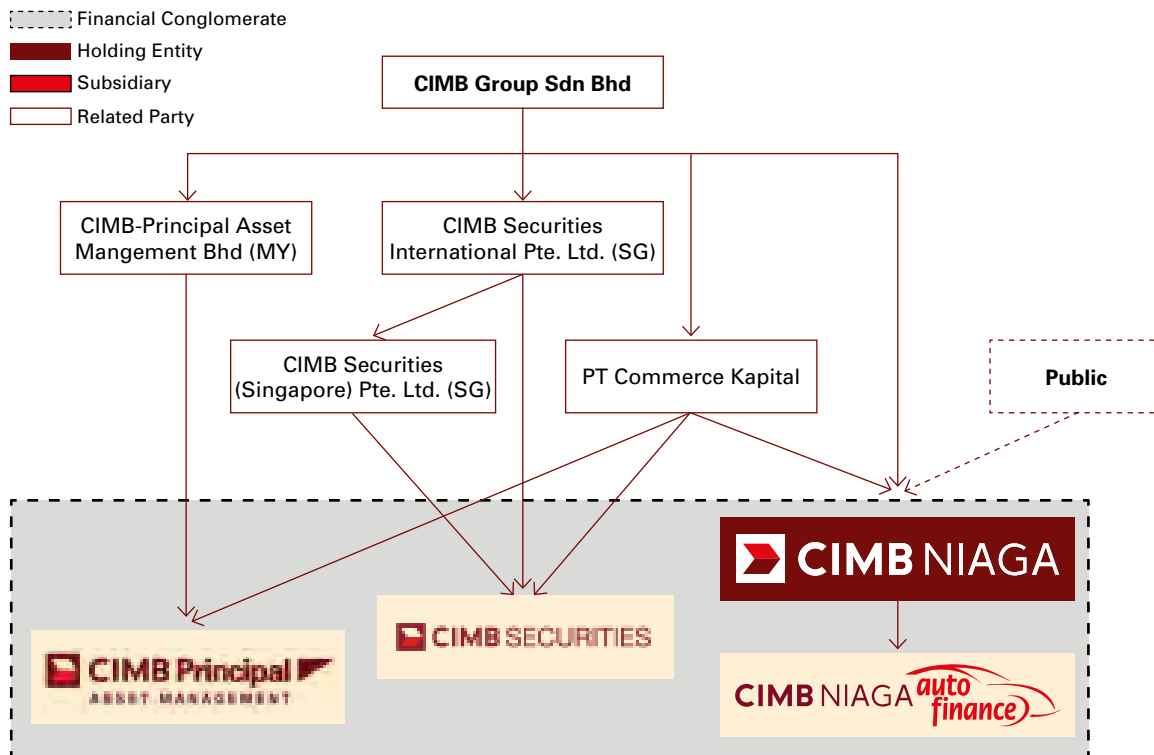
Structure of Financial Conglomerate

CIMB Group Sdn Bhd, as the controlling shareholder, appointed CIMB Niaga as the Main Entity on 13 February 2015 and established the Financial Services Institutions (FI) as the members of the Financial Conglomerate. In 2016, there were changes in the composition of the CIMB Indonesia Financial Conglomerate submitted by Main Entity to OJK based on Letter No.001/LWT/KP/16 dated 7 January 2016 the structure of CIMB Indonesia Financial Conglomerate is as follows:

Main Entities (ME)	: PT Bank CIMB Niaga Tbk
Member	: 1. PT CIMB Securities Indonesia (CSI) 2. PT CIMB Principal Asset Management (CPAM) 3. PT CIMB Niaga Auto Finance (CNAF)

Shareholder Structure

Based on the shareholder structure of financial service institutions in the CIMB Indonesia Financial Conglomerate, there is only 1 (one) financial service institution, which is CNAF directly owned by Bank CIMB Niaga, which is at 99.9%. While the other two financial service institutions, CSI and CPAM, are affiliates party of Bank CIMB Niaga. The details are as follows:



* Based on the Letter from CIMB Niaga to OJK No. 001/LWT/KP/16 dated 7 January 2016 regarding the Change of Member of CIMB Indonesia Financial Conglomerate
** KITAF merged with CNAF

Structure of Management

Referring to OJK Regulation No.18/POJK.03/2014 on the Implementation of ICG for Financial Conglomeration, the structure of management of CIMB Indonesia Financial Conglomeration is as follows:

Entities	TKT Committee	Compliance Function	Internal Audit Function	Risk Management Function
CIMB Niaga	√	√	√	√
CIMB Auto Finance (CNAF)	√	√	√	√
CIMB Securities Indonesia (CSI)	√	√	√	√
CIMB Principal Asset Management (CPAM)	√	√	√	√

Main Entities: PT Bank CIMB Niaga Tbk

Board of Commissioners

Dato' Sri Nazir Razak	President Commissioner
Glenn Muhammad Surya Yusuf	Vice President Commissioner
Zulkifli M. Ali	Independent Commissioner
Pri Notowidigdo	Independent Commissioner
Armida Salsiah Alisjahbana	Independent Commissioner
Jeffrey Kairupan	Independent Commissioner
David Richard Thomas	Commissioner
Ahmad Zulqarnain Onn	Commissioner

Duties and Responsibilities of the Board of Commissioners of the Main Entity

To supervise the implementation of ICG by conducting the following:

1. Approve ICG charter prepared by ME Board of Directors;
2. Monitor the implementation of Governance on each member of CIMB Indonesia Conglomeration to be in accordance with the ICG Guidelines;
3. Monitor the implementation of duties and responsibilities of ME Board of Directors, as well as providing direction and advice to the ME Board of Directors on the ICG Guidelines;
4. Evaluate the ICG Charter and its implementation guidelines;
5. Provide direction for improving ICG Charter and its implementation guidelines;
6. Submit recommendations from ICG Committee to the ME Board of Directors on the implementation of ICG by CIMB Indonesia Financial Conglomeration members;
7. Establish the ICG Committee to support the effectiveness of its duties as governed separately;
8. Organised meetings regularly at least 1 (once) in every semester.

Board of Directors

Tigor M. Siahaan	President Director
Wan Razly Abdullah	Director
Rita Mas'Oen	Director
Megawati Sutanto	Director
Vera Handajani	Director
John Simon	Director
Lani Darmawan	Director
Fransiska Oei	Director
Hedy Lopian	Director
Pandji P. Djajanegara	Director

Integrated Corporate Governance Report

Duties and Responsibilities of BoD of the Main Entity

1. Ensure the implementation of ICG in CIMB Indonesia Financial Conglomeration;
2. Prepare ICG Charter to be approved of the ME Board of Commissioners;
3. Prepare the guidelines required to support the implementation of the ICG Charter, not limited to:
 - a. Integrated Risk Management Guidelines;
 - b. Integrated Compliance Guidelines; and
 - c. Integrated Internal Audit Guidelines
4. Direct, monitor, and evaluate the implementation of the ICG Charter;
5. Follow-up the direction and advice of the ME Board of Commissioners in order to improve the ICG Charter and its implementation;
6. Ensure the audit findings and recommendations from the Integrated Internal Audit Unit, External Audit, and/or supervisory results of the Financial Services Authority and/or other authorities have been follow-up by FI of CIMB Indonesia Financial Conglomeration;
7. Report ICG Self-Assessment (semi-annually) and ICG Annual Report;
8. Appoint a unit in the organisation structure of the ME to be responsible for coordinating the implementation of ICG of the CIMB Indonesia Financial Conglomeration.

Sharia Supervisory Board

M. Quraish Shihab	Chairman
Fathurrahman Djamil	Member
Yulizar Djamaluddin Sanrego	Member

Duties and Responsibilities of the Sharia Supervisory Board

Ensures the implementation of ICG does not conflict with sharia principles.

Financial Services Institution Member: PT CIMB Securities Indonesia

Board of Commissioners

Inarno Djajadi	President Commissioner
Chan Swee Liang Carolina	Commissioner
Dato Kong Sooi Lin	Commissioner
Julia Hashim	Commissioner

Board of Directors

Harry Supoyo	President Director
Yuga Nugraha	Director
Raden Muhammad Irwan	Director
I Wayan Gemuh	Director
Armand E. Richir	Director

Financial Services Institution Member: PT CIMB Principal Asset Management

Board of Commissioners

Albertus Banunaek	President Commissioner
Pedro Esteban Borda	Commissioner
Budiman Tandjung	Commissioner
Effendy Bin Shahul Hamid	Commissioner
Alejandro Elias Echegorri Rodriguez	Commissioner

Board of Directors

Ridwan Soetedja	President Director
Rudi Hermanto Sagala	Director

Financial Services Institution Member: PT CIMB Niaga Auto Finance

Board of Commissioners

Wan Razly Abdullah	President Commissioner
Budiman Tanjung	Commissioner
Koei Hwei Lien	Commissioner
Serena K. Ferdinandus	Independent Commissioner
Hidayat Dardjat Prawiradilaga	Independent Commissioner

Board of Directors

Ir. Purwadi Indra Martono	Acting President Director
Drs. H. Harijanto	Director
Ristiawan Suherman	Director
Ivan Kawito	Director

Duties and Responsibilities of Members CIMB Indonesia Financial Conglomeration

Board of Commissioners	Board of Directors
<ol style="list-style-type: none"> 1. Provide recommendation and approval to the Policy of ICG that has been prepare by the Board of Directors and to ensure that the Policy of ICG in accordance with the ICG Charter; 2. Conduct supervision of ICG implementation with the duties and responsibilities is as follows : <ol style="list-style-type: none"> a. Supervise the implementation of ICG in accordance with the ICG Charter and ICG Policy; b. Follow-up the recommendation of ICG Committee in order to ICG Implementation and improvement of ICG Policy; c. Supervise the implementation of duties and responsibilities of the BoD, and also giving suggestion or recommendation to the BoD for the implementation of ICG Policy; d. Evaluate and to give approval to the Policy of ICG in order to the improvement; e. Established the IGC Committee with consideration of characteristic and business scale; f. The BoC discuss the recommendation from ICG Committee in the BoC and BoD meeting to giving direction and advise. 	<p>BBOD has to ensure the implementation of ICG in CIMB Indonesia Financial Conglomeration members with responsibilities as follows:</p> <ol style="list-style-type: none"> 1. Prepare Policy of GCG aligned with ICG Charter; 2. Prepare Policy and Procedure needed for implementation of ICG to align with procedure of main entity; 3. Prepare sufficient resources; 4. Give suggestion, monitor and evaluate the implementation of ICG Policy; including the ICG Report; 5. Follow-up direction and advise from BoC in order for the improvement of GCG Policy and implementation of ICG and GCG referring to the recommendation from ICG Committee; 6. Reporting GCG Self-assessment to Main Entity in accordance with set procedure.

Integrated Corporate Governance Report

Integrated Corporate Governance Committee (ICGC)

The establishment of the ICGC is not only to comply with the prevailing legislation, but as a form of CIMB Niaga’s commitment to implement GCG in a professional and sustainable manner. The ICGC assists the effective duties implementation of the ME Board of Commissioners in oversight the implementation of ICG in the CIMB Indonesia Financial Conglomerate. The duties and responsibilities of the ICGC are as follows:

1. Evaluate ICG implementation by assessing the internal control adequacy and the implementation of integrated compliance functions.
2. Provides recommendations to the ME Board of Commissioners to improve the ICG Policy and Procedure.

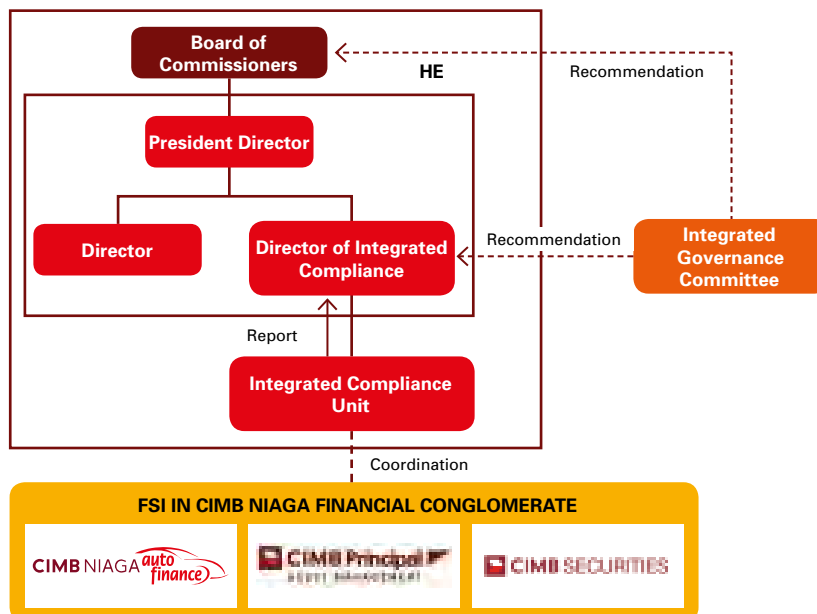
The provisioning concerning the ICGC procedures has been further stipulated in the ICGC Charter. Further discussion on the ICGC is available in the ICGC Report section in this Annual Report.

Integrated Compliance Unit

In performing the compliance function, the ME is required to establish an Integrated Compliance Unit. The Integrated Compliance Unit is an independent business unit separate from the operational (risk-taking) units in the ME. In terms of the ME already has a compliance unit, the existing compliance unit can conduct the implementation of integrated compliance unit.

CIMB Niaga Compliance Management has been established as the Integrated Compliance Unit that monitors the implementation of compliance in CIMB Indonesia Financial Conglomerate, through intensive coordination with each subsidiary and affiliate. In addition, CIMB Niaga as the ME has adopted the policy that serves as the integrated compliance guidelines.

In line with the implementation of the OJK Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Corporate Governance for Financial Conglomerate, CIMB Niaga already has an integrated compliance unit organisation structure as follows:



Duties and responsibilities of the Integrated Compliance Unit :

1. Monitor or evaluate the implementation of Integrated Compliance of each CIMB Indonesia Financial Conglomeration member;
2. Coordinate with the Compliance Units of each CIMB Indonesia Financial Conglomeration members in accordance with its functions;
3. Compile the results of Integrated Compliance implementation of each CIMB Indonesia Financial Conglomeration member;
4. Prepare and submit the Integrated Compliance duties and responsibilities implementation report to the Director of Compliance of the ME.

Realisation of the Integrated Compliance Unit Activities in 2016 :

1. Each Compliance Unit in CIMB Indonesia Financial Conglomeration prepared and submitted the Compliance Report regularly to the Integrated Compliance Unit;
2. The Integrated Compliance Unit compiled and submitted :
 - a. Integrated compliance reports on a quarterly basis to the Director of Compliance of the ME;
 - b. ICG implementation self-assessment report of CIMB Indonesia Financial Conglomeration per semester to the ICGC and OJK;
 - c. Annual report of ICG implementation to OJK and published it on the Bank's website.
 - d. Director of Compliance of the ME submitted the Integrated Compliance Report to the BoD of the ME and the BoC of the ME per semester;
 - e. Coordination of the integrated compliance function implementation by the Compliance Unit of the ME to the Compliance Unit of CIMB Indonesia Financial Conglomeration members.

Integrated Internal Audit Unit

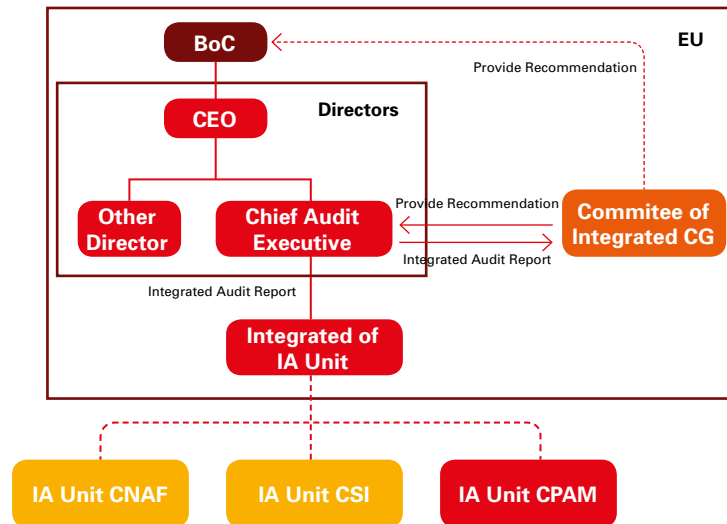
Bank CIMB Niaga has established the Integrated Internal Audit Unit (IIAU), in which for the implementation of good integrated governance, IIAU of CIMB Indonesia Financial Conglomeration has adopted the Integrated Internal Audit Policy and IGC Charter, which are the reference for the Internal Audit of the ME and the Internal Audit of FI, the members of CIMB Indonesia Financial Conglomeration, in implementing integrated monitoring and oversight function that can improve the quality of Integrated Internal Audit governance implementation.

Duties and responsibilities of the Integrated Internal Audit Unit includes:

1. Monitor and evaluate the implementation of integrated audits of each CIMB Indonesia Financial Conglomeration member;
2. Coordinates with all IIAU of CIMB Indonesia Financial Conglomeration members in accordance with its functions;
3. Compiling the results of the Integrated Audit implementation of each CIMB Indonesia Financial Conglomeration member;
4. Develop and deliver the integrated audit duties and responsibilities implementation report to the Director appointed to conduct the monitoring function on the FI in the Financial Conglomeration, Director of Compliance of the ME, and the BoC of the ME.

Integrated Corporate Governance Report

Organisational Structure of Integrated Internal Audit



In conducting its duties, the IIAU of CIMB Indonesia Financial Conglomeration can audit FI through either joint audits or based on the reports from the internal audit of the FI.

During 2016, IIAU conducted monitoring and reporting of Integrated Internal Audit to the Chief Audit Executive of the ME on a monthly basis and to the Director of Compliance of the ME, and the ME Board of Commissioners semi-annually. Throughout 2016, IIAU conducted efforts to ensure the implementation of IIAU was in accordance with the POJK, through the following initiatives:

- Aligned the Audit Charter,
- Aligned the Internal Audit policy, procedures, and audit programme standards on the IAU of subsidiaries and affiliates,
- Conducted joint audits, among others with the IAU of CIMB Niaga Auto Finance (CNAF),
- Encouraged and assisted the management system audit (TeamMate) at CNAF.
- Conducted monitoring of audit results of IAU of FI of CIMB Indonesia Financial Conglomeration on monthly and semi-annually.

Integrated Risk Management

Integrated Risk Management Committee

In accordance with POJK No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomeration, the ME is required to establish Integrated Risk Management Committee (IRMC) and Integrated Risk Management Unit in the implementation of an effective and comprehensive integrated risk management. In its implementation, integrated risk management is conducted by considering business characteristics and complexity of the FI. The monitoring and evaluation process on the Financial Conglomeration risk exposure is conducted through the IRMC and reported to the RMC of the ME.

Members of the Integrated Risk Management Committee comprise representatives from each Financial Conglomeration member with the following composition in 2016:

Vera Handajani	Director of Risk Management, CIMB Niaga	Chairlady
Julius W. Tjhoie	Head of Operational Risk Management, CIMB Niaga	Deputy Chairman I
Yulius Setiawan	Head of Risk Analytics & Infrastructure, CIMB Niaga	Deputy Chairman II
P. Indra Martono	Director - CIMB Niaga Auto Finance	Member
Muhammad Irwan	Director - CIMB Securities Indonesia	Member
Rudi H. Sagala	Director - CIMB Principal Asset Management	Member
Diva Mahdi	Market Risk Management Head, CIMB Niaga	Member
Koei Hwei Lien	Retail Credit Risk Management Head, CIMB Niaga	Member
Sandi Maruto	ALM Risk Head, CIMB Niaga	Member
Nanang N. Sumirat	Integrated Risk Management & Basel PMO Head, CIMB Niaga	Secretary

Duties and responsibilities of the IRMC are to:

1. Provide recommendations to ME BoD for development of Integrated Risk Management policy and improvement or enhancement of Integrated Risk Management policy based on evaluation results.
2. Conduct review and coordination on evaluation results of integrated risk management, including integrated risk profile or other reports generated from the integrated risk management information system.
2. Integrated Risk Management Unit with Strategy & Finance Unit submits Minimum Capital Adequacy report each semester to regulators. The report was first delivered to the IRMC to obtain recommendation prior to approval of the RMC of the ME.
3. Coordination of integrated risk management function by ME to the FI conducted through periodic meetings with FI Risk Management Units.
4. Each FI submits a report on significant events in each FI that may affect the overall risk profile of the Financial Conglomerate. Reports are delivered to the IRMC through the IRMC Secretary, as governed in the Integrated Risk Management Procedures.

Arrangement on the IRMC Code of Conduct is further stipulated in the framework guideline or Integrated Risk Management Committee Terms of Reference.

In conducting functions, IRMC is supported by the Integrated Risk Management Unit to coordinate with risk management function units in each FI.

2016 Integrated Risk Management Activities were:

1. Integrated Risk Management Unit coordinated delivery of Integrated Risk Profile Reports from each FI to regulators semi-annually. The reports were first delivered to the IRMC to obtain recommendations, prior to approval of the RMC of the ME.

Integrated Risk Management Unit

In performing its duties, IRMC is supported by Integrated Risk Management Unit which coordinates with risk management units of each FI as the members of the Financial Conglomerate of CIMB Indonesia.

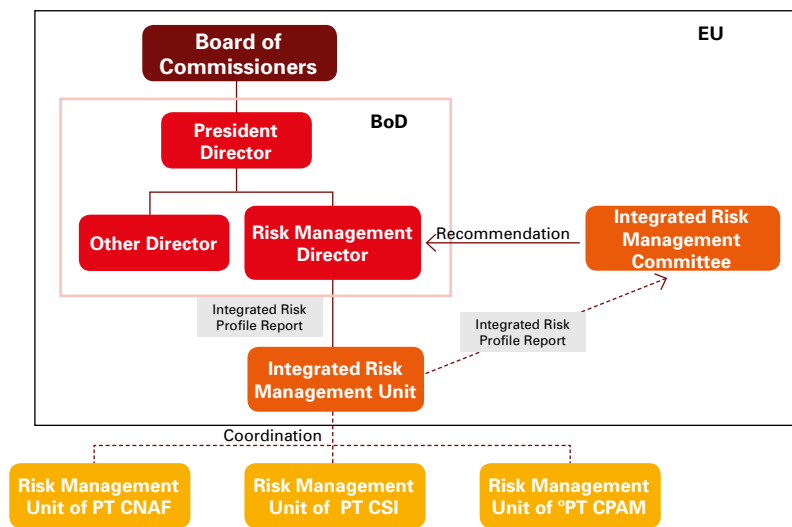
The authority and responsibilities of Integrated Risk Management Unit include to:

1. Provide input to the IRMC and Risk Management Committee of the ME in development and implementation of policies and procedures of Integrated Risk Management.

Integrated Corporate Governance Report

2. Provide information to IRMC on subjects that need to be followed-up, including exceptions or significant events in each FI that might affect the overall Financial Conglomeration.
3. Risk monitoring on Financial Conglomeration based on risk profile results assessment of each FI and the integrated risk profile.
4. Develop and review the accuracy of risk profile assessment methodology.
5. Develop and deliver integrated risk profile report periodically to Risk Management Director in the ME, IRMC and Risk Management Committee in the ME before submitted to regulators.

Integrated Risk Management Organisational Structure



Integrated Risk Management Unit monitors the implementation of integrated risk management. The results of the monitoring process on risk exposure is reported and evaluated by IRMC and submitted to the Risk Management Committee of the ME. In line with Integrated Risk Management Unit efforts to comply with the regulation from the regulator concerning the implementation of integrated risk management, following are actions that have been performed in 2016:

1. Conducting review on risk management policies and procedures which serves as guidelines and reference in the implementation of integrated risk management.
2. Conducting review on the methodology used in the self-assessment process on risk profile of each entity.
3. Prepare and submit integrated risk profile report periodically to IRMC and Risk Management Committee in the ME, to be further submitted to regulators.

4. Deliver reports on significant events that occurred in each FI to IRMC and RMC of ME.

Explanation regarding the implementation of integrated risk management can also be seen in the section of Operational Support Review Report - Risk Management.

Intra-group Transactions Policy

Intra-group transaction risk represents one of the risks managed in order to implement Integrated Risk Management. Intra-group transaction risk arises from the dependence of an entity either directly or indirectly on another entity within Financial Conglomeration for the purpose of meeting the written or unwritten agreements, followed by or not followed by a transfer of funds.

Intra-group transaction risk may arise from:

1. Cross ownership among members within a financial conglomeration;
2. Centralised the management of short-term liquidity;
3. Collateral, loans, and commitments given or obtained by member from another member within a financial conglomeration;
4. Exposures to controlling shareholders, including the exposure of loans and off-balance sheet items such as guarantees and commitments;
5. The purchase or sale of assets to another member within a financial conglomeration;
6. Transfer of risk through reinsurance; and/or
7. Transactions to transfer third party risk exposure among members within a financial conglomeration.

Intra-group transaction risks are identified, managed and reported on a regular basis in conjunction with the reporting of integrated risk profile. As of end of 2016, intra-group transactions risk profile rating is considered low where the significance of intra-group transactions to the Financial Conglomeration's total assets is still insignificant. Dependence among FI were also very low or limited, such as seen from the absence of centralised liquidity management, unbound intra-group support, operational transactions in which the Company acts by or on behalf of FI in Financial Conglomeration is very low, and the intragroup purchases or sales are not material. From the documentation and fairness of transactions, the intra-group transaction agreements are adequate and all

transactions are conducted based on the arm's length principle. In addition, exposure to the controlling shareholder on total capital and exposure arising from the placement of client assets to FI within the Financial Conglomeration is insignificant.

In the intra-group transaction risk management process, the ME has conducted identification, measurement, monitoring and risk control on the composition and fairness of transactions between FI of the Financial Conglomeration. Periodically, Strategy & Finance Unit and Integrated Risk Management Unit monitor intra-group transaction risk composition to ensure compliance with limits, such as Legal Lending Limit and the fairness principle.

In terms of active monitoring, the ME Boards of Commissioners and Directors receive regular reports on intragroup transactions. Adequate policies and procedures have been set to manage intragroup transactions in each FI. In the ME, there are policies among which include Risk Management Policy (Integrated), Legal Lending Limit related Policies, and Equity Participation on Subsidiary Policy. Clarity of authority and responsibility has also been set up under the authority of ME Strategy and Finance Director. As for the implementation of independent reviews, it was conducted by the ME Internal Audit Unit (IAU) in accordance with the scale and complexity of intra-group transactions.

Sharia Business Unit Corporate Governance Report

Implementation Of Sharia Corporate Governance Policy

From year to year, the public need for sharia financial products and services continues to escalate. In response, CIMB Niaga has prepared to meet the need through its Sharia Business Unit (SBU) with improvements and enhancements to service quality and operations, by enhancing Sharia Corporate Governance that refers to the practices of GCG and compliance with sharia principles.

CIMB Niaga Sharia Corporate Governance is guided by Bank Indonesia Regulation No.11/33/PBI/2009 dated 7,December 2009, the Bank Indonesia Circular Letter No. 12/13/DPbS dated 30 April 2010 on Implementation of Good Corporate Governance for Islamic Banks and Sharia Business Units, as well as the OJK Circular Letter No. 43/SEOJK.03/2016 dated 28 September 2016 on Transparency and Publication of Commercial Bank's Financial Report.

Implementation of Sharia Corporate Governance in CIMB Niaga is based on five basic principles, namely:

- **Transparency:** presentation of information that is substantive, relevant and transparent to support decision-making process.
- **Accountability:** clarity and truthfulness in presenting the Bank's management information effectively and in accordance with the objectives.
- **Responsibility:** bank management practices aligned with the prevailing legislation and the principles of healthy management of SBU.
- **Professionalism:** exhibiting competence and objectivity in all actions, free from influence/pressure by any party and committed to the development of the sharia business.
- **Fairness:** fairness and equality in fulfilling the rights and interests of stakeholders under the prevailing laws.

Self-assessment of Sharia GCG

A self-assessment of the GCG implementation is undertaken by the Bank to measure the effectiveness of GCG implementation during 1 (one) year as prescribed by Bank Indonesia. The self-assessment is conducted by sending questionnaires to the members of the Sharia Supervisory Board, the Board of Directors and Executive Officers. The assessment covers the following:

Aspects of Assessment	Weight (W) %	Rating (R)	Value (W x R)
Duties and responsibilities of SBU Director	35	1.26	0,44
Duties and responsibilities of SSB	20	1.18	0,23
Application of sharia principles in funding, fund disbursement, and customer services	10	2.50	0,25
Fund disbursement to Core Financing Customers and Deposit from Core Debtors	10	1.89	0,19
Transparency of financial and non-financial conditions, GCG implementation report, and internal reporting	25	1.70	0,43
Composite scores	100		1,54 (Baik)

Composite scores	Composite Ranks
Composite score < 1,5	Composite score
1,5 ≤ Composite score < 2,5	Good
2,5 ≤ Composite score < 3,5	Fair
3,5 ≤ Composite score < 4,5	Poor
4,5 ≤ Composite score < 5	Very Poor

Sharia Supervisory Board

The Sharia Supervisory Board (SSB) is a key element in Sharia Corporate Governance in the Bank. The SSB has the authority to supervise, control, provide sharia opinions, approve and scrutinise all the SBU activities to ensure comply with sharia principles.

SSB members are appointed by the General Meeting of Shareholders GMS on the recommendation of the National Sharia Council of the Indonesian Ulama Council (DSN-MUI).

CIMB Niaga SSB members are:

1. Muhammad Quraish Shihab - (Chairman and Member)
2. Fathurrahman Djamil - (Member)
3. Yulizar Djamaludin Sanrego - (Member)

Duties and Responsibilities of the SSB

Duties and responsibility of the SSB are to provide advice and suggestions to the Director in charge of SBU as well as to ensure the activities is comply with sharia principles.

The scope of supervision SSB provides to the SBU includes:

1. Assess and ensure compliance with sharia principles on operational guidelines and products issued by the Bank;
2. Oversee the Bank's new product development process in order to conform with DSN-MUI fatwa;
3. Request a fatwa from the DSN-MUI for new Bank products not yet approved;
4. Perform periodic review of the fulfillment of sharia principles related to the mechanisms of funding and lending as well as Bank services, to be reported to the relevant authority;
5. Evaluate the accountability of the BoD for implementation of risk management policies related to the fulfillment of sharia principles; and
6. Requests for data and information related with sharia from the Bank's working units in charge with the operational duties related to sharia activities.

SSB Work Programme in 2016

In 2016, SSB of CIMB Niaga has arranged various work programmes and activities related to the implementation of Sharia CG in the Bank:

1. SSB met at least once a month to discuss sharia compliance issues related to product proposals, operational procedures, financing models, funding proposals, etc.
2. Actively engaged and established communication with external regulatory bodies (OJK and DSN-MUI) to update information and relevant provisions of contract development, products, etc.
3. Reviewed sharia compliance at Sharia Branch Offices including Office Channeling (OC) and other business units periodically, and preparation of SSB audit reports on a 6 (six) monthly basis for the BoD and BoC and the Financial Services Authority.
4. Completed the Sharia CG Self-Assessment Questionnaire for 2016.

SSB Work Programme Realisation in 2016

SSB completed several work streams from its 2016 plan including:

1. SSB conducted 15 (fifteen) meetings consisting of twelve (12) regular meetings and two (2) non-regular meetings, to discuss new products, operational procedures, financing models, proposed financing, and other matters, as well as 1 (one) consultation meetings related to financing.
2. Attended Pra Ijtima' Sanawi and Ijtima' Sanawi Workshop (Annual Meeting) SSB in 2016 organised by DSN MUI and the OJK.
3. Participated in the 2016 SSB of Islamic Financial Institutions Sector Sharia Banking and Sharia Finance Workshop.
4. Assessed sharia compliance through random sampling of financing, funds and transaction services onsite reviews in four (4) Sharia Branch Offices and 2 OC and iB mortgage products with MMQ contracts, iB Haji Savings Plan Products and iB Haji Pahala saving, and reviewed the distribution of social funds.

Sharia Business Unit Corporate Governance Report

5. Delivered the SSB Audit Report (LHP) for the periods:
 - a. Semester I in August 2016,
 - b. Semester II in February 2017.
6. Contributed to the 2016 Sharia CG Self-Assessment in accordance with the prevailing regulations from the authorities.
7. Discussed and formulated the ICG Committee together with the SSB of affiliated companies in the CIMB Niaga Financial Conglomeration.
8. Actively contributed in the ICG Committee Membership in accordance with the prevailing provisions from the authorities.

Concurrent Positions of SSB Members

Based on Bank of Indonesia Regulation No.11/10/PBI/2009 regarding Sharia Business Unit of Article 11, paragraph (3), an SSB member can hold concurrent positions as member of SSB at a maximum of four (4) other sharia financial institutions.

Concurrent position of the SSB members of CIMB Niaga has fulfilled the requirements from OJK. Concurrent positions of the members of SSB outside CIMB Niaga Sharia are disclosed in the table below:

Name	Position in Other Companies	Company
M. Quraish Shihab (Chairman concurrently Member)	None	None
Fathurrahman Djamil (Member)	Chairman DPS	Bank BCA Syariah
	Member DPS	<ul style="list-style-type: none"> • AIA Branch Syariah, • CIMB Niaga Autofinance, • Adira Finance Syariah
Yulizar Djamiludin Sanrego (Member)	Chairman DPS	None
	Member DPS	<ul style="list-style-type: none"> • LPEI EKSIM • BPRS BTB • Panin Asset Management • PBMT Ventura

SSB Meetings Frequency and Attendance

Regular meetings are held once a month based on consultation/consensus. Minutes of meetings are well documented.

Through December 2016, the SSB has held 12 (twelve) regular meetings and (3) three non-regular meetings.

SSB Regular Meeting Attendance Report

No	Name	Frequency of SSB Meetings 2016	Total Attendance
1	M. Quraish Shihab	12	12
2	Fathurrahman Djamil		12
3	Yulizar D. Sanrego		10

Regular Meetings Results

Regular SSB Meetings in 2016 generated agreements that include provisions, policies/procedures, activities and products as follows:

No	No. of Opinion	Subjects
1	001/DPS/KNP/I/2016	Change of Feature of iB X-Tra Mudharabah Saving, iB X-Tra Valas Mudharabah and iB Payroll Mudharabah
2	002/DPS/KNP/I/2016	Change of Feature of iB Pendidikan USD
3	003/DPS/KNP/I/2016	Change of Feature of iB On Account
4	004/DPS/KNP/I/2016	Change of Feature of iB Air Asia Savers
5	005/DPS/KNP/I/2016	Change of Feature of iB CIMB Private Account
6	006/DPS/KNP/I/2016	Change of Feature of iB Pendidikan Xtra
7	007/DPS/KNP/I/2016	Change of Feature of iB Hypermart Savers
8	008/DPS/KNP/I/2016	Principal Policy for Sharia Commercial Financing
9	009/DPS/KNP/I/2016	Integrated Risk Management Policy
10	010/DPS/KNP/II/2016	Recommendations from the Workshop on the Social Fund 2015
11	011/DPS/KNP/I/2016	Conversion of Currency for Financing Facility, from USD to IDR - RPX Group
12	012/DPS/KNP/I/2016	SOP of the Credit Factory iB
13	013/DPS/KNP/II/2016	Restructuring Cost Calculation
14	014/DPS/KNP/II/2016	Provisions on Gradual Transfer of MMQ Akad
15	015/DPS/KNP/II/2016	Linkage scheme with Murabahah Akad
16	016/DPS/KNP/III/2016	TD Indicative Rate
17	017/DPS/KNP/V/2016	Sharia Treasury Policy - Money Market
18	018/DPS/KNP/V/2016	Sharia Treasury Policy - iB Foreign Exchange
19	019/DPS/KNP/V/2016	Late Charge (Ta'zir) Calculation for Commercial Financing
20	020/DPS/KNP/V/2016	Treasury Instrument Profit Sharng - Accrual Basis
21	021/DPS/KNP/VI/2016	Utilisation of Cost of Fund for Insetive of Hajj Marketing and Amortisation
22	022/DPS/KNP/VI/2016	Operational Management Policy of the Head Office and Sharia Branches
23	023/DPS/KNP/VI/2016	Addition of Top Up Feature on MMQ Commercial Investment Financing
24	024/DPS/KNP/VI/2016	The objective of the use of Top Up Feature on MMQ Commercial Investment Financing
25	025/DPS/KNP/VII/2016	Personal Financing Product
26	026/DPS/KNP/VII/2016	SBDB SME Program - Conventional Working Capital Loan Processing
27	027/DPS/KNP/VI/2016	Agency Collaboration - Sharia Mutual Fund Sales Agent
28	028/DPS/KNP/IX/2016	Change of Product Features – Design and Benefits of Hajj Savings iB Debit Card
29	029/DPS/KNP/IX/2016	New Product - Forward iB
30	030/DPS/KNP/IX/2016	Internal Provisions – SOP for Consumer Financing Secured with Property (Sales) iB
31	031/DPS/KNP/X/2016	Internal Provision: 1. SOP for Collaboration with Developer 2. SOP of Management with Properti Agent
32	032/DPS/KNP/X/2016	Internal Provision: 1. Policy for Special Conditions of Sharia Operational 2. SOP for Special Conditions of Sharia Operational
33	033/DPS/KNP/X/2016	MMQ Financing for the Construction of The Element Apartement Rasuna Said, with customer PT Bumi Sepong Damai
34	034/DPS/KNP/X/2016	Criteria for MMQ Indent in Commercial Financing iB
35	035/DPS/KNP/XII/2016	New Product – Xtra Pandai iB and Laku Pandai Agent
36	036/DPS/KNP/XII/2016	New Product – CIMB Teen iB
37	037/DPS/KNP/XII/2016	New Product – Current Account Financing (PRK) iB
38	038/DPS/KNP/XII/2016	Standardisation of Administration Fee On Commercial Financing iB

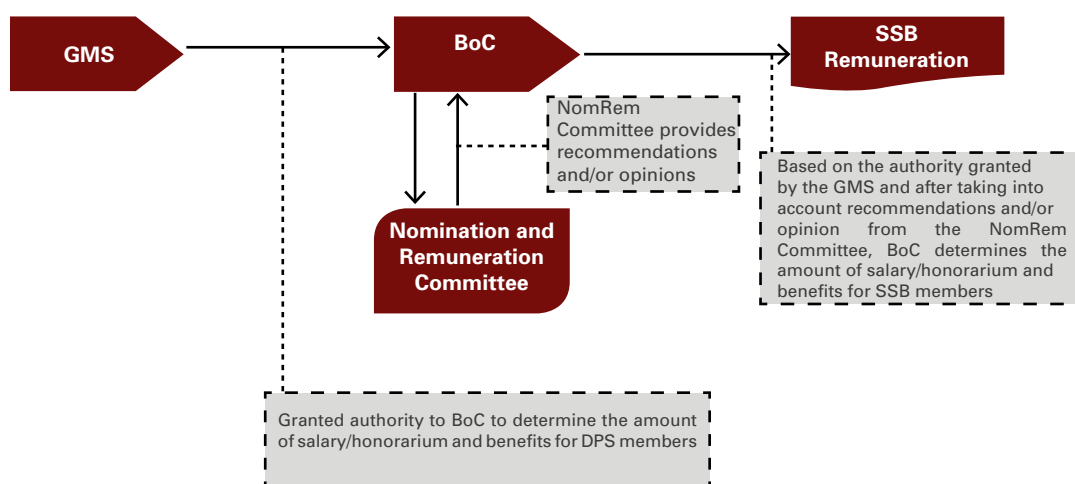
Sharia Business Unit Corporate Governance Report

Non-Regular Meetings Results

The Non-Regular SSB Meetings in 2016 generated the following agreements:

No	Date	Subjects
1	23 March 2016	TD Indicative Rate Calculation of Deposits by referring to BI Rate (proposal by Ministry of Religious Affair) SBDP activities in marketing Conventional products during OJT
2	16 August 2016 (Business consultation with SSB)	Payment of Accounts Receivables from Murabahah Financing
3	21 December 2016	Formulation of Commercial and Corporate Financing Administration Cost

Sharia Supervisory Board Remuneration



The Director in charge of SBU proposed remuneration of SSB members to the President Director who then proposed to BoC through Nomination and Remuneration Committee to be approved in the AGMS.

No	No Type of Remuneration and Other Facilities	Amount Received in 1 year	
		Person	Million Rupiah
1	Remuneration (salary, regular benefits, tantiems, and other nonnatura facilities)	3 DPS	1.568,57
2	Other in-kind facilities (housing, transport, health insurance, others) that*:		
	a. Available for ownership	-	-
	b. Not available for ownership	-	-
	Total	3	1.568,57

* Valued in Rupiah equivalent

Range of Remuneration Per Person Per Annum	SSB Member
Above Rp2 billion	-
Between Rp1 billion – Rp2 billion	-
Between Rp500 million – Rp1 billion	1
Up to Rp500 million	2

Sharia Banking Director

SBU of CIMB Niaga is led by the Director of Sharia Banking who takes full responsibility for the implementation of sharia business management based on the prudential principle and sharia principles. The Director of Sharia Banking is held by Pandji Pratama Djajanegara. The appointment of the Director of Sharia Banking was approved by the OJK through letter No.SR-27/PB.13/2016, dated 4 October 2016.

Profile of the Sharia Banking Director



Pandji P. Djajanegara
Director of Sharia Banking

The full profile of the Director of Sharia Banking is listed in the profile of BoD in this Annual Report.

Duties and Responsibilities of the Director of Sharia Banking

- Managing and supervising the SBU based on the prudential and sharia principles.
- Following-up on SSB recommendations.
- Implementing Bank Indonesia regulations related to SBU.

Transparency of Financial and Non-Financial Statements

List of Consultants and Advisors

No	Consultant	Field
1	Silverlake	Information Technology
2	Digital Mind System	Information Technology
3	E Bowrk	Information Technology
4	Sahassa	Information Technology
5	Nucleus	Information Technology

Number of Internal Fraud Cases and Settlement Efforts

Based on the report from Internal Audit and Anti-Fraud Management, there were no cases of internal fraud during 2016.

Internal Fraud in 1 year	Fraud Committed by					
	BoC/BoD		Permanent Employees		Non-Permanent Employees	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Total Fraud Cases	-	-	-	-	-	-
Resolved	-	-	-	-	-	-
On-going Internal Settlement Process	-	-	-	-	-	-
Pending	-	-	-	-	-	-
Followed-up with Litigation	-	-	-	-	-	-

Legal Issues (Civil and Criminal) and Settlement Efforts

- There was one (1) civil law issue which is final with legally binding decision and 4 (four) civil law issues in the process of settlement.
- There was 1 (one) criminal law issue in the settlement process.

Non-halal income and the Usage

There was no non-halal revenue in 2016.

Disbursement of Funds for Social Activities

During 2016, the CIMB Niaga Sharia Business Unit, in collaboration with humanitarian social institutions, religious organisations and educational institutions, organised 491 programmes with a total disbursement

Sharia Business Unit Corporate Governance Report

of funds amounting to Rp19.1 billion. Recipients of these funds are grouped in 5 (five) programme areas as follows:

No	Distribution Sector	Activity	Donation (Rp)
1	Economic Empowerment	19	1,405,400,000,00
2	Education	156	5,955,316,000,00
3	Infrastructure	115	3,700,250,000,00
4	Health	53	3,536,727,158,00
5	Social	148	4,520,521,000,00
	Total	491	19,118,214,185,00

Together with our partners, CIMB Niaga Syariah shared the Benevolent Fund across five program groups:

Economic Empowerment

- DAQU PREUNER programme in cooperation with the PPPA Daarul Qur'an located in Jailolo, West Halmahera.
- TAUHIID PREUNEUR Scholarship programme in collaboration with Dompot Peduli Umat (DPU) Daarut Tauhid supported 40 students at several universities in Bekasi.
- SHEEP ANIMAL HUSBANDRY programme in collaboration with Pos Keadilan Peduli Umat (PKPU) for communities in Bogor.
- Programme MISYKAT (Economic Community) under Sharia Cooperative system for Dhuafa communities in Bekasi and Karawang in cooperation with Dompot Peduli Ummat (DPU) Daarut Tauhid.

Education

- KAFILAH DA'WAH programme in Kalimantan supported the studies of 70 students in cooperation with Lazis Dewan Dakwan
- Gemilang Indonesia Housing programme supported the procurement of equipment supplies for an automotive repair training shop located in Sawangan - Bogor in cooperation with LAZ Al-Azhar Peduli Umat (APU)
- DA'I BERDAYA programme cooperate with Baitul Maal Hidayatullah (BMH).

Infrastructure Development

- Pipeline construction and water distribution programmes in Yogyakarta in cooperation with Dompot Peduli Umat (DPU) Daarut Tauhid, and in West Nusa Tenggara with the collaboration of Badan Wakaf Al-Quran (BWA).
- Renovation assistance programme and post-earthquake recovery programme for 100 homes in Jailolo, West Halmahera in collaboration with PPPA Daarul Qur'an.

Health Service

- Free health service development programme in Bogor, in cooperation with Yayasan Al Azmi.
- AMBULANCE provision programme managed by several institutions including the Yayasan Dana Mustadhafin, Yayasan Solo Peduli Umat (YSPU), Yayasan Sentuhan Kasih Anak Indonesia and Amil Zakat Nasional (BAZNAS)
- Medical assistance for Bank Niaga retiree programme in cooperation with the Yayasan Ikatan Keluarga Purna Wira Bank Niaga

Social and Humanitarian

- Prosthetic leg aid programme for leprosy patients in Tangerang in collaboration with the DPU Daarut Tauhid.
- Social aid programmes for communities suffering from the aftermath of flooding in Lampung, Bandung and Garut in partnership with Pos Keadilan Peduli Umat (PKPU) and local government of Garut.

Bad Corporate Governance Practices

CIMB Niaga is aware that the bad corporate governance practices will interfere with the system of GCG as has been established by CIMB Niaga. In support of that matter, throughout 2016, CIMB Niaga did not conduct any actions and policies related to the practices shown in the following table:

No	Description	Practice
1	Reported as a company that pollutes the environment	Nil
2	Significant legal issues faced by the Company, subsidiaries, incumbent members of the Board of Directors and/ or member of the Board of Commissioners not disclosed in the Annual Report	Nil
3	Non-compliance in the fulfillment of tax obligations	Nil
4	Incompatibility in the presentation of the annual report and financial statements with applicable regulations and Financial Accounting Standards	Nil
5	Labor and employee-related cases	Nil
6	There is no disclosure on the listed company's operations segments	Nil
7	Discrepancy between the hardcopy of the AR and the softcopy of the AR	Nil

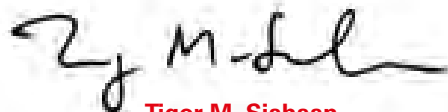
Statement on Implementation of Good Corporate Governance Principles

The management and employees of the Company state that in conducting its business activities, the Company has implemented good corporate governance principles and there are no material breaches to the prevailing laws and regulations. The management and employees remain committed to continuously

improve good corporate governance practices that are transparent, accountable, responsible, and independent, with due observance to an equality and fairness that is sustainable in order to achieve the Company's business objectives.



Dato' Sri Nazir Razak
President Commissioner



Tigor M. Siahaan
President Director