

► Corporate Governance Report

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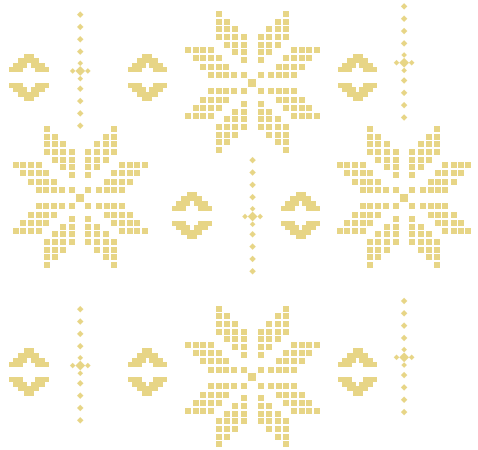


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Risk Management

➤ Corporate Governance Report



Corporate Governance refers to the four pillars of governance, namely governance commitment, governance structure, governance process, and governance outcome, as the manifestation of CIMB Niaga responsibility to interested parties, namely customers, employees, stakeholders, and the community.

CORPORATE GOVERNANCE IMPLEMENTATION

CIMB Niaga realizes that, as a Bank with an intermediary role in the national economy and as one of the main pillars of the financial industry with a strategic role in national development, Good Corporate Governance is more than a necessity, and has become the main foundation in running the business to maximize benefits and added value for the stakeholders, as well as maintain long-term business continuity.

In its journey of more than 60 years, CIMB Niaga has consistently applied the principles of good corporate

governance to create added value and maintain a high level of confidence for its stakeholders in order to achieve its vision and business sustainability. Corporate Governance refers to the four pillars of governance, namely governance commitment, governance structure, governance process, and governance outcome, as the manifestation of CIMB Niaga responsibility to interested parties, namely customers, employees, stakeholders, and the community.

In addition, CIMB Niaga conducts on-going corporate social



responsibility programs as an integral part of the Bank's operational activities. Through these programs, CIMB Niaga strives to create strong synergies and relationships with the communities and environment where it operates, enabling CIMB Niaga to provide added value for its stakeholders.

OBJECTIVES OF CORPORATE GOVERNANCE

For CIMB Niaga, consistent implementation of governance principles through the 4 (four) governance pillars will benefit CIMB Niaga as follows:

1. Create a foundation for long-term Bank growth.
2. Strengthen the Bank's image.
3. Increase Bank competitiveness.
4. Increase investor confidence in the Bank.
5. Increase the share value of the Bank.

CIMB Niaga is aware that a company's sustainability is not only measured by its financial performance and profitability, but also through its internal performance, including ethics and Good Corporate Governance. In the future, in line with one of the core values of the Company, namely Customer Centric, CIMB Niaga is determined to continue to grow and develop into the best bank in Indonesia. To achieve this, the Bank always prioritizes its customers in each of their business activities by providing innovative solutions through products, processes, and services, while remaining committed to implementing corporate social responsibility programs that are sustainable and in synergy with the Bank's business strategy, ultimately achieving business growth and optimum performance.



CORPORATE GOVERNANCE REPORT

GUIDELINES AND POLICIES OF CORPORATE GOVERNANCE

The commitment of CIMB Niaga to implement good corporate governance principles refers to a number of applicable provisions, as follows :

1. Law No. 8 year 1995 on the Capital Market dated 10 November 1995;
2. Law No. 40 year 2007 on Limited Liability Companies dated 16 August 2007;
3. Regulation of the Financial Services Authority (POJK) No. 55/POJK.03/2016, dated 7 December 2016 and Circular of the Financial Services Authority (SE OJK) No. 13/SEOJK.03/2017, dated 17 March 2017 on the Implementation of Good Corporate Governance for Commercial Banks;
4. POJK No.21/POJK.04/2015, dated 16 November 2015 on the Implementation of Corporate Governance Guidelines for Public Companies and SE OJK No. 32/SEOJK.04/2015, dated 17 November 2015 on the Guidelines of Corporate Governance for Public Companies;
5. POJK No. 18/POJK.03/2014, dated 18 November 2014 and SE OJK No. 15/SEOJK.03/2015, dated 25 May 2015 on the Implementation of Integrated Corporate Governance for Financial Conglomerations;
6. POJK No. 29/POJK.04/2016, dated 29 July 2016 on Annual Report of Issuers or Public Companies;
7. Indonesian Corporate Governance Roadmap;
8. ASEAN Corporate Governance (CG) Scorecard;
9. The Company's Articles of Association and Resolutions of the General Meetings of the Shareholders;
10. Corporate Regulations (Corporate Policy Manual, Employment Guidelines, Code of Conduct, Standard Operating Procedures)

CIMB Niaga periodically reviews and evaluates the completeness of and update the internal provisions issued by the Bank, to ensure that the provisions are always relevant and in accordance with the conditions and strategies of the Bank, applicable regulations, and prevailing best practices.

BASIC POLICY OF CORPORATE GOVERNANCE

The Corporate Governance Guidelines of CIMB Niaga is established in the Corporate Policy Manual, version 01 year 2016, which serves as the highest policy in CIMB Niaga. As determined in the Corporate Policy Manual, Corporate Governance is implemented on the basis of Transparency, Accountability, Responsibility, Independence, and Fairness and Equality (TARIF). In addition, the Corporate Policy Manual is supported by other governance-related policies, such as the Code of Conduct, the Charters, the Whistleblowing Policy, the Conflicts of Management Policy, as well as other operational policies. These policies represent the Bank's fundamentals and demonstrate CIMB Niaga's commitment to sustainable implementation of governance principles.

CORPORATE GOVERNANCE PRINCIPLES

The implementation of governance principles at CIMB Niaga can be described as follows:

1. **Transparency**
 - a. CIMB Niaga discloses information in a proper, adequate, and timely manner.
 - b. Disclosure of information by CIMB Niaga is accessible by all stakeholders in accordance with their rights.
 - c. Disclosure of information by CIMB Niaga are in observance to the Bank's confidentiality principles, based on the applicable laws and regulations.
 - d. The policy of CIMB Niaga is written and communicated to the stakeholders in accordance with their respective rights and the prevailing regulations.



2. Accountability

- a. The Board of Commissioners and the Board of Directors have clear duties and authority and responsibilities.
- b. Members of the Board of Commissioners and Board of Directors have adequate competence, in accordance with their duties and responsibilities, as well as displaying an understanding of their roles in good corporate governance.
- c. Each member of the Board of Directors and subordinates have clear duties and responsibilities that are consistent with the vision, mission, and core values of CIMB Niaga.
- d. The Board of Commissioners and the Board of Directors are responsible for their performance to the shareholders through the Annual General Meeting of Shareholders.
- e. CIMB Niaga conducts periodic performance assessments of the Board of Commissioners, Committees under the Board of Commissioners, and the Board of Directors.

3. Responsibility

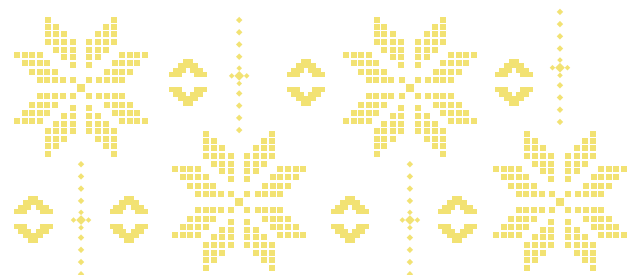
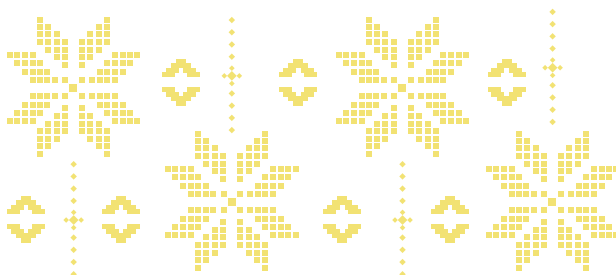
- a. CIMB Niaga conducts its business activities by constantly adhering to the banking prudential principles and to the prevailing laws and regulations.
- b. CIMB Niaga cares about the environment and the community and always conducts its social responsibilities fairly.

4. Independency

- a. In conducting its business activities, CIMB Niaga does not accept any interference from the Controlling Shareholders or other stakeholders.
- b. CIMB Niaga always avoids conflicts of interest.
- c. Decision-making is conducted in an objective manner and for the interests of the Bank.

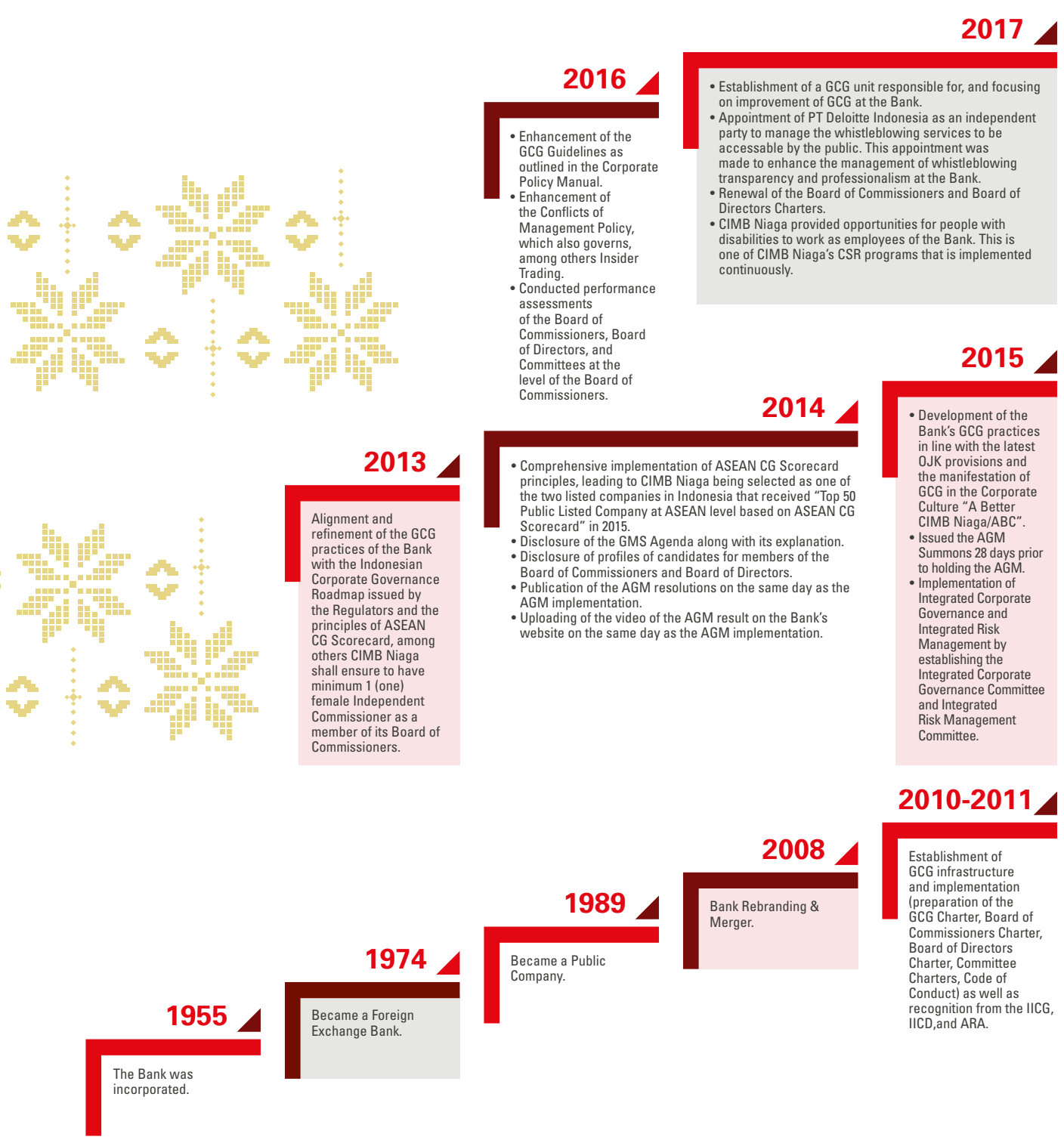
5. Fairness and Equality

- a. CIMB Niaga always strives to take into account the interests of all stakeholders based on the principle of fairness and equality.
- b. Access to information by CIMB Niaga is carried out in accordance with the principle of disclosure by always displaying fairness and equality to all stakeholders.



Corporate Governance Roadmap

CIMB Niaga is committed to continuously improve its Corporate Governance, not only based on prevailing Indonesian standards, but also on prevailing international best practices, including based on the ASEAN Corporate Governance Scorecard. CIMB Niaga's Corporate Governance has been executed in a structured manner through the following stages:





► CIMB Niaga Governance Focus in 2017

The various initiatives implemented or developed by CIMB Niaga in 2017 to further enhance and optimize the implementation of Good Corporate Governance principles, among others, are detailed below:

1. Enhancement of Transparency, including:
 - a. Issued the 2016 Financial Statements (audited) in less than 60 (sixty) days from the date of the report.
 - b. Published the GMS Announcement 14 (fourteen) days prior to the date of the GMS Summons and issued the GMS Summons 28 (twenty eight) days prior to the date of the GMS.
 - c. Published the Summary of GMS Resolutions on the same date as the GMS.
2. Provided opportunities for people with disabilities to be able to work and become independent by recruiting them as phone banking and telesales employees of CIMB Niaga.
3. Performed a variety of initiatives to mitigate and control the Bank's operational risks as well as potential losses that may arise, as follows :
 - a. Issued the IT Generic Self-Assessment as the guidelines for each work unit in order to self-assess their respective IT and data risks, enabling them to take immediate measures to mitigate risks as well as ensuring transparency of IT risks that are inherent in each work unit.
 - b. Launched the Operational Risk Management System (SHARP) that could be utilized by all work units to manage and document operational risks in a single database, ultimately increasing transparency in the management and documentation of operational and compliance risks.
4. Automated and digitalized human resource related processes, such as the e-learning system, recruitment tracking system, self-service system for resignation processes, and benefit claims. In addition to improving service to employees, automation and digitalization enhanced accountability and transparency processes.
5. Conducted the "Care with Our Home" programs and campaigns to create a better space and work environment for all employees by implementing the 5Rs (Ringkas, Rapi, Resik, Rawat dan Rajin) (Brief, Tidy, Clean, Careful, and Diligent).
6. Reviewed and adjusted the Bank's organizational structure in order to meet the Bank's needs and complexity while optimizing process and decision making as well as minimizing risks and improving control functions. Adjustments conducted were as follows:
 - a. Established a Risk Control Unit (RCU) in several work units. The RCU is responsible for evaluating the risks of changes in significant processes, including ensuring the transparency of process changes that occur in each work unit. Allowing an immediate mitigation/minimization of operational risk in each work unit. In 2017, improvement of duties and responsibilities, and clear Key Performance Indicators were made to ensure that the objectives of RCU establishment could be achieved.
 - b. Established a GCG work unit that would focus on improving the implementation of Good Corporate Governance principles by the Bank.
 - c. Adjusted work unit functions in Transaction Banking to refine work process and improve control, such as centralized Commercial Wholesale Funding and IT operations on Securities Services to the Directorate of Operations and IT, while Transaction Banking is being responsible for the Corporate Card Business.



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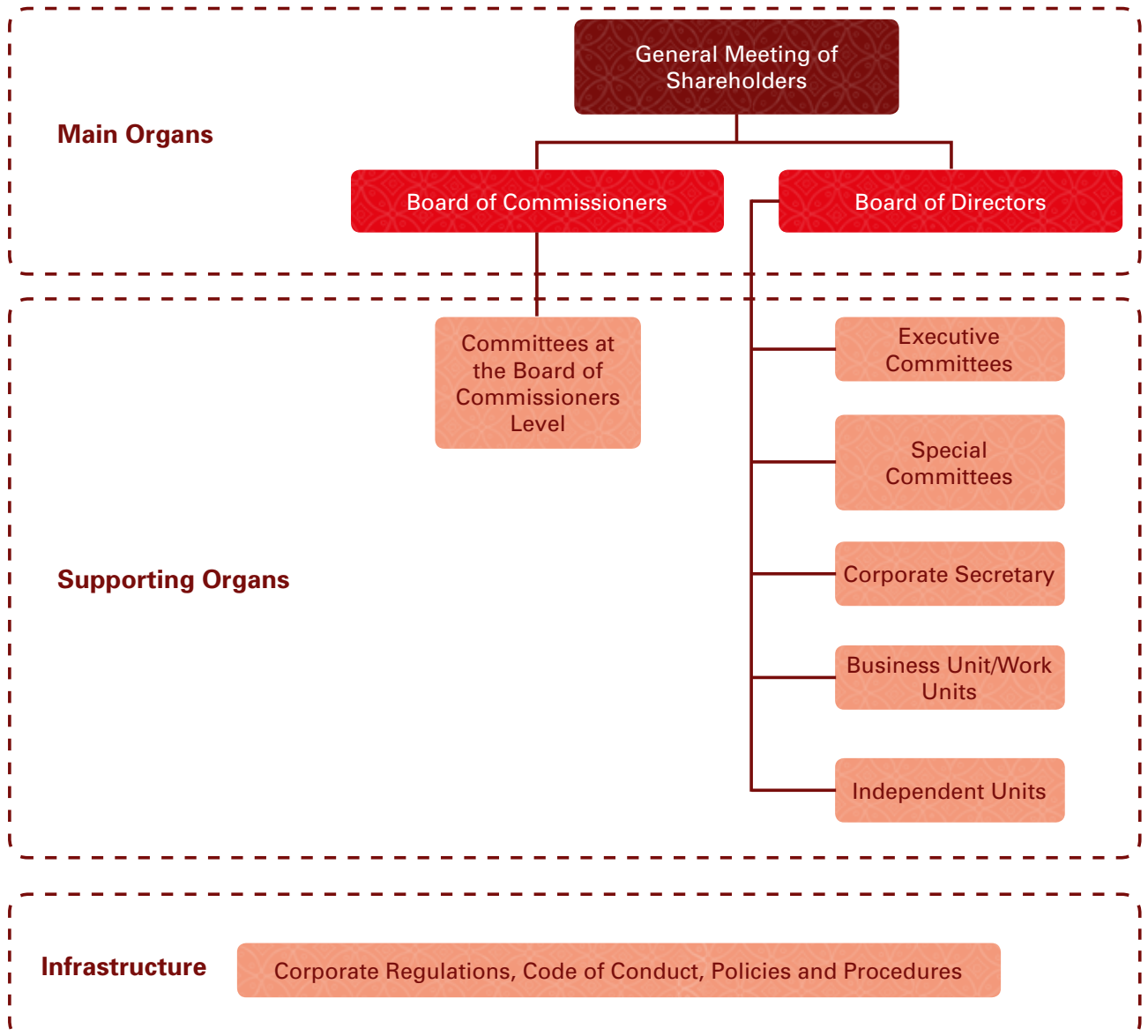
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7. Appointed PT Deloitte Indonesia as an independent party to manage whistleblowing services to be accessible by the public. This appointment was made to enhance the management of whistleblowing transparency and professionalism at the Bank.
8. Launched the Regulatory Commitment System/ ReCom, an automation system to improve compliance of the Bank on its obligations to the regulators, subsequently minimizing the Bank's compliance risk.
9. Developed the AML Solution system to further improve the KYC/AML processes at CIMB Niaga. The development of the system could minimize the Bank's risk of being used as a means of money laundering, and other risks that may arise, such as operational risk, legal risk, compliance risk, and reputation risk.
10. Made improvements to the work processes for customer convenience and the Bank's overall performance, such as :
 - a. Improvement of the secondary Mortgage credit process so as to increase the Bank's Mortgage portfolio.
 - b. Simplification of the Haj account opening process, ultimately resulting in an increase in Haj account openings at the Bank
 - c. Digitalization of phone banking, enabling the Bank to improve the quality of service to customers.
 - d. Updating loan origination system for consumer loans (Credit Card and KTA/Unsecured Loans), allowing the Bank to be able to process consumer credit through digital banking and reduce the time required for credit process.
11. Updated several governance related documents, such as the Board of Commissioners Charter, the Board of Directors Charter, the Code of Conduct, the AML Policy, to be in line with the latest regulations and good governance standards.
12. Developed the Learning Content Management System to support and further improve employee training and development programs. With this system, employees would be able to follow the training more conveniently through E-Learning method, such as the AML E-learning module, the Code of Ethics E-learning module, etc. With this system, the level of training participants has increased significantly and is expected to reduce the compliance risk and operational risk of the Bank.
13. CIMB Niaga is aware of the importance of synergy. The synergy of CIMB Niaga is not only between business units or products, but also between business units and corporate social responsibility programs. The synergy is implemented through one of CIMB Niaga's CSR programs, namely Ayo Menabung dan Berbagi, in which the program successfully supported the Bank's business growth, in particular the increase of new savings accounts.

Corporate Governance Structure

Pursuant to the prevailing laws and regulations, the governance structure of CIMB Niaga is arranged with the objective to establish clarity in the division of duties and responsibilities, the mechanisms and flow of decision-making, and reporting within the organs of the Bank. The following is the corporate governance structure at CIMB Niaga:





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CORPORATE GOVERNANCE STRUCTURE

Corporate governance is conducted in a systematic and continuous manner so that the corporate governance principles have become the main terms of reference in business activities in CIMB Niaga. Corporate governance is realized through the interaction of all of the Bank's organs in the governance structure of CIMB Niaga, with the main organ consisting of the General Meeting of Shareholders (GMS), the Board of Commissioners and the Board of Directors, where the GMS holds the highest position. To maximize the functions of the main organs in the governance structure of CIMB Niaga, implementation is assisted by the supporting organs, consisting of Committees at the Board of Commissioners level, the Corporate Secretary, Committees at the Board of Directors level, and Internal Audit.

Committees at the Board of Commissioners level are established to assist and enhance the oversight function of the Board of Commissioners. The following are the committees at the Board of Commissioners level:

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

The Board of Directors and the management of the Bank are responsible for managing and controlling governance at CIMB Niaga, assisted by the Corporate Secretary, Committees at the Board of Directors level and Internal Audit. The following are Committees at the Board of Directors level, consisting of Executive Committees and Special Committees:

1. Executive Committees:

- a. Asset & Liability 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 & Recovery Plan Committee (CMRP).

2. Special Committees:

- a. Business Development Committee (BDC)
- b. Capital Investment Committee (CIC)
- c. Marketing & Communication Committee (MARCOM)
- d. Personnel Policy Committee (PPC)
- e. Disciplinary Committee (DC)
- f. Credit Committee (CC)
- g. Data Governance Committee (DGC).

➤ 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 has the authority that is not granted to the Board of Directors and the Board of Commissioners as stipulated in the Articles of Association and applicable laws and regulations.

Based on the Articles of Association, the GMS consists of the Annual General Meeting of Shareholders (AGMS), which is held once a year and Extraordinary General Meeting of Shareholders (EGMS), which may be held at any time if required. Both the AGMS and the EGMS have the highest authority in the Bank's governance structure.

The legal basis for the GMS of CIMB Niaga refers to:

1. Law No. 40 Year 2007 concerning Limited Liability Companies.
2. Regulation of the Financial Services Authority (POJK) No. 32/POJK.04/2014 dated 8 December 2014 concerning the Plan and Implementation of General Meeting of Shareholders for Public Company and POJK No. 10/POJK.04/2017 dated 14 March 2017 concerning Amendment to POJK No. 32/POJK.04/2014
3. The Articles of Association.

RIGHTS, AUTHORITIES AND RESPONSIBILITIES OF SHAREHOLDERS

The rights, authorities and responsibilities of shareholders are arranged in detail in CIMB Niaga's Articles of Association, which are accessible through the website (www.cimbniaga.com). The Bank encourages all shareholders including institutional shareholders to attend the GMS held by CIMB Niaga.

CIMB Niaga's shares consist of Class A shares and Class B shares. Both Class A and Class B shareholders have the same rights. Each share has rights to 1 (one) vote. Rights possessed by shareholders, among others, are as follows:

1. Attend the GMS and give 1 (one) vote.
2. Opportunity to propose the GMS agenda.
3. Opportunity to grant power to other parties if the shareholders are unable to attend the GMS.
4. Study the material of the GMS at the latest 28 days before the GMS is held, to enable the shareholder to vote during the process of proposing resolutions.
5. Opportunity to raise questions in every agenda discussion and every agenda decision of the GMS.
6. Opportunity to vote in agreement or in disagreement with, or abstain from any proposed decision in the GMS agenda.
7. Receive the same treatment from the Bank.

Moreover, shareholders also have the authority, among others: to appoint and dismiss members of the Board of Commissioners and the Board of Directors, evaluate the performance of the Board of Commissioners and the Board of Directors, approve amendments to and ratification of the Articles of Association, approve the annual report, approve the remuneration of the Board of Commissioners and the Board of Directors, as well as allocation of the Bank's profit, including dividend distribution.

MECHANISM OF ORGANIZING THE GSM

In 2017, CIMB Niaga held 1 (one) AGMS and 2 (two) EGMS, one of which was held simultaneously with the AGMS in 2017.

The mechanism of the AGMS and EGMS for the year of 2017 was conducted in accordance with the provisions in the Articles of Association and POJK No. 32/POJK.04/2014 concerning the Plan and the Implementation of the General Meeting of Shareholders for Public Companies, and POJK No. 10/POJK.04/2017 dated March 14, 2017 concerning Amendment to POJK No. 32/POJK.04/2014.

GENERAL MEETING OF SHAREHOLDERS

The GMS (Annual and Extraordinary) on 25 April 2017

CIMB Niaga held the AGMS, which continued with an EGMS, on 25 April 2017.

The process of organizing both the AGMS and EGMS on 25 April 2017 was as follows:

Date & Time	25 April 2017 at 14.18 until 15.30 local time (AGMS) 15.35 until 15.50 local time (EGMS)
Location	Locations that are easily accessible to shareholders: Financial Hall Graha CIMB Niaga 2 nd Floor Jl Jenderal Sudirman Kav.58 South Jakarta 12190.
Quorum	The AGMS was attended by shareholders and/or their proxies representing 23,802,538,103 shares or 94.71% of the total shares of class A and class B with voting rights issued by the Bank totaling 25,131,606,843. The EGMS was attended by shareholders and/or their proxies representing 23,855,188,228 shares or 94.92% of the total shares of class A and class B with voting rights issued by the Bank totaling 25,131,606,843.
AGMS and EGMS Chairman	Dato' Sri Nazir Razak, President Commissioner as AGMS and EGMS Chairman.
Attendance of Board of Commissioners including President Commissioner	Dato' Sri Nazir Razak as President Commissioner, and all Board of Commissioners Members and Sharia Supervisory Board were present (except Ahmad Zulqarnain Che Onn, Prof. Dr. Muhammad Quraish Shihab, MA and Dr. Yulizar Djamiluddin Sanrego Nazar, who were unable to attend).
Attendance of Audit Committee, including Chairman	Roy Edu Tirtadji as Chairman of Audit Committee was present. Jeffrey Kairupan as Member of Audit Committee was present. Mawar I.R. Napitupulu as Member (Independent Party) of Audit Committee was present. Yap Tjay Soen as Member (Independent Party) of Audit Committee was present.
Attendance of Nomination and Remuneration Committee Chairman	Pri Notowidigdo as Chairman of Nomination and Remuneration Committee was present.
Attendance of Risk Oversight Committee Chairman	Zulkifli M. Ali as Chairman of Risk Oversight Committee was present.
Attendance of Board of Directors including President Director	Tigor M. Siahaan as President Director and all Board of Directors members were present.
Attendance of Compliance Director	Fransiska Oei as Compliance Director was present.
Independent Party to calculate quorum and votes for AGMS and EGMS 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 at the AGMS and EGMS	2 (two) shareholders raised questions at the AGMS, comprising 1 (one) shareholder on the second Agenda and 1 (one) shareholder on the fourth Agenda of the AGMS, as well as 1 (one) shareholder raised a question on the sole Agenda of the EGMS.
Procedures for AGMS and EGMS resolutions	The resolutions were made amicably. However, should the meeting fail to reach a consensus; the resolutions of AGMS and EGMS are made based on the results of voting, where the entire agenda of the AGMS and EGMS is conducted privately by using voting cards. Specifically for the appointment of the Board of Commissioners, Board of Directors and Sharia Supervisory Board is conducted by individual voting.

The stages of the AGMS and EGMS implementation on 25 April 2017 were as follows:

Description	Implementation	Provision
Notice of AGMS and EGMS to the Regulator	Notice of AGMS and EGMS to the Financial Services Authority (OJK) and Indonesia Stock Exchange (IDX) (e-Reporting) dated 3 March 2017	Notice of the date and the agenda of the GMS, which is disclosed clearly and in detail must be submitted no later than 5 (five) working days prior to the date of the announcement of the GMS to the public.

Description		Implementation	Provision
Announcement of AGMS and EGMS		<ul style="list-style-type: none"> Announced in Bisnis Indonesia and The Jakarta Post newspapers on 10 March 2017. Proof of announcement submitted to OJK (hardcopy and e-Reporting via SPE OJK) and IDX (e-Reporting via IDXNet) on the same day Uploaded on the website of the Bank: www.cimbniaga.com on the same day Announcement was made 16 days before the AGM and EGMS summons 	<p>Presented in 1 (one) Indonesian language national newspaper, IDX's website and Bank's official website no later than 14 (fourteen) days prior to the GMS summon.</p> <p>Proof of announcement shall be submitted to OJK no later than 2 (two) working days after the announcement of the GMS and submitted to the IDX on the same day as the date of announcement.</p>
Recording Date of Shareholders List entitled to attend the GMS		<ul style="list-style-type: none"> 1 (one) working day prior to the GMS Summons, specifically on 24 March 2017 	
Summons along with explanations of AGMS and EGMS events		<ul style="list-style-type: none"> Announced in Bisnis Indonesia and The Jakarta Post newspaper on 27 March 2017. Proof of summons announcement submitted to OJK (hardcopy and e-Reporting via SPE OJK) and IDX (e-Reporting via IDXNet) on the same day Uploaded on the website of the Bank: www.cimbniaga.com on the same day Announcement was made 28 days before the AGM and EGMS 	<p>Presented in 1 (one) Indonesian language national newspaper, IDX's website and Bank's official website no later than 21 (twenty one) days prior to the GMS summons.</p> <p>Proof of summons announcement shall be submitted to OJK no later than 2 (two) working days after the announcement of the GMS and submitted to the IDX on the same day as the date of announcement.</p>
Implementation of AGMS and EGMS		25 April 2017	
Summary of Minutes (Results) of AGMS and EGMS	Publications in Newspapers	<ul style="list-style-type: none"> Announced in Bisnis Indonesia and The Jakarta Post newspaper on 26 April 2017. The publication of the summary of minutes (results) in the newspaper was announced 1 working day after the AGMS and EGMS 	The summary of GMS results shall be announced no later than 2 (two) working days after the GMS was held.
	Publication on the Bank's website	<ul style="list-style-type: none"> Brief of resolutions and resumes of AGMS and EGMS made by Notary were uploaded on the Bank's website at www.cimbniaga.com dated 25 April 2017. Publication of resume on the Bank's website was uploaded on the same day as the AGMS and EGMS 	Based on the ASEAN CG Scorecard, the Bank should publish the brief of resolutions and resumes of the GMS through the Bank's website 1 (one) day after the holding of the GMS
	Report to Regulators and submission of the proof of publication on the summary of minutes of the AGMS and EGMS	<ul style="list-style-type: none"> Report on the resolution and proof of publication on the summary of minutes of the AGMS and EGMS to OJK (hardcopy and e-Reporting via SPE OJK) and IDX (e-Reporting via IDXNet) on 26 April 2017 Report submitted 1 working day after the AGMS and EGMS 	<p>Report on the results of the GMS shall be submitted to OJK and IDX no later than 2 (two) working days after the holding of the GMS and supplemented by a resume of the GMS Resolution issued by a Notary.</p> <p>Proof of publication on the summary of minutes of GMS is submitted to the OJK no later than 2 (two) working days after the announcement of the GMS and submitted to the IDX on the same day as the publication date.</p>
Minutes of AGMS and EGMS		<ul style="list-style-type: none"> Deed of Minutes of the AGMS and EGMS was submitted to OJK on 17 May 2017 Deed of Minutes submitted 14 working days after the AGMS and EGMS. 	Deed of Minutes of the GMS to be submitted to OJK no later than 14 (fourteen) working days after holding the GMS.

VOTE COUNTING PROCESS

Disclosure of vote counting and voting procedures for the AGMS and EGMS on 25 April 2017 is explained in Rules of Meeting (AGMS and EGMS) distributed to shareholders and read out by the Corporate Secretary prior to the commencement of the AGMS. Disclosure of the vote count and the complete voting procedure is set out in the Rules of Meeting, which was announced/uploaded on the Bank's website in conjunction with summon of the AGMS and EGMS.

INDEPENDENT PARTY TO CALCULATE VOTES

CIMB Niaga has appointed independent parties namely Notary Ashoya Ratam, SH, MKn as Public Notary and PT Sirca Datapro Perdana as the Share Registrar in conducting calculations and/or vote validation.

GENERAL MEETING OF SHAREHOLDERS

RESOLUTION AND REALIZATION OF THE AGMS AND EGMS ON APRIL 25, 2017

Agenda 1 Approval of the Company's Annual Report and Ratification of the Company's Financial Statements for the year ended 31 December 2016			Realization
<ol style="list-style-type: none"> To approve the Annual Report of 2016 and to ratify the Company's 2016 Consolidated Financial Statements for financial year 2016, which was audited by Public Accounting Firm Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PricewaterhouseCoopers Global in Indonesia) as stipulated in the report dated 17 February 2017 with the opinion "The Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of PT Bank CIMB Niaga Tbk and Subsidiaries as of 31 December 2016, the consolidated performance and their cash flows for the year end at the above mentioned date is in accordance with the Financial Accounting Standards in Indonesia"; Ratify the annual Supervisory Report of the Board of Commissioners and the Sharia Supervisory Board of the Company for the financial year 2016; and Acquit and discharge ("volledig acquit et décharge") the members of the Board of Directors and the Board of Commissioners including the Sharia Supervisory Board of the Company for the management and supervision performed in the financial year 2016, provided that the management and supervision are reflected in the Company's annual report for the year ended 31 December 2016. 			Realized in 2017
Votes Calculation			
Agree	Against	Abstain/No Votes ¹⁾	
23,799,927,057 shares or 99.989%	3,978 shares or 0.001%	2,607,068 shares or 0.010%	
Total Majority Votes and Agree Votes = 23,802,534,125 shares or 99.999%			

Agenda 2 Determination on the use of the Company's profit for Financial Year Ended on 31 December 2016			Realization
<p>To approve the appropriation of the Net Profit of the Company for the financial year 2016 in the total amount of Rp2,081,687,000,000 with the following description:</p> <ol style="list-style-type: none"> No distribution of dividend for the financial year 2016; Company does not set aside any amount of its net profit for the financial year 2016 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 No. 40 Year 2007 concerning Limited Liability Companies. <p>Therefore, the total Company's Net Profit for the financial year 2016 will be used to finance the business activities of the Company.</p>			Realized in 2017
Votes Calculation			
Agree	Against	Abstain/No Votes ¹⁾	
23,799,000,943 shares or 99.985%	3,060,285 shares or 0.013%	476,875 shares or 0.002%	
Total Majority Votes and Agree Votes = 23,799,477,818 shares or 99.987%			

Agenda 3 Appointment of Public Accounting Firm for Financial Year 2017 and The Decision on its Honorarium and other Requirements related to the Appointment			Realization
<ol style="list-style-type: none"> To approve the appointment of Angelique Dewi Daryanto, S.E, CPA as Public Accountant and Public Accounting Firm "Tanudiredja, Wibisana, Rintis & Rekan" (a member firm of PricewaterhouseCoopers Global in Indonesia) as a Public Accounting Firm registered in the Financial Services Authority, or other Public Accountant from the same Public Accounting Firm in the event that the respective Accountant is unable to conduct the audit on Company's Financial Statement for financial year 2017. Delegation of the AGMS to the Board of Commissioners to appoint another Public Accounting Firm, if there is an objection from the OJK to the appointment of Public Accounting Firm "Tanudiredja, Wibisana, Rintis & Rekan" or the said Public Accounting Firm performed a partnership restructuring to become a different Public Accounting Firm; To approve the proposed honorarium of the Public Accounting Firm for financial year 2017, as follows: <ol style="list-style-type: none"> The Company's annual audit fee of Rp7,220,000,000; The Audit fee of Subsidiary (PT CIMB Niaga Auto Finance) amounting to Rp1,080,000,000; Authorized the Board of Directors of the Company to perform matters deemed necessary in connection with the appointment of the Public Accountant, including but not limited to the process of conducting the AGMS and the signing of the appointment letter for Public Accountant and Public Accounting Firm. 			Realized in 2017
Votes Calculation			
Agree	Against	Abstain/No Votes ¹⁾	
23,602,194,276 shares or 99.158%	199,202,813 shares or 0.837%	1,141,014 shares or 0.005%	
Total Majority Votes and Agree Votes = 23,603,335,290 shares or 99.163%			



Agenda 4 Determination on the Salary/Honorarium and Allowances for members of Board of Commissioners, Board of Directors, and Sharia Supervisory Board of the Company		Realization
<ol style="list-style-type: none"> To approve and determine the amount of salary or honorarium and/or other allowances for the Board of Commissioners and the Sharia Supervisory Board for financial year 2017: <ol style="list-style-type: none"> for all members of the Board of Commissioners, a maximum of Rp19,300,000,000 (gross) per year; for all members of the Sharia Supervisory Board, a maximum of Rp1,800,000,000 (gross) per year; to delegate the authority to the President Commissioner to determine the amount of salary or honorarium and other allowances for each member of the Board of Commissioners and Sharia Supervisory Board of the Company for the financial year 2017; To approve the amount of tantieme/bonus including Holiday Allowance to all members of the Board of Directors for financial year 2016 maximum Rp67,386,431,863 (gross) per year; To approve the delegation of authority to the Board of Commissioners of the Company to determine the amount of salary or honorarium, bonus/tantieme and other allowances for the Board of Directors and each member of the Board of Directors of the Company for the financial year 2017 provided that the Board of Commissioners shall observe the advice or opinion of the Nomination and Remuneration Committee. 	Realized in 2017	
Votes Calculation		
Agree	Against	Abstain/No Votes ¹⁾
23,786,057,258 shares or 99.931%	15,563,899 shares or 0.065%	916,946 shares or 0.004%
Total Majority Votes and Agree Votes = 23,786,974,204 shares or 99.934%		

Agenda 5 - Accountability for the realization of the use of proceeds from the Public Offering of Shelf-Registration Bonds II of Bank CIMB Niaga Phase I Year 2016 ("PUB II 2016") - Reaffirmation of the Independent Director in compliance with Stock Exchange Regulation No. I-A concerning Listing of Shares (Stock) and Equity-Type Securities other than Shares issued by the Listed Company		Realization
<ol style="list-style-type: none"> In accordance with POJK No. 30/POJK.04/2015, the AGMS reports on the accountability for the use of proceeds from the Public Offering of Shelf-Registration Bonds II of Bank CIMB Niaga Phase I Year 2016 ("PUB II 2016"). In line with the report that has been submitted to the OJK of Capital Market and the Stock Exchange that up to 31 December 2016 all funds obtained from PUB II 2016 amounting to Rp1,000,000,000,000 entirely have been used for credit expansion in accordance with the plan for the use of funds as disclosed in the Prospectus of PUB II 2016. The Company reaffirms that all of the Directors of the Company have no affiliation relationship with the Controlling Shareholders nor with members of the Board of Commissioners and other members of the Board of Directors, have no concurrent positions other than at controlled subsidiary companies; and no-one has been an insider person at an institution or capital market support organization, whose services are used by the Company. However, to comply with the provisions of Stock Exchange Regulation No. I-A concerning the Listing of Shares (Stock) and Equity-Type Securities in addition to Shares Issued by a Listed Company, it is informed that the elected and appointed Independent Director is Fransiska Oei, the Compliance Director. 	No decision is made as it is reporting	

The agenda, realization and decision of the EGMS in 2017 are as follows:

Agenda Buyback of the Company's shares (share buyback) at maximum of 2% of Paid-up Capital		Realization
<ol style="list-style-type: none"> To approve the share buyback of the public shareholders and Khazanah Nasional Berhad at a maximum of 2% of paid up capital to be used as a stock-based loyalty program for management and employees (MESOP) with the objective to improve productivity and performance of management and employees, as well as to generate a sense of ownership to the Company. To approve the authorization for the Board of Directors to exercise the share buyback maximum 18 months after the approval of this EGMS and after obtaining approval from the authorities, and at a price deemed satisfactory by the Company but not exceeding the maximum amount of Rp500,000,000,000, including broker dealer commissions and other related costs. In the event that the repurchase of such shares is unenforceable, including due to the objection from the authorities, then this decision shall be void without requiring GMS approval. 	This decision was changed with the resolution of EGMS on August 24, 2017	
Votes Calculation		
Agree	Against	Abstain/No Votes ¹⁾
23,854,235,635 shares or 99.996%	3,978 shares or 0.001%	948,621 shares or 0.003%
Total Majority Votes and Agree Votes = 22,855,184,256 shares or 99.999%		

1) In accordance with Article 13 paragraph 13.4 Article of Association of the Company: Abstain or invalid votes is considered not exist and is not counted in determining the number of votes casted at the Meeting, provided that shareholders who do not cast the vote oblige to comply and respect the resolution passed made in relevant agenda of the Meeting.



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EGMS on 24 August 2017

In 2017, CIMB Niaga held its second EGMS on 24 August 2017.

The process of organizing the EGMS on 24 August 2017 was as follows:

Date & Time	24 August 2017 at 14.15 until 15.25 (local time)
Location	Locations that are easily accessible to shareholders: Sasando Room Graha CIMB Niaga M floor Jl Jenderal Sudirman Kav.58 South Jakarta 12190.
Quorum	The EGMS was attended by shareholders and/or their proxies representing 23,683,336,462 shares or 94.24% of the total shares of class A and class B with voting rights issued by the Bank totaling 25,131,606,843.
EGMS Chairman	Dato' Sri Nazir Razak, President Commissioner as EGMS Chairman.
Attendance of Board of Commissioners including President Commissioner	Dato' Sri Nazir Razak as President Commissioner, and all members of Board of Commissioners and Sharia Supervisory Board were present (except Faturrahman Djamil as a member of the Sharia Supervisory Board who was unable to attend).
Attendance of Audit Committee including Chairman	Roy Edu Tirtadji as Chairman of Audit Committee was present. Jeffrey Kairupan as Member of Audit Committee was present. Mawar I.R. Napitupulu as Member (Independent Party) of Audit Committee was present. Yap Tjay Soen as Member (Independent Party) of Audit Committee was present.
Attendance of Nomination and Remuneration Committee Chairman	Pri Notowidigdo as Chairman of Remuneration and Nomination Committee was present.
Attendance of Risk Oversight Committee Chairman	Zulkifli M. Ali as Chairman of Risk Oversight Committee was present.
Attendance of Board of Directors including President Director	Tigor M. Siahaan as President Director and all Board of Directors members were present.
Attendance of Compliance Director	Fransiska Oei as Compliance Director was present.
Independent Party to calculate quorum and votes for AGMS and EGMS 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 at the AGMS and EGMS	1 (one) shareholder raised a question at the EGMS on the third Agenda.
Procedures for EGMS resolutions	The decision-making mechanism other than the first agenda of the EGMS is conducted by deliberations to consensus, but in order to increase the independence and confidentiality of shareholders in the process of giving voting rights in accordance with the OJK recommendations related to corporate governance, then the decision-making is conducted in private.

The implementation stages of the EGMS on 24 August 2017 were as follows:

Description	Implementation	Provision	
Notice of EGMS to the Regulator	Notice of EGMS to the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX) (e-Reporting) dated 4 July 2017	Notice of the date and the agenda of the GMS, which is disclosed clearly and in detail must be submitted no later than 5 (five) working days prior to the date of the announcement of the GMS to the public.	
EGMS Announcement	<ul style="list-style-type: none"> Announced in Investor Daily on July 11, 2017. Proof of announcement submitted to OJK (hardcopy and e-Reporting via SPE OJK) and IDX (e-Reporting via IDXNet) on the same day Uploaded on the website of the Bank: www.cimbniaga.com on the same day Announcement was made 14 days before the EGMS summon 	<p>Presented in 1 (one) Indonesia language national newspaper, IDX's website and Bank official website no later than 14 (fourteen) days prior to the GMS summon.</p> <p>Proof of announcement shall be submitted to OJK by no later than 2 (two) working days after the announcement of the GMS, and submitted to the IDX on the same day as the announcement date</p>	
Information Disclosure	<ul style="list-style-type: none"> Announced the changes in Information disclosure in relation to the changes in the implementation of the share buyback plan by the Company in Suara Pembaruan dated 18 July 2017 Re-announcing EGMS on the same day. 	Presented at the same time as the GMS announcement	
Recording Date of Shareholders List entitled to attend the GMS	<ul style="list-style-type: none"> 1 (one) working day prior to the GMS summons, specifically on 25 July 2017. 		
Summons along with explanation of EGMS events	<ul style="list-style-type: none"> Announced in Investor Daily on 26 July 2017. Proof of summons announcement submitted to OJK (hardcopy and e-Reporting via SPE OJK) and IDX (e-Reporting via IDXNet) on the same day Uploaded on the website of the Bank: www.cimbniaga.com on the same day Summons was conducted 28 days prior to the EGMS 	<p>Presented in 1 (one) Indonesia language newspaper, IDX's website and Bank official website no later than 21 (twenty one) days prior to the GMS.</p> <p>Proof of summons announcement submitted to OJK by no later than 2 (two) working days after the announcement of the GMS, and submitted to the IDX on the same day as the announcement date.</p>	
Implementation of EGMS	24 August 2017		
Result Summary EGMS	Publications in Newspapers	<ul style="list-style-type: none"> Announced in Investor Daily newspaper on 25 August 2017 The publication of the summary of minutes (results) in the newspaper was announced 1 working day after the EGMS 	The summary of GMS results shall be announced no later than 2 (two) working days after the GMS is held.
	Publication on the Bank's official Website	<ul style="list-style-type: none"> Brief of resolutions and resumes of the EGMS prepared by Notary were uploaded on the Bank's official website: www.cimbniaga.com on 24 August 2017. Publication of the resume on the Bank's official website was uploaded on the same day as the EGMS 	
	Report to the Regulators	<ul style="list-style-type: none"> Report on the resolution and proof publication on the summary of minutes of EGMS to OJK (hardcopy and e-Reporting via SPE OJK) and IDX (e-Reporting via IDXNet) on 25 August 2017 Report submitted 1 working day after the EGMS 	<p>Report on the results of the GMS shall be submitted to OJK and IDX no later than 2 (two) working days after the GMS in held, supplemented by a resume of a GMS decision issued by a Notary.</p> <p>Proof of publication of the summary of minutes of GMS is submitted to OJK no later than 2 (two) working days after the announcement of the GMS and submitted to the IDX's on the same day as the announcement date.</p>
Minutes of EGMS	<ul style="list-style-type: none"> Deed of Minutes of the EGMS was submitted to OJK on 14 September 2017 Deed of Minutes submitted 14 working days after the EGMS. 	Deed of Minutes of the GMS to be submitted to OJK no later than 14 (fourteen) working days after the holding of the GMS.	



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VOTE COUNTING PROCESS

Disclosure of vote counting and voting procedures for the EGMS dated 24 August 2017 is explained in Rules of Meeting distributed to shareholders and read out by the Corporate Secretary prior to the commencement of the EGMS. Full disclosure of the vote counting and voting procedures is set out in the Meeting Rules, which was announced/uploaded on the Bank's official website in conjunction with the EGMS summons.

INDEPENDENT PARTY TO CALCULATE VOTES

CIMB Niaga has appointed independent parties namely Notary Ashoya Ratam, SH, MKn as Public Notary and PT Sirca Datapro Perdana as the Share Registrar in conducting calculations and/or vote validation.

Resolution and Realization of the EGMS on 24 August 2017

Agenda 1 Approval of changes to the composition of the Board of Commissioners and Board of Directors of the Company		Realization
1.	To approve the resignation of Ahmad Zulqarnain Onn from his position as Commissioner of the Company effective as of the close of this Meeting, accompanied by acknowledgment and appreciation for his contribution and dedication during his tenure as a Commissioner of the Company; The release and discharge for his supervisory action that has been carried out since his last release and discharge up to the effective date of his resignation shall be sought for approval at the 2017 AGMS meeting to be held in 2018.	Realized in 2017
2.	To approve the appointment of Tengku Dato 'Sri Zafrul Tengku Abdul Aziz as Commissioner of the Company, with effective term of office starting from the approval of the OJK on the fit and proper test ("Effective Date") up to the close of the 4 th AGMS after the Effective Date, without prejudice to the right of the GMS to terminate at any time in accordance with the provisions of Article 119 of Law No. 40 Year 2007 regarding Limited Liability Company ("UUPT"). In the event that the OJK does not give consent, or the requirements stipulated by the OJK for the appointment are not met, then the appointment becomes null and void without any GMS's approval required.	
3.	To approve the appointment of Rahardja Alimhamzah as Director of the Company, with effective term of office starting from the close of the Meeting ("Effective Date") up to the close of the 4 th AGMS after the effective date, without prejudice to the right of the GMS to terminate at any time pursuant to Article 105 UUPT.	
Thus the composition of the Board of Commissioners (since the effective appointment of Tengku Dato 'Sri Zafrul Tengku Abdul Aziz), namely obtaining OJK approval and the composition of the Board of Directors of the Company (since the effective appointment of Rahardja Alimhamzah) is as follows:		
Board of Commissioners: <ul style="list-style-type: none"> - 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 - Tengku Dato' Sri Zafrul Tengku Abdul Aziz, Commissioner 		Board of Directors: <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 P.Djajanegara, Director - Hedy Lopian, Director - Fransiska Oei, Director Kepatuhan (Independent) - Rahardja Alimhamzah, Director

Votes Calculation			
	Agree	Against	Abstain/No Votes ¹⁾
Resignation of Ahmad Zulqarnain Onn as Commissioner of the Company	23,567,104,718 shares or 99.51%	1,769,278 shares or 0.0075%	114,462,466 shares or 0.48%
Total Majority Votes: 23,681,567,184 shares or 99.992% (Agree)			



Votes Calculation			
	Agree	Against	Abstain/No Votes ¹⁾
Appointment of Tengku Dato' Sri Zafrul Tengku Abdul Aziz as Commissioner of the Company	23,669,600,003 shares or 99.94%	1,769,278 shares or 0.0075%	11,967,181 shares or 0.05%
Total Majority Votes: 23,681,567,184 shares or 99.992% (Agree)			

Votes Calculation			
	Agree	Against	Abstain/No Votes ¹⁾
Appointment of Rahardja Alimhamzah as Director of the Company	23,649,051,303 shares or 99.86%	1,769,278 shares or 0.0075%	32,515,881 shares or 0.14%
Total Majority Votes: 23,681,567,184 shares or 99.992% (Agree)			

Agenda 2 Approval of the amendment to the Articles of Association of the Company		Realization
1. To approve amendment of a number of articles of the Company's Articles of Association and subsequently restatement all the Company's Articles of Association.		Realized in 2017
2. To approve the granting of authorities to the Board of Directors of the Company, with the right of substitution to restate the resolution concerning the amendment and restatement of all provisions of Articles of Association of the Company in the Notarial Deed and report it to the competent authorities, and with due regard to the foregoing to act all necessary matters including additions and/or adjustments with due regard to the provisions of laws and regulations.		

Votes Calculation		
Agree	Against	Abstain/No Votes ¹⁾
23,661,379,108 shares or 99.91%	18,892,478 shares or 0.08%	3,064,876 shares or 0.01%
Total Majority Votes and Agree Votes = 23,664,443,894 shares or 99.92% (Agree)		

Agenda 3 Revision to the Approval of Share Buyback Plan		Realization
1. To approve the changes on share buyback plan and the implementation of stock-based loyalty program for management and employees (MESOP) which has been approved in the EGMS dated 25 April 2017.		On December 31, 2017, the Bank conducted share buyback of the Company's shares amounting to 194,407,492 (one hundred ninety four million four hundred and seven thousand four hundred and ninety two) shares to be used as MESOP.
2. To approve the share buyback from public shareholders up to a maximum of 2% of the Paid-up Capital or a maximum of 503,000,000 (five hundred and three million) shares, at a maximum cost of Rp500,000,000,000 (five hundred billion Rupiah) which includes broker-dealer commissions and other costs incurred in connection with the purchase, to be used as a stock-based loyalty program for management and employees in the Employee and Management Ownership Program in the form of: (i) Shares Grant, and (ii) Management Employee Stock Ownership Plan ("MESOP").		
3. To grant authority to the Board of Directors of the Company to exercise share buyback pursuant to prevailing regulations including Capital Market regulations within 12 months from the close of the Meeting.		
4. To grant authority to the Board of Directors of the Company to determine the eligibility criteria with the terms and conditions of the stock-based loyalty program.		
5. In the event that the share buyback may not be executed by any reason, including not obtaining approval from authorities, this decision shall be void without the need for approval from the GMS.		The implementation process of share buyback will be continued in 2018 by taking into account the deadline according to the EGMS decision and the implementation of MESOP will be done after the completion of the buyback process.

Votes Calculation		
Agree	Against	Abstain/No Votes ¹⁾
23,682,776,608 shares or 99.9976%	474,878 shares or 0.0020%	84,976 shares or 0.0004%
Total Majority Votes and Agree Votes = 23,682,861,584 shares or 99.998% (Agree)		

1) In accordance with Article 13 paragraph 13.4 Article of Association of the Company: Abstain or invalid votes is considered not exist and is not counted in determining the number of votes casted at the Meeting, provided that shareholders who do not cast the vote oblige to comply and respect the resolution passed made in relevant agenda of the Meeting.



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RESOLUTIONS AND REALIZATION OF THE RESULT OF THE PREVIOUS ANNUAL GMS

The resolutions and realization of the previous Annual GMS are as follows:

Agenda 1 Approval on Company's Annual Report and Ratification of the Company's Financial Statement for the year ended 31 December 2015	Realization
<p>To approve and duly accept the Annual Report of the Company for the financial year of 2015, including Supervisory Report of the Board of Commissioners and the Sharia Supervisory Board and to ratify the consolidated Financial Statements of the Company and its subsidiaries for financial year 2015, which was audited by Public Accounting Firm Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PricewaterhouseCoopers Global in Indonesia) 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 ended on the 31 December 2015, the consolidated performance and their cash flows for the year end at the above mentioned date is in accordance with the Financial Accounting Standards in Indonesia" as stated in its report dated 24 February 2016;</p> <p>By the approval of the Annual Report for the financial year of 2015, and the ratification of the consolidated financial year of 2015, therefore in accordance with the provisions of Article ii paragraph 11.6 of the Articles of Association of the Company, the Meeting also gives a complete acquittal and discharge to all members of the Board of Directors of the Company (including member of the Board of Commissioners that have 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 2015, except for the act of fraud, embezzlement and other criminal acts.</p>	Realized in 2016

Votes Calculation		
Agree	Against	Abstain
24,618,723,016 shares or 100%	Nil	Nil

Agenda 2 The determination of the Company's use of profits for the financial year ended 31 December 2015	Realization
<p>To approve the appropriation of the Company's Net Profit for the financial year 2015 in the total amount approximately Rp427,831,000,000 (four hundred twenty seven billion eight hundred thirty one million Rupiah) with the following details:</p> <p>The Company does not set aside the compulsory reserves from the net profit for financial year 2015, as the Company's compulsory reserve has complied with the minimum compulsory reserve requirement in accordance with Article 70 Law No.40 of 2007 on Limited Liability Companies. No dividend is distributed for the financial year 2015.</p> <p>Therefore, the Company's net profit for the financial year 2015 will be recorded as retained earnings, and will be used to strengthen the Company's capital in order to finance the Company's business activities.</p>	Realized in 2016

Votes Calculation		
Agree	Against	Abstain
24,618,723,016 shares or 100%	Nil	Nil



Agenda 3 The appointment of the Company's Public Accounting Firm for the fiscal year 2016 and the determination of honorarium, as well as other terms concerning such appointment	Realization
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To approve the reappointment of the Public Accounting Firm "TANUDIREDDJA, WIBISANA, RINTIS & Rekan" (a member firm of PricewaterhouseCoopers Global in Indonesia) as the Public Accountant to audit the Consolidated Financial Statements of the Company for the financial year 2016, and approved the delegation of authority to the Board of Commissioners of the Company to determine the amount of honorarium and other reasonable appointment requirements for such Public Accounting Firm.

Realized in 2016

Approved the delegation of authority to the Board of Commissioners of the Company to appoint another Public Accounting Firm to audit the Company's Consolidated Financial Statements for the financial year 2016, in the event of objections from the Financial Services Authority ("OJK") to the appointment of the Public Accounting Firm "TANUDIREDDJA, WIBISANA, RINTIS & Rekan"; or the Public Accounting Firm "TANUDIREDDJA, WIBISANA, RINTIS & Rekan" perform partnership restructuring to become a different Public Accounting Firm

With respect to the delegation of such authority, provisions applied that the other appointed Public Accounting Firm must be one of the four big public accounting firms in Indonesia; the honorarium and other appointment requirements must be set competitively and reasonably; and not be contrary to applicable laws and regulations.

Votes Calculation		
Agree	Against	Abstain
24,618,723,016 shares or 100%	Nil	Nil

Agenda 4 Changes to the Board's structure including the Sharia Supervisory Board of the Company	Realization
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1. To ratify the resignation of Mr. Lo Nyen Khing from his position as Vice President Director of the Company effective since 31 July 2015, and Mr. Harjanto Tanuwidjaja from his position as Director of the Company effective since 1 December 2015 with acknowledgments and high appreciation for their contribution and dedication during their tenure as the Vice President Director and Director of the Company.

Realized in 2016

2. To approve the appointment of the Board of the Company, namely:

Section A

a. Board of Commissioners:

- Dato 'Sri Nazir Razak as President Commissioner
- Mr. Glenn Muhammad Surya Yusuf, as Vice President Commissioner
- Mr. Zulkifli M. Ali, as Commissioner, also Independent Commissioner
- Mr. Pri Notowidigdo, as Commissioner, also Independent Commissioner
- Ms. Armida Salsiah Alisjahbana, as Commissioner, also Independent Commissioner
- Mr. Jeffrey Kairupan, as Commissioner, also Independent Commissioner

Section B

b. Board of Directors:

- Mr. Wan Razly Abdullah, as Director
- Ms. Rita Mas'oen, as Director
- Ms. Megawati Sutanto, as Director
- Ms. Vera Handajani, as Director
- Ms. Lani Darmawan, as Director
- Mr. Pandji Pratama Djajanegara, as Director
- Mr. Rahardja Alimhamzah, as Director
- Ms. Hedy Maria Helena Lopian, as Director
- Ms. Fransiska Oei Lan, as Director, also Director of Compliance

Section C

c. Sharia Supervisory Board

- Mr. M. Quraish Shihab, as Chairman
- Mr. Fathurrahman Djamil, as member
- Mr. Yulizar Djamaluddin Sanrego, as member

The appointment shall be effective as of the date specified in the OJK approval letter and/or fulfillment of the requirements stipulated in the letter of the OJK, except for the reappointment of the members of the Board of Commissioners, Board of Directors and Sharia Supervisory Board previously served, will be effective after the close of the Meeting ("Effective Date") up to the close of the 4th Annual General Meeting of Shareholders after the Effective Date, provided that if the OJK does not approve the appointment or the conditions stipulated by the OJK are not met, then such appointment becomes null and void without the need for GMS approval.



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Votes Calculation Section A			
Appointment	Agree	Against	Abstain
Mohamed Nazir Bin Abdul Razak (Also called Dato' Sri Nazir Razak) as President Commissioner	24,618,708,738 shares or 99.999942% (after deducting abstentions)	400 shares or 0.0000016%	13,878 shares
Glenn Muhammad Surya Yusuf as Vice President Commissioner	24,618,708,738 shares or 99.999942% (after deducting abstentions)	400 shares or 0.0000016%	13,878 shares
Zulkifli Bin Mohd Ali as Commissioner and also Independent Commissioner	24,618,708,738 shares or 99.999942% (after deducting abstentions)	400 shares or 0.0000016%	13,878 shares
Pri Notowidigdo as Commissioner and also Independent Commissioner	24,618,709,138 shares or 100% (after deducting abstentions)	Nil	13,878 shares
Armida Salsiah Alisjahbana as Commissioner and also Independent Commissioner	24,618,709,138 shares or 100% (after deducting abstentions)	Nil	13,878 shares
Jeffrey Kairupan as Commissioner and also Independent Commissioner	24,618,709,138 shares or 100% (after deducting abstentions)	Nil	13,878 shares
Votes Calculation Section B			
Appointment	Agree	Against	Abstain
Wan Razly Abdullah Bin Wan Ali as Director	24,615,781,838 shares or 100% (after deducting abstentions)	Nil	2,941,178 shares
Rita Mas'Oen as Director	24,615,761,838 shares or 99.987972% (after deducting abstentions)	20,000 shares or 0.000081%	2,941,178 shares
Megawati Sutanto as Director	24,615,781,838 shares or 100% (after deducting abstentions)	Nil	2,941,178 saham
Vera Handajani as Director	24,615,795,716 shares or 100% (after deducting abstentions)	Nil	2,927,300 shares
Lani Darmawan as Director	24,615,761,838 shares or 100% (after deducting abstentions)	Nil	2,961,178 shares
Pandji Pratama Djajanegara as Director	24,615,781,838 shares or 100% (after deducting abstentions)	Nil	2,941,178 shares
Rahardja Alimhamzah as Director	24,615,781,838 shares or 100% (after deducting abstentions)	Nil	2,941,178 shares
Hedy Maria Helena Lopian as Director	24,615,781,838 shares or 100% (after deducting abstentions)	Nil	2,941,178 shares
Fransiska Oei Lan as Director	24,615,795,716 shares or 100% (after deducting abstentions)	Nil	2,927,300 shares
Votes Calculation Section B			
Appointment	Agree	Against	Abstain
M. Quraish Shihab as Chairman	24,615,795,716 share or 100% (after deducting abstentions)	Nil	2,927,300 shares
Fathurrahman Djamil as Member	24,615,781,838 shares or 100% (after deducting abstentions)	Nil	2,941,178 shares
Yulizar Djamiluddin Sanrego as Member	24,615,71,838 shares or 100% (after deducting abstentions)	Nil	2,961,178 shares



Agenda 5 Determination of salaries/honorarium and other allowances for the Board of Commissioners, Board of Directors and Sharia Supervisory Board of the Company		Realization
<p>To approve the amount of salary/honorarium and allowances of the Board of Commissioners and Board of Directors, as well as the Sharia Supervisory Board for the financial year 2016 as follows:</p> <p>The amount of salary/honorarium and allowances for all members of the Board of Commissioners, which is a maximum of Rp20,765,983,144, -gross per year;</p> <p>Approved the delegation of authority to the Board of Commissioners to determine the:</p> <ol style="list-style-type: none"> salary/honorarium and allowances for all members of the Sharia Supervisory Board for the financial year 2016; salary/honorarium and other allowances, as well as the amount of bonus/tantieme budgeted for all members of the Board of Directors for the financial year 2016; <p>Provided that the Board of Commissioners considers the advice/opinion given by the Nomination and Remuneration Committee.</p>		Realized in 2016
Votes Calculation		
Agree	Against	Abstain
24,618,723,016 shares or 100%	Nil	Nil
Agenda 6 Approval of Amendment to Company's Articles of Association		Realization
<p>To approve the amendment of provision of Article 15 paragraph 15.5 of The Articles of Association of the Company to become:</p> <p>2 (two) members of the Board of Directors jointly, are entitled and authorized to represent the Board of Directors and therefore act for and on behalf of, and legally represent the Company.</p> <p>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 amendment of the provisions of the Articles of Association of the Company in notarial deed and notify it to the applicable authorities and in relation to the matters to carry out necessary actions in accordance with the provisions of applicable legislation.</p>		Realized in 2016
Votes Calculation		
Agree	Against	Abstain
24,618,723,016 shares or 100%	Nil	Nil
Agenda 7 Integrated Financial Conglomeration Report & Report of Dismissal and Appointment of Committee Members at the Board of Commissioners Level		Realization
<p>In accordance with Financial Services Regulation ("POJK") No.17/POJK.03/2014 and POJK No.18/POJK.03/2014, the Company reported on the establishment of Integrated Financial Conglomeration from CIMB Indonesia. The CIMB Group, as the ultimate shareholder of the Financial Conglomeration in a single group or business group in Indonesia, has appointed the Company as the Main Entity, and established Financial Services Institutions as members of the Conglomeration.</p> <p>The Company reported the termination of the term of office of Committee members at the Board of Commissioners level and also reports the appointment of members of the Committee at the Board of Commissioners level effective the close of the Meeting until the close of the fourth Annual General Meeting of Shareholders.</p>		No decision was made, only reporting



Board of Commissioners

CIMB Niaga's Board of Commissioners is a corporate governance organ that performs oversight on the Bank's management activities to ensure that the Bank conducts its business in accordance with its established objectives. The Board of Commissioners oversees and advises on the implementation of the duties and responsibilities of the Board of Directors and other functions set forth in the Articles of Association and the rules and regulations. In the conduct of its duties and responsibilities, the Board of Commissioners must act in an independent manner.

LEGAL REFERENCES

The legal basis for the appointment of the Board of Commissioners of CIMB Niaga refers to several regulations, including:

1. Law No. 40 year 2007 on Limited Liability Companies.
2. Law No. 7 year 1992 on Banking as amended by Law No. 10 year 1998
3. The Articles of Association
4. Regulation of Bank Indonesia (PBI) No. 11/1/PBI/2009, dated 27 January 2009, concerning Commercial Banks
5. PBI No. 13/27/PBI/2011, dated 28 December 2011, concerning amendment to PBI No. 11/1/PBI/2009, concerning Commercial Banks
6. Regulation of Financial Services Authority (POJK) No. 33/POJK.04/2014, dated 8 December 2014, regarding the Board of Directors and Board of Commissioners of Issuers or Listed Companies
7. POJK No. 27/POJK.03/2016, dated 22 July 2016, regarding Fit and Proper Test for Main Party of Financial Services Institution
8. Circular of Financial Services Authority (SEOJK) No. 39/SEOJK.03/2016, dated 13 September 2016 regarding Fit and Proper Test for Candidate Ultimate Shareholders, Candidate Members of the Board of Directors and Candidate Members of the Board of Commissioners of the Bank
9. POJK No. 18/POJK.03/2016, dated 16 March 2016, concerning Implementation of Risk Management for Commercial Banks
10. POJK No. 37/POJK.03/2017, dated 12 July 2017, concerning the Hiring of Expatriates and Knowledge Transfer Program in the Banking Sector
11. Deed No. 35, dated 24 August 2017, regarding Resolution of the Extraordinary General Meetings of the Shareholders of PT Bank CIMB Niaga Tbk.

BOC STRUCTURE AND COMPOSITION

CIMB Niaga has complied with all prevailing regulations as stipulated in the Board of Commissioners Charter, namely:

1. The total of members of the Board of Commissioners of CIMB Niaga is at least 3 (three) persons and not more than the number of members of the Board of Directors.
2. The Board of Commissioners of CIMB Niaga is chaired by a President Commissioner, namely Dato' Sri Nazir Razak.
3. One or more may be appointed Vice President Commissioner. The position of Vice President Commissioner is held by Glenn Muhammad Surya Yusuf.
4. At least 1 (one) member of the Board of Commissioners is be domiciled in Indonesia: CIMB Niaga has 4 (four) members of the Board of Commissioners domiciled in Indonesia.
5. 4 (four) of 8 (eight) persons, or 50% (fifty percent) of the members of the Board of Commissioners, are Independent Commissioners.
6. 4 (four) of 8 (eight) persons, or 50% (fifty percent) of the members of the Board of Commissioners, are Indonesian Citizens.
7. The replacement and/or appointment of members of the Board of Commissioners of CIMB Niaga has considered the recommendations of the Nomination and Remuneration Committee and obtained the approval of the GMS and OJK.
8. All Commissioners of CIMB Niaga have no family relationship up to the second degree with other members of the Board of Commissioners and/or Board of Directors.
9. All members of the Board of Commissioners of the Bank have passed the Fit and Proper Test, including 1 (one) Commissioner, namely Tengku Dato' Sri Zafrul Tengku Abdul Aziz, who passed the Fit and Proper Test and effectively began serving on 16 March 2018.

In line with the principles of the ASEAN Corporate Governance Scorecard, the composition of the Board of Commissioners is as follows:

1. 1 (one) female member of the Board of Commissioners, Armida Salsiah Alisjahbana, who is an Independent Commissioner. (ASEAN CG principle: minimum 1 (one) female Independent Commissioner).
2. In terms of expertise, the majority of members of the Board of Commissioners have working experience in banking.

In 2017, the members of the Board of Commissioners of CIMB Niaga were 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	Armida Salsiah Alisjahbana	Independent Commissioner
7	Jeffrey Kairupan	Independent Commissioner
8	Ahmad Zulqarnain Onn*)	Commissioner
9	Tengku Dato' Sri Zafrul Tengku Abdul Aziz**)	Commissioner

*) Resigned from BOC effective since the Extraordinary GMS 24 August 2017

***) Appointed in the Extraordinary GMS 24 August 2017 and effective began as Commissioner on 16 March 2018

BOC DUTIES, RESPONSIBILITIES AND AUTHORITY

In performing its functions, the Board of Commissioners must act and be responsible collegially, assisted by the Audit Committee, the Risk Oversight Committee, the Nomination and Remuneration Committee and the Integrated Corporate Governance Committee in their respective areas. The duties, responsibilities and authority of the Board of Commissioners are applicable to each member of the Board of Commissioners.

1. Each member of the Board of Commissioners must not act individually, but on the basis of a mutual decision of the Board of Commissioners.
2. The Board of Commissioners must perform its duties and responsibilities in good faith, with full responsibility, and have prudent principles and independence.
3. The Board of Commissioners must ensure the implementation of Good Corporate Governance in each business activity of the Bank and at all organizational levels through:
 - a. the implementation of the duties and responsibilities of the Board of Commissioners and the Board of Directors.
 - b. completeness and execution of the duties of the Committees and working units exercising the Bank's internal control functions.
 - c. execution of compliance function, internal audit and external audit.
 - d. implementation of risk management, including internal control system.
 - e. provision of funds to related parties and provision of large funds.
 - f. the Bank's strategic plan.
 - g. transparency of the Bank's financial and non-financial condition.
 - h. Approval and regular review of the Bank's vision, mission and values.
4. The Board of Commissioners has the responsibility to oversee management policy, general management process and is responsible for such oversight and gives advice to the Board of Directors.
5. In conducting the oversight duties as referred to in number (3) and (4) above, the Board of Commissioners must direct, monitor and evaluate the implementation of the Bank's strategic policy pursuant to the regulations.
6. In the event that there is only a single member of the Board of Commissioners, all duties and authority granted to the President Commissioner or other members of the Board of Commissioners in the Articles of Association will automatically apply to him/her.
7. The Board of Commissioners is prohibited from engaging in decision-making of Bank operations, except for:
 - a. provision of funds to related parties as stipulated in the Financial Services Authority (OJK) regulation concerning the Legal Lending Limit for Commercial Banks.
 - b. other matters specified in the Articles of Association or in the prevailing rules and regulations.
8. Decision making by the Board of Commissioners as referred to in number (7) above is part of the oversight duties of the Board of Commissioners so as not to negate the Board of Directors' responsibility for management of the Bank.



BOARD OF COMMISSIONERS

9. The Board of Commissioners approves and monitors the implementation of strategy, the Business Plan, and Bank policies in accordance with prevailing regulations, including the establishment and implementation of the strategies of Anti-Fraud, Anti Money Laundering and Counter-Terrorism Financing (AML - CFT), Whistleblowing, Integrated Corporate Governance, Related Party Transaction, Minimum Lending Limit (BMPK), and other Bank strategies in accordance with prevailing regulations.
10. Through the Nomination and Remuneration Committee, the Board of Commissioners exercises supervision of the selection and assessment of candidate members of the Board of Directors and Board of Commissioners without interference.
11. The Board of Commissioners must ensure that the Board of Directors has followed up on audit findings and recommendations from the Bank's internal audit unit, external auditor, monitoring results from the OJK and/or other authorities.
12. The Board of Commissioners must notify the OJK no later than 7 (seven) working days upon finding any:
 - a. violation of laws and regulations in finance and banking.
 - b. circumstances or projected circumstances that may compromise the sustainability of the Bank's business.
13. In order to support the effectiveness of its duties and responsibilities, the Board of Commissioners must establish the following:
 - a. Audit Committee.
 - b. Risk Oversight Committee.
 - c. Nomination and Remuneration Committee.
14. The Board of Commissioners must supervise the established Committees, as referred to in point (13) above, so they perform their duties effectively, and must evaluate and/or assess the performance of such committees at the end of each fiscal year.
15. The Board of Commissioners must exercise active oversight of compliance function by:
 - a. Evaluating the conduct of the Bank's compliance at a minimum of 2 (twice) a year.
 - b. Providing suggestions in order to improve the quality of the Bank's compliance.
16. Based on Point (15), the Board of Commissioners makes recommendations for improving the quality of compliance function to the President Director.
17. The Board of Commissioners is responsible for ensuring the implementation of Risk Management in accordance with the Bank's characteristics, complexity and risk profile by:
 - a. approving risk management policy including risk management strategy and framework which is determined based on the Bank's risk appetite and risk tolerance.
 - b. evaluating risk management policies and risk management strategy at least once a year, or more frequently, in the event of significant changes in factors affecting the Bank's business activities.
18. Every member of the Board of Commissioners must be jointly responsible for any loss due to errors or negligence of members of the Board of Commissioners in performing their duties.
19. The members of the Board of Commissioners must not be liable for losses of the Bank as referred to in Point (18) if it is proven that:
 - a. the loss is not due to any errors or negligence.
 - b. the Board of Commissioners has performed oversight in good faith, with full responsibility and prudent principles for the interests of, and in accordance with the Bank's objectives.
 - c. there is no direct or indirect conflicts of interests in management activities resulting in a loss.
 - d. the Board of Commissioners has taken action to prevent such loss from being incurred and remaining incurred.
20. A member of the Board of Commissioners, appointed by the Board of Commissioners must lead the General Meetings of the Shareholders (GMS).
21. In the event that all members of the Board of Commissioners are absent or unavailable for any reason, which does not have to be proven to third parties, the GMS should be led by the President Director.
22. In performing its duties, the Board of Commissioners reserves the right to seek the assistance of experts for a limited period of time.



23. The Board of Commissioners, based on decision of a Board of Commissioners meeting is authorized to temporarily dismiss members of the Board of Directors by stating the reasons.
In the event that a member of the Board of Directors is temporarily dismissed, the Board of Commissioners must convene the GMS within 90 (ninety) days after the date of such dismissal, to revoke or enforce the decision of such dismissal.
24. The Board of Commissioners may undertake Bank management action under certain circumstances and for a certain period of time. In such case, all provisions concerning the rights, authority and responsibilities of the Board of Directors to the Bank and third parties will apply.
25. The Board of Commissioners is, at all times within office hours, entitled to enter the building, the yards, or other premises used or controlled by the Bank, and is entitled to inspect all records, letters and other evidence, to examine and check the condition of the cash and others, as well as to acknowledge any action taken by the Board of Directors.
26. The Board of Commissioners is entitled to an explanation of all matters relating to the operations of the Bank and its subsidiaries and matters relating to the Bank's ethics.
27. The Board of Commissioners must ensure that the Board of Directors maintains and implements the Financial Literacy and Financial Inclusion plans.
28. The Board of Commissioners must prepare the succession plan of the Chief Executive Officer (CEO)/President Director and key management for the Bank's continuous succession of future leadership.
4. Submit the oversight report for approval of the Annual GMS on the execution of duties and oversight of the Board of Commissioners;
5. Ensure that the responsibilities of the Board of Commissioners have been carried out in accordance with the proper procedure;
6. Ensure that Board of Commissioners meetings make effective decisions based on correct and complete information, ensuring that:
 - a. all strategic and important issues are taken into consideration by the Board of Commissioners.
 - b. existing issues are carefully and thoroughly discussed.
 - c. all members of the Board of Commissioners are given the opportunities to contribute effectively.
 - d. each Commissioner receives relevant information in a timely manner, including a brief explanation on issues to be discussed at the Board of Commissioners meeting.
 - e. the meetings of the Board of Commissioners make clear decisions and are recorded in the minutes.
7. Ensure that the Board of Commissioners behaves in accordance with the Charter of the Board of Commissioners.
8. Lead efforts to meet the development needs of the Board of Commissioners.
9. Carry out other responsibilities assigned by the Board of Commissioners, from time to time.
10. Conduct a final evaluation by taking into account the recommendations of the Nomination and Remuneration Committee on the collective evaluation of the Board of Commissioners and the Committees and individual evaluations of members of the Board of Commissioners and members of the Committees.

ROLES AND RESPONSIBILITIES OF THE PRESIDENT COMMISSIONER

In addition to the duties and responsibilities mentioned above, the President Commissioner has additional duties and responsibilities as follows:

1. Coordinate the implementation of duties and responsibilities of the Board of Commissioners;
2. Propose to hold meetings of the Board of Commissioners, including the agenda of the meetings;
3. Summon and lead meetings of the Board of Commissioners;

BOC FOCUS OF SUPERVISION IN 2017

The Board of Commissioners must always perform its oversight duties to ensure the implementation of Good Corporate Governance in all activities in the Bank. The supervisory focus and work plan of the Board of Commissioners are prepared as a mutually agreed guideline and serve as the basis for the agenda of Board of Commissioners meetings and joint Board of Commissioners-Board of Directors meetings. Primary attention is given to achieving business targets with due regard to risk management and prudent principles, and compliance with all prevailing regulations. Through its committees, the Board of



BOARD OF COMMISSIONERS

Commissioners has provided recommendations and feedback on various business aspects and support of the Bank. In addition, members of the Board of Commissioners conduct face-to-face meetings with employees in the provinces during routine events held by the Bank.

The Board of Commissioners established the focus on oversight, covering several important aspects in 2017, including:

1. The BOC analysed and provided input, and together with the Board of Directors approved the Bank Business Plan (RBB) including review and approval of RBB revision to be submitted to the OJK in accordance with the timeline stipulated by the OJK which was in November for the following year's RBB and in June for the revised RBB for the current year. The Board of Commissioners also monitored, analysed and provided input on the Bank's strategic plan including the development of high-margin business, diversification of sources of income, the growth of low-cost funds, sales and service transformation, increased efficiency, and human resource development.
2. Periodically the Board of Commissioners reviewed the financial performance of the Bank, in each BOC Meeting and/or Committee Meeting and also invited Business Units to submit their respective performances.
3. In line with prevailing regulations, Board of Commissioners active oversight on risk management became its focus, including self-assessment of Bank Rating using Risk Based-Bank Rating (RBBR). During 2017, through the Risk Oversight Committee, the Board of Commissioners monitored risk management, asset quality, Bank's soundness status, and stress test results. The Board of Commissioners reviewed the Bank's required risk management policies including the contingency plan policy, and evaluated the conformity of risk management policies with the implementation of such policies.
4. The Board of Commissioners ensured that the Board of Directors had followed up on audit findings and recommendations of the Internal Audit Unit, including improvements to the findings of external auditors and regulators.
5. In relation to liquidity both in Rupiah and US Dollars, the Board of Commissioners regularly received the Board of Directors report to get a clear picture of the funding and liquidity structure and Bank's funding strategy.
6. The Board of Commissioners conducted the renewal of the Board of Commissioners Charter, reviewed the Good Corporate Governance (GCG) Assessment Report and related party transactions to comply with prevailing regulations.
7. The Board of Commissioners received updated reports on Bank's investments and its achievements in connection with the operations and information technology implemented in 2017.
8. The Board of Commissioners monitored operational risks in the Bank covering non-performing loans (NPLs), impaired loans, and fraud.
9. The Board of Commissioners conducted assessment and approval of the Recovery Plan to be submitted to the OJK prior to 30 December 2017. The Recovery Plan will also be submitted for Shareholders' approval at the Annual GMS on 24 April 2018.
10. The Board of Commissioners approved the review and recommendations of the Nomination and Remuneration Committee in nominating the members of the Board of Commissioners, Board of Directors, Sharia Supervisory Board and independent parties who will become members of the Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee and Integrated Corporate Governance Committee. It also included changes related to remuneration and compensation policies for the Board of Commissioners, Board of Directors and Sharia Supervisory Board.
11. Related to Human Resources, the Board of Commissioners, through the Nomination and Remuneration Committee, monitored Human Resources (HR) policies and HR management functions that posed a significant risk to the Bank, as well as supervision in risk management implementation related to outsourcing.
12. Through the Audit Committee and Risk Oversight Committee, the Board of Commissioners evaluated the implementation of the Bank's compliance function and provided advice, including recommendations to perform a comprehensive review of existing products and new products to be launched.



13. The Board of Commissioners conducted oversight and implementation of Integrated Corporate Governance (TKT) in the financial conglomeration of CIMB Indonesia through the Integrated Corporate Governance Committee, by evaluating the implementation of TKT through the assessment of the adequacy of internal control and the implementation of integrated compliance function.
14. In order to support the effectiveness of the execution of the duties and responsibilities of the Board of Commissioners, in each meeting the Board of Commissioners received reports from each Committee, namely the Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee and Integrated Governance Committee.

BOC CHARTER AND WORK GUIDELINES

The Board of Commissioners maintains the Board of Commissioners Charter which is always updated and adjusted with the prevailing laws and regulations in Indonesia. This Charter becomes binding work guidelines and procedures for each member of the Board of Commissioners so that the Board of Commissioners can perform its monitoring in an efficient, effective, transparent, independent and accountable manner. The Board of Commissioners Charter was last updated on 19 December 2017 and has been uploaded to the Bank website www.cimbniaga.com. The Board of Commissioners Charter sets forth the following matters:

1. Structure and membership
2. Requirements and Appointment
3. Duties and Responsibilities
4. Conflict of Interests
5. Transparency
6. Ethics and Work Hours
7. Meetings
8. Term of office
9. Resignation
10. Performance Assessment and Accountability

The basis for the preparation of the Board of Commissioners Charter is as follows:

1. The Articles of Association
2. Law No. 40, Year 2007 regarding Limited Liability Companies
3. POJK No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks

4. SEOJK No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks
5. POJK No. 32/POJK.04/2015 on the Implementation of Corporate Governance Guidelines for Listed Companies
6. SEOJK No. 32/SEOJK.04/2015 on Corporate Governance Guidelines for Listed Companies
7. POJK No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Listed Companies
8. Indonesia GCG General Guidelines from the National Committee on Governance Policy (KNKG)
9. ASEAN Corporate Governance Scorecard

CRITERIA OF BOC APPOINTMENT

The criteria for appointment of members of the Board of Commissioners of CIMB Niaga are based on, among other things, POJK No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Listed Companies, POJK No. 27/POJK.03/2016 on Fit and Proper Test for Main Party of Financial Service Institution, SEOJK No. 39/SEOJK.03/2016 on Fit and Proper Test for Candidates Ultimate Shareholders, Candidates Members of Board of Directors, and Candidates Members of the Board of Commissioners of the Bank.

Criteria that must be met by candidate members of the Board of Commissioners of CIMB Niaga, are as follows:

1. Have integrity as required in the prevailing regulations to:
 - a. have good morals
 - b. commit to comply with prevailing laws and regulations including Bank rules and regulations and also support the OJK policy
 - c. commit to the development of sound banking operations
 - d. Not be included in the list of those failing the Fit and Proper Test
 - e. be capable of taking legal action
2. Have competencies as required in the prevailing regulations, having:
 - a. sufficient knowledge of the banking industry and relevant to his/her position



BOARD OF COMMISSIONERS

- b. experience in banking and/or finance
 - c. knowledge of the duties and responsibilities of the Primary Legal Entity, as well as an understanding of the main business activities and main risks of the Financial Services Institutions in the Bank's financial conglomerate
 - d. knowledge pertaining to the Indonesian economy, culture and language, for foreign Commissioner candidates
3. Have a good financial reputation, at least within 5 (five) years before appointment and during the term of office, including :
 - a. has no bad credit and/or does not serve as an Ultimate Shareholder, a member of the Board of Commissioners or a member of the Board of Directors of a legal entity having bad credit
 - b. has not been declared bankrupt
 - c. has not been a member of a Board of Directors and/or a member of a Board of Commissioners who has been found guilty of causing a company to be declared bankrupt;
 - d. has not been convicted committing a crime that is detrimental to state finances and/or related to the financial sector
 - e. has not been a member of a Board of Directors and/or member of a Board of Commissioners who during his term of office:
 - i. Has not held an Annual General Meeting of Shareholders.
 - ii. Has caused a company that obtains a license, approval or registration from the Financial Services Authority fail to meet the requirements to submit annual report and/or financial report to OJK.
 - iii. Have been rejected by the GMS regarding his/her accountability as a member of a Board of Directors and/or Board of Commissioners or has failed to give an accountability report to the GMS as a member of a Board of Directors and/or Board of Commissioners.

BOC APPOINTMENT PROCEDURES

Candidate members of the Board of Commissioners who have received recommendation from the Bank's Nomination and Remuneration Committee, are proposed to, and appointed by the Annual GMS of CIMB Niaga.

Candidate members of the Board of Commissioners shall be subject to a fit and proper test by the Financial Services Authority through a request made by the Bank.

Candidate members of the Board of Commissioners who have not been approved by the Financial Services Authority are prohibited from performing duties as members of the Board of Commissioners of the Bank, regardless of the fact that they have been approved and appointed by the GMS.

INDEPENDENCE OF BOC

The Board of Commissioners of CIMB Niaga at all times upholds the principle of independence in performing its duties, prioritizes the interests of the Bank above its own interests and cannot be influenced by any party in conducting its duties. This is set forth in the BOC Charter as follows:

1. The Board of Commissioners and their families and their affiliated parties shall not borrow money from the Bank.
2. The Board of Commissioners shall not utilize information obtained from the Bank to make decisions for personal, family and an affiliated party's interests.
3. The Board of Commissioners shall not accept personal income or income from the Bank other than remuneration and other facilities as set forth in the Bank's policy approved by the GMS.
4. The Board of Commissioners shall prioritize the interests of the Bank by adopting professionalism and integrity principles, and shall work and behave to a high standard.
5. The Board of Commissioners shall not retain and duplicate documents and control the Bank's assets for personal gain.



6. Unless stipulated in the prevailing laws and regulations and Articles of Association, the Board of Commissioners shall not be entitled to represent the Bank despite being authorized by the Board of Directors, except when the Board of Directors is not functioning, then the Board of Commissioners shall take over the role of the Board of Directors.
7. All members of the Board of Commissioners shall not accept, give or offer anything from/to state officials and business partners.

BOC DEVELOPMENT PROGRAM

CIMB Niaga continues to promote the Board of Commissioners development activities through the induction program for new members and training programs for existing members in order to support its duties to achieve sustainable growth and effective management as set forth in the Board of Commissioners Charter.

INDUCTION PROGRAM FOR NEW COMMISSIONER

As stipulated in the Board of Commissioners Charter, the newly appointed members of the Board of Commissioners must join the induction program which aims to provide knowledge to new Commissioners in order to gain an understanding of the Bank, so as to perform his/her duties effectively and efficiently.

The orientation program for new commissioners in the form of documents prepared by the Corporate Affairs unit, includes:

- a. Vision and Mission
- b. Code of Ethics
- c. Organizational Structure
- d. Articles of Association
- e. Good Corporate Governance Guidelines
- f. Board of Commissioners Charter and Committee Charters
- g. Regulations related to the Banking and Capital Markets.
- h. Annual Report
- i. Business Plan

In 2017, the induction program was conducted for 1 (one) new Commissioner, namely Tengku Dato' Sri Zafrul Tengku Abdul Aziz.

BOC TRAINING PROGRAM 2017

Risk Management Certification

In accordance with the Employment Regulation (P2K) on Employee Learning and PBI No.11/19/PBI/2009, dated 4 June 2009 and its amendment in PBI No. 12/7/PBI/2010, dated 19 April 2010 regarding Risk Management Certification for Management and Officers of Commercial Banks, The Board of Directors and Board of Commissioners are required to participate in risk management certification and refreshment program in accordance with the said regulations.

All members of the Board of Commissioners possess Risk Management Certification and/or Refreshment in accordance with prevailing regulations.

Training and Competence Development Program

All members of the Board of Commissioners are committed to improve their competence to support the Board of Commissioners' supervisory function. The commitment is reflected in the trainings followed by each of member of Board of Commissioners as follows:

BOARD OF COMMISSIONERS

BOC Training 2017

Name	Type of Training/Seminar/Workshop/Knowledge Sharing	Organizer	Date & Venue
Dato' Sri Nazir Razak	SCSS	Bursatra	2-3 January 2017 Kuala Lumpur
	RISK	CIMB	5-6 January 2017 Kuala Lumpur
	Financing, Investment	The Federation of Chinese Associations Malaysia	1 April 2017 Kuala Lumpur
	Leadership, Banking	Astro Management	3 April 17 Kuala Lumpur
	Companies Act 2016	SSM	1 June 2017 Kuala Lumpur
	Financial, Investment	China Investment Corporation	5 June 2017 Beijing
	Youth Forum	ICLIF	30 June 2017 Kuala Lumpur
	Bank Negara Meeting	BNM	1 July 2017 Kuala Lumpur
	Accounting, Auditing	ICGN Annual Conference Committee Meetings	11 July 2017 Kuala Lumpur
	CIMB Risk Workshop	CIMB	10 August 2017 Kuala Lumpur
	Board Offsite of CIMBGH	CIMB	18 September 2017 Kuala Lumpur
	Environmental, Social and Governance (ESG) Talk	CIMB	18 September 2017 Kuala Lumpur
	31 st ASEAN Summit	ASEAN Summit	13-14 October 2017 Manila
	AMS	CIMB	17-18 October 2017 Kuala Lumpur
	International Advisory Panel	IAP	24-25 November 2017 Shanghai
	Bloomberg The Year Ahead Asia	Bloomberg	6 December 17 Jakarta
	Khazanah Board Strategy Retreat Meeting	Khazanah	10-11 December 2017 Kuala Lumpur
CAPS Philanthropy Conference 2017	Centre for Asian Philanthropy and Society	15 December 17 Hongkong	
Glenn M. S. Yusuf	2018 Risk Posture Workshop	CIMB Group	10 August 2017 (TP Room Jakarta)
Zulkifli M. Ali	Mid-Year Budget Meeting	CIMB Niaga	19-20 May 2017 Gunung Geulis
	BARa's Monthly Sharing Session: Unsecured Credit Retail Risk Management	BARa	28 July 2017 Financial Hall, 2 nd Floor
	1 st Directors Regional Sharing Session in Conjunction with the Joint Audit Committee with CIMB Bank Thai PCL	CIMB Group	17-18 August 2017 Bangkok
	Budget Meeting & Leadership Conference 2017	CIMB Niaga	19-21 October 2017
	National Anti-Fraud Conference	Association of Certified Fraud Examiners (ACFE) Indonesia	6-7 November 2017 Yogyakarta
Pri Notowidigdo	Digital Leadership Series: Conversational Commerce, Chatbot and its Potential for Banking Industry	INSEAD	6 February 2017 Jakarta
	Town Hall	CIMB Niaga	6 March 2017 Jakarta
	Panel Discussion of Intervention of Controlling Shareholders in GCG Implementation	<i>Komite Nasional Kebijakan Governance</i>	28 September 2017 Financial Club Lantai 27
	1 st Directors Regional Sharing Session in Conjunction with the Joint Audit Committee with CIMB Bank Thai PCL	CIMB Group	17-18 August 2017 Bangkok
	Training and Directorship Certification Level Advance	<i>Lembaga Komisaris dan Direktur Indonesia</i>	13-14 September 2017
	Budget Meeting & Leadership Conference 2017	CIMB Niaga	19-21 October 2017



Name	Type of Training/Seminar/Workshop/Knowledge Sharing	Organizer	Date & Venue
Jeffrey Kairupan	Accountability Program – <i>Ayo Menabung dan Berbagi</i>	CIMB Niaga	1 February 2017 Jakarta
	Workshop re. Internal Capital Adequacy Assessment Process (ICAAP)	CIMB Niaga	16 February 2017 Jakarta
	Business Learning Session (BLS) – Internal Audit	CIMB Niaga	24 February 2017 Karawaci
	Accountability Program – <i>Ayo Menabung dan Berbagi</i>	CIMB Niaga	21-22 March 2017
	International Seminar	OJK	4 – 5 May 2017
	Mid-Year Budget Meeting	CIMB Niaga	19-20 May 2017 Gunung Geulis
	International Seminar – Navigating Financial Stability in an Evolving Global Economic System	OJK	13-14 July 2017 Bali
	Accountability Program – <i>Ayo Menabung dan Berbagi</i>	CIMB Niaga	28 July 2017 Pangkal Pinang
	Accountability Program – <i>Ayo Menabung dan Berbagi</i>	CIMB Niaga	15 August 2017 Tarakan
	1 st Directors Regional Sharing Session in Conjunction with the Joint Audit Committee with CIMB Bank Thai PCL	CIMB Group	17-18 August 2017 Bangkok
	Accountability Program – <i>Ayo Menabung dan Berbagi</i>	CIMB Niaga	26 August 2017 Pontianak
	Budget Meeting & Leadership Conference 2017	CIMB Niaga	19-21 October 2017
Accountability Program – <i>Ayo Menabung dan Berbagi</i>	CIMB Niaga	28 October 2017 Batam	
Armida S. Alisjahbana	Giving lecture at Sekolah Staf dan Pimpinan Bank (SESPiBANK) Batch 66	Lembaga Pengembangan Perbankan Indonesia (LPPI)	7 March 2017 Jakarta
	Speaker at First International Economic Forum on Asia	ERIA (Economic Research Institute for ASEAN and East Asia) & Ministry of Foreign Affairs Japan	12-14 April 2017 Tokyo
	Speaker at “Seminar and Country Launch of ADB History Book: “Banking on the Future of Asia and Pacific”	ADB Indonesia Resident Mission	14 June 2017 Jakarta
	Invitation to be one of the panelists in Seminar on 50 th Anniversary of ASEAN: “Development of ASEAN from Japanese Perspective”	CSIS dan JICA	26 July 2017 Jakarta
	1 st Directors Regional Sharing Session in Conjunction with the Joint Audit Committee with CIMB Bank Thai PCL	CIMB Group	17-18 August 2017 Bangkok
	Speaker at WIEF Roundtable	WIEF (World Islamic Economic Forum)	28 September 2017 Jakarta
	Khazanah Megatrends Forum	Khazanah Nasional Berhad	3 October 2017 Kuala Lumpur
	Speaker at Coordination Meeting of Economic Outlook 2018	Kemenko Perekonomian Deputi Bidang Koordinasi Ek. Makro dan Keuangan.	11 October 2017 Bandung
	Budget Meeting & Leadership Conference 2017	CIMB Niaga	19-21 October 2017
	2018 Risk Posture Workshop with Combined Board	CIMB Group	10 August 2017 KL
David R. Thomas	Board Sharing Session & Special Joint Audit Committee Meeting	CIMB Group	17-18 August 2017 Thailand
	Masterclass Chartered Banker Executive Conversion Programme	Asean Institute of Chartered Bankers (AICB)	12 September 2017 KL
	Accelerated Universal Banking Program	CIMB-Nanyang Technological University	1 November 2017 Singapore
	T23 Workshop	CIMB Investor Relations/ McKinsey & Co	14-15 December 2017 Singapore
	Ahmad Zulqarnain Onn ^{*)}	2017 World Economic Forum	
McKinsey Executive Leadership Programme		McKinsey	27 February – 2 March 2017 New York, USA
20 th Annual Asian Investment Conference			27 – 28 March 2017 Hong Kong



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Name	Type of Training/Seminar/Workshop/Knowledge Sharing	Organizer	Date & Venue
Tengku Dato' Sri Zafrul Tengku Abdul Aziz**)	3 rd Annual IDB Member Countries Sovereign Investment Forum	Islamic Development Bank Group & Ministry of Finance of the Republic of Indonesia	10 – 12 April 2017 Bali, Indonesia
	2017 World Economic Forum on ASEAN	The World Economic Forum	10 -12 May 2017 Phnom Penh, Cambodia
	Talk by Dominic Borton (Megatrends and Long Term Capitalism)	Khazanah Research & Investment Strategy	26 May 2017 Kuala Lumpur, Malaysia
	Roundtable with Indonesian & Malaysia Business Leaders	Ministry of International Trade & Industry Malaysia	12 June 2017 Jakarta, Indonesia
	McKinsey Executive Leadership Programme	McKinsey	19 - 21 June 2017 New York, USA
	Khazanah Megatrend Forum (Moderator for Emiliana Simon - Thomas's session) Science Director, Greater Good Science Center	Khazanah Nasional Berhad	2 October 2017 Kuala Lumpur, Malaysia
	Trending Innovation, Disruption and Entrepreneurship (TIDE)	Khazanah Nasional Berhad	4 October 2017
	10 th Iskandar Malaysia CEO Forum	Khazanah Nasional Berhad	9 October 2017
	Senior Planning Group Year-End-Retreat	Khazanah Nasional Berhad	26 October 2017
	2017 CIMB Group's Annual Management Summit	CIMB	17 - 18 November 2017
	Khazanah Year-End Board Retreat	Khazanah Nasional Berhad	10 - 11 December 2017
	9 th Annual Malaysia Corporate Day	CIMB	5 January 2017 Kuala Lumpur
	Thai Corporate Day	Stock Exchange of Thailand	16 January 2017 Bangkok
	iM4U Reach Out Convention	iM4U	4 March 2017 Kuala Lumpur
	IORA Business Summit	Indian Ocean Rim Association (IORA)	6 March 2017 Jakarta
	SAY Ignite Convention	Selangor Youth (SAY)	1 April 2017 Kuala Lumpur
	ASEAN Central Governors and FI CEOs Dialogue	ASEAN	6 April 2017 at Cebu
	PBCSF Tsinghua University Belt & Road eMBA Program – Orientation	Tsinghua University	11 May 2017 Beijing
	KLBC Diplomat Dialogue Series	Kuala Lumpur Business Club (KLBC)	16 May 2017 Kuala Lumpur
	Be \$SMART session with RMS	CIMB Foundation	25 May 2017 Kuala Lumpur
	PBCSF Tsinghua University Belt & Road eMBA Program – Lecture	Tsinghua University	13 July 2017 Kuala Lumpur
	Invest Malaysia Conference	Bursa Malaysia	25 July 2017 Kuala Lumpur
	TLDM Seminar	Royal Malaysian Navy (TLDM)	2 August 2017 Kuala Lumpur
	2018 Risk Posture Workshop	CIMB	10 August 2017 Kuala Lumpur
	Be \$SMART session with Tunku Ali	CIMB Foundation	13 August 2017 Kuala Lumpur
	All I Need to Know Lecture	CIMB	16 August 2017 Kuala Lumpur
	University Pertahanan Malaysia Roundtable Leadership Talk	TLDM/Universiti Pertahanan Malaysia	6 September 2017 Kuala Lumpur
	PBCSF Tsinghua University Belt & Road eMBA Program – Lecture	Tsinghua University	9 September 2017 Beijing
	MTBC-TMBC Business Forum 2017	Kuala Lumpur Business Club	14 September 2017 Bangkok
	Khazanah Megatrends Forum	Khazanah Nasional Berhad	1 October 2017 Kuala Lumpur
	9 th International Conference on Financial Crime and Terrorism Financing	Asian Institute of Finance	4 October 2017 Kuala Lumpur



Name	Type of Training/Seminar/Workshop/Knowledge Sharing	Organizer	Date & Venue
	2017 Global Banking CEO Roundtable	McKinsey	6 October 2017 Italy
	Risk Management Certificate Training for OJK	CIMB	16 October 2017 Kuala Lumpur
	Management Dialogue Series	CIMB	17 October 2017 Kuala Lumpur
	CIMB Group Annual Management Summit	CIMB	17 November 2017 Kuala Lumpur
	International Advisory Panel Meeting	CIMB	24 November 2017 Shanghai
	The Year Ahead Asia Summit 2017	Bloomberg	6 December 2017
	Payment System Forum & Exhibition 2017	Bank Negara Malaysia	8 December 2017 Kuala Lumpur

*) Resigned effective since the Extraordinary GMS, 24 August 2017

***) Appointed in the Extraordinary GMS 24 August 2017 and effective serves as Commissioner on 16 March 2018

DISCLOSURE OF CONCURRENT POSITIONS

In accordance with the Board of Commissioners Charter, the members of the Board of Commissioners of CIMB Niaga may only concurrently serve as:

- members of the Board of Commissioners, Board of Directors, or Executive Officers at 1 (one) non-financial institution/company.
- members of the Board of Commissioners, Board of Directors, or Executive Officers performing supervisory functions in 1 (one) non-bank subsidiary controlled by the Bank.
- members of a Committee to a maximum of 5 (five) Committees in the Bank or Public Company in which the person also serves as the Board of Directors or Board of Commissioners.

The following is excluded from the concurrent position mentioned above if:

- a non-independent Commissioner performs the functional duties from the Shareholder of the Bank which formed as legal entity in its business group.
- the member of the Board of Commissioners holds positions in nonprofit organizations or institutions, as long as he/she does not neglect his/her duties and responsibilities as a member of the Board of Commissioners of the Bank.

All members of the Board of Commissioners of CIMB Niaga **have no concurrent positions** in the subsidiaries of CIMB Niaga.

Concurrent positions of Board of Commissioners in 2017 were as follows:

Name	Position in CIMB Niaga	Position in Other Organization	Company/Organization
Dato' Sri Nazir Razak	President Commissioner	Chairman	CIMB Group Holdings Berhad
		Deputy Chairman	CIMB Bank Berhad
		Board Member	Khazanah Nasional Berhad
		Director	CIMB Foundation
		Member	Kuala Lumpur Business Club
		Trustee	PRIDE Foundation
		Honorary Member	CPA Australia



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Name	Position in CIMB Niaga	Position in Other Organization	Company/Organization
		Trustee	Rahah Foundation
		Trustee	Asia Business Council
		Advisory Council	Asean Business Club Malaysia
		Member	Securities Commission – Capital Market Advisory Council
		Founding member	Endeavor Malaysia
		Advisory Board	Center of Asian Philanthropy & Society
		Director	Satin Rose Holdings Limited (Director)
		International Advisory Board	Blavatnik School of Government
		Honorary President	Malaysia - China Chamber of Commerce (MCCC)
		Chairman	World Economic Forum's (WEF) ASEAN Regional Business Council
		Director	Zheng Group Limited
		Director	David Linley Holdings Limited
	Director	Zak Investments Limited	
Glenn Muhammad Surya Yusuf	Vice President Commissioner	Independent Director	CIMB Group Holdings Berhad
		Independent Commissioner	PT Surya Citra Media
Pri Notowidigdo	Independent Commissioner	President Director	PT Profesindo Reksa Indonesia
		Partner Advisor	Arghajata Strategic Consulting, Jakarta
Zulkifli M. Ali	Independent Commissioner	-	-
David R. Thomas	Commissioner	Group Chief Risk Officer	CIMB Group Holdings Berhad
		Director	International School of Kuala Lumpur (non for profit)
		Director	GK1Word (non for Profit)
		BOC	PT Synergy Dharma Nayaga
Armida Salsiah Alisjahbana	Independent Commissioner	Lecturer and Professor	Fakultas Ekonomi dan Bisnis, Universitas Padjadjaran, Bandung
		Director	Center for Sustainable Development Goals Studies, Universitas Padjadjaran, Bandung
		Member	Akademi Ilmu Pengetahuan Indonesia (AIPI)
		Member of Governing Board	Economic Research Institute For Asean and East Asia (ERIA), Jakarta Indonesia
Jeffrey Kairupan	Independent Commissioner	Direktur	PT Tehillah Indonesia Synergi (PMA)
		Chairman of Executive Board	Yayasan Imamat Rajani
		Member of Governing Board	Bali Blessings Foundation
Ahmad Zulqarnain Onn*)	Commissioner	Executive Director, Investment/Head Strategic Management Unit	Khazanah National Berhad
		Non-Executive Director	CIMB Bank Berhad
		Director	Felda Investment Corporation Sdn Bhd
		Director	FIC Supplies Sdn Bhd

Name	Position in CIMB Niaga	Position in Other Organization	Company/Organization
Tengku Dato' Sri Zafrul Tengku Abdul Aziz**)	Commissioner	GCEO/ED	CIMB Group Holdings Berhad
		Executive	CIMB Group Sdn Bhd
		NED	Urban Valley Sdn Bhd
		NED	Malaysian Industrial Development Authority (MIDA)
		NED	Yayasan Enactus Malaysia
		Board Member	Pr1ma Corporation Malaysia
		CEO/ED	CIMB Bank Berhad
		Council Member	Association of Banks in Malaysia (ABM)

*) Resigned effective since the Extraordinary GMS, 24 August 2017

**) Appointed in the Extraordinary GMS, 24 August 2017 and effective serves as Commissioner on 16 March 2018

BOC CONFLICT OF INTERESTS

As stated in the Charter of the Board of Commissioners, all members of the Board of Commissioners should avoid potential conflict of interests or always keep themselves away from potential conflicts of interests under any circumstances. In the event of a conflict of interests, members of the Board of Commissioners are prohibited from taking action that could harm or reduce the Bank's profits and must disclose the potential conflict of interests in any decision made.

The procedures that the Board of Commissioners must undertake in the event of a conflict of interests are as follows:

- a BOC member is required to report in writing to the Board of Commissioners on all matters which have the potential to create and/or contain a conflict of interests that have significant financial and reputational impact to the Bank, Board of Commissioners and Board of Directors.
- a BOC member is not allowed to participate in the evaluation process of any activity having a conflict of interests.
- a BOC member can participate in meetings, but is not allowed to participate in decision making.

During 2017, all members of the Board of Commissioners had no conflict of interests or potential conflict of interests with CIMB Niaga.

BOC TERM OF OFFICE

- The term of office of members of the Board of Commissioners is effective as of the date specified in the GMS appointing them, until the close of the 4th Annual GM after the effective date of appointment without prejudice to the right of the General Meeting of Shareholders to terminate them at any time in accordance with the Articles of Association and prevailing regulations.
- The appointment of members of the Board of Commissioners is effective upon approval from the OJK or the completion of the requirements stipulated in the OJK approval letter relating to the fit and proper test, and other relevant authorities, and approved by the shareholders through the GMS.
- The term of office of the Independent Commissioner is a maximum of 2 (two) consecutive periods unless otherwise stipulated by the prevailing laws and regulations.
- The term of office of the member of the Board of Commissioners will end if:
 - his/her term of office ends in accordance with the provisions in the Articles of Association.
 - he/she resigns in accordance with the prevailing regulations.
 - he/she no longer meets the regulatory requirements.
 - he/she passes away.
 - he/she is dismissed based on the resolutions of the GMS.
 - he/she is declared bankrupt or placed under supervision based on a court decision.
 - he/she is involved in financial crime.

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5. Members of the Board of Commissioners who have finished their term of office may be re-appointed according to the prevailing regulations.

Name	Position	Term of Office			
		GMS Appointment	BI/OJK Approval	Re-appointment	Valid Until
Dato' Sri Nazir Razak	President Commissioner	Extraordinary GMS 26 January 2012	No. 14/40/GBI/DPIP/Rahasia dated 1 May 2012	Annual GMS 15 April 2016	Annual GMS 2020
Glenn Muhammad Surya Yusuf	Vice President Commissioner	Extraordinary GMS 26 January 2012	No. 14/57/GBI/DPIP/Rahasia, dated 18 June 2012	Annual GMS 15 April 2016	Annual GMS 2020
Pri Notowidigdo	(Independent) Commissioner	Annual GMS 28 March 2013	No. 15/114/GBI/DPIP/Rahasia dated 26 November 2013	Annual GMS 15 April 2016	Annual GMS 2020
Zulkifli M. Ali	(Independent) Commissioner	Extraordinary GMS 18 July 2008	No. 10/156/GBI/DPIP/Rahasia dated 14 October 2008	Annual GMS 15 April 2016	Annual GMS 2020
David R. Thomas	Commissioner	Annual GMS 27 March 2014	No. SR-159/D.03/2014 dated 15 September 2014	-	Annual GMS 2018
Armida Salsiah Alisjahbana	(Independent) Commissioner	Annual GMS 15 April 2016	No. SR-184/D.03/2016 dated 14 September 2016	-	Annual GMS 2020
Jeffrey Kairupan	(Independent) Commissioner	Annual GMS 15 April 2016	No. SR-183/D.03/2016 dated 14 September 2016	-	Annual GMS 2020
Ahmad Zulkarnain Onn ^{*)}	Commissioner	Annual GMS 27 March 2014	No. SR-160/D.03/2014 dated 15 September 2014	-	Annual GMS 2018
Tengku Dato' Sri Zafrul Tengku Abdul Aziz ^{**)}	Commissioner	Extraordinary GMS 24 August 2017	No. 42/PB.12/2018 dated 16 March 2018	-	Annual GMS 2021

^{*)} Resigned effective since the Extraordinary GMS, 24 August 2017

^{**)} Appointed in the Extraordinary GMS, 24 August 2017 and effective serves as Commissioner on 16 March 2018

BOC SEGREGATION OF DUTIES

Some members of the Board of Commissioners, based on their respective competencies, also serve as chairman and or members of Committees established to assist the implementation of the duties and responsibilities of the Board of Commissioners in their respective areas.

Committee	Committee Membership of BOC Members
Audit Committee	1. Zulkifli M. Ali (chairman cum member) 2. Jeffrey Kairupan (member)
Risk Oversight Committee	1. Zulkifli M. Ali (chairman cum member) 2. Glenn M.S. Yusuf (member) 3. David Richard Thomas (member)
Nomination and Remuneration Committee	1. Pri Notowidigdo (chairman cum member) 2. Armida S. Alisjahbana (member)
Integrated Corporate Governance Committee	1. Jeffrey Kairupan (chairman cum member) 2. Armida S. Alisjahbana (member)

BOC RECOMMENDATIONS

The oversight and advice of the Board of Commissioners is submitted either through the Audit Committee, Risk Oversight Committee, the Nomination and Remuneration Committee, and the Integrated Corporate Governance Committee, and is discussed during the Board of Commissioners meeting. In 2017, a number of important recommendations issued by the Board of Commissioners are as follows:

1. The Board of Commissioners provided input and approved the corporate plan throughout 2017 including: Annual GMS, Extraordinary GMS, share buyback for MSOP, Issuance of Bonds (Trance II and Trance 3 of 2017).
2. The Board of Commissioners gave approval for the Bank Business Plan (RBB) Realization Report and 2017 Revised RBB Supervision Report.



3. The Board of Commissioners provided feedback on the Bank's financial targets, including Net Interest Margin, Non Performing Loans and watch list accounts, Loan to Deposit Ratio, Asset Quality, Productivity and market competition. The Board of Commissioners supported the Bank's strategy to continue growing its business with high margins, namely Corporate Banking, Commercial Banking, SME and Syariah Banking, while maintaining asset quality at a good level in all business lines.
4. The Board of Commissioners provided input related to the increase of low-cost funds (CASA) and the Bank's fee income through the development of Bank services for the ease of transactions and services through Transaction Banking, Value Chain, as well as enhancement of Sharia Banking business services through dual banking leverage, and through the development of branchless banking such as optimization of ATM, CDM & SST, the development of new platforms for CIMB Clicks (internet banking) and upgrading of GoMobile services (mobile banking), agent banking and tablet banking, including programs to improve turn-around time to improve customer experience during transactions.
5. The Board of Commissioners provided input related to efficiency improvements made under cost efficiency programs, IT transformation programs, and productivity both for front liners and back office, granting authority in the approval process that has had an impact on the accelerated speed of customer service.
6. The Board of Commissioners periodically has discussion on the macroeconomic and industrial conditions, and the new banking regulatory requirements, as well as the impact on the Bank's business and its action plan.
7. Based on the report of the Audit Committee, the Board of Commissioners gave recommendations to the Board of Directors, including:
 - a. A review of the financial statements covering financial statements, accounting treatment and its conformity with generally accepted accounting principles, as well as the financial performance and the adequacy of the financial statements publication and reporting to the authorities.
 - b. A review of the progress of the follow-up on audit findings from the external audit, regulator and Bank Negara Malaysia.
 - c. Independent opinion in the event of any disagreement between management and the Public Accountant for the services provided.
 - d. Appointment of the Public Accounting Firm based on independence, scope of assignment and fees.
 - e. Review of the implementation of audits by internal auditors and monitoring of the follow-up by the Board of Directors on the findings from internal auditors.
 - f. Review complaints relating to accounting and financial reporting processes.
 - g. Implementation and strategies and detection of fraud, including the implementation of whistleblowing.
8. Based on the report of the Risk Oversight Committee, the Board of Commissioners makes recommendations to the Board of Directors that are related to:
 - a. Risk management, asset quality, Bank's soundness level and stress test results.
 - b. Policies/frameworks established by the Board of Directors in relation to Risk Management including the Internal Capital Adequacy Assessment Process which includes the establishment of risk appetite and the implementation of stress tests.
 - c. Financial reports and discussion of ongoing strategic initiatives/projects, particularly the implication of risks to the Bank including the Bank's Budget Plan for 2018, as well as the business strategies and business plans of each unit in order to ensure compliance with risk policies and risk appetite.
 - d. The risk aspects of new products and activities including evaluation of the product's Post Implementation Review (PIR) framework, review of strategies to improve CASA and Commission Fee Income from risk perspective, mainly linked to its impact on Bank liquidity and financing.
 - e. Strategy of handling and completion of impaired accounts and NPLs, as well as the recovery plan/strategy.



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- f. Recommendations for monitoring customer and regulator complaints directed or forwarded to the Board of Commissioners for immediate review of risks.
 - g. Monitoring of significant audit findings from the perspective of operational risk management including the results of investigations performed.
 - h. The implementation of the Basel project, the IFRS9 project, and update of information technology development particularly the 1P project that has been running.
9. Through the Nomination and Remuneration Committee, the Board of Commissioners recommends to the Board of Directors, including:
 - a. Recommendation of nomination policy in the selection and or replacement of members of the Board of Commissioners to be submitted for approval in the Extraordinary GMS on 24 August 2017.
 - b. Recommendations related to the remuneration policy for the Board of Commissioners, Sharia Board and Board of Directors to be submitted to the Annual GMS on 25 April 2017 and the remuneration policy framework for Executive Officers and employees as a whole which has been approved by the Board of Directors.
 - c. Changes related to remuneration for the Board of Commissioners and Independent Parties who are members of the Committees of the Board of Commissioners, Sharia Board and Board of Directors level.
 - d. Manpower policies and HR management functions that contain significant risks to the Bank including future Bank growth.
 - e. Recommendations on the framework of distribution of bonuses to the Board of Directors in a balanced and fair manner by considering objectivity performance achievement.
 - f. Input on the evaluation of Key Performance Indicator (KPI) of Board of Directors members based on the achievement of each KPI component.
 - g. Input on the performance evaluation and assessments of the Board of Commissioners, individually or collectively, conducted at least once a year using the self- assessment method or other methods.
 10. Through the Integrated Corporate Governance Committee, the Board of Commissioners provides recommendations such as:
 - a. Supervision of the implementation of Corporate Governance in each member of the CIMB Indonesia Conglomerate in relation to Integrated Internal Audit, Risk Management and Compliance.
 - b. Assurance on the compliance with the regulations of the Indonesia Stock Exchange regarding 7.5% public ownership in the Main Entity which was completed in August 2017.
 - c. Assurance that the implementation of CIMB Indonesia's Integrated Corporate Governance has been reported to the authorities in accordance with prevailing regulations.
 11. In accordance with the Articles of Association, the Board of Commissioners approves the proposed actions on debts under special mention, restructuring and write-offs of credits above certain limits stipulated in the Bank's policies. In addition, the Board of Commissioners provides credit approval to the Bank's related parties to comply with prevailing regulatory requirements.

BOC LOAN POLICY

As stated in the Charter of the Board of Commissioners, the Board of Commissioners and their families and other affiliated parties must not borrow money from the Bank.

PERFORMANCE EVALUATION OF BOC COMMITTEES

Evaluation Procedure

Performance evaluation procedures for Board of Commissioners Committees are conducted annually under a self-assessment methodology that includes assessing the performance of each Board of Commissioners Committee as an institution and an assessment of each Board of Commissioners member as an individual. The final evaluation will be conducted by the President Commissioner based on the recommendations from the Nomination and Remuneration Committee.

Performance evaluation conducted minimum once a year.

Criteria and Basis of Performance Evaluation

The criteria and considerations for the performance of the Board of Commissioners Committee are as follows:

• **Collective Assessment**

This is an assessment made by each Board of Commissioners Committee member on the collective performance of the Board of Commissioners Committee. The assessment includes the structure of the Committee, strategic thinking, oversight and governance, and the effectiveness of the Committee in addressing issues/matters within the Bank, as well as in providing recommendations to the Bank.

• **Individual Assessment**

This is an assessment performed by each Board of Commissioners Committee member on his/her own performance (self-assessment) covering strategic thinking, knowledge of the banking industry, and individual contributions in performing the functions as a Board of Commissioners member.

Parties Performing Board of Commissioners Committee Performance Evaluation

Performance evaluation for Board of Commissioners Committee is undertaken by each member of Board of Commissioner Committee and discussed by the Remuneration and Nomination Committee to then seek approval from the President Commissioner.

Board of Commissioners Committees Evaluation Performance Results 2017

The average results of the assessment of each individual member of Board of Commissioners Committee in 2017 are 4.2 (very satisfied).

In details, the self-assessment results for the Board of Commissioners Committees are as follows:

Audit Committee	Risk Oversight Committee	Nomination and Remuneration Committee	Integrated Corporate Governance Committee
3.9	4.2	4.8	3.9

Value range chart 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



► Independent Commissioners

NUMBER AND CRITERIA OF INDEPENDENT COMMISSIONERS

In 2017, there were 4 (four) Independent Commissioners in CIMB Niaga out of a total 8 (eight) members of the Board of Commissioners, thus contributing 50% of the total members of the Board of Commissioners, it is in accordance with OJK provisions.

All Independent Commissioners of CIMB Niaga are selected based on the criteria of Independent Commissioners in Bank Indonesia Circular Letter No. 15/15/DPNP, dated 29 April 2013 regarding Good Corporate Governance of Commercial Banks and POJK No. 33/POJK.04/2014, dated 8 December 2014 regarding the Board of Directors and Board of Commissioners of the Issuer or Public Company, Article 21 paragraph 2, and also set forth in the Charter of the Board of Commissioners as follows:

1. Not be a person who is employed or has the authorities and responsibilities to plan, direct, control or supervise the activities of the Bank including former members of the Board of Directors or Executive Officer of the Bank or parties with a relationship with the Bank, which may affect his/her ability to act independently during the last 1 (one) year, except for re-appointment as Independent Commissioner of the Bank for the following period.

The provisions referred to above shall not apply to former Directors or Executive Officers performing supervisory functions.

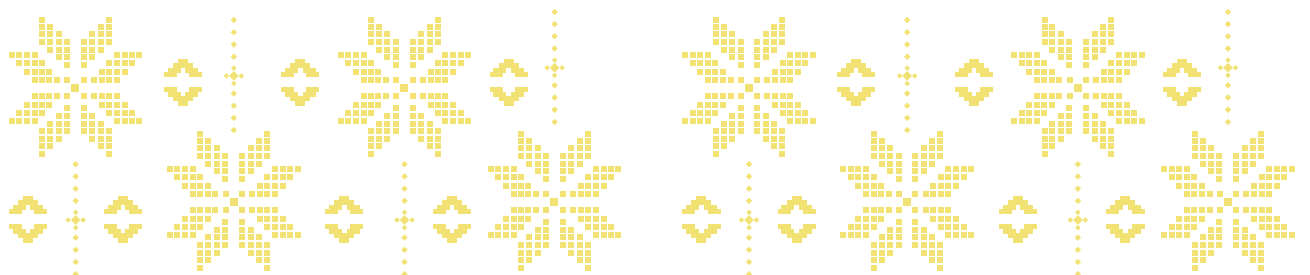
2. Have no financial relationship, management relationship, share ownership relationship, family relationship with other members of the Board of Commissioners, Board of Directors and/or Ultimate Shareholders
3. Not have, directly or indirectly, any shares in the Bank.
4. Not be affiliated with the Bank, members of the Board of Commissioners, members of the Board of Directors, or with the Ultimate Shareholders of the Bank.
5. Have no direct or indirect business relationship with the business activities of the Bank.
6. Meet the requirements of Independent Commissioners as governed in the prevailing regulations
7. If the Independent Commissioner is serving in the Audit Committee, then the Independent Commissioner may only be re-appointed to the Audit Committee for 1 (one) term of the upcoming Audit Committee period.
8. An Independent Commissioner who serves as Chairman of a Committee may only concurrently serve as Chairman of the Committee in another Committee, at the maximum.

Independence Declaration of Each Independent Commissioner

Independence Matter	Zulkifli M. Ali	Pri Notowidigdo	Armida Salsiah Alisjahbana	Jeffrey Kairupan
Not a person who working or having the authorities and responsibilities to plan, lead, control or supervise the Bank's activities within the last 6 (six) months.	√	√	√	√
Not owning shares directly or indirectly in the Bank.	√	√	√	√
Not affiliated with the Bank, BOC/BOD members or Ultimate Shareholders of the Bank.	√	√	√	√
Not having financial relationship, management relationship, shareholding relationship, family relationship with other members of BOC, BOD and/or Ultimate Shareholder of the Bank	√	√	√	√
Not having direct or indirect business relationship related to the Bank's business activities.	√	√	√	√

As an Independent Commissioner who has served for more than two periods, Mr. Zulkifli M. Ali has declared his independence statement at the Annual GMS of 15 April 2016 as follows: "In relation to my re-appointment as Independent Commissioner of the Bank which has exceeded 2 (two) terms of office, in accordance with OJK Regulation No. 33/POJK.04/2014, I hereby declare that I remain independent, and that I:

1. Have no shares directly or indirectly in the Bank;
2. Have no affiliation with the Bank, members of the Board of Commissioners, the Board of Directors, or the Ultimate Shareholders of the Bank;
3. Have no financial relationship, management relationship, shareholding relationship and/or family relationship with members of the Board of Commissioners, Board of Directors, or the Ultimate Shareholders of the Bank;
4. Have no direct or indirect business relationship relating to the Bank's business activities."





Board of Directors

The Board of Directors is the organ in the Good Corporate Governance (GCG) implementation and who responsible for the management of the Bank, for the interests and objective of the Bank, as well as acting for and on behalf of the Bank in and out of the court. The members of the Board of Directors of CIMB Niaga work within their respective areas of duty to collectively achieve effective management for optimum results. In the implementation of their duties, the Board of Directors of CIMB Niaga always embraces professionalism, objectivity, strategic thinking, and prioritises the interests of the Bank, as an effort to enhance added value for the stakeholders and to ensure business sustainability.

LEGAL REFERENCES

The legal references for the appointment of the Board of Directors of CIMB Niaga refers to several provisions:

1. Law No. 40 year 2007 on Limited Liability Companies.
2. Law No. 7 year 1992 on Banking as amended by Law No. 10 year 1998.
3. Articles of Association.
4. Regulation of Bank Indonesia (PBI) No. 11/1/PBI/2009 dated 27 January 2009 on Commercial Banks.
5. PBI No. 13/27/PBI/2011 dated 28 December 2011 on the Amendment to PBI No. 11/1/PBI/2009 on Commercial Banks.
6. Regulation of Financial Services Authority (POJK) No. 33/POJK.04/2014 dated 8 December 2014 regarding the Board of Directors and Board of Commissioners of the Issuers or Public Companies.
7. POJK No. 27/POJK.03/2016 dated 22 July 2016 on Fit and Proper Test for the Main Party of Financial Service Institutions.
8. Circular of OJK (SEOJK) No. 39/SEOJK.03/2016 dated 13 September 2016 on Fit and Proper Test for Candidate of Ultimate Shareholders, Candidates of Members of the Board of Directors, and Candidates of Members of the Board of Commissioners of the Bank.
9. POJK No. 55/POJK.03/2016 dated 7 December 2016 on the Implementation of Corporate Governance for Commercial Banks.
10. POJK No. 18/POJK.03/2016 dated 16 March 2016 on the Implementation of Risk Management for Commercial Banks.
11. POJK No. 37/POJK.03/2017 dated 12 July 2017 on Employing Foreign Workers and Transfer of Knowledge Program in the Banking Sector.
12. POJK No. 46/POJK.03/2017 dated 12 July 2017 on the Implementation of the Compliance Function of Commercial Banks.
13. Deed of Meeting Resolution No. 35 dated 24 August 2017 on the Resolutions of the Extraordinary General Meetings of the Shareholders of PT Bank CIMB Niaga Tbk.

COMPOSITION OF THE BOARD OF DIRECTORS

As set forth in the Board of Directors Charter, CIMB Niaga has complied with all applicable regulations, namely:

1. The number of members of the Board of Directors of CIMB Niaga is more than 3 (three) persons, namely 11 (eleven) persons.
2. The number of members of the Board of Directors of CIMB Niaga is more than the total number of members of the Board of Commissioners of CIMB Niaga.
3. All members of the Board of Directors of CIMB Niaga are domiciled in Jakarta, Indonesia.
4. The majority of members of the Board of Directors are Indonesian citizens, namely 10 (ten) out of 11 (eleven) members.
5. The Board of Directors is led by a President Director who is independent from the ultimate shareholders, other members of the Board of Directors, and members of the Board of Commissioners of CIMB Niaga.
6. The majority of members of the Board of Directors have at least 5 (five) years of experience in operations as Executive Officers and have no concurrent position in other banks, companies, or institutions.
7. The replacement and/or appointment of members of the Board of Directors of CIMB Niaga has considered the recommendations of the Remuneration and Nomination Committee and obtained approval from the General Meetings of the Shareholders (GMS) and Financial Services Authority (OJK).
8. All members of the Board of Directors of CIMB Niaga have no family relationship up to the second degree with other members of the Board of Directors and/or the Board of Commissioners or Ultimate Shareholders.

9. All members of the Board of Directors of CIMB Niaga have passed the Fit and Proper Test.

As fulfillment of Regulation of the Indonesia Stock Exchange No. I-A on Listing of Shares and Equity Securities in addition to Shares Issued by the Company, CIMB Niaga also has 1 (one) Independent Director, namely Fransiska Oei.

In order to achieve decision-making effectiveness, the number of Directors has been based on the need to achieve the Bank's goals and objectives and is adjusted to the Bank's conditions including the characteristics, capacity, and size of the Bank.

The following is the composition of the Board of Directors of CIMB Niaga in 2017:

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
8	Fransiska Oei	Director (Independent Director)
9	Hedy Lopian	Director
10	Pandji P. Djajanegara	Director
11	Rahardja Alimhamzah ^{*)}	Director

*) Effective as a Director from the close of the EGMS 24 August 2017

CHARTER OF THE BOARD OF DIRECTORS

The Board of Directors of CIMB Niaga refers to a Guidelines and Procedures Manual or Charter, which is constantly updated and refined referring to the prevailing rules and regulations in Indonesia, which are binding for each member of the Board of Directors. The latest Board of Directors Charter was updated on 3 October 2017 and has been uploaded to the Bank's website www.cimbniaga.com.

The Charter of the Board of Directors includes:

1. Accountability
2. Structure and Membership
3. Requirement and Appointment
4. Duties and Responsibilities
5. Conflicts of Interest

6. Transparency
7. Work Ethics
8. Meetings
9. Term of Office
10. Resignation
11. Performance Assessment and Accountability

The references of the Board of Directors Charter are:

1. Articles of Association
2. Law No. 40 year 2007 on Limited Liabilities Companies
3. POJK No. 55/POJK.03/2016 on the Implementation of Corporate Governance for Commercial Banks
4. SEOJK No. 13/SEOJK.03/2017 on the Implementation of Corporate Governance for Commercial Banks
5. POJK No. 32/POJK.04/2015 on the Implementation of Corporate Governance Guidelines of Public Companies.
6. SEOJK No. 32/SEOJK.04/2015 on Corporate Governance Guidelines for Public Companies
7. POJK No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies
8. General Guidelines of Indonesian Good Corporate Governance from the National Committee on Governance Policy (KNKG)
9. ASEAN Corporate Governance Scorecard

DUTIES, RESPONSIBILITIES, AND AUTHORITIES OF THE BOARD OF DIRECTORS

The Board of Directors is fully responsible in performing its duties to manage the Bank for the interests of the Bank to achieve its goals and objectives.

The main duties of the Board of Directors, are including to lead and manage the Bank in accordance with its objectives; control, maintain, and administer the Bank's assets for the Bank's interests; develop an internal control structure at all management levels; and follow up on the Bank's internal audit findings in accordance with the policies or directives issued by the Board of Commissioners.

The authorities of the Board of Directors include representing the Bank both internally and externally, binding the Bank with other parties, and carrying out immediate actions, both on management and ownership, with certain restrictions, as described in the Articles of Association.



BOARD OF DIRECTORS

Details of duties, responsibilities, and authorities of the Board of Directors are stipulated in the Articles of Association and the Board of Directors Charter, which have been uploaded on the CIMB Niaga's website, www.cimbniaga.com.

SCOPE OF WORK AND RESPONSIBILITIES OF EACH MEMBER OF THE BOARD OF DIRECTORS

Tigor M. Siahaan – President Director

Determine the Bank's long-term strategy, and strategy of marketing and development of products/services in all business segments based on market demand. In addition, providing oversight and guidance on policies in operations support and banking services, information technology, systems and procedures, legal aspects, financial aspects, and human resources, as well as ensuring the implementation of compliance across all banking operations and comprehensive implementation of the Bank's risk management policies to ensure that the Bank has high ethical standards, adheres to good corporate governance principles and prudential banking practices.

Wan Razly Abdullah – Director of Strategy & Finance

Develop and monitor the implementation of business strategies and initiatives as well as budget to achieve the Bank's vision and mission. Manage the Bank's financial performance by focusing on the productivity and efficiency of the Bank's resources. Develop and manage the Bank's information management systems and performance to be reported to the regulators as well as communicating it to the stakeholders. Develop capital and investment strategies to optimise the Bank's profitability as well as Total Shareholders' Return, ROA, and ROE. Implement effective monitoring and planning of financial management, as well as ensuring adherence to accounting practices in accordance with all applicable rules and standards.

Rita Mas'Oen – Director of Operations & Information Technology

Determine the long-term strategy and steer the Directorate of Operations & IT to create effectiveness and efficiency improvements in the management of banking operational transactions with high standards, to be reliable, as well as ensuring smooth communication from the users as required.

Megawati Sutanto – Director of Credit

Provide strategic directives in all credit management aspects, determine the Credit Underwriting Standards in line with best practices, review credit proposals and continuously improve the quality of the process of credit review and approval in order to improve the effectiveness and efficiency in the established credit chain, and maintain the quality of the credit portfolio, as well as ensuring that all business activities have complied with the prevailing policies and procedures.

Vera Handajani – Director of Risk Management

Provide strategic direction in terms of the Bank's risk management by considering the principle of prudence, and implement all aspects of the Bank's risk management policies in a comprehensive manner. Responsible to educate and direct the focus of risk management to reach all the established targets. Follow-up on, implement, and execute all directives from the regulators regarding the Bank's risk management.

John Simon – Director of Treasury & Capital Market

Provide strategic directions in Treasury & Capital Market marketing and development of products and services to increase the Bank's profitability growth through money markets and capital market activities. Manage the funds, liquidity, and liability of the Company to ensure that the Bank operates in a prudent manner.

Lani Darmawan – Director of Consumer Banking

Develop strategies and provide guidance in services and product sales of Consumer Banking at all branches in Indonesia as well as optimizing the market potential through the development of innovative and competitive Consumer Banking products to achieve the determined Bank profitability level with due regard to prudential principles, implementation of risk management policies at all aspects of the Bank's in a comprehensive manner, and to create effective and efficient banking business processes.



Fransiska Oei – Director of Compliance, Corporate Secretary & Legal

Develop compliance strategies, including matters related to compliance policies and principles, as well as ensuring that the Bank's internal regulations (policies, systems, procedures) are in line with all relevant external regulations (Bank Indonesia, OJK and other financial institutions/authorities). In addition, be responsible for the management of the Bank's legal risks, follow the development of the Capital Market, in particular the prevailing regulations in the Capital Market and provide services to the public on necessary information, particularly in regard to the condition of the Bank as a Public Company, including maintaining its reputation and acting as a liaison officer or contact person between the Bank, the Government and the community, as well as carrying out Corporate Social Responsibility activities.

Hedy Lapijan – Director of Human Resources

Provide strategic direction of the management and development of the Bank's human resources to improve the productivity and quality of human resources in supporting the achievement of the Bank's objectives, while ensuring and maintaining compliance with the applicable employment regulations, and corporate culture.

Pandji P. Djajanegara – Director of Sharia Banking

Provide innovative strategic direction of the implementation of Sharia Banking operations by ensuring the availability of policies and working procedures, development, marketing, and selling of products, as well as managing the functions of Sharia Banking including managing daily operations, business development, customer relationships, and managing systems and work processes to ensure the achievement of profit and business growth that is in line with Bank's objectives and Sharia Banking principles.

Rahardja Alimhamzah – Director of Business Banking
Together with the President Director, establish the Bank's long-term strategy and assist in carrying out the duties of the President Director in formulating the strategies of marketing as well as development of products and services in the Corporate, Commercial and Micro, Small, and Medium Enterprise (MSME)

Banking segments. Be responsible for achieving the funding and lending targets as well as increasing cross selling within the segment; determine the direction of competitive products; develop services with operational support to suit the demands and development of the banking industry.

CRITERIA FOR THE APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS

The criteria for the appointment of members of the Board of Directors of CIMB Niaga are based on POJK No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies, POJK No. 27/POJK.03/2016 on Fit and Proper Test for Candidates of Ultimate Shareholders, Candidates of members of the Board of Directors, and Candidates of Members of the Board of Directors of the Bank.

The criteria that must be met by candidate members of the Board of Directors of CIMB Niaga are :

1. Show integrity as required by the applicable regulations including :
 - a. Has good morals and ethics
 - b. Has commitment to comply with the applicable laws and regulations including the provisions and regulations of the Bank, as well as supporting the OJK's policies
 - c. Has commitment to the development of sound Bank operations
 - d. Is not included in the Fit and Proper Test Fail List
 - e. Proficient in performing legal action
2. Possess the competencies as required by the applicable regulations, as follows:
 - a. Has sufficient and relevant knowledge of banking and its operations
 - b. Has experience and expertise in banking and/or finance
 - c. Has knowledge on the duties and responsibilities of the Main Entity as well as understanding of the main business activities and main risks of the Financial Services Institutions in the Bank's financial conglomerate



BOARD OF DIRECTORS

- d. Has the ability to undertake strategic management for the development of a sound Bank
 - e. Has good personal skills, such as strong leadership, good reputation, and a strong networking, particularly in the financial industry and the ability to build good relationships with the Regulator
3. Has a good financial reputation, namely within at least 5 (five) years prior to the appointment and during the term of office, must comply with the following :
 - a. Does not have bad credit nor be a Ultimate Shareholder, or member of the Board of Commissioners or member of the Board of Directors of a legal entity having bad credit
 - b. Has not been declared bankrupt
 - c. Has not been a member of a Board of Directors and/or a member of a Board of Commissioners who has been found guilty of causing a company to be declared bankrupt;
 - d. Has not been punished for committing a crime that is detrimental to state finances and/or related to the financial sector
 - e. Has not been a member of the Board of Directors and/or any member of the Board of Commissioners during the term of office, who:
 - i. Has failed to organize the Annual General Meeting of Shareholders;
 - ii. Has caused a company that has obtained a license, approval, or registration from the Financial Services Authority, did not fulfill the obligation to submit the annual report and/or financial statements to the OJK;
 - iii. His/her accountability as a member of the Board of Directors and/or member of the Board of Commissioners has been disapproved by the General Meeting of Shareholders or has failed to provide accountability as a member of the Board of Directors and/or member of the Board of Commissioners to the General Meeting of Shareholders
 4. The majority of the members of the Board of Directors must have at least 5 (five) years experience in banking operations
 5. Does not serve as a member of the Board of Commissioners, Board of Directors, or as Executive Officer of another company, except as governed by the applicable regulations
 6. Domiciled in Indonesia
 7. Majority of the members of the Board of Directors do not have any family relationship up to the second degree with other members of the Board of Directors and/or members of the Board of Commissioners or the ultimate shareholders of the Bank

APPOINTMENT PROCEDURES OF MEMBERS OF THE BOARD OF DIRECTORS

Candidate members of the Board of Directors who have received recommendation from the Bank's Nomination and Remuneration Committee, are proposed to and appointed by the GMS of CIMB Niaga.

Candidate members of the Board of Directors are subject to the fit and proper test by the OJK through a proposal submitted by the Bank.

Candidate members of the Board of Directors who have not been approved by the OJK is prohibited from performing duties as members of the Board of Directors of the Bank, even though he/she has been approved and appointed by the GMS.

IMPLEMENTATION OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS IN 2017

In addition to the implementation of the 2017 GMS resolutions, the implementation of duties and responsibilities of the Board of Directors in 2017 were as follows:

1. Conducted syndicated loans while managing credit risk, as well as performing infrastructure improvement to encourage the growth of Corporate Banking customers



2. Continued the recalibration of the commercial banking sector which consist of innovation and improvement processes that was on-going from the previous year, in two phases, namely the Strengthening and Balancing phase and the Stabilizing and Culture Building phase
3. Continued the '1Platform Kita Satu' program that encourages CIMB Niaga to be the leader in digital banking services.
4. Launched the Indie Accounts teenage savings products as well as strengthening the digital existence of CIMB Niaga with the launch of the new Go Mobile, complemented with the latest features that enhance the security and ease of transactions.
5. Performed thematic portfolio reviews in order to detect risks potential due to macroeconomic indicator volatilities as well as its settlement steps
6. Recruited visually impaired people as Telesales Funding and hearing impaired people as Phone Banking Social Media, as well as provided Information Technology Trainings for people with disabilities.

BOARD OF DIRECTORS DEVELOPMENT PROGRAM

In order to support the implementation of duties of the Board of Directors to achieve the Bank's sustainable growth and effective management, CIMB Niaga encourages activities that will enhance the competence of the Board of Directors through the orientation program for new Directors and training programs for existing Directors.

ORIENTATION PROGRAM FOR NEW DIRECTORS

The orientation program for new Directors is stipulated in the Board of Directors Charter, which is uploaded on the Bank's website. The orientation program aims to provide input for new Directors in order to gain an understanding of the Bank so as enabling the new Directors to perform their duties effectively and efficiently.

The orientation program material is in the form of documents prepared by the Corporate Affairs work unit, covering:

- a. Vision and Mission
- b. Code of Ethics
- c. Organization Structure
- d. Articles of Association
- e. The Corporate Policy Manual (GCG Guidelines)
- f. The Board of Directors Charter and The Committees under the Board of Directors Charters
- g. Prevailing regulations on Banking and Capital Market
- h. Annual Report
- i. Business Plan

In 2017, the orientation program was conducted for 1 (one) new Director, namely Rahardja Alimhamzah.

BOARD OF DIRECTORS TRAINING PROGRAMS IN 2017

Risk Management Certification

Pursuant to the Regulation of Employment (P2K) on the Implementation of Employee Learning and PBI No. 11/19/PBI/2009 dated 4 June 2009 and its amendments namely PBI No. 12/7/PBI/2010 dated 19 April 2010 on

BOARD OF DIRECTORS

Risk Management Certification for Management and Officers of Commercial Banks, the Board of Directors and the Board of Commissioners are required to participate in the competency/certification test program, in accordance with the regulatory provisions, namely Risk Management & Refreshment. All members of the Board of Directors have the Risk Management and/or Refreshment Certification in accordance with the applicable regulations.

Competency Trainings and Development Programs

Competency Trainings and Development Programs

All members of the Board of Directors of CIMB Niaga are committed and required to improve their competence to support the implementation of the daily tasks. This commitment is reflected in the trainings attended by each member of the Board of Directors as described in the following table.

Board of Directors Training Programs in 2017

Name	Type of Training/Seminar/Workshop/Sharing	Date and Location
Tigor M. Siahaan	1. Digital Leadership Series	6 February 2017, Graha CIMB Niaga, Jakarta
	2. BMC Offsite Training	21 August 2017, CIMB Niaga Icon, Bintaro
	3. CIMBX Strategic Workshop	9-10 March 2017, Hotel Intercontinental, Bandung
	4. YPO Extraordinary Leadership in Action	23 March 2017, Jakarta
	5. GMC Offsite	9 June 2017, Jakarta
	6. CIMB Board Offsite	26 – 27 July 2017, Kuala Lumpur
	7. International Advisory Panel	18 – 19 September 2017, Kuala Lumpur
	8. Khazanah Megatrends Forum 2017	25 November 2017, Shanghai
	9. China Internet Finance Academy by McKinsey	21-24 November 2017, China
Wan Razly Abdullah	1. Digital Leadership Series	6 February 2017 at Graha CIMB Niaga, Jakarta
	2. The Conference On The Emerging Technologies That Matter	14-15 February 2017, Singapore
	3. BMC Offsite Training	9-10 March 2017 at Hotel Intercontinental, Bandung
	4. Refreshment Sertifikat Manajemen Risiko	30 November 2017 at i Graha CIMB Niaga, Jakarta
Rita Mas'oen	1. Digital Leadership Series	6 February 2017 at Graha CIMB Niaga, Jakarta
	2. BMC Offsite Training	9-10 March 2017 at Hotel Intercontinental, Bandung
	3. Credit Forum: Multifinance	8 June 2017 at Graha CIMB Niaga, Jakarta
Megawati Sutanto	1. BMC Offsite Training	9-10 March 2017 at Hotel Intercontinental, Bandung
	2. Linkage Clinic 2017	4 – 5 May 2017 in Jakarta
	3. Credit Forum: Multifinance	8 June 2017 at Graha CIMB Niaga, Jakarta
Vera Handajani	1. BMC Offsite Training	9-10 March 2017 at Hotel Intercontinental, Bandung
	2. Refocusing on Credit Risk Management, Credit Risk Model, Pricing, and Being Prepared for Upcoming Regulation	23 March 2017 at Four Season Hotel Jakarta
	3. AML Sharing Session & Refreshment	24 March 2017 at Graha CIMB Niaga, Jakarta
	4. Traded Credit Risk	12 April 2017 at Graha CIMB Niaga, Jakarta
	5. Lean Six Sigma	22 May 2017 at Graha CIMB Niaga, Jakarta
	6. Managing Risk in Unsecured Retail Credit	27 July 2017 at Graha CIMB Niaga, Jakarta
	7. Cyber Security	14 September 2017 at Plaza Bapindo, Jakarta
	8. Basel III - Net Stable Funding Ratio	4 December 2017 at Graha CIMB Niaga, Jakarta
John Simon	1. CIMB Niaga Economic Forum 2017	26 January 2017 at Hotel Ritz-Carlton, Pacific Place, Jakarta
	2. Workshop Sertifikasi Treasury Dealer Program Khusus (Fast Track)	4 February 2017 in Jakarta
	3. BMC Offsite Training	9-10 March 2017 at Hotel Intercontinental, Bandung
	4. Insurance Clients Gathering CIMB Niaga	13 March 2017 at Hotel Ritz-Carlton, Pacific Place, Jakarta
	5. Wholesale Banking Retreat	7 – 9 July 2017 in Labuan, Malaysia
	6. Refreshment Sertifikasi Manajemen Risiko	30 November 2017 at Graha CIMB Niaga, Jakarta
	7. Bloomberg The Year Ahead Asia	6 December 2017 in Jakarta
	8. GWB Post AMS 2017	8-9 December 2017 at The Chateau Spa & Organic Wellness Resort, Bukit Tinggi
Lani Darmawan	1. Digital Leadership Series	6 February 2017 at Graha CIMB Niaga, Jakarta
	2. BMC Offsite Training	9-10 March 2017 at Hotel Intercontinental, Bandung



Name	Type of Training/Seminar/Workshop/Sharing	Date and Location
Fransiska Oei	1. Cyber Security Threats	9 February 2017 at Energy Building, Jakarta
	2. BMC Offsite Training	9-10 March 2017 at Hotel Intercontinental, Bandung
	3. Indonesia-Korea Financial Cooperation Forum 'Challenges and Areas of Cooperation in the Financial Industries of Indonesia & Korea'	12 April 2017 at Hotel Fairmont, Jakarta
	4. International Seminar on Changing Consumer Behavior through Financial Literacy, Financial Inclusion and Consumer Protection	4 May 2017 at Hotel Westin, Nusa Dua - Bali
	5. Arah Kebijakan dan Pengembangan Sistem Pembayaran di Indonesia	24 May 2017 at Hotel Pullman, Jakarta
	6. Common Report Standard - Seminar	15 June 2017 at Graha CIMB Niaga, Jakarta
	7. Workshop Implementasi GCG Berbasis ASEAN CG Scorecard	28 September 2017 at The Dharmawangsa, Jakarta
	8. Seminar Role of The Boards in Creating and Sustaining Corporate Governance Culture	27 November 2017 at Hotel Pullman, Jakarta
	9. Arah Kebijakan APU dan PPT serta Perlindungan Konsumen di Sektor Perbankan	7 December 2017 at Hotel Le Meridien, Jakarta
Hedy Lopian	1. Digital Leadership Series	6 February 2017 at Graha CIMB Niaga, Jakarta
	2. BMC Offsite Training	9-10 March 2017 at Hotel Intercontinental, Bandung
	3. Personal Branding and Effective Communication Skills for Executive	26 April 2017 at Graha CIMB Niaga, Jakarta
	4. Promoting The Right Person	28 April 2017 at Graha CIMB Niaga, Jakarta
Pandji Djajanegara	1. Digital Leadership Series	6 February 2017 at Graha CIMB Niaga, Jakarta
	2. BMC Offsite Training	9-10 March 2017 at Hotel Intercontinental, Bandung
	3. BLS - Syariah Acceptance Criteria	9 May 2017 in Jakarta
	4. Refreshment Sertifikat Manajemen Risiko	30 November 2017 at Graha CIMB Niaga, Jakarta
Rahardja Alimhamzah ^{*)}	1. Digital Leadership Series	6 February 2017 at Graha CIMB Niaga, Jakarta
	2. BMC Offsite Training	9-10 March 2017 at Hotel Intercontinental, Bandung
	3. Credit Forum: Multifinance	8 June 2017 at Graha CIMB Niaga, Jakarta
	4. Diskusi Panel: Intervensi Pemegang Saham Pengendali Dalam Pelaksanaan GCG	9 August 2017 at Graha CIMB Niaga, Jakarta
	5. Refreshment Sertifikat Manajemen Risiko	30 November 2017 at Graha CIMB Niaga, Jakarta

*) Effective as a Director from the close of the EGMS 24 August 2017

INDEPENDENCE OF THE BOARD OF DIRECTORS

All members of the Board of Directors have no financial, management, stock ownership, or family relationship with fellow members of the Board of Directors, members of the Board of Commissioners and/or the Ultimate Shareholders. Therefore, all members of the Board of Directors are declared to be independent.

The Board of Directors must also adhere to the principle of independence and prioritize the interests of the Bank above his/her own interests, as well as work and behave with high integrity as stipulated in the Charter of the Board of Directors as follows:

1. Members of the Board of Directors are prohibited from utilizing the Bank and/or information obtained from the Bank for personal, family and/or other parties' interests that may harm and/or reduce the profits and reputation of the Bank or its subsidiaries.

2. Members of the Board of Directors are prohibited from taking and/or receiving personal benefits from the Bank other than remuneration and other facilities stipulated by the GMS and/or internal policies.
3. Members of the Board of Directors are prohibited from using individual and/or professional advisors as consultants unless they meet the following requirements:
- The project is specific;
 - Based on a clear contract, which at least covers the scope of work, responsibilities, and timeframe of work, as well as fees;
 - The Consultant is an Independent Party and has the qualifications to work on specific projects.

BOARD OF DIRECTORS

CONCURRENT POSITIONS OF THE BOARD OF DIRECTORS

Pursuant to the provisions of POJK No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, every member of the Board of Directors is prohibited from serving concurrently as a member of the Board of Commissioners, Board of Directors or executive officers of banks, companies, and/or other institutions except those permitted in the regulations.

Members of the Board of Directors of CIMB Niaga have no concurrent positions other than those permitted under the applicable regulations.

In the event the Board of Directors being responsible for the supervision of the Bank's subsidiary, it may perform the functional duties of being a member of the Board of Commissioners of a non-bank subsidiary company controlled by the Bank, as long as the consequences of the position do not result in the neglect of the execution of duties and responsibilities as a member of the Board of Directors.

No	Name of Director	Position at CIMB Niaga	Position in Other CIMB Niaga	Companies/Entities/Organizations
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 Lapian	Director	None	
10	Pandji P. Djajanegara	Director	None	
11	Rahardja Alimhamzah ^{*)}	Director	None	

*) Effective as a Director from the close of the EGMS 24 August 2017

Wan Razly Abdullah serves as the President Commissioner of PT CIMB Niaga Auto Finance in the framework of supervising the Bank's controlled subsidiary.

BOARD OF DIRECTORS CONFLICT OF INTEREST

As stated in the Board of Directors Charter, all members of the Board of Directors must avoid any potential conflict of interest at all times and under any circumstances. In the event of a conflict of interest, members of the Board of Directors are prohibited from taking action that may harm or reduce the Bank's profits and must disclose any potential conflict of interest in all decision making.

A member of the Board of Directors is not authorized to represent the Bank in the event of:

- A case in the Court of Law between the Bank and the involved member of the Board of Directors;

- The involved member of the Board of Directors having a conflict of interest with the Bank.

The procedures that members of the Board of Directors have to go through in the event of a conflict of interest are as follows: each member of the Board of Directors who personally, in any way, either directly or indirectly, has an interest in a proposed transaction, contract or agreement, in which the Bank becomes one of the parties, must state the nature of the interest in the meeting of the Board of Directors and must not be entitled to vote in matters relating to the proposed transaction or contract, unless the Board of Directors determines otherwise.

During 2017, no member of the Board of Directors had a conflict of interest or potential conflict of interest with CIMB Niaga.

TERM OF OFFICE OF THE BOARD OF DIRECTORS

1. The term of office of a member of the Board of Directors is effective as of the date specified in the GMS appointing him/her until the close of the 4th AGM after the effective date of the appointment without prejudice to the rights of the GMS to dismiss them at any time in accordance with Articles of Association and the applicable provisions.
2. The appointment of members of the Board of Directors is effective upon approval of the OJK or the fulfillment of the requirements stipulated in the OJK's approval letter in respect of the fit and proper test and other relevant authorities, and approved by the shareholders through the GMS.
3. The Board of Commissioners may temporarily dismiss members of the Board of Directors by stating the reasons for such dismissal. The temporary dismissal must be notified in writing to the members of the Board of Directors concerned,

and is followed up in accordance with applicable regulations.

4. In the event of a vacancy of the Independent Director's position, the Bank must fill the vacant position at the latest by the date of the nearest GMS or be appointed based on the Board of Directors meeting with the approval of the Board of Commissioners within 6 (six) months of the vacancy.
5. The term of office of members of the Board of Directors ends in the event of:
 - a. The term of office ends in accordance with the Articles of Association;
 - b. Resignation in accordance with applicable provisions;
 - c. No longer meets the requirements of the legislation;
 - d. Passing away;
 - e. Dismissed, based on GMS decision.
6. Members of the Board of Directors who have completed the term of office may be re-appointed by observing the applicable provisions.

All members of the Board of Directors have passed the Fit and Proper test held by Bank Indonesia or OJK and have been appointed by the GMS as shown in the table below.

Name	Position	Term of Office			
		Appointment GMS	BI/OJK Approval	Re-appointment	Term of Office
Tigor M. Siahaan	President Director	AGM dated 10 April 2015	No. SR-84/D.03/2015, dated 19 May, 2015	-	AGM 2019
Wan Razly Abdullah	Director of Strategy and Finance	EGM dated 27 August 2009	No. 11/106/GBI/DPIP/Confidential, dated 18 August 2009	AGM dated 15 April 2016	AGM 2020
Rita Mas'Oen	Director of Operations & Information Technology	EGM dated 27 August 2009	11/150/GBI/DPIP/Confidential, dated 16 November 2009	AGM dated 15 April 2016	AGM 2020
Megawati Sutanto	Director of Credit	EGM dated 15 December 2010	No. 13/23/GBI/DPIP/Confidential, dated 3 March 2011	AGM dated 15 April 2016	AGM 2020
Vera Handajani	Director of Risk Management	EGM dated 26 July 2013	No. 15/113/GBI/DPIP/Confidential, dated 26 November 2013	AGM dated 15 April 2016	AGM 2020
John Simon	Director of Treasury & Capital Market	AGM dated 27 March 2014	No. SR-143/D.03/2014, Dated 29 August 2014	-	AGM 2018
Lani Darmawan	Director of Consumer Banking	AGM dated 15 April 2016	No. SR-75/D.03/2016 Dated 3 May 2016	-	AGM 2020
Fransiska Oei	Director of Compliance, Corporate Secretary & Legal	AGM dated 15 April 2016	No. SR-138/D.03/2016 Dated 27 July 2016	-	AGM 2020



BOARD OF DIRECTORS

Name	Position	Term of Office			
		Appointment GMS	BI/OJK Approval	Re-appointment	Term of Office
Hedy Lopian	Director of Human Resources	AGM dated 15 April 2016	No. SR-154/D.03/2016 Dated 15 August, 2016	-	AGM 2020
Pandji P. Djajanegara	Director of Sharia Banking	AGM dated 15 April 2016	No. SR-27/PB.13/2016 Dated 4 October, 2016	-	AGM 2020
Rahardja Alimhamzah*	Director	EGM dated 24 August 2017	No. SR-84/PB.12/2017 Dated 31 May, 2017	-	AGM 2021

* Has effectively served as a member of the Board of Directors from the close of the EGM dated 24 August 2017

POLICY ON THE PROVISION OF LOANS TO THE BOARD OF DIRECTORS

Loans to the Board of Directors are conducted under the normal pricing and terms policy, as conducted with non-related parties with the Bank. Loans to the Board of Directors must be calculated as per the Legal Lending Limit for CIMB Niaga in accordance with PBI No. 8/13/PBI/2006.

CRITERIA AND BASIS OF ASSESSMENT OF EXECUTIVE COMMITTEES

In overall, the implementation of Committee meetings is considered effective. This can be measured by the participation of the Board of Directors in committee meetings during 2017, including decisions taken during the meeting discussions can be used as a reference.

The criteria and basis for the Executive Committee assessment based on each Term of References are as follows:

1. Number of meetings held
2. Attendance of the Board of Directors
3. SLA of Minutes of the Meeting
4. Action on Matters arising

Performance Assessment Results of Committees in 2017

ExCo Committee	Score
Risk Management Committee (RMC)	430
Asset & Liability Committee (ALCO)	427
Information Technology Steering Committee (ITSC)	470
Operational Risk Management Committee (ORC)	470
Credit Policy Committee (CPC)	418
Capital Management Committee (CMC)	443

Performance Rating

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



► Policy on the Diversity Composition of the Board of Commissioners and the Board of Directors

CIMB Niaga has members of the Board of Commissioners and Board of Directors, which in addition to having a majority of banking backgrounds, also have various competencies and experiences in order to maintain competitive advantage and improve the Bank's performance. The diversity composition of the Board of Commissioners and the Board of Directors is crucial in ensuring a robust decision-making process and effective bank management, in accordance with the needs of the Bank, as well as in line with the main strategy, vision and mission of CIMB Niaga.

Diversity policies in the composition of the Board of Commissioners and the Board of Directors of the Bank, include:

1. Have at least 1 (one) female member in the composition of the Board of Commissioners and the Board of Directors
2. Have educational background and expertise such as accounting, finance, law and business.
3. Have at least 1 (one) Foreign Citizen member of the Board of Commissioners to enrich the knowledge and experience of the Board of Commissioners on the development of banking industry both inside and outside Indonesia.

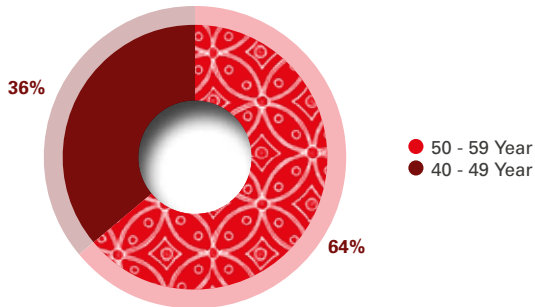
In addition, diversity in the composition of members of the Board of Commissioners and the Board of Directors includes, among others, work experience, independence, age, and gender. The diversity policy of the Board of Commissioners and the Board of Directors is aligned with the main strategy, as well as the Bank's vision and mission, as follows:

Diversity of the Board of Commissioners	
Nationality	Consisting of: <ol style="list-style-type: none"> 1. 4 (four) members of the Board of Commissioners are Indonesian citizens 2. 3 (three) members of the Board of Commissioners are Malaysian citizens 3. 1 (one) member of the Board of Commissioners is an American citizen
Education	The level of education of members of the Board of Commissioners covers the Bachelor and Post Graduate levels within various fields of education such as economics, management, as well as political science & psychology.
Work Experience	Diverse work experience, includes: Minister/Chairman of Bappenas, Chairman of the Investment Panel Risk Committee, ASEAN Regional Strategy Group and ASEAN Regional Business Council, International Advisory Board of the Blavatnik School of Government, Oxford University, Expert Staff of the Board of Governors of Bank Indonesia, and other key positions at Bank Indonesia. Members of the Board of Commissioners and/or Board of Directors of national and multinational financial and non-financial institutions. Lecturers and Deans of prominent higher education institution both at home and overseas, Chief Risk Officer of multinational banks.
Independency	All members of the Board of Commissioners have no affiliations with fellow members of the Board of Directors or Board of Directors. There are 4 (four) Independent Commissioners.
Age	The age diversity of members of the Board of Commissioners is in a fairly productive and mature age, namely 70 years old – 45 years old.
Gender	There is 1 (one) female member of the Board of Commissioners.

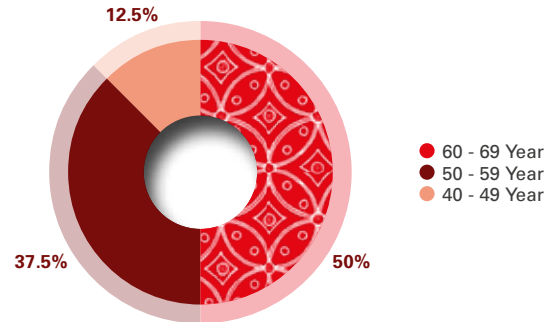
Diversity of the Board of Directors	
Nationality	Consisting of: <ol style="list-style-type: none"> 1. 10 (ten) members of the Board of Directors are Indonesian citizens 2. 1 (one) member of the Board of Directors is a Malaysian citizen
Education	Levels of education include Bachelor and Post-Graduate levels within various fields of education such as economics, finance, law, commerce, business, computer science, accounting, and others.
Work Experience	Diverse work experience, includes: <ol style="list-style-type: none"> 1. Members of the Board of Directors of national and multinational financial and non-financial institutions 2. Various key positions in the national or foreign banks, such as the Head of Strategic Business Development, Senior Country Operations Officers, Head of Corporate Banking, Head of Operational Risk, Head of Trading & Structuring, Head of Treasury, Head of Network, Chief of Sharia Banking, and others. 3. Independent Commissioner of an insurance company 4. Founder and Senior Partner of Law Firms 5. Auditor All members of the Board of Directors have experience in the field of banking.
Independency	All members of the Board of Directors have no affiliations with fellow members of the Board of Directors, Board of Commissioners, and Shareholders of the Bank.
Age	The diversity of age of members of the Board of Directors is in a fairly productive and mature age, namely 46 years old – 60 years old.
Gender	There are 6 (six) female members of the Board of Directors, out of 11 (eleven) total members of the Board of Directors.

POLICY ON THE DIVERSITY COMPOSITION OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

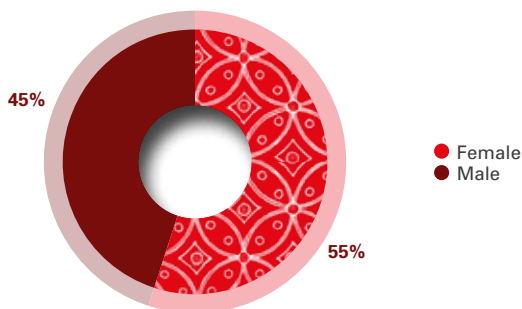
Age of BOD



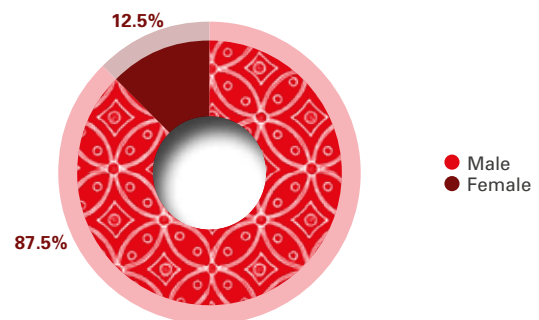
Age of BOC



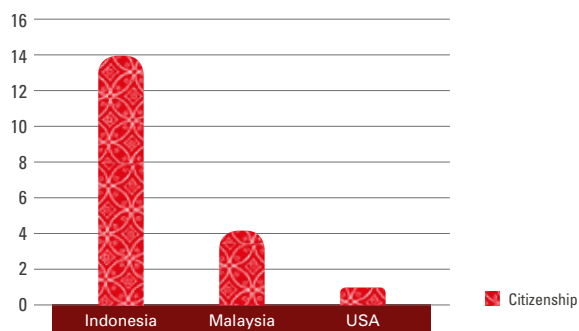
Gender of BOD



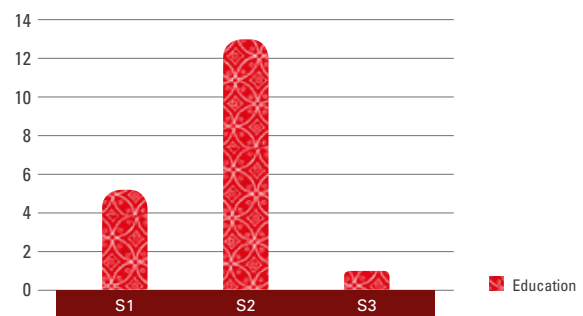
Gender of BOC



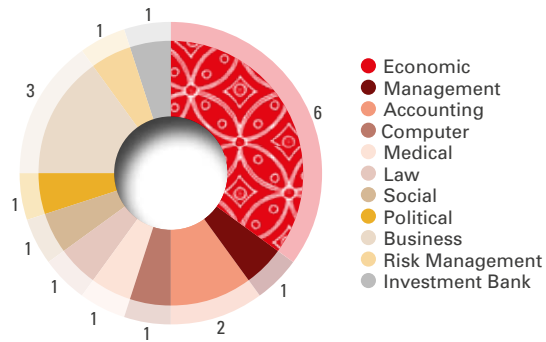
Citizenship of BOC and BOD



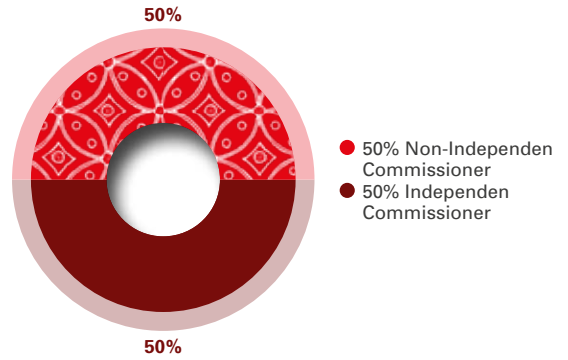
Education of BOC and BOD



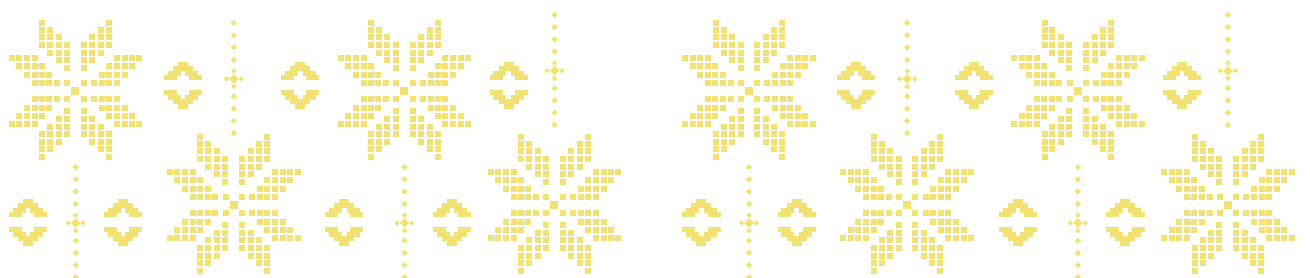
Skills of BOC and BOD



Independency of the Board of Commissioners



The current composition of the Board of Commissioners and Board of Directors of CIMB Niaga complies with the above diversity policy and is in line with CIMB Niaga's core strategy, vision, and mission.





Corporate Governance Self-Assessment Results in 2017

ASSESSMENT CRITERIA

In accordance with POJK No.13/SEOJK.03/2017 concerning the Implementation of Good Corporate Governance for Commercial Banks, the Bank conducts self-assessments on the implementation of Good Corporate Governance principles (Transparency, Accountability, Responsibility, Independence, Fairness) to reach Corporate Governance Rating which is a factor in determining the Bank's Health Level in accordance with POJK No. 4/POJK.03/2016. This assessment is conducted on 3 aspects of the Governance system, which are the structure, process and outcome of the Governance over the 11 Assessment Factors of Corporate Governance Implementation as follows:

1. Conduct of duties and responsibilities of the Board of Directors;
2. Conduct of duties and responsibilities of the Board of Commissioners;
3. Completeness and implementation of the Committee's duties;
4. Management of conflict of interest;
5. Implementation of Compliance function;
6. Implementation of Internal Audit function;
7. Implementation of External Audit function;

8. Implementation of Risk Management including Internal Control System;
9. Provision of funds to related parties and large funds;
10. Transparency of the Bank's financial and non-financial conditions, reports on the Bank's Good Corporate Governance and internal reporting; and
11. Bank's strategic plan.

ASSESSOR

CIMB Niaga conducted its self-assessments on Good Corporate Governance in 2017 by involving the Boards of Commissioners and Directors, Independent Parties, Executive Officers and independent units in the Bank to produce a comprehensive and structured assessment concerning the effectiveness of the Governance system and the quality of Governance results. The self-assessment also included Good Corporate Governance in the Subsidiaries in accordance with the relevant regulations. The following is the self-assessment result of CIMB Niaga's Good Corporate Governance in December 2017.

Assessment Result and Score

SELF ASSESSMENT OF CORPORATE GOVERNANCE IMPLEMENTATION		
Entity	Rating	Rating Definition
BANK (Individually)	2	GOOD
CIMB Niaga Auto Finance (CNAF)	2	GOOD
CONSOLIDATED	2	GOOD

RECOMMENDATION AND FOLLOW UP OF GCG ASSESSMENT RESULTS 2017

CIMB Niaga's Good Corporate Governance rating on an individual and consolidated basis is 2 (Good), which reflects that the Management of CIMB Niaga and Subsidiaries has generally implemented Good Corporate Governance, compliance with the Governance principles is adequate, regardless of the deficiencies which are still noted in the implementation of the Good Corporate Governance principles. In general, these deficiencies are not very significant and can be resolved under normal actions by the management of the Bank and Subsidiaries.

CIMB Niaga continues its commitment in and strives to undertake corrective measures aimed at supporting the Bank's sustainability. CIMB Niaga also performs alignment with its Subsidiaries both in terms of strategic plan and risk management, as stipulated in the financial conglomeration regulations.

GOVERNANCE STRUCTURE

The structure and infrastructure of Good Corporate Governance at CIMB Niaga are already in compliance. The changes in the Bank's management during this period has been complied with regulations and reported to the authorities. In addition to complying with the minimum requirements concerning the

establishment of Committees at the Board of Commissioners and Board of Directors level, CIMB Niaga also established Transactional Committees to support the implementation of the duties and responsibilities of the Board of Directors in managing the Bank's operational activities. The Bank's internal policies are based on a risk-based framework and are tailored to the business complexity and organization levels within the Bank. The Bank also continues to follow up any recommendations for improvements on the Governance structure and infrastructure.

GOVERNANCE PROCESS

The Good Corporate Governance process is implemented based on Good Corporate Governance and Prudent principles aimed at achieving sustainable management and at meeting the interests of stakeholders. The Bank's initiatives in this period include the development of compliance and risk culture by increasing awareness of compliance and risk mitigation aspects, strengthening and complementing the internal control function in each risk taking unit to minimize weaknesses that could adversely affect the Bank's Good Corporate Governance performance and results. In addition, with the rapid development of information technology, CIMB Niaga also continues to improve the quality of information systems and technology to provide optimal, safe and reliable financial services to customers and to provide timely and accurate information to stakeholders.

GOVERNANCE OUTCOME

CIMB Niaga adheres to the key prudential ratios in accordance with regulations. The Bank submits its financial report and non-financial information to regulators in accordance with provisions. In addition, the Bank also discloses the financial and non-financial conditions, product and service information as disclosed on the Bank's website. CIMB Niaga performance achievements during 2017 are as disclosed under the section of management achievements including other activities as well (such as financial literacy, corporate social responsibility, awards in conventional banking and sharia).

EXTERNAL ASSESSMENT

ASEAN Corporate Governance Scorecard

CIMB Niaga's commitment to GCG is not merely meeting the requirements only, but more than that, CIMB Niaga strives to improve the implementation of GCG principles by understanding the values within every GCG principle so that the implementation of GCG principles by CIMB Niaga aims to achieve good corporate governance and ultimately to add value for all stakeholders of CIMB Niaga.

One of the efforts made by CIMB Niaga is to refer to the ASEAN Corporate Governance Scorecard as a guideline for the implementation of GCG principles, and to make improvements as deemed necessary.

In addition to the self-assessment of GCG implementation as stipulated in OJK Circular Letter No. 15/SEOJK.03/2015 on Integrated Governance for Financial Conglomerations and No. 13/SEOJK.03/2017 on Good Corporate Governance for Commercial Banks as stated earlier, CIMB Niaga is also assessed by the Indonesian Institute for Corporate Directorship (IICD), RSM and the Financial Services Authority (OJK) based on the principles of ASEAN Corporate Governance Scorecard, also conducts self-assessments for establishing targets and action plans for improvements to be made by the Bank.

In an assessment conducted by IICD in 2017, the Bank received an award as "Best Overall BigCap" at the "The 9th IICD Corporate Governance Conference and Awards".

CORPORATE GOVERNANCE SELF-ASSESSMENT RESULTS IN 2017

RECOMMENDATION OF ASEAN CORPORATE GOVERNANCE SCORECARD FROM EXTERNAL PARTIES

Practices Exceeding the Minimum Expectations

CIMB Niaga discloses a number of good corporate governance practices that exceed minimum standards, including:

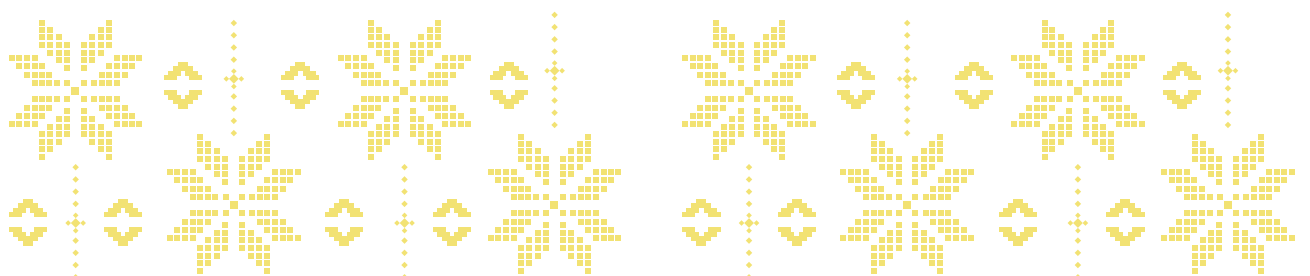
1. The Bank released the AGMS Summons (accompanied by the schedule, detailed agenda, and explanation of all agenda of the AGMS), no later than 28 days prior to the date of the AGMS
2. The Bank adopts an internationally recognized reporting framework for sustainability (namely the GRI, Integrated Reporting, SASB)
3. The audited Financial Statements was issued within 60 days after the end of the financial year
4. The Bank has 1 (one) female Independent Commissioners
5. The Bank has a policy and disclosed measurable objectives for the diversity of the composition of the Board of Commissioners and the Board of Directors as well as reports on the progress of its implementation in achieving the objectives
6. The Nomination Committee performs the identification process on the quality of the Board of Directors that has been aligned to the strategy of the Bank
7. The Bank has a separate board level Risk Committee

Areas for Improvement	
Recommendations	Follow up of Recommendations
A. Rights of Shareholders	
1. The right to participate effectively in and vote in the GMS and to be informed on the Rules of the GMS, including voting procedures.	The Bank has published the Rules of the GMS through the Bank's website, 28 days prior to holding the GMS or in conjunction with the publication of the GMS Summons. The Rules of the GMS was also distributed to shareholders and conveyed by the Corporate Secretary prior to the start of the GMS.
B. Equal treatment for Shareholders	
The expected minimum standards have been implemented with no specific improvement required	
C. Role of Stakeholders	
The expected minimum standards have been implemented, with no specific improvement required	
D. Disclosure and Transparency	
1. Transparency on ownership structure	1. The Bank has disclosed the share ownership of the Bank by each member of the Board of Commissioners and the Board of Directors in the Bank's Annual Report. To improve disclosure, the Bank will also disclose the Bank's share ownership by the Bank's senior officers.
2. Where the same Public Accounting Firm is engaged for both Financial Statements audits and non-audit services.	2. The Bank always discloses the information on Public Accounting Firm assigned and the costs incurred for each assignment by the Bank, both for audit or non-audit services.

Areas for Improvement	
Recommendations	Follow up of Recommendations
E. Management Responsibility	
Improvements can be performed on the following areas:	
1. Management Structure & Composition	1. The Bank continuously complies with the structure and composition of the Board of Commissioners and the Board of Directors as required by the applicable regulations and in accordance with good governance practices.
2. Remuneration Committee/Compensation Committee	2. The Bank already established the Nomination and Remuneration Committee. The implementation of duties and responsibilities, including the holding of meetings by the Nomination and Remuneration Committee has been disclosed in the Bank's Annual Report.
3. Audit Committee	3. The Bank will refine the Audit Committee Charter, in accordance with the recommendations of the ASEAN Corporate Governance Scorecard
4. Board Meetings and attendance	4. The Bank has and disclosed the policies on: <ul style="list-style-type: none"> a. Minimum attendance quorum of Board of Commissioners and Board of Directors Meetings is at 2/3 of the total members of the Board of Commissioners or Board of Directors. a. The Board of Commissioners or the Board of Directors shall attend the Board of Commissioners Meeting or the Board of Directors Meetings at a minimum of 75% in a year.
5. Appointment and Re-appointment of Directors and Commissioners	5. Pursuant to the Articles of Association, each member of the Board of Commissioners and Board of Directors has a term of office of 4 years and can be reappointed.
6. Remuneration Issues	6. The Bank has disclosed the remuneration structure of Commissioners, Independent Commissioners, and Directors in the Bank's Annual Report.

Specific Items Needing Attention

The Bank does not have bad governance practices, and there are no issues that need special attention or follow-ups from the Board of Directors.





► Performance Assessment of the Boards of Commissioners and Directors

PERFORMANCE ASSESSMENT PROCEDURE FOR BOARDS OF COMMISSIONERS

The Board of Commissioners performance assessment is performed through the self-assessment approach, covering collective assessment on the performance of the Board of Commissioners as well as individual assessment on each Commissioner. The final evaluation of the assessment will be performed by the President Commissioner based on the recommendation of the Nomination and Remuneration Committee.

Performance assessment shall be held at least once in a year.

PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF COMMISSIONERS

Criteria used in performance evaluation of the Board of Commissioners and on Board of Commissioners Committees are as follows:

- **Collective Assessment**

Assessments are conducted by each Commissioner on the overall performance of the Board of Commissioners.

Assessment criteria are:

1. Structure of the Board of Commissioners covering the adequacy and diversity of competencies and experience in supporting the functions of the Board of Commissioners, as well as the effectiveness of meeting arrangements (frequency, time, duration);
2. Strategic thinking that includes an understanding of the Bank vision, mission, strategy, and business plan;
3. Supervision and governance covering Board of Directors' performance, risk management issues, and addressing the potential/existence of conflict of interest;
4. The effectiveness of the Board of Commissioners in discussing Bank issues as well as providing recommendations to the Board of Directors.

- **Individual Assessment**

Assessment are conducted by each Commissioner on his/her own performance (self-assessment) covering:

1. Strategic thinking;
2. Knowledge on the banking industry; and
3. Individual contribution in performing his/her function as a member of Board of Commissioners.

Performance assessment for the Board of Commissioners conducted by each member of the Board of Commissioners and discussed by the Nomination and Remuneration Committee, before submitted for President Commissioner's approval.

PARTIES PERFORMING BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT

Performance assessment is performed by each Commissioner through the self-assessment method.

PERFORMANCE ASSESSMENT OF BOARD OF COMMISSIONERS RESULTS IN 2017

In 2017, the Board of Commissioners performed its oversight function well to ensure the achievement of Bank's performance and meeting the expectations of the shareholders.

The Board of Commissioners' self-assessment results (collective assessment) in 2017 was 4.1 (Very Satisfactory).

The "Strategic Thinking" and "Effectiveness of Discussion and Recommendation" were the criteria with the highest score, namely an average of 4.2 (Very Satisfactory), while "Supervision and Governance" was the criteria with the lowest score, namely 3.9 (Exceeding Expectations), the average assessment result on each individual member of the Board of Commissioners (individual assessment) was 4.3 (Very Satisfactory).

PERFORMANCE ASSESSMENT OF BOARD OF DIRECTORS (INCLUDING PRESIDENT DIRECTOR)

The Board of Directors performance assessment, including of the President Director, is conducted to monitor the implementation of strategy and performance achievement every year, in which CIMB Niaga applies the Balanced Scorecard approach in interpreting the strategic objectives in Key Performance Indicators (KPI), which jointly agreed by the Board of Directors, received recommendation from Nomination and Remuneration Committee and approved by the Board of Commissioners. The KPI are subsequently conveyed to all employees to ensure consistency with the Bank's objectives and strategies.

The Board of Directors KPI Framework is prepared in accordance with the Bank's strategic objectives to achieve performance targets in 2017 that are in line with the long-term aspirations and targets.

Performance targets are set in the KPI of each Director in accordance with his/her duties and responsibilities, covering collegial and individual responsibilities which include financial and non-financial targets.

The result of assessment and evaluation of performance of the Board of Directors based on the KPI achievement of each Director at the end of the year is submitted to the Nomination and Remuneration Committee for their review and recommendation prior to being given to the Board of Commissioners for approval. The result of assessment and evaluation is a Performance Appraisal to measure achievement of targets that set out in the KPI. This will affect the overall performance assessment of the directorate of each Director.

Performance assessment shall be held at least once in a year.

PARTIES PERFORMING BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

Parties involved in assessment of the Board of Directors are the President Director, the Nomination & Remuneration Committee, and the Board of Commissioners.

Components of Board of Directors Performance Assessment in 2017

No.	Performance Parameter	Directorate										
		Business Unit					Business Enabler					
		President Director	Business Banking * (Corporate and MSME)	Perbankan Konsumer (Retail)	Sharia Banking	Treasury and Capital Market	Credit *	Risk Management	Operational and Information Technology	Compliance, Corporate Affairs & Legal	Strategy & Financial	Human Resources
1	Shared Target	-	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2	Financial	55%	40%	40%	40%	40%	20%	10%	20%	15%	20%	15%
3	Customer	10%	10%	10%	10%	10%	10%	20%	10%	20%	10%	15%
4	T18 Initiatives/ Key Focus Areas	10%	5%	5%	5%	5%	25%	25%	25%	20%	25%	25%
5	Risk & Compliance	15%	15%	15%	15%	15%	15%	15%	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.



➤ Remuneration Policy

CIMB Niaga's risk based remuneration policy No A.06.02 has been effective since October 2017.

PURPOSE AND BACKGROUND

CIMB Niaga's remuneration policy for the Board of Commissioners, Board of Directors and employees, both mandatory and supplementary in nature, has been drawn up according to the prevailing rules and regulations. The remuneration policy serves as one of the important aspects in attracting, motivating, and retaining the best employees in providing qualified human resources. The formulation of this remuneration policy is an integral part of the Bank's financial capabilities and is always implemented based on competitive, fair and risk-based principles in line with the directions and policies of the OJK. In formulating the remuneration policy, the Bank does not engage with external consultant, but to maintain competitiveness of the Bank's remuneration policy, it continuously conducts benchmarking through surveys conducted by independent parties.

RISK-BASED REMUNERATION POLICY

The Bank's risk based remuneration policy is applicable to all employee in every level and function, and have been adjusted as per POJK No. 45/POJK.03/2015 dated December 23, 2015 and SEOJK No. 40/SEOJK.03/2016 dated September 26, 2016 regarding the Implementation of Good Corporate Governance for the Provision of Remuneration for Commercial Banks, which includes :

- The prudent principle in providing risk-based remuneration.
- Variable remuneration is provided in accordance with regulatory requirements related to remuneration for commercial banks

In implementing benefits program, CIMB Niaga continuously improve its remuneration strategy, include reviewing the remuneration policy based on performance, risk and enablement. The main risk profile in remuneration policy is cordially being adjusted to the Bank's annual risk profile which taking consideration of market condition, industry growth and Bank financial capability. Therefore, the main risk profile will impacted the implementation of variable remuneration.

PERFORMANCE EVALUATION IN RELATION WITH REMUNERATION AND RISK

Performance evaluation is realized through Key Performance Indicator (KPI), where KPI is set based on target of the Bank, related unit, individual and aligned with the Bank vision, mission and strategy with consideration of risk and compliance aspects. The Bank periodically evaluates and reviews performance as consideration for remuneration.

REMUNERATION POLICY REVIEW AND INDEPENDENCY

CIMB Niaga periodically reviews the remuneration system and the welfare of employees, with consideration of the following factors :

- The Bank's financial capability
- Employee's competency and performance (meritocracy)
- Market remuneration practices (market competitiveness)
- Eligibility and fairness principles
- Internal equity
- Position's risk
- The Bank's long-term strategy

CIMB Niaga is committed to implement a competitive, fair, balanced and risk-based remuneration system and always ensures that no employee receives compensation below the requirements stipulated by the government. CIMB Niaga also continuously reviews and updates the remuneration policies to be relevant with the industry growth and business strategies and includes compliance aspect based on the prevailing banking regulations. To ensure impartiality in managing employee remuneration, including employees in control unit, the Bank ensures decisions on performance evaluation and remuneration are supervised and reviewed up to Nomination and Remuneration Committee (NRC).

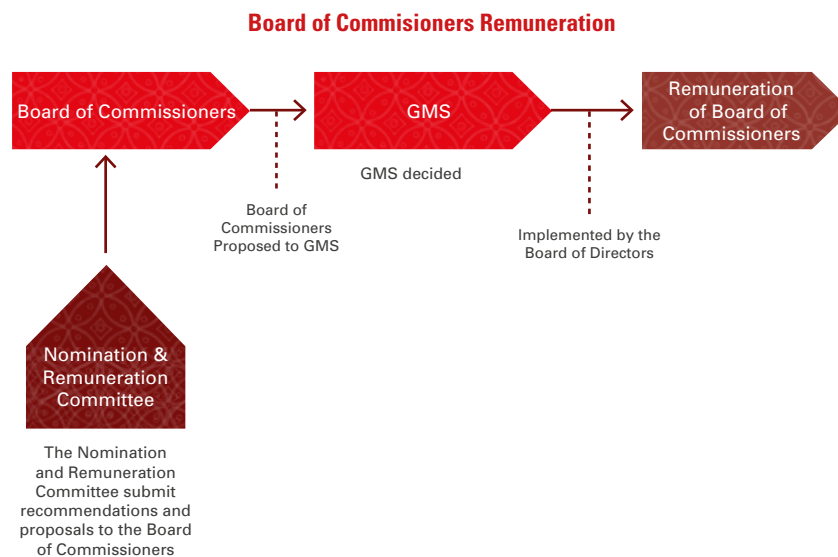
As an example of Good Corporate Governance in relation to remuneration, the Bank has renewed and communicated the Remuneration Structure and Remuneration Scale (SUSU) in accordance with Ministerial Decision No. 1, year 2017 on Remuneration Structure and Scale. In addition, the Bank has adopted a remuneration policy with due observance to POJK No. 45/POJK.03/2015 and SEOJK No. 40/SEOJK.03/2016 on the Implementation of Good Corporate Governance in Remuneration for Commercial Banks as follows.

- a. Material Risk Taker (MRT) can be determined by using qualitative methods that consider the position's scale of responsibilities which affects main risk profile of the Bank.
- b. MRT can also be categorized quantitatively by comparing variable remuneration scales between MRT and non-MRT employees by considering performance and the level of risk of certain positions.

DETERMINATION OF MATERIAL RISK TAKER (MRT)

Determination of Material Risk Taker (MRT) can be categorized as follows :

All Directors and/or employee who fulfil those definitions are determined as MRT, whereby the Bank currently has 14 individuals categorized as MRT.



The formulation of the structure, policy, and remuneration of each Commissioner is conducted with respect to the duties, authority, performance, and responsibility of the Board of Commissioners, and the prevailing remuneration in the banking industry (peers group), and Bank's financial ability. Procedures for determining the Board of Commissioners remuneration:

- Nomination and Remuneration Committee discuss the Board of Commissioners' remuneration with respect to information on the market range and standard of remuneration in the banking industry (peers group) and Bank's financial ability

REMUNERATION POLICY

- Nomination and Remuneration Committee submit remuneration recommendation which to be discussed in the Board of Commissioners meeting
- Board of Commissioners analyses the recommendation from Nomination and Remuneration Committee and propose the remuneration for the Board of Commissioners to the GMS.
- The GMS determines the remuneration for the Board of Commissioners, to be then accordingly implemented by the Board of Directors.

BOARD OF COMMISSIONERS' REMUNERATION STRUCTURE

The Board of Commissioners remuneration structure consists of honorarium, meeting allowance, transportation allowance, holiday allowances and year-end allowance, as well as other facilities such as health and communication allowances, and club membership. Based on the 2017 AGMS decision, detailed information on remuneration and facilities policy for members of the CIMB Niaga Board of Commissioners are as follows:

A. Remuneration Package and Other Facilities Received

Types of Remuneration and Other Facilities	Amount Received in 1 Year by Non-Independent Commissioner			
	2016		2017	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, tantiem, and other non-natura facilities)	4	7,297	4 ¹⁾	6,847
Other natura facilities that :				
a. Could be Owned	-	-	-	-
b. Could Not be owned	-	-	-	-
Total	4	7,297	4	6,847

Types of Remuneration and Other Facilities	Amount Received in 1 Year by Independent Commissioner			
	2016		2017	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, tantiem, and other non-natura facilities)	6 ²⁾	8,772	4	8,938
Other natura facilities that :				
a. Could be Owned	-	-	-	-
b. Could Not be owned	-	-	-	-
Total	6	8,772	4	8,938

Remuneration per Person	Non-independent Commissioner		Independent Commissioner	
	2016	2017	2016	2017
Above Rp5 billion	-	-	-	-
Above Rp2 billion to Rp5 billion	1	1	2	4
Above Rp1 billion to Rp2 billion	3	3	2	-
Above Rp500 million to Rp1 billion	-	-	2	-
Up to Rp500 million	-	-	-	-

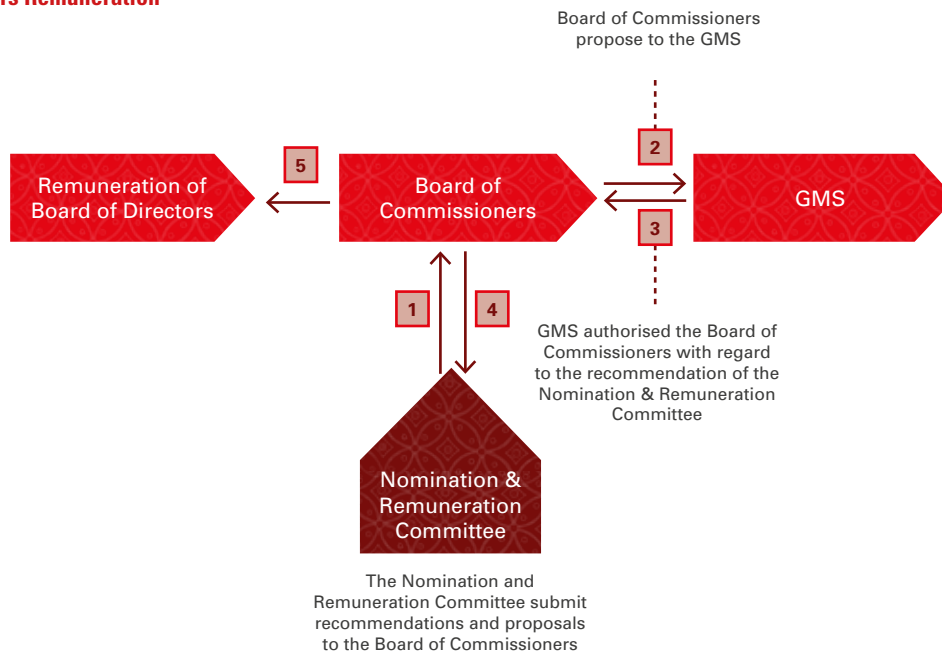
Notes : 1) Including the remuneration of 1 (one) Commissioner who no longer active as of AGMS on 24th August 2017.
2) Including remuneration of 2 (two) Independent Commissioner who no longer active as of AGMS on 15th April 2016.
All Board of Commissioners (including Independent Commissioner) of CIMB Niaga do not receive any share or bonus.

B. Variable Remuneration for the Board of Commissioners

Variable Remuneration	Amount Received in 1 Year by Non-Independent Commissioner			
	2016		2017	
	Person	Rp (Million)	Person	Rp (Million)
Total	Nil	Nil	Nil	Nil

Variable Remuneration	Amount Received in 1 Year by Independent Commissioner			
	2016		2017	
	Person	Rp (Million)	Person	Rp (Million)
Total	Nil	Nil	Nil	Nil

Board of Directors Remuneration



The formulation of the structure, policy and remuneration amount of remuneration of each Director is conducted with respect to the duties, powers and responsibilities of the Board of Directors, the prevailing remuneration in the banking industry (peer groups), the Bank performance, individual performance of each Director, and the Bank's financial capability. Procedures for determining Board of Directors 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), the Bank performance, the individual performance and risk of each Director with the achievement of predefined KPIs, as well as Bank's financial ability.

- Afterwards, the Nomination and Remuneration Committee gives remuneration recommendations which to be discussed in Board of Commissioners Meeting.
- The Board of Commissioners study the recommendation from the Nomination & Remuneration Committee and suggests the remuneration to the GMS.
- The GMS determines the remuneration for the Board of Directors by granting authority to the Board of Commissioners to set Board of Directors' remuneration with regards to the recommendations submitted by the Nomination & Remuneration Committee, to be accordingly implemented by the Board of Directors.

REMUNERATION POLICY

INDICATORS FOR DETERMINING BOARD OF DIRECTORS REMUNERATION

The determination of Board of Directors' remuneration is based on the Bank's performance covering the Bank's financial performance, level of health, and risk management practices in accordance with regulatory requirements. 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 Board of Commissioners and Board of Directors in this Annual Report.

BOARD OF DIRECTORS REMUNERATION STRUCTURE

The Board of Directors' remuneration structure consists of salary, bonus, transportation allowance, 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 2017 AGMS decision, detailed information on remuneration and facilities policy for members of the CIMB Niaga's Board of Directors are as follows:

A. Remuneration Package and Other Facilities Received

Types of Remuneration and Other Facilities	Amount Received in 1 Year by Board of Directors			
	2016		2017	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, tantiem, and other non-natura facilities)	13 ³⁾	72,286	11	66,183
Other natura facilities that :				
a. Could be Owned	-	-	-	-
b. Could Not be owned	-	-	-	-
Total	13³⁾	72,286	11	66,183

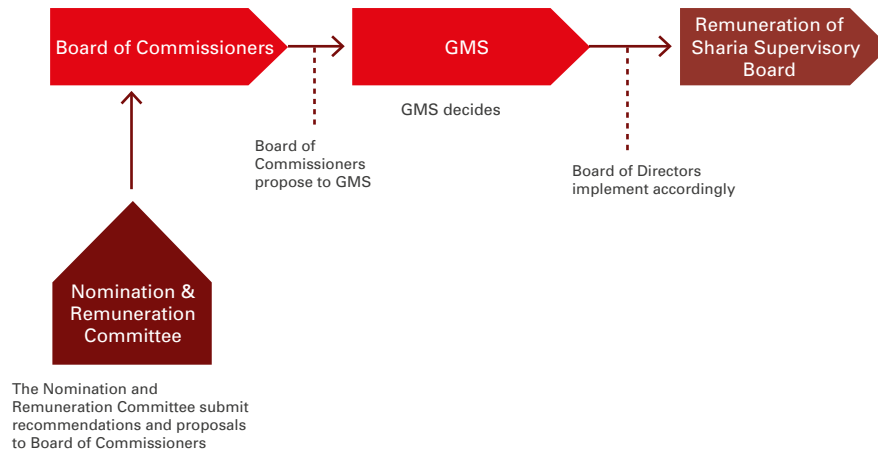
Remuneration per Person	Total Directors	
	2016	2017
Above Rp5 billion	8	9
Above Rp2 billion to Rp5 billion	5	2
Above Rp1 billion to Rp2 billion	-	-
Above Rp500 million to Rp1 billion	-	-
Up to Rp500 million	-	-

B. Variable Remuneration for the Board of Directors

Variable Remuneration	Amount Received in 1 Year by Board of Directors			
	2016		2017	
	Person	Rp (Million)	Person	Rp (Million)
Total	13³⁾	48,580	11	54,266

³⁾ Including the remuneration for 3 (three) Directors who were no longer active as of close of the AGMS on 15 April 2016.

Sharia Supervisory Board Remuneration



The formulation of the structure, policy and remuneration amount of remuneration of each Sharia Supervisory Board is conducted with respect to the duties, powers, performance and responsibilities of the Sharia Supervisory Board, the prevailing remuneration in the banking industry (peer groups), the Bank's financial capability. Procedures for determining Sharia Supervisory Board remuneration :

- The Nomination and Remuneration Committee discusses the Sharia Supervisory Board remuneration by considering the information of the information on the remuneration market range and standards with similar industries (peer groups) and the Bank's financial capability.
- Afterwards, the Nomination and Remuneration Committee gives recommendation for further discussion in a Board of Commissioners Meeting.
- The Board of Commissioners study the recommendation from the Nomination & Remuneration Committee and suggests the remuneration to the GMS.
- The GMS determines the remuneration for the Sharia Supervisory Board, to be then accordingly implemented by the Board of Directors.

SHARIA SUPERVISORY BOARD REMUNERATION STRUCTURE

The Sharia Supervisory Board remuneration structure consists of honorarium, meeting allowance, holiday and year-end allowance. Detailed information in regards to remuneration and facilities policy for members of the CIMB Niaga Sharia Supervisory Board is as follows:

A. Remuneration Package and Other Facilities Received

Types of Remuneration and Other Facilities	Amount Received in 1 Year by Sharia Supervisory Board			
	2016		2017	
	Person	Rp (Juta)	Person	Rp (Juta)
Remuneration (salary, routine allowances, tantiem, and other non-natura facilities)	3	1,569	3	1,603
Other natura facilities that :				
a. Could be Owned	-	-		
b. Could Not be owned	-	-		
Total	3	1,569	3	1,603

REMUNERATION POLICY

Remuneration per Person	Sharia Supervisory Board	
	2016	2017
Above Rp5 billion	-	-
Above Rp2 billion to Rp5 billion	-	-
Above Rp1 billion to Rp2 billion	-	-
Above Rp500 million to Rp1 billion	1	1
Up to Rp500 million	2	2

B. Variable Remuneration for the Sharia Supervisory Board

Variable Remuneration	Amount Received in 1 Year by Sharia Supervisory Board			
	2016		2017	
	Person	Rp (Million)	Person	Rp (Million)
Total	Nil	Nil	Nil	Nil

EMPLOYEE AND MANAGEMENT SHARE OWNERSHIP PROGRAM

During 2017, CIMB Niaga has no employee and/or management share ownership program.

Description/Name	Number of Share Owned (shares)		Number of Stock Option				Option Price (Rp)		Period		
	2016	2017	Distributed (shares)		Exercised (shares)		2016	2017	2016	2017	
			2016	2017	2016	2017					
BOD	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
BOC	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Executives	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Highest and Lowest Salary Ratio

Ratio	2016	2017
Ratio of the highest and lowest Employee's Salary	104.6 : 1	112.31 : 1
Ratio of the highest and lowest Director's Salary	4.0 : 1	4.28 : 1
Ratio of the highest and lowest Commissioner's Salary	1.50 : 1	1.50 : 1
Ratio of the highest Director's and the Highest of Employee's Salary	3.60 : 1	3.80 : 1

Variable Remuneration for Employees

Variable Remuneration	Amount Received in 1 Year by Employees			
	2016		2017	
	Personnel	Rp (Million)	Personnel	Rp (Million)
Total	10,223	247,314	9,489	266,776

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

A. Fixed Remuneration	2016		2017	
1. Cash	Nil		Nil	
2. Shares/share-based instruments issued by the Bank	Nil		Nil	
B. Variable Remuneration	2016		2017	
	Tidak Ditangguhkan	Ditangguhkan	Tidak Ditangguhkan	Ditangguhkan
1. Cash	Nil	Nil	Nil	Nil
2. Shares/share-based instruments issued by the Bank	Nil	Nil	Nil	Nil

Quantitative Information for Parties in the MRT Category

Types of Variable Remuneration	2016				2016			
	Deferred Amount	Total Deduction during Reporting			Deferred Amount	Total Deduction during Reporting		
		Explicit Adjustment (A)	Implicit Adjustment (B)	Total (A+B)		Explicit Adjustment (A)	Implicit Adjustment (B)	Total (A+B)
1. Cash (in million Rupiah)	Nil	Nil	Nil	Nihil	Nihil	Nihil	Nihil	Nihil
2. Shares/ share-based instruments issued by the Bank (in number of shares and in nominal of millions, conversion value of the share)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	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	
	2016	2017
Above Rp1 billion	30	0
From Rp500 million to Rp1 billion	78	1
Up to Rp500 million	472	299



Policy, Frequency, and Attendance Rates of the Board of Commissioners Meetings, the Board of Directors Meetings, and Joint Meetings of the Board of Commissioners with the Board of Directors

THE BOARD OF COMMISSIONERS MEETINGS AND JOINT MEETINGS OF THE BOARD OF COMMISSIONERS WITH THE BOARD OF DIRECTORS ("MEETING")

1. The Board of Commissioners must hold regular meetings at least once a month or whenever deemed necessary.
2. Joint meetings of the Board of Commissioners inviting the Board of Directors have to be held at least 1 (one) time every 3 (three) months or whenever deemed necessary.
3. Members of the Board of Commissioners must attend at least 75% (seventy five percent) of the meetings per year with physical attendance required at least 6 (six) times per year.
4. Meetings are valid and entitled to take binding decisions if attended/represented by at least 2/3 (two thirds) of the total number of members of the Board of Commissioners.
5. Material of Board of Commissioners Meetings shall be submitted to all members of the Board of Commissioners 5 (five) working days prior to the date of the Meeting.
6. In the event of a member of the Board of Commissioners being unable to physically attend a Meeting, then he or she may attend through teleconferencing/telepresence.
7. The minutes of the Board of Commissioners meetings must mention the physical presence or telepresence of each member of the Board of Commissioners.
8. The Board of Commissioners Meetings for 2017 was scheduled at the end of 2016 and uploaded on the Bank's website.
9. The minutes of the meetings of the Board of Commissioners must be signed by the members of the Board of Commissioners in attendance and distributed to all members of the Board of Commissioners.
10. The minutes of the joint meetings of the Board of Commissioners inviting the Board of Directors must be signed by the Board of Commissioners in attendance and also distributed to the Board of Directors.
11. The schedule of the Board of Commissioners Meetings and Joint Meetings between the Board of Commissioners and Board of Directors in 2017 had been drawn up at the end of 2016 and approved in the Board of Commissioners Meeting on 19 December 2016.

Meeting Frequency and Attendance of the Board of Commissioners for 2017

Name	Meetings			
	The Board of Commissioners	Attendance Rate	The Board of Commissioners Inviting The Board of Directors	Attendance Rate
Dato' Sri Nazir Razak	7/7	100%	5/5	100%
Glenn M. Surya Yusuf	7/7	100%	5/5	100%
Zulkifli M. Ali	7/7	100%	5/5	100%
Pri Notowidigdo	7/7	100%	5/5	100%
Jeffrey Kairupan	7/7	100%	5/5	100%
Armida S. Alisjahbana	7/7	100%	5/5	100%
David R. Thomas	6/7	85%	4/5	80%
Tengku Dato' Sri Zafrul Tengku Abdul Aziz ^{*)}	3/3	100%	1/1	100%

*) Attended the meeting as Invitee after appointed at EGMS on 24 August 2017 and effective as a Commissioner on 16 March 2018

Meeting Agenda of the Board of Commissioners in 2017

At each Meeting of the Board of Commissioners, there is a regular agenda, namely:

1. Ratification of the Minutes of the previous Board of Commissioners Meeting;
2. Discussion of unresolved issues from the previous Board of Commissioners Meeting;
3. Summary of the previous month's credit proposal;
4. Financial Performance Report;

5. Report of the Committees under the Board of Commissioners: the Audit Committee, Risk Oversight Committee, and Nomination and Remuneration Committee

In addition to the regular agenda, the following agenda was discussed :

No	Date	Agenda	Meeting Participant
1.	27 February 2017	Approval & Updates 1. Financial Performance as of January 2017 (including Strategy of BUKU IV). 2. Annual General Meeting of Shareholders.	1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas
2.	30 March 2017	Approval & Updates 1. Financial Performance as of February 2017 2. Update on BUKU IV a. Strategy of BUKU IV b. Socialization Plan of BUKU IV 3. CNAF Update 4. Update on Human Resources 5. Update on Microfinance Asset Sales	1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas
3.	31 May 2017	Approval & Updates 1. Financial Performance as of April 2017 2. Revised Bank Business Plan (RBB) 3. Update on Asset Quality Q1 2017 4. Risk Appetite Statement (RAS) as of April 30, 2017	1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas
4.	22 June 2017	Approval & Updates 1. Revised RBB 2017 (approval) 2. Financial Performance as of May 2017 3. Update on Extraordinary General Meeting of Shareholders 4. Risk Appetite Statement as of May 31, 2017 5. Update on Credit Policy	1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas
5.	29 September 2017	Approval & Updates a. Financial performance as of August 2017 b. Update on 1P Benefit c. Risk Appetite Statement as of August 31, 2017 d. Update on Mortgage	1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas Invitee: 1. Tengku Dato' Sri Zafrul Tengku Abdul Aziz
6.	27 October 2017	Approval & Updates a. Financial performance as of September 2017 b. Project approval to enter New Business c. Realization of RBB Q3 2017 d. Target in 2018 e. Update on Recovery Plan f. Update on Asset Quality Q3 2017 g. Update on Sharia Business	1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas Invitee: 1. Tengku Dato' Sri Zafrul Tengku Abdul Aziz
7.	19 December 2017	Approval & Updates a. Financial Statements as of November 2017 b. Update on 1P Business Strategy c. Update on Project One Credit Card System d. Update on mortgages e. Risk Appetite Statement as of November 2017 f. Review of the Board of Commissioners Charter	1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana Invitee: 1. Tengku Dato' Sri Zafrul Tengku Abdul Aziz

POLICY, FREQUENCY, AND ATTENDANCE RATES OF THE BOARD OF COMMISSIONERS MEETINGS, THE BOARD OF DIRECTORS MEETINGS, AND JOINT MEETINGS OF THE BOARD OF COMMISSIONERS WITH THE BOARD OF DIRECTORS

Agenda of the Joint Meetings of the Board of Commissioners inviting the Board of Directors in 2017

No	Date	The Board of Commissioners Attend	The Board of Directors Attend	Agenda
1.	27 January 2017	<ol style="list-style-type: none"> 1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas 	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. John Simon 7. Lani Darmawan 8. Fransiska Oei 9. Hedy Lopian 10. Pandji P. Djajanegara 	<ol style="list-style-type: none"> 1. Message from the President Commissioner 2. Approval & Updates <ol style="list-style-type: none"> a. Update on the Bank Business Plan (RBB): <ul style="list-style-type: none"> - Realization of RBB for Q IV, 2016 and RBB Supervision Report for Semester II, 2016 - Update on RBB 2017 b. Update on Asset Quality Q IV, 2016 c. Business Update – CNAF d. Project Information Technology 2017 Priority Update e. Update on Composite Risk Result of Bank Negara Malaysia (BNM)
2.	25 April 2017	<ol style="list-style-type: none"> 1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas 	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. John Simon 7. Lani Darmawan 8. Fransiska Oei 9. Hedy Lopian 10. Pandji P. Djajanegara 	<ol style="list-style-type: none"> 1. Message from the President Commissioner 2. Approval and & Updates: <ol style="list-style-type: none"> a. Realization of RBB for Q1, 2017 b. Update Internal Audit for Q1, 2017
3.	24 July 2017	<ol style="list-style-type: none"> 1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas 	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. John Simon 7. Lani Darmawan 8. Fransiska Oei 9. Hedy Lopian 10. Pandji P. Djajanegara 	<ol style="list-style-type: none"> 1. Message from the President Commissioner 2. Approval & Updates <ol style="list-style-type: none"> a. Realization and Supervision Report of RBB H1, 2017 b. Consumer Banking Update c. Risk Appetite Statement as of June 2017 d. Operational Risk Management - Risk Event Escalation
4.	24 August 2017	<ol style="list-style-type: none"> 1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas 	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. John Simon 7. Lani Darmawan 8. Fransiska Oei 9. Hedy Lopian 10. Pandji P. Djajanegara 	<ol style="list-style-type: none"> 1. Message from the President Commissioner 2. Approval & Updates <ol style="list-style-type: none"> a. Update on Internal Audit b. Digital Road Map c. Risk Appetite Statement as of July 2017 d. Risk Posture 2018



No	Date	The Board of Commissioners Attend	The Board of Directors Attend	Agenda
5.	29 November 2017	1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 5. Jeffrey Kairupan 6. Armida S. Alisjahbana Invitee: 1. Tengku Dato' Sri Zafrul Tengku Abdul Aziz	1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Megawati Sutanto 4. Vera Handajani 5. John Simon 6. Lani Darmawan 7. Fransiska Oei 8. Hedy Lopian 9. Pandji P. Djajanegara 10. Rahardja Alimhamzah	1. Message from the President Commissioner 2. Approval & Updates a. RBB 2018 b. Recovery Plan c. Risk Appetite Statement as of October 2017. d. Data Analytics – Internal Audit

Board of Directors Meetings

- Meetings of the Board of Directors must be held at least once a month or whenever deemed necessary.
- Meetings of the Board of Directors with the Board of Commissioners must be held at least once every 3 (three) months or whenever deemed necessary.
- Members of the Board of Directors must physically attend at least 75% (seventy five percent) of the meetings per year.
- The Meeting is valid and entitled to take a valid and binding decision if attended/represented by at least 2/3 (two thirds) of the total members of the Board of Directors.
- In the event of a member of the Board of Directors being unable to physically attend a Meeting, then he or she may attend a through teleconferencing/telepresence.
- The minutes of the Board of Directors meetings must mention the physical presence or telepresence of each member of the Board of Directors.
- The Board of Directors meetings for 2017 were scheduled at the end of 2016 and uploaded on the Bank's website.
- The schedule of the Board Directors Meeting and Joint Meetings of the Board of Directors and Board of Commissioners in 2017 had been drawn up at the end of 2016 and approved in the Board of Directors Meeting on 20 December 2016.

Meeting Frequency and Attendance of Directors for 2017

Name	Attendance at the 39 Meetings of the Board of Directors	
	Attendance Figures	Attendance Rates
Tigor M. Siahaan	38	97%
Wan Razly Abdullah	39	100%
Rita Mas'Oen	36	92%
Megawati Sutanto	34	87%
Vera Handajani	36	92%
John Simon	33	84%
Lani Darmawan	35	90%
Fransiska Oei	38	97%
Hedy Lopian	34	87%
Pandji Djajanegara	36	92%
Rahardja Alimhamzah*)	15	93%

*) attendance calculated after effectively serving as a member of the Board of Directors since the EGMS on 24 August 2017, where, since 24 August 2017, Board of Directors Meetings were held 16 (sixteen) times

POLICY, FREQUENCY, AND ATTENDANCE RATES OF THE BOARD OF COMMISSIONERS MEETINGS, THE BOARD OF DIRECTORS MEETINGS, AND JOINT MEETINGS OF THE BOARD OF COMMISSIONERS WITH THE BOARD OF DIRECTORS

The agenda of the 2017 Board of Directors Meetings

The meetings were held in the Kalimantan Meeting Room on 14th floor of Graha CIMB Niaga, Jl. Jend. Sudirman Kav 24, Jakarta, Indonesia

No	Meeting Date	Meeting Participant	Agenda
1	10 January 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Vera Handajani John Simon Lani Darmawan Fransiska Oei Pandji Djajanegara 	<ol style="list-style-type: none"> Consolidated Financial Performance - December 2016
2	17 January 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Pandji Djajanegara 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Matters Arising from the previous Board of Directors Meetings Bank Business Plan Realization (RBB) Q IV 2016 RBB 2017 BNM Audit 2016 December 2016 - Stress Test Risk Profile Q4, 2016 & RBBR H2 2016 (Bank Only, Consolidated & UUS) Negotiation of Collective Labor Agreement (PKB) Commercial & Wholesale Funding CIMB Niaga Economic Forum 2017
3	23 January 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Pandji P. Djajanegara 	<ol style="list-style-type: none"> Year-end findings December 31, 2016 IT Enablement Roadmap
4	24 January 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Pandji Djajanegara 	<ol style="list-style-type: none"> Revised RBB 2017



No	Meeting Date	Meeting Participant	Agenda
5	31 January 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Vera Handajani 4. Fransiska Oei 5. Hedy Lapian 6. Pandji P. Djajanegara 7. Rita Mas'Oen 8. Lani Darmawan 	<ol style="list-style-type: none"> 1. Confirmation of the Minutes of the previous Board of Directors Meeting 2. Matters arising from the previous Board of Directors Meetings 3. Auto Business Alignment Plan 4. Strategic Partner for a Reliable CIMB Niaga ATM & CDM Service 5. Special Project Highway 6. Unwinding Interest Concept
6	7 February 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. John Simon 7. Lani Darmawan 8. Fransiska Oei 9. Hedy Lapian 10. Pandji P. Djajanegara 	<ol style="list-style-type: none"> 1. Confirmation of the Minutes of the previous Board of Directors Meeting 2. Matters arising from the previous Board of Directors Meetings 3. AGMS 2017 Timeline, Agenda & Budget 4. January 17 Consolidated Financial Performance 5. Cirebon Initiatives Update 6. T18 Approval for OC Presentation material on T18 and Kaiju
7	21 February 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. Fransiska Oei 7. Hedy Lapian 8. Pandji Djajanegara 	<ol style="list-style-type: none"> 1. Confirmation of the Minutes of the previous Board of Directors Meeting and Minutes of the Joint Meeting of the Board of Directors inviting the Board of Commissioners dated January 27, 2017 2. Internal Audit Report, January 2017 3. Approval of PWC Reappointment as Auditor for 2017 Financial Statements 4. Sector Appetite, 2017 5. Uber & Grab update 6. Loan Utilization alert
8	7 March 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. John Simon 7. Lani Darmawan 8. Fransiska Oei 9. Hedy Lapian 10. Pandji Djajanegara 	<ol style="list-style-type: none"> 1. Confirmation of the Minutes of the previous Board of Directors Meeting 2. Matters arising from the previous Board of Directors Meetings 3. Update on Microfinance Asset Sales 4. Online account opening 5. Creating a great onboarding experience for new hires. 6. Process Improvements on project implementation 7. Update & follow up on Bank Indonesia Regulation: Cheque 8. Consolidated Financial Performance as of February 2017 9. HR Update <ol style="list-style-type: none"> a. Learning budget utilization 2016-2017 b. Mass Leave Policy c. Annual Cycle update d. 2017 KPI Framework 10. BMC Off-Site Training



POLICY, FREQUENCY, AND ATTENDANCE RATES OF THE BOARD OF COMMISSIONERS MEETINGS, THE BOARD OF DIRECTORS MEETINGS, AND JOINT MEETINGS OF THE BOARD OF COMMISSIONERS WITH THE BOARD OF DIRECTORS

No	Meeting Date	Meeting Participant	Agenda
9	21 March 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Vera Handajani Lani Darmawan Fransiska Oei Hedy Lapian Pandji Djajanegara 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Matters arising from the previous Board Meetings Internal Audit Summary Variety of Charges (TMM) & Variety of Debts (MMU) Finance Update: <ol style="list-style-type: none"> Mid-Year Budget Meeting Benchmarking Top 10 Banks December 2016 Update on Tax Cases
10	4 April 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lapian Pandji Djajanegara 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Branch Operation Services during the Jakarta Governor Election on April 19, 2017 Demerit Framework and Workplace Wellness @CIMB Internal Audit of CIMB Niaga Q1, 2017 performance ; review and 2017 initiatives: Foundation for 2018 - 2020 Road Map RBB Realization in Q I, 2017 T18 In-Country Project Progress update and approval of membership
11	18 April 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lapian Pandji Djajanegara 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Branch Operation Services during the Jakarta Governor Election on April 19, 2017 Demerit Framework and Workplace Wellness @CIMB Internal Audit of CIMB Niaga Q1, 2017 performance review and 2017 initiatives: Foundation for 2018-2020 Road Map RBB Realization in Q I, 2017 T18 In-Country Project Progress update and approval of membership IDR NCD and Shelf Registration Bond (PUB) II, Phase II Issuance Annual General Shareholder Meeting (AGM) Extraordinary General Shareholder Meeting (EGM) ; Press Conference BUKU IV
12	2 May 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lapian Pandji Djajanegara 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Manual MIS Report Management Be the 1st Sharia Ambassador - Survey Result Strategic Risk Framework - GMC Update Final tax assessment Consolidated financial performance as of April 2017
13	16 May 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Pandji P. Djajanegara 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Financial Information Service System (SILK) Benchmarking Top 10 Banks Revised RBB 2017



No	Meeting Date	Meeting Participant	Agenda
14	23 May 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Pandji Djajanegara 	Government Regulation in Lieu of Law No 1/2017 - Access to Financial Information for Tax Interests
15	30 May 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto John Simon Lani Darmawan Fransiska Oei Pandji Djajanegara 	1. Others
16	6 June 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Fransiska Oei Hedy Lopian Pandji Djajanegara 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting The Use of External (Public Appraisers) and Internal Appraisal Revised RBB 2017 Update Delegation of Authority (DoA) 2017 Consolidated financial performance as of May 17
17	13 June 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Vera Handajani John Simon Fransiska Oei Hedy Lopian Pandji P. Djajanegara 	<ol style="list-style-type: none"> Internal Audit Summary as of May 2017 Request for approval of branch readiness for Lebaran Holiday 1438H
18	20 June 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto John Simon Lani Darmawan Fransiska Oei Hedy Lopian Pandji Djajanegara 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Extraordinary General Meeting of Shareholders Compliance with Periodic Monitoring Review, 2017 Socialization of SEBI No.18/23/DStA concerning monitoring of foreign exchange activities of banks and customers Sharia Banking update: <ol style="list-style-type: none"> UUS Spin-off Roadmap and Capital Addition Proposal Use of Religious Courts as a forum for settlement of disputes of Sharia Financial Institutions Recovery Plan ATM installation & monitoring process improvement Mobile Office Apps Others <ol style="list-style-type: none"> Revised RBB 2017 Payment System Project



POLICY, FREQUENCY, AND ATTENDANCE RATES OF THE BOARD OF COMMISSIONERS MEETINGS, THE BOARD OF DIRECTORS MEETINGS, AND JOINT MEETINGS OF THE BOARD OF COMMISSIONERS WITH THE BOARD OF DIRECTORS

No	Meeting Date	Meeting Participant	Agenda
19	11 July 2017	<ol style="list-style-type: none"> 1. Wan Razly Abdullah 2. Rita Mas'Oen 3. Megawati Sutanto 4. Vera Handajani 5. John Simon 6. Lani Darmawan 7. Fransiska Oei 8. Hedy Lopian 9. Pandji Djajanegara 	<ol style="list-style-type: none"> 1. Update on Microfinance Asset Sales
20	20 July 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. John Simon 7. Lani Darmawan 8. Fransiska Oei 9. Hedy Lopian 10. Pandji P. Djajanegara 	<ol style="list-style-type: none"> 1. Confirmation of the Minutes of the previous Board of Directors Meeting 2. Risk Profile Q2, 2017 & RBBR H1,2017 3. Forecast & 3 Year Target 4. Internal Audit of CIMB Niaga Q2,, 2017 Performance Review 5. Realization of RBB of Q2, 2017 6. 'Shelter Our Home' in Kuala Lumpur 7. Update on Microfinance Asset Sales 8. Halal Bi Halal CIMB Niaga 1438H
21	1 August 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. John Simon 7. Lani Darmawan 8. Fransiska Oei 9. Hedy Lopian 10. Pandji P. Djajanegara 	<ol style="list-style-type: none"> 1. Confirmation of the Minutes of the previous Board of Directors Meeting 2. Senior Bond Issuance PUB II Phase II, 2017 3. Integrated Risk Profile of CIMB Indonesia as of June 2017 4. Integrated Capital Adequacy Assessment of CIMB Indonesia 5. Framework for tagging and recognizing cross selling between Business & Consumer Banking 6. Product Codes Management 7. Strategic Risk Framework 8. Approval on T18 In-Country project benefit & timeline 9. Talent Management Framework
22	8 August 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. Lani Darmawan 7. Fransiska Oei 8. Hedy Lopian 9. Pandji P. Djajanegara 	<ol style="list-style-type: none"> 1. July 2017 Consolidated Financial Statements 2. Material Drafts for BNM 3. Update the process and approval of micro finance asset sales



No	Meeting Date	Meeting Participant	Agenda
23	15 August 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani Lani Darmawan Fransiska Oei Hedy Lopian Pandji P. Djajanegara John Simon 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Internal Audit Update: <ol style="list-style-type: none"> Mid-Year Review of 2017 Audit Plan Independent Review results of Internal Audit Function Result of Risk Culture Survey Benchmarking Top 10 Banks CIMB Niaga Information Security Framework Media Relation update <ol style="list-style-type: none"> Media Relations Event & Sponsorship Update and approval of Microfinance Asset Sale
24	29 August 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Pandji Djajanegara Alimhamzah 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting CIMB Niaga Group - wide Stress Test result, June 30, 2017 Strategy in Managing NPL Target for 2018 Share Buyback & Loyalty programs (Shares Grant and MESOP) Bond Issuance Proposal: IDR Shelf Registration Bond (PUB) II Phase III, 2017 National Customer Day
25	5 September 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Rahardja Alimhamzah 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Consolidated Financial Performance - August 2017
26	11 September 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Rahardja Alimhamzah 	<ol style="list-style-type: none"> Budget Meeting and Leadership Conference



POLICY, FREQUENCY, AND ATTENDANCE RATES OF THE BOARD OF COMMISSIONERS MEETINGS, THE BOARD OF DIRECTORS MEETINGS, AND JOINT MEETINGS OF THE BOARD OF COMMISSIONERS WITH THE BOARD OF DIRECTORS

No	Meeting Date	Meeting Participant	Agenda
27	19 September 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lapian Rahardja Alimhamzah 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Cognos upgrade 2018 Target Branch re-structuring Business Banking Loan Approval & Disbursement Data YTD, 2017 Sharia Banking Competitive Benchmarking - June 2017 Redefining the learning experience for bankers. Learning on The Go (LoG)
28	26 September 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lapian Pandji Djajanegara Rahardja Alimhamzah 	<ol style="list-style-type: none"> 1P Project Benefit/Revenue Tracking The Color Run, CIMB Niaga
29	3 October 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lapian Pandji P. Djajanegara Rahardja Alimhamzah 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Proposal of BoD Charter amendment Consolidated financial performance, September 2017 Sharia Banking Budget for 2018
30	17 October 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Fransiska Oei Lani Darmawan Hedy Lapian Pandji P. Djajanegara Rahardja Alimhamzah 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Audit Plan of PT Bank CIMB Niaga Internal Audit of CIMB Niaga Q3, 2017 performance review Risk Profile Q3, 2017 Bank Only, Consolidated & Syariah Business Unit Realization of RBB for Q 3, 2017 RBB 2018 Target 2018 CIMB Niaga Peduli OPeRA Leadership Award, 2017; ABC Torch of Recognition



No	Meeting Date	Meeting Participant	Agenda
31	24 October 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. Lani Darmawan 7. Fransiska Oei 8. Hedy Lopian 9. Pandji P. Djajanegara 10. Rahardja Alimhamzah 	Project approval to enter New Business
32	31 October 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. Lani Darmawan 7. Fransiska Oei 8. Hedy Lopian 9. Pandji Djajanegara 10. Rahardja Alimhamzah 	<ol style="list-style-type: none"> 1. Confirmation of the Minutes of the previous Board of Directors Meeting 2. Hitting the ground running, Post- Belitung Oct 2017 3. Opening account forms for cross sell 4. Foundation software 5. Trade Finance Business update 6. Namaste Festival, 2017
33	7 November 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. John Simon 7. Lani Darmawan 8. Fransiska Oei 9. Hedy Lopian 10. Pandji P. Djajanegara 	<ol style="list-style-type: none"> 1. Confirmation of the Minutes of the previous Board of Directors Meeting 2. Islamic Bonds Issuance Proposal 3. Signature verification, non- retail lending 4. Non-Individual Account Stakeholder data update 5. Consolidated F financial P performance, - October 2017 6. Benchmarking Top, 10 Sep 2017 7. Financial Information Service System (SliK) 8. CIMB Niaga Indonesia Open Aquatic Championship
34	14 November 2017	<ol style="list-style-type: none"> 1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. Lani Darmawan 7. Fransiska Oei 8. Hedy Lopian 9. Pandji Djajanegara 10. Rahardja Alimhamzah 	<ol style="list-style-type: none"> 1. RBB 2018



POLICY, FREQUENCY, AND ATTENDANCE RATES OF THE BOARD OF COMMISSIONERS MEETINGS, THE BOARD OF DIRECTORS MEETINGS, AND JOINT MEETINGS OF THE BOARD OF COMMISSIONERS WITH THE BOARD OF DIRECTORS

No	Meeting Date	Meeting Participant	Agenda
35	21 November 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Pandji P. Djajanegara Rahardja Alimhamzah 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Proposal of revised 2017 Audit Plan, data analytics and October 2017 Internal Audit Summary. Periodic review of the Internal Capital Adequacy Assessment Process (ICAAP) Policy Protocol Communication for data sharing between CIMB Niaga and CIMB Group RBB 2018 and 2018 Products & Network
36	28 November 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Megawati Sutanto Vera Handajani John Simon Fransiska Oei Hedy Lopian Pandji P. Djajanegara Rahardja Alimhamzah 	<ol style="list-style-type: none"> Recovery Plan
37	5 December 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Megawati Sutanto Vera Handajani John Simon Lani Darmawan Hedy Lopian Pandji P. Djajanegara Rahardja Alimhamzah 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting 1P as a transformation tool Updates on information security Unsecured Lending Business 1 Credit Card System 2018 Audit Plan November 2017 Consolidated Financial Performance Purchase proposal of office space at Sentraya Tower
38	12 December 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Pandji Djajanegara Rahardja Alimhamzah 	<ol style="list-style-type: none"> Interim Audit Findings and early warnings for the year-end audit Corporate Mobile Phone CUG



No	Meeting Date	Meeting Participant	Agenda
39	19 December 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Pandji Djajanegara Rahardja Alimhamzah 	<ol style="list-style-type: none"> Confirmation of the Minutes of the previous Board of Directors Meeting Lease of Mount Geulis, 2018-2023 Bankwide cleaning initiative, 'Care with Our Home' Business Continuity Management (BCM), 2017 activities update 2017 Christmas & Year-End Activities Formal Tax Audit Findings, Year 2013 EXCO Parameters amendment Contingency Funding Plan testing

Joint Meeting of the Board of Directors inviting the Board of Commissioners

Name	Attendance at the 5 Joint Meetings of the Board of Directors inviting the Board of Commissioners	
	Attendance Figures	Attendance Rates
Tigor M. Siahaan	5/5	100%
Wan Razly Abdullah	5/5	100%
Rita Mas'Oen	4/5	80%
Megawati Sutanto	5/5	100%
Vera Handajani	5/5	100%
John Simon	5/5	100%
Lani Darmawan	5/5	100%
Fransiska Oei	5/5	100%
Hedy Lopian	5/5	100%
Pandji Djajanegara	5/5	100%
Rahardja Alimhamzah*)	1/1	100%

*) attendance calculated after effectively serving as a member of the Board of Directors since the EGMS on 24 August 2017, where, since 24 August, the Board of Directors joint meeting with the Board of Commissioners was held 1 (one) time

POLICY, FREQUENCY, AND ATTENDANCE RATES OF THE BOARD OF COMMISSIONERS MEETINGS, THE BOARD OF DIRECTORS MEETINGS, AND JOINT MEETINGS OF THE BOARD OF COMMISSIONERS WITH THE BOARD OF DIRECTORS

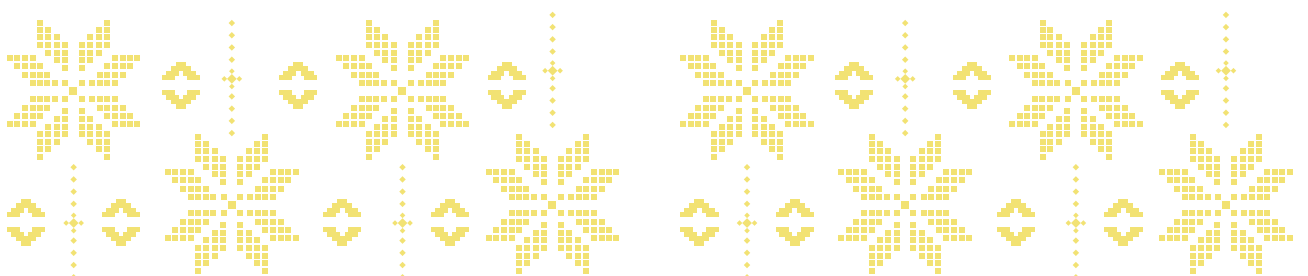
Agenda of the Joint Meetings of the Board of Directors inviting the Board of Commissioners in 2017

The meetings were held in the Kalimantan meeting room on 14th floor, Graha CIMB Niaga, Jl. Jend. Sudirman Kav 58, Jakarta, Indonesia

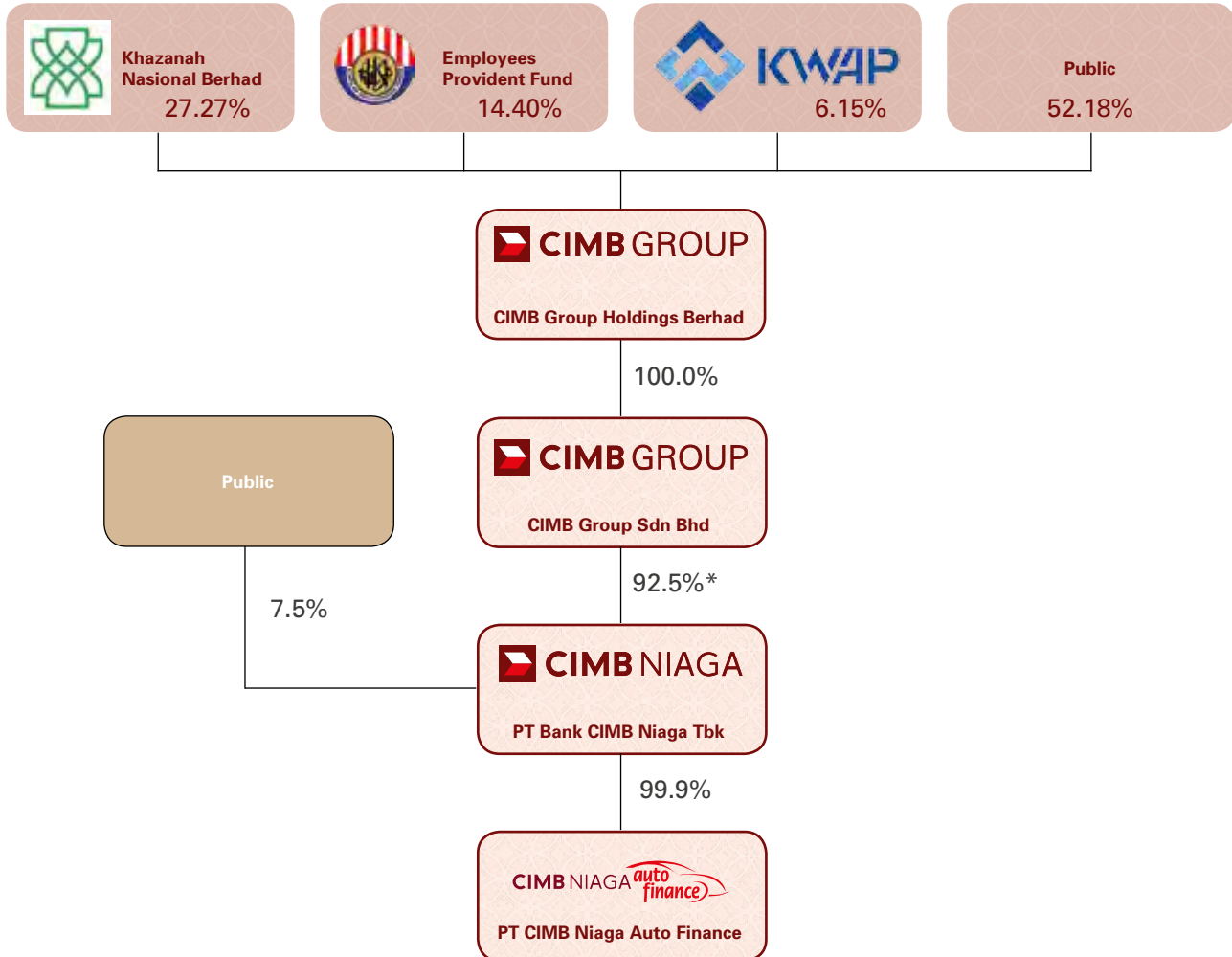
No	Meeting Date	The Board of Directors in Attendance	The Board of Commissioners in Attendance	Agenda
1	27 January 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Pandji P. Djajanegara 	<ol style="list-style-type: none"> Dato' Sri Nazir Razak Glenn M. Surya Yusuf Zulkifli M. Ali Pri Notowidigdo Jeffrey Kairupan Armida S. Alisjahbana David R. Thomas 	<ol style="list-style-type: none"> Message from the President Director Financial performance report for December 2016
2	25 April 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Pandji P. Djajanegara 	<ol style="list-style-type: none"> Dato' Sri Nazir Razak Glenn M. Surya Yusuf Zulkifli M. Ali Pri Notowidigdo Jeffrey Kairupan Armida S. Alisjahbana David R. Thomas 	<ol style="list-style-type: none"> Message from the President Director Financial performance report for March 2017
3	24 July 2017	<ol style="list-style-type: none"> Tigor M. Siahaan Wan Razly Abdullah Rita Mas'Oen Megawati Sutanto Vera Handajani John Simon Lani Darmawan Fransiska Oei Hedy Lopian Pandji P. Djajanegara 	<ol style="list-style-type: none"> Dato' Sri Nazir Razak Glenn M. Surya Yusuf Zulkifli M. Ali Pri Notowidigdo Jeffrey Kairupan Armida S. Alisjahbana David R. Thomas 	<ol style="list-style-type: none"> Message from the President Director Financial performance report for June 2017



No	Meeting Date	The Board of Directors in Attendance	The Board of Commissioners in Attendance	Agenda
4	24 August 2017	1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Rita Mas'Oen 4. Megawati Sutanto 5. Vera Handajani 6. John Simon 7. Lani Darmawan 8. Fransiska Oei 9. Hedy Lopian 10. Pandji P. Djajanegara	1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 4. Jeffrey Kairupan 6. Armida S. Alisjahbana 7. David R. Thomas	1. Message from the President Director (CEO) 2. Financial performance report for July 2017
5	29 November 2017	1. Tigor M. Siahaan 2. Wan Razly Abdullah 3. Megawati Sutanto 4. Vera Handajani 5. John Simon 6. Lani Darmawan 7. Fransiska Oei 8. Hedy Lopian 9. Pandji P. Djajanegara 10. Rahardja Alimhamzah	1. Dato' Sri Nazir Razak 2. Glenn M. Surya Yusuf 3. Zulkifli M. Ali 4. Pri Notowidigdo 4. Jeffrey Kairupan 6. Armida S. Alisjahbana Invitee: 1. Tengku Dato' Sri Zafrul Tengku Abdul Aziz	1. Message from the President Director 2. Financial performance report for October 2017



Information on Major Shareholders and Controllers



Per December 2017

*Includes PT Commerce Kapital 1.02%

Affiliations Between the Boards of Commissioners and Directors, and the Controlling Shareholders

The Board of Commissioners and the Board of Directors of CIMB Niaga always maintain their independence and have no conflict of interest that may interfere with their ability to perform the duties in a professional and objective manner. All members of the Board of Commissioners and Board of Directors of CIMB Niaga have no affiliation, either in terms of family or financial relationship with (other) members of the Board of Commissioners and/or Board of Directors, and the Controlling Shareholders.

Board of Commissioners

No.	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													
1.	Dato' Sri Nazir Razak	-	√	-	√	-	√	-	√	-	√	√	-
2.	Glenn Muhammad Surya Yusuf	-	√	-	√	-	√	-	√	-	√	√	-
3.	Pri Notowidigdo	-	√	-	√	-	√	-	√	-	√	-	√
4.	Zulkifli M. Ali	-	√	-	√	-	√	-	√	-	√	-	√
5.	Armida Salsiah Alisjahbana	-	√	-	√	-	√	-	√	-	√	-	√
6.	Jeffrey Kairupan	-	√	-	√	-	√	-	√	-	√	-	√
7.	David Richard Thomas	-	√	-	√	-	√	-	√	-	√	√	-
8.	Ahmad Zulqarnain Onn*)	-	√	-	√	-	√	-	√	-	√	√	-
9.	Tengku Dato' Sri Zafrul Tengku Abdul Aziz**)	-	√	-	√	-	√	-	√	-	√	√	-

*) Resigned effective since the Extraordinary GMS, 24 August 2017

***) Appointed in the Extraordinary GMS, 24 August 2017 and effective serves as Commissioner on 16 March 2018

Board of Directors

No.	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													
1.	Tigor M. Siahaan	-	√	-	√	-	√	-	√	-	√	-	√
2.	Wan Razly Abdullah	-	√	-	√	-	√	-	√	-	√	-	√
3.	Rita Mas 'Oen	-	√	-	√	-	√	-	√	-	√	-	√
4.	Megawati Sutanto	-	√	-	√	-	√	-	√	-	√	-	√
5.	Vera Handajani	-	√	-	√	-	√	-	√	-	√	-	√
6.	John Simon	-	√	-	√	-	√	-	√	-	√	-	√
7.	Lani Darmawan	-	√	-	√	-	√	-	√	-	√	-	√
8.	Fransiska Oei	-	√	-	√	-	√	-	√	-	√	-	√
9.	Hedy Lapian	-	√	-	√	-	√	-	√	-	√	-	√
10.	Pandji P. Djajanegara	-	√	-	√	-	√	-	√	-	√	-	√
11.	Rahardja Alimhamzah ^{*)}	-	√	-	√	-	√	-	√	-	√	-	√

*) Effectively served as a Director since the EGMS dated 24 August 2017



Board of Commissioners Committees

AUDIT COMMITTEE

The Audit Committee was established to assist the Board of Commissioners in performing its oversight function particularly on the implementation and reporting of financial reports, adequacy of risk management and internal control, effectively and independently. The Audit Committee also monitors CIMB Niaga's compliances with the applicable laws and regulations.

Legal References

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

1. Regulation of Financial Services Authority (POJK) No. 55/POJK.04/2015 dated 23 December 2015 on the Establishment and Work Guidelines of the Audit Committee.
2. POJK No. 33/POJK.04/2014 dated 8 December 2014 on the Boards of Commissioners and Directors of Issuer or Public Company.
3. POJK No. 55/POJK.03/2016 dated 7 December 2016 on the Implementation of Corporate Governance for Commercial Banks.
4. Circular of Financial Services Authority (SEOJK) No. 13/SEOJK.03/2017 dated 17 March 2017 on the Implementation of Good Corporate Governance for Commercial Banks.
5. POJK No. 46/POJK.03/2017 dated 12 July 2017 on the Implementation of the Compliance Function of Commercial Banks.
6. Circular of Bank Indonesia (SEBI) No. 13/28/DPNP dated 9 December 2011 on the Implementation of the Anti Fraud Strategy for Commercial Banks.
7. Articles of Association of CIMB Niaga.

Audit Committee Charter

The CIMB Niaga's Audit Committee established the Charter or Guidelines that govern the membership, structure, authorities, 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 and is uploaded to the Bank's website. Furthermore, the Audit Committee charter shall be periodically reviewed in order to ensure its compliance with the latest applicable regulations and Bank's needs.

Structure and Membership

The membership and composition, as well as the independence of members of the Audit Committee has comply with the provisions of the competent authority. The CIMB Niaga Audit Committee for the period of 2017 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 of PT Bank CIMB Niaga Tbk No. 006/NOMREM/KP/III/2016 dated 23 March 2016, as approved by Board of Commissioners Circular Decision Letter 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 2017

No	Name	Position in Bank	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



Qualifications and Profiles of the Audit Committee Members

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>Complete profile is listed in the Board of Commissioners Profiles.</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 <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>Complete profile is listed in the Board of Commissioners.</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 <p>Mawar I.R. Napitupulu Member</p>	<p>Indonesian citizen, 55 years old. Appointed as member of Audit Committee since March 2013 and re-appointed in AGMS on 15 April 2016.</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>	<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>
 <p>Yap Tjay Soen Member</p>	<p>Indonesian citizen, 64 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 from 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>	<p>Bachelor Degree in Mechanical Engineering from McGill University in 1976 and a Master of Business Administration in 1980 from McGill University, Montreal Canada.</p>



BOARD OF COMMISSIONERS COMMITTEES

Training for Independent Party of Audit Committee in 2017

Name	Type of Training/Seminar/Workshop/ Knowledge Sharing	Training Objectives	Organizer	Date and Place
Mawar Napitupulu	Seminar - "The Active Role of Public Accountants in Increasing State Revenue"		Indonesian Institute of Public Accountants (IAPI)	27 July 2017 Jakarta
	Workshop of Capital Market Accountant Forum (FAPM)		Indonesian Institute of Public Accountants (IAPI)	9 August 2017 Jakarta
	Training on Accounting and Audit Aspects in Preparation of Financial Statements of Financing Institutions		Indonesian Institute of Public Accountants (IAPI)	24 November 2017 Jakarta
	Mandatory Guidance and Supervision Workshop of Public Accountants - PPPK		Ministry of Finance PPPK	28 November 2017 Jakarta
	Banking Workshop on Accounting Aspect of Financial Instruments in Bank Financial Statements and Audit Aspects		Indonesian Institute of Public Accountants (IAPI) and OJK	5 December 2017 Jakarta

Term of Office

The term of office of Audit Committee members shall not be longer than the term of office of the Board of Commissioners in accordance with POJK No. 55/POJK.04/2015, the Audit Committee Charter and can only be re-elected for one more term. The term of office of members of the Audit Committee that are appointed within a Board of Commissioners term of office will automatically end together with such Board of Commissioners term of office.

Independence of Audit Committee

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) non-Commissioner members as Independent Parties.

Duties, Responsibilities and Authorities

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

1. To review financial information to be issued by the Bank to the public and/or authorities, including: financial reports, projections, and other reports 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 recommendation to the Board of Commissioners regarding the appointment of the Public Accountant Firm by taking into account the independency, scope of the assignment and fees; to discuss the nature and scope of the proposed audit plan; to review the adequacy of audit by taking into account all crucial risks; and to ensure coordination should more than one Public Accountant Firm are assigned.
5. To review the audit implementation by Internal Audit.
6. To examine the planning, execution, and oversee of the follow-up implementation by the Board of Directors on internal and external audit findings.
7. To review and report to the Board of Commissioners on complaints relating to the Bank's accounting and financial reporting, including allegations of improper decisions by Board of Directors meetings or any deviation from carrying out a Board of Directors 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 Board of Commissioners no later than two (2) business days after the completion of the report.
8. To review and provide advice to the Board of Commissioners related to any potential conflicts of interest of the Bank.

9. To assist the Board of Commissioners in conducting active supervision on the Compliance Function by:
 - a. Evaluating the implementation of the Compliance Function are in compliance with Bank's internal regulations and prevailing laws and regulations relating to the activities of the Bank at least 2 (two) times in one (1) year.
 - b. Providing suggestions to enhance the quality of the Bank's Compliance Function.
10. To assist the Board of Commissioners in conducting active supervision on the implementation of Anti-Fraud strategy by reviewing the Anti-Fraud Implementation Strategy Report submitted by the Anti-Fraud Management.
11. To provide recommendations to the Board of Commissioners on the appointment, dismissal, and performance assessment of the Chief Audit Executive.
12. To maintain the confidentiality of the Bank's documents, data, and information.

Duties Implementation in 2017

The activities and recommendations generated by the Audit Committee during 2017 are as follows:

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

Audit Committee Reporting

The Audit Committee reported their activities and recommendations to the Board of Commissioners on a regular basis.

Audit Committee Meeting and Meeting Attendance

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

During 2017, the Audit Committee held 12 (twelve) meetings, which included the ratification of minutes of the previous meetings, discussion of matters from previous meetings requiring follow-up, and other substantive matters requiring Audit Committee attention.

Attendance of Audit Committee Meetings for January - December 2017

Name	Attendance at the Audit Committee meeting	Physical Presence	Attendance through teleconference or telepresence	Attendance Rates
Zulkifli M. Ali	12	12	-	100%
Jeffrey Kairupan	11	11	-	92%
Mawar IR Napitupulu	11	11	-	92%
Yap Tjay Soen	12	12	-	100%



Performance
Highlights



Management
Reports



Company
Profile



Management Discussion
and Analysis



Risk
Management

BOARD OF COMMISSIONERS COMMITTEES

Meetings throughout 2017 discussed the following agenda:

1. Meeting with the Finance Director and executive officers to:
 - a. Review the financial reports including: financial statement presentation, accounting treatment, and compliance with generally accepted accounting principles/practices.
 - b. Review the Bank's financial performance and the adequacy of the published financial statements and reporting to the authorities.
 - c. Discuss recommendations as well as progress of follow-ups on the external auditor's audit findings.
2. Meeting with the Chief Audit Executive to:
 - a. Discuss the audit plan, audit scope, audit findings, follow-up of audit findings, and the adequacy of the internal control systems,
 - b. Performance of Internal Audit.
3. Meeting with the Compliance Director to:
 - a. Discuss the recommendations as well as progress of follow-ups to the audit recommendations from Financial Services Authority, Bank Indonesia and Bank Negara Malaysia.
 - b. Discuss the possibility of compliance risk in the area of human resources and penalties from the Bank Indonesia. In addition, discuss lessons learned from on-going cases.
 - c. Discussing new rules and regulations and their impacts on Bank
4. Meeting with the Anti-Fraud Management (AFM) to discuss:
 - a. Fraud Prevention Program, such as the Anti-Fraud Campaign, Anti-Fraud Awareness Training to staff, Anti-Fraud Awareness dissemination of information to the customers, as well as E-learning and certification of Policy and Procedure for CIMB Preferred and CIMB Private Banking.
 - b. Investigation on 2017 fraud cases as well as monitoring of sanctions imposed to the perpetrators of fraud.
 - c. Detection of fraud through the ACL (Audit Command Language) fraud detection system.
 - d. Thematic review on several Bank's operational processes.
5. Meeting with the Public Accountant to discuss the audit plan, audit scope, audit findings, audit recommendations, and management letter submitted.
6. Meeting with related Directors 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 2017.

In addition to those meetings, the Audit Committee periodically has provided activity reports and recommendations to the Board of Commissioners.



Work Plan for 2018

The Audit Committee has established 2018 work plan with emphasis on:

1. Conduct a study of the accountability and transparency of the financial statements
2. Assess the robustness of the Bank's compliance and internal control structure
3. Conduct a study on the effectiveness of prevention, detection and investigation of fraud
4. Conduct a study of the Digital Banking road map
5. Conduct a study on Anti Money Laundering Act

The composition, structure and terms of membership, duties and responsibilities, authority, the full implementation of the meeting and reporting are contained in the Audit Committee Charter uploaded on the Bank's website.

Zulkifli M. Ali
Chairman

Jeffrey Kairupan
Member

Mawar I.R. Napitupulu
Member (Independent Party)

Yap Tjay Soen
Member (Independent Party)



BOARD OF COMMISSIONERS COMMITTEES

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) was established by the Board of Commissioners to assist the Board of Commissioners in performing supervisory responsibilities for the implementation of the nomination and remuneration policies for the Board of Commissioners, Board of Directors, Sharia Supervisory Board (DPS), Committee members at the level of Board of Commissioners and all Bank employees based on the prevailing requirements.

Legal References

The establishment of the NRC is based on the following regulations:

1. POJK No. 55/POJK.03/2016 dated 7 December 2016 on the Implementation of Corporate Governance for Commercial Banks.
2. PBI No. 11/33/PBI/2009 dated 7 December 2009 on the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
3. POJK No. 34/POJK.04/2014 dated 8 December 2014 on the Nomination and Remuneration Committee of Issuers or Public Companies.
4. POJK No. 45/POJK.03/2015 dated 23 December 2015 on the Implementation of Good Corporate Governance in the Provision of Remuneration for Commercial Banks.
5. POJK No. 9/POJK.03/2016 dated 26 January 2016 on Prudential Principles for Commercial Banks in Performing Transfer of Selected Work to Other Parties.

6. POJK No. 59/POJK.03/2017 regarding the Implementation of Good Corporate Governance in the remuneration of Sharia Commercial Banks and Sharia Business Units.
7. SEOJK No. 13/SEOJK.03/2017 dated 17 March 2017 on the Implementation of Good Corporate Governance for Commercial Banks.
8. SEOJK No. 40/SEOJK.03/2016 dated 26 September 2016 on the the Implementation of Corporate Governance in the remuneration for Commercial Banks.

Nomination and Remuneration Committee Charter

The NRC has established NRC Charter which has adapted with POJK No. 34/POJK.04/2014. The most NRC Charter was last updated on 26 February 2016 and is uploaded on the Bank's website. Furthermore, the NRC Charter shall be periodically reviewed in order to ensure its compliance with the latest applicable regulations.

Structure and Membership

Membership, composition, as well as the independence of members of the NRC comply with the prevailing regulations. In 2017, NRC of CIMB Niaga consisted of 2 (two) Independent Commissioners and 1 (one) Bank's Executive Officer in charge of Human Resources.





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

Nomination and Remuneration Committee Membership Composition in 2017

No	Name	Position in Bank	Position in Committee	Term of Office
1	Pri Notowidigdo	Independent Commissioner	Chairman	2016 - 2020
2	Armida S. Alisjahbana	Independent Commissioner	Member	2016 - 2020
3	Ahmad Zulqarnain Onn ^{*)}	Commissioner	Member	2016 - 2017
4.	Joni Raini	Executive overseeing Human Resources Dept	Member/Secretary	2016 - 2020

*) Term of office as NRC member ended from the close of the EGMS on 24 August 2017

Qualifications & Profiles of Nomination and Remuneration Committee Members

Member Profile	Career Background	Education
 <p>Pri Notowidigdo Chairman</p>	<p>Appointed as Chairman of the Nomination and Remuneration Committee since March 2013 and re-appointed in AGMS on 15 April 2016. He also serves as an Independent Commissioner.</p> <p>Complete profile is available 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 a member of the Nomination and Remuneration Committee since Annual GMS on 15 April 2016.</p> <p>She also serves as an Independent Commissioner.</p> <p>Complete profile is available in the Board of Commissioners Profiles.</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 <p>Ahmad Zulqarnain Onn^{*)} Member</p>	<p>Appointed as a member of the Nomination and Remuneration Committee since November 2014 and re-appointed in AGMS on 15 April 2016.</p> <p>He also serves as a Commissioner.</p> <p>Complete profile is available in the Board of Commissioners Profiles.</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 <p>Joni Raini Member cum Secretary of Committee</p>	<p>Appointed as member cum secretary of Nomination and Remuneration Committee since 2015 and re-appointed in AGMS on 15 April 2016.</p> <p>Complete profile is available in the Senior Executive Profiles.</p>	<p>Listed in the Senior Executive Profiles.</p>

*) Term of office as Nomrem Committee member ended from the close of the EGMS 24 August 2017

Training for Members of NRC (excluding Commissioner/Independent Commissioners) in 2017

During 2017, Joni Raini attended several training related to Leadership, Risk & Governance, including Digital Leadership, Unsecured Retail Credit Risk Management organized by BARa, Business Acumen for Compensation Professional held by the Singapore National Employers Federation (SNEF) and also participated in internal coordination meetings and workshops within the Human Resources directorate.

In addition, Joni Raini also won the Promising Young Banker in Indonesia Award for the period of 2014-2016 awarded by The Asian Banker.



BOARD OF COMMISSIONERS COMMITTEES

Term of Office

The term of office of NRC members shall not be longer than the term of office of the Board of Commissioners in accordance with POJK No. 34/POJK.04/2014 and the NRC Charter and may be re-elected. The term of office for members of NRC that are appointed within a Board of Commissioners term of office will automatically end together with such Board of Commissioners term of office.

Independence of Nomination and Remuneration Committee

All members of the NRC have met all the established independence requirements and are able to carry out their duties independently and uphold the interests of the Bank without the interference by any party. This can be observed by the majority of NRC members who are Independent Commissioners.

Duties, Responsibilities and Authorities

The NRC performs its duties and responsibilities professionally and independently, without interference from any party which is not in accordance with the applicable rules and regulations. The NRC has the roles and responsibilities to provide recommendations to the Board of Commissioners as follows:

1. Related to the nomination policy to:
 - a. Prepare and provide recommendations on the system and procedures for the appointment and/or replacement of members of the Board of Commissioners, and Board of Directors, as well as Sharia Supervisory Board to the Board of Commissioners to be submitted to the GMS.
 - b. Provide recommendation on the candidates of the members of Board of Commissioners and/or Board of Directors, and/or Sharia Supervisory Board to the Board of Commissioners to be submitted to GMS.
 - c. Evaluate the performance and establish a development programs for the Board of Commissioners and Board of Directors as well as Sharia Supervisory Board.
 - d. Provide recommendations on Independent Parties who will be nominated as members of the Audit Committee, Risk Oversight Committee and Integrated Governance Committee.

2. Related to the remuneration policy to:
 - a. Evaluate the remuneration policy;
 - b. Evaluate the alignment of the remuneration policy with its implementation;
 - c. Provide recommendations to the Board of Commissioners on:
 - The structure, policies and amount of remuneration for the Board of Commissioners, Sharia Supervisory Board, Board of Directors and members of the Board of Commissioners committee; and
 - Remuneration policy framework for Executive Officers and employees in total which has been approved by the Board of Directors.
3. The NRC shall ensure that the remuneration policy is taking into account:
 - a. Financial performance and reserve requirements as governed under the prevailing rules and regulations;
 - b. Individual work performance;
 - c. Fairness with peer group;
 - d. Consideration of the Bank's long term goals and strategies;
4. In the event that a member of the NRC has conflict of interest with the recommended proposal, such proposal must disclose the conflict of interest and the considerations underlying such proposal.

Duties Implementation in 2017

During 2017, NRC conducted activities and provided recommendations as follows:

1. Provided an evaluation of the Bank's financial performance and identify areas of concern to Management for improvements in 2017.
2. Provided evaluation and input on BOD Key Performance Indicator (KPI) assessment, whereby the NRC provides input so that the assessment is more easily designed for better comprehension.
3. Provided input for conducting the Bank's overall training and academic programs.



4. Provided assessment and input to the performance of BOC and members of the Committee by highlighting the matters with room for improvements in the future.
5. Provided input and recommendation on bonus payments and salary increases and promotion for employees in 2017 related to performance achievement (KPI) in 2016.
6. Provided reviews and recommendations on BOD and BOC remuneration schemes for 2017 to maintain fairness and competitiveness to create positive impact on the Bank's overall performance
7. Conducted further discussion and provided input and directions related to the implementation of POJK Risk-Based Remuneration which include among others: relevant bank officers, payment mechanisms and other general rules regarding the implementation of Risk-Based Remuneration and timeline for the enactment of such regulation in the Bank
8. Provided guidance and feedback on the BOD 2017 KPI framework and the key points for BOD to review
9. Provided feedback on the current recruitment process in the Bank, regarding the importance of database recruitment and analytics to improve the overall recruitment quality and process.
10. Conducted discussion and recommendation of wellness program in the Workplace concerning the importance of flexibility in the retention efforts and increasing level of employee engagement to the Bank.
11. Provided evaluation and guidance on the preparation of the Code of Ethics & Conduct as part of Building Risk & Compliance Culture at CIMB Niaga, where the NRC underscores the need to involve stakeholders, particularly employees in the future and the importance of intensive communication as the key to success to achieve Bank's corporate risk culture effectiveness.
12. Provided guidance and recommendation on the plan of Employee and Management stock programs (grants and options).
13. Provided direction and feedback regarding talent management framework that will be adopted within the Bank, so as to disseminate and implement them well.
14. Conducted discussion and provide recommendation in the nomination of members of the Board of Commissioners by considering the expertise, competence, background and experience of the candidates submitted by the Shareholders to be further discussed in the GMS.
15. Provided regular evaluation and direction to achieve the performance of the BOD (KPI) and provide encouragement for units whose achievements are below the target so as to allow them to make more efforts to ensure performance improvements at the end of the year.
16. Provided input and recommendations regarding the implementation of government regulations on transparency of remuneration structures and remuneration scale within the Bank.
17. Provided inputs to support the ABC Working Culture and Learning on the Go, by underlining the importance of efforts made to ensure alignment and success of the work culture and the benefits of innovation in the learning process/education within the Bank.
18. Provided guidelines for the Year End Performance Evaluation process, including performance moderation process, so that they are carefully monitored to enable the timely completion of performance evaluation 2017
19. Provided input and direction to KPI Framework proposal in 2018, by encouraging that KPI process is well conducted, in accordance with 2018 timelines and that any changes or updates should be reported to the NRC as appropriate.

Nomination and Remuneration Reporting

The NRC reports its activities and recommendations to the Board of Commissioners on a regular basis.

BOARD OF COMMISSIONERS COMMITTEES

Nomination and Remuneration Committee Meeting and Meeting Attendance

In accordance with the Charter, the NRC shall convene at least 10 (ten) meetings a year. Meetings can only be held when attended by at least 51% (fifty one percent) of the total members, including Independent Commissioners and an HR Executive Officer.

During 2017, the NRC held 12 (twelve) meetings, with the following attendance:

Attendance of NRC Meetings for January - December 2017

Name	Attendance at the Nomination & Remuneration Committee meeting	Physical Attendance	Attendance in teleconferencing technology or telepresence	Attendance Rates
Pri Notowidigdo	12	12	-	100%
Ahmad Zulqarnain Onn ^{*)}	6	3	3	50%
Armida S. Alisjahbana	12	11	1	100%
Joni Raini	12	12	-	100%

^{*)} Term of office as NRC member ended from the close of the EGMS on 24 August 2017

The composition, structure and terms of membership, duties and responsibilities, authority, organization of meeting and reporting are completely set forth in the Charter of the Nomination and Remuneration Committee uploaded on the Bank's website.

Remuneration of NRC Members

A. Remuneration Package and Other Facilities Received

Types of Remuneration and Other Facilities	Amount Received in 1 Year by Members of the Nomination and Remuneration Committee			
	2016		2017	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, tantiem, and other non-natura facilities)	3 ^{*)}	5.490	3	5.435
Other natura facilities (housing, transportation, health insurance, and others) that:	-	-	-	-
a. Could be owned	-	-	-	-
b. Could Not be owned	-	-	-	-
Total	3	5.490	3	5.435

^{*)} include Commissioners whose term of office as NRC member ended from the close of the EGMS on 24 August 2017.

Remuneration per Person	Number of Nomination and Remuneration Committee Members - Above Rp5 billion	
	2016	2017
Above Rp5 billion	-	-
Above Rp2 billion to Rp5 billion	1	2
Above Rp1 billion to Rp2 billion	2	1
Above Rp500 million to Rp1 billion	-	-
Up to Rp500 million	-	-

B. Variable Remuneration for the Members of the Nomination and Remuneration Committee

Variable Remuneration	Amount Received in 1 Year by Members of the Nomination & Remuneration Committee			
	2016		2017	
	Person	Rp (Million)	Person	Rp (Million)
Total	nil	nil	nil	nil

BOD Succession Plan

As set forth in the Bank Policy, the succession policy of the Board of Directors and/or Senior Management is as follows:

1. The Board of Commissioners, assisted by the NRC, ensures that the Bank has a talent management system managed by Human Resources Directorate as a tool to identify executive officers who have the potential to maintain the continuity of leadership in the future, to maintain business sustainability, and promote the Bank's long-term objectives.
2. The Human Resources Directorate together with the NRC identifies the internal talents within the Bank but does not exclude the potential talents of professionals for the purpose of planning the succession of the Board of Directors, including the President Director and/or Senior Management.
3. As for the internal talents within the Bank, the Human Resources Directorate performs evaluation to provide opportunities for further self-development for these talents, either in the form of mandatory training or career development opportunities.
4. The talents who are identified as potential replacement for members of the Board of Directors shall be evaluated and identified and must meet the requirements of the candidates of the Board of Directors of the Bank.



Pri Notowidigdo
Chairman



Ahmad Zulqarnain Onn^{*)}
Member



Armida S. Alisjahbana
Member



Joni Raini
Member Concurrently as Secretary

^{*)} Term of office as NRC member ended from the close of the EGMS on 24 August 2017



BOARD OF COMMISSIONERS COMMITTEES

RISK OVERSIGHT COMMITTEE

The Risk Oversight Committee reports to the Board of Commissioners to support the effective implementation of the duties and responsibilities of the Board of Commissioners in relation to Risk Management at the Bank.

Legal References

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

1. POJK No. 55/POJK.03/2016 dated 7 December 2016 on the Implementation of Good Corporate Governance for Commercial Banks.
2. SEOJK No. 13/SEOJK.03/2017 dated 17 March 2017 on the Implementation of Good Corporate Governance for Commercial Banks.
3. The Articles of Association on the duties and authorities of the Board of Commissioners.

Risk Oversight Committee Charter

The Risk Oversight Committee established a Charter or Guidelines governing the membership, structure, authority, duties and responsibilities, meetings, activities and working procedures of the Risk Oversight Committee in performing its functions. The Risk Oversight Committee Charter was last updated on 21 April 2017 and has been uploaded to the CIMB Niaga's website. Furthermore, the Risk Oversight Committee Charter shall be reviewed periodically in order to ensure its compliance with the prevailing regulations and Bank's needs.

Structure and Membership

Membership and composition, as well as the independence of members of the Risk Oversight Committee has comply with prevailing regulators provisions. In 2017, the Risk Oversight Committee consisted of 1 (one) Chairman who is an Independent Commissioner, 2 (two) members who are Commissioners and 2 (two) non-Commissioners as Independent Parties with competence and qualification in finance and risk management.

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

Risk Oversight Committee Membership Composition in 2017

No	Name Committee	Position in Bank	Position in Committee	Term of Office
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



Qualifications & Profiles of Risk Oversight Committee Members

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 as Chairman of the Audit Committee. He was re-appointed as Chairman of Risk Oversight Committee and Audit Committee in AGMS on 15 April 2016. He also serves as an Independent Commissioner.</p> <p>Complete profile is available 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 a member of the Risk Oversight Committee since March 2013 and re-appointed in AGMS on 15 April 2016. He also serves as Vice President Commissioner.</p> <p>Complete profile is available 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 a member of the Risk Oversight Committee since November 2014 and re-appointed in AGMS on 15 April 2016. He also serves as a Commissioner.</p> <p>Complete profile is available in the Board of Commissioners Profiles.</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 <p>Firmanzah Member</p>	<p>Indonesian citizen, 41 years old. Appointed as Member of Risk Oversight Committee of CIMB Niaga since April 2016.</p> <p>Currently he is serving as the Rector of Paramadina University, Professor of Faculty of Economics and Business University of Indonesia, and Index Committee of Infrastructure Stock at PT Sarana Multi Infrastruktur Indonesia (Persero).</p>	<p>He holds a PhD in Strategic & International Management from the University of Pau et Pays de l'Adour, France. Master of Philosophy from University of Science and Technology of Lille 1, France. MBA degree from University of Pierre Mendes-Grenoble II, France and Master of Management and Bachelor of Economics from University of Indonesia.</p>
 <p>Sri Indrastuti (Tuti) S. Hadiputranto Member</p>	<p>Indonesian citizen, 74 years old. Appointed as Member of Risk Oversight Committee of CIMB Niaga since July 2016.</p> <p>She is one of the founding partners of Hadiputranto, Hadinoto & Partners, the largest Law Firm in Indonesia, a member of the Baker & McKenzie International Law Firm.</p> <p>She specializes in areas related to corporations, mergers and acquisitions, debt restructuring in companies/banks in Indonesia.</p> <p>She served as a member of the Board of Commissioners of the Indonesia Stock Exchange ("IDX") for the period of 2001-2004. More than a decade, she has been a member of various IDX's Committees with the last position as the Member of Discipline Committee.</p> <p>She has been consistently named as the top ranking in leading legal directories, such as Chambers Asia, Asia Pacific Legal 500, IFLR1000 and AsiaLaw Profiles, and in 2016 was selected as one of The Most Inspiring Woman in Indonesia by Forbes Indonesia.</p>	<p>She obtained a Law Degree from the University of Indonesia in 1970, a Master of Law from the University of Washington in 1981.</p>

BOARD OF COMMISSIONERS COMMITTEES

Training for Independent Party Members of Risk Oversight Committee in 2017

Name	Type of Training/Seminar/Workshop/Knowledge Sharing	Organizer	Date & Venue
Firmanzah	KPK Leaders Meeting Series with Anticorruption Partners “KPK Hearing” (Speaker)	KPK	2 February 2017 Jakarta
	Indonesia Economy Outlook 2017 (Speaker)	PLN	13 January 2017 Jakarta
	Social & Ecological Market Economy Workshop (Speaker)	Paramadina University - Konrad Adenauer Stiftung	26 July 2017 Manado
	SOE Law Forums (Speaker)	hukumonline.com	25 August 2017 Bali
	Judging Process of Indonesia Heroes Nomination (Jury)	MNC Group	24 October 2017 Jakarta
	Indonesian Economic Talks (Speaker)	Warta Ekonomi	17 November 2017 Jakarta
	National Meeting I of FEB Association of Perguruan Tinggi Muhammadiyah (Speaker)	Asosiasi FEB Perguruan Tinggi Muhammadiyah	22 November 2017 Surabaya
	Seminar of Establishment of Collaborative Solution: Innovation in the Public Sector (Speaker)	BPJS Ketenagakerjaan	23 November 2017 Jakarta
	Kami Indonesia Movement (Speaker)	Kami Indonesia	16 December 2017 Yogyakarta
Seminar of Astra Motor Centre (Speaker)	Astra Centre Semarang	18 December 2017 Semarang	
Sri Indrastuti S. Hadiputranto	The Role of Advocate Organizations in Generating Competent, Integrity & Professional Advocates (Speaker)	Association of Capital Market Legal Consultants (HKHPM)	8 February 2017 Jakarta
	Fair Business Competition in Legal Services in Indonesia	Association of Capital Market Legal Consultants (HKHPM)	21 August 2017 Jakarta

Term of Office

The term of office of a member of Risk Oversight Committee shall not be longer than the term of office the Board of Commissioners as stipulated in the Articles of Association and may be re-elected. The term of office of Committee members appointed within the term of office of the Board shall end with the term of office of such Board of Commissioners.

Independence of Risk Oversight Committee

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

Duties, Responsibilities and Authorities

The Risk Oversight Committee performs its duties and responsibilities professionally and independently without any intervention from any party that does not comply with the prevailing laws and regulations. In general, the main duties and responsibilities of the Risk Oversight Committee are to provide recommendations to the Board of Commissioners in order to support the effective implementation of duties and responsibilities of the Board of Commissioners relating to risk management, such as to:

1. Evaluate the conformity of risk management policies and the implementation of Bank policies; and
2. Monitor and evaluate the implementation of the duties of the Risk Management Committee and the Risk Management Unit.



Duties Implementation in 2017

During 2017, the Risk Oversight Committee has conducted activities in accordance with the Committee's Work Plan, which are made annually in reference to the duties and responsibilities of the Risk Oversight Committee as set out in the Risk Oversight Committee Charter. Report on execution of duties of Risk Oversight Committee in 2017 comprise the activities and recommendations made among others:

1. Re-assessment and submission of recommendations to the Board of Commissioners on:
 - a. policies/frameworks and the implementation by the Board of Directors in relation to risk management, and
 - b. establishment of risk appetite, such as risk appetite statement, risk posture and sector appetite.
2. Evaluation of the duties of the Risk Management Committee and the Risk Management Unit and the evaluation of the consistency between risk management policies and their corresponding implementation through the discussion of:
 - a. Risk Management Strategies and policies for various kinds of risk, not just Credit Risk, Operational Risk, Liquidity Risk and Market Risk but also Legal Risk, Strategic Risk, Compliance Risk, Reputational Risk and Information Technology Reputation.
 - b. Risk Management related to capital, such as Internal Capital Adequacy Assessment Process and the conduct of stress tests.
 - c. Internal reports that include monitoring results on macro-economic conditions, the Bank's financial performance and risk indicators in order to ensure compliance with the Bank's risk appetite.
 - d. Mandatory reports to be submitted to Bank's supervisory consisting of Risk Profile Report, the Bank Rating Report and other reports in order to ensure compliance with the delivery of information to bank supervisory on the Bank's risk conditions.
3. Monitoring of the Bank's credit risk through the discussion of:
 - a. Status and projection asset quality of each loan segment in order to ensure that each business units has taken the necessary measures to maintain and improve the quality of the Bank's assets so as to align with the predetermined risk appetite.
 - b. Thematic review of loan portfolios by sector highly correlated with economic fluctuations in 2017.
 - c. Business plan, strategy and account planning for Prominent Groups.
 - d. Implementation status as an initiative to improve the credit process.
4. Evaluation of the Bank's strategic steps through the discussion of:
 - a. Budget plan, business strategy and Bank Business Plan of 2017 in accordance with the Bank's risk appetite.
 - b. Recent reports on the implementation of the Basel and IFRS 9 project.
5. Monitoring of significant audit findings from the perspective of operational risk management including investigation report and follow-up on the mitigation and improvement.

Risk Oversight Committee Reporting

The Risk Oversight Committee reports activities and recommendations to the Board of Commissioners on a regular basis.

Risk Oversight Committee Meeting and Meeting Attendance

The Risk Oversight Committee Charter governs that the Risk Oversight Committee shall convene at least 1 (one) meeting per month and shall be physically attended at least 2 (twice) a year. Meetings can only be held when attended by at least 51% (fifty one percent) of the total members, including an Independent Commissioner and an Independent Party.

BOARD OF COMMISSIONERS COMMITTEES


During 2017, the Risk Oversight Committee held 12 (twelve) meetings with member attendance as follows:

Attendance of Risk Oversight Committee Meetings for January - December 2017

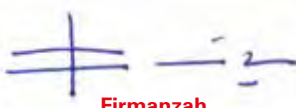
Name	Attendance in Risk Oversight Committee Meetings	Physical Attendance	Attendance through teleconference or telepresence	Attendance Rates
Zulkifli M. Ali	12	12	-	100%
Glenn M. S. Yusuf	12	12	-	100%
David Richard Thomas	10	3	7	84%
Firmanzah	11	11	11	92%
Sri Indrastuti (Tuti) S. Hadiputranto	10	9	1	84%

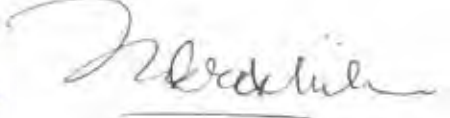
Information concerning the composition, structure and membership requirements, roles and responsibilities, authority, organization of meeting and reporting are completely set forth in Risk Oversight Committee Charter uploaded in the Bank's website


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)



INTEGRATED GOVERNANCE COMMITTEE

CIMB Niaga established the Integrated Corporate Governance Committee to assist the Board of Commissioners as the Board of Commissioners of Main Entity in overseeing Integrated Governance in the CIMB Indonesia financial conglomerate to ensure in accordance with the prevailing regulations and legislation.

Legal Basis

The establishment of the Integrated Governance Committee was based on the following regulations:

1. Financial Services Authority Letter (POJK) No. 18/POJK.03/2014 dated 18 November 2014 on the Implementation of Integrated Governance for Financial Conglomerations.
2. Financial Services Authority Circular Letter (SEOJK) No. 15/SEOJK.03/2015 dated 25 May 2015 on Integrated Governance for Financial Conglomerations.
3. Integrated Governance Committee Charter.
4. Articles of Association.

Integrated Governance Committee Charter

The Integrated Governance Committee of CIMB Niaga has a Charter that governs the membership, structure, authority, duties and responsibilities, meetings, activities, and working procedures of the Integrated Governance Committee in performing its functions. The Integrated Governance Committee Charter has been effective since 21 August 2015 and has been uploaded to the Bank's website and is periodically reviewed to comply with the prevailing regulations and Bank needs.

Structure and Membership

Membership and composition, as well as the independence of Integrated Governance Committee members has comply with the provisions of the competent authority. Members of the Integrated Corporate Governance Committee are appointed based on the Recommendation of the Nomination and Remuneration Committee of PT Bank CIMB Niaga Tbk No. 006/NOMREM/KP/III/2016 dated 23 March 2016, which was approved by the Circular Decision Letter of the Board of Commissioners No. 007/DEKOM/KP/IV/2016, dated 6 April 2016 and the latest amendment, as recommended by the Nomination and Remuneration Committee in its meeting dated 22 June 2016, which obtained approval in the Board of Commissioners Meeting dated 24 June 2016.

Integrated Governance Committee Composition in 2017

No.	Nama	Position in Bank	Position in Committee
1	Jeffrey Kairupan	Independent Commissioners CIMB Niaga	Chairman
2	Armida S. Alisjahbana	Independent Commissioners CIMB Niaga	Member
3	Endang Kussulanjari S.	Independent Party	Member
4	Serena K. Ferdinandus	Independent Commissioners CIMB Niaga Auto Finance	Member
5	Albertus Banunaek	President Commissioners CIMB Principal Asset Management	Member
6	Inarno Djajadi *)	President Commissioners CIMB Securities Indonesia	Member
7	Yulizar D. Sanrego	Sharia Supervisory Board CIMB Niaga	Member
8	Vera Handajani	Director of Risk Management CIMB Niaga	Member
9	Fransiska Oei	Director of Compliance CIMB Niaga	Member
10	Antonius Pramana Gunadi	Chief Audit Executive CIMB Niaga	Member

*) Resigned as President Commissioner of CIMB Securities Indonesia since 1 October 2017.



BOARD OF COMMISSIONERS COMMITTEES



Qualifications & Profiles of Integrated Governance Committee Members

Name	Career Background	Education
 Jeffrey Kairupan Chairman	<p>Appointed as Chairman of the Integrated Governance Committee since AGMS 15 April 2016.</p> <p>Complete profile is available in the Board of Commissioners Profiles.</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 Armida S. Alisjahbana Member	<p>Appointed as Member of the Integrated Governance Committee since AGMS 15 April 2016.</p> <p>Complete profile is available in the Board of Commissioners Profiles.</p>	<p>Listed in the Board of Commissioners Profiles.</p>
 Endang Kussulanjari S. Member	<p>Indonesian citizen, 61 years old. Has served as a member of the Integrated Governance Committee since August 2016.</p> <p>Currently, she also serves as a Commissioner of PT Pefindo Biro Kredit</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>
 Serena K. Ferdinandus Member	<p>Indonesian citizen, 57 years old. Has served as a member of the Integrated Governance Committee since March 2015.</p> <p>She has also served as a member of the Risk Management Committee 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, and Commissioner of PT Anpa International since 2012, and Chief Audit Executive (Head of Internal Audit & Risk Management Division) of PT Ithaca Resources since 2009.</p> <p>Previously, she served as a member of the Audit Committee of PT Elnusa Tbk. (2015 - 2016), member of the Audit Committee 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, Indonesia (1986 - 1995) and Ernst & Young, Dallas.</p>	<p>She holds Economic decree from University of Indonesia.</p>



Name	Career Background	Education
 <p>Albertus Banunaek Member</p>	<p>Indonesian citizen, 62 years old. Has served as a member of the Integrated Governance Committee since March 2015.</p> <p>He has also served as the President Commissioner (Independent) of PT CIMB Principal Asset Management since 2011. He is also the Founder/CEO of AMConsult.</p> <p>Previously, he served as the President Director of PT KAF Finance (1999-2003), Managing Director of PT CAF Finance (1997-1999), Chief Operating Officer of Ometraco Group (1992-1997), and held various positions in General Management, Consulting, Banking & Finance at PT Jayapari Steel Tbk., Business Advisory Indonesia, HSBC Bank, and BDN Bank.</p> <p>He previously held positions mostly in finance, banking and in the capital market, 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 with his most recent position being Coordinator IX for Eastern Indonesia (Bali, West Nusa Tenggara and East Nusa Tenggara).</p>	<p>He holds Master of Law from University of Indonesia in 2006. The best graduate from National Resilience Institute of Republic of Indonesia (Lemhanas, KRAXXXV/2002)</p>
 <p>Inarno Djajadi *) Member</p>	<p>Indonesian citizen, 55 years old. Has served as a member of the Integrated Governance Committee since March 2015.</p> <p>He has also served as the President Commissioner/Independent Commissioner of PT CIMB Securities Indonesia since 2014 and as President Commissioner of PT Kliring Penjaminan Efek Indonesia since 2013.</p> <p>Prior to that, he also served as President Commissioner of PT Maybank Kim Eng Securities (2013-2014), and held position as Commissioner (2010 - 2013) and President Director (2003 - 2009) at PT Kliring Penjaminan Efek Indonesia. In addition, he also served as President Director of PT Madani Sekuritas and Director in various companies such as PT Widari Sekuritas, PT Mitra Duta Sekuritas and PT Aspac Uppindo Sekuritas.</p>	<p>He holds a degree in Economics from University of Gadjah Mada and obtained certification as investment manager in 1999 and underwriters in 2009.</p>
 <p>Yulizar D. Sanrego Member</p>	<p>Complete profile is available in the Sharia Supervisory Boards Profiles.</p>	<p>Listed in the Sharia Supervisory Board Profiles.</p>
 <p>Vera Handajani Member</p>	<p>Complete profile is available in the Board of Directors Profile.</p>	<p>Listed in the Board of Directors Profiles.</p>

BOARD OF COMMISSIONERS COMMITTEES

Name	Career Background	Education
 Fransiska Oei Member	Complete profile is available in the Board of Directors Profiles.	Listed in the Board of Directors Profiles.
 Antonius Pramana Gunadi Member	Complete profile is available in Internal Audit Unit Report	Listed in the senior Executives Profiles.

*) Resigned as the President Commissioner of CIMB Securities Indonesia on 1 October 2017.

Training of Members (other than CIMB Niaga management) of the Integrated Governance Committee in 2017

Name	Type of Training/Seminar/Workshop/Knowledge Sharing	Organizer	Date & Venue
Endang Kussulanjari	Risk Management Maintenance Program - Fraud Prevention in Banking: Case Study of Fraud Events & How to Identify Falsification of Documents & Graphonomy "	BSMR	29 April 2017 Jakarta
	2017 IIA (The Institute of Internal Auditor) Indonesia National Conference	The Institute of Internal Auditor	10-11 October 2017 Bandung
Serena Ferdinandus	National Seminar: Cooperation Opportunities of Financing Companies with Banking and Fintech	APPI	5 December 2017 Jakarta
	Master Class Risk Governance	ERMA dan MKS	6 December 2017 Yogyakarta

Term of Office

The term of office of the Integrated Governance Committee shall not be no longer than the term of office of the Board of Commissioners as regulated in the Articles of Association and may be re-appointed. The term of office of members of the Integrated Governance Committee, that are appointed during a Board of Commissioners term of office, will automatically end together with such Board of Commissioners term of office.

This can be observed from the membership, 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. An Independent Commissioner who represents, and is appointed from FSI within the Financial Conglomerate, as a member;
3. An independent party, as a member.

Independency of the Integrated Governance Committee

All members of the Integrated Corporate Governance Committee have met all the established criteria of independency and are capable of performing their duties independently and upholding the interests of the Bank without interference from any parties.



Duties, Responsibilities and Authorities

The Integrated Governance Committee has the following duties and responsibilities:

1. Evaluate Integrated Governance by assessing the adequacy of internal controls and the implementation of compliance in an integrated manner;
2. Provide recommendations to the Board of Commissioners of the Main Entity concerning improvements to the Integrated Governance Charter.

Duties Implementation in 2017

During 2017, the Integrated Governance Committee focused on conducting evaluations on the following matters:

1. Reviewed the Integrated Risk Management Report.
2. Reviewed the Integrated Minimum Core Capital Adequacy Report.

3. Reviewed the Integrated Internal Audit Report.
4. Reviewed the Integrated Compliance Report.
5. Reviewed Self Assessment of the Implementation of Integrated Governance periodically Report as of June and December 2017.

Integrated Governance Committee Reporting

The Integrated Governance Committee reports its activities and recommendations to the Board of Commissioners on a regular basis.

Committee Meetings and Attendance

The Integrated Governance Committee Charter stipulates that it shall hold meeting at least 2 (two) times a year. Meetings can only be held if attended by at least 51% (fifty one percent) of the total members, including the Independent Commissioners and Independent Parties.

During 2017, the Integrated Governance Committee held 2 (two) meetings on 8 February 2017 and 31 July 2017, which included the ratification of the minutes of previous meetings, discussion on issues that needed to be followed-up on from the previous meetings, and other matters that required attention with attendance levels as follows:

Attendance of Integrated Governance Committee Meetings for January - December 2017

Name	Attendance in Risk Oversight Committee Meetings	Physical Attendance	Attendance through teleconference or telepresence
Jeffrey Kairupan	2	2	-
Armida S. Alisjahbana	2	2	-
Endang Kusulanjari S.	2	2	-
Serena Ferdinandus	2	2	-
Albertus Banunaek	1	1	-
Inarno Djajadi *)	1	1	-
Yulizar D. Sanrego	-	-	-
Vera Handajani	2	2	-
Fransiska Oei	2	2	-
Antonius Pramana Gunadi	1	1	-

*) Resigned as the President Commissioner of CIMB Securities Indonesia on 1 October 2017.

BOARD OF COMMISSIONERS COMMITTEES

During 2017, the meeting agendas discussed by the Integrated Governance Committee were as follows:

1. Confirmation of previous minutes of the meeting.
2. Discussion on matters that required to be followed-up on, referring 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 Governance Implementation Assessment Report.
8. Others.



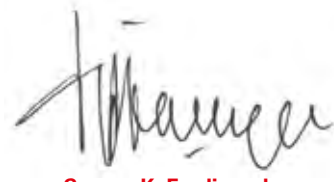
Jeffrey Kairupan
Chairman



Armida S. Alisjahbana
Member



Endang Kussulanjari S.
Member



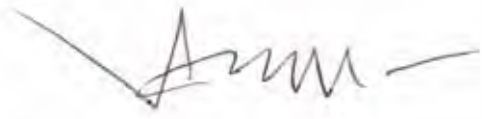
Serena K. Ferdinandus
Member



Albertus Banunaek
Member



Inarno Djajadi*
Member



Yulizar D. Sanrego
Member



Vera Handajani
Member



Fransiska Oei
Member



Restiana Linggadjaya
Member

*) Resigned as the President Commissioner of CIMB Securities Indonesia on 1 October 2017.

▶ Board of Directors Committees

EXECUTIVE COMMITTEE

The Executive Committee is the committee at the Board of Directors level, established to support the conduct of the duties and responsibilities of the Board of Directors. In accordance with the regulations, the Bank is required to establish 3 (three) Executive Committees namely: Risk Management Committee, Asset & Liability Committee, and IT Steering Committee. However, as set forth in the BOD Charter, the BOD also has the authority to establish other Committees based on the Bank's business needs.

With the growing complexity of business and the importance of good governance, CIMB Niaga maintains 6 (six) 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 & Recovery Plan Committee (CMRP)

In addition, CIMB Niaga also maintains other Committees specifically established by the Director in charge (related to certain aspects under the responsibility of such Director) or a designated Director (hereinafter referred to as "Designated Director"), which include among others BDC, MarCom, PPC, CC, DC and DGC with the segregation of duties and responsibilities clearly defined in the Terms of Reference (TOR) of each Committee. The membership structure and description of the duties of the Executive Committee of CIMB Niaga are as follows:

RISK MANAGEMENT COMMITTEE (RMC)

Main Functions and Authorities

RMC is the committee in charge of providing recommendations to the President Director in formulating and refining policies, evaluating the progress and conditions of the risk profile, and providing recommendations and remedial measures.

Structure and Membership

Chairman : President Director
Deputy Chairman 1 : Risk Management Director
Deputy Chairman 2 : Credit Director

Members:

- Operations & Information Technology Director
- Compliance, Corporate Affairs and Legal Director
- Strategy and Finance Director
- Consumer Banking Director
- Business Banking Director
- Sharia Banking Director
- Treasury and Capital Markets Director
- Human Resources Director
- Chief of Corporate Banking
- Chief of MSME
- Chief of Audit Executive
- Chief of Corporate Strategic Initiatives

Secretary: Market Risk Management Head

Roles and Responsibilities

1. Develop and recommend risk management policies and frameworks, including the Bank's risk management strategy and Risk Appetite Statement (RAS).
2. Conduct a review of risk exposures and implementation of risk management in the Company and its subsidiaries, periodically or incidentally, as a result of changes in the Bank's external and internal conditions.
3. Approve the risk profile report, stress testing including the scenarios, and risk mitigation follow-up.
4. Approve specific risk management policies beyond the policies approved by other executive committees.
5. Review the adequacy of capital in the Bank and its subsidiaries.
6. Approve the Bankwide limit/Management Action Trigger (MAT); such as sector/industry limit, VaR limit, etc.
7. Evaluate and approve treasury market risk limits, exceeds market risk limits, and changes in market risk measurement processes.
8. Obtain decision reports made by other risk management committees which include: ALCO (Asset & Liabilities Committee), ORC (Operational Risk Committee) and CPC (Credit Policy Committee).
9. Be notified of the decision of the Business Development Committee (BDC) regarding new products and activities.



BOARD OF DIRECTORS COMMITTEES

Meeting, Quorum, and Decision Making

1. Meetings are held at least 10 (ten) times in one year
2. The quorum of the meeting is at a minimum of 5 (five) members, including 4 Directors and the Chairman or Vice Chairman of the Committee
3. The decision-making quorum is approved by more than 50% (fifty percent) of the Committee members present at the meeting, including 2 Directors, one of whom is the Chairman or Vice Chairman of the Committee

Work Realization in 2017

1. Provided recommendations and approvals of policy frameworks and risk management frameworks, including integrated risk management policies, and transparency and capital risk management policies.
2. Approved market risk limits, operating limits for consumer products such as Pension Loan, and changes to In-house limits.
3. Approved the results of the parameters review and report of Risk Profile, Material Risk Assessment (MRA) and Risk Based Bank Rating (RBBR), Capital, Integrated Risk Management, Sector Appetite and ICAAP.
4. Evaluated the condition and development of the Bank portfolio, such as portfolio of plasma financing scheme, consumer portfolio asset quality, and watch list account.
5. Approved the score card model for mortgage exposure at default and CNAF LGD.
6. Approved the implementation plan for PSR methodology.
7. Approved the results of stress testing conducted bank wide.
8. Discussed matters arising from previous RMC meetings.

Work Program in 2018

1. Approve and evaluate policies related to risk management.
2. Improve the role of the committees in the implementation of the best risk management strategy.
3. Improve meeting effectiveness by focusing on key risk issues.
4. Comply with the regulations of Bank Indonesia and the Financial Services Authority in risk management.

ASSET & LIABILITY COMMITTEE (ALCO)

Main Functions and Authorities

ALCO is support BOD in analysing and evaluating the management of assets and liabilities, as well as the related decision-making process through the formulation of policies, strategies and targets to manage the Bank's assets and liabilities in an integrated manner.

Structure and Membership

Chairman : President Director

Deputy Chairman 1 : Strategy and Finance Director

Deputy Chairman 2 : Treasury and Capital Market Director

Members

- Business Banking Director
- Risk Management Director
- Operations and IT Director
- Credit Director
- Consumer Banking Director
- Sharia Banking Director
- Human Resources Director
- Compliance, Corporate Affair, and Legal Director

Secretary : Asset and Liability Management Head

Roles and Responsibilities

1. Review of Balance Sheet and Net Interest Income (NII)
 - a. Review and analyse bank balance sheets by business, composition of assets and liabilities, currencies, growth, revenues and margins.
 - b. Assess the variances arising from the plan and the actualization of the balance sheet and how it affects funding and lending, balance sheet ratios, and whether banks remain within the limits of the Risk Appetite.
 - c. Assess NII and Net interest Margin (NIM) trends, as well as differences between actual conditions and projected outcomes.
 - d. Assess the impacts on the NII under Base case conditions, and under Stressed Economic Scenarios.
 - e. Review and ensure that the Fund Transfer Pricing (FTP) framework is appropriate and serves as a connector among business lines and prioritizes consistency in the Bank's performance.
 - f. Review and approve Pricing that requires regulatory approval as well as Pricing of new



and old products in line with the Bank's strategic and business objectives.

2. Contingency Funding Plans

- a. Review the Contingency Funding Plan ("CFP") as an operational business plan and measure the capacity of the business plan to ensure that management actions to be taken are realistic; and
- b. Ensure that Early Warning Indicators are relevant to current conditions.

3. Asset Liability Management

- a. Review the Asset and Liability Management (ALM) framework and policies to ensure that the framework and policies are in accordance with the current and future size and operational complexity of CIMB Niaga.
- b. Uphold the consistent implementation of practices and policies in the Bank
- c. Approve Management Action Trigger ("MAT")/ liquidity risk limits and interest rates within the Banking Book.
- d. Establish, supervise and review hedging strategies of bank entities under CIMB Niaga.
- e. Review and ensure that the Bank's risk profile is within the limits specified in the MAT/liquidity risk limits and interest rate risk in the Banking Book, including reviewing internal stress tests as well as those established by the regulator for all currencies and all CIMB Niaga entities;
- f. Review and approve ALM risk parameter model and validation model; and
- g. Identify and assess funding and liquidity needs, and take appropriate steps for certain liquidity and funding conditions.

Meeting, Quorum, and Decision Making

1. Meetings are held at once a month
2. The quorum of the meeting is at a minimum of 50% (fifty percent) of the Committee members and 1 (one) Director

3. The decision-making quorum is approved by a minimum of 50% (fifty percent) of the Committee members present at the meeting
4. All members/representatives must attend a minimum of 75% (seventy five percent) of the meetings in one year

Work Realization in 2017

1. Migrated to BUKU IV seamlessly and ensured no significant expenses were incurred, yet still complying with the maximum rate limit policy required by the regulator.
2. Encouraged loan portfolio growth in some key products such as Mortgage and SME.
3. Executed the contingency funding plan on December 19, 2017.
4. Ensured that the Bank's liquidity level was always at an optimum level.
5. Monitored and revised the funding pricing strategies by actively taking into account the level of funding required, competition in the market, and the maximum level of funding pricing set by the regulator.
6. Maintained the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) above the regulatory requirements.
7. Issued Negotiable Certificate of Deposit (NCD) and bonds as alternative and diversified sources of funding.

Work Program in 2018

1. Implement Interest Rate Risk in the Banking Book (IRRBB) in accordance with the regulatory requirements.
2. Adjust CASA FTP methodology with the calculation of run off of LCR and NSFR based on regulatory requirements.
3. Increase sales of Product Bundling/Cross selling as the next step in marketing loan products in addition to offering competitive interest rates.
4. Devise strategies to grow CASA funds without incurring any potential expenses.
5. Increase the Bank's income through investment in the bond market while ensuring bank liquidity is maintained and still within the limits set by the risk management team.
6. Enhance Recovery Plan documents.



BOARD OF DIRECTORS COMMITTEES

Bonds

Type	Issuance Date	Maturity Date	Coupon	Nominal
Shelf Registered Bonds II, Phase II, Year 2017, Series A	23 August 2017	3 September 2018	6.75%	IDR 802 bio
Shelf Registered Bonds II, Phase II, Year 2017, Series B	23 August 2017	23 August 2020	7.70%	IDR 376 bio
Shelf Registered Bonds II, Phase II, Year 2017 Series C	23 August 2017	23 August 2022	8.15%	IDR 822 bio
Shelf Registered Bonds II, Phase III, Year 2017, Series A	2 November 2017	12 November 2018	6.20%	IDR 500 bio
Shelf Registered Bonds II, Phase III, Year 2017, Series B	2 November 2017	2 November 2020	7.50%	IDR 657 bio
Shelf Registered Bonds II, Phase III, Year 2017, Series C	2 November 2017	2 November 2022	7.75%	IDR 843 bio

Negotiable Certificate of Deposit (NCD)

Type	Issuance Date	Maturity Date	Coupon	Nominal
NCD III CIMB Niaga, Year 2017, Series A	18 May 2017	17 November 2017	7.20%	IDR 576 Bio
NCD III CIMB Niaga, Year 2017, Series B	18 May 2017	15 February 2018	7.35%	IDR 214 Bio
NCD III CIMB Niaga, Year 2017, Series C	18 May 2017	18 May 2018	7.45%	IDR 710 Bio

INFORMATION TECHNOLOGY STEERING COMMITTEE (ITSC)

Main Functions and Authorities

ITSC is the committee in charge of providing views and recommendations on the policy of IT system management and development in CIMB Niaga.

Structure and Membership

Directors who become members of ITSC must comprise at least 2/3 of the total number of Board of Directors, and an Executive Officer one level below the appointed Director.

The membership of the Committee consists of:

Chairman : President Director

Deputy Chairman 1: Operations and Information Technology Director

Deputy Chairman 2: Strategy and Finance Director

Member

- Risk Management Director
- Consumer Banking Director
- Treasury and Capital Markets Director
- Credit Director
- Sharia Banking Director
- Business Banking Director
- Human Resources Director
- Compliance, Corporate Affairs & Legal Director
- Head of Internal Audit Unit.

Secretary: Head of Information Technology Unit

Roles and Responsibilities

The roles and responsibilities of the ITSC are to provide recommendations related to:

1. IT Strategic Plan which is in line with the Bank's strategic business plan. Things should be considered are as follows:
 - a. road map to achieve IT requirements that support the Bank's business strategy;
 - b. resources needed;
 - c. benefits gained when the IT Strategic Plan is implemented; and
 - d. constraints that may arise in the execution of the IT Strategic Plan.
2. Formulation of major IT policies, standards and procedures, such as IT key policies and IT risk management policies.
3. Alignment between IT projects approved with the IT Strategic Plan. The IT Steering Committee also sets the priority status of a critical IT project with significant impact on the Bank's operational activities.
4. Alignment between IT project implementation and agreed project plan (Project Charter). The IT Steering Committee also equips the recommendation with the results of analysis of key IT projects. The agenda is also part of the CIC (Capital Investment Committee) agenda.
5. Alignment between IT and management information system needs and the Bank's business needs.



6. The effectiveness of steps taken to minimize the Bank's investment risks in the IT sector so that the Bank's investment in the IT sector contributes to the achievement of the Bank's business objectives.
7. Monitoring of IT performance and the improvement efforts.
8. Efforts to resolve various IT-related issues that cannot be solved by the user's business units and the provider of IT services in an effective, efficient, and timely manner.
9. Adequacy and allocation of resources owned by the Bank.

Meeting, Quorum, and Decision Making

1. Meetings are held at least 4 (four) times in one year
2. The quorum of the meeting is attended by more than 2/3 (two thirds) of the members of the Board of Directors.
3. The decision-making quorum is approved by more than 2/3 (two thirds) of the Board of Directors members present at the meeting.

Work Realization in 2017

1. Established the 2018 – 2020 IT Strategic Plan, Key Initiatives Alignment.
2. Performed regular monitoring of the status of IT strategic project development in the 2017 Corporate Operating Plan.
3. Established the implementation of IT policies such as 2017 Disaster Recovery Testing Plan.
4. Monitored the utilization of IT-related expenses in the Information Technology strategic projects in the 2017 Corporate Operating Plan.
5. Established efforts to improve IT services.
6. Established the IT Security Roadmap.
7. Evaluated and resolved IT issues.
8. Socialized OJK regulatory.

Work Program in 2018

1. Recommendation of 2018 – 2020 IT Strategic Plan.
2. Recommendation of formulation of IT key policies, standards and procedures.
3. Recommendation for prioritizing IT projects and conformity with IT Strategic Plan.
4. Recommendation of implementation of IT projects.

5. Recommendation of conformity of IT with management information system needs and the Bank's business activities.
6. Recommendation of IT's budget assessment and capital expenditure.
7. Monitoring of the efficiency of IT services.
8. Assessment of IT issues.
9. Recommendation of analysis of IT resources owned by the bank.

OPERATIONAL RISK MANAGEMENT COMMITTEE (ORC)

Main Functions and Authorities

ORC has the roles and responsibilities to manage operational risk policies, to ensure an adequate level of operational risk to implement control.

Structure and Membership

Chairman : Risk Management Director

Deputy Chairman 1 : Operations and Information
Technology Director

Deputy Chairman 2 : President Director

Member

- Credit Director
- Compliance, Corporate Affairs and Legal Director
- Treasury and Capital Market Director
- Strategy and Finance Director
- Consumer Banking Director
- Human Resources Director
- Sharia Banking Director
- Business Banking Director
- Chief of Audit Executive
- Chief of Corporate Strategic Initiative
- Chief of Micro Small Medium Enterprise
- Chief of Corporate Banking
- Chief of Commercial Banking

Secretary: Head of Operational Risk Management

Roles and Responsibilities

1. Accept the operational risk framework and policy to ensure that the framework is appropriate for the Bank's current and future size and operational complexity.
2. Review the Bank's significant operational risks and monitor management responses/actions in order to actively manage the Bank's operational risks.



BOARD OF DIRECTORS COMMITTEES

3. Supervise the Bank's overall operational risk control environment by:
 - a. Reviewing risk reports from each directorate;
 - b. Requesting and reviewing thematic reports.
4. Review and approve the Bank's operational policies and the changes that are escalated to the ORC as required.
5. Review other important or critical matters that ORC needs to decide upon.

Meeting, Quorum, and Decision Making

1. Meetings are held at least 10 (ten) times in one year
2. The quorum of the meeting is attendance by more than 50% (fifty percent) of the members of the Committee, including 50% (fifty percent) of the Board of Directors members who are members of the Committee.
3. The decision-making quorum is approved by a minimum of 50% (fifty percent) of Committee members present at the meeting, including 50% (fifty percent) of the Board of Directors members on the Committee who are present at the meeting.

Work Realization in 2017

1. Approved the refining of Operational Risk Management Framework, Policies and Procedures related to Event Management and Data of Operational Risk Loss, Risk & Control Self Assessment, Control Issue Management, Operational Risk Reserve and New Product Approval.
2. Reviewed the different authentication processes in the Personal Loan - Telesales Channel that may pose a compliance risk, and granted approval of the request from the unit to proceed with the authentication process that had been executed until the time the authentication process was implemented as required, at the same time requesting clarification from the OJK. ORC provided direction so that the results of clarification from the OJK were immediately obtained.
3. Monitored and assessed the achievement of the predetermined Risk Appetite.
4. Reviewed the results of 2016 Business Impact Analysis and Risk Assessment, 2017 BCM Work Plan, Implementation of BCM E-Learning in 2017, and approved the Business Continuity and Disaster Recovery Plan 2017 testing schedule.

5. Reviewed the Legal review results and Backtesting results of debtors in the High Watch List category to ensure that the review had been adequately performed to serve as a learning process for the Legal Business to minimize the impact of such operational risk.
6. Monitored corrective action on the monitoring of and compliance with documents to be obtained and exception reports related to loans.
7. Conducted review and discussion related to dormant accounts and corrective action on such dormant accounts including mitigation efforts to prevent potential fraud.
8. Reviewed and discussed the Follow Up Plans from the units having Above Average and High risk ratings and the deadlines to improve the rating to Moderate level, as well as discussions related to the establishment of specific Key Risk Indicators in each unit as one of the parameters to monitor operational risk.
9. Reviewed and discussed the process manuals related to Cash Back/Refund payments and improvement plans to mitigate operational risks.
10. Reviewed and discussed the results of End Point Security and Data Security Road Map surveys including mitigation efforts to protect sensitive data owned by the Bank and vendors.
11. Reviewed the updating of operational risk parameters for the Risk Appetite Statement.
12. Approved Significant Change and Assessment Process (SCAP) Policies and Procedures to ensure that risk assessment and mitigation/control processes had been conducted in such change process.
13. Conducted review and discussion related to the work plan to improve the Bank's effort in data loss prevention.
14. Reviewed and discussed the trends of e-Channel fraud and its mitigation efforts.
15. Reviewed and discussed the implementation of Dukcapil, including the impact and mitigation efforts of risks that may arise.



16. Conducted study and discussion related to process and validation results upon implementation of operational risk management tools.
17. Reviewed the results of risk assessment submitted by each business unit/business support, both for conventional and Sharia Banking, including subsidiaries, and provided guidance and made decisions to improve the control environment, as well as the development of the required system, including monitoring its completion within the targeted timeline.

Work Program in 2018

1. Review and approve operational risk management frameworks as well as other related policies and ensure that such frameworks and policies are properly implemented.
2. Monitor and assess the achievement of the predetermined Risk Appetite.
3. Monitor the Bank's performance in managing operational risk by using various operational risk management tools (ORM Tools) including the established risk appetite.
4. Review the results of risk assessment submitted by each business unit/business support, both for conventional and Sharia banking, including subsidiaries and provide direction and decisions to improve the control environment and also the system development required.
5. Improve monitoring, particularly of critical operational risks, as well as thematic risks to ensure mitigation action has been taken to prevent recurring events in the future, as well as monitoring corrective action taken in accordance with predetermined timelines.
6. Evaluate the implementation of the operational risk management process by ensuring the effective implementation of the Three Lines of Defense.
7. Review and monitor project progress and initiatives that support operational risk management.

CREDIT POLICY COMMITTEE (CPC)

Main Functions and Authorities

The CPC assists the Board of Directors in formulating credit policies, as well as providing advice on improvements related to credit policies. The CPC also serves to ensure compliance with GCG principles in credit policy for the benefit of the Bank and stakeholders.

Structure and Membership

Chairman : President Director

Deputy Chairman 1: Credit Director

Deputy Chairman 2: Risk Management Director

Members

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

Secretary: Wholesale and Commercial Credit Policy Head

Roles and Responsibilities

1. Establish the direction of credit policy, including Risk Acceptance Criteria, credit approval and the process of credit approval, in line with the Bank's risk appetite to drive credit growth with good quality yet still considering prudential banking practices.
2. Establish and ensure consistency of:
 - a. the Bank's compliance with credit management policies and prevailing regulations, particularly those that govern significant risk exposures;
 - b. approval of the Bank's credit management policies and strategies; and
 - c. supervision on the implementation of credit policy.

Meeting, Quorum, and Decision Making

1. Meetings are held at least 10 (ten) times in one year.
2. The quorum of the meeting is at more than 50% (fifty percent) of the members of the Committee, including a minimum of 50% (fifty percent) of the Board of Directors members.



BOARD OF DIRECTORS COMMITTEES

- The decision-making quorum is approval by more than 50% (fifty percent) of the members of the Committee present at the meeting, including a minimum of 50% (fifty percent) of the Board of Directors members.

Work Program and Realization 2017

Credit Policy Enhancement:

A. Commercial (Conventional & Sharia)

Adjustment of the related Bank's internal policies with external regulations (such as the OJK, Government Regulations) and management of risk appetite (RAC) which includes:

- Main Policy of Commercial Credit and Main Policy of Sharia Financing (iB)
- Asset Quality Categorization, particularly on the provision of credit in the disaster areas, credit for procurement and/or land improvements, collectability based on the payment record for micro loans and loan determination after restructuring
- Availability of Business Trade License (SIUP) and Company Registration Certificate (TDP)
- Requirements for the submission of audited financial statements
- Establishment of the limit/capped amount for the bookkeeping of loans from the Champion Challenger Program
- Anti Money laundering (AML) checking arrangement to Ultimate Beneficiary Owner (UBO) as the final controller and the supplier & buyer of the debtors related to trade finance transaction
- Management of In House Credit Limit, Sector Appetite and Sector Limit
- Regulation on the use of agents/introducers by the Bank in seeking commercial customers
- The Bank's cooperation with third parties related to the appointment of the Private Auction Center and the Public Accountant
- Treasury Products, such as credit risk arrangement in Call Spread Transaction, Foreign Exchange Transaction with Cash Collateral (Credit Risk Factor), Delegation of Authority (DoA) for Bond Issuer Limit (as Fast Track)

- Trade Finance Products, such as Trust Receipt, Export Credit, Special Loan for Trade Transactions, Imports, Guarantees, Forfeiting and Trade Finance Products for Sharia (iB)
- Value Chain Products, such as arrangements for Early Alert Signals-Parameters & Action Items, Interim Solutions, Internal Merchandise Appraisal for Inventory under Distribution Financing and Factoring Lending Model in the form of other bills
- Sharia Financing, such as arrangements for Sharia Financing Agreement Standards and Risk Acceptance Criteria for Musyarakah Financing.

B. Consumer:

During 2017 there were some policy adjustments to Retail Products to the external policies issued by the regulator, government regulation and business strategies that correspond with the level of risk defined by the Bank.

CAPITAL MANAGEMENT & RECOVERY PLAN COMMITTEE (CMRP)

Main Functions and Authorities

The CMRP direct and oversee the risks arising from capital management that focuses on the Bank either individually or consolidation, and to consider execution of recovery action and communication plan under conditions of possible breach or in the event of breach of Recovery Plan (RP) triggers.

Structure and Membership

The Committee consists of all members of the Board of Directors plus the Bank's Executive Officers appointed by the Board of Directors.

Structure of committee membership consists of:

- Chairman** : President Director
Vice Chairman 1: Director of Strategy & Finance
Vice Chairman 2: Director of Risk Management



Members: Committee members appointed based on the CMRP meeting as of December 5, 2017 consisting of:

a) Voting Members:

- President Director
- Director of Strategy & Finance
- Director of Capital Market & Treasury
- Director of Risk Management
- Director of Consumer Banking
- Director of Business Banking
- Director of Sharia Banking
- Director of Credit
- Director of Legal, Compliance and Corporate Affairs

b) Non-voting Members:

- Head of Finance/ALM Finance Group Head
- Head of Wholesale Banking Credit/ALM Risk Group Head/Integrated Risk & BASEL PMO Head
- Head of Funding & Gapping

c) Invitee: Executive Officers – Corporate Strategy Initiatives

Secretary: Head of Finance

Purposes

The Purpose of the CMRP is as follows:

- a. Establish, achieve, and maintain sound and optimal capital targets, and efficient capital structure for the Bank.
- b. Ensure the diversification of capital sources.
- c. Allocate capital efficiently among operational entities and business units, in line with the Bank's long-term business strategy and relevant returns.
- d. Assess and select the most appropriate recovery action, as well as communication channels based on the events that caused the recovery conditions.

Functions

Functions related to capital management:

- a. Review market conditions and solutions/instruments related to capital management, such as more optimal funding sources, and solutions to meet capital adequacy targets, etc.
- b. Establish and determine capital management policies, strategies and procedures that are appropriate with the Bank's size, characteristics,

business complexity, and risk level, and ensure the Bank maintains adequate capital levels to anticipate Bank's risks.

- c. Ensure the Bank's strategic plan includes capital management strategies that reflect capital needs, anticipate capital expenditures, capital targets to be achieved, and expected capital resources.
- d. Ensure capital management strategies, policies and procedures are communicated and implemented.
- e. Review and approve the Internal Capital Target (ICT) ratio including the Trigger Ratio which is the minimum level of capital that triggers necessary follow-up measures.
- f. Review and approve targeted dividend payout ratio to ensure and balanced the capital adequacy and capital structure efficiency.

Functions related to Recovery Plan (RP):

A. Business-as-Usual Conditions ("BAU"):

1. Maintain and update RP framework, policies and processes which comprise analysis of core business lines, critical economic functions, interdependencies, RP stress tests, RP triggers, and recovery options, at least annually.
2. Resubmit the revised RP to the Board of Commissioners, Board of Director, shareholders, and regulators to obtain the relevant approval, if necessary approval is needed.
3. Receive the current level information of established Early Warning Indicators (EWI) and Recovery Indicators on a regular basis from business and support units. EWIs could serve as a sign for potential breach of recovery indicator.
4. Provide declaration and activation of "Recovery Stage" upon assessment of recovery indicators.
5. Determine if any technical reasons are prevalent which impacted RP triggers and provide management overlay on the formal activation of "Recovery Stage".



BOARD OF DIRECTORS COMMITTEES

6. Provide direction, review and approval RP prior to submission to the regulators and parent company.
7. Determine the appropriate RP triggers.
8. Deliberate on the possible actions and strategies at disposal to Bank under "Recovery Stage" and shortlist preferred actions and strategies.
9. Approve budget related to RP activities.
10. Carry out a dry run on an annual basis to ensure governance and communication structures can be executed during the recovery phase.
11. Validate the readiness of infrastructure to support recovery options after "Recovery Stage" declaration.

B. During activation of RP:

1. Receive notification from the management committee/business unit and support unit when the recovery indicator is exceeded and perform the "Recovery Stage" activation declaration.
2. When recovery indicator triggers are exceeded, the committee shall provide notification to the Board of Directors, Board of Commissioners, shareholders, and the relevant regulators.
3. Notify other relevant committees (case-by-case basis) such as Crisis Management Committee and Funding Crisis Management Team (FCMT) that recovery indicator triggers have been triggered and support may be required.
4. Deliberate and approve recovery options and strategies with assistance of the Management Committee(s).
5. Provides directions on the execution of RP based on the shortlisted recovery options pre-specified in BAU phase.
6. Determine the involvement of business units and support units in support of "Recovery Phase".
7. Activate RP communication strategies.
8. Activate Non-Credit Discretionary Powers to utilize unplanned recovery costs (unbudgeted).

Meeting, Quorum, and Decision Making

1. Meetings are held at least 4 (four) times in one year.
2. The quorum of the meeting is at a minimum of 50% (fifty percent) and 1 (one) of the Committee members.
3. The decision-making quorum is approval by 50% (fifty percent) of Committee members present at the meeting.

Work Realization in 2017

- a. The Committee determined the level of ICT and Trigger Ratio for 2017 and 2018.
 - i. As a form of comprehensive capital monitoring, actual capital accomplishment against ICT is monitored by RMC on a monthly basis.
 - ii. Minimum regulatory capital according to Bank's Profile, new regulations affecting minimum capital such as capital buffer, stress test simulation, business growth projection, and significant events or transactions that occurred in 2017 has been included in determining ICT level.
- b. The Committee has endorsed corporate action plans for 2018 that had impact on the Bank's capital utilization.
- c. The Committee has approved and provided direction related to Risk Weight Asset (RWA) Optimization project initiatives for 2017.
- d. The Committee has approved RWA Optimization & Adjustment Governance in 2017.
- e. New regulations issued in 2017 that have significant impact on the Bank's capital was OJK Regulation No 14/POJK.03/2017, regarding the Bank's Action Plan (Recovery Plan) which included the following impacts:
 - i. Bank must have standard procedures for Recovery Plan.
 - ii. Bank must submit the Recovery Plan to OJK by December 2017.
 - iii. Bank must have debt or investment instruments with capital characteristics no later than December 2018.
 - iv. Bank must disclose Bank's Recovery Plan.
 - v. Bank should conduct evaluation and stress testing on the Recovery Plan.

- vi. Banks should develop an information management system to support the evaluation and testing of the Recovery Plan.
- f. The Committee has approved the designation of the CMC as the executive committee responsible for the Bank's Recovery Plan and the change of the CMC name into Capital Management & Recovery Plan Committee (CMRPC).
- g. The Committee approved the RAROC ratio for each of CIMB Niaga's business line.
- h. The Committee approved the Annual Integrated Planning Framework (AIPF) policy related to the annual Bank's business plan.

Work Program in 2018

- a. Determine annual minimum limit of minimum Capital Adequacy Ratio (CAR) known as the Internal Capital Target (ICT) and Trigger Ratio which is the capital limit that triggers the follow-up measures for capital adequacy.
- b. Identify significant events/transactions to be performed by the Bank and identify their impact to the Bank's capital.
- c. Identify new regulations issued by the regulators and their impact to the Bank's capital.
- d. Determine the ratio of Risk Adjusted Return on Capital (RAROC) as one of business performance evaluation indicator.
- e. Determine/approve new policies related to capital.

Attendance of Board of Directors in Executive Committee Meetings

No	Name	RMC	ORC	ITSC	ALCO	CPC	CMRP
		Attendance					
1	Tigor M. Slahaan	11	11	6	36	13	3
2	Wan Razly Abdullah	11	11	4	31	13	4
3	Rita Mas'Oen	12	9	6	1	12	1
4	Megawati Sutanto	12	9	3	0	12	1
5	Vera Handajani	13	11	6	12	14	3
6	John Simon	12	10	5	42	13	4
7	Lani Darmawan	13	10	5	24	11	3
8	Fransiska Oei	13	10	4	3	14	2
9	Hedy Lapian	12	10	1	27	12	3
10	Pandji Djajanegara	11	11	6	38	13	4
11	Rahardja Alimhamzah	5	04	3	11	4	3
Total Meetings		13	11	6	50	14	4
Total Minimum Meetings based on TOR		10	10	4	12	10	2

*: Invitee member TOR ITSC for ITSC I - IV.



Corporate Secretary

PROFILE OF CORPORATE SECRETARY



Fransiska Oei
Corporate Secretary

Appointed as Corporate Secretary of PT Bank CIMB Niaga Tbk and domiciled in Jakarta, Indonesia.

The complete profile is listed in the BOD Profiles.

LEGAL REFERENCES

The legal references for the appointment of Fransiska Oei as Corporate Secretary is based on Circular Decision Letter of the Board of Directors of PT Bank CIMB Niaga Tbk. 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 Indonesian Stock Exchange Regulation No. I-A dated 20 January 2014. The appointment was reported to the OJK (both OJK Supervising Agency and OJK Capital Market) on 23 September 2016 and was announced to the public through the IDXNet website (e-reporting) at the same day.

TERM OF OFFICE

Fransiska Oei has served as Corporate Secretary since 26 September 2016 up to present.

Organizational Structure of Corporate Secretary



ROLES AND RESPONSIBILITIES

Roles and responsibilities of the Corporate Secretary of CIMB Niaga are as follows:

1. Keeping abreast of the prevailing rules and regulations in the Capital Market.
2. Providing input to the Board of Directors and Board of Commissioners to comply with Capital Market regulations issued by the Financial Services Authority (OJK), Indonesian Stock Exchange (IDX) and other Regulators pertaining to the Capital Market.
3. Organizing and documenting the General Meeting of Shareholders and Public Expose.
4. Organizing and attending Board of Commissioners meetings, Board of Commissioners meetings attended by Board of Directors, Committees under Board of Commissioners meetings, as well as preparing and administering the minutes of the meetings.
5. Organizing and attending Board of Directors meetings, Board of Directors meeting attended by Board of Commissioners, Committees under Board of Directors meetings, as well as preparing and administering the minutes of the meetings.
6. Submitting reports related to Capital Market regulations, either regular or ad-hoc reports, to the OJK and IDX, in a timely manner.

7. Performing information disclosure to the public in accordance with prevailing rules and regulations.
8. Improving and aligning Corporate Governance implementation practices of the Bank with OJK principles and the ASEAN Corporate Governance Scorecard.
9. Preparing documents and assisting the Fit and Proper Test process for candidates of Board of Commissioners and/or Board of Directors members.
10. Conducting an orientation program for new members of the Board of Directors and/or Board of Commissioners in order to provide knowledge and understanding of the Bank.
11. Administering all original documents of the Bank such as licenses, deeds, certificates, minutes of meetings and internal policies.
12. Administering and distributing all incoming letters addressed to the Bank for follow-up.
13. Acting as liaison officer between the Bank and its shareholders, investors, authorities and other stakeholders.

TRAINING OF CORPORATE SECRETARY IN 2017

In order to improve knowledge and understanding to support the implementation of its duties and responsibilities, during 2017, Corporate Secretary attended the following training programs/seminars/workshops:

No.	Type of Training/Seminar/Workshop/ Knowledge Sharing	Organizer	Date & Venue
1.	Cyber Security Threats	Ginting & Reksodipuro	9 Feb 2017 Energy Building - Jakarta
2.	BMC Offsite Training	Shyamli Rathore	9 – 10 March 2017 Hotel Intercontinental, Bandung
3.	Indonesia-Korea Financial Cooperation Forum 'Challenges and Areas of Cooperation in the Financial Industries of Indonesia & Korea'	Perbanas & Korea Federation of Banks (KFB)	12 April 2017 Hotel Fairmont, Jakarta
4.	Future Policy and Development of Payment System in Indonesia	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)	24 May 2017 Hotel Pullman, Jakarta
5.	Common Report Standard - Seminar	PwC Indonesia	15 June 2017 Graha CIMB Niaga, Jakarta
6.	Workshop of ASEAN CG Scorecard-Based GCG Implementation	OJK	28 Sept 2017 Hotel Dharmawangsa, Jakarta
7.	Role of The Boards in Creating and Sustaining Corporate Governance Culture	IICD	27 Nov 2017 Hotel Pullman, Jakarta
8.	Future APU and PPT Policy and Consumer Protection in Banking Sector	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)	7 Dec 2017 Hotel Le Meridien, Jakarta

DUTIES IMPLEMENTATION OF CORPORATE SECRETARY IN 2017

In 2017, the Corporate Secretary performed the following duties and responsibilities in accordance with its mandated functions:

1. Kept abreast of developments in Capital Market, particularly the prevailing rules and regulations of the Capital Market, by ensuring compliance with new regulations issued by the OJK, IDX and other Regulators relating to the Capital Market and conveyed such information and providing input to the Board of Directors and Board of Commissioners, including:
 - a. POJK No. 10/POJK.04/2017 on Amendment to POJK No. 32/POJK.04/2014 on the Plan and Organization of the General Meeting of Shareholder of Public Company.
 - b. POJK No. 11/POJK.04/2017 regarding Report of Share Ownership or Any Changes in the Share Ownership of Public Company.
 - c. POJK No. 13/POJK.03/2017 on Use of Service of Public Accountant and Public Accounting Firm in Financial Services Activities, in particular the Role of Audit Committee.



CORPORATE SECRETARY

2. Organized and documented the Annual GMS held concurrently with the Extraordinary GMS on 24 April 2017 and the second Extraordinary GMS on 25 August 2017, Public Expose on 12 July 2017 and ensured regular communication with investors through Analyst Meetings held on a quarterly basis, both by physical presence and by conference call.
3. Conducted Board of Commissioners meetings once a month, Board of Commissioners meetings attended by the Board of Directors once every 3 (three) months, Committees under Board of Commissioners meetings, as well as prepared and administered the minutes of the meetings.
4. Conducted and attended Board of Directors meetings once a week and Board of Directors meetings attended by Board of Commissioners once every 3 (three) months, prepared the minutes of the meetings, as well as organized and attended the Executive Committee meetings of Board of Directors.
5. Submitted regular and ad-hoc reports to the regulators based on prevailing rules and regulations.
6. Provided disclosure of information to the public in accordance with prevailing regulations.
7. Administered, distributed and prepared follow-ups on incoming mail addressed to the Board of Directors and Board of Commissioners. In 2017 the Bank received 7301 letters, addressed to the Board of Directors and/or Board of Commissioners, from OJK Supervisory, OJK Capital Market, Bank Indonesia, PPATK, IDX, KSEI, Court, State Police, Directorate General of Taxes, and others.
8. Prepared documentation and assisted in the Fit and Proper Test process for 1 (one) Board of Directors candidate member and for 1 (one) Board of Commissioners candidate member.
9. Provided an orientation program for Board of Commissioners and Board of Directors candidate members.
10. Updated and adjusted Board of Commissioners and Board of Directors Charters in accordance with prevailing rules and regulations and good governance practices.
11. Established a Good Corporate Governance Unit to improve and ensure the implementation of good corporate governance at the Bank.

DISCLOSURE OF INFORMATION IN 2017

In 2017, the Corporate Secretary conveyed information to the public through mass media, IDX and CIMB Niaga website in bahasa Indonesia and English, and submitted regular as well as ad-hoc reports to IDX and OJK as follows:

Regular Report

Type of Report	Addressee	Reporting Period	Total
Monthly Report of Securities Holder Register of BNGA	IDX	Monthly	12
Consolidated Financial Statements of the Bank and its Subsidiaries	OJK & IDX	Quarterly	4
Annual Report	OJK & IDX	Annually	1
Annual Rating Report	OJK & IDX	Annually	2
Report of Foreign Currency Debt	OJK	Monthly	12
Financial Statements of Ultimate Shareholders	OJK	Semi-annually	2
Annual Report of Ultimate Shareholders	OJK	Annually	1
Report of Related Parties	OJK	Semi-annually	2

**Ad-hoc Reports**

Date	Reporting Topics
Jan – Feb 2017	53 disclosures on Specific Information of Shareholders
12 January 2017	Report on the Use of Fund from Public Offering
23 January 2017	Disclosure of Information: Confirmation on Fund for the 17 th Interest Payment for Shelf-Registered Bonds I Bank CIMB Niaga Phase I, Year 2012 Series B
23 January 2017	Disclosure of Information: Confirmation on Fund for the 1 st Interest Payment for Shelf-Registered Bonds II Bank CIMB Niaga Phase I, Year 2016
10 February 2017	Disclosure of Information: Confirmation on Fund for the 13 th Interest Payment for Shelf-Registered Bonds I Bank CIMB Niaga Phase II, Year 2013, Series C
20 February 2017	Submission of Annual Financial Report
21 February 2017	Submission of Evidence of Publication of Annual Financial Statements
3 March 2017	Submission of Report of Plan to Organize Annual GMS
10 March 2017	Submission of Evidence of Publication of GMS Notification
10 March 2017	Submission of Evidence of Publication of Share Buyback Information
10 March 2017	Disclosure of Information: Share Buyback Plan of PT Bank CIMB Niaga Tbk ("the Company")
24 March 2017	Submission of agenda of Annual and Extraordinary GMS
27 March 2017	Submission of Publication of Summons for GMS
30 March 2017	Disclosure of Information: Confirmation on Fund for the 27 th Interest Payment of Subordinated Bonds I of Bank CIMB Niaga, Year 2010
30 March 2017	Submission of Evidence of Announcement of the Correction of Name of Public Accountant Appointed during Annual GMS of PT Bank CIMB Niaga Tbk.
30 March 2017	Clarification of Stock Exchange Data Query
10 April 2017	Disclosure of Information: Confirmation on Fund for the 18 th Interest Payment of Shelf-Registered Bonds of Bank CIMB Niaga Phase I, Year 2012, Series B
26 April 2017	Disclosure of Information: Confirmation on Fund for the 2 nd Interest Payment of Shelf-Registered Bonds II Bank CIMB Niaga Phase I, Year 2016
26 April 2017	Submission of Evidence of Publication of Annual GMS Resolutions
27 April 2017	Submission of Resolutions of Annual and Extraordinary GMS
27 April 2017	Submission of Evidence of Publication of Interim Financial Statements
27 April 2017	Submission of Interim Financial Statements
9 May 2017	Disclosure of Information: Confirmation on Fund for the 14 th Interest Payment of Shelf-Registered Bonds of I Bank CIMB Niaga Phase II, Year 2013, Series C
17 May 2017	Annual Public Expose Plan
19 May 2017	Annual Rating Report (FITCH)
29 May 2017	Announcement of Postponement of Annual Public Expose Plan
16 June 2017	Disclosure of Information: Confirmation on Fund for the 26 th Subordinated Bonds II Bank CIMB Niaga, Year 2010, with Fixed Interest Rate
16 June 2017	Disclosure of Information: Confirmation on Fund for the Principal Payment and the 28 th Interest Payment of Subordinated Bonds I Bank CIMB Niaga, Year 2010
20 June 2017	Annual Public Expose Plan
4 July 2017	Submission of Report on Extraordinary GMS Plan
7 July 2017	Submission of Annual Public Expose Materials
11 July 2017	Submission of Evidence of Publication of Extraordinary GMS Announcement
11 July 2017	Disclosure of Information: Announcement of Paid-off of Subordinated Bonds I Bank CIMB Niaga, Year 2010



Performance
Highlights



Management
Reports



Company
Profile



Management Discussion
and Analysis



Risk
Management

CORPORATE SECRETARY

Date	Reporting Topics
13 July 2017	Disclosure of Information: Confirmation on Fund for the 19 th Interest Payment of Shelf-Registered Bonds of I Bank CIMB Niaga Phase I Year 2012 Series B
13 July 2017	Disclosure of Information: Confirmation on Fund for the 3 rd Interest Payment of Shelf-Registered Bonds of II Bank CIMB Niaga Phase I, Year 2016
14 July 2017	Report of Result of Annual Public Expose
18 July 2017	Disclosure of Information: Report of Revision on the Implementation of Share Buyback Plan of PT Bank CIMB Niaga Tbk
18 July 2017	Submission of Evidence of Publication of Share Buyback Announcement
25 July 2017	Disclosure of Information: Resignation of Commissioner of PT Bank CIMB Niaga Tbk ("CIMB Niaga")
26 July 2017	Summons for Extraordinary GMS
26 July 2017	Submission of Evidence of Publication of Summons for Extraordinary GMS
31 July 2017	Submission of Interim Financial Statements
31 July 2017	Submission of Evidence of Publication of Interim Financial Statements
2 August 2017	Annual Rating Report (PEFINDO)
3 August 2017	Additional Information of Issuance of Shelf-Registered Bonds II Bank CIMB Niaga Phase II, Year 2017
7 August 2017	Disclosure of Information: Confirmation on Fund for the 15 th Interest Payment of Shelf-Registered Bonds I Bank CIMB Niaga Phase II, Year 2013, Series C
28 August 2017	Disclosure of Information: Sales of Additional Securities for Public or Limited Sales of Shares with Material Amounts
25 August 2017	Submission of Evidence of Publication of Extraordinary GMS Resolution
28 August 2017	Resolution of Extraordinary GMS
19 September 2017	Disclosure of Information: Confirmation of Fund for the 27 th Payment of Subordinated Bonds II Bank CIMB Niaga, Year 2010 with Fixed Interest Rate
29 September 2017	Disclosure of Information: Replacement of Share Registrar of PT Bank CIMB Niaga Tbk
16 October 2017	Disclosure of Information: Confirmation of Fund for the Principal Payment Series B and the 20 th Interest Payment of Shelf-Registered Bonds I Bank CIMB Niaga Phase I, Year 2012
17 October 2017	Disclosure of Information: Additional Information Summary of Shelf-Registered Bonds II Bank CIMB Niaga Phase III, Year 2017
31 October 2017	Submission of Evidence of Publication of Interim Financial Statements
31 October 2017	Submission of Interim Financial Statements
3 November 2017	Disclosure of Information: Issuance of Shelf Registered Bonds II Bank CIMB Niaga Phase III, Year 2017
15 November 2017	Disclosure of Information: Confirmation of Fund for the Paid off of Shelf-Registered Bonds II Bank CIMB Niaga Phase I, Year 2016, Series A
20 November 2017	Disclosure of Information: Confirmation of Fund for the 1 st Interest Payment of Shelf-Registered Bonds II Bank CIMB Niaga Phase II, Year 2017
4 December 2017	Disclosure of Information: Confirmation of Fund for the 28 th Interest Payment of Shelf-Registered Bonds II Bank CIMB Niaga, Year 2010 with Fixed Interest Rate

Compliance Management

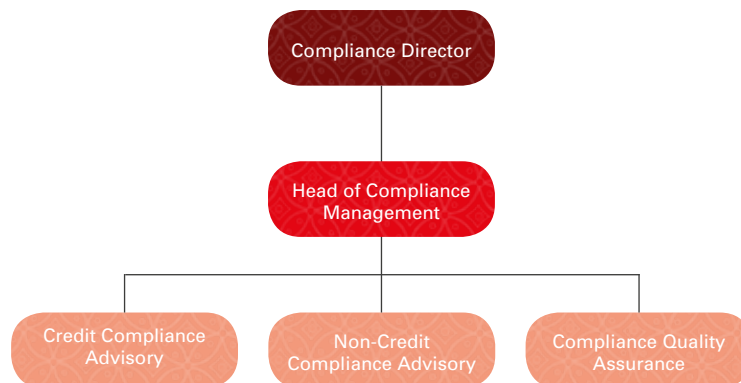
Profile of Head of Compliance Management



Liston Siahaan
Head of Compliance Management

Indonesian citizen, 49 years old. He has been serving as Head of Compliance Management of CIMB Niaga since October 2013. Previously he served as Division Head of Risk Management Group of Bank Niaga and worked at the Indonesian Bank Restructuring Agency and PT Pefindo. He holds a Bachelor degree from the Bandung Institute of Technology in 1992 and a Master of Management from Prasetya Mulya Business School, Jakarta in 1996.

Compliance Management Organizational Structure



DUTIES AND RESPONSIBILITIES OF COMPLIANCE MANAGEMENT

- Establishes compliance policies and conducts reviews and updates on a regular basis.
- Constructs compliance measures and programs in order to support the creation of a Compliance Culture in all Bank operations at every level of the organization.
- Identifies, measures, monitors, and controls Compliance Risk in accordance with risk management for Commercial Banks and Sharia Business Units (SBU).
- Assesses and evaluates the effectiveness, adequacy, and suitability of CIMB Niaga's policies, rules, systems, and procedures toward the requirements of regulators. In addition, also performs validation of compliance in working units.
- Reviews and provides recommendations for updating and refining the current policies, regulations, systems, and procedures to be in



COMPLIANCE MANAGEMENT

- compliance with the provisions of the authorities, including the sharia principles for SBU.
- f. Performs the function of liaison officer of CIMB Niaga with regulators, particularly related to the compliance and regulatory audits.
 - g. Reports on the compliance function and compliance status of CIMB Niaga to the Board of Directors through the Compliance Director.
 - h. Advises on inquiries from working units relating to the regulation from authorities.
 - i. Conducts training/socializations on regulations and other compliance programs.
 - j. Performs other duties related to the Compliance Function.

COMPLIANCE PRINCIPLES ACCORDANCE WITH OJK

The Bank at all times takes compliance measures as part of compliance risk management of its business and operational activities in accordance with POJK No.46/POJK.03/2017 on the Compliance Function in Commercial Banks. Compliance risk management is important for the Bank as custodian of public funds and in the highly regulated banking industry, while also to be relevant with the development of public's need and financial technology innovation.

The Compliance Function serves as one of the factors Good Corporate Governance and the Bank is committed to comply with the rules and regulations, through compliance risk management that based on compliance principles, as follows:

1. Compliance starts from the top;
2. Compliance is everyone's responsibility;
3. Compliance with laws and regulations;
4. Compliance is implemented with competence and integrity according to responsibilities;
5. Compliance is stakeholders oriented;
6. Compliance is dedicated to the Bank's continuity; and
7. Compliance is problem solving oriented.

COMPLIANCE FUNCTION

The Bank established an independent Compliance Unit (SKK) directly reporting to the Director in charge of the Compliance Function. SKK is responsible for the Compliance Function in order to support the establishment of a Compliance Culture. SKK is also responsible for ensuring that the policies, provisions, systems and procedures, and business activities undertaken by the Bank are in compliance with regulation.

COMPLIANCE MANAGEMENT PLANS AND FRAMEWORK IN 2017

The 2017 Compliance Plan based on the Compliance Framework are as follows:

- a. Programs and Activities in Compliance Internalization
 - i. Updating the banking regulation database and other related regulations.
 - ii. Socialization and training related to banking regulations.
- b. Programs and Activities in Compliance Implementation
 - i. Advisory, which includes providing recommendations/opinions and clarifications from SKK based on request for advice from other working units related to the fulfillment of compliance.
 - ii. Compliance Testing, which includes compliance tests for plans of new product/activity and new policies/procedures and its amendments.
- c. Programs and Activities in Compliance Monitoring and Reporting
 - i. Refinement of the framework and improvement of Risk Control Unit (RCU) competencies through discussion and training.
 - ii. The RCU reports the Risk Control Self Assessment (RCSA) results to SKK.
 - iii. SKK reviews the RCSA report, including to conduct validation on RCSA.
 - iv. Monitoring CIMB Niaga's commitment to regulators.
 - v. Periodic compliance reports to Board of Directors, Board of Commissioners and regulators.



vi. Submit Integrated Compliance report of compliance implementation in CIMB Indonesia Financial Conglomerate.

COMPLIANCE ACTIVITIES IN 2017

In order to support the building of a Compliance Culture, SKK undertook Compliance Program activities in 2017 as follows:

a. Socialization of Regulations

SKK socializes regulations, administrates and updates the banking regulatory database on the Bank's internal web-based system, which is an e-manual. Socialization is conducted through face-to-face training and electronic-based communication tools.

b. Compliance Test

SKK conducts compliance tests on internal policies as well as new products and/or activities to comply with external regulations. SKK also provides opinions to working units based on prudential principles and in compliance with regulations from authorities.

c. Monitoring of Compliance Implementation

SKK monitors compliance implementation in working units through self-assessment of RCSA/CM (Risk Control Self-Assessment/Compliance Matrix) that conducted by each RCU/DCORO

(Risk Control Unit/Designated Compliance & Operational Risk Officer) as well as results from other independent units (such as Internal Audit, Risk Management) and examination results from authorities. The Bank has established RCUs as part of the 1st line of defense in each Directorate whose function is to self-assess the compliance risk and monitor fulfillment of compliance in such unit.

d. Validation of Compliance Implementation

SKK also conducts evaluation/validation on compliance implementation in working units. Evaluation/validation is conducted to verify the working units are perform assessments on RCSA and whether is there are any compliance issues in the working unit.

e. Monitoring by Regulators

The Compliance Unit at the Bank is regularly audited by regulators (OJK and BNM) as well as by Internal Audit. In 2017 there were no regulatory audit findings related to the Compliance unit, while Internal Audit recommendations have been followed up by the Compliance Unit.

f. Compliance Report

SKK submits compliance reports and compliance activities of the Bank to internal parties and regulators in accordance with the regulations.

Compliance Activities	2017
Regulations Socialized by SKK	110 new regulations were disseminated
Training by SKK	1,405 training participants
Compliance Tests by SKK	297 policies and products were tested



COMPLIANCE MANAGEMENT

FULFILLMENT OF COMPLIANCE REQUIREMENTS TO RELEVANT AUTHORITIES

SKK monitors and maintains CIMB Niaga's compliance with the commitments made to regulators. Throughout 2017, CIMB Niaga fulfilled its commitments to regulators.

To help monitor the fulfilment of commitments in the Bank, SKK has established a system/application called Regulatory Monitoring Commitment (RECOM).

COMPLIANCE INDICATORS IN 2017

1. Capital Adequacy Ratio/CAR (credit risk, market and operational risk) was 18.23%, meeting the regulatory minimum requirements.
2. There was no breach or violations on Maximum Legal Lending Limit regulation.
3. Net Non Performing Loan (NPL) was 2.17% meeting the maximum 5% limit.
4. Minimum Statutory Reserve (GWM) of Rupiah for Daily and Average was 5.36% and 6.74% meeting the minimum requirements of 5% and 6.5%, respectively.
5. Minimum Statutory Reserve (GWM) of Foreign Currency was 8.76%, meeting the minimum limit requirement of 8%.
6. Liquidity Coverage Ratio was 129.29% meeting the minimum limit requirement of 100%.
7. Net Open Position (on and off balance sheet) was 0.80% meeting the maximum limit of 20%.
8. The regulatory audit commitments are met accordingly and in timely manner.



► Internal Audit Unit (IAU)

Internal audit function at CIMB Niaga is performed by the Internal Audit Unit (IAU). The main duties of Internal Audit are to ensure that the Bank's management and operations are in compliance with prevailing rules and regulations and support the Bank's interests and objectives. Internal Audit is also responsible for ensuring the adequacy and proper implementation of internal control process.

INTERNAL AUDIT CHARTER

The IAU of CIMB Niaga follows the Internal Audit Charter as a guidance that sets forth the vision and mission, function and scope of work, responsibility, authority, accountability, independence, and code of conduct of IAU. The Internal Audit Charter is regularly reviewed and updated as required by the organization. The latest reviews and updates were done on 29 May 2017 and have been approved by the President Director and the Board of Commissioners.

The Internal Audit Charter is developed to comply with OJK Regulation No. 56/POJK.04/2015 on the Establishment and Guidelines for the Establishment of Internal Audit Charter, OJK Regulation No. 18/POJK.03/2014 dated 18 November 2014 concerning Integrated Governance for Financial Conglomerations and Bank Indonesia Regulation No.1/6/PBI/1999 dated 20 September 1999 on the Assignment of Compliance Director and Implementation of Internal Audit Standards for Commercial Banks.

The Internal Audit Charter governs the conduct and guidance of audits to ensure:

1. Risks have been properly identified and managed.
2. Interactions with various governance groups have been well managed.

3. Key financial, managerial and operational information is accurate, reliable and timely.
4. Employee actions are in accordance with prevailing policies, rules and regulations.
5. Resources are economically acquired and efficiently used and adequately protected.
6. Programs, plans and goals are well achieved.
7. The quality and continuous improvement have been embedded in CIMB Niaga control process.
8. Regulations which have significant impact on CIMB Niaga are properly acknowledged and addressed.
9. Opportunities to improve CIMB Niaga's management, profitability and reputation are identified and disclosed during the audit.

APPOINTMENT OF CHIEF AUDIT EXECUTIVE

The Chief Audit Executive was appointed by the President Director with the approval of the Board of Commissioners effective as of 3 January 2017 based on Decision Letter No.024/HROB/HRS/XII/2016. The appointment of the Chief Audit Executive was reported to Bank Indonesia and the Financial Services Authority, respectively, in Letter No.008/DIR/XII/2016 dated 19 December 2016. As an independent control unit, IAU reports directly to the President Director and in a matrix to the Board of Commissioners through the Audit Committee. The President Director also has the authority to terminate the Chief Audit Executive if the individual is deemed unable to perform the duties in accordance with his/her responsibilities.

INTERNAL AUDIT UNIT (IAU)

HEAD OF INTERNAL AUDIT PROFILE (CHIEF AUDIT EXECUTIVE)



▶ **Antonius Pramana Gunadi**
Chief Audit Executive

Indonesian citizen, 43 years old. He joined CIMB Niaga in December 2016 and has been serving as Chief Audit Executive since 3 January 2017. He started his career as an Auditor at public accounting firm of Coopers & Lybrand, KPMG and Ernst & Young before entering the banking industry and becoming Head of Internal Audit at ABN Amro Bank Indonesia, Barclays Indonesia, Bank Internasional Indonesia. Prior to joining CIMB Niaga, he served as Audit Director at Citibank and was responsible for audit activities in Indonesia and a number of countries in Asia and EMEA. He holds a Bachelor degree in Accounting from Tarumanagara University and several international certifications such as the Certified Internal Auditor (CIA) and Certified Anti Money Laundering Specialist (CAMS).

Training and workshops attended in 2017 were BMC Offsite Training, Digital Leadership Series, Meet & Great with Top Senior Leaders of CIMB Niaga, Public Speaking, Sharing Programs - Cyber Security and Risk Management Certification Refreshment.

IAU HUMAN RESOURCE AND PROFESSIONAL CERTIFICATION

As of December 2017, the number of internal auditors in IAU was 118 auditors, including Chief Audit Executive. During 2017, IAU organized 85 training programs with a total of 10,138 training hours attended by 1,950 participants. IAU also sends auditors to perform joint audit with the Internal Audit Group at CIMB Group for the purpose of benchmarking and sharing knowledge of best audit practices implemented in each country. IAU also continuously improves the expertise and competency of auditors by engaging auditors in various training programs, seminars, and workshops both local and overseas. One of the efforts to improve auditor competency in terms of audit skills, risk management, and information security, is facilitating access for internal auditors to be able to participate in the international- online training.

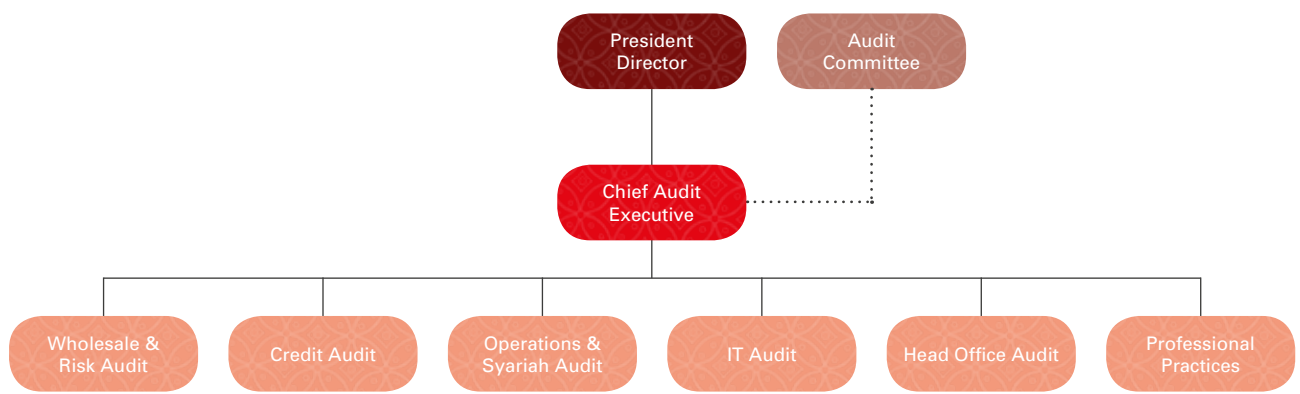
In addition, Internal Audit is also required to obtain Internal Audit professional certification such as Qualified Internal Auditor (QIA). Other professional certification programs that have been attended include Certified Internal Auditors (CIAs), Certified Risk Management Assurance (CRMA), Certified Information Systems Auditors (CISA) and Certified Ethical Hackers (CEH), with the following certifications:

Certification	Total Auditor
International Certification	
Certified Internal Auditor (CIA)	3
Certified Information System Auditor (CISA)	10
Certified Risk Management Professional (CRMP)	1
Certified Information System Security Professional (CISSP)	1
Certified in Risk Management Assurance (CRMA)	2
Certified in Risk and Information System Controls (CRISC)	3
Certified Forensic Auditor (CFrA)	1
Certified Ethical Hacker (CEH)	9
Certified Objective for Information and Related Technology (COBIT5)	3
Certified Information System Manager (CISM)	1
Certified Anti Money Laundering Specialist (CAMS)	2
Financial Risk Manager (FRM)	1
Quality Assurance Review (QAR)	2

Certification	Total Auditor
National Certification	
Qualified Internal Auditor (QIA)	52
Risk Management Certifications Level I	51
Risk Management Certifications Level II	53
Risk Management Certifications Level III	6
Risk Management Certifications Level IV	2

IAU STRUCTURE AND COMPOSITION

In accordance with Bank Indonesia Regulation No.1/6/PBI/1999 dated 20 September 1999 on the Assignment of Compliance Director and Implementation of Internal Audit Standards for Commercial Bank and OJK Regulation No. 56/POJK.04/2015, the IAU in Bank's organization structure is under the President Director.



IAU ROLES AND RESPONSIBILITIES

The IAU has a role in providing independent and objective assurance consulting services that can add value and improve the Bank's operations. IAU assists the Bank in achieving its objectives by evaluating and improving the effectiveness of risk management, internal control and governance processes. In accordance with the Internal Audit Charter, the duties and responsibilities of IAU of CIMB Niaga are as follows:

1. Develop an annual audit plan based on a risk-based methodology, and submit annual audit plans to the Board of Directors and to the Board of Commissioners through the Audit Committee for approval.
2. Implement an approved annual audit plan, including any specific tasks or projects requested by the Board of Directors or by the Board of Commissioners through the Audit Committee.
3. Ensure the availability of sufficient number of audit staff with sufficient knowledge, expertise, and experience and certified professionals to conduct the audit.
4. Conduct audit activities and assess the efficiency and effectiveness in finance, accounting, operations, human resources, marketing, information technology and other activities.
5. Prepare audit report and submit the report to the audited party with a copy to the President Director, Compliance Director and other relevant units and to the Board of Commissioners through the Audit Committee.
6. Periodically report to the Board of Directors and Board of Commissioners through the Audit Committee on the objectives, authorities, and responsibilities, and the performance of IAU activities in comparison with their planning. Reporting also includes significant risk exposure and control issues.
7. Prepare semester reports on the implementation of the key points of audit results to the Financial Services Authority, no later than 2 months after the end of the period.
8. Report specifically to the Financial Services Authority on the findings of Internal Audit that could significantly disrupt the business sustainability of CIMB Niaga.



INTERNAL AUDIT UNIT (IAU)

9. Report to the Financial Services Authority on external audit results disclosing an opinion on the performance of Internal Audit Unit and compliance with SPFAIB and any room for improvements.
10. Follow up on audit findings and recommendations. All significant audit findings will remain “unfinished” until those findings are resolved.
11. Inform the status of corrective actions on audit findings and recommendations of audit results to the Board of Directors and to the Board of Commissioners through the Audit Committee.
12. Inform the Anti-Fraud Management unit of any fraud indication identified by the Internal Audit.
13. Create and maintain appropriate working papers in accordance with prevailing regulations.
14. Implement quality assurance and improvement programs (QAIP) covering all aspects of Internal Audit activities. The QAIP includes an Internal Audit compliance evaluation on the definition of Internal Audit and Standards, as well as an evaluation of whether the auditor adopts the code of conduct. QAIP also assesses the efficiency and effectiveness of Internal Audit activities and identifies opportunities for improvement.
15. Deliver quality assurance and improvement programs on Internal Audit activities.
16. As for Integrated Governance and the role of CIMB Niaga as the Legal Primary Entity with an already established Internal Audit Unit, the Integrated IAU duties are carried out by the existing Internal Audit with the following responsibilities to:
 - a. Perform audits of financial service institutions on an individual entity basis, on a collective basis, or based on reports from IAU of a financial services institution.
 - 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 integrated IAU audit results from each member of the CIMB Indonesia Financial Conglomerate,
 - c. Prepare and submit a performance report covering the roles and responsibilities of Integrated IAU to the Director assigned to oversee the financial services institutions in the

Financial Conglomerate, Compliance Director of the Legal Primary Entity, and the BOC of the Legal Primary Entity.

PARTICIPATION IN THE INTERNAL AUDIT PROFESSIONAL ASSOCIATION

In order to expand knowledge and develop professional competency of the Internal Auditors, IAU has organized auditor participation in the Internal Audit professional association, among others, the Association of Bank Internal Auditors (IAIB), Institute of Internal Auditors (IIA) – Indonesian chapter, Information Systems Audit and Control Association (ISACA), Indonesian Institute of Accountants (IAI), Bank Internal Auditors Association (IAIB).

AUDIT ACTIVITY REPORT IN 2017

During 2017, IAU completed the audit assignments in accordance with its audit plan. In details, the IAU activities report in implementing the work plan based on strategic priorities is as follows:

1. Implementing Thematic Audits for a number of audit activities.
2. Re-assess the implementation of AML (Anti Money Laundering) and CFT (Counterfeit Transaction) practices in every line of business and support.
3. Establishing a “center of excellence” for AML and CFT-related expertise by sending out auditors to Certified Anti Money Laundering Specialist program so as to make them as IAU subject matter resources and specialists related to AML and CFT issues.
4. Continuing the role of IAU as a partner in post-implementation of the 1 Platform project.
5. Optimizing the role of data analytics to support the whole audit process and continuous auditing.
6. Implementing business monitoring by establishing continuous and sustainable communication with management, so that IAU always keeps abreast of developments and changes in business, process and issues encountered by management and aligns the audit focus with such changes and developments.



7. Continuing the role of IAU in providing consultative review to Business & Support.
 8. Conducting validation of high-risk findings to ensure adequate and sustainable follow-ups of management corrective actions to ensure the prevention of recurring findings in the future.
 9. Implementing diagnostic assessment skills, to assess the competencies of current auditors, based on the competence standards that auditors should keep up with and to develop auditor's development plans
 10. Continuing to improve cooperation with every business line and support in improving Bank performance through good governance, risk management and internal control through the role of IAU as Business Partner.
 11. Conducting a thorough review of the whole IAU audit universe to ensure that the whole audit universe is subject to risk assessments and the audit plan.
 12. Implementing Quality Assurance review by an independent external party.
 13. Continuing to review the policies and procedures applicable in IAU to keep it updated and in accordance with applicable professional standards
- WORK PLAN IN 2018**
- For 2018, IAU has developed a work plan with the following strategic priorities to:
1. Implement Thematic Audits for a number of audit activities and make changes to the audit approach for S & D and SME branches
 2. Review the implementation of AML (Anti Money Laundering) and CFT (Counterfeit Transaction) practices in every business line and business support.
 3. Conduct pre and post implementation review on E-Banking Projects for both new projects and upgraded projects
 4. Optimize the role of data analytics to support the whole audit process and continuous auditing.
 5. Continue to implement business monitoring so that IAU always keeps abreast of developments and changes in business, process, and issues encountered by management and aligns the audit focus with such changes and developments.
 6. Continue the role of IAU in providing consultative reviews to business units and business supports.
 7. Implement maturity diagnostic and development plan and improvement that will be conducted so as to allow IAU to achieve the expected level of maturity.
 8. Conduct Quality Assurance review internally.
 9. Continue to improve cooperation with every business unit line and business support to improve the Bank's performance through good governance, risk management and internal control through the role of IAU as Business Partner.
 10. Continue to review the policies and procedures applicable in Internal Audit to keep it updated and in accordance with applicable professional standards.

In order to realise such work plan, IAU will continue to improve auditor competence, methodology development, and optimization and usage of audit tools

➤ Anti-Money Laundering and Countering the Financing of Terrorism Program (AML and CFT)

PROFIL OF ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM PROGRAM (AML AND CF)



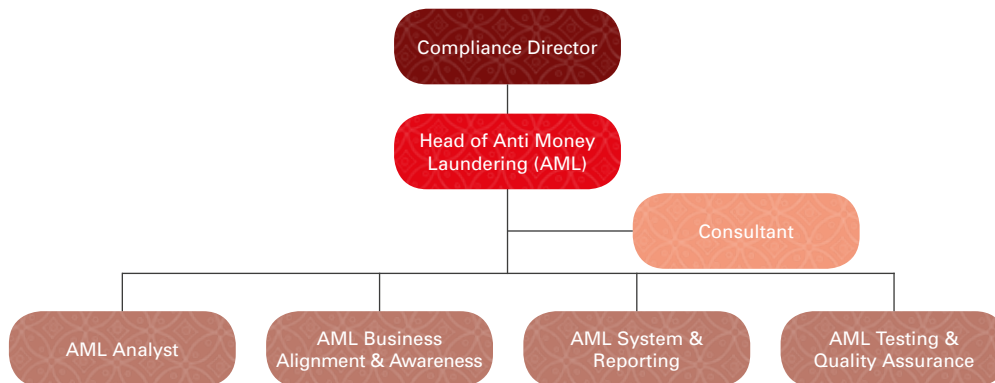
Entin Rostini

Head of Anti Money Laundering (AML).

Indonesian citizen, 53 years old. She has been serving as the Head of Anti Money Laundering (AML) since December 2016. She started her career and held various positions at Bank Internasional Indonesia, Compliance Head at Bank Chinatrust Indonesia and AML Head at Bank Danamon Indonesia. She holds a Bachelor degree in Economics majoring in Accounting from Padjadjaran University Bandung and Master of Finance from Gajah Mada University Yogyakarta in 2005.

➤ **Entin Rostini**
Head of Anti Money Laundering (AML)

Organizational Structure of Anti-Money Laundering and Countering the Financing of Terrorism (AML and CFT)



IMPLEMENTATION OF AML AND CFT PROGRAM 2017

CIMB Niaga engages in its business committed to preventing its products and services from being used as a tool for money laundering and financing of terrorism by implementing AML and CFT programs in accordance with prevailing rules and regulations and referring to international best practices.

Pursuant to Law of Criminal Acts of Money Laundering No. 8 of 2010, the Law of the Prevention and Eradication of Criminal Acts of Terrorism Financing No. 9 of 2013, OJK Regulation No. 12/POJK.01/2017 dated 21 March 2017 and OJK Circular Letter No. 32/SEOJK.03/2017 dated 22 June 2017 and other related regulations, the Bank has maintained and implemented AML



and CFT programs, which were established and actively monitored by the Boards of Directors and Commissioners:

1. Agreement on regulations and procedure of AML/ CFT based on risk according to Bank's business complexity, which covers related regulations:

- a. Customer Due Diligence (CDD) in order to Customer Identification and updating CDD data, including classification method to decide customer's risk to money laundering and terrorism financing, Beneficial Owner identification and Customer data filtering against the AML Watchlist (AML Screening) database.
- b. Continuous monitoring and analysing to identify the conformity between customer's transactions with customer's CDD profiles, including business relationship closure and transaction refusal in order to AML and CFT implementation.
- c. Money laundering and terrorism funding risk identification and scoring related to Bank's product and services.
- d. Identification and Reporting of Suspicious Transactions (LTKM), Cash Transactions (LTKT), Cross-border Transactions (LTKL) and Integrated Service User System (SIPESAT) to PPATK (Indonesian Financial Transactions Reports and Analysis Center).
- e. New employee screening procedures and monitoring of employee transactions as part of implementing Know Your Employee (KYE) principles.
- f. Administration of CDD documents and other documents relating to AML and CFT.

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

In performing its functions, AML Sub Directorate at Head Office, reports and responsible directly to the Compliance Director. The AML Sub Directorate consists of staffs that have adequate banking knowledge and experience regarding risk assessment and mitigation related to AML and CFT program implementation. The number of staffs at the Sub Directorate of AML has increased by 10 (ten) personnel from 2016 to 20 (twenty) personnel

as of 31 December 2017. In addition, given its large scale of business, the Bank established a AML Local team in each branch and particular business unit, currently totalling 3,200 employees.

3. Management Information System for AML and CFT Implementation

In order to monitoring the profiles and transactions of customers, CIMB Niaga has already implemented an application system that could identify, analyse, monitor and provide reports on the characteristics of transactions made by customers, including identification of suspicious financial transactions. The application is capable of performing a thorough monitoring of all customer transactions in the Bank, including credit card, wealth management and custody. The application is equipped with parameters and thresholds, which are continuously evaluated in accordance with the evolving methods of money laundering and terrorism financing. The application also offers a feature for the screening process against watchlist and reporting of LTKM, LTKT and LTKL. The Bank also continuously makes enhancements to the application being used to add on various functions to improve system effectiveness and efficiency.

4. AML and CFT training for employees

AML and CFT training is mandatory for all employees to attend on a regular basis. Training methods are conducted face-to-face, with materials being customized based on the category of participants, and also through e-learning. For AML Sub Directorate staff, they are given the opportunity to participate in training and certification of AML and CFT to improve their skills in analysing and mitigating the risk of money laundering and financing of terrorism. The number of employees of AML and CFT training participants in 2017 is totalling 15,354 employees.

5. Internal control to evaluate the adequacy and effectiveness of AML and CFT program

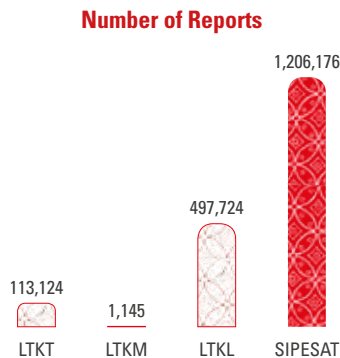
To ensure that the implementation of AML and CFT program has been made in accordance with the established policies, the Bank implements self-assessment procedures at business units and other units to be validated by the AML Sub-Directorate,

ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM PROGRAM (AML AND CFT)

prior to being reported to the Compliance Director. In addition, IAU and external auditors (OJK, BI, PPATK and BNM) routinely perform audits of the implementation of the Bank's AML and CFT programs.

6. Reporting and fulfillment of data requirement by regulators/law enforcement agencies

- a. The AML sub-directorate at the Head Office is responsible for reporting to PPATK regarding the implementation of AML and CFT. During 2017, the AML Sub-directorate engaged in the following reporting activities:
- i. Cash Financial Transaction Report (LTKT)
 - ii. Report of Suspicious Transactions (LTKM)
 - iii. Cross-border Transactions (LTKL)
 - iv. Integrated Service User System (SIPESAT)



- b. AML Sub Directorate responded to data requests from PPATK and KPK in 2017 as follows:

Institution	Total Data Requests
PPATK	153
KPK	120

7. Screening against watchlist

The Bank performs screening for every opening of accounts and new business relationships against the watchlist issued by the authorities and against the watchlist commonly used in international best practice (e.g. OFAC List, UN List, DTTOT

and Proliferation Funding List of Weapons of Mass Destruction), PEP list and adverse news. In addition to having an internal watchlist, since 2017 the Bank has subscribed to the database watchlist from Thomson Reuters-Worldcheck. The Bank also performs re-screening of all existing customers for every renewal/addition to the watchlist.

8. Compliance test and AML and CFT advice

During 2017 the Sub Directorate of AML conducts compliance tests on 43 new products and 53 draft policies and procedures from relevant business units, to ensure compliance with prevailing rules and regulations relating to AML and CFT. In addition, AML Sub Directorate provided 635 pieces of advice to business units and other units related to various questions and issues related to AML and CFT implementation.

9. AML and CFT Risk Assessment

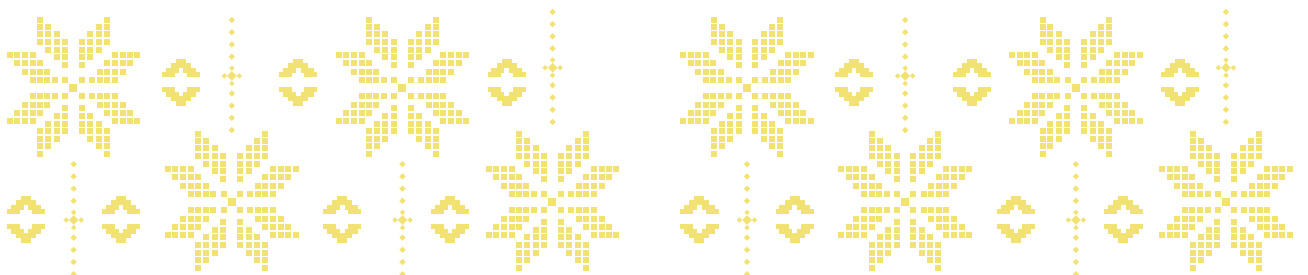
In 2017, the Bank developed a risk-based approach to assess customer risk rating and bank-wide AML risk rating for AML and CFT:

- a. **Customer AML Risk Rating (CRR)**, which assesses the risks of AML and CFT attached to each customer by using indicators which among others include the identity/profile of the Customer, geographical/country factors as well as the business activities of the customer.



b. **Bank AML Risk Rating (BARR)**, which is the risk assessment of AML as a bank wide level. In the first place identify the inherent indicators (e.g. high risk customers, high-risk products and services volume, cash transaction volume, cross border transaction volume, number of customers, third party fund volume) as well as the level of risk control and control of AML and CFT at the respective branch/business unit based on self-assessment results regularly validated by the Sub Directorate of AML. The risk rating results at the branch/business unit level will be consolidated to generate bank-wide AML risk rating with due observance to several adjustment factors such as the follow-up on audit findings as well as administrative sanctions or penalty from regulators.

c. Based on our self-assessment, Bank's Compliance Risk Profile by end of semester 2/2017 is "Low Moderate". The self-assessment is according OJK's minimum requirement on Risk-based Bank Rating and internal methodology of Risk Control Self-Assessment/RCSA using Bank AML Risk Rating (BARR) for the implementation of Anti-Money Laundering and Countering the Financing of Terrorist program (AML and CFT).





Public Accountant/External Auditor

The appointment of a public accountant and the determination of fees must be based on the recommendation the Audit Committee with the approval of the GMS in accordance with the provisions of the OJK. Detailed information can be viewed in the GMS section of this Annual Report.

NAME OF PUBLIC ACCOUNTANT

Angelique Dewi Daryanto, S.E., CPA

NAME OF PUBLIC ACCOUNTING FIRM

KAP Tanudiredja, Wibisana, Rintis & Associates.

EFFECTIVENESS AND FREQUENCY OF COMMUNICATION BETWEEN THE EXTERNAL PUBLIC ACCOUNTANT AND THE BOARD OF DIRECTORS

During the audit conducted by the Public Accountant, communication and cooperation between the Public Accountant and the Board of Directors are conducted regularly and thoroughly.

MONITORING OF EXTERNAL AUDITOR

In 2017, the Public Accounting Firm auditing the Bank's consolidated financial statements was KAP Tanudiredja, Wibisana, Rintis & Associates (a member firm of PricewaterhouseCoopers Global Network). The appointment of KAP Tanudiredja, Wibisana, Rintis & Associates was conducted in accordance with the prevailing provisions. The appointment has been analyzed and supervised by the Audit Committee, including the matter of audit fee determination, that is based on 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. The Audit Committee also assists in ensuring that there are no potential obstacles during the audit process, evaluating audit quality, and assuring the audit implementation has been in accordance with the prevailing rules and standards.

NUMBER OF PERIODS OF THE BANK'S FINANCIAL STATEMENTS MAY BE AUDITED BY PUBLIC ACCOUNTANT AND PUBLIC ACCOUNTING FIRM

In accordance with SEBI No. 3/32/DPNP on the Relationships between Banks, Public Accountants, and Bank Indonesia, the appointment of the same Public Accounting Firm may only be for an audit period of 5 (five) consecutive financial years, unless it meets certain conditions with the consent of the authorized authorities. In 2017, KAP Tanudiredja, Wibisana, Rintis & Associates (a member firm of PricewaterhouseCoopers Global Network) conducted the Bank audit for the third time. The appointment of KAP Tanudiredja, Wibisana, Rintis & Associates was approved by the Financial Services Authority (OJK) through Letter No. S-124/PB.332/2016 dated 9 August 2016.

OTHER SERVICES PROVIDED BY THE ACCOUNTANT & PUBLIC ACCOUNTING FIRM FOR CIMB NIAGA OTHER THAN AUDIT SERVICES

During 2017, no fees were paid to the Public Accounting Firm Tanudiredja, Wibisana, Rintis & Associates for non-audit services.

2017 AUDIT FEES

Total audit fees in 2017 amounted to Rp8,299,494,000, including an annual audit fee of Rp7,220,094,000 and audits on the subsidiary CNAF amounting to Rp1,079,400,000.

Below is the list of Public Accounting Firm that have conducted the Bank audit during the last 5 (five) years:

Year of Examination	Public Accounting Firm	Person in Charge
2017	KAP Tanudiredja, Wibisana, Rintis & Associates	Angelique Dewi Daryanto, S.E., CPA
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



► Transparency of Bank Financial and Non-Financial Condition

CIMB Niaga has fulfilled its obligation to govern transparency and publication of its financial and non-financial condition in accordance with the prevailing regulations, through the submission and publication of information in the print 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 CIMB Niaga's website.
2. Quarterly Financial Reports submitted to regulators, are also published in the print media and on the CIMB Niaga's website.
3. Annual Report of CIMB Niaga, which is 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 is published on the CIMB Niaga's website.
4. Corporate Governance Information, including the Annual Corporate Governance Report, the Vision, Mission and Corporate Values, Composition and Profiles of the Board of Commissioners and Board of Directors, as well as internal policies related to corporate governance including the Articles of Association and Committee Charters are all published on the CIMB Niaga's website.
5. Information on Bank's Products and Services including the office network are published in the Annual Report and on the CIMB Niaga's website to provide easy access for customers, investors, and public to Bank's products and services
6. Information on Complaint Procedures, Information Security Policy, and Tips for Customers in using banking services are published on the CIMB Niaga's website for the clarification of consumer protection regulations.
7. Further information to support disclosure of information, financial education, and services for public.

► CIMB Niaga's Share and Bond Buyback

As at 25 July 2017, the Bank had received approval from OJK through letter No.S-63/PB.33/2017 to buyback the shares at maximum 2% from total issued and fully paid shares, which subsequently will be used as Management Employee Stock Ownership Program (MESOP) that will be effective in 2018. This share buyback plan has been approved by the shareholders through EGMS on 25 April 2017 and the EGMS on 24 August 2017.

In accordance with the approval, as at 31 December 2017, the Bank has performed the buyback of 194,407,492 (one hundred ninety four million four hundred seven thousand and four hundred ninety two) shares with price per-share ranging between Rp1,191 (full amount) and up to Rp1,303 (full amount) (or an average price per-share of Rp1,249.45 (full amount)) and the total acquisition cost of the buyback amounting to Rp242,901,672,210 (two hundred forty two billion nine hundred one million six thousand seventy two and two hundred ten Rupiah) (including commission and tax).

Throughout 2017, the Bank did not conduct any buyback of bonds issued by the Bank.



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➤ Dividend Policy

The Bank's Dividend Policy is set forth in Bank Business Plan (RBB) 2017, which has been submitted to OJK whereby the Bank allows for the distribution of dividends at a maximum of 40% of net profit of the Bank with the following conditions: (i) the Bank reaches its net income target before tax; and (ii) the Bank's CAR net the dividend pay-out and other investment projects consuming significant amount of capital, in total, is not less than 17.5% in 2017. However, the dividend pay-out will take into account the Bank's condition and capability and will also consider the capital requirements and going concern to maintain the Bank's business sustainability.

In 2017 and 2016, in accordance with resolution of the AGMS 2017, CIMB Niaga paid out no dividends. The Bank made no provision for the mandatory reserve from its net profit for fiscal year 2016, since the Bank's total amount of mandatory reserve complies with the minimum mandatory reserve requirement pursuant to Article 70 of Law No. 40 Year 2007 regarding Limited Liability Companies. Accordingly, the total amount of CIMB Niaga net profit in 2016 will be utilized to finance the Bank's business activities.

➤ Funds for Social and Political Activities

In terms of social activities, CIMB Niaga believes that social activities have a positive impact on a broader audience for the long term. To that end, CIMB Niaga encourages employees to assist and support the social activities organized by the Bank as set forth in the Bank's Code of Ethics & Conduct No. A.07.10 dated June 16, 2017.

As a manifestation of its social responsibility, CIMB Niaga has made provisions from a portion of its profit to build its community and environment. The discussion relating to the Bank's social responsibility is available under the section of "Corporate Social Responsibility" and Sustainability Report of 2017, which is an integral part of this Annual Report.

In terms of politics, the Bank gives freedom to all employees in expressing their aspirations in political activities. However, the Bank's Code of Ethics & Conduct provides for certain restrictions regarding the involvement of the Bank and employees in political activities in order to avoid the occurrence of conflict of interest, including but not limited to providing funds for political purposes. This policy is implemented to maintain the independence and professionalism of the Bank and its employees.

► Provision of Funds to Related Parties

The provision of funds to related parties (individuals or groups, including to Directors, Commissioners and Executive Officers of the Bank and other related parties) by the Bank is conducted at fair market prices and under normal commercial terms (arm's length), as so performed with non-related parties.

The Provision of Funds to Related Parties is performed with reference to PBI No. 8/13/PBI/2006 on Amendment to PBI No. 7/3/PBI/2005 on Legal Lending Limit (LLL) of Commercial Banks, in compliance with the Bank's internal regulations, and subject to the prior approval of the Board of Commissioners.

During 2017, there were no violations or breaches of the LLL in the provision of funds to parties related to CIMB Niaga.

► Customer Protection Policy

For CIMB Niaga, customers are one of the stakeholders with an important role in improving the performance and sustainability of the Bank. Therefore, CIMB Niaga is committed to provide the best, including protection for its customers. This commitment is implemented through the Customer Resolution Unit (CRU), which focuses on handling customer complaints over the Bank's products and services. The CRU continues to improve the quality of customer complaints handling, including through periodic evaluations to enable corrective actions and facilitates faster resolution of customer complaints.

In line with the 27% growth in number of customers to 7.4 million in 2017, the number of financial transactions grew by 37% to 290.3 million. The percentage of customer complaints to number of transactions increased from 0.025% in 2016 to 0.033% in 2017. Nevertheless, the Bank has improved the quality of customer complaints handling, whereby the customer complaint resolution rate in accordance with the Service Level Agreement (SLA) improved from 90% in 2016 to 94% in 2017.

In addition, CIMB Niaga is committed to improve the quality of products and services. Accordingly, initiatives were made such as improving the work process by the adoption of 'lean six sigma' method, providing flexibility and ease of transactions for customers through CIMB Niaga 14041 telephone banking service, as well as carrying out the internal campaign activities of 'Service from the Heart' aimed at nurturing a customer-centric culture among CIMB Niaga's staff.

CIMB Niaga is also active in the Banking Mediation Working Group in partnership with Bank Indonesia, the Financial Services Authority and other banks, to implement various customer education programs, in the form of seminars on banking and other activities.



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➤ Anti Corruption Policy

The Bank has regulated the Bank's Anti-Corruption policy as stipulated in the Bank Code of Ethics and Conduct.

In addition to support the implementation of the Anti-Corruption Policy, CIMB Niaga also has the "Ayo Lapor" program, which is stipulated in the Whistleblowing System Policy in this Annual Report.

➤ Protection of Creditors' Rights

CIMB Niaga implements an honest and transparent information disclosure system as well as equal treatment to all creditors without any discrimination, in order to protect the rights of the creditors. With disclosure of information, all creditors and business partners are entitled to obtain relevant information according to their needs so that each party can make an objective decision on the basis of fair, reasonable and accurate considerations.

In order to ensure the rights of creditors are properly implemented, these rights are stipulated in the agreements agreed upon by both parties. As part of the exercise of the creditor's rights, the Bank performs its obligations as promised in a timely manner and seeks to avoid delays or omissions that could potentially result in loss of both parties.

➤ Submission of the 2017 Sustainability Report

CIMB Niaga has prepared and subsequently published the 2017 Sustainability Report on the economic, environment and social performance of the Bank, including the implementation of the Bank's CSR programs and activities. The Sustainability Report has been prepared in accordance with the standards from Global Reporting Initiative (GRI), core option.



➤ Risk Management

CIMB Niaga manages its risks in an integrated manner through the alignment of risk appetite with business strategy, in line with the Enterprise Wide Risk Management (EWRM) framework. EWRM is a comprehensive framework that covers risk management of the Bank's various activities and business decisions. Moreover, EWRM is also used to identify the Bank's capital requirements.

One of the key components of the EWRM framework is strong Bank management governance that serves to improve the four eyes principle and transparency mechanism in all risk management processes. The Bank involves all levels within the organization ranging from Directors, senior management and all employees in the implementation of the risk management process through the three lines of defense. The Bank makes risk management an integral part of the Bank's culture and decision-making processes.

Discussion of risks plays a central and fundamental role in the business planning process, including the determination of risk appetite, risk posture and new products/activities, to ensure conformity between strategy, growth, operational plans, capital and risk. In this regard, the Bank optimizes the risk management function to support and influence business decisions related to pricing, resource allocation and other business decisions. As such, the Bank is expected to be able to maintain the trust of its customers, shareholders and other stakeholders.

CIMB Niaga's EWRM risk management process includes risk identification processes deemed significant in the Bank's business activities; risk measurement and risk aggregation are performed with adequate methodology while management and control and risk reporting are conducted on an on-going basis to evaluate and manage risk, as well as to ensure that risk exposure is in line with the Bank's risk appetite.

EWRM implementation is an on-going initiative and is supported by an adequate risk management infrastructure. This includes the preparation and updating of appropriate risk management policies and procedures to maintain the level of risk at the established limits and adequate human and technological resources. Implementation of EWRM is also supported by the Risk Management Business Unit which acts as an independent party.

RISK IDENTIFICATION AND ASSESSMENT

CIMB Niaga adopts 2 (two) approaches in the risk identification process which are risk profile and Comprehensive Risk Assessment (CRA). The methodology adopted in risk profile assessment refers to the regulatory requirements, while CRA represents an internal approach to a comprehensive and continuous risk identification process. In determining the types of material risks, in addition to considering the financial impacts, it also identifies the impact on non-financial aspects, such as reputation and compliance with regulatory requirements.

TYPE OF RISKS

The main risks managed by the Bank based on the CRA results include 9 (nine) types of risk, namely credit risk, market risk, liquidity risk, operational risk, strategic risk, compliance risk, legal risk, reputational risk and interest rate risk in banking book in line with type of risks that must be managed by the Bank in the process of risk profile assessment. Particularly for Sharia Business Unit (SBU), there are 2 (two) additional risk type, namely rate of return risk and investment risk, in accordance with POJK No. 65/POJK.03/2016, dated 23 December 2016, concerning the Implementation of Risk Management for Sharia Commercial Banks and Sharia Business Units and in accordance with the POJK No. 17/POJK.03/2014 dated 19 November 2014 regarding the Implementation of Integrated Risk Management for Financial Conglomerations, Bank also manages intragroup transactions risk.



RISK MANAGEMENT

CIMB Niaga measures and monitors these risks on a regular basis to ensure that all risk mitigation strategies of the Bank are properly implemented so that each of these risk mitigation measures is effective at managing the risk level at a level consistent with the Bank's risk appetite and risk tolerance. Risk assessment is conducted among other means through the determination of risk rating, risk scoring, sensitivity analysis of portfolio of interest-related instruments (DV01), NOP, LCR, EVE and stress testing, using methodologies that refers to best practices. As for operational risk, its risk management is conducted through various operational risk tools such as 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) to monitor corrective actions on the resulting control gap. The Bank periodically reviews the assumptions used, the data sources, methodologies and procedures adopted in the assessment of risks, changes in the business environment, market conditions and regulatory requirements.

MANAGING RISK

Managing Risk is following the EWRM concept that begins with the risk identification stage aimed at determining material risks associated with the products and activities and subsequently the assessment stage to enable the Bank to determine the level of risk being encountered. The Bank then determines which risks to be taken, avoided, transferred or managed by considering the impact of risk events occurring as well as the cost and benefits of the Bank's products or activities.

As part of risk management, CIMB Niaga is consistently ensuring that there is a process of regular reporting and Bank's risk management system effectiveness review which is performed by the Risk Management Committee (RMC) and other Executive Committees at the Board of Directors level and by the Risk Oversight Committee (KIPER) at the Board of Commissioners level. The evaluation results for improvement of the Bank's risk management process are followed up by the Risk Management Unit and other related units. The Bank at all times strives to apply risk management process based on prudent principles and good corporate governance.

Discussions on further risk management efforts are available in the Risk Management Report section of this Annual Report.

RESULT OF RISK MANAGEMENT SYSTEM EFFECTIVENESS REVIEW

The risk management process at the Bank is evaluated by RMC, which is in charge of the implementation of the overall risk management framework. The Committee is chaired by the President Director and consists of all members of the Board of Directors and several executive officers. In RMC meetings, in addition to the comprehensive discussion of the risk exposure report every month, also discuss other specific issues such as the risk appetite monitoring dashboard which serves as a traffic light associated with risk-taking activities undertaken by the Bank, implementation of ICAAP (Internal Capital Adequacy Assessment Process) to assess the Bank's capital adequacy in relation to its risk profile, approval of policies, integrated risk management, approval of risk limits and approval of the models and methodologies adopted in the risk assessment process. In addition to RMC, there are several other Executive Committees related to risk management to discuss specific risks in greater detail such as the Asset Liability Committee (ALCO), the Operational Risk Committee (ORC) and the Credit Policy Committee (CPC).

In 2017, CIMB Niaga's risk management process in 2017 was deemed as effective. All decisions made by these Committees are well documented. In addition, evaluation of risk management strategy implementation is also conducted by Board of Commissioners through KIPER. A number of issues related to risk implementation require approval of the Board of Commissioners such as: approval of risk management policy, establishment of Risk Appetite Statement and guidelines regarding the level of risks that may be taken by business units in any given year.



Internal Control System

The Internal Control System supports the achievement of the Bank's performance objectives, to increase value for stakeholders, minimize the risk of loss and maintain compliance with prevailing laws and regulations. CIMB Niaga implements the Internal Control System as a fundamental component in monitoring Bank management, serving as a benchmark for sound and controlled of banking operations.

Implementation of the Bank Internal Control System refers to COSO (Committee of the Sponsoring Organizations of the Tread way Commission) Internal Control Integrated Framework in developing an internal control framework that ensures adequacy of operational and financial control, financial reporting, operational effectiveness and efficiency, and compliance with prevailing laws and regulations.

LEGAL REFERENCES

CIMB Niaga Internal Control System was established by referring to the prevailing regulations, which among others, include:

1. POJK No. 18/POJK.03/2016 dated 16 March 2016 concerning Implementation of Risk Management for Commercial Banks.
2. SEOJK No. 34/SEOJK.03/2016 dated 1 September 2016 concerning Implementation of Risk Management for Commercial Banks.
3. SEBI No. 5/22/DPNP dated 29 September 2003 regarding Guidelines on Internal Control System Standards for Commercial Banks.

INTERNAL CONTROL SYSTEM IMPLEMENTATION AND CONFORMITY WITH COSO - INTERNAL CONTROL FRAMEWORK

CIMB Niaga's internal controls are established based on two aspects operational control and financial control. Internal control over the Bank's operational and Financial Reporting is conducted with reference to the international COSO Internal Control Integrated Framework. In COSO it is mentioned that internal control is a system or process performed by the Board of Commissioners, Board of Directors, Management and employees within a company, to provide adequate

assurance for the achievement of control objectives. The COSO Internal Control Framework consists of 5 (five) controlling components:

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

Implementation of CIMB Niaga Internal Control System, as per COSO, is as follows:

1. Control Environment

The Board of Commissioners, through Committees, regularly conduct assessments of the control environment and conduct independent assessments communicated to the Board of Directors for follow-up.

2. Risk Assessment and Risk Management

The Board of Directors has established procedures to anticipate identify and respond to events and constraints that may affect achievement of the objectives. The Board of Commissioners, through the Risk Oversight Committee, ensures that the Board of Directors has performed sound risk management.

3. Control Activities

Policies and procedures for key business units and support units have been developed and approved by the Board of Directors, and periodically reviewed and updated by the Risk Management Unit. The Compliance Unit is responsible for disseminating the prevailing banking regulations, conducting compliance tests on new internal policies and proposals on new products or activities, implementing Anti Money Laundering (APU) and Terrorism Financing Prevention (PPT) programs, and monitoring compliance through designated officers at other business units verified by an Independent Work Unit located at the 2nd or 3rd Line of Defense. The Compliance Unit submits periodic compliance reports to the Board of Commissioners, Board of Directors and regulators.



INTERNAL CONTROL SYSTEM

Company executives regularly review the existence and effectiveness of controls, perform adequate division of tasks, conduct routine verification of data accuracy and maintain and test emergency response plans.

4. Information and Communication

Data collection and information technology procedure generates reports on business activities, financial conditions, risk management and compliance with provisions that support the conduct of the duties of the Board of Directors and Board of Commissioners.

5. Monitoring

The Board of Directors, Bank Officers and Internal Audit continuously monitor the effectiveness of the overall implementation of internal control. Major risk monitoring has been prioritized and serves as a part of daily activities, including regular evaluations. The Board of Directors and Officers of the Bank are committed to and have performed follow-up of the monitoring results that have been made and the recommendation of Internal Audit. Within the framework of the internal control system, CIMB Niaga adopts the Three Lines of Defense concept which is the most recent implementation of the control strategy under COSO Internal Control Framework monitoring system as disclosed under Risk Management section of this Annual Report.

INTERNAL CONTROL ADEQUACY STATEMENTS

The Board of Directors and the Board of Commissioners are committed to ensuring that Good Corporate Governance is well implemented as a basis for achieving objectives to maintain and enhance the Bank's values. One critical element of Good Corporate Governance is ensuring that the internal control system is adequately performing. The Board of Directors is responsible for implementing a good internal control system to achieve the Bank's objectives. The internal control system is a process performed by:

1. Board of Directors and all Bank Officers, providing direction, guidance and supervision;
2. Executive Committees;
3. Internal Audit;
4. All employees.

The Board of Commissioners, assisted by the Audit Committee, is responsible for oversight in order to ensure the implementation of internal controls in general, including the policies of the Board of Directors establishing such internal controls. The internal control system is designed to properly manage and control risks and not to eliminate the risks. This internal control statement describes the key elements adopted to achieve the Bank's internal control objectives which include:

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

EVALUATION OF INTERNAL CONTROL EFFECTIVENESS

In 2017, CIMB Niaga implemented internal control in accordance with the principles of control and the overall quality of the internal control system has been well maintained. Issues related to the adequacy of internal control have been reported to the Board of Directors and follow-up measures have been taken to minimize risks. Reports are also submitted to the Board of Commissioners through the Committees at the Board of Commissioners level.

Legal Issues/Litigation of the Bank and its Subsidiaries

LEGAL ISSUES

In 2017, the Bank's legal issues (excluding Sharia cases to be disclosed in the Sharia Business Unit Governance Report) consist of civil and criminal cases. In the civil cases the Bank's role is as Defendant; whereas in the criminal cases the Bank's role is as Reported Party.

Civil

Legal Issue	Civil (Bank as Defendant)		
	2015	2016	2017
Total Cases	127	134	220
Resolved Cases (Final and Legally Binding Decisions)	14	13	82
Cases in Settlement Process (as of December)	113	121	138

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

- Lawsuit from debtor or third parties on the collateral pledged in the Bank.
- Lawsuit related to bank guarantee, changes of interest rate, request for cancellation of credit agreement, request for disbursement of term deposit, blocking of account or the customer account, notification of customer's collectibility.
- Lawsuit regarding tax dispute.
- Lawsuit from the debtor on the Go Mobile application transaction, rejection of insurance claim, loss of customer's fund.
- Lawsuit from the customers employee in the Industrial Relations Court, where the customers employee account and saving are in the Bank.
- Lawsuit on investment fraud by third parties in which the process of deposit conducted by the Bank.
- Lawsuit on inheritance dispute against object of auctions and collateral in the Bank.

Criminal

Legal Issue	Criminal (Bank as Defendant)		
	2015	2016	2017
Total Cases	5	6	8
Resolved Cases (Final and Legally Binding Decisions)	3	1	2
Cases in Settlement Process (as of December)	2	5	6

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

- Reports from customers or third parties concerning allegations of banking crime.
- Reports from customers or third parties related to alleged criminal act regarding counterfeit letters, alleged criminal act regarding fraud and a misappropriation, and alleged utilize land without permission from the righteous or its authorized attorney.



LEGAL ISSUES/LITIGATION OF THE BANK AND ITS SUBSIDIARIES

LAWSUIT VALUE AND RISKS

As of the end of 2017, a number of cases valued more than Rp10 billion and the risks of the Bank are as follows:

1. Lawsuit on Unlawful Act (No. 255/PDT.G/2008/PN.Jkt.Pst)

Parties	II (Plaintiff I) IIM (Plaintiff II) DPP (Plaintiff III) DPKS (Plaintiff IV) 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 named as MI (Defendant XII) KKH ST (Defendant XIII) HT (Defendant XIV) FH (Defendant XV) APS (Defendant XVI) Bank (Defendant XVII)
Subject	The Plaintiffs motioned a lawsuit claiming that the Bank as the trustee agent in the issuance of the subordinated Bonds I has committed illegal act
Value	- Material Rp10,637,083,332 - Immaterial Rp400,000,000,000
Status	On-going appeal process in the Supreme Court
Risks Encountered by the Bank	Indemnity at the amount of value of the lawsuit together with other Defendants

2. Tax Dispute (Reconsideration of Tax Court Decision No. 50358/PP/M.IB/16/2014)

Parties	DJP (Suppliant) Bank (Respondent)
Subject	The DGT filed a Review of Supreme Court's decision concerning Tax Underpayment Assessment Letter (SKPKB) issued by the DGT for the Bank
Value	Material Rp54,822,422,481
Status	At Reconsideration
Risks Encountered by the Bank	Indemnity for the value of the lawsuit

3. Tax Dispute (Reconsideration of Tax Court Decision No. 57057/PP/M.IIIA/15/2014)

Parties	DJP (Suppliant) Bank (Respondent)
Subject	The DGT filed a Review of the Supreme Court's decision regarding the Letter of Tax Underpayment Assessment (SKPKB) issued by the DGT for the Bank
Value	Material Rp204,760,659,708
Status	At Reconsideration
Risks Encountered by the Bank	Indemnity for the value of the lawsuit

4. Cancellation of the Court's Ruling on Original Certificate Holder (No. 631/PDT.G/2016/PN.Dps)

Parties	RR ES (Plaintiff) IPS (Defendant I) NW (Defendant II) Notary IGMMO (Defendant III) Bank (Defendant IV)
Subject	Cancellation of the State Court's Ruling on the Lawsuit of Original Certificate Holder
Value	Material Rp23,600,000,000
Status	In appeal process
Risks Encountered by the Bank	Loss of guarantee

**5. Lawsuit on Unlawful Act (No. 253/PDT.G/2016/PN.Jkt.Ut)**

Parties	JMS (Plaintiff I) RVS (Plaintiff II) AJS (Plaintiff III) SGI (Defendant I) ENA (Defendant II) MCR (Defendant III) CCR (Defendant IV) SS (Defendant V) YPK(Defendant VI) RFW (Defendant VII) IY (Defendant VIII) BDI (Defendant IX) Bank (Defendant X) BBS (Defendant XI) BK (Co-Defendant I) DJAHU (Co-Defendant II)
Subject	Customer's internal shareholder conflict (inheritance dispute)
Value	- Material Rp291,500,000,000 - Immaterial Rp300,000,000,000
Status	In appeal process
Risks Encountered by the Bank	Loss of guarantee

6. Lawsuit on Unlawful Act (No. 176/PDT.G/2017/PN.DPK)

Parties	SA (Plaintiff I) SP (Plaintiff II) BUG (Plaintiff III) SBP (Plaintiff IV) SPP (Plaintiff V) BMI formerly BII (Defendant I) Bank (Defendant II) KD (Defendant III) KK RI (Defendant IV) EG (Co-Defendant I) MP (Co-Defendant II)
Subject	Granting of rights to shareholders to buyback shares
Value	- Material Rp2,100,000,000,000 - Immaterial Rp2,200,000,000,000
Status	On-going at State Court
Risks Encountered by the Bank	Indemnity for the value of lawsuit together with other Defendants

MATERIAL CASES INVOLVING INCUMBENT MEMBERS OF THE BOARDS OF DIRECTORS AND BOARDS OF COMMISSIONERS

During 2017, there were no members of the Board of Directors and Board of Commissioners of the Bank involved in a case and/or civil and/or criminal disputes.

LEGAL ISSUES/LITIGATION OF THE BANK AND ITS SUBSIDIARIES

MATERIAL CASES INVOLVING SUBSIDIARIES

CIMB Niaga Auto Finance (CNAF)

Legal cases of CNAF in 2017 consisted of civil and criminal cases. In the civil cases CNAF role are as Defendant whereas in the criminal cases CNAF role are as the Reported Party.

Civil

Legal Issue	Civil Case (CNAF as Defendant)		
	2015	2016	2017
Total Cases	22	22	23
Resolved Cases (Final and Legally Binding Decisions)	14	7	12
Cases in Settlement Process (as of December)	9	15	11

Criminal

Legal Issue	Criminal Case (CNAF as Defendant)		
	2015	2016	2017
Total Cases	18	20	53
Resolved Cases (Final and Legally Binding Decisions)	9	1	14
Cases in Settlement Process (as of December)	9	19	39

MATERIAL CASES INVOLVING INCUMBENT MEMBERS OF CNAF BOARDS OF DIRECTORS AND BOARD OF COMMISSIONERS

During 2017, there were no members of CNAF's Board of Directors and Board of Commissioners 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 2017 did not materially affect the status, position and business continuity of the Bank and Subsidiaries.

ADMINISTRATIVE SANCTION FROM RELEVANT AUTHORITIES

During 2017, there were no material administrative sanctions affecting the business continuity of the Bank or administrative sanctions imposed on members of the Board of Directors and Board of Commissioners of Bank from authorities.



► Access to Corporate Information and Data

CIMB Niaga provides access to Bank's information and data both reports of financial and non-financial to public transparently through various media such as website (in two languages), mass media, mailing lists, newsletters, analyst meetings, IDX website and others. In this regard, the Bank maintains an Investor Relations that always builds a good image of the Bank through the development of relationships with investors/analysts in an interactive manner and also the delivery of information in a regular manner, particularly related to the Bank's performance

Access to Information and Bank's Data is facilitated through:

- **Website**
www.cimbniaga.com
- **Call Center**
14041; (021) 29978888
- **Customer Care**
14041@cimbniaga.co.id
- **Email Investor Relations**
investor.relations@cimbniaga.co.id
- **Analyst Meeting and Conference Call**

INVESTOR RELATIONS

The main function of Investor Relations is to foster good relations and to interact with investors, capital markets, and shareholders, which include the:

1. Development of strategic communication mainly with investors, potential investors, analysts, fund managers, securities firms and the general capital market community.
2. Preparation of financial performance presentation materials for the purpose of analyst meetings.
3. Teleconference to ascertain transparency on Bank's financial and non-financial information, and also the Bank's strategy.
4. Communication of the Bank's performance to external parties such as investors, fund managers, and potential investors.

5. Maintain good relationships and act as mediator between the Bank and stakeholders by managing communication and correspondence with investors, fund manager, analysts, securities firms and rating agencies.
6. Maintain of the Bank's confidential information or its customers in a proper manner and avoid make use of such confidential information for individual benefit or any other party.
7. Coordination of the preparation, publication, and distribution of Annual Reports to all stakeholders.
8. Provision of data and information related to the Bank's performance through website in order to provide easier and broader access, where the information provided includes as follows :
 - a. Monthly and quarterly publication reports, LCR information, quantitative risk exposure information, capital disclosure reports and financial statements of the legal primary entity in accordance with OJK requirements as a banking company in Indonesia.
 - b. The publication of the consolidated quarterly and year-end audited financial statements in accordance with OJK requirements as a listed company.
 - c. Annual Report which is a comprehensive report to the public and stakeholders concerning the performance achievement, business and other activities of CIMB Niaga.

Investor Relations Activities

A number of activities with investors and analysts were conducted by the Investor Relations Division during 2017:

1. Organization of Analyst Presentations conducted 4 (four) times a year.
2. Communication with analysts through 19 (nineteen) meetings or teleconferences with more than 30 (thirty) companies.
3. Annual Rating Review for Fitch Indonesia, Pefindo, Moody's and RAM.
4. Public Expose to provide a public exposure to media, analysts and investors related to the performance and strategy of the Bank.



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Social Media

At present CIMB Niaga maintains 6 (six) social media accounts:

1. Facebook CIMB Niaga
2. Instagram CIMB Niaga
3. YouTube CIMB Niaga
4. Google+ CIMB Niaga
5. Twitter @CIMBNIaga
6. LinkedIn CIMB Niaga

All of these accounts serve as media for delivering information of the Bank's activities such as brands, product offers, tips, and other information. In addition, 3 (three) of these 6 (six) accounts also respond to fans/follower inquiries regardless whether they are CIMB Niaga customers or not.

In 2017 the Bank held various communication campaigns that rely on social media as the communication channel. Some of the large-scale communication activities carried out in 2017 include Brand Campaign communication (FORWARD), seasonal communication campaigns, MASA communications campaigns and feature of Facebook Leads Ads with the aim of increasing awareness about the Bank, improving the active participation of fans or followers and obtaining business leads to support business development. In addition, the Bank also utilizes social media to communicate major Bank's events such as The Color Run presented by CIMB Niaga, Namaste Festival 2017, IndobuildTech, Indonesia Trade Expo and Xtra Xpo.

FORWARD communication campaign is an activity specially designed to communicate CIMB Niaga's latest brand promise, which is Forward. The activity is conducted by launching 4 (four) videos focusing on 4 (four) segments which are young people, young families, high-end segment and business segment.

The seasonal communication campaign is an activity undertaken to celebrate the seasonal momentum in Indonesia such as Imlek, Ramadan, Independence Day, Christmas and New Year. With

each seasonal momentum, the Bank launches videos as communication materials uploaded on official Facebook and Instagram accounts.

In 2017, CIMB Niaga also continued the MASA? communications campaign to introduce the advantages of Bank's retail banking products. This campaign is specially designed in the form of video series featuring social media influencers and stand-up comedians in Indonesia. Each video conveys a message about the benefits of Bank's retail products such as Savings, KPRs, Credit Cards and Branchless Banking of CIMB Niaga.

In addition, CIMB Niaga also utilizes Facebook's latest feature which is Facebook Leads Ads, in which the Bank can install online registration form through Facebook. CIMB Niaga is one of the companies that adopts this feature to campaign for its many products.

Also in 2017, CIMB Niaga continued its initiatives and activities involving internal staff to become CIMB Niaga's brand ambassadors on social media. To support this activity, the Bank utilized an application that serves as a library content for brand ambassador as well as a tool to measure the performance of each ambassador.

In addition, the Bank also uses social media as a communication channel to convey information and to respond to questions related to the Bank's activities. This is made for the purpose of assisting customers in obtaining clear information and assistance when encountered with issues during banking transactions.

With these social media programs, the number of followers on Facebook CIMB Niaga at the end of December 2017 reached 1,138,743 people increasing by 27% compared to the end of 2016. As for the number of Twitter followers, the account of @CIMBNIaga has 64,927 followers increasing by 19% since the end of 2016. While for the number of Instagram followers, the account of @CIMB_Niaga reached 101,356 people increasing by 982% since the end of 2016.

The role of social media as the Bank's communication channel is increasingly intensified so as to allow them to eventually become an effective communication channel in conveying the Bank's messages or receiving input from public. The Bank's social media activities run 24 hours, 7 days a week with less than 5 minutes response time since the comment is made, making CIMB Niaga one of the best companies in banking industry in terms of social media response time.

Press Release in 2017

No.	Title	Date
JANUARY		
1.	CIMB Niaga Sharia Relies on a Number of Featured Products in 2017	17
2.	Welcoming Imlek, CIMB Niaga Offers Competitive Interest Rate for Housing Loans	24
3.	CIMB Niaga Economic Forum 2017: Anchoring Optimism and Seizing Opportunities	26
FEBRUARY		
4.	Reporting AMDB Program 2016, CIMB Niaga Continues to Conduct Financial Literacy	1
5.	CIMB Niaga Integrates Customer Service	8
6.	CIMB Niaga Reports Rp2.08 Trillion Consolidated Net Profit for Full Year 2016	20
7.	Accelerating Housing Loans, CIMB Niaga Works in Cooperation with Ciputra Group	22
8.	CIMB Niaga Offers Retail Government Islamic Bonds SR-009	28
MARCH		
9.	CIMB Niaga Supports Garuda Indonesia Travel Fair 2017	3
10.	CIMB Niaga Director is Awarded as The Most Influential CIO	9
11.	CIMB Niaga Enters into Joint Cash Management with Konimex Group	10
12.	CIMB Niaga Sharia Records Asset Improvements in 2016	13
13.	CIMB Niaga Improves Transactions through EDC and e-Commerce	20
14.	CIMB Niaga Expands the Scope of AMDB 2017	22
15.	Offering Transfer of Sharia Housing Financing, CIMB Niaga Enters into Cooperation with Daarul Qur'an	28
16.	CIMB Niaga Offers Lower Interest Rate for Housing Loans	30
APRIL		
17.	Launching Brand Promise "Forward", CIMB Niaga Gets Closer with its Customers	5
18.	CIMB Niaga Sharia Launches Kartu Debit Haji and Umrah	7
19.	CIMB Niaga Sharia Enters into Cooperation with HIMPURH	12
20.	Celebration of Multicolor is Decorating three ASEAN Countries when CIMB Group Organizes The Color Run™ as Major Sponsor	21
21.	Categorized as BUKU 4, CIMB Niaga: Because of You We Expand, We Expand for You	25
22.	CIMB Niaga Reports Rp640 Billion Consolidated Net Profit in First Quarter of 2017	27
MAY		
23.	Facilitating its Customers, Holcim Indonesia Joins CIMB Niaga to Launch Online Application Solusi RumahKu	10
24.	Embracing the Youngsters, CIMB Niaga Launches Indie Savings Account	16
25.	Indobuildtech Jakarta 2017 Triggers the Growth in Construction Sector, Supported by 16 Associations and CIMB Niaga	17
JUNE		
26.	CIMB Niaga Hands over the Grand Prize of Mercedes-Benz C 200 for 'Festival Xtra' Program	6
27.	CIMB Niaga Operates in Limited Hours during Lebaran Holiday 1438 H	21
28.	Improving its Digital Services, CIMB Niaga Works in Cooperation with Dukcapil	22
JULY		
29.	CIMB Niaga Offers Shelf-Registered Bonds II Bank CIMB Niaga Phase II Year 2017	12
30.	Chief Economist CIMB Niaga: Three Steps of Gaining Stronger Economic Growth	17
31.	CIMB Niaga Works in Cooperation with AMPHURI	24
32.	Jay Subyakti First Movie: Banda The Dark Forgotten Trail, When the World Civilization Started from the Trading of Spices	26



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No.	Title	Date
33.	CIMB Niaga Organizes XTRA XPO	29
34.	CIMB Niaga Reports Rp1.4 Trillion Consolidated Net Profit in First Half of 2017	31
AUGUST		
35.	CIMB Niaga Launches Overseas Education Program	3
36.	CIMB Niaga Receives Best Credit Card of The Year Award	4
37.	CIMB Niaga Organizes First XTRA XPO in Surabaya	12
38.	CIMB Niaga Celebrates Indonesia's 72 nd Independence Day	17
39.	CIMB Niaga Announces Changes in Composition of BOC and BOD	24
40.	CIMB Niaga Donates Hewan Qurban	31
SEPTEMBER		
41.	CIMB Niaga Organizes Namaste Festival 2017	7
42.	CIMB Niaga Adds the Number of its Digital Lounges in Surabaya	25
43.	BPJS Ketenagakerjaan Works in Cooperation with CIMB Niaga for TKI Service and PERISAI	26
44.	Consistently Implementing GCG, CIMB Niaga receives Annual Report Award	27
45.	Celebrating 62 nd anniversary, CIMB Niaga Appreciates 62 Child Customers	28
OCTOBER		
46.	Supporting Healthy Lifestyle, CIMB Niaga Organizes The Color Run 2017 presented by CIMB Niaga	1
47.	CIMB Niaga Supports Trade Expo Indonesia 2017	11
48.	CIMB Niaga and MM UI Renews the Bourse Game Laboratory	12
49.	Improving its Customer Service, CIMB Niaga Adds Phone Banking Facility in Yogyakarta	30
50.	CIMB Niaga Reports Rp2.2 Trillion Consolidated Net Profit for the First Nine Months of 2017	31
NOVEMBER		
51.	First Savings Account in Indonesia with Sticker Debit Card, Indie Account Creates MURI Record	9
52.	CIMB Niaga Namaste Festival 2017 Encourages Healthy Lifestyle	10
53.	CIMB Niaga Encourages Indonesia Youths to Develop Creative Industry	22
54.	Improving Convenience during Transactions, CIMB Niaga Launches The New Go Mobile	29
55.	Implementing GCG based on ASEAN Standards, CIMB Niaga Wins Corporate Governance Award 2017	30
DECEMBER		
56.	CIMB Niaga Indonesia Opens Aquatic Championship 2017 to Use GBK New Swimming Pool	4
57.	Supporting the Literacy of Indonesian Children, CIMB Niaga Distributes 10 Thousand Books and Builds Library	11
58.	Supporting BI to Test Cross Country Remittance, CIMB Niaga Relies on Mobile Wallet	15
59.	New Year Holiday 2018, CIMB Niaga Focuses on Maximizing Customer Service	28
60.	CIMB Niaga Finances Government Infrastructure Project amounting to Rp3.78 Trillion	29



Employee Code of Conduct & Ethics

In the banking industry, trust is a fundamental and essential element. CIMB Niaga strives to uphold integrity at all times through the establishment and implementation of a standard guidelines in the Code of Ethics & Conduct. Code of Ethics & Conduct forms the foundation for employee behaviour and attitude to work professionally and ethically based on basic principles aligned with the Company's vision, mission and core values as well as applicable internal and external regulations. The Code of Ethics & Conduct applies to all levels of the organization including Board of Commissioners, Board of Directors and all employees.

OBJECTIVES OF CODE OF ETHICS & CONDUCT

The Code of Ethics & Conduct has the following objectives:

1. As a guideline in the formulation of policies, procedures and management practices within the Bank.
2. To sets out the behaviour, conduct and responsibilities of employees and associated person working for and on behalf of the Bank in upholding corresponding conduct to achieve high standard of professionalism and ethics.
3. As a basic guideline of principles that guides decision making.
4. Outlines specific behavior and conduct that are required or prohibited in establishing relationship with various key stakeholders, such as colleagues, customers, regulators, business partners and the general public.
5. To ensure the consistency and uniformity of employee behaviour and conduct in daily operational activities.

MAIN ELEMENTS OF CODE OF ETHICS & CONDUCT

The Code of Ethics & Conduct describes 6 (six) ethical principles which consist of: Integrity, Confidentiality, Competence, Conflict of Interest, Fairness and Mutual Respect; whereby these principles are the foundation of employee's professional interactions.

In addition to the 6 (six) ethical principles, the Code also outlines set of standards that reflect exemplary conduct which regarded as an essential guide on how employee interact with all key stakeholders. The main elements of the Code of Ethics & Conduct includes:

- a. Anti bribery and corruption;
- b. Insider Trading;
- c. Fraudulent activates;
- d. Managing conflict of interest;
- e. Managing gratification;
- f. Outside financial interest and employment/external business interest;
- g. Whistleblowing policy;
- h. Confidentiality and Proprietary information;
- i. Use of the Bank's assets;
- j. Use of social media;
- k. Personal dealings with customers;
- l. Handling customer complaints;
- m. Compliance and regulatory reporting;
- n. Money laundering activities;
- o. Anti-competitive conduct;
- p. Corporate social responsibility culture.

STATEMENT OF CODE OF ETHICS & CONDUCT

CIMB Niaga's Code of Ethics & Conduct applies to all employees of the Bank, including the Board of Directors and Board of Commissioners. All employees are required to thoroughly read and understand the contents of the code and attest an annual commitment statement. The application and implementation of Code of Ethics & Conduct shall be the responsibility of all employees at every level of the organization, as well as one of the Bank's commitments to implement Good Corporate Governance in achieving its vision and mission statements.

SOCIALIZATION AND ENFORCEMENT OF CODE OF ETHICS & CONDUCT

In order to nurture employees' awareness and understanding with regards to the implementation of the Code of Ethics & Conduct, CIMB Niaga engages in regular socialization activities through a various available media.

EMPLOYEE CODE OF CONDUCT & ETHICS

Each year, all employees are obliged to attest a commitment statement of the Code of Ethics & Conduct. To further enhance employees' understanding of the Code of Ethics & Conduct, the Bank has developed tutorial pack and e-Learning study materials along with evaluation test. In addition, CIMB Niaga's Code of Ethics & Conduct is also uploaded to the Company's internal portal (e-Manual) for wider accessibility.

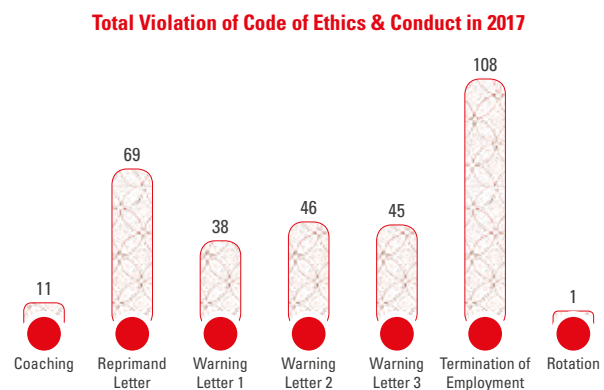
CIMB Niaga continuously monitors the implementation of the Code of Ethics & Conduct and imposes strict sanctions for employees who violate the code. CIMB Niaga provides reporting channels through:

- Internally-managed communication channel by CIMB Niaga, through:
 - E-mail: ayo.lapor@cimbniaga.co.id
 - PO Box: PO Box AYO LAPOR JKS 12000
 - SMS to: 087829652767 (0878 AYO LAPOR)
- Communication channel managed by PT Deloitte Indonesia as the designated third-party to manage whistleblower reports, through:
 - Website: <http://ayolapor.tipoffs.info>
 - Email: ayolapor@tipoffs.info
 - Telephone: 14031

- SMS & WA: +62 822 11356363
- Faksimili: +62 21 2856 5231
- Surat: Ayo Lapor PO BOX 3331 JKP 10033

SANCTIONS AND VIOLATIONS OF CODE OF ETHICS & CONDUCT IN 2017

CIMB Niaga imposes sanctions for any employee who violates the prevailing regulations. During 2017, there are 301 (three hundred and one) employees subject to sanctions with a total of 318 (three hundred and eighteen) letter of sanction issued including Coaching, Letter of Reprimand, Warning Letter 1, Warning Letter 2, Warning Letter 3, and on to Termination of Employment.



Disciplinary Policy and Determination of Sanctions for Violations

Sanction imposition for employee violations is governed in the Disciplinary and Determination of Sanctions for Violations Policy. This policy regulates the roles and responsibilities of the Direct Supervisor and unit head, the duties and responsibilities of relevant unit in handling a violation, as well as the duties and responsibilities of the Disciplinary Committee in the determining relevant sanction to a violation.

Sanction given to the employees is according to the level of the violation, with start with reprimand letter, written warning letter, to termination of employment. To ensure objectivity, the determination of sanctions at every level of violation is decided by the Disciplinary Committee in accordance with applicable provisions.



➤ Corporate Culture

In adapting to social behavioural changes both internally and externally, CIMB Niaga emphasizes the importance of internalizing its corporate core values as the foundation of workplace behaviour. CIMB Niaga's core values known as "CHESI" stands for:

1. **"Customer-Centric"**, exist to serve our customers and sell products and services that our customers understand and value,
2. **"High Performance"**, work hard and work strategically for customers, staff and other stakeholders,
3. **"Enabling People"**, encourage our people to think big and look wide and ensure that they are appropriately empowered to deliver value,
4. **"Strength in Diversity"**, respect different cultures, value varied perspectives and recognise diversity as a source of strength,
5. **"Integrity"**, honest, respectful and professional in everything because integrity is the founding value of CIMB Niaga.

The 5 Core Values of the Bank as reflected in CHESI are manifested through the 3 (three) critical behaviours that must be performed consistently by every employee. The 3 (three) Critical Behaviours are:

- **"Go the extra-mile to delight customers"**
- **"Respect each other, engage openly and work together"**
- **"Recognize each other's efforts and always back each other up"**

CIMB Niaga believes that the 3 (three) critical behaviours will support the Bank's acceleration in facing social behavioural changes, providing excellent service to customers and increasing synergy among individuals, units or functions. In 2017, the process of internalizing corporate core values is done through a number of activities, including:

- Board of Directors symbolic act initiatives to discuss and listen to employees' aspirations directly, building better communication and collaboration.
- Established and expanded Informal Leaders and Business Sponsors in various units to actively serve as role models in implementing 3 Critical Behaviours on a daily basis.
- Cultural Campaigns, thematic activities related to corporate culture implementation, such as "Culture Day", passing on "ABC Torch of Recognition" from Directors to top employees to express management appreciation, presenting thank-you cards to employees with positive contributions, environment awareness movement such as "Care with our Home" program, as well as other activities to nurture greater internalization of corporate core values.

In addition, CIMB Niaga continuously strives to improve risk and compliance culture through various initiatives, such as, launched the new Code of Ethics & Conduct, whistleblowing campaigns, zero tolerance to fraud campaigns, and internal and external risk management certification for all employees through in-class and digital learning.



➤ Goods and Services Procurement Policy

CIMB Niaga adopts a policy related to Procurement of Goods and Services which serves as the main reference for all procurement activities of goods and services conducted by business units within the Bank, both Conventional and Sharia Business Unit. This policy is one realization of the GCG process, namely transparency in the procurement process, whereby the process is made through a bidding process by considering a number of aspects, among others:

- Adoption of the transparency principle and avoidance of conflict of interest;
- Focus on the goal of obtaining the best quality of goods or services and optimal purchasing efficiency through quality and price comparison offered by vendors.

The procurement process is managed by the Strategic Procurement and Administration Management (SPAPM) unit under the Directorate of Strategy & Finance, and involving units within the Bank including Legal, Finance, IAU and Bank Quality Assurance to ensure the GCG process is implemented to the highest standard. All procurement processes follow applicable procedures, including authority, limit approval, classification, and segregation of duties and responsibilities in the process of goods and services procurement within the Bank.

ACTIVITIES RELATED TO CRITERIA AND SELECTION OF VENDORS

Vendors involved in procurement of goods or services are vendors that have been registered through the vendor verification process prior to entering into business relationship with the Bank for the first time that the Bank intends to avail itself of the services of the vendors, and this will be regularly reviewed.

The vendor verification process includes:

1. Ensuring the completeness of the vendor's business license, in accordance with the prevailing regulations.
2. Conducting site visit at the business location of the vendor.
3. Performing cross check on references provided.
4. Screening vendors by referring to Bank Indonesia Black List and Anti Money Laundering application.

➤ Conflict of Interest Management Policy (Including Insider Trading)

The Bank has a Conflict Management Policy, which aims to establish rules, identify, mitigate, and manage any potential conflicts of interest that may arise within the Bank resulting from the implementation of activities by the Bank's business units who obtain information about the Bank, the Bank's customers, or CIMB Group.

This policy regulates the trading procedure of securities of the Bank and CIMB Group and reaffirms the prohibition of Insider Trading in personal securities transactions by employees and the management (in this case the Board of Directors and members of the Board of Commissioners). Specifically for certain periods, this Policy also regulates the Blackout period in which all employees and management are prohibited from conducting transactions of the Bank's Securities.

Any employee or management who will transact on the Bank's or CIMB Group's Securities (outside the Blackout period) is required to obtain prior written approval from the Bank's Control Room (Corporate Affairs Unit) no later than 2 (two) business days prior to the transaction plan, and the Control Room of the CIMB Group by filling out an employee transaction request form.

Corresponding to this, if the employee and/or management has conducted a transaction, a notification to the Bank's Control Room (Corporate Affairs unit) is required no later than 2 (two) days after the transaction occurred. With this policy, the mitigation of using insider information for the personal benefit of employees and management (insiders) is expected.

Internal Fraud

The Anti-Fraud Policy of CIMB Niaga as set forth under the Risk Management section of this Annual Report is part of the Bank's internal control system in building a culture of compliance and creating a risk awareness of the potential and consequences of fraud at all levels within the organization. The policy governs the framework, governance and implementation of the anti-fraud strategy, which represents controlling fraud by taking into account the characteristics and range of potential fraud activities and which is implemented through the fraud control system.

The table below depicts the data on fraud cases committed by management, permanent and non-permanent employees in relation to the Bank's business processes and operations whose financial impacts are higher than Rp100,000,000. Such financial impact of these fraudulent activities exclude the funds that may have been subsequently recovered. CIMB Niaga has imposed appropriate sanctions on the personnel committed such fraud.

Internal Fraud Case	Total Cases Committed by					
	Management (BOC and BOD)		Permanent Employees		Non-permanent Employees	
	2016	2017	2016	2017	2016	2017
Resolved	-	-	8	5	-	-
In the process of internal resolution	-	-	2	4	-	-
Unresolved/Under investigation	-	-	-	-	-	-
Already in Legal Proceedings	-	-	4	2	-	-
Total Fraud	-	-	12	11	-	-

Note: The data represents fraud cases with financial impact higher than Rp100 million.



► Whistleblowing System

As a manifestation of internal control efforts, CIMB Niaga has implemented the whistleblowing system policy in a comprehensive manner in every aspects of business activity. CIMB Niaga has prepared and implemented the whistleblowing system policies since 2011, gradually improving in terms of both the reporting mechanism and the dissemination of the reporting media. To make it more convenient and transparent for the whistleblower to report a violation or indication of fraud, CIMB Niaga on 4 December 2017 appointed PT Deloitte Indonesia as an independent third-party to manage the whistleblowing reports. The implementation mechanism and results of the whistleblowing system results during 2017 are described below.

REPORTING CHANNELS

Submission of a whistleblowing report may be conducted by any parties, both internal and external, to the Bank. CIMB Niaga provides the following 2 (two) communication channels for such reporting:

1. Internally-managed communication channel by CIMB Niaga, through:
 - E-mail: ayo.lapor@cimbniaga.co.id
 - PO Box: PO Box AYO LAPOR JKS 12000
 - SMS to: 087829652767 (0878 AYO LAPOR)
2. Communication channel managed by PT Deloitte Indonesia as the designated third-party to manage whistleblower reports, through:
 - Website: <http://ayolapor.tipoffs.info>
 - E-mail: ayolapor@tipoffs.info
 - Telephone: 14031
 - SMS & WA: +62 822 11356363
 - Faximile: +62 21 2856 5231
 - Mail: PO BOX Ayo Lapor 3331 JKP 10033

WHISTLEBLOWER PROTECTION

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

The Bank guarantees the confidentiality of the reporter's identity and protects the whistleblower at the time of reporting or when the report is followed-up by a unit in charge of the investigation, as stipulated in the Bank's internal policies. To ensure confidentiality, for those reporters who include their identity, the name of the whistleblower is only disclosed to the designated whistleblowing officer.

WHISTLEBLOWING HANDLING

All reports will be analyzed by a whistleblowing officer. For reports with the identity of the whistleblower, should additional information be required, the whistleblowing officer will initiate a confidential contact with the whistleblower to request the required additional information. In the event 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.

Subsequently, the whistleblower who submits his or her identity will obtain further information regarding the progress of the report, until the report has been followed-up completely. In the event the report provided is not relevant to the scope of the whistleblowing program, the whistleblowing officer will respond or notify that the incoming report will not be followed up, which will be accompanied by the submission of information to the whistleblower regarding the unit associated with the report.

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

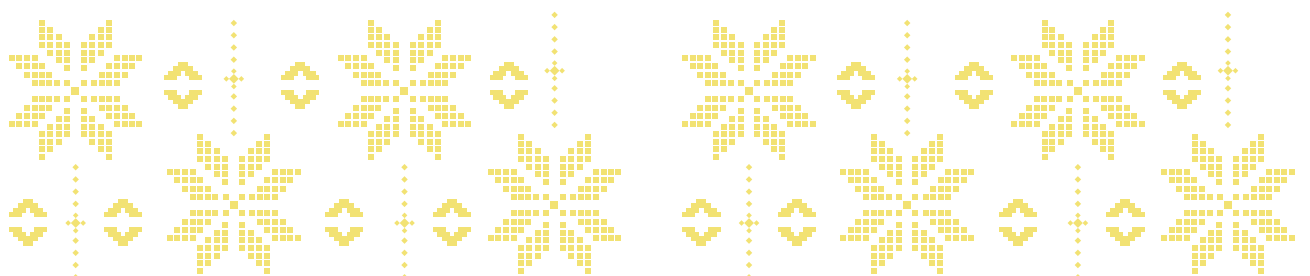
WHISTLEBLOWING MANAGEMENT

Based on the Bank's internal policy, the party appointed to manage the whistleblower report is PT Deloitte Indonesia.

WHISTLEBLOWING RESULTS AND FOLLOW-UPS

During 2017, there were 98 whistleblowing reports received. All reports have been followed up and completed, with the following details:

Whistleblowing Report Status		2017
Total WB Report Received		98
A.	WB Reports investigated	18
B.	WB Reports not investigated (pre-CLOSED)	80
C.	WB Reports investigated and concluded (Status CLOSED)	10
D.	WB Reports under ongoing investigation (Status OPEN)	8
E.	WB Reports PROVEN based on investigation	2
F.	WB Reports PROVEN based on investigation which related to FRAUD	2





Corporate Governance Guidelines for Public Companies

CIMB Niaga complies with the practice of good corporate governance pursuant to Regulation of the Financial Services Authority (POJK) No. 21/POJK.04/2015 on Corporate Governance Guidelines for Public Companies and Financial Services Authority Circular Letter (SEOJK) No. 32/SEOJK.04/2015 on Corporate Governance Guidelines for Public Companies. These regulations contain 5 (five) aspects, 8 (eight) principles, and 25 (twenty five) recommendations on corporate governance recommended by OJK. CIMB Niaga implements such aspects, principles and recommendations based on the “comply or explain” approach as follows:

Aspect	Principle	Recommendation	Implementation
Relationship of The Public Company with the Shareholders in ensuring the Right of the Shareholders	Principle 1 Improve the Implementation Value of the General Meeting of Shareholders (GMS)	1.1 The Public company has technical procedures for opened or closed voting that promote independency and interest of the shareholders.	<p>Comply</p> <p>As an effort to enhance independence, freedom, and confidentiality of shareholders in the voting process, CIMB Niaga adopted a policy of voting at the GMS in private by filling out the voting cards for each agenda. This policy is disclosed in the GMS Rules of Conduct.</p> <p>In the AGM and EGM held in 2017, the voting mechanism was conducted privately with ballot papers. An officer collected the ballot papers filled out by the shareholders, and an independent party, namely the Securities Administration Bureau, PT Sirca Datapro Perdana and Notary, Ashoya Ratam, SH. conducted the vote count.</p> <p>The GMS Rules of Conduct was uploaded on the Bank's website 21 (twenty one) days prior to the GMS and distributed to the shareholders upon entering the GMS meeting room.</p>
		1.2 All members of the Board of Directors and the Board of Commissioners are present at the Annual GMS	<p>Explain</p> <p>All members of the Board of Directors and the Board of Commissioners of CIMB Niaga were present at the AGM and EGM dated 25 April 2017, except for 1 (one) Commissioner who was unable to attend due to health reasons.</p> <p>Members of the Board of Directors and Board of Commissioners present may represent the Bank to offer explanations to shareholders on any agenda of the AGM, and the AGM was implemented properly.</p>
		1.3 Summary of GMS minutes is available on the public company's website at least for 1 (one) year.	<p>Comply</p> <p>CIMB Niaga uploaded the summary of the minutes of the GMS immediately after the adjournment of the AGM and EGM on 25 April 2017. Summaries of the minutes of GMS from 2013 to 2017 are available on the CIMB Niaga's website up to the present day, in both Indonesian and English version.</p>



Aspect	Principle	Recommendation	Implementation
Function and Role of the Board of Commissioners	Principle 2 Improving Communication Quality of the Public Company with Shareholders or Investors	2.1 The Public Company has a communication policy with the shareholders or investors.	Comply CIMB Niaga regulates its communication policy with the shareholders or investors (customers) in the CIMB Niaga Code of Ethics that has been uploaded to the CIMB Niaga's website (www.cimbniaga.com). Communication is conducted by the Bank through holding of the GMS, Public Expose, Analyst Meetings, provide quarterly and annual Financial Statements, as well as conducting disclosure of information in an accurate and timely manner. CIMB Niaga also discloses the addresses of head office and branch offices, e-mail addresses and phone numbers on its website and in the Annual Report, Social Media access (Facebook, Twitter, Instagram), Call Center, as channels for the shareholders and investors to communicate with the Bank, easily.
		2.2 The Public company discloses its communication policy with the shareholders or investors on the website	Comply CIMB Niaga has uploaded its Code of Ethics to CIMB Niaga's website (www.cimbniaga.com) for public access.
	Principle 3 Strengthen the Membership and Composition of the Board of Commissioners	3.1 Determination of the number of Board of Commissioners members shall consider the condition of the Public Company	Comply The number of members of the Board of Commissioners of CIMB Niaga is in accordance with the provisions and has considered the needs, condition, and capabilities of the Bank. As of December 2017, the number of Board of Commissioners members of CIMB Niaga was 8 (eight) people, of whom 50% were Independent Commissioners. The number of members of the Board of Commissioners does not exceed the number of members of the Board of Directors.
		3.2 Determination of composition of the Board of Commissioners members considers the necessary of diversity, expertise, knowledge and experience.	Comply The Board of Commissioners of CIMB Niaga has diverse backgrounds in terms of expertise, knowledge, experience, and citizenship with the objective to support the Bank's business development. This is illustrated in the profiles of each member of the Board of Commissioners.
	Principle 4 Improve the Implementation and the Quality of the Duties and Responsibilities of the Board of Commissioners	4.1 The Board of Commissioners has a self-assessment policy to evaluate its performance	Comply The assessment policy of the Board of Commissioners and the Committees under the Board of Commissioners is stipulated in the Charter of the Nomination and Remuneration Committee, accessible through the CIMB Niaga's website (www.cimbniaga.com).
		4.2 The self-assessment policy of the performance of the Board of Commissioners is disclosed in the Annual Report of the Public Company	Comply The Board of Commissioners assessment policy is set out in the Attachment to the Charter of the Nomination and Remuneration Committee, and the results of the Board of Commissioners' assessment are disclosed in the Report on the Implementation of Duties of Board of Commissioners section in this Annual Report.
		4.3 The Board of Commissioners has a policy with respect to the resignation of Board of Commissioners members if such member is involved in financial crime.	Comply The CIMB Niaga's Board of Commissioners Charter (point XI.4.) has stipulated that members of the Board of Commissioners who are involved in financial crimes and/or other criminal offenses are required to resign from their positions.
		4.4 The Board of Commissioners or the Nomination and Remuneration Committee shall prepare the succession policy in the nomination process of the Board of Directors members.	Comply The succession policy has been regulated in the Charter of the Nomination and Remuneration Committee and also disclosed in the Report on the Implementation of Duties of the Nomination and Remuneration Committee in this Annual Report.



IMPLEMENTATION OF CORPORATE GOVERNANCE GUIDELINES FOR PUBLIC COMPANIES

Aspect	Principle	Recommendation	Implementation
Function and Role of the Board of Directors	Principle 5 Strengthen the Membership and Composition of the Board of Directors	5.1 Determination of the number of Board of Directors members considers the condition of the Public Company and the effectiveness of decision-making	<p>Comply</p> <p>Without prejudice to the effectiveness of decision making by the Board of Directors, the determination of the number of members of the Board of Directors of CIMB Niaga shall consider:</p> <ul style="list-style-type: none"> - The Bank's financial condition and ability. - Organizational needs and the complexity of the Bank as the fifth largest Bank in Indonesia <p>As of December 2017, the number of Board of Directors members was 11 (eleven) people. The number of members of the Board of Directors is more than the number of members of the Board of Commissioners.</p>
		5.2 Determination of composition of the Board of Directors members considers the necessary of diversity, expertise, knowledge, and experience required	<p>Comply</p> <p>The Board of Directors of CIMB Niaga has diverse backgrounds in terms of expertise, knowledge and experience. This is illustrated in the profile of each member of the Board of Directors.</p> <p>The diversity and the number of Directors are required to provide the best possible solution to Bank's issues, according to the needs, size, and complexity of the Bank's business.</p>
		5.3 Members of the Board of Directors who are responsible for accounting or finance have accounting expertise and/or knowledge	<p>Comply</p> <p>The Director of Strategy and Finance of CIMB Niaga, who responsible for accounting and finance, is Mr. Wan Razly Abdullah.</p> <p>He holds a degree in Law and Accounting from the University of Manchester, UK and has experience in several foreign companies as well as being a member of the Institute of Chartered Accountants of England and Wales.</p> <p>Mr Wan Razly Abdullah meets the criteria of having the accounting expertise and knowledge.</p>
	Principle 6 Improve the Implementation of Quality of Duties and Responsibilities of the Board of Directors	6.1 The Board of Directors has a self-assessment policy to evaluate its own performance	<p>Explain</p> <p>In implementing the strategy and monitoring the performance of the Board of Directors (self-assessment), CIMB Niaga applies the Balanced Scorecard approach which is converted into Key Performance Indicators (KPI) using four Balanced Scorecard perspectives, namely Finance, Customer, Internal Process, and People.</p> <p>The success of the Board of Directors' performance is showed by the sufficient Bank's Sound Level which is indicated through the aspects of risk profile, Good Corporate Governance (GCG), profitability, and capital.</p>
		6.2 The self-assessment policy to evaluate the performance of the Board of Directors is disclosed in the Annual Report of the Public Company.	<p>Explain</p> <p>The performance assessment of the Board of Directors with the Balanced Scorecard approach converted into KPI has been disclosed in the Report of the Board of Directors Duties Implementation section of this Annual Report.</p>
		6.3 The Board of Directors has a policy related to resignation of the Board of Directors members if involved in financial crime.	<p>Comply</p> <p>The Board of Directors Charter of CIMB Niaga (point XI.4.) has stipulated that members of the Board of Directors involved in financial crimes and/ or other crimes are required to resign from their positions.</p>



Aspect	Principle	Recommendation	Implementation
Stakeholders' Participation	Principle 7 Improving Corporate Governance through the Participation of Stakeholders	7.1 The Public company has a policy to prevent insider trading	<p>Comply</p> <p>To prevent Insider Trading, CIMB Niaga already has a Conflict Management Policy that has been uploaded to the CIMB Niaga's website (www.cimbniaga.com).</p> <p>This policy establishes the rules, identify, mitigate, and manage any potential conflicts of interest that may arise within the Bank as a result of activities conducted by the Bank's business units that enable them to obtain information about the Bank, the Bank's customers, or the CIMB Group.</p>
		7.2 The Public Company has an anti-corruption and anti-fraud policy	<p>Comply</p> <p>CIMB Niaga has regulated the Bank's anti-corruption policies that are included in the CIMB Niaga Code of Conduct.</p> <p>CIMB Niaga has an anti-fraud strategy that is implemented in the form of a fraud control system, using tools that are an elaboration of the 4 (four) pillars namely; Prevention, Detection, Investigation, and Supervision.</p> <p>Further description on anti-corruption and anti-fraud policies are described in this Annual Report.</p>
		7.3 The Public Company has policies concerning selection and capability improvement of suppliers and vendors.	<p>Comply</p> <p>CIMB Niaga already has a Procurement of Goods and Services Policy (No. E.04.A.06) as well as Goods and Services Procurement Procedures (No. E.04.A.06.P.01) that are disclosed in the Procurement Policy section of this Annual Report.</p> <p>CIMB Niaga's Code of Conduct also regulates the relationship with suppliers, vendors, and consultants (partners) that are in collaboration with the Bank, including objective evaluation, prohibition of acceptance of compensation from partners, compliance of the partners with the Bank's code of conduct as well as consultation and lobbying with partners.</p>
		7.4 The Public Company has a policy concerning the fulfillment of creditor's rights.	<p>Explain</p> <p>CIMB Niaga shall apply and respect creditor's rights through equal treatment of all creditors, exercising the rights and obligations in a timely manner, with no hidden corporate information.</p>
		7.5 The Public Company has a whistleblowing policy	<p>Comply</p> <p>CIMB Niaga already has a Whistleblowing Policy (No. E.08) which is disclosed in this Annual Report under the same title.</p>
		7.6 The Public Company has a long-term incentive policy for the Board of Directors and employees.	<p>Comply</p> <p>In 2017, CIMB Niaga obtained the approval of the GMS to execute share buyback of a maximum of 2% of the Paid-in Capital to be used as a stock-based loyalty program which is a long-term incentive for management and employees in the form of Management and Employee Stock Option Program (MESOP). The effective implementation of MESOP will be in 2018.</p>



Performance
Highlights



Management
Reports



Company
Profile



Management Discussion
and Analysis



Risk
Management

IMPLEMENTATION OF CORPORATE GOVERNANCE GUIDELINES FOR PUBLIC COMPANIES

Aspect	Principle	Recommendation	Implementation
Disclosure of Information	Principle 8 Improve the Implementation of Information Disclosure	8.1 The Public Company benefits from the use of broader information technology other than its website as a means of information disclosure.	<p>Comply</p> <p>In addition to the website, CIMB Niaga also utilizes other information technologies such as phone banking, radio, print media, and social media platforms (such as Instagram, Facebook, Twitter, Youtube and Google+) as media channels for disclosure of information.</p> <p>More details of social media activities are disclosed in the Information Access and Corporate Data section of this Annual Report.</p>
		8.2 The Annual Report of the Public Company discloses share ownership of at least 5% (five percent), other than disclosure of ultimate shareholders of the Public Company through ultimate and controlling shareholders.	<p>Comply</p> <p>CIMB Niaga has no shareholders that own 5% of shares other than ultimate shareholders (CIMB Group), as disclosed in the section of Shares and Other Securities Information in this Annual Report.</p>





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A	Rights of Shareholders	
A.1	Basic Shareholder Rights	
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual general meeting (AGM) for final dividends?	N/A
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	Do shareholders have the right to participate in:	
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A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	383
A.3.3	Does the company allows shareholders to elect directors/commissioners individually?	383-391
A.3.4	Does the company disclose the voting procedures used before the start of meeting?	385 & 390
A.3.5	Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	384 & 388
A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	386-391
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?	384
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A.3.13	Does the company provide at least 21 days notice for all AGMs and EGMs?	384-385 & 389
A.3.14	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	384-385 & 389
A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?	383
A.4	Markets for corporate control should be allowed to function in an efficient and transparent manner	
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	214
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A.5.1	Does the company disclose its practices to encourage shareholders to engage the company beyond AGM?	383-395 & 527-530
B	Equitable Treatment of Shareholders	
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B.1.1	Does the company's ordinary or common shares have one vote for one share?	383



ASEAN CORPORATE GOVERNANCE SCORECARDS INDEX

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B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website reports/the stock exchange/the regulator's website)?	383
B.2	Notice of AGM	
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	383-395
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B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?	397-399
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B.5.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	214 & 517
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C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	527, 76, 121
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C.3.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	342-359 & 588-591
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¹⁾ The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011



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²⁾ The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011



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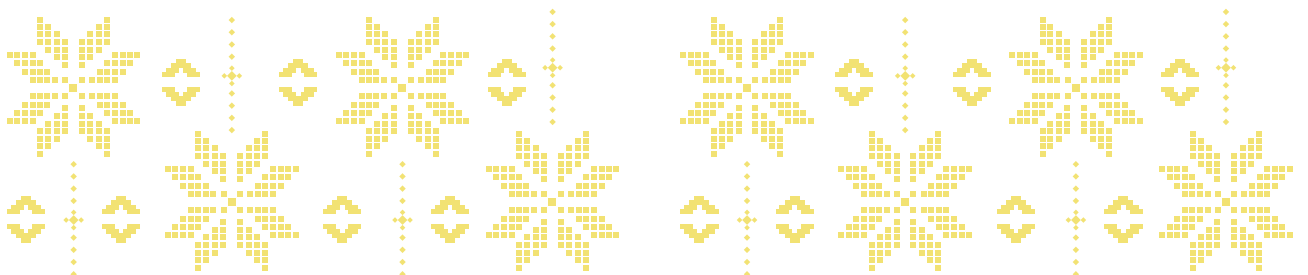
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(P)B.2.1	Has there been any cases of non compliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?	
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(P)C.2	Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis	
(P)C.2.1	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	
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(P)E.1.2	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	



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(P)E.2	Board Structure	
(P)E.2.1	Does the Company have any independent directors/commissioners who have served for more than nine years or two terms of five years ¹⁾ each (which ever is higher) in the same capacity?	
(P)E.2.2	Did the company fail to identify who are the independent director(s)/commissioner(s)?	
(P)E.2.3	Does the company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?	
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¹⁾ The five years term must be required by legislation which pre-existed before the introduction of the ASEAN Corporate Governance Scorecard in 2011





➤ Integrated Governance Implementation Report

The Financial Services Authority issued POJK No.18/POJK.03/2014, dated 18 November 2014 and SEOJK No. 15/SEOJK.03/2015, dated 25 May 2015 on the Implementation of Integrated Governance (TKT) for Financial Conglomerates. These provisions govern the establishment of the Financial Conglomerate, the appointment of the Main Entity in a financial conglomerate and the implementation of TKT in a comprehensive and effective manner.

Good corporate governance in the business activities of a financial conglomerate will enhance the performance of the financial conglomerate and its compliance with the prevailing laws and regulations, as well as with the applicable ethical values in the financial services industry. In addition, integrated governance for a financial conglomerate is expected to boost the sustainable stability of the financial system, ultimately enhancing competitiveness in the financial services industry.

WORK PROGRAM OF TKT IN 2018

1. Ensure the structure of TKT in the CIMB Indonesia Financial Conglomerate has complied with the principles and provisions of integrated governance, both at the level of the Board of Commissioners, the Board of Directors, Committees, Integrated Work Units as well as policies and procedures of each entity.
2. Disseminate information on the implementation of TKT and the results of self-assessment of the application of TKT to the stakeholders through the Annual Report.
3. CIMB Niaga as the Main Entity aligns or updates the policies and procedures related to the implementation of TKT with other entities in the Financial Conglomerate of CIMB Indonesia.
4. Disseminate the TKT principles in collaboration with the relevant work units.
5. Conduct self-assessment on the implementation of TKT in the Financial Conglomerate of CIMB Indonesia and report the findings to regulators and other respective parties.
6. Ensure that the management composition of each entity in the CIMB Indonesia Financial Conglomerate has complied with the prevailing regulations.
7. In relation to the strategic plan of the management, a review of the membership structure of the CIMB Indonesia Financial Conglomerate will be conducted.

WORK REALIZATION OF TKT IN 2017

1. Conducted self-assessment on TKT implementation in the CIMB Indonesia Financial Conglomerate.
2. Submitted the following reports to the regulators:
 - a. TKT Implementation Self-Assessment Report;
 - b. TKT Implementation Annual Report;
 - c. Integrated Risk Profile Report;
 - d. Integrated Capital Report.
3. Made adjustments with members of the Financial Conglomerate in terms of reporting, preparing, and updating of internal policies and procedures related to the implementation of TKT in each Financial Services Institution, which includes the functions of Internal Audit, Risk Management, and Compliance.
4. In accordance with the directives of the OJK, CIMB Niaga, as the Main Entity, has established the CIMB Integrated Reporting System (CIRS), which can be accessed by each financial services institution in the CIMB Indonesia Financial Conglomerate. The automation of the system is expected to support the effectiveness of reporting in an integrated manner.
5. Held TKT Committee meetings 2 (two) times in 2017 on 8 February 2017 and 31 July 2017. During the meetings, the TKT Committee received and approved the Integrated Risk Profile of CIMB Indonesia Financial Conglomerate, Integrated Capital Adequacy, Integrated Internal Audit, Integrated Compliance and Self-assessment on the Implementation of Integrated Governance, which was followed up by submission to the OJK by the Main Entity.
6. Drew up improvement plans/mitigation plans for several significant issues that had been reported through the Self-assessment Report on the Implementation of the Integrated Governance of the CIMB Indonesia Financial Conglomerate to the OJK, including :
 - a. Fulfillment of Independent Commissioner position in one of the entity members of the CIMB Indonesia Finance Conglomerate to serve

as a member of the TKT Committee, no later than September 2018.

- b. Fulfillment of the composition of share-ownership in one of the entity of the CIMB Indonesia Financial Conglomerate, in which foreign ownership is only allowed for 85% of the paid- up capital, with 15% being owned by domestic parties.

TKT IMPLEMENTATION ASSESSMENT REPORT

TKT Implementation Assessment Method

TKT implementation assessment is conducted every semester based on self-assessment method, with reference to the Circular Letter of OJK No.15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerate. The assessment is conducted on 3 (three) governance aspects, namely structure, process and outcome of the following 7 (seven) factors of TKT implementation assessment:

1. Implementation of duties and responsibilities of the Board of Directors of the Main Entity,
2. Implementation of duties and responsibilities of the Board of Commissioners of the Main Entity,
3. Duties and responsibilities of the TKT Committee,
4. Duties and responsibilities of the Integrated Compliance Unit ICU.

5. Duties and responsibilities of the Integrated Internal Audit Unit,
6. Implementation of Integrated Risk Management,
7. Preparation and implementation of the TKT Charter.

Assessment of the implementation of TKT is conducted with due regard to the significance and materiality of factors in the TKT assessment and the impact of strengths and/or weaknesses in the Integrated Governance in the Financial Conglomerate. The TKT self-assessment process is performed by members of the TKT Committee and Integrated Risk Management Committee by evaluating the structure, process and outcome of TKT in each assessment factor.

In addition, in the process of self-assessment of TKT implementation, CIMB Niaga as the Main Entity takes into consideration the data and other information obtained from other work units, such as Risk Management, Internal Audit, Corporate Affairs, Human Resources, Anti Fraud Management, as well as other work units in the subsidiaries and affiliated companies, to be used as a validation factor in the assessment of TKT implementation.

TKT Implementation Assessment Results

The following are the results of TKT implementation assessment in Semester I and II of 2017:

Integrated Governance Implementation Self-Assessment Results	
Rating	Rating Definition
2 (GOOD)	<p>Integrated corporate governance by the financial conglomerate is rated good, in overall. This is reflected in the adequate adoption of the TKT principles.</p> <p>However, there are still weaknesses in TKT implementation; in general, the weaknesses are not significant and can be resolved through routine measures by the Main Entity and/or Financial Institution members of the CIMB Indonesia Financial Conglomerate.</p>

Based on the above assessment results, Integrated Governance by the CIMB Indonesia Financial Conglomerate is considered generally well. This is reflected in the adequate fulfillment of the three TKT aspects, namely structure, process, and outcome. The adequate fulfillment of structure, as well as the effectiveness of TKT processes resulted in a satisfactory outcome for TKT implementation at the CIMB Indonesia Financial Conglomerate, which is reflected in its performance, transparency of financial reporting, and implementation of functions of the Integrated Compliance Unit, the Integrated Internal Audit Unit, and Integrated Risk Management Unit. However, there are still weaknesses in the implementation of TKT, which in generally are not significant and can be resolved through measures by the Main Entity and/or Financial Institution members of the CIMB Indonesia Financial Conglomerate.

INTEGRATED GOVERNANCE IMPLEMENTATION REPORT

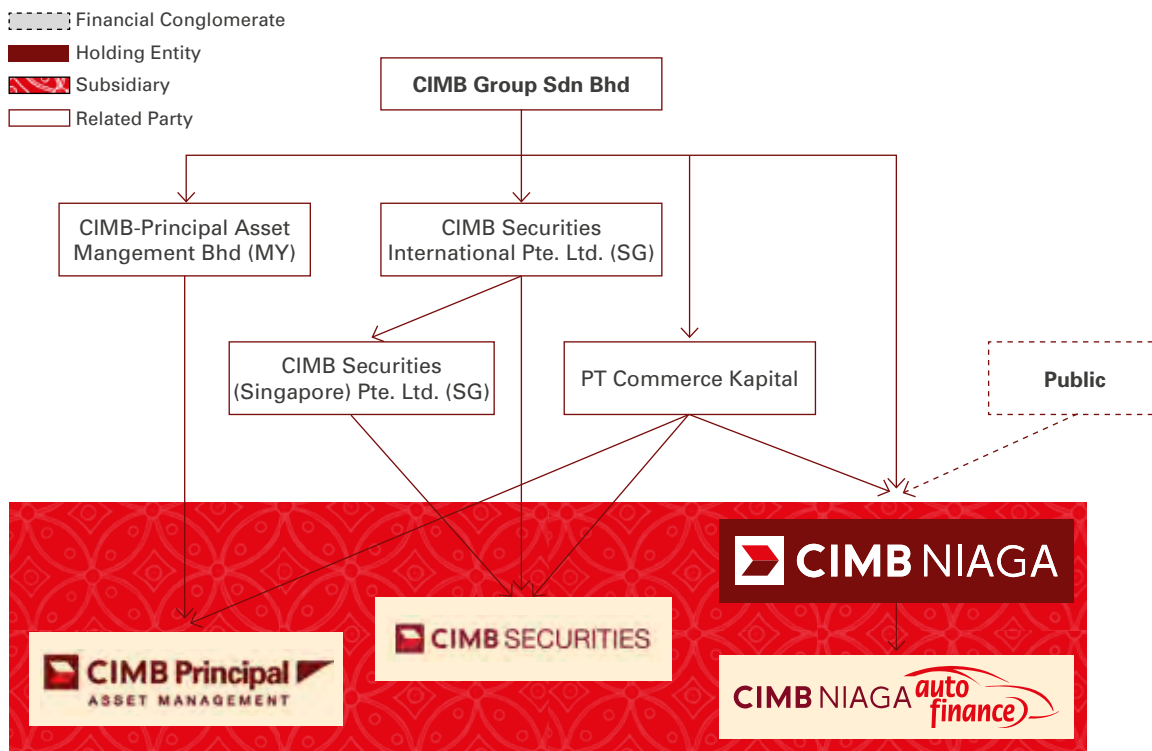
STRUCTURE OF FINANCIAL CONGLOMERATE

CIMB Group Sdn Bhd, as the ultimate shareholder, appointed CIMB Niaga as the Main Entity on 13 February 2015 and determined the Financial Services Institutions as the members of the CIMB Indonesia Financial Conglomerate, thus the structure of the CIMB Indonesia Financial Conglomerate is as follows:

Main Entity (ME) : PT Bank CIMB Niaga Tbk	
Members	<ol style="list-style-type: none"> 1. PT CIMB Securities Indonesia (CSI) 2. PT CIMB Pricipal Asset Management (CPAM) 3. PT CIMB Niaga Auto Finance (CNAF)

SHARE-OWNERSHIP STRUCTURE

The Financial Institution's share ownership structure in the financial conglomerate of CIMB Indonesia, there is only 1 (one) Financial Institution is directly owned by CIMB Niaga Bank, namely CNAF at 99.9%, while 2 (two) other Financial Institution members, namely CSI and CPAM are affiliate parties of Bank CIMB Niaga. The detail share ownership structure of the CIMB Indonesia Financial Conglomerate can be viewed in the following illustration.



MANAGEMENT STRUCTURE

Based on POJK No.18/POJK.03/2014 on the Implementation of Governance for Financial Conglomerate, the following is the management structure of the CIMB Indonesia Financial Conglomerate:

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

Main Entity: PT Bank CIMB Niaga Tbk

Board of Commissioners

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	Armida Salsiah Alisjahbana	Independent Commissioner
7	Jeffrey Kairupan	Independent Commissioner
8	Ahmad Zulqarnain Onn*)	Commissioner
9	Tengku Dato' Sri Zafrul Tengku Abdul Aziz**)	Commissioner

*) Resigned effective since the EGMS, 24 August 2017

***) Appointed in the EGMS on 24 August 2017 and effective serves as Commissioner on 16 March 2018

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

Supervise the implementation of TKT by conducting the following:

1. Approve the TKT Charter prepared by the Board of Directors of the Main Entity;
2. Monitor corporate governance of each member of the CIMB Indonesia Conglomerate to be in accordance with the TKT Charter;
3. Monitor the implementation of duties and responsibilities of the Board of Directors of the Main Entity, as well as giving direction and advice to the Board of Directors of the Main Entity on the implementation of TKT Charter;
4. Evaluate the TKT Charter and its operating guidelines;
5. Provide direction for the improvement of TKT Charter and its operating guidelines;
6. Submit recommendations from the TKT Committee to the Board of Directors of the Main Entity on the implementation of TKT by members of the CIMB Indonesia Financial Conglomerate;
7. Establish the TKT Committee to support the effectiveness of the implementation of duties of the Board of Commissioners which will be governed in a separate section;
8. Organise meetings regularly at least once every semester.

Board of Directors

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
8	Fransiska Oei	Director
9	Hedy Lopian	Director
10	Pandji P. Djajanegara	Director
11	Rahardja Alimhamzah ¹⁾	Director

* Has effectively served as a member of the Board of Directors from the close of the EGM on 24 August 2017

INTEGRATED GOVERNANCE IMPLEMENTATION REPORT

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

1. Ensure proper implementation of TKT in the CIMB Indonesia Financial Conglomerate;
2. Prepare the TKT Charter to be approved by the Board of Commissioners of the Main Entity;
3. Prepare the operating guidelines required to support the implementation of the TKT Charter, including, but not limited to:
 - a. Integrated Risk Management Guidelines;
 - b. Integrated Compliance Guidelines;
 - c. Integrated Internal Audit Guidelines
4. Direct, monitor, and evaluate the implementation of the TKT Charter;
5. Follow up the direction and advice from the Board of Commissioners of the Main Entity in order to improve the TKT Charter and its implementation;
6. Ensure that the audit findings and recommendations from the Integrated Internal Audit and the External Audit, and the supervision results from the OJK and other authorities have been followed up by the Financial Institutions of the CIMB Indonesia Financial Conglomerate;
7. Report on the TKT Self-Assessment (semi-annually) and the TKT Annual Report;
8. Appoint a unit in the organisational of the Main Entity to be responsible for coordinating the implementation of TKT in the CIMB Indonesia Financial Conglomerate.

Sharia Supervisory Board

No.	Name	Position
1	M. Quraish Shihab	Chairman
2	Fathurrahman Djamil	Member
3	Yulizar Djamiluddin Sanrego	Member

Duties and Responsibilities of the Sharia Supervisory Board

Ensure the implementation of TKT shall not conflict with sharia principles.

Financial Institution Member: PT CIMB Securities Indonesia

Board of Commissioners

Position	Name	Description
President Commissioner	Inarno Djajadi	Resigned effectively as of 31 October 2017
Commissioner	Chan Swee Liang Carolina	-
	Kong Sooi Lin	-
	Malcolm Koo Chin Wei	effective since 6 September 2017

Board of Directors

Position	Name	Description
President Director	Harry M. Supoyo	-
Deputy President Director	Lim Kim Siah	effective since 16 November 2017
Director	Yuga Nugraha	-
	R. Muhammad Irwan	resigned effectively as of 1 January 2018
	I Wayan Gemuh Kertaraharja	-
	Judi Sjahrial	effective since 17 May 2017

Financial Institution Member: PT CIMB Principal Asset Management

Board of Commissioners

Position	Name	Description
President Commissioner	Albertus Banunaek	-
Commissioners	Pedro Esteban Borda	-
	Budiman Tanjung	-
	Effendy Bin Shahul Hamid	-
	Alejandro Elias Echegorri Rodriguez	-

Board of Directors

Position	Name	Description
President Director	Ridwan Soetedja	-
Director	Rudi Hermanto Sagala	-
	Priyanto Soedarsono	-
	Mauldy Rauf Makmur	-

Anggota LJK: PT CIMB Niaga Auto Finance

Board of Commissioners

Position	Name	Description
President Commissioner	Wan Razly Abdullah	-
Commissioners	Budiman Tanjung	-
	Koei Hwei Lien	-
	Serena K. Ferdinandus	-
	Hidayat Dardjat Prawiradilaga	-

Board of Directors

Position	Name	Description
President Director	Ristiawan	Efektif per 10 Oktober 2017
Director	Ir. Purwadi Indra Martono	-
	Drs. H. Harijanto	-
	Ivan Kawito	-



INTEGRATED GOVERNANCE IMPLEMENTATION REPORT

Duties and Responsibilities of Members of CIMB Indonesia Financial Conglomerate

Board of Commissioners	Board of Directors
<ol style="list-style-type: none"> 1. Provide recommendation and approval on Governance Policy prepared by the Board of Directors and ensure that the Governance Policy has been prepared in accordance with TKT Charter; 2. Supervise the implementation of TKT, with the duties and responsibilities as follows: <ol style="list-style-type: none"> a. Supervise Corporate Governance to be in accordance with the TKT Charter and Corporate Governance Policy; b. Follow up the recommendations from TKT Committee due to the implementation of TKT as well as for improvement of Governance Policy; c. Supervise the implementation of duties and responsibilities of the Board of Directors, provide the directions or recommendations to the Board of Directors on the implementation of Corporate Policy; d. Evaluate and approve the Governance Policy for improvement e. Establish the Governance Committee by considering the characteristic and scale of business; f. The Board of Commissioners discusses the recommendations from TKT Committee in the Board of Commissioners and Board of Directors meeting in order to provide direction and advice. 	<p>The Board of Directors must ensure the implementation of TKT by the members of CIMB Indonesia Financial Conglomerate, with the responsibilities as follows:</p> <ol style="list-style-type: none"> 1. Prepare the Governance Policy which aligned with the TKT Charter; 2. Prepare the necessary policies and procedures for the implementation of TKT which aligned with the procedures prepared by the Main Entity; 3. Provide sufficient resources; 4. Guide, monitor and evaluate the implementation of Governance Policy including reporting, and 5. Follow up the directions and advices from the Board of Commissioners in order to improve the Governance Policies, TKT and Governance implementation based on the recommendation from TKT Committee; 6. Report the assessment and implementation of Governance to the Main Entity in accordance with the procedure agreed.

INTEGRATED GOVERNANCE COMMITTEE (TKT COMMITTEE)

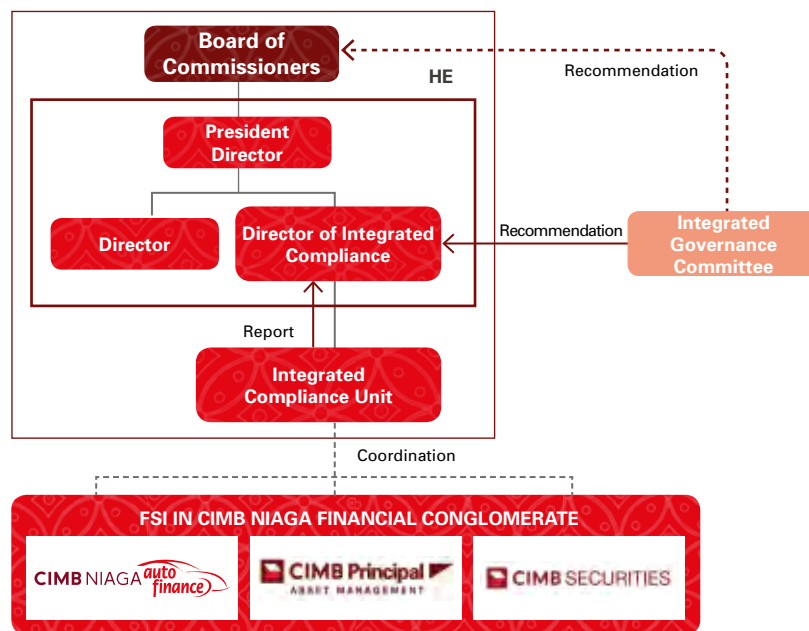
The establishment of the TKT Committee is not only to comply with the prevailing laws and regulations, but to represent CIMB Niaga's commitment to Good Corporate Governance in a professional and sustainable manner. The TKT Committee assists the effectiveness of implementation of duties of Board of Commissioners of the Main Entity in supervising the implementation of TKT in the CIMB Indonesia Financial Conglomerate. The duties and responsibilities of the TKT Committee are as follows:

1. Evaluate TKT implementation by assessing the adequacy of internal control and the implementation of integrated compliance.
2. Provide recommendations for the Board of Commissioners of the Main Entity for the improvement of TKT guidelines.

The provisions concerning procedures of TKT Committee have been further stipulated in the TKT Charter. Detailed discussion on the TKT Committee is available in the TKT Committee Report section in this Annual Report.

INTEGRATED COMPLIANCE UNIT

In accordance with the provision No. 18/POJK.03/2014 on Integrated Governance for Financial Conglomerations, CIMB Niaga's Compliance Unit (SKK) also serves as the SKKT that oversees the implementation of the compliance function at CIMB Indonesia Financial Conglomerate, through intensive coordination with each subsidiary or affiliates. SKK CIMB Niaga is an independent working unit or separate from the operational unit (risk taking unit) of the EU. The following is the organizational structure of SKKT in the CIMB Indonesia Financial Conglomerate:



Duties and Responsibilities of the Integrated Compliance Unit:

1. Monitor and evaluate the implementation of Integrated Compliance of each CIMB Indonesia Financial Conglomerate member;
2. Coordinate with the Compliance Units of each CIMB Indonesia Financial Conglomerate member in accordance with its functions;
3. Compile the results of Integrated Compliance implementation of each CIMB Indonesia Financial Conglomerate member;
4. Prepare and submit the Integrated Compliance duties and responsibilities implementation report to the Director of Compliance of the Main Entity;
5. Establish policies that serve as the guidelines for the implementation of integrated compliance functions and submit them to other Financial Institutions that are members of the Financial Conglomerate.

Realization of Integrated Compliance Unit Activities in 2017:

1. Each Compliance Unit in the CIMB Indonesia Financial Conglomerate prepared and submitted its compliance report to the Integrated Compliance Unit, regularly;
2. The Integrated Compliance Unit compiled and submitted:
 - a. Integrated compliance reports on a quarterly basis to the Director of Compliance of the Main Entity;
 - b. TKT implementation self-assessment reports of the CIMB Indonesia Financial Conglomerate to the TKT Committee and OJK per semester;
 - c. Annual report of TKT implementation to the OJK and publish it on the Bank's website.



INTEGRATED GOVERNANCE IMPLEMENTATION REPORT

3. Director of Compliance of the Main Entity semi-annually submits the Integrated Compliance Report to the Board of Directors and the Board of Commissioners of the Main Entity;
4. Update internal policies and prepare several procedures to be used as a reference in the implementation of integrated compliance.
5. In accordance with the directives of the OJK on the integrated reporting system, the Integrated Compliance Unit participates in the development of the CIRS (CIMB Integrated Reporting System), which is an integrated reporting system of the CIMB Indonesia Financial Conglomerate.
6. Align and disseminate the compliance framework of the Main Entity to the Financial Institution members of the CIMB Niaga Financial Conglomerate.
7. Regularly conduct coordination meetings with each Compliance Unit of Financial Institution members of the CIMB Indonesia Financial Conglomerate to evaluate the implementation of compliance function in an integrated manner.
8. Monitor the follow-up to the audit findings from the regulator at each Financial Institution member of the CIMB Indonesia Financial Conglomerate.

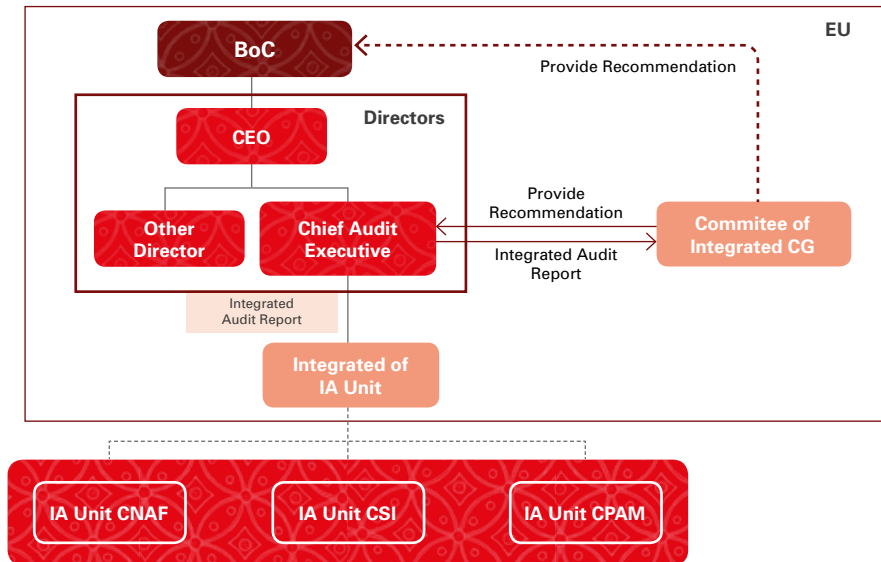
INTEGRATED INTERNAL AUDIT UNIT (IIAU)

Bank CIMB Niaga has established the IIAU, in which for Integrated Good Governance, the IIAU of the CIMB Indonesia Financial Conglomerate has prepared Integrated Internal Audit Policy and TKT Manual, as the references for the Internal Audit of the Main Entity and the Internal Audit of Financial Institution members of the CIMB Indonesia Financial Conglomerate, in implementing integrated monitoring and oversight to improve the quality of Integrated Internal Audit.

Duties and responsibilities of the IIAU include:

1. Monitor and evaluate the implementation of the integrated audits of each CIMB Indonesia Financial Conglomerate member;
2. Coordinate with all internal audit units of CIMB Indonesia Financial Conglomerate members in accordance with their functions;
3. Compile the results of the Integrated Audit implementation of each CIMB Indonesia Financial Conglomerate member;
4. Develop and submit the Integrated Audit duties and responsibilities implementation report to the Director appointed to conduct the monitoring on the Financial Institutions in the Financial Conglomerate, Director of Compliance of the Main Entity, and the Board of Commissioners of the Main Entity.

Organization Structure of Integrated Internal Audit Unit



In conducting its duties, the Integrated Internal Audit unit of the CIMB Indonesia Financial Conglomerate can conduct audit on Financial Institutions which are members of CIMB Indonesia Financial Conglomerate, both through joint audits or based on the report from the internal audit of respective Financial Institution.

During 2017, the Integrated Internal Audit unit conducted monitoring and reporting of the implementation of Integrated Internal Audit to the Head of the Internal Audit of the Main Entity on a monthly basis, and to the Director appointed to conduct oversight of the Financial Institutions in the Financial Conglomerate, the Director of Compliance of the Main Entity, and the Board of Commissioners of the Main Entity bi-annually. Throughout 2017, the Integrated Internal Audit Unit has made various efforts to ensure implementation of Integrated Internal Audit was in accordance with the POJK, through the following initiatives:

1. Aligned the Audit Charter with the Internal Audit unit of CIMB Niaga Auto Finance (CNAF).
2. Aligned the audit plan, human resources plan, and the audit standards of the Internal Audit units of the subsidiary.
3. Conducted joint audits with the Internal Audit unit of CNAF.
4. Encouraged and assisted in the implementation of the audit management system (TeamMate) at the Internal Audit unit of CNAF in terms of automatic report issuance.

5. Conducted meetings with all Head of Internal Audit unit of the Financial Institutions of the CIMB Indonesia Financial Conglomerate on a quarterly basis
6. Monitored the audit results of Internal Audit units of the Financial Institutions of CIMB Indonesia Financial Conglomerate on a monthly and bi-annual basis

INTEGRATED RISK MANAGEMENT

Integrated Risk Management Committee (IRMC)

In accordance with POJK No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerate, the Main Entity is required to establish Integrated Risk Management Committee and Integrated Risk Management unit for effective and comprehensive integrated risk management. Integrated risk management is conducted by considering the business characteristics and complexity of each member of the Financial Conglomerate. The monitoring and evaluation process of the Financial Conglomerate's risk exposure is conducted through the Integrated Risk Management Committee and reported to the Risk Management Committee of the Main Entity.

The Integrated Risk Management Committee consists of the Director of Risk Management and several related senior managements from the Main Entity, as well as the Director in charge of the risk management functions of each Financial Institution member of the Financial Conglomerate.



INTEGRATED GOVERNANCE IMPLEMENTATION REPORT

Composition of IRMC in 2017 is as follows:

Name	Position	Position in the Committee
Vera Handajani	Director of Risk Management, CIMB Niaga	Chairwoman
Julius W. Tjihoe	Head of Operational Risk Management, CIMB Niaga	Deputy Chairman I
Yulius Setiawan	Head of Risk Analytics & Infrastructure, CIMB Niaga	Deputy Chairman II
Indra Martono	Director of CIMB Niaga Auto Finance	Member
Lim Kim Siah	Director of CIMB Sekuritas Indonesia	Member
Rudi H. Sagala	Director of CIMB Principal Asset Management	Member
Diva Mahdi	Market Risk Management Head, CIMB Niaga	Member
Sandi Maruto	ALM Risk Head, CIMB Niaga	Member
Koei Hwei Lien	Retail Credit Risk Management Head, CIMB Niaga	Member
Nanang N. Sumirat	Integrated Risk Management & Basel PMO Head, CIMB Niaga	Secretary

Duties and responsibilities of the IRMC are :

1. Provide recommendations to the Board of Directors of the Main Entity for the development of the Integrated Risk Management policy and enhancement of the Integrated Risk Management policy based on evaluation results.
2. Review and coordinate the evaluation results on integrated risk management, including integrated risk profile and other reports generated from the integrated risk management information system.

Arrangements for IRMC work guidance is further stipulated in the IRMC framework or Terms of Reference.

In conducting its functions, the IRMC is supported by the Integrated Risk Management Working Unit to coordinate with risk management units in each Financial Institution member of the Financial Conglomerate.

Realization of Integrated Risk Management Activities in 2017 were:

1. The Integrated Risk Management Working Unit coordinated the submission of Integrated Risk profile reports from each Financial Institution to the regulators on semi-annually. The reports were first submitted to the IRMC to obtain recommendations, prior to approval of the Risk Management Committee (RMC) of the Main Entity.
2. The Integrated Risk Management Working Unit with the Strategy & Finance unit submitted the Minimum Capital Adequacy report to the regulator,

on semi-annually. The report was first delivered to the Integrated Risk Management Committee to obtain recommendations prior to approval from the RMC of the Main Entity.

3. The Bank, as the Main Entity developed a technology-based information system to support the integrated risk and capital risk assessment process, which is connected to all Financial Institutions in the CIMB Indonesia Financial Conglomerate.
4. Coordination of integrated risk management implementation by the Main Entity to the Financial Institutions was conducted through periodic meetings with the Financial Institution's Risk Management units.
5. Each Financial Institution submitted a report on significant events that could affect the overall risk profile of the Financial Conglomerate. The reports were submitted to the IRMC through its secretary, as stipulated in the Integrated Risk Management Procedures.

INTEGRATED RISK MANAGEMENT WORKING UNIT

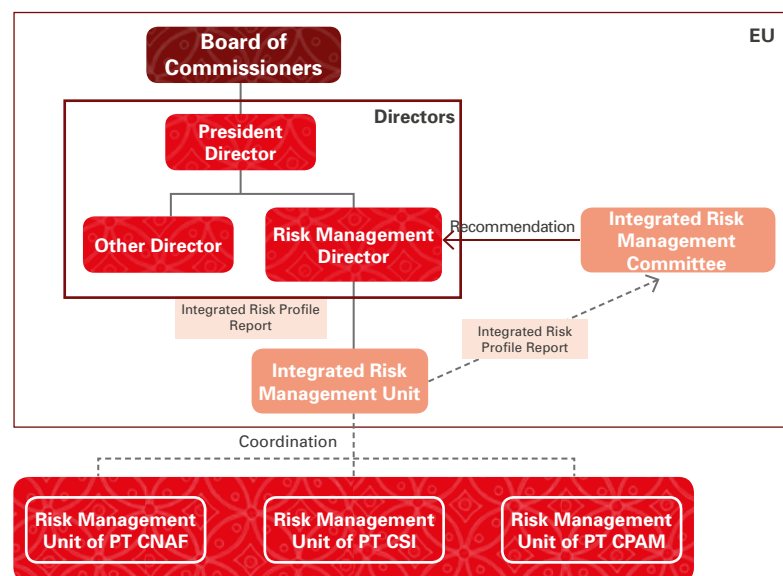
In performing its duties, the IRMC is supported by the Integrated Risk Management Unit which coordinates with the risk management units of each Financial Institution of the CIMB Indonesia Financial Conglomerate.

The authorities and responsibilities of the IRMC Unit include:

1. Provide input to the IRMC and Risk Management Committee of the Main Entity on the development and implementation of policies and procedures of Integrated Risk Management.

2. Provide information to the IRMC on matters that need to be followed up on, including exceptions or significant events in each Financial Institution that may have an impact on the overall Financial Conglomerate.
3. Perform risk monitoring on the Financial Conglomerate based on assessment of the risk profile results of each Financial Institution and the integrated risk profile.
4. Develop and review the accuracy of risk profile assessment methodology.
5. Develop and submit the integrated risk profile report periodically to the Director of Risk Management of the Main Entity, the IRMC and RMC of the Main Entity, before being submitted to the regulators.

Organization Structure of Integrated Risk Management Working Unit



The Integrated Risk Management Working Unit monitors integrated risk management. The results of the monitoring process on risk exposure is reported and evaluated by the IRMC and submitted to the RMC of the Main Entity. In line with the efforts of the Integrated Risk Management Unit to comply with the regulations on integrated risk management, the following action was taken in 2017:

1. Conducted a review on risk management policies and procedures which serve as the guidelines and reference for integrated risk management.

2. Conducted a review on the methodology used in the self-assessment process of risk profile of each entity.
3. Prepared and submitted integrated risk profile reports periodically to the IRMC and RMC of the Main Entity, to be further submitted to regulators.
4. Conveyed reports on significant events that occurred in each Financial Institution to the IRMC and RMC of the Main Entity.



INTEGRATED GOVERNANCE IMPLEMENTATION REPORT

Explanation regarding integrated risk management can be viewed in the Supporting Business Review Report - Risk Management section of this Annual Report.

INTRA-GROUP TRANSACTION POLICY

Intra-group transaction risk is one of the risks that must be 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 in the Financial Conglomerate for the purpose of meeting written or unwritten agreements, which is followed by, or not followed by, a transfer of funds.

Intra-group transaction risk may arise from:

1. Cross-ownership among the Financial Institutions within the Financial Conglomerate.
2. Short-term liquidity management centralization.
3. Collateral, loans, and commitments given or obtained by a Financial Institution from another Financial Institution within the Financial Conglomerate.
4. Exposure to the ultimate shareholders, including the exposure of loans and off-balance sheet items, such as guarantees and commitments.
5. Purchase or sale of assets to other Financial Institutions within the Financial Conglomerate.
6. Transfer of risk through reinsurance.
7. Transactions to transfer third party risk exposure among the Financial Institutions within the financial conglomerate.

Intra-group transaction risks are identified, managed, and reported on a regular basis in conjunction with the reporting of integrated risk profile. Up to the end of 2017, the intra-group transactions risk profile rating was considered low, where the significance of intragroup transactions to the Financial Conglomerate's total assets was still insignificant. Dependence among the Financial Institutions was

also considered very low or limited, as seen from the absence of centralised liquidity management, unbound intra-group support, operational transactions in which a company acts on behalf of another company in the Financial Conglomerate were very low, as well as intragroup purchases or sales being not material. In terms of the documentation and fairness of transactions, intragroup transaction agreements were adequate and all transactions were conducted on an arm's length basis. In addition, exposure to the ultimate shareholder on total capital and exposure arising from the placement of client assets to another company within the Financial Conglomerate was also insignificant.

In the intra-group transaction risk management process, the Main Entity has conducted identification, measurement, monitoring, and risk control on the composition and fairness of transactions between the Financial Institutions in the Financial Conglomerate. Periodically, the Strategy & Finance Unit and the Risk Management Unit monitor the intra-group transaction composition risk to ensure compliance with limits, such as Legal Lending Limit (LLL) and the principle of fairness of the transactions.

In the framework of active supervision, the Board of Commissioners and the Board of Directors receive periodic reports regarding intragroup transactions. Adequate policies and procedures for managing intragroup transactions have been established in each Financial Institution. In the Main Entity, these policies include the Risk Management Policy (Integrated), Legal Lending Limit (LLL) policies, and the Subsidiary Equity Participation Policy. The clarity of authorities and responsibilities has also been well regulated under the authority of the Director of Strategy and Finance.

Independent review is conducted by the Internal Audit Unit in accordance with the scale and complexity of the intragroup transactions.



Corporate Governance Report of Sharia Business Unit

IMPLEMENTATION OF SHARIA CORPORATE GOVERNANCE POLICY

The community's need for sharia financial products and services continues to grow annually. In response, CIMB Niaga has expanded the Sharia Business Unit (SBU) with improvement and additional service and operational quality. Simultaneous with this expansion is improving the Sharia Corporate Governance, which refers to Good Corporate Governance (GCG) and Sharia Compliance.

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

Sharia Corporate Governance in CIMB Niaga is based on 5 (five) basic principles, namely:

- **Transparency:** openness in presenting material and relevant information, as well as openness in the decision-making process.
- **Accountability:** the clarity and accuracy of the presentation of information on the Bank's management that runs effectively in accordance with objectives.
- **Accountability:** bank management that is in line with the prevailing laws and regulations, as well as healthy SBU management principles.
- **Professionalism:** having competence, being able to act objectively and free from influence/pressure from any party and have high commitment in developing the sharia business.
- **Fairness:** fairness and equality in fulfilling the rights and interests of stakeholders based on the prevailing regulatory agreement.

SELF ASSESSMENT OF SHARIA GCG

A self-assessment of GCG is undertaken by the Bank to measure the effectiveness of GCG by CIMB Niaga Sharia during 1 (one) year as established by regulator. The self-assessment is regularly 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)
Implementation of Duties and Responsibilities of SBU Director	35%	1.28	0.45
Implementation of Duties and Responsibilities of the Sharia Supervisory Board	20%	1.23	0.25
Implementation of Sharia Principles in Funding, Financing and Services	10%	2.40	0.24
Fund disbursement to Core Financing Customers and Deposits from Core Depositors	10%	1.85	0.18
Transparency of financial and non-financial conditions, GCG implementation report, and internal reporting	25%	1.59	0.40
Composite scores	100%		1.52

Composite Scores	Composite Ranks
Composite score < 1.5	Very Good
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

CORPORATE GOVERNANCE REPORT OF SHARIA BUSINESS UNIT

SHARIA SUPERVISORY BOARD (SSB)

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 compliance with sharia principles. SSB members are appointed by the General Meeting of Shareholders on the recommendation of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) and the fit and proper test approval from OJK.

SSB Criteria

Based on the SSB Charter of the Bank, members of SSB must meet the following requirements:

1. Integrity, at least including:
 - a. Have good ethics and morals
 - b. Have a commitment to comply with and implement with full professionalism of SSB Charter, as well as the provisions of applicable legislation
 - c. Be committed to the development of healthy and strong sharia banking
 - d. Is not included on the Disqualified List as set forth in the provisions on the fit and proper test stipulated by OJK
2. Competence, at least having the knowledge and experience in the field of sharia mu'amalah and knowledge in banking and/or finance in general

3. Reputation, at least within the last 5 (five) years before being nominated:
 - a. Not included on the Black List and OJK bad credit list
 - b. Not being declared bankruptcy
 - c. Not a shareholder, commissioner, or director of a company and/or a member of the board of a business entity found guilty of causing a company and/or a business entity to be declared bankrupt.

Structure, Composition and Terms of SSB

The number of SSB members shall be at least 2 (two) people and maximum of 3 (three) people. The SSB of the Bank has the ability to perform the mandated responsibilities and have sufficient understanding, as well as competence in order to be able to carry out its duties and responsibilities properly and encourage the improvement of CIMB Niaga Sharia's performance.

Members of SSB shall be appointed by the GMS for a period commencing from the close of the GMS or the date specified by the GMS and ending at the close of the 4th (fourth) AGMS after their appointment, without prejudice to the right of the GMS to dismiss SSB members before their term of office by mentioning the reason. Such termination shall be effective from the close of the GMS unless specified otherwise by the GMS.

The composition of members and terms of SSB CIMB Niaga are as follows:

No	Name	Position	Term of Office			
			GMS Appointment	BI/OJK Approval	Reappointment	Term Period
1	M. Quraish Shihab	Chairman concurrently Member	AGMs on 23 April 2008	No. 11/260/DPbS dated 11/2/2009	AGMS 15 April 2016	AGMS 2019
2	Fathurrahman Djamil	Member	EGMS on 19 December 2008	No. 11/260/DPbS dated 11/2/2009	AGMS 15 April 2016	AGMS 2019
3	Yulizar Djamiludin Sanrego	Member	AGMS on 28 March 2013	No. 15/825/DPbS dated 10/6/2013	AGMS 15 April 2016	AGMS 2019

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 activities comply with Sharia Principles.



The scope of SSB supervision provided to the SBU includes to:

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 Board of Directors 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 Charter

SSB has a Charter that is constantly updated with improvements and adjustments that refer to the rules and regulations applicable in Indonesia. This Charter is a binding guideline and work order for every SSB member so that SSB can perform its monitoring functions efficiently, effectively, transparently, independently and accountably. The SSB Charter regulates the following matters:

1. SSB Duties and Responsibilities
2. Membership of SSB
3. Mechanism and Work Plan
4. Attendance, Working Time and Leave
5. Code of Conduct
6. Remuneration and Facilities
7. Meeting and Minutes of Meeting
8. Assessment and Accountability of SSB Performance
9. SSB Duties and Responsibilities Task Support Working Unit, and
10. Reports

SSB Work Program in 2017

In 2017, SSB CIMB Niaga developed various work programs and activities related to Sharia GCG at the Bank, including:

1. SSB Meeting at least once a month for discussion on compliance issues of sharia principles on product submission, operational guidance, financing model, financing proposal, and so forth.
2. Active in following activities and establish communication with external parties (OJK and DSN-MUI) for updating information and provisions related to the development of contracts, products and others.
3. Perform sharia compliance reviews on the Sharia Branch Offices (SBO) including Office Channeling (OC) and other Business Units periodically, and prepare six-monthly SSB Audit Reports to the Board of Directors, the Board of Commissioners and Financial Services Authority.
4. Hold workshops with related working unit at 2 (two) times in 1 (one) year.
5. Complete the 2017 GCG Sharia Self-Assessment Questioners.

REALIZATION OF SSB WORK PROGRAM IN 2017

From the planned work program, throughout 2017 SSB realized the following work program:

1. SSB conducted 24 (twenty four) meetings consisting of
 - a. 11 (eleven) regular meetings and 7 (seven) non-regular meetings to discuss new products, operational guidelines, financing models, financing proposals, and more,
 - b. 4 (four) meetings in the Discussion of Sharia compliance review results with related units, and
 - c. 2 (two) workshops with SBU employees.
2. Attended Pre-Ijtima 'Sanawi and Ijtima' Sanawi Workshop (Annual Meeting) of SSB year 2017 organized by DSN MUI and OJK.
3. Attended SSB Workshop on Sharia Financial Institutions in Sharia Banking and Sharia Financing in 2017.
4. Reviewed Sharia compliance through the sampling test of financing, funding and service transactions at 4 (four) SBO's and 4 (four) OCs through onsite review and iB Commercial Financing Products with MMQ agreement and Section in charge of Marketing of Sharia Communication.

CORPORATE GOVERNANCE REPORT OF SHARIA BUSINESS UNIT

5. Conducted Internal Workshop of CIMB Niaga Sharia at 2 (two) times in 1 (one) year with the theme:
 - a. SOP Management of Sharia Non-compliance
 - b. Improved Work Ethic with the spirit of Hayya 'Ala al-Falaah.
6. Delivered the SSB Audit Report for period:
 - a. Semester I in August 2017,
 - b. Semester II in February 2018.
7. Contributed to Sharia GCG through GCG Self-Assessment 2017 in accordance with provisions of authorities.
8. Discussed and formulated the membership of the ICG Committee together with all SSB of affiliated companies in the CIMB Indonesia Financial Conglomerate.
9. To actively contribute in the Membership of the ICG Committee in accordance with the applicable provisions from 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 4 (four) other sharia financial institutions. Concurrent positions of the SSB members of CIMB Niaga Sharia 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)	SSB Chairman SSB Member	Bank BCA Syariah • AIA Syariah Branch, • CIMB Niaga Autofinance, • Adira Finance Syariah
Yulizar Djamiludin Sanrego (Member)	SSB Chairman SSB Member	None • LPEI EKSIM • BPRS BTB • PBMT Ventura

Frequency and Attendance of SSB Meetings

1. SSB conducted 24 (twenty four) meetings consisting of
 - a. 11 (eleven) regular meetings and 7 (seven) non-regular meetings to discuss new products, operational guidelines, financing models, financing proposals, and more,
 - b. 4 (four) meetings in the Discussion of Sharia compliance review results with related units, and
 - c. 2 (two) workshops with SBU employees

Attendance Report of Regular SSB Meeting

No	Name	Frequency of SSB Meeting 2017	Total	Attendance Rates
1	M. Quraish Shihab	24	11	46%
2	Fathurrahman Djamil		23	96%
3	Yulizar Djamiludin Sanrego		24	100%



Results of Regular Meetings

The 2017 Regular SSB Meetings resulted in several agreements including on terms, policies/procedures, activities and products as follows:

Opinion Number	Material
001/DPS/KNP/II/2017	Internal Terms - Management Policy
002/DPS/KNP/II/2017	Revenue Sharing Report - Musyarakah Financing
003/DPS/KNP/III/2017	Accelerated Financing Terms of Payment
004/DPS/KNP/III/2017	Internal Provisions - Syariah Safekeeping SOP
005/DPS/KNP/III/2017	Internal Terms - Foreign Exchange Syariah SOP
006/DPS/KNP/III/2017	New Product - Personal Financing with Sharia Commodity Scheme
007/DPS/KNP/III/2017	The use of Al-Ijarah Al-Maushufah Fi Al-Dzimmah (IMFZ) Scheme on Financing of MMQ and IMBT
008/DPS/KNP/IV/2017	The use of Adjustment of Receivable Value on Murabahah Cap Scheme
009/DPS/KNP/IV/2017	New Products - Sharia Platinum Cash Back Card
010/DPS/KNP/IV/2017	Cover iB Flexi (Take Over) KPR Expenses in Financing Ceiling
011/DPS/KNP/IV/2017	Internal Terms - Revenue Sharing SOP
012/DPS/KNP/IV/2017	Internal Terms - iB Giro SOP
013/DPS/KNP/IV/2017	Internal Provisions - SOP of Property Assumption Financing Procedure (Sales) iB
014/DPS/KNP/V/2017	Internal Terms - SOP of Sharia Marketing Promotion and Communication Guide
015/DPS/KNP/V/2017	Internal Terms - SOP Standing Instruction
016/DPS/KNP/V/2017	Application of Payment On Demand Clause in Sharia Financing
017/DPS/KNP/VI/2017	Internal Provisions - SOP of Special Credit Factory Procedures for Financing Consumption of Property Collateral iB Assets
018/DPS/KNP/VI/2017	Determination of Profit Sharing from MMQ Assets for Lease
019/DPS/KNP/VII/2017	Internal Terms - BizLite Service SOP
020/DPS/KNP/VIII/2017	Internal Terms - FASBIS SOP
021/DPS/KNP/VIII/2017	Internal Terms - SBIS SOP
022/DPS/KNP/VIII/2017	Internal Terms - SIMA SOP
023/DPS/KNP/VIII/2017	Internal Provisions - SOP of Placement of Term Deposits of Sharia in Foreign Currency at Bank Indonesia
024/DPS/KNP/VIII/2017	Internal Terms - SOP of Reverse Repo of State Sharia Securities
025/DPS/KNP/VIII/2017	Internal Provisions - Operational Policies on Commercial and Consumer Financing (Dual Banking) Related to Reporting and Requesting Customer Information Through Financial Information Service System
026/DPS/KNP/VIII/2017	Internal Provisions - Third Party Fund Management Policy Regarding Account Opening By Referral Method
027/DPS/KNP/VIII/2017	New Products - Supplier Financing iB
028/DPS/KNP/X/2017	Internal Provisions - SOP of iB Hajj reward Savings
029/DPS/KNP/X/2017	Internal Terms - SOP of Debit Card Implementation
030/DPS/KNP/XI/2017	Internal Terms - SOP of Intraday Syariah Liquidity Facility
031/DPS/KNP/XI/2017	New Product - Export LC iB, SKBDN iB, DP iB, DA iB
032/DPS/KNP/XII/2017	Revenue Realization Report of PRK iB – Musyarakah

Non-Regular Meeting Results

The 2017 SSB Non-Regular Meetings resulted in the following agreements on:

Date	Material
20 January 2017	iB Account Financing
14 February 2017	1. Asset Provisions on Financing of MMQ 2. Financing Restructuring of PT Kalpataru Investama.
21 February 2017	Terms and Asset Criteria on MMQ Financing (continued)
5 April 2017	1. Financing of MMQ Refinancing with Asset that is not on behalf of the Customer 2. Financing of MMQ Refinancing with Asset that is being leased by a third party 3. Adjustment of Installment Schedule on Murabahah Financing with Margin Cap Scheme 4. Giro Sharia Program.



CORPORATE GOVERNANCE REPORT OF SHARIA BUSINESS UNIT

Date	Material
30 August 2017 and 6 September 2017	<ol style="list-style-type: none"> 1. Restructuring the Financing of PT Kalpataru 2. Top Up Features on Sharia Mortgage Product - KPR iB 3. Follow Up on Application Development of TD Clicks 4. iB Employee Financing.
27 September 2017	Asset Position on Financing of MMQ Refinancing on Asset Condition, which is on Guarantee facility of existing customer at CIMB Niaga or other Financial Institution.
30 December 2017	Musarakah Financing - Mechanism and Periodization of Revenue Realization Report on Sharia Account Financing (PRK iB).

Sharia Banking Director

SBU of CIMB Niaga is led by the Sharia Banking Director who takes full responsibility for the implementation of sharia business management based on the prudential principle and sharia principles. Sharia Banking Director is held by Pandji Pratama Djajanegara. The appointment of the Sharia Banking Director was approved by the OJK through Letter No.SR-27/PB.13/2016, dated 4 October 2016.

Criteria of Sharia Banking Director

The criteria of Sharia Banking Director are based on among others, PBI No. 11/10/PBI/2009 concerning Sharia Business Unit, and PBI No. 14/6/PBI/2012 concerning the Fit and Proper Test of Sharia Banks and Sharia Business Units, as well as Bank Indonesia Circular Letter No. 14/25/DPbS regarding Fit and Proper Test for Sharia Bank and Sharia Business Unit.

The criteria that must be met by candidates of Sharia Banking Director, among others, are as follows:

1. Have the integrity, competence and good financial reputation as required by applicable regulations
2. Be committed to the development of sound sharia banking operations;
3. Have knowledge and understanding in the field of sharia banking operations;
4. Have knowledge and expertise in banking operations, sharia banking, finance or sharia finance
5. Have the ability to conduct strategic management in the framework of developing a healthy and strong Sharia Business Unit.

The Term of Sharia Banking Director

The term of office for Sharia Banking Director is the same as the term of other Directors of CIMB Niaga Bank, which is appointed by the GMS for the commencing period from the close of the GMS or other date stipulated by the GMS and ending at the close of the 4th (fourth) AGMS after the appointment, without prejudice to the right of the GMS to dismiss the Sharia Banking Director before his/her term expires by stating the reason. Such termination shall be effective from the close of the GMS unless specified otherwise by the GMS.

Profile of Sharia Banking Director

The full profile of the Director of Sharia Banking is listed on the Board of Directors Profiles in this Annual Report.

Duties and Responsibilities of Sharia Banking Director

- Managing and supervising based on the prudential and sharia principles.
- Following-up on SSB recommendations.
- Implementing the Financial Services Authority regulations related to SBU.

Transparency of financial condition and non financial condition

List of Consultants and Advisors

Consultant	Field
Silverlake	Information Technology
Digital Mind System	Information Technology
Hitachi Ebwork	Information Technology
Sahassa	Information Technology
Nucleus	Information Technology

The Number of Internal Fraud Cases & Resolution Efforts

Based on the report of Internal Audit and Anti Fraud Management, during 2017 there was 1 (one) case of internal fraud with value more than Rp100,000,000 (one hundred million Rupiah).

Internal Fraud in 1 year	Fraud Committed By					
	BOC/BOD		Permanent Employee		Non-Permanent Employee	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Total Fraud	-	-	-	1	-	-
Resolved	-	-	-	-	-	-
On-going Internal Settlement Process	-	-	-	1	-	-
Pending	-	-	-	-	-	-
Followed-up with Litigation	-	-	-	-	-	-

Legal Issues (Civil and Criminal) and Settlement Efforts

In 2017, SBU CIMB Niaga's legal issue was only related to civil cases and there was no criminal case as in the table below:

Civil

Legal Case	Civil Case (Bank as Defendant)		
	Year 2015	Year 2016	Year 2017
Number of Cases	2	5	6
Completed Cases (Having a Permanent Legal Power)	1	1	2
Cases in Settlement Process	1	4	4

Criminal

Legal Case	Criminal (Bank as Defendant)		
	Year 2015	Year 2016	Year 2017
Number of Cases	0	1	0
Completed Cases (Having a Permanent Legal Power)	0	0	0
Cases in Settlement Process	0	1	0

NON-HALAL INCOME AND THE USAGE

There was no non-halal revenue in 2017.



CORPORATE GOVERNANCE REPORT OF SHARIA BUSINESS UNIT

DISBURSEMENT OF FUNDS FOR SOCIAL ACTIVITIES

During 2017, the CIMB Niaga Sharia Business Unit, in collaboration with humanitarian social institutions, religious organizations and educational institutions, organized 290 (two hundred ninety) programs with a total disbursement of Rp6.7 Billion. The beneficiaries are grouped into 5 (five) sectors with the following details:

Distribution Sector	Number of Activities	Donation (Rp)
Economic Empowerment	1	30,000,000
Education	114	3,401,783,382
Health	31	1,170,650,903
Infrastructure	40	879,010,000
Social	104	1,218,477,457
Total	290	6,699,921,742

Several excellent programs with institution partners are divided into five sectors of Fund Distribution, among others:

Economic Empowerment

- Program of providing venture capital for dhuafa family in cooperation with Zakat Indonesia Initiative (IZI) located in Jakarta

Education

- CIMB @Campus Program through 18 prestigious universities in Indonesia followed by 242 students in collaboration with CIMB Niaga CSR team
- The development program of tahfidz dhuafa house in Central Kalimantan in cooperation with Yayasan Nurul Fikri
- The development program of the Al Qur'an educational park in Aewoe village NTT in collaboration with the team of Marketing Communication Syariah

Infrastructure

- Musholla Development Program of Faculty of Economics and Islamic Business at Walisongo University in Semarang, construction of Jami Al Fajri Mosque in South Jakarta, and construction of Al Huda Mosque at Pasar Minggu, South Jakarta.
- Improvement program for mosques and shelters in Jabodetabek area and Bandung in cooperation with SIndo Trijaya media.
- Veteran house renovation program in Bandung in collaboration with Dompot Peduli Ummat Daarut Tauhid

Health

- Rohingya's health care assistance program in cooperation with PPPA Daarul Qur'an.
- Spirit for Palestine health assistance program in cooperation with Dompot Peduli Ummat Daarut Tauhid.
- Disaster response action program in Yogyakarta in cooperation with Badan Amil Zakat Nasional (BAZNAS)
- Bank Niaga's retirement healthcare program in partnership with Yayasan Ikatan Keluarga Purna Wira Bank Niaga

Social

- Several flood disaster response programs include: Kudus flood in cooperation with PPPA Daarul Qur'an, Pacitan flood in cooperation with Pos Keadilan Peduli Ummat (PKPU), and East Lombok flood in cooperation with Al-Azhar Peduli Ummat.
- A special program for the distribution of wakaf Al Qur'an together with Bank Niaga Alumni

➤ Bad Corporate Governance Practices

CIMB Niaga recognizes that Bad Corporate Governance practices will disrupt the Good Corporate Governance (GCG) system developed by CIMB Niaga. To support this, throughout 2017, CIMB Niaga did not engage in actions or develop policies relating to the practices shown in the following table:

Description	Case
Being reported as a company that pollutes the environment	Nil
Significant legal issues faced by the Bank, subsidiaries, incumbent members of the Board of Directors and/or Board of Commissioners, not disclosed in the Annual Report	Nil
Non-compliance in the fulfilment of tax obligations	Nil
Incompatibility in the presentation of the annual report and financial statements with applicable regulations and Financial Accounting Standards	Nil
Labour and employee-related cases	Nil
No disclosure on the listed company's operational segments	Nil
Discrepancy between the hardcopy and the softcopy of the Annual Report	Nil

➤ Statement on Implementation of Good Corporate Governance Principles

The management and employees of CIMB Niaga state that in conducting its business activities, has implemented Good Corporate Governance principles and there are no material breaches to the prevailing laws and regulations.

Further, CIMB Niaga has also implemented Corporate Governance principles in accordance with ASEAN Corporate Governance Scorecard standards.

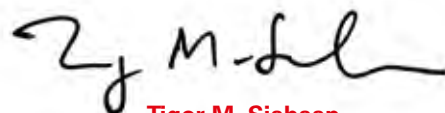
Management and employees are committed to continuously improve Good Corporate Governance practices in a transparent, accountable, responsible, and independent manner, taking into account fair and equitable fairness and continuity in order to achieve CIMB Niaga's business objectives.

➤ Statement on the Effectiveness of Internal Control System and Risk Management

The internal control system performed by CIMB Niaga has been effectively and adequately implemented, reflected in the effectiveness of the implementation of internal control functions, including internal audit functions, risk management, compliance, financial and operational controls.



Dato' Sri Nazir Razak
President Commissioner



Tigor M. Siahaan
President Director