

Good Corporate  
Governance  
**Report**

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Good Corporate Governance (GCG) is a series of mechanism or system that guides and controls the Bank to operate in line with the expectation of stakeholders, pursuant to prevailing laws and regulations, and adhere to the norms of business ethics that are universally recognized and the Bank's Core Values that are espoused by every personnel of CIMB Niaga. Such mechanism or system influences the establishment and achievement of the Bank's objective, the monitoring and assessment of business risks, maximizes the effort on performance improvement and the development of the corporate culture of the Bank.

At CIMB Niaga, the implementation of GCG is not merely the fulfillment of obligation, but represents a commitment towards transparency and accountability in managing the Bank to the public. The development of GCG that is in line with best practices and its consistent implementation induces the Bank to create values through its business attitude and action, provide services that are highly valued, innovative, friendly, efficient and effective, while ensuring a control system that can assure accountability that is at par with the associated business risks.

Furthermore, the development of GCG in a consistent manner can also create healthy competition and maintain the business continuity of the Bank. The implementation of GCG becomes the main foundation for the Bank's business activities in order to maximize the benefit and added value for stakeholders and ensure long term sustainability. The perfect implementation of GCG will assure sustainability of the business that will remain solid over the long term, providing adequate protection and fair treatment to all shareholders and other stakeholders.

CIMB Niaga is committed to implementing GCG according to best practices that will induce the Bank to create maximum shareholder value. In addition, the implementation of GCG principles at the Bank will also be a reference in responsible decision making, avoid conflict of interest, optimize performance and increasing the accountability of the Bank. CIMB Niaga constantly endeavors to be a bank that applies the best governance to ensure that every program and plan of the Bank will be realized as expected.

## BASIS AND GUIDELINES IN GOOD CORPORATE GOVERNANCE

In the implementation of GCG, CIMB Niaga refers to certain prevailing regulations laws and regulations that serve as the basis for the Bank's corporate governance. They are:

1. Republic of Indonesia Laws, particularly those related to the Capital Market, Limited Liability Company, and Banking;
2. Regulations and Circular Letters issued by OJK, particularly those related to Corporate Governance, the Annual Report, Risk Management, and various OJK Regulations and Circular Letters related to implementation of corporate governance;
3. The Indonesian Corporate Governance Roadmap as issued in the OJK press release on 4 February 2014;
4. The ASEAN Corporate Governance (CG) Scorecard issued by the ASEAN Capital Market Forum (ACMF);
5. The General Guidelines on GCG in Indonesia as issued by the National Committee of Governance Policy (KNKG);
6. The Articles of Association and the Resolutions of the General Meeting of Shareholders (GMS) of the Bank; and
7. The Bank's Corporate Governance Policy.

## IMPROVEMENT OF GCG QUALITY AT CIMB NIAGA

CIMB Niaga will continue to make necessary improvements in the implementation of corporate governance principles. By truly understanding the values that are inherent in each of those principles, the Bank will have ensured that the implementation of good corporate governance will ultimately lead to added value for all stakeholders of the Bank.

The awareness to implement the best corporate governance has propelled the Bank to implement GCG programs and activities that are in line with standards that apply in Indonesia, ASEAN as well as international

best practices. In the Bank's continuous efforts to enhance the quality of its GCG implementation, in 2020 CIMB Niaga carried out several programs and activities that could increase added value for the Bank. CIMB Niaga has incrementally taken various initiatives to enhance the quality of its GCG implementation aimed at achieving sustainability governance.

Several programs and practices of CIMB Niaga in the effort to enhance and develop the corporate governance implementation especially in response to the impact of the COVID-19 in 2020, were as follows:

1. The implementation of a new ways of working (Work From Home-Office), as an adaptation to the widespread of COVID-19 and in preparation to face the New Normal era to ensure the Bank could still operate amid the COVID-19 pandemic without risking the safety and health of its employees, and increasing work productivity. Also, the development of several HR systems such as Y.O.D.A, the Robotic Process Automation (RPA) and the HR Dashboard & Analytic to enhance work efficiency and effectiveness, help the management in making critical decisions, and provide a better employee experience.
  2. Enhancement of the Information Technology system to support and assure the Bank's operations can proceed normally and that Bank data and information are well protected due to the change in the ways of working become Work From Home.
  3. Changes in the audit method to remote auditing including through remote review, data analytics, conference call and video conferencing. The Internal Audit also reviewed its audit plan quarterly to ascertain whether the plan is still relevant with the Bank's development amid COVID-19.
  4. The Risk Oversight Committee now requires direct reporting/presentation from the business units that represent the Sharia Business Unit and PT CIMB Niaga Auto Finance (a subsidiary entity) on their respective strategies and achievements. This is deemed necessary by the Risk Oversight Committee to acquire a deeper understanding in terms of risk management on the conditions of these business units and their strategies going forward.
  5. Signing of the Declaration of Integrity Pact, Code of Ethics and Anti-Corruption Commitments by members of the Board of Commissioners and Board of Directors on 9 April 2020.
  6. Attestation of the Declaration of Integrity Pact, Code of Ethics and Anti-Corruption Commitments each year by all employees, both permanent and non-permanent employees.
  7. Disclosure of the Declaration of Integrity Pact, Code of Ethics and Anti-Corruption Commitments by the Board of Commissioners and Board of Directors on the Bank's website.
  8. Issuance of the Corporate Governance Policy No. M.12 that consists of the Integrated Governance Policy of CIMB Niaga Indonesia Financial Conglomerate and Corporate Governance Policy of CIMB Niaga & Framework for Subsidiaries.
  9. Issuance of the Corporate Charter of the CIMB Indonesia Financial Conglomerate.
  10. To comply with the rules over the health protocols of COVID-19, the AGM and EGM in 2020 were carried out both physically and on-line through video conference and using the e-Proxy system provided by KSEI (eASY. KSEI) while keep implement the e-Voting method. This to ensure the fulfillment of the rights of shareholders to attend/be represented and vote in the GMS safely and comfortably. The same on-line method was used in the Bank's Annual Public Expose, which was carried out through video conference.
  11. Implement the sustainable finance procedure, especially integrating the aspects of social and environment including the physical risk and transition risk in the credit analysis process of Corporate Banking segment that is further discussed in the Bank's 2020 Sustainability Report; and
  12. Updating of Bank policies to align with prevailing regulations and the latest condition of the Bank.
- In the efforts to enhance the quality of its GCG practices, CIMB Niaga periodically improves its GCG Soft Structure, including the followings:
1. The Articles of Association of the Bank that has been acknowledged by the Minister of Justice and Human Rights of the Republic of Indonesia based on the letter No. AHU-AH.01.03-0213936 on the Receipt of Notice on the Amendments of the Articles of Associations of PT CIMB Niaga Tbk dated 8 May 2020;
  2. The Corporate Charter that was first issued and approved on 25 November 2020;
  3. The Corporate Governance Policy that was first issued and approved on 16 September 2020;
  4. The Policy on the Diversity in the Composition of Members of the Board of Commissioners and Board of Directors that has been updated and approved on 2 March 2020;
  5. The Anti Money Laundering (AML) & Counter-Terrorist Financing (CFT) Policy and the Whistleblowing Policy, both of which have been updated and approved in March 2020;
  6. The Policies and Procedures for the Nomination of Members of the Board of Commissioners, Board of Directors, Independent Parties, Members of the Committees of the Board of Commissioners and Succession of Members of the Board of Directors and Senior Management that have been updated and approved on 26 June 2020;
  7. The Policy on the Fulfillment of Creditors' Rights and Policy on Communication with Shareholders/ Investors, both of which have been updated and approved on 22 September 2020.

## ACHIEVEMENT IN GCG IN 2020

CIMB Niaga believes that by implementing the principles of Good Corporate Governance, the bank will be able to maintain sustainable growth. CIMB Niaga's commitments towards applying the principles of GCG are evident from the seriousness with which the Bank carries out improvements and implementation of the Governance structure and process to constantly yield the best.

Throughout 2020, CIMB Niaga's commitments towards implementing corporate governance have resulted in very satisfactory performance that is recognized by external parties for the Bank's consistency in implementing GCG based on the highest standards (beyond compliance), including awarded as the **Top 3 Indonesia (with the highest score) and included in ASEAN Asset Class category from the ASEAN Capital Markets Forum for the ASEAN Corporate Governance Scorecard (ACGS) Award 2019** that was held in 2020, as well as other GCG awards that are described in the Company Profile Section of this Annual Report.



## GCG IMPLEMENTATION STAGES

CIMB Niaga began its GCG implementation since listing its shares in the stock market in 1955 and became a public company. From here, CIMB Niaga developed the awareness that Good Corporate Governance practices are crucial to gain the trust of shareholders and other stakeholders and to create a sustainable business.

Thereafter, CIMB Niaga carried out an assessment every year whether a self-assessment or by an independent institution. These assessments were based on parameters that were deemed relevant for the Bank that is listed on the Indonesia Stock Exchange. The results of these assessments brought inputs and recommendations that were followed by the Bank as it continued to make improvements and maximized best practices in GCG, and publicized them through the Bank's website, its Annual Report, and press releases, all of which were accessible to stakeholders.





Performance Highlights



Management Reports



Company Profile



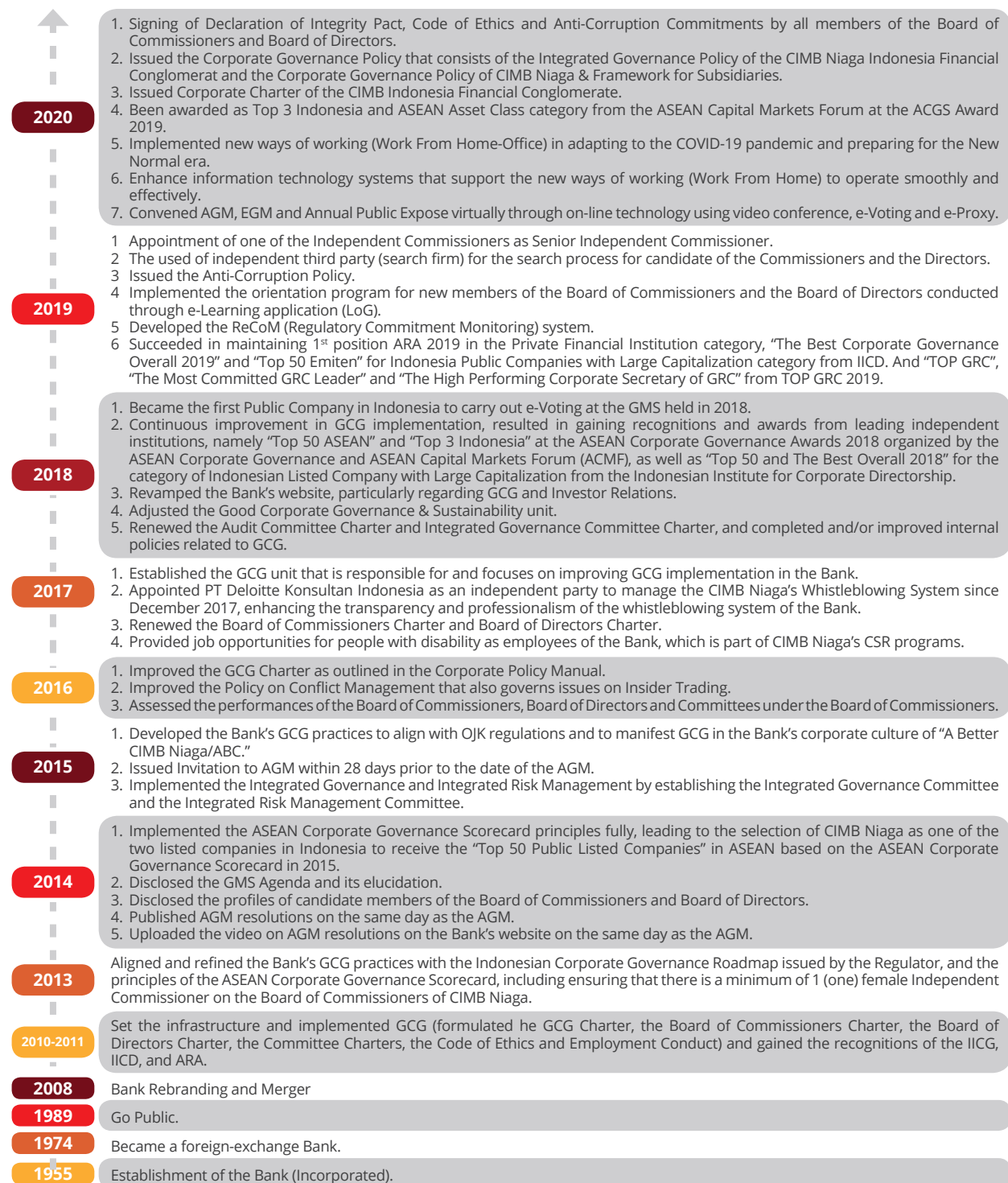
Management Discussion and Analysis



Risk Management

## GCG MILESTONES OF CIMB NIAGA IN 1955-2020

CIMB Niaga is fully committed to being a “Leading ASEAN Company” and achieve its set long-term goal by constantly making positive contributions to its stakeholders. This strong resolve is carried out by continuously enhancing and implementing GCG that is based on prevailing standards and best practices of GCG, whether nationally or internationally, as follows:



## GCG OBJECTIVES

Good governance is a key indicator for shareholders to evaluate the performance of the Bank and have a measure of confidence that the Bank is being managed professionally and that it is able to serve the interest of the shareholders and other stakeholders, and undertakes its business by complying with the laws and regulations. But more than that, CIMB implements the principles of GCG consistently and continuously to create added value and maintain the trusts of its stakeholders.

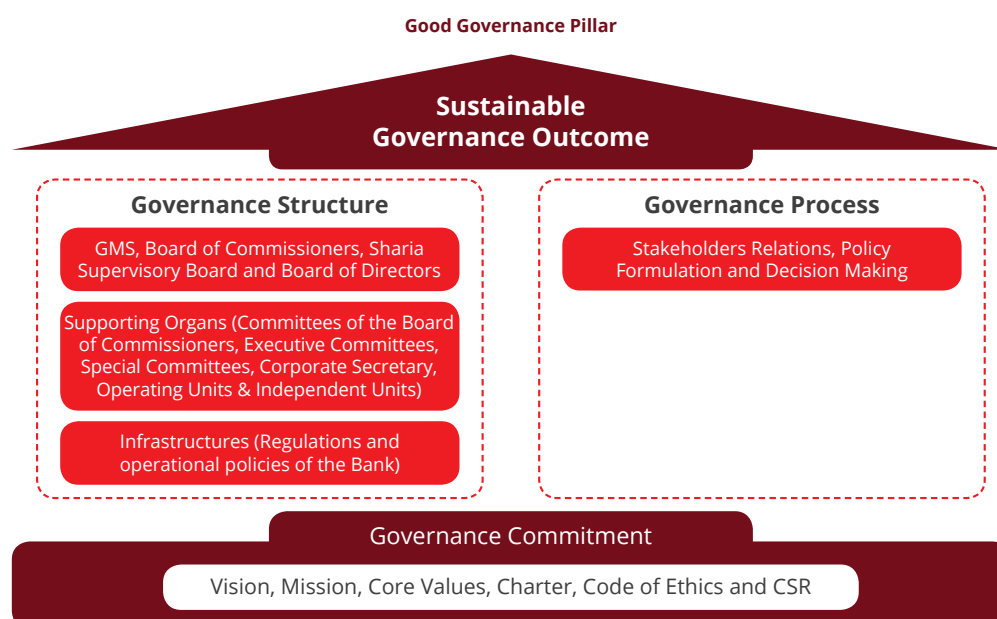
CIMB Niaga implements GCG by referring to 4 aspects of governance, which are governance commitment, governance structure, governance process and governance outcome. Through these four aspects, CIMB Niaga believes that the development of GCG will enable the Bank to achieve both its short-term and long-term goals, as follows:

1. Achieve growth and investment returns that are optimum to create a solid foundation for the Bank to continue to grow and evolve, thereby creating long-term shareholder value without neglecting the interests of all other stakeholders;
2. Control and direct good relations among the shareholder, the Board of Commissioners, the Board of Directors and all of the Bank's stakeholders;
3. Support the activities of internal control and the development of the Bank;
4. Manage resources more judiciously;
5. Increase accountability to the shareholder and the stakeholder;
6. Foster the corporate culture of the Bank; and
7. Increase Bank competitiveness, the trust of investors and the value of the Bank.

## STRUCTURE AND MECHANISM OF BANK GOVERNANCE

Pursuant to the Law of the Republic of Indonesia No. 40 of 2007 on the Limited Liability Company, the organs of the Bank Governance comprises of the General Meeting of Shareholders, the Board of Commissioners and the Board of Directors. Pursuant to the Bank's Articles of Association and the prevailing laws and regulations, each of those organs play a key role in the implementing Corporate Governance and carry out the respective functions, duties and responsibilities in the interest of the Bank in carrying out its business activities.

CIMB Niaga has and implements 4 pillars of Good Corporate Governance/GCG that comprises of governance commitment, governance structure, governance process and governance outcome.





## GOVERNANCE COMMITMENT

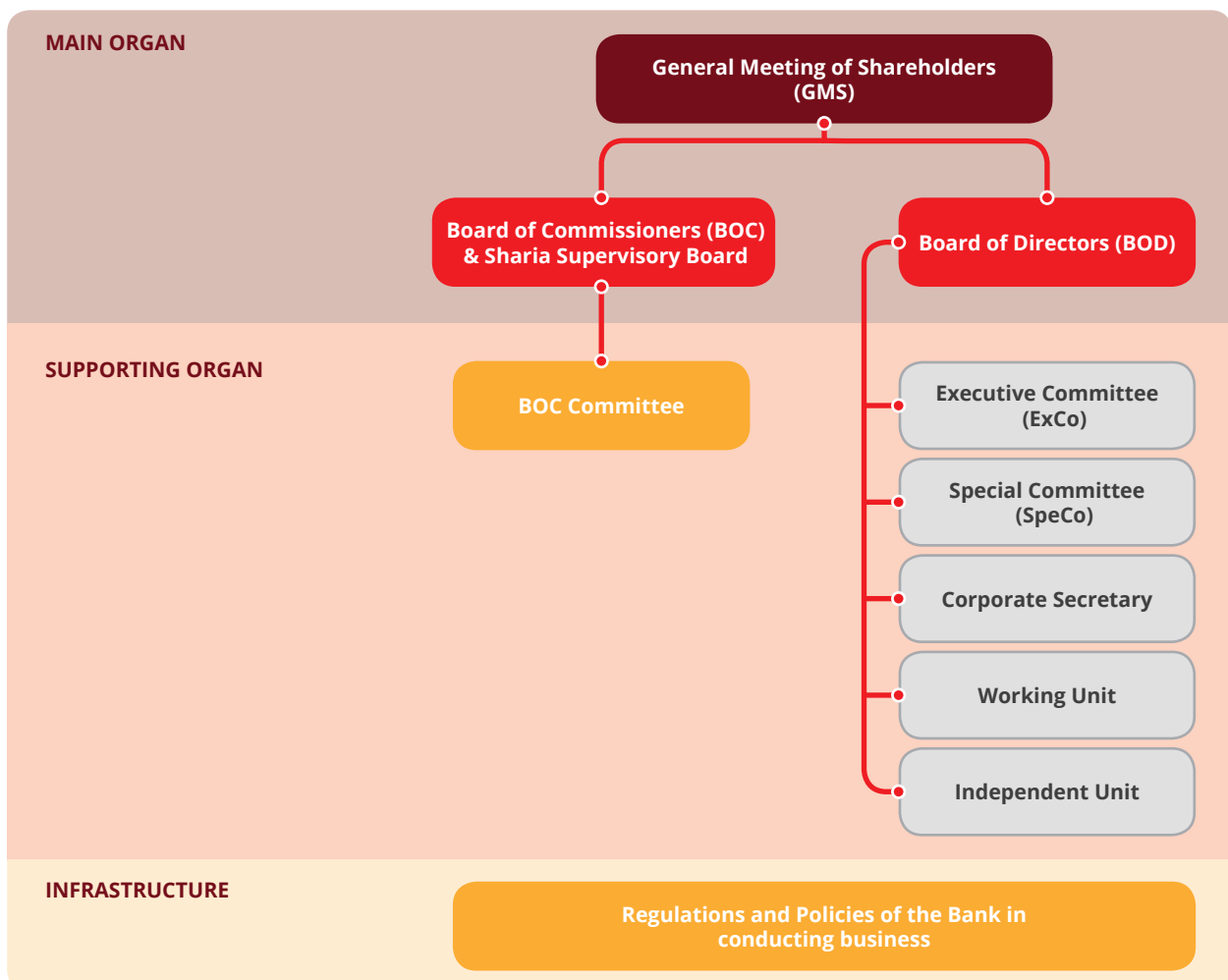
To achieve the desired results of GCG implementation on a consistent and continuous basis requires the full commitments of the Top Management of the Bank and all levels below that will ultimately form as part of the corporate culture. To ensure the full commitments, CIMB Niaga expresses these commitments in the formulation of the Bank's vision and mission statements that are clear and realistic, the core values that represent good morals and positive attitudes, formulation of the Code of Ethics and Conduct, Charter, implementation of Risk Management and the Whistleblowing System and the Corporate Social Responsibility.

All of the above are periodically reviewed and updated to align with current best practices, the condition and development of the Bank's business environment, and prevailing laws and regulations.

## GOVERNANCE STRUCTURE

The Governance Structure of CIMB Niaga comprises of the main organs, which are the General Meeting of Shareholders, the Board of Commissioners and the Board Directors; and the supporting organs that consist of the Committees of the Board of Commissioners, Committees of the Board of Directors, the Corporate Secretary, Business Units/Operating Units and Independent Units. Whereas the Governance infrastructure comprises of among others the Internal Policies and Regulations of the Bank in carrying out its business.

### Corporate Governance Structure of the Bank



## GOVERNANCE PROCESS

CIMB Niaga undertakes the governance process through the procedures and mechanism that are structured and systematic in order to produce the outcome that fulfils the principles of GCG. The Governance process at CIMB Niaga is supported by adequate Governance structure and infrastructure to produce an outcome that is in line with the expectations of stakeholders.

## GOVERNANCE OUTCOME

The governance outcome represents the manifestation of the implementation of GCG by the Bank that begins with the governance commitment and proceeds through an integrated governance structure and governance process.

As a result of the implementation of GCG by the Bank as discussed above, CIMB Niaga has been able to maintain its existence amid the business competition within the banking industry and the recently challenging condition due to the COVID-19 pandemic. The Bank also believes that GCG can have a positive influence towards the creation of value and business sustainability of the Bank over the long term in line with the expectations of the Bank stakeholders.

CIMB Niaga implements all of the principles of Corporate Governance namely Transparency, Accountability, Responsibility, Independency and Fairness (TARIF), which are practiced through various means, as follows:

|                              |   |
|------------------------------|---|
| <b>Transparency</b>          | <ul style="list-style-type: none"> <li>• CIMB Niaga discloses information in an accurate, clear, adequate and timely manner.</li> <li>• CIMB Niaga upholds information disclosure with strict observance to the principle of bank confidentiality, official secrecy and the privacy rights pursuant to prevailing laws and regulations.</li> <li>• CIMB Niaga information disclosure is accessible to all stakeholders in accordance with their rights.</li> <li>• The policies of CIMB Niaga are documented and communicated to stakeholder in accordance with their respective rights and prevailing regulations.</li> </ul>  |
| <b>Accountability</b>        | <ul style="list-style-type: none"> <li>• The Board of Commissioners and Board of Directors have well defined duties, authorities and responsibilities and carry out the checks and balance system in managing the Bank.</li> <li>• All members of the Board of Commissioners and Board of Directors have adequate competences, in accordance with their respective duties and responsibilities as well as understanding of their roles in implementing good corporate governance.</li> <li>• Every member of the Board of Directors and all of the personnel below them have clear duties and responsibilities and in line with the Vision, Mission, Corporate Core Values and strategies of CIMB Niaga.</li> <li>• CIMB Niaga also has key performance indicators for all management personnel based on parameters that are agreed upon and consistent with the business targets and strategies of the Bank, as well as the reward and punishment system.</li> <li>• The Board of Commissioners and Board of Directors account for their performances to the Shareholders through the General Meeting of Shareholders.</li> <li>• Periodically and continuously, CIMB Niaga carries out assessments on the performances of the Board of Commissioners, Committees of the Board of Commissioners, Board of Directors and the Committees of the Board of Directors.</li> </ul> |
| <b>Responsibility</b>        | <ul style="list-style-type: none"> <li>• CIMB Niaga conducts its business by constantly adhering to the prudent banking principles and pursuant to prevailing laws and regulations.</li> <li>• CIMB Niaga manifests its concerns towards the environment and surrounding communities through corporate social responsibility programs and activities in a fair manner.</li> <li>• CIMB Niaga always upholds the principle of integrity including by sending anti-gratification statement letter (Integrity Pact) each year to all vendors and customers of the Bank.</li> <li>• CIMB Niaga also applies sustainability banking by integrating environmental, economic and social aspects to the Bank's business.</li> </ul>   |
| <b>Independence</b>          | <ul style="list-style-type: none"> <li>• CIMB Niaga conducts its business independently without any interference from Shareholders, the Controlling Shareholder and any other stakeholders.</li> <li>• CIMB Niaga avoids conflict of interest at all times.</li> <li>• Decisions are made objectively and based solely on the Bank's interest.</li> </ul>   |
| <b>Equality and Fairness</b> | <ul style="list-style-type: none"> <li>• CIMB Niaga strives always to consider the interests of all stakeholders based on the principles of equality and fairness.</li> <li>• By adhering to the principles of equality and fairness, CIMB Niaga provides equal access to all stakeholders of the Bank.</li> <li>• CIMB Niaga provides every opportunity to all shareholders to voice their opinion/question in the General Meeting of Shareholders.</li> </ul>   |

# GCG IMPLEMENTATION ASSESSMENT

CIMB Niaga consistently strives to improve the quality of GCG implementation, as reflected in the increase in governance outcomes each year, including operational and financial performance that show sustainable growth as a result of GCG implementation. To maintain consistency, the Bank always measures the quality of GCG implementation, whether carried out by self-assessment or in collaboration with third party assessor to obtain a more independent assessment result.

## SELF-ASSESSMENT

In support of the quality of GCG implementation, the Bank performs GCG self-assessment involving the evaluation by the Board of Commissioners and Independent Parties, the Board of Directors, Executive Officers and independent functions. CIMB Niaga conducts self-assessment on the implementation of Governance principles of Transparency, Accountability, Responsibility, Independence, and Fairness and Equality in the Bank's operational activities, which are carried out every semester, as stipulated in POJK No. 55/POJK.03/2016 and SEOJK No. 13/POJK.03/2017 concerning Implementation of Governance for Commercial Banks.

## PROCEDURES

The Bank perform a comprehensive and structured self-assessment integrated into the 3 (three) aspects of Governance, which are:

### 1. Governance Structure

The assessment of the Governance structure aims at evaluating the adequacy of the Bank's Governance structure and infrastructure. A Governance structure and infrastructure that are in accordance with the principles of Good Corporate Governance will produce results that are in line with the expectations of the Bank's stakeholders.

### 2. Governance Process

The assessment of the Governance process aims at evaluating the effectiveness of the Bank's implementation of the Governance principles. Alongside an adequate Governance structure and infrastructure, good Governance processes are expected to enable the Bank to perform according to the expectations of stakeholders.

### 3. Governance Outcome

The assessment of the Governance outcome aims at evaluating the quality of the Bank's outcome, qualitatively as well as quantitatively, which is the result of the proper process of Good Corporate Governance implementation supported by adequate Governance structure and infrastructure.

## ASSESSMENT CRITERIA

Self-assessment is conducted periodically on GCG principles comprising the following 11 factors of governance assessment:

1. Implementation of the duties and responsibilities of the Board of Directors.
2. Implementation of the duties and responsibilities of the Board of Commissioners.
3. Completion and duties execution of the Committees.
4. Management of conflict of interest.
5. Implementation of the compliance function.
6. Implementation of the internal audit function.
7. Implementation of the external audit function.
8. Implementation of risk management including internal control system.
9. Provision of funds to related parties and large exposures.
10. Transparency of the Bank's financial and non-financial conditions, GCG implementation report and internal reporting.
11. Bank's strategic plan.

The Bank also consider other information related to Governance implementation, outside the above 11 assessment factors.

The end result of the Bank's assessment of Governance implementation is based on the results of questionnaire to selected respondents and by factoring-in findings within the Bank with the questionnaire results. These findings are compiled from various units in the Bank, such as Internal Audit, Anti-Fraud Management, Risk Management, Human Resources, Compliance and others, and also include findings from regulators.

## PARTIES CONDUCTING THE ASSESSMENT

The self-assessment of the Governance implementation for Bank-only involves the Board of Commissioners, Board of Directors, Independent Parties, and Executive Officers of the Bank, to arrive at a comprehensive and well-structure evaluation on the effectiveness and quality of the Bank's Governance systems and outcomes. In the consolidated Governance assessment, each subsidiary conducts a Governance self-assessment as stipulated by the respective capital market and financing sector authorities. Results of the subsidiary self-assessment are then consolidated using an internal methodology based on materiality and significance.

## ASSESSMENT RESULT

The result of the GCG self-assessment for Semester I and Semester II 2020, for bank-only and consolidated with subsidiaries, is as follows:

| GCG Implementation Self-Assessment Results |      |   |
|--|------|---|
| Entity                                     | Rank | Rank Definition   |
| Bank (Individually)                        | 2    | Bank Governance Rating is 2 (GOOD), which reflects that Bank's Management has adequately applied the Good Governance principles.  |
| CIMB Niaga Auto Finance (CNAF)             | 2    | CNAF Governance Rating is 2 (GOOD), which reflects that CNAF generally has complied with the Governance provisions and principles.  |
| CIMB Niaga Sekuritas (CNS)                 | 3    | CNS Governance Rating is 3 (FAIR), which reflects that CNS gradually has complied with the Governance provisions and principles in line with CNS operational activity which is still limited. |
| Consolidated                               | 2    | Consolidated Governance Rating is 2 (GOOD), which reflects that Bank and Subsidiaries, Management has adequately applied the Good Governance principles.                                      |

In 2020, CNAF and CNS also conduct the GCG self-assessment in accordance with OJK Governance provisions related to its business activities as a Financing Company and Securities Company.

## RECOMMENDATIONS AND FOLLOW-UP

In 2020, the self-assessment of CIMB Niaga's Governance, for bank-only and in a consolidated manner, achieved an overall rating of 2 (Good). This means that, in general, the Bank and its subsidiaries are deemed adequate in applying the principles of Governance, despite of a number of weaknesses identified in the aspect of Governance. The management of the Bank and its subsidiaries are able implement good corporate governance. The Bank and its subsidiaries are committed to implementing the principles of Governance in their activities to achieve business sustainability.

From the results of the self-assessment in 2020, the Bank and subsidiaries have identified a number of weaknesses to be followed-up, including improvement to a number of internal regulations, and strengthening the governance process in support of a more effective internal control system.

## EXTERNAL ASSESSMENT

### ASEAN CORPORATE GOVERNANCE SCORECARD

In recent years, CIMB Niaga has also received assessment for its Governance implementation in each year based on the ASEAN Corporate Governance Scorecard (ACGC) criteria, which adopts the Corporate Governance principles issued by the Organisation for Economic Cooperation and Development (OECD). ACGS is an initiative of the ASEAN Capital Market Forum (ACMF), the association of ASEAN capital market authorities, and supported by the Asian Development Bank (ADB), to improve the governance practices of listed companies in ASEAN and promote these companies as an asset class. The Bank uses the results of the assessment based on the ACGS criteria to give confidence and objectivity in the quality of GCG implementation within the Bank.

## ASSESSMENT PROCEDURE

Assessment of the Corporate Governance implementation of listed companies were based on a review of publicly available and accessible information in English, and includes information disclosed in the respective company's Annual Reports, corporate websites, as well as announcements and circulars issued.

The assessment methodology consists of 2 (two) levels:

1. **Level 1:** minimum standard items that are expected to be implemented in each ASEAN member countries, including prevailing laws and regulations as well as the OECD principles.
2. **Level 2:** bonus items reflecting practices beyond minimum standard expectations, and penalty items reflecting of poor governance practices.



### Domestic Assessment

Assessment at respective country



### Peer Review

Assessment made among ASEAN country members



### Finalization

Verification on certain items and final evaluation for "ASEAN Asset Class", "Top 20 ASEAN" and "Top 3" of respective countries"

## ASSESSMENT CRITERIA

The criteria for the ACGS assessment consists of 5 (five) aspects, namely Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board.

## PARTIES CONDUCTING THE ASSESSMENT

The ASEAN Capital Market Forum (ACMF) evaluates through the Domestic Ranking Body (DRB) as the representative appointed by the respective regulator in each respective member countries to conduct assessment at a national level. In Indonesia, OJK has appointed PT RSM Indonesia Consultant (RSM) in 2016 to act as the DRB for the country. To maintain objectivity of assessment, the results was also verified by the DRBs of other ASEAN member countries.

## ASSESSMENT RESULT

The result of the Bank's GCG assessment based on ACGS performed by RSM with a cut-off date of 30 June 2019, CIMB Niaga achieved a total score of 113.84 which is higher than the assessment result of the previous period with a score of 109.19. The assessment score places CIMB Niaga in the "Top 3 in Indonesia" and "ASEAN Asset Class" categories according to the ASEAN Capital Markets Forum. The score achieved by CIMB Niaga is also the highest score achieved by any corporations in Indonesia.

## RECOMMENDATION AND FOLLOW-UP

Among the recommendations received by CIMB Niaga for the Bank's GCG assessment based on ACGS are:

| Recommendation   | Follow-Up  |
|--|--|
| Information disclosure in the minutes of meeting of the AGM documenting the availability of opportunity for Shareholders to submit their questions, the details of questions submitted, and the answer given | In the Annual GMS held in 2020, CIMB Niaga had ensured that the minutes of meeting of the AGM have properly documented that Shareholders are given the opportunity to submit their questions, details of the questions asked, and the answers given, including if there were no question submitted by the Shareholders |
| Independent Commissioners to have a term of office of 9 (nine) years maximum   | The Bank has followed-up by issuing a policy for Independent Commissioners of the Bank to have a term of office of maximum 2 (two) periods and not exceeding 9 (nine) years, consecutively   |

## INDONESIAN INSTITUTE FOR CORPORATE DIRECTORSHIP (IICD)

In 2020, CIMB Niaga also conducted another external GCG assessment in collaboration with the Indonesian Institute for Corporate Directorship (IICD). The IICD GCG assessment uses an evaluation method based on the ACGS parameters issued by the Organization for Economic Cooperation and Development (OECD), and also considers any cases of corruption involving the public company.

### PROCEDURE

The Bank's GCG implementation is evaluated using the ACGS parameters based on the Bank's disclosure of information, including in the official website, the Annual Report, and the Report of Disclosure of Information to the Indonesian Stock Exchange. The assessment methodology is similar to the ACGS with Level 1 of minimum standards and Level 2 of bonus items and penalty items.

### RECOMMENDATION AND FOLLOW-UP

Recommendations made on the assessment, and the Bank's subsequent follow-up actions, are:

| Recommendation   | Follow-Up  |
|--|--|
| To encourage all members of the Board of Commissioners and Board of Directors to attend/participate in the AGM | Since the 2019 AGM, All members of the Board of Commissioners, the Sharia Supervisory Board, the Board of Directors and the Audit Committee of the Bank have attended the AGM, except those that have resigned or have ended their term of office. |
| All members of the Nomination and Remuneration Committee to consist of Independent parties                     | This recommendation is unable to be followed-up by the Bank, as the membership composition of the Nomination and Remuneration Committee is in compliance with OJK regulations.   |

### ASSESSMENT CRITERIA

The assessment criteria consist of 5 (five) aspects, namely Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board.

### PARTIES CONDUCTING THE ASSESSMENT

An independent GCG expert appointed by the IICD performs the assessment. The assessment results, in the form of a report, are then submitted to the Bank.

### ASSESSMENT RESULT

The IICD in its ACGS Research Result Report for 2020 for the Bank, based on the Bank's 2019 Annual Report and the Bank's website, give a score of 119.13 to the Bank. This places the Bank's compliance performance in the category "Leadership in Corporate Governance."



## GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders (GMS) is the highest body in CIMB Niaga's corporate governance structure and is the forum for shareholders to make decisions. The GMS has the authority not granted to the Board of Directors and Board of Commissioners as stipulated in applicable laws and regulations, and CIMB Niaga's Articles of Association.

Shareholders make decisions through the GMS, based on the Bank's interests fairly and transparently. The CIMB Niaga GMS consists of an Annual GMS (AGM) held once a year, and Extraordinary GMS (EGM) that can be held at any time based on needs. Both the AGM and EGM have the highest authority in the Bank's corporate governance structure.

### SHAREHOLDERS

Shareholders are individuals or legal entities that legally own Bank shares. Shareholders do not intervene in the functions, duties and authority of the Board of Commissioners and the Board of Directors.

CIMB Niaga's Shareholders composition as of 31 December 2020 was as follows:

| Shareholders Name   | Total Shares (Unit) | Ownership Percentage (%) |
|---------------------|---------------------|--------------------------|
| CIMB Group Sdn Bhd  | 22,991,336,581      | 91.48                    |
| PT Commerce Kapital | 255,399,748         | 1.02                     |
| Public (<5%)*       | 1,884,870,514       | 7.50                     |

\* Including Treasury Stocks

### RIGHTS, AUTHORITY AND RESPONSIBILITY OF THE SHAREHOLDERS

The Bank's Shareholders consist of class A shares and class B shares. Both class A and class B shareholders have the same rights. Each share has rights of 1 (one) vote.

The rights held by shareholders include, among others:

1. Attend the GMS and cast 1 (one) vote;
2. Opportunity to propose the GMS agenda and candidates of the Board of Commissioners and the Board of Directors' members by 1 (one) shareholder or more representing at least 1/20 (one twentieth) of the total shares with voting rights;
3. Opportunity to grant a proxy to another party if the shareholder is unable to attend the GMS. The proxy form is available on the Bank's website ([www.cimbniaga.co.id](http://www.cimbniaga.co.id));
4. Receive and read up the GMS materials no later than 28 (twenty-eight) days prior to the GMS, so that shareholders are prepared to vote during the GMS resolution process;

The legal basis for organizing the CIMB Niaga's GMS refers to:

1. Law No. 40 of 2007 concerning Limited Liability Companies.
2. Financial Services Authority (OJK) Regulation concerning the General Meeting of Shareholders of Public Companies; and
3. Bank's Articles of Association.

In addition to the above legal requirements, CIMB Niaga GMS are also conducted in accordance with the ASEAN Corporate Governance Scorecard provisions.

5. Opportunity to raise questions on every agenda item and every agenda decision in the GMS;
6. Opportunity to vote agree, disagree, or abstain on any proposed decision in the GMS agenda; and
7. Receive equal treatment from CIMB Niaga.

In addition, shareholders also have the authority including:

- (i) to appoint and dismiss members of the Board of Commissioners and members of the Board of Directors,
- (ii) to conduct assessments on the performance of the Board of Commissioners and the Board of Directors,
- (iii) temporarily dismiss the members of the Board of Directors,
- (iv) approve amendments and ratification of the Bank's Articles of Association,
- (v) approve the Annual Report,
- (vi) approve the remuneration for the Board of Commissioners and the Board of Directors, as well as
- (vii) approve the proposed allocation of Bank's profits, including dividend distribution.

Shareholders rights, authorities and responsibilities are regulated, in details, in CIMB Niaga's Articles of Association that is accessible through the Bank's website

(www.cimbniaga.co.id). The Bank also consider the location of GMS ensuring it is easily accessible by the shareholders and/or their proxies and encourages all shareholders including institutional shareholders to attend the CIMB Niaga's GMS.

### GMS OF CIMB NIAGA IN 2020

In 2020, due to the COVID-19 pandemic, the Bank held the AGM on 9 April 2020 and EGM on 25 September 2020 virtually through video conference that is further explained below. The resolution of both GMS have been reported to OJK and uploaded on the Bank's website (www.cimbniaga.co.id), the website of IDX (www.idx.co.id) and published in the Investor Daily and The Jakarta Post on the same day.

The following is an abbreviated discussion on the implementation and resolutions of the AGM and EGM in 2020, and information on the follow up actions of the Bank:

### AGM 9 APRIL 2020

In 2020, the Bank held 1 (one) AGM on 9 April 2020 which was convened in accordance with the mechanism set out in POJK No. 32/POJK.04/2014 as amended by POJK No. 10/POJK.04/2017 and the provisions of the Bank's Articles of Association.

### THE PROCESS OF AGM ON 9 APRIL 2020

|  |  |
|--|--|
| <b>Date &amp; Time</b>   | 9 April 2020 at 14:17 - 15:32 GMT + 7  |
| <b>Location</b>  | Graha CIMB Niaga – Fl. 15, Fl. 14 and Fl. M<br>Jl. Jend. Sudirman Kav. 58<br>Jakarta Selatan 12190   |
| <b>Quorum</b>  | The AGM (Meeting) was attended by shareholders and representatives/proxies representing 23,940,283,849 shares or 96.0161% of the total shares issued by the Bank (both class A shares and class B shares), totaling 24,933,620,041 shares (not included Treasury shares with the total of 197,986,802 shares). Accordingly, the quorum required in Article 13 Paragraphs 13.1 and 13.6 of the Bank's Articles of Association have been fulfilled and the Meeting is therefore valid and entitled to make legitimate and binding decisions regarding matters discussed according to the agenda Meeting. |
| <b>AGM Chairman</b>  | Jeffrey Kairupan as Independent Commissioner (Senior).   |
| <b>The Board of Commissioners including the President Commissioner in attendance</b> | All members of the Board of Commissioners were attended, whether in person or via video conference, except for Tengku Dato' Sri Zafrul Abdul Aziz who has resigned effective on 9 March 2020 after having been officially appointed and taken the position of the Finance Minister of Malaysia, his resignation of which has been submitted in the AGM on 9 April 2020.  |
| <b>The Board of Directors including the President Director in attendance</b>         | Tigor M. Siahaan as the President Director was attended along with all the other members of the Board of Directors either in person or via video conference.   |
| <b>The Sharia Supervisory Board (SSB) in attendance</b>                              | Prof. Dr. M. Quraish Shihab, MA as Chairman of the SSB was attended via video conference.  |
| <b>The Audit Committee in attendance, including the Chairman of Audit Committee</b>  | Jeffrey Kairupan as Chairman and Zulkifli M. Ali as member was attended whether in person or via video conference.   |
| <b>Chairman of the NRC Committee in attendance</b>                                   | Pri Notowidigdo, as the Chairman was attended via video conference.  |
| <b>Chairman of KIPER in attendance</b>   | Zulkifli M. Ali as Chairman was attended via video conference.   |
| <b>Chairman of IGC in attendance</b>   | Jeffrey Kairupan as Chairman was attended via video conference.  |
| <b>Number of shareholders who raised questions and/or opinions</b>                   | All shareholders were given the opportunity to raise questions and/or opinions on each agenda of the AGM. However, none of the shareholders raised any question or opinion.  |

## IMPLEMENTATION STAGES OF THE AGM ON 9 APRIL 2020

| No | Activity  | Date of Implementation | Explanation  |
|----|---|------------------------|--|
| 1  | Notification of AGM to Regulator                                  | 18 February 2020       | Submitted to the OJK and PT Indonesia Stock Exchange (IDX) within 5 (five) working days prior to the announcement of the AGM.  |
| 2  | Announcement of AGM   | 25 February 2020       | <ol style="list-style-type: none"> <li>Conducted within 14 (fourteen) days prior to the invitation of the AGM, not including the date of the GMS announcement and invitation.</li> <li>Announced in Indonesian and English in: <ol style="list-style-type: none"> <li>"Investor Daily" and "The Jakarta Post" newspapers;</li> <li>Bank's website and IDX's website</li> </ol> </li> <li>Proofs of the announcement were submitted to OJK and IDX on the same day (hardcopy and e-reporting via SPE-OJK &amp; IDX-Net).</li> </ol> |
| 3  | Recording Date of List of Shareholders entitled to attend the AGM | 10 March 2020          | Recorded 1 (one) working day prior to the AGM Invitation   |
| 4  | Invitation with explanation of agenda of AGM                      | 11 March 2020          | <ol style="list-style-type: none"> <li>Conducted within 28 (twenty-eight) days prior to the AGM implementation regardless the date of AGM Invitation and date of AGM.</li> <li>Announced in Indonesian and English in: <ol style="list-style-type: none"> <li>"Investor Daily" and "The Jakarta Post" newspapers;</li> <li>Bank's website and IDX's website</li> </ol> </li> <li>Proofs of the announcement were submitted to OJK and IDX on the same day (hardcopy and e-reporting via SPE-OJK &amp; IDX-Net)</li> </ol>          |
|    | Revision on Invitation to the AGM                                 | 13 March 2020          | Revision on the year of the AGM was made in Bahasa Indonesia, and information on agenda 8, specifically point (c) in Bahasa Indonesia and English, that was publicized through <del>daily</del> the newspapers and on the Bank's website on the same date as the invitation to the AGM.  |
|    | Amendment on Invitation to the AGM                                | 1 April 2020           | Revision on information of the AGM's venue and additional information to assure the health of Shareholders and prevention of the COVID-19 spread, was made in Bahasa Indonesia and English, publicized through <del>daily</del> the newspapers and on the Bank's website on the same date as the invitation to the AGM.  |
| 5  | AGM   | 9 April 2020           | Pursuant to the health protocols of COVID-19, the AGM was convened physically from three separate rooms that are interconnected via video conference (including the AGM participants who did not attend physically) enabling all AGM participants to see, hear and follow the event directly and participated actively in the AGM.   |
| 6  | Summary of the Minutes (Resolutions) of the AGM                   | 9 April 2020           | The publication of resume of the AGM (notarial) contain the voting results of each agenda was uploaded in Indonesian and English on the Bank's website on the same day with the AGM.   |
|    |   | 14 April 2020          | <ol style="list-style-type: none"> <li>Summary of the Minutes (Resolutions) of the AGM was published within 2 (two) working days after the AGM, in Indonesian and English in: <ol style="list-style-type: none"> <li>"Investor Daily" and "The Jakarta Post" newspapers; and</li> <li>Bank's website and IDX's website</li> </ol> </li> <li>Proofs of the publications were submitted to OJK and IDX on the same day (hardcopy and e-reporting via SPE-OJK &amp; IDX-Net).</li> </ol>  |
| 7  | Revision of the Summary of Minutes (Resolutions) of the AGM       | 16 April 2020          | Revision on the schedule for the distribution of dividends, publicized through the same newspapers and websites with the Summary of Minutes (Resolutions) of the AGM.  |
| 8  | Deed of Minutes of AGM  | 11 May 2020            | Deed of AGM Minutes submitted to OJK within 19 (nineteen) working days after the AGM (hardcopy and e-reporting via SPE-OJK & IDX-Net).   |

## ONLINE VOTING AND VOTE CALCULATION MECHANISM (E-VOTING)

The AGM decision-making is made by deliberations for consensus. However, to ensure that deliberation for consensus was reached, while maintaining the independence and confidentiality of shareholders in the voting process, the decision-making is conducted through voting. Voting is conducted by the shareholders or their proxies directly in confidentiality through the electronic means (e-voting) using a Smartphone or other Mobile Devices (tablets and others), as well via Touch Screen Monitor provided by the Bank, such that the confidentiality and independency of Shareholder's votes are secured.

Voting was carried out on: (i) each agenda of AGM, (ii) on the respective member candidates of the Board of Commissioners that were proposed for appointment or reappointment in connection with the end of tenure of the candidate in question, and (iii) the respective member

candidates of the Board of Directors that were proposed for appointment or reappointment in connection with the end of tenure of the candidates in question.

Disclosures on the procedures of voting and its tally in the AGM have been stated clearly in the Protocols of Meeting that was publicized/uploaded on the Bank's website together with the Invitation to the AGM, and was read by the Corporate Secretary before the start of Meeting. In addition to the Protocols of Meeting, the voting procedures were also uploaded onto the website in the form of an illustrated video.

## INDEPENDENT PARTY TO CALCULATE VOTES

At the AGM on 9 April 2020, CIMB Niaga has appointed independent parties, namely: (i) Notary Ashoya Ratam, S.H., M.Kn., as the Public Notary and (ii) PT Bima Registra as the Share Registrar Bureau in calculating and/or validating quorum as well as the voting in the AGM.

## RESOLUTIONS OF THE AGM 9 APRIL 2020

All resolutions have been adopted in: (i) Deed No. 18 dated 9 April 2020 made by and before the Notary Ashoya Ratam S.H., M.Kn., Notary in South Jakarta (Notary), (ii) Deed No. 19 dated 9 April 2020, which was made before the Notary and had received notification from the Minister of Law and Human Rights of the Republic of Indonesia (Menkumham) based on Letter No. AHU-AH.01.03-0213921 dated 8 May 2020, and (iii) Deed No. 20 dated 9 April 2020, which was made before the Notary and had received notification from the Minister of Law and Human Rights of the Republic of Indonesia (Menkumham) based on Letter No. AHU-AH.01.03-0213936 dated 8 May 2020. Details of the AGM resolutions on 9 April 2020 are as follows:

|                                   |  |                             |                           |
|-----------------------------------|--|-----------------------------|---------------------------|
| <b>1<sup>st</sup> Agenda</b>      | <b>Approval of the Company's Annual Report and Ratification of the Company's Consolidated Financial Statements for the Financial Year ended on 31 December 2019.</b>   |                             |                           |
| <b>Voting Calculation Results</b> | Total Majority Votes: 23,938,324,049 shares or 99.9918% (Agree)  |                             |                           |
|                                   | Agree  | Disagree                    | Abstain/No vote*          |
|                                   | 23,938,178,198 shares or 99.9912%  | 1,959,800 shares or 0.0082% | 145,851 shares or 0.0006% |
| <b>Meeting Resolutions</b>        | <ol style="list-style-type: none"> <li>1. Approved the Annual Report of the Company for the financial year ended on 31 December 2019;</li> <li>2. Ratified the Company's Consolidated Annual Financial Statements for the financial year ended on 31 December 2019 as audited by the Public Accounting Firm Tanudiredja, Wibisana, Rintis &amp; Rekan (member firm of PricewaterhouseCoopers Global in Indonesia) as stipulated in the report dated 17 February 2020 with the opinion "the Consolidated Financial Statements presented fairly, in all material respects, the consolidated financial position of PT Bank CIMB Niaga Tbk and its subsidiaries as of 31 December 2019, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards".</li> <li>3. Ratified the annual Supervisory Reports by the Board of Commissioners and the Shariah Supervisory Board (SSB) for the financial year ended on 31 December 2019; and</li> <li>4. Granted full release and discharge (volledig acquit et décharge) to the members of the Board of Directors (BOD) and the Board of Commissioners (BOC) as well as the SSB of the Bank (including the members of the Board of Commissioners who have resigned in 2019), for their management and supervision performed in financial year of 2019 provided that the management and supervision are reflected in the Company's Annual Report for the financial year ended on 31 December 2019.</li> </ol> |                             |                           |
| <b>Realization</b>                | Realized in 2020.  |                             |                           |



Performance Highlights



Management Reports



Company Profile



Management Discussion and Analysis



Risk Management

|  |  |               |                           |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
|--|--|---------------|---------------------------|--|---------------|---|---------------|-----------------------------------|---------------|--|---------------|----------------------------------|---------------|---|------------|
| 2 <sup>nd</sup> Agenda                               | Determination on the Use of the Company's Profits for the Financial Year ended on 31 December 2019.  |               |                           |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
| Voting Calculation Results                           | Total Majority Votes: 23,940,283,849 shares or 100% (Agree)  |               |                           |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
|  | Agree  | Disagree      | Abstain/No Votes*         |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
|  | 23,940,137,998 shares or 99.9994%  | 0 share or 0% | 145,851 shares or 0.0006% |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
| Meeting Resolutions                                  | <p>Approved the appropriation of the Company's Net Profit for the financial year of 2019 in the total amount of Rp3,480,403,347,581, with the following details:</p> <p>1. Distribution of cash dividends to a maximum of 40% of the Company's net profit, or amounted maximum up to Rp1,392,161,339,032 (gross), with the following schedule:</p> <table><tr><td>• Cum Dividend in the Regular and Negotiation Market</td><td>20 April 2020</td></tr><tr><td>• Ex Dividend in the Regular and Negotiation Market</td><td>21 April 2020</td></tr><tr><td>• Cum Dividend in the Cash Market</td><td>22 April 2020</td></tr><tr><td>• Recording date for entitled shareholders</td><td>22 April 2020</td></tr><tr><td>• Ex Dividend in the Cash Market</td><td>23 April 2020</td></tr><tr><td>• Dividend Payment for Financial Year of 2019</td><td>8 Mei 2020</td></tr></table> <p>and approved the delegation of authority to the BOD to determine the procedure for distributing the cash dividends by taking into account applicable capital market sector regulations.</p> <p>2. The Company shall not appropriate any net profit for financial year 2019 as statutory reserves, considering the statutory reserves of the Company has complied with the minimum requirement in accordance with Article 70 of Law Number 40 Year 2007 concerning Limited Liability Company (UUPT);</p> <p>3. Booked the remaining net profit for financial year of 2019, after deducting the distribution of dividends, as retained earnings of Rp2,088,242,008,548 to finance the Company's business activities.</p> |               |                           | • Cum Dividend in the Regular and Negotiation Market | 20 April 2020 | • Ex Dividend in the Regular and Negotiation Market | 21 April 2020 | • Cum Dividend in the Cash Market | 22 April 2020 | • Recording date for entitled shareholders | 22 April 2020 | • Ex Dividend in the Cash Market | 23 April 2020 | • Dividend Payment for Financial Year of 2019 | 8 Mei 2020 |
| • Cum Dividend in the Regular and Negotiation Market | 20 April 2020  |               |                           |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
| • Ex Dividend in the Regular and Negotiation Market  | 21 April 2020  |               |                           |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
| • Cum Dividend in the Cash Market                    | 22 April 2020  |               |                           |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
| • Recording date for entitled shareholders           | 22 April 2020  |               |                           |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
| • Ex Dividend in the Cash Market                     | 23 April 2020  |               |                           |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
| • Dividend Payment for Financial Year of 2019        | 8 Mei 2020   |               |                           |  |               |   |               |                                   |               |  |               |                                  |               |   |            |
| Realization  | Realized in 2020   |               |                           |  |               |   |               |                                   |               |  |               |                                  |               |   |            |

|                            |  |               |                           |
|----------------------------|--|---------------|---------------------------|
| 3 <sup>rd</sup> Agenda     | Appointment of the Company's Public Accountant and Public Accounting Firm for the Financial Year of 2020 and the determination of the Honorarium and other Requirements related to the Appointment.  |               |                           |
| Voting Calculation Results | Total Majority Votes: 23,940,283,849 shares or 100% (Agree)  |               |                           |
|                            | Agree  | Disagree      | Abstain/No Votes*         |
|                            | 23,940,137,998 shares or 99.9994%  | 0 share or 0% | 145,851 shares or 0.0006% |
| Meeting Resolutions        | <p>1. Approved the appointment of Irhoan Tanudiredja and the Public Accounting Firm "Tanudiredja, Wibisana, Rintis &amp; Rekan" (a member of the PricewaterhouseCoopers Global in Indonesia), respectively as Public Accountant and Public Accounting Firm registered in OJK, or other Public Accountant from the same Public Accounting Firm in the absence of the respective person to conduct audit of the Company's Financial Statements for financial year of 2020.</p> <p>2. Approved the delegation of authority to the Board of Commissioners of the Company to appoint another Public Accountant and Public Accounting Firm, if there is an objection from OJK over the appointment of "Tanudiredja, Wibisana, Rintis &amp; Partners" Public Accounting Firm or the said Public Accountant Firm performed a partnership restructuring to become a different Public Accountant Firm.</p> <p>The following provisions apply to the said delegation of authority:</p> <p>a. The other Public Accountant Firm appointed by the Board of Commissioners must be one of the Big Four groups of Public Accounting Firms in Indonesia;</p> <p>b. The appointment has been recommended by the Audit Committee of the Company;</p> <p>c. The amount of the honorarium and other terms of appointment for the other Public Accountant Firm must be determined competitively and fairly; and</p> <p>d. The appointment of the other Public Accounting Firm should not contradict with the prevailing laws and regulations.</p> <p>3. Approved the proposed honorarium of the Public Accounting Firm for the Company's annual audit in financial year of 2020 at a maximum of Rp7,800,000,000 (gross – excluding VAT and OPE).</p> <p>4. Approved the delegation of authority to the Board of Directors of the Company to carry out matters deemed necessary in connection with the appointment of the Public Accountant and the Public Accounting Firm, including but not limited to the process of conducting meetings and signing the appointment letter for the Public Accountant and the Public Accounting Firm.</p> |               |                           |
| Realization                | Realized in 2020.  |               |                           |

| 4 <sup>th</sup> Agenda       | Changes of Management Composition of the Company.   |                             |                           |
|------------------------------|---|-----------------------------|---------------------------|
| Voting Calculation Result    | Agree   | Disagree                    | Abstain/No Votes*         |
| <b>Jeffrey Kairupan</b>      | Total Majority Votes: 23,930,810,239 shares or 99.9604% (Agree)   |                             |                           |
|                              | 23,930,664,388 shares or 99.9598%   | 9,473,610 shares or 0.0396% | 145,851 shares or 0.0006% |
| <b>Vera Handajani</b>        | Total Majority Votes: 2,937,566,949 shares or 99.9887% (Agree)  |                             |                           |
|                              | 23,937,421,098 shares or 99.9880%   | 2,716,900 shares or 0.0113% | 145,851 shares or 0.0006% |
| <b>Lani Darmawan</b>         | Total Majority Votes: 23,937,566,949 shares or 99.9887% (Agree)   |                             |                           |
|                              | 23,937,421,098 shares or 99.9880%   | 2,716,900 shares or 0.0113% | 145,851 shares or 0.0006% |
| <b>Pandji P. Djajanegara</b> | Total Majority Votes: 23,937,566,949 shares or 99.9887% (Agree)   |                             |                           |
|                              | 23,937,421,098 shares or 99.9880%   | 2,716,900 shares or 0.0113% | 145,851 shares or 0.0006% |
| <b>Fransiska Oei</b>         | Total Majority Votes: 23,937,566,949 shares or 99.9887% (Agree)   |                             |                           |
|                              | 23,937,421,098 shares or 99.9880%   | 2,716,900 shares or 0.0113% | 145,851 shares or 0.0006% |
| <b>Didi Syafruddin Yahya</b> | Total Majority Votes: 23,930,810,239 shares or 99.9604% (Agree)   |                             |                           |
|                              | 23,930,664,388 shares or 99.9598%   | 9,473,610 shares or 0.0396% | 145,851 shares or 0.0006% |
| <b>Glenn M. S. Yusuf</b>     | Total Majority Votes: 23,930,810,239 shares or 99.9604% (Agree)   |                             |                           |
|                              | 23,930,664,388 shares or 99.9598%   | 9,473,610 shares or 0.0396% | 145,851 shares or 0.0006% |
| <b>Tjioe Mei Tjuen</b>       | Total Majority Votes: 23,937,566,949 share or 99.9887% (Agree)  |                             |                           |
|                              | 23,937,421,098 shares or 99.9880%   | 2,716,900 shares or 0.0113% | 145,851 shares or 0.0006% |
| <b>Meeting Resolutions</b>   | <ol style="list-style-type: none"> <li>Approved the resignation of the followings names: <ol style="list-style-type: none"> <li>Glenn M. S. Yusuf from his position as Vice President Commissioner of the Company effective on 1 September 2019.</li> <li>RAHARDJA ALIMHAMZAH from his position as Director of the Company effective on 9 April 2020 or from the closing of the Meeting; and</li> <li>TENGKU DATO' SRI ZAFRUL TENGKU ABDUL AZIZ from his position as President Commissioner of the Company effective on 9 March 2020.</li> </ol> </li> <li>Approved the reappointment of JEFFREY KAIRUPAN as Independent Commissioner of the Company, with effective tenure from the closing of this Meeting until the closing of the 4<sup>th</sup> AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time in accordance with the provisions of Article 119 of the Company Law;</li> <li>Approved the reappointment of VERA HANDAJANI as Director of the Company, with tenure as of the closing of this Meeting until the closing of the 4<sup>th</sup> AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time in accordance with the provisions of Article 105 of the Company Law.</li> <li>Approved the reappointment of LANI DARMAWAN as Director of the Company, with tenure as of the closing of this Meeting until the closing of the 4<sup>th</sup> AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time in accordance with the provisions of Article 105 of the Company Law.</li> <li>Approved the reappointment of PANDJI P. DJAJANEGARA as Director of the Company, with tenure as of the closing of this Meeting until the closing of the 4<sup>th</sup> AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time in accordance with the provisions of Article 105 of the Company Law.</li> <li>Approved the reappointment of FRANSISKA OEI as Director of the Company, with tenure as of the closing of this Meeting until the closing of the 4<sup>th</sup> AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time in accordance with the provisions of Article 105 of the Company Law.</li> <li>Terminate with honour DIDI SYAFRUDDIN YAHYA from his position as Commissioner of the Company and at the same time appoint him as President Commissioner of the Company.<br/>This appointment carries the terms of office starting from obtaining approval from OJK and/or the fulfillment of the requirements as determined in the approval letter from the OJK (Effective Date) until the closing of the fourth AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time as stipulated in Article 119 of the Company Law.<br/>In the event of OJK does not give such approval, or such requirements as determined by OJK for the appointment of the person in question is not fulfilled, therefore such appointment becomes null and void without any GMS approval, as a result of which the person in question shall retain his previous position as Commissioner of the Company.</li> </ol> |                             |                           |



8. Approved the appointment of Glenn M. S. Yusuf as Vice President Commissioner (Independent) of the Company, with effective tenure after obtaining approval from OJK and/or the fulfillment of the requirements as determined in the approval letter from the OJK (Effective Date) until the closing of the fourth AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time as stipulated in Article 119 of the Company Law.  
In the event of OJK does not give such approval, or such requirements as determined by OJK for the appointment of the person in question is not fulfilled, therefore such appointment becomes null and void without any GMS approval.
9. Appointed TJIOE MEI TJUEN as Director of the Company, with effective tenure after obtaining approval from OJK and/or the fulfillment of the requirements as determined in the approval letter from the OJK (Effective Date) until the closing of the fourth AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time as stipulated in Article 105 of the Company Law. In the event of OJK does not give such approval, or such requirements as determined by OJK for the appointment of the person in question is not fulfilled, therefore such appointment becomes null and void without any GMS approval.  
Following the above resignation, reappointments and appointments, the composition of the Board of Commissioners and Board of Directors of the Company is as follows:

#### **BOARD OF COMMISSIONERS**

|   |                          |
|---|--------------------------|
| President Commissioner                    | : Didi Syafruddin Yahya* |
| Vice President Commissioner (Independent) | : Glenn M. S. Yusuf*     |
| Commissioner                              | : David Richard Thomas   |
| Independent Commissioner                  | : Jeffrey Kairupan       |
| Independent Commissioner                  | : Sri Widowati           |

#### **BOARD OF DIRECTORS**

|  |                         |
|--|-------------------------|
| President Director                             | : Tigor M. Siahaan      |
| Director                                       | : Lee Kai Kwong         |
| Director                                       | : John Simon            |
| Director                                       | : Vera Handajani        |
| Director                                       | : Lani Darmawan         |
| Director                                       | : Pandji P. Djajanegara |
| Director, concurrently as Compliance Director: | : Fransiska Oei         |
| Director                                       | : Tjioe Mei Tjuen*      |

\*) Effective upon obtaining OJK approval and/or fulfilled the requirements as determined in the OJK approval.

10. Approved the delegation of authority to the Board of Directors of the Company with substitution rights, to restate the decisions regarding changes in the composition of members of Board of Commissioners and Board of Directors of the Company, in a notarial deed and notifying the authorized parties and also to conduct such necessary actions in accordance with the prevailing laws and regulations.

|                    |                   |
|--------------------|-------------------|
| <b>Realization</b> | Realized in 2020. |
|--------------------|-------------------|

|                              |  |
|------------------------------|--|
| <b>5<sup>th</sup> Agenda</b> | Determination of the Salary or Honorarium, and other allowances for the Board of Commissioners and the Sharia Supervisory Board of the Company; and Salary, Allowances and Tantiem/Bonus for the Board of Directors. |
|------------------------------|--|

|                                     |  |               |                          |
|-------------------------------------|--|---------------|--------------------------|
| <b>Result of Voting Calculation</b> | Total Majority Votes: 23,940,283,849 share or 100% (Agree) |               |                          |
|                                     | Agree  | Disagree      | Abstain/No Votes*        |
|                                     | 23,940,137,998 share or 99.9994%                           | 0 share or 0% | 145,851 share or 0.0006% |

|                            |  |
|----------------------------|--|
| <b>Meeting Resolutions</b> | <ol style="list-style-type: none"> <li>1. Approved and determined the salary or honorarium and other allowances for the Company's Board of Commissioners for the financial year of 2020 of a maximum of Rp16,607,850,000 (gross) and delegated the authority to the President Commissioner to determine the amount of salary or honorarium and other allowances for each member of the Company's Board of Commissioners while considering the recommendation of the Nomination and Remuneration Committee;</li> <li>2. Approved and determined the salary or honorarium and other allowances for the Company's SSB for the financial year of 2020 for a maximum of Rp1,807,666,190 (gross) and delegated the authority to the President Commissioner to determine the amount of salary or honorarium and other allowances for each member of the Company's SSB, while considering the recommendation of the Nomination and Remuneration Committee. Therefore, no members of the Board of Commissioners (including Independent Commissioners) and SSB received tantiem/bonus;</li> <li>3. Approved the tantiem/bonus for the financial year of 2019 for a maximum of Rp84,428,008,350 (gross) including variable remuneration in the form of shares or share-based instruments issued by the Company, and delegated the authority to the Company's Board of Commissioners to determine the amount of tantiem/bonus for each member of the Company's Board of Directors, while considering the recommendations of the Nomination and Remuneration Committee.</li> <li>4. Approved the delegation of authority to the Company's Board of Commissioners to determine the amount of salary, holiday allowances and other allowances for the Board of Directors and each member of the Board of Directors of the Company for the financial year of 2020 after considering the recommendations from the Nomination and Remuneration Committee.</li> </ol> |
|----------------------------|--|

|                    |                   |
|--------------------|-------------------|
| <b>Realization</b> | Realized in 2020. |
|--------------------|-------------------|

|                                     |  |               |                           |
|-------------------------------------|--|---------------|---------------------------|
| <b>6<sup>th</sup> Agenda</b>        | <b>Approval on the Update of Recovery Plan of the Company.</b>   |               |                           |
| <b>Result of Voting Calculation</b> | Total Majority Votes: 23,940,283,849 shares or 100% (Agree)  |               |                           |
|                                     | Agree  | Disagree      | Abstain/No Votes*         |
|                                     | 23,940,137,998 shares or 99.9994%  | 0 share or 0% | 145,851 shares or 0.0006% |
| <b>Meeting Resolutions</b>          | <ol style="list-style-type: none"> <li>1. Approved the updates of the Recovery Plan which has been prepared and submitted by the Company to OJK on 29 November 2019, which includes: <ol style="list-style-type: none"> <li>a. Update on the adequacy and feasibility of debt or investment instruments that has capital characteristics possessed by Systemic Banks through the issuance of the Subordinated Bonds I Phase 1 Bank CIMB Niaga of 2019; and</li> <li>b. Update on the trigger level to comply with the prevailing provisions.</li> </ol> </li> <li>2. Approved the delegation of authority to the Board of Commissioners and the Board of Directors of the Company to perform each and all actions required in connection with the update of the Company's Recovery Plan by taking into account the OJK Regulation concerning Recovery Plan for Systemic Bank, as well as other related regulations.</li> </ol> |               |                           |
| <b>Realization</b>                  | Realized in 2020.  |               |                           |

|                                      |  |               |                           |
|--------------------------------------|--|---------------|---------------------------|
| <b>7<sup>th</sup> Agenda</b>         | <b>Approval on Amendments to the Company's Articles of Association</b>   |               |                           |
| <b>Results of Voting Calculation</b> | Total Majority Votes: 23,940,283,849 shares or 100% (Agree)  |               |                           |
|                                      | Agree  | Disagree      | Abstain/No Votes*         |
|                                      | 23,940,137,998 shares or 99.9994%  | 0 share or 0% | 145,851 shares or 0.0006% |
| <b>Meeting Resolutions</b>           | <ol style="list-style-type: none"> <li>1. Approved amendments on several articles, namely Article 13, Article 14, Article 15 and Article 17 of the Company's Articles of Association;</li> <li>2. Approved the provision of Power-of-Attorney to the Board of Directors with substitution rights, to reaffirm the decision to amend the Company's Articles of Association above, in the notarial deed and to inform the relevant authorities of said amendments, and in connection with such amendments, to undertake whatever is required pursuant to the prevailing laws and regulations.</li> </ol> |               |                           |
| <b>Realization</b>                   | Realized in 2020.  |               |                           |

|                              |   |  |  |
|------------------------------|---|--|--|
| <b>8<sup>th</sup> Agenda</b> | <b>Others:</b> <ol style="list-style-type: none"> <li>1. Accountability Report on the Fund Utilization of the Results of Shelf Registration Sukuk Mudharabah I of Bank CIMB Niaga Phase II Year 2019, Shelf Registration Bond III of Bank CIMB Niaga Phase I Year 2019, and Subordinated Bonds I of Bank CIMB Niaga Phase I Year 2019;</li> <li>2. Report of the Sustainable Finance Action Plan (RAKB) of the Company;</li> <li>3. Report on End of Tenure and Appointment/Reappointment of Audit Committee Members of the Company.</li> </ol>   |  |  |
| <b>Meeting Resolutions</b>   | <b>Others:</b> <ol style="list-style-type: none"> <li>1. In accordance with POJK No. 30/POJK.04/2015, and the report has been submitted to OJK Capital Market through letter No. 001/DIR/I/2020 dated 8 January 2020, in the Meeting was reported the accountability of the use of the proceeds from the Public Offering as of 31 December 2019, whereas the funds obtained respectively from each of: <ul style="list-style-type: none"> <li>- Shelf Registration Sukuk Mudharabah I of Bank CIMB Niaga Phase II Year 2019 in the amount of Rp1,992,179,036,300 (net);</li> <li>- Shelf Registration Bond III of Bank CIMB Niaga Phase I Year 2019 in the amount of Rp1,813,966,957,805 (net); and</li> <li>- Subordinated Bond I of Bank CIMB Niaga Phase I Year 2019 in the amount of Rp76,930,082,805 (net);</li> </ul> have all been used in accordance with the plan to use the proceeds as disclosed in respective Prospectus. </li> <li>2. In accordance with POJK No. 51/POJK.03/2017, in the Meeting was reported that the 2020 Sustainable Finance Action Plan (RAKB) of the Company has been submitted to the OJK Banking Supervisory on 27 November 2019. The 2020 RAKB consist of the realization of 2020 RAKB and action plans that will be conducted by the Company in 2020, comprising of (i) development of sustainable products and/or portfolio, (ii) capacity building program, (iii) internal adjustments, and (iv) sustainable Corporate Social Responsibility programs.</li> <li>3. a. With regard to the Audit Committee Charter of the Company, recommendations of the Nomination and Remuneration Committee of the Company No. 004/NOMREM/KP/III/2020 dated 9 March 2020, and the end of tenures of several members of the Company's Audit Committee as of the closing of Meeting, it was announced to the Meeting the reappointment of a member and the appointment a new member to the Company's Audit Committee, as follows: <ol style="list-style-type: none"> <li>i. Reappointment of a member of Audit Committee, namely JEFFREY KAIRUPAN, as Chairman and concurrently as Member;</li> <li>ii. Appointment of a new member of Audit Committee, namely ENDANG KUSSULANJARI S., as Member.</li> </ol> On 8 April 2020, the Company accepted the resignation of YAP TJAY SOEN as Member of the Audit Committee, which was reported and accepted by the Board of Commissioners at Board of Commissioners meeting on 9 April 2020. </li> </ol> |  |  |



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|                              |  |
|------------------------------|--|
| <b>8<sup>th</sup> Agenda</b> | <b>Others:</b> <ol style="list-style-type: none"> <li>1. Accountability Report on the Fund Utilization of the Results of Shelf Registration Sukuk Mudharabah I of Bank CIMB Niaga Phase II Year 2019, Shelf Registration Bond III of Bank CIMB Niaga Phase I Year 2019, and Subordinated Bonds I of Bank CIMB Niaga Phase I Year 2019;</li> <li>2. Report of the Sustainable Finance Action Plan (RAKB) of the Company;</li> <li>3. Report on End of Tenure and Appointment/Reappointment of Audit Committee Members of the Company.</li> </ol>  |
| <b>Meeting Resolutions</b>   | <ol style="list-style-type: none"> <li>b. With the reappointment of a Member and appointment of a new Member as well as the resignation of YAP TJAY SOEN as Member of the Audit Committee, the composition of the Audit Committee was as follows:               <ol style="list-style-type: none"> <li>i. JEFFREY KAIRUPAN, as Chairman and concurrently as Member;</li> <li>ii. ENDANG KUSSULANJARI S., as Member.</li> </ol> </li> <li>c. All members of the Audit Committee have effective tenure period since the closing of the Meeting until the closing of the 4<sup>th</sup> AGM after the appointment effective date of the member reappointment and new member appointment without prejudice to the right of the Board of Commissioners to discharge at any time.</li> </ol> |
| <b>Realization</b>           | Realized in 2020.  |

<sup>\*)</sup> Pursuant to Article 13 Item 13.4 of the Company's Articles of Association: "The shareholders with legal voting rights who are present in the GMS but voted abstain, are considered to vote the same as the majority votes of voting shareholders with the provision that said abstaining shareholders must follow and honour the resolution of the GMS."

## EGM 25 SEPTEMBER 2020

In 2020, CIMB Niaga held an EGM on 25 September 2020, pursuant to Regulation of OJK No. 15 and 16/POJK.04/2020, as follows:

### THE PROCESS OF EGM 25 SEPTEMBER 2020

|   |   |
|---|---|
| <b>Date &amp; Time</b>  | 25 September 2020 from 14:35 - 14:50 GMT +7   |
| <b>Location</b>   | Graha CIMB Niaga – Fl. 15, Fl. 14 and Fl. M.<br>Jl. Jend. Sudirman Kav. 58<br>Jakarta Selatan 12190   |
| <b>Quorum</b>   | The EGM (Meeting) was attended by shareholders and representatives/proxies representing 23,930,132,872 shares or approximately 95.22% of the total shares issued by the Bank (not included Treasury shares).<br>Accordingly, the quorum (i.e. more than ½ of the total shares issued and fully paid by the Company with legal voting right) have been fulfilled and the Meeting is entitled to make legitimate and binding decisions regarding matters discussed according to the Meeting agenda. |
| <b>EGM Chairman</b>   | Sri Widowati as the Independent Commissioner.   |
| <b>Board of Commissioners, including the President Commissioner in attendance</b> | Didi Syafruddin Yahya as the President Commissioner together with all members of the Board of Commissioner were attended, whether in person or via video conference.  |
| <b>Board of Directors, including the President Director in attendance</b>         | Tigor M. Siahaan as the President Director together with all members of the Board of Directors were attended, whether in person or via video conference.  |
| <b>Sharia Supervisory Board (SSB) in attendance</b>                               | Prof. Dr. M. Quraish Shihab, MA as Chairman together with all members of SSB were attended via video conference.  |
| <b>Audit Committee, including the Chairman of the committee in attendance</b>     | Jeffrey Kairupan as Chairman and Endang Kussulanjari S. as Member were attended via video conference.   |
| <b>Chairman of Nomination and Remuneration Committee in attendance</b>            | Sri Widowati as Chairman was attended.  |
| <b>Chairman of Risk Oversight Committee in attendance</b>                         | Jeffrey Kairupan as Chairman was attended via video conference.   |
| <b>Chairman of Integrated Governance Committee in attendance</b>                  | Sri Widowati as Chairman was attended.  |
| <b>Number of shareholders who raised questions and/or opinions</b>                | All shareholders were given the opportunity to raise questions and/or opinions on each agenda of the EGM. However, <b>none</b> of the shareholders raised any question or opinion.  |

## IMPLEMENTATION STAGES OF THE EGM ON 25 SEPTEMBER 2020

| No | Activity  | Date of Implementation | Explanation   |
|----|---|------------------------|---|
| 1  | Notification of EGM to Regulator                                  | 5 August 2020          | Submitted to OJK, IDX, and PT Kustodian Sentral Efek Indonesia (KSEI) within 5 (five) working days before the EGM Announcement.   |
| 2  | Announcement of EGM   | 12 August 2020         | <ol style="list-style-type: none"> <li>Conducted within 14 (fourteen) days prior to the invitation of the EGM, not including the date of the GMS announcement and invitation.</li> <li>Announced in Bahasa Indonesia and English in: <ol style="list-style-type: none"> <li>Newspaper "Investor Daily" and "The Jakarta Post";</li> <li>Websites of the Bank, IDX, and KSEI via eASY.KSEI application (KSEI website).</li> </ol> </li> <li>Proof of announcement submitted to OJK and BEI on the same day (hardcopy and e-reporting via SPE-OJK &amp; IDXNet).</li> </ol> |
| 3  | Recording Date of List of Shareholders entitled to attend the EGM | 26 September 2020      | Recorded 1 (one) working day prior to the EGM Invitation.   |
| 4  | Invitation with explanation of agenda of EGM                      | 27 August 2020         | <ol style="list-style-type: none"> <li>Conducted within 28 (twenty-eight) days prior to the EGM implementation not including the date of EGM Invitation and date of EGM.</li> <li>Announced in Bahasa Indonesia and English in: <ol style="list-style-type: none"> <li>Newspaper "Investor Daily" and "The Jakarta Post";</li> <li>Websites of the Bank, IDX and KSEI;</li> </ol> </li> <li>Proof of announcement submitted to OJK and IDX on the same day (hardcopy and e-reporting via SPE-OJK &amp; IDXNet).</li> </ol>  |
| 5  | EGM   | 25 September 2020      | Pursuant to the health protocols of COVID-19, the EGM was convened physically from three separate rooms that are interconnected via video conference (including with those that were not present physically) enabling all EGM participants to see, hear and follow the proceedings in real time and participated actively in the EGM, in addition to which an alternative is provided for proxy voting by electronic means (e-proxy) through the eASY.KSEI application.   |
| 6  | Summary of Minutes (Resolutions) of the EGM                       | 25 September 2020      | The publication of resume of the EGM (notarial) contain the voting results of each agenda was uploaded in Bahasa Indonesia and English on the Bank's website on the same day with the EGM.  |
|    |   | 29 September 2020      | <ol style="list-style-type: none"> <li>Summary of the Minutes (Resolutions) of the EGM was published within 2 (two) working days after the EGS, in Bahasa Indonesia and English in: <ol style="list-style-type: none"> <li>Newspaper "Investor Daily" and "The Jakarta Post"; and</li> <li>Websites of the Bank and IDX.</li> </ol> </li> <li>Proofs of the publications were submitted to OJK and IDX on the same day (hardcopy dan e-reporting via SPE-OJK &amp; IDXNet).</li> </ol>  |
| 7  | Deed of Minutes of the EGM  | 19 October 2020        | Deed of EGM Minutes submitted to OJK within 16 (sixteen) working days after the EGM (hardcopy and e-reporting via SPE-OJK & IDXNet).  |

## ONLINE VOTING AND ELECTRONIC VOTE CALCULATION MECHANISM (E-VOTING)

The EGM decision-making is made by deliberations for consensus. If consensus is not reached, then the decision-making in the EGM is conducted through voting. Voting is conducted by the shareholders or their proxies directly in confidentiality, individual (individual voting) and electronic (e-voting) through the electronic means (e-voting) using a Smartphone or other Mobile Devices (tablets and others), as well via Touch Screen Monitor provided by the Bank, such that the confidentiality and independency of Shareholder's votes are secured.

Voting was carried out on the EGM agenda, i.e. the proposed appointment of candidate for member of Board of Commissioners.

Disclosures on the procedures of voting and its tally in the EGM have been stated clearly in the Protocols of Meeting that was publicized/uploaded on the Bank's website together with the Invitation to the EGM, and was read by the Corporate Secretary before the start of Meeting. In addition to the Protocols of Meeting, the voting procedures were also uploaded onto the website in the form of an illustrated video.

## INDEPENDENT PARTY TO CALCULATE VOTES

At the EGM on 25 September 2020, CIMB Niaga has appointed independent parties, namely Notary Ashoya Ratam, S.H., MKn., as the Public Notary and PT Bima Registra as the Share Registrar Bureau in calculating and/or validating quorum as well as the voting in the EGM.

## RESOLUTIONS OF THE EGM 25 SEPTEMBER 2020

All resolutions have been adopted in : (i) Deed No. 32 dated 25 September 2020 made by and before the Notary Ashoya Ratam S.H., MKn., Notary in South Jakarta (Notary), and (ii) Deed No. 33 dated 25 September 2020 which was made before the Notary, with details of the agenda and their resolutions as follows:

| Agenda                       | Change in the Composition of Board of Commissioners of the Company  |                             |                    |
|------------------------------|---|-----------------------------|--------------------|
| Result of Voting Calculation | Total Majority Votes: 23,921,953,962 shares or 99.9658% (Agree)   |                             |                    |
|                              | Agree   | Disagree                    | Abstain/No Votes** |
|                              | 23,921,953,962 shares or 99.9658%   | 8,178,910 shares or 0.0342% | 0 shares or 0%     |
| Meeting Resolutions          | <p>1. Appointed DATO' ABDUL RAHMAN AHMAD as Company's Commissioner, with the term of office effective starting from the closing of the Meeting and after obtaining approval from OJK and/or the fulfillment of the requirements as determined in the approval letter from OJK (Effective Date) until the closing of the fourth AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time as stipulated in Article 119 of the Company Law.</p> <p>In the event of OJK does not give such approval, or such requirements as determined by OJK for the appointment of the person in question is not fulfilled, therefore such appointment becomes null and void without any GMS approval.</p> <p>Following the above appointment, composition of the Company's Board of Commissioners is as follows:</p> <p><b>BOARD OF COMMISSIONERS</b></p> <p>President Commissioner : Didi Syafruddin Yahya</p> <p>Vice President Commissioner (Independent) : Glenn M. S. Yusuf</p> <p>Independent Commissioner : Jeffrey Kairupan</p> <p>Independent Commissioner : Sri Widowati</p> <p>Commissioner : Dato' Abdul Rahman Ahmad*</p> <p>Commissioner : David Richard Thomas</p> <p><small>*) Effective after obtaining approval from OJK and/or the fulfillment of the requirements as determined in the approval letter from the OJK.</small></p> <p>2. Approved the delegation of authority to the Board of Directors of the Company with substitution rights, to restate the decisions regarding changes in the composition of members of Board of Commissioners of the Company, in a notarial deed and notifying the authorized parties and also to conduct such necessary actions in accordance with the prevailing laws and regulations.</p> |                             |                    |
| Realization                  | Realized in 2020.   |                             |                    |

\*\*\*) Pursuant to Article 13 Item 13.4 of the Company's Articles of Association: "The shareholders with legal voting rights who are present in the GMS but voted abstain, are considered to vote the same as the majority votes of voting shareholders with the provision that said abstaining shareholders must follow and honour the resolution of the GMS."

## RESOLUTIONS AND REALIZATIONS OF THE RESULTS OF THE PREVIOUS YEAR GMS

In 2019, CIMB Niaga held an AGM on 15 April 2019. The resolutions of the GMS were reported to OJK and announced on the Company's website ([www.cimbniaga.co.id](http://www.cimbniaga.co.id)), the IDX website ([www.idx.co.id](http://www.idx.co.id)) and published in Bisnis Indonesia and The Jakarta Post on the same day. The following summarises the resolutions of the AGM in 2019 with information on follow-up actions taken by the Bank.

## RESOLUTIONS OF AGM 15 APRIL 2019

All resolutions have been adopted in: (i) Deed No. 24 dated 15 April 2019 made by and before the Notary Ashoya Ratam S.H., MKn., Notary in South Jakarta (Notary), and (ii) Deed No. 25 dated 15 April 2019 which was made before the Notary, and had received notification from the Minister of Law and Human Rights of the Republic of Indonesia (Menkumham) based on Letter No. AHU-AH.01.03-0221467 dated 26 April 2019. Details of the resolutions of the AGM 15 April 2019, as follows:

|                                     |  |               |                            |
|-------------------------------------|--|---------------|----------------------------|
| <b>1<sup>st</sup> Agenda</b>        | <b>Approval of the Company's Annual Report, and ratification of the Company's Consolidated Financial Statements for the Financial Year ended on 31 December 2018.</b>  |               |                            |
| <b>Result of Voting Calculation</b> | Total Majority & Agree Votes= 23,908,685,424 shares or 100%  |               |                            |
|                                     | Agree  | Disagree      | Abstain/No Votes*          |
|                                     | 23,900,673,479 share or 99.9665%   | 0 share or 0% | 8,011,945 share or 0.0335% |
| <b>Meeting Resolutions</b>          | <ol style="list-style-type: none"> <li>1. Approved the Company's Annual Report for the financial year ended on 31 December 2018;</li> <li>2. Ratified the Company's Consolidated Annual Financial Statements for the financial year ended on 31 December 2018 as audited by the Public Accounting Firm Tanudiredja, Wibisana, Rintis &amp; Rekan (member firm of PricewaterhouseCoopers Global in Indonesia) as stipulated in the report dated 15 February 2019 with the opinion "the accompanying Consolidated Financial Statements presented fairly, in all material respects, the consolidated financial position of PT Bank CIMB Niaga Tbk and its subsidiaries as of 31 December 2018, and their consolidated financial performance and cash flows for the year ended on that date, in accordance with Indonesian Financial Accounting Standards".</li> <li>3. Ratified the annual Supervisory Reports by the Board of Commissioners and the Shariah Supervisory Board (SSB) for the financial year ended on 31 December 2018.</li> <li>4. Granted full release and discharge (volledig acquit et décharge) to the members of the Board of Directors and the Board of Commissioners as well as the SSB of the Bank for their management and supervision performed in financial year of 2018 (including the members of the Board of Directors and the Board of Commissioners who have resigned as resolved in a Extraordinary General Shareholders Meeting (EGMS) on 19 December 2018), provided that the management and supervision are reflected in the Company's Annual Report for the financial year ended on 31 December 2018.</li> </ol> |               |                            |
| <b>Realization</b>                  | Realized in 2019.  |               |                            |

|                                     |  |               |                             |
|-------------------------------------|--|---------------|-----------------------------|
| <b>2<sup>nd</sup> Agenda</b>        | <b>Determination on the Use of the Company's Profits for the Financial Year ended on 31 December 2018.</b>   |               |                             |
| <b>Result of Voting Calculation</b> | Total Majority & Agree Votes= 23,908,685,424 shares or 100%  |               |                             |
|                                     | Agree  | Disagree      | Abstain/No Votes*           |
|                                     | 23,904,021,812 shares or 99.9805%  | 0 share or 0% | 4,663,612 shares or 0.0195% |
| <b>Meeting Resolutions</b>          | <p>Approved the appropriation of the Company's Net Profit (consolidated) for the financial year of 2018 in the total amount of Rp3,482,427,920,767, with the following descriptions:</p> <ol style="list-style-type: none"> <li>1. Distribution of cash dividends to a maximum of 20% of the Company's net profit, or amounted maximum up to Rp669,485,584,153 (gross), with the following schedule: <ol style="list-style-type: none"> <li>a. Cum Dividend in the Regular and Negotiation Market on 25 April 2019</li> <li>b. Ex Dividend in the Regular and Negotiation Market on 26 April 2019</li> <li>c. Cum Dividend in the Cash Market on 29 April 2019</li> <li>d. Recording date for entitled shareholders on 29 April 2019</li> <li>e. Ex Dividend in the Cash Market on 30 April 2019</li> <li>f. Dividend Payment for Financial Year of 2018 on 15 May 2019</li> </ol> and delegated of authority to the Board of Directors to determine the procedure for distributing the cash dividends by taking into account applicable capital market sector regulations. </li> <li>2. The Company does not set aside statutory reserve from net profit of the financial year of 2018, since the Company has fulfilled the minimum mandatory statutory reserve amount in accordance with Article 70 of Law No. 40 of 2007 concerning Limited Liability Companies (Company Law).</li> <li>3. Booked the remaining net profit for financial year of 2018, after deducting the distribution of dividends, as retained earnings to finance the Company's business activities.</li> </ol> |               |                             |
| <b>Realization</b>                  | Realized in 2019.  |               |                             |

|                                     |  |               |                             |
|-------------------------------------|--|---------------|-----------------------------|
| <b>3<sup>rd</sup> Agenda</b>        | <b>Appointment of the Company's Public Accountant and Public Accounting Firm for the Financial Year of 2019 ended on 31 December 2019</b>  |               |                             |
| <b>Result of Voting Calculation</b> | Total Majority & Agree Votes= 23,908,685,424 shares or 100%  |               |                             |
|                                     | Agree  | Disagree      | Abstain/No Votes*           |
|                                     | 23,904,022,012 shares or 99.9805%  | 0 share or 0% | 4,663,412 shares or 0.0195% |
| <b>Meeting Resolutions</b>          | <ol style="list-style-type: none"> <li>1. Approved the reappointment of Angelique Dewi Daryanto, SE., CPA, as Public Accountant, and the Public Accounting Firm Tanudiredja, Wibisana, Rintis &amp; Rekan (a member of the PricewaterhouseCoopers Global in Indonesia), respectively as Public Accountant and Public Accounting Firm registered in OJK, or other Public Accountant from the same Public Accounting Firm in the absence of the respective person to conduct audit of the Company's Financial Statements for financial year of 2019.</li> <li>2. Delegation of authority to the Board of Commissioners of the Company to appoint another Public Accountant and Public Accounting Firm, if there is an objection from OJK over the appointment of "Tanudiredja, Wibisana, Rintis &amp; Partners" Public Accounting Firm or the said Public Accountant Firm performed a partnership restructuring to become a different Public Accountant Firm.</li> </ol> |               |                             |





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|                            |   |
|----------------------------|---|
| <b>Meeting Resolutions</b> | <p>The following provisions apply to the said delegation of authority:</p> <ol style="list-style-type: none"> <li>The other Public Accountant Firm appointed by the Board of Commissioners must be one of the Big Four groups of Public Accounting Firms in Indonesia;</li> <li>The appointment has received recommendation from the Audit Committee of the Company;</li> <li>The amount of the honorarium and other terms of appointment for the other Public Accountant Firm must be determined competitively and fairly; and</li> <li>The appointment of the other Public Accounting Firm should not contradict with the prevailing laws and regulations.</li> </ol> <ol style="list-style-type: none"> <li>Approved the proposed honorarium of the Public Accounting Firm for the Company's annual audit in financial year of 2019 at a maximum of Rp7,500,000,000 (gross).</li> <li>Delegation of authority to the Board of Directors of the Company to carry out matters deemed necessary in connection with the appointment of the Public Accountant and the Public Accounting Firm, including but not limited to the process of conducting meetings and signing the appointment letter for the Public Accountant and the Public Accounting Firm.</li> </ol> |
| <b>Realization</b>         | Realized in 2019  |

|  |  |                              |                             |
|--|--|------------------------------|-----------------------------|
| <b>4<sup>th</sup> Agenda</b>             | <b>Changes of Management Composition of the Company</b>  |                              |                             |
| <b>Result of Voting Calculation</b>      | <b>Agree</b>   | <b>Disagree</b>              | <b>Abstain/No Votes*</b>    |
| <b>Didi Syafruddin Yahya</b>             | Total Majority & Agree Votes = 23,895,830,224 shares or 99.9462%   |                              |                             |
|  | 23,891,166,812 shares or 99.9267%  | 12,855,200 shares or 0.0538% | 4,663,412 shares or 0.0195% |
| <b>Sri Widowati</b>                      | Total Majority & Agree Votes = 23,895,830,224 shares or 99.9462%   |                              |                             |
|  | 23,891,166,612 shares or 99.9267%  | 12,855,200 shares or 0.0538% | 4,663,612 shares or 0.0195% |
| <b>Prof. Dr. M. Quraish Shihab, MA</b>   | Total Majority & Agree Votes = 23,895,830,224 shares or 99.9462%   |                              |                             |
|  | 23,891,166,812 shares or 99.9267%  | 12,855,200 shares or 0.0538% | 4,663,412 shares or 0.0195% |
| <b>Prof. Dr. Fathurrahman Djamil, MA</b> | Total Majority & Agree Votes = 23,895,830,224 shares or 99.9462%   |                              |                             |
|  | 23,891,166,812 shares or 99.9267%  | 12,855,200 shares or 0.0538% | 4,663,412 shares or 0.0195% |
| <b>Dr. Yulizar D. Sanrego M.Ec</b>       | Total Majority & Agree Votes = 23,895,830,224 shares or 99.9462%   |                              |                             |
|  | 23,891,166,612 shares or 99.9267%  | 12,855,200 shares or 0.0538% | 4,663,612 shares or 0.0195% |
| <b>Tigor M. Siahaan</b>                  | Total Majority & Agree Votes = 23,895,830,224 shares or 99.9462%   |                              |                             |
|  | 23,891,166,612 shares or 99.9267%  | 12,855,200 shares or 0.0538% | 4,663,612 shares or 0.0195% |
| <b>Meeting Resolutions</b>               | <p>1. Approved the appointment of Didi Syafruddin Yahya as Commissioner, and Sri Widowati as Independent Commissioner, with effective tenure after obtaining approval from OJK and/or the fulfillment of the requirements as determined in the approval letter from the OJK (Effective Date) until the closing of the fourth AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time as stipulated on Article 119 of the Company Law.</p> <p>In the event of OJK does not give such approval, or such requirements as determined by OJK for the appointment of the person in question is not fulfilled, therefore such appointment becomes null and void without any GMS approval. Following the above appointments, the composition of the Board of Commissioners of the Company is as follows:</p> <p>President Commissioner : <b>Tengku Dato' Sri Zafrul Tengku Abdul Aziz</b><br/> Vice President Commissioner : <b>Glenn M. S. Yusuf</b><br/> Independent Commissioner : <b>Zulkifli M. Ali</b><br/> Independent Commissioner : <b>Pri Notowidigdo</b><br/> Independent Commissioner : <b>Jeffrey Kairupan</b><br/> Commissioner : <b>David Richard Thomas</b><br/> Commissioner : <b>Didi Syafruddin Yahya*</b><br/> Independent Commissioner : <b>Sri Widowati*</b></p> <p>* Effective after obtaining approval from OJK and/or the fulfillment of the requirements as determined in the approval letter from the OJK.</p> <p>2. Approved the reappointment of all Syariah Supervisory Board (SSB) members namely Prof. Dr. M. Quraish Shihab, MA as the Chairman, Prof. Dr. Fathurrahman Djamil, MA as a Member, and Dr. Yulizar D. Sanrego, M.Ec as a Member, effective from the closing of this Meeting until the closing of the fourth AGM without prejudice to the right of the GMS to discharge at any time in accordance with the rules and regulations. Therefore, the composition of the SSB of the Company is remain the same.</p> <p>3. Approved the reappointment of Tigor M. Siahaan as President Director effective since the closing of this Meeting until the closing of the fourth AGM after the appointment effective date without prejudice to the right of the GMS to discharge at any time in accordance with the provisions of Article 105 of the Company Law. Therefore, the composition of the Board of Directors of the Company is remain the same.</p> <p>4. Approved the delegation of authority to the Board of Directors of the Company with substitution rights, to restate the decisions regarding changes in the composition of members of Board of Commissioners of the Company, the reappointment of all members of the SSB of the Company and the reappointment of Tigor M. Siahaan as the President Director of the Company in a notarial deed and notifying to the authorized parties and also in conduct such necessary actions in accordance with the prevailing laws and regulations.</p> |                              |                             |
| <b>Realization</b>                       | Realized in 2019   |                              |                             |

|                                     |   |                       |                             |
|-------------------------------------|---|-----------------------|-----------------------------|
| <b>5<sup>th</sup> Agenda</b>        | <b>Determination on the Salary or Honorarium, Tantiem/Bonus, and other allowances for the Board of Commissioners, the Board of Directors and the Sharia Supervisory Board of the Company.</b>   |                       |                             |
| <b>Result of Voting Calculation</b> | Total Majority & Agree Votes = 23,908,685,224 shares or 99.9999%  |                       |                             |
|                                     | Agree   | Disagree              | Abstain/No Votes*           |
|                                     | 23,904,021,612 shares or 99.9805%   | 200 shares or 0.0000% | 4,663,612 shares or 0.0195% |
| <b>Meeting Resolutions</b>          | <ol style="list-style-type: none"> <li>1. Approved and determined the salary or honorarium and other allowances for the Company's Board of Commissioners for the financial year of 2019 a maximum of Rp20,395,087,249 (gross) and delegated the authority to the President Commissioner to determine the amount of salary or honorarium and other allowances for each member of the Company's Board of Commissioners.</li> <li>2. Approved and determined the salary or honorarium and other allowances for the Company's SSB for the financial year of 2019 a maximum of Rp1,763,666,795 (gross) and delegated the authority to the President Commissioner to determine the amount of salary or honorarium and other allowances for each member of the Company's SSB. Therefore, no members of the Board of Commissioners (including Independent Commissioners) and SSB received tantiem/bonus.</li> <li>3. Approved the tantiem/bonus to the Board of Directors for the financial year of 2018 a maximum of Rp94,447,500,000 (gross) including variable remuneration in the form of shares or share-based instruments issued by the Company, and delegated the authority to the Company's Board of Commissioners to determine the amount of tantiem/bonus for each member of the Company's Board of Directors.</li> <li>4. Approved the delegation of authority to the Company's Board of Commissioners to determine the amount of salary, holiday allowances and other allowances for the Board of Directors and each member of the Board of Directors of the Company for the financial year of 2019 after considering recommendations from the Nomination and Remuneration Committee of the Company.</li> </ol> |                       |                             |
| <b>Realization</b>                  | Realized in 2019.   |                       |                             |

|                                     |  |               |                                |
|-------------------------------------|--|---------------|--------------------------------|
| <b>6<sup>th</sup> Agenda</b>        | <b>Approval of Updates on the Company's Recovery Plan.</b>   |               |                                |
| <b>Result of Voting Calculation</b> | Total Majority & Agree Votes = 23,908,685,424 shares or 100%   |               |                                |
|                                     | Agree  | Disagree      | Abstain/No Votes*              |
|                                     | 23,904,021,812 shares or 99.9805%  | 0 share or 0% | 4,663,612 shares or 0.0195% 0% |
| <b>Meeting Resolutions</b>          | <ol style="list-style-type: none"> <li>1. Approved the updates of the Recovery Plan which has been prepared and submitted by the Company to OJK on 28 November 2018, which includes: <ol style="list-style-type: none"> <li>a. Update on the trigger level to comply with the prevailing provisions; and</li> <li>b. Update on the adequacy and feasibility of debt or investment instruments that has capital characteristics possessed by Systemic Banks through the issuance of the Subordinated Bonds III Bank CIMB Niaga of 2018.</li> </ol> </li> <li>2. Approved the delegation of authority to the Board of Commissioners and the Board of Directors of the Company to perform each and all actions required in connection with the update of the Company's Recovery Plan by taking into account the OJK Regulation concerning Recovery Plan for Systemic Bank.</li> </ol> |               |                                |
| <b>Realization</b>                  | Realized in 2019.  |               |                                |

|                                     |  |                             |                    |
|-------------------------------------|--|-----------------------------|--------------------|
| <b>7<sup>th</sup> Agenda</b>        | <b>Approval of the Company's Share Buyback</b>   |                             |                    |
| <b>Result of Voting Calculation</b> | Total Majority & Agree Votes = 23,908,685,424 shares or 100%   |                             |                    |
|                                     | Agree  | Disagree                    | Abstain/No Votes * |
|                                     | 23,904,021,812 shares or 99.9805% %  | 4,663,612 shares or 0.0195% | 0 share or 0%      |
| <b>Meeting Resolutions</b>          | <ol style="list-style-type: none"> <li>1. Approved the Share Buyback plan from the public shareholders, at the maximum of 20,000,000 shares with the maximum cost of Rp25,000,000,000 (including transaction costs and tax) with due regard to the prevailing regulations. The Share Buy Back Plan has obtained the OJK approval through the OJK letter No. S-19/PB.33/2019 dated 25 March 2019, and will be completed no later than 18 months after the resolution of this Meeting.<br/>The purpose of the Share Buyback of the Company proceeds is to fulfill POJK No. 45/POJK.03/2015, particularly to the provision of variable remuneration in the form of shares or share-based instruments issued by the Company to parties categorized as Material Risk Takers (MRT) of the Company for the period of 3 (three) years which will be paid in 2019, 2020 and 2021.</li> <li>2. Approved the delegation of authority to the Company's Board of Directors to conduct the Share Buyback in accordance with prevailing regulations.</li> </ol> |                             |                    |
| <b>Realization</b>                  | Realized in 2019.  |                             |                    |

|                        |   |
|------------------------|---|
| 8 <sup>th</sup> Agenda | <p><b>Others:</b></p> <ol style="list-style-type: none"> <li>1. Accountability Report on the Use of Proceeds from the Public Offering of the Shelf-Registration Bond II Bank CIMB Niaga Phase IV Year 2018; Shelf-Registration Sukuk Mudharabah Bank CIMB Niaga I Phase I Year 2018; and Subordinated Bond III Bank CIMB Niaga Year 2018.</li> <li>2. Sustainable Finance Action Plan Report.</li> <li>3. Report on Amendment to Indonesian Stock Exchange Regulation No. I-A specifically related to the position of Independent Director.</li> </ol>  |
| Meeting Resolutions    | <p><b>Others:</b></p> <ol style="list-style-type: none"> <li>1. According to POJK No. 30/POJK.04/2015, and reported to OJK Capital Market through letter No. 003/DIR/I/2019 dated 10 January 2019 with a copy to IDX and the OJK Banking Supervisory, in the Meeting was reported the accountability of the use of the proceeds from the Public Offering as of 31 December 2018, whereas the funds obtained respectively from each of:             <ol style="list-style-type: none"> <li>a. Shelf-Registration Bond II Bank CIMB Niaga Phase IV Year 2018 in the amount of Rp1,016,523,355,000 (nett);</li> <li>b. Shelf-Registration Sukuk Mudharabah I Bank CIMB Niaga Phase I Year 2018 in the amount of Rp993,366,142,421 (net); and</li> <li>c. Subordinated Bond III Bank CIMB Niaga Year 2018 in the amount of Rp144,480,674,465 (net).</li> </ol>             Have all been used in accordance with the plan to use the proceeds as disclosed in respective Prospectus.           </li> <li>2. In accordance with POJK No. 51/POJK.03/2017, in the Meeting was reported regarding Sustainability Finance Action Plan of the Company Year 2019 – 2023 which has been submitted to the OJK Banking Supervisory on 27 November 2018. The Sustainability Finance Action Plan consist of the short-term (1 (one) year) and the long-term (5 (five) years) activity plan for the Company's priorities in implementing Sustainability Finance, while still taking into account the fulfillment of prudential principles and the implementation of risk management.</li> <li>3. Following the issuance of Amendment to IDX Regulation Number I-A through the Decision Letter of the BOD of IDX No. Kep-00183/BEI/12-2018, specifically related to the non-regulation or an Independent Director position in a Listed Company, in the Meeting was reported the deletion of position title of the Company's Independent Director. Therefore, the title as Independent Director for Fransiska Oei, the Compliance Director and concurrently as the Independent Director as reported at the AGM on 25 April 2017, will be effectively removed since the closing of this Meeting. However, it shall be reemphasized that all members of the Company's Board of Directors are independent from the controlling shareholders, not having any family relationship up to the second degree with fellow members of the Board of Directors and/or members the Board of Commissioners, do not held any concurrent positions as members of Board of Directors, as members of other Board of Commissioners, or as Executive Officers in the Company, or other companies and/or institutions other than performing functional tasks in non-bank subsidiary companies controlled by the Company, and also do not become an insider in any capital market supporting institutions or professionals whose services are used by the Company.</li> </ol> |
| Realization            | Realized in 2019.   |

<sup>9)</sup> In accordance with the provisions of Article 13 paragraph 13.4 of the Company's Articles of Association: " Shareholders of shares with valid voting rights present at the GMS who are abstain (not voting) shall be deemed to cast the same vote as the majority of the voting, with condition that such shareholders are obliged to abide and respect to the decisions taken for the relevant agenda of the GMS".

## BOARD OF COMMISSIONERS

The Board of Commissioners is a Governance organ that has the duties and responsibilities to supervise the policies of the management of the Bank in general according to the Articles of Association. The Board of Commissioners also assures that the Bank conducts its business in accordance with the established objectives, provides advice to the Board of Directors, and ensures that the Bank implements the principles of Good Corporate Governance (GCG) at every level of the organization.

The Board of Commissioners is also responsible for overseeing several policies with regards to Bank operations in general that relate to the implementation of the business strategy and plan that have been approved by the Board of Commissioners, and for ensuring compliance with all prevailing laws and regulations. In fulfilling its duties and responsibilities, the Board of Commissioners must act independently.

### LEGAL BASIS

The legal basis for the establishment and the appointment of the Board of Commissioners of CIMB Niaga is pursuant to several regulations, including:

1. The Laws of the Republic of Indonesia on the Limited Liability Company and Banking;
2. OJK Regulation, OJK Circular Letter, Bank Indonesia (BI) Regulations, and BI Circular Letter on the implementation and organisation of Corporate Governance;
3. Bank's Article of Association; and
4. Deed of Shareholders General Meeting Resolution No. 95 dated 27 November 2019 as notified to the Minister of Law and Human Rights of the Republic of Indonesia (Menkumham RI) through Notification Receipt Letter No. AHU-AH.01.03-0370172 on 9 December 2019.

### BOARD OF COMMISSIONERS' CHARTER

In discharging its duties and responsibilities, the Board of Commissioners refers to the Board of Commissioners Charter that is regularly evaluated and updated to conform to all prevailing rules and regulations in Indonesia. The Charter contains the binding guidelines and procedures for each member of the Board of Commissioners, enabling the Board of Commissioners to perform its oversight function in efficiently, effectively, transparently, independently and accountably.

The basis for preparing the Board of Commissioners Charter:

1. Law No. 40 of 2007 on the Limited Liability Company;
2. OJK Regulations and OJK Circular Letters on implementation and organisation of Corporate Governance;
3. Bank's Articles of Association;
4. GCG General Guidelines in Indonesia from the National Committee on Governance Policy (KNKG); and
5. The ASEAN Corporate Governance Scorecard.

On 14 October 2019, the Board of Commissioners Charter was updated and uploaded onto the Bank's website ([www.cimbniaga.co.id](http://www.cimbniaga.co.id)). The Board of Commissioners Charter sets forth the following matters:

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

### MECHANISM OF NOMINATION, APPOINTMENT, DISMISSAL, REPLACEMENT AND/OR RESIGNATION OF MEMBERS OF THE BOARD OF COMMISSIONERS

The Bank has and implements the Policy and Procedure for the Nomination, Appointment, Replacement and/or Dismissal of Members of the Board of Commissioners, the Board of Directors and Independent Parties as Members of Committees Responsible to the Board of Commissioners No. M.04.

This policy aims to ensure that the implementation of corporate governance and risk management is carried out well. The policy also serves as a guideline in the process of selection, replacement and/or dismissal the members of the Board of Commissioners, Board of Directors and Independent Parties that regulates the followings:

1. Criteria for Members of the Board of Commissioners  
Candidates for the member of the Board of Commissioners of CIMB Niaga must at least meet the integrity, competence and good reputation requirements, as stipulated in prevailing laws and regulations.



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2. Procedure on the Nomination of Member of the Board of Commissioners are as follows:

- a. The Bank can utilize the services of independent and reputable search firms in the selection process for candidates as member of the Board of Commissioners.

The appointed third party (search firms) will assist in the selection process, including:

- i. Identifying candidates who meet the requirements;
- ii. Conducting interviews and selection of candidates (including conducting background and references checks);
- iii. Acting as a liaison between the Board of Commissioners, the Nomination and Remuneration Committee, and the candidates during the selection and evaluation process; and
- iv. Providing consultations needed by the Nomination and Remuneration Committee.
- b. Members of the Board of Directors, the Board of Commissioners and/or the Bank's Shareholders may propose candidates as members of the Board of Commissioners to the Bank. The Shareholders who may propose candidates as members of the Board of Commissioners will be 1 (one) or more shareholders representing 1/20 (one twentieth) or more of the total shares with voting rights.

3. Appointment Procedures of the Board of Commissioners' Members are as follows:

Appointment of the Board of Commissioners' members must obtain GMS approval and have passed the Fit and Proper Test in accordance with OJK regulations concerning the Fit and Proper Test, and those concerning the Implementation of Governance for Commercial Banks, as well as meet other requirements set by other relevant authorities before being effectively declared as a Commissioner.

4. Procedure for dismissal, replacement and/or resignation of the members of the Board of Commissioners

- a. Proposal of dismissal and/or replacement of the Board of Commissioners' members shall be submitted to the GMS and shall observe the recommendations from the Bank's Nomination and Remuneration Committee.
- b. Members of the Board of Commissioners may be dismissed at any time based on the resolution of the GMS by stating the reasons.
- c. Members of the Board of Commissioners have the right to resign from their positions by giving

written notification regarding their intention to the Bank no later than 90 (ninety) days or 3 (three) months prior to the effective resignation. In the event that written notification is submitted less than 90 (ninety) days or 3 (three) months, the effective date of the resignation must be approved by the Board of Commissioners.

- d. When the position of a member of the Board of Commissioners is vacant due to any reason that causes the number of the Board of Commissioners to be less than 3 (three), then a GMS must be held no later than 60 (sixty) calendar days after the vacancy date to fill the vacancy with due regard to the prevailing laws and regulation.
- e. In the event the position of President Commissioner is vacant and as long as a successor has not been appointed or has not assumed their position, then one of the Board of Commissioners members, appointed by a Board of Commissioners' Meeting will carry out the President Commissioner's obligations, with the same authority and responsibility as the President Commissioner.

## STRUCTURE, NUMBER, AND COMPOSITION OF THE BOARD OF COMMISSIONERS IN 2020

The structure and composition of CIMB Niaga's Board of Commissioners have met all prevailing regulations, as stipulated in the Board of Commissioners' Charter, which include:

1. The total number of CIMB Niaga's Board of Commissioners members is at least 3 (three) persons, and at most is the same as that of the Board of Directors.
2. The Board of Commissioners of CIMB Niaga is led by a President Commissioner.
3. One or more member may be appointed as Vice President Commissioner.
4. At least 1 (one) member of the Board of Commissioners must be domiciled in Indonesia, CIMB Niaga has 3 (three) members of the Board of Commissioners domiciled in Indonesia.
5. 3 (three) out of 6 (six) people or 50% (fifty percent) of the members of the Board of Commissioners are Independent Commissioners.
6. 4 (four) out of 6 (six) people or more than 50% (fifty percent) of the members of the Board of Commissioners are Indonesian nationals.
7. The replacement and/or appointment of members of the CIMB Niaga's Board of Commissioners has taken into account the recommendation from Nomination and Remuneration Committee and has obtained approval from the GMS and OJK.

8. All members of the CIMB Niaga's Board of Commissioners have no family relationship up to the second degree with fellow members of the Board of Commissioners and/or the Board of Directors and the Controlling Shareholders.
9. All members of the Bank's Board of Commissioners have passed the Fit and Proper Test, except for 1 (one) person, namely Dato' Abdul Rahmad Ahmad who still awaits the approval of OJK.

Pursuant to the principles of the ASEAN Corporate Governance Scorecard, the composition of the Board of Commissioners also includes:

1. 1 (one) female member of the Board of Commissioners is an Independent Commissioner, namely Sri Widowati.

2. 50% (fifty percent) of the members of Board of Commissioners are Independent Commissioners, namely 3 (three) Independent Commissioners out of a total of 6 (six) members of the Board of Commissioners.
3. In terms of expertise, the majority of members of the Board of Commissioners have a working experience in banking.
4. Appointment of one of the Independent Commissioners as Senior Independent Commissioner, namely Jeffrey Kairupan.

In 2020, the number and composition of the Board of Commissioners of CIMB Niaga changed pursuant to the resolution of the AGM on 9 April 2020 and EGMS on 25 September 2020.

## COMPOSITION OF THE BOARD OF COMMISSIONERS IN 2020

| No | Name                                       | Position                                  | Term of Office |
|----|--|---|----------------|
| 1. | Tengku Dato' Sri Zafrul Tengku Abdul Aziz* | President Commissioner                    | 2018 - 2022    |
| 2. | Didi Syafruddin Yahya**                    | President Commissioner                    | 2020 - 2023    |
| 3. | Glenn M. S. Yusuf***                       | Vice President Commissioner (Independent) | 2020 - 2024    |
| 4. | Jeffrey Kairupan                           | Senior Independent Commissioner****       | 2020 - 2024    |
| 5. | Sri Widowati                               | Independent Commissioner                  | 2019 - 2023    |
| 6. | Dato' Abdul Rahman Ahmad*****              | Commissioner                              | 2020 - 2024    |
| 7. | David Richard Thomas                       | Commissioner                              | 2018 - 2022    |
| 8. | Zulkifli M. Ali*****                       | Independent Commissioner                  | 2016 - 2020    |
| 9. | Pri Notowidigdo*****                       | Independent Commissioner                  | 2016 - 2020    |

\* Resigned as President Commissioner effective as of 9 March 2020

\*\* Appointed as President Commissioner in the AGM on 9 April 2020 and effective as of 7 July 2020

\*\*\* Appointed as Vice President Commissioner (Independent) in the AGM on 9 April 2020 and effective as of 16 September 2020.

\*\*\*\* Appointed as Senior Independent Commissioner through the Circular Resolution of the Board of Commissioners of CIMB Niaga No. 014/DEKOM/KP/VI/2019 dated 28 June 2019.

\*\*\*\*\* Appointed as Commissioner in the EGM on 25 September 2020 and effective upon obtaining OJK approval and/or fulfilled the requirements as determined in the OJK approval.

\*\*\*\*\* Term of office as Independent Commissioner ended as of the closing of AGM on 9 April 2020.

## TERM OF OFFICE OF THE BOARD OF COMMISSIONERS

1. The term of office as the Board of Commissioners member shall be effective from the date specified in the GMS appointing them, until the close of the 4<sup>th</sup> AGM after the date of appointment without prejudice to the right of the GMS to dismiss them at any time in accordance with the Articles of Association and prevailing regulations.
2. The appointment of Board of Commissioners members becomes effective upon approval from OJK or the fulfilment of the requirements stipulated in the OJK approval letter related to the Fit and Proper Test, and other relevant authorities (if any), and has been approved by the shareholders through the GMS.
3. The term of office for the Independent Commissioners is 2 (two) consecutive terms or maximum 9 (nine) years.
4. The position of a member of the Board of Commissioners shall expire in the event of:
  - a. The term of office expires with the provision in the Bank's Articles of Association;
  - b. Resigning in accordance with the prevailing regulations;
  - c. No longer comply with the law and regulatory requirements;
  - d. Pass away;
  - e. Dismissed based on the GMS resolution;





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- f. Declared bankrupt or placed under supervision based on a court decision;
  - g. Engaged in a financial crime.
5. The member of the Board of Commissioners who have completed their term of office may be re-appointed after taking into account the prevailing regulations.

## FIT AND PROPER TEST

Based on OJK Regulation No.27/POJK.03/2016 on the Fit and Proper Test for Main Parties of Financial Services Institutions regulate that candidates member of the Board of Commissioners must obtain approval from OJK before performing their actions, duties and functions as the member of the Board of Commissioners. Members of the Board of Commissioners who have passed the Fit and Proper Test without notes and have received approval from the OJK, indicate that they possess adequate integrity, competence and financial reputation, as shown in the table below:

| No | Name                                   | Position                                  | Regulator | Basis of Appointment  | BI/OJK Approval                               | Effective Date    | Reappointment       |
|----|--|---|-----------|-----------------------|---|-------------------|---------------------|
| 1  | Didi Syafruddin Yahya                  | President Commissioner                    | OJK       | AGM 9 April 2020      | No. SR-188/PB.12/2020 dated 7 July 2020       | 7 July 2020       | -                   |
| 2  | Glenn M. S. Yusuf                      | Vice President Commissioner (Independent) | OJK       | AGM 9 April 2020      | No. SR-308/PB.12/2020 dated 16 September 2020 | 16 September 2020 | -                   |
| 3  | Jeffrey Kairupan                       | Independent Commissioner                  | OJK       | AGM 15 April 2016     | No. SR-183/D.03/2016 dated 14 September 2016  | 14 September 2016 | AGM 9 April 2020    |
| 4  | Sri Widowati                           | Independent Commissioner                  | OJK       | AGM 15 April 2019     | No. SR-309/PB.12/2019 dated 20 November 2019  | 20 November 2019  | -                   |
| 6  | Dato' Abdul Rahman Ahmad <sup>*)</sup> | Commissioner                              | OJK       | EGM 25 September 2020 | -   | -                 | -                   |
| 7  | David Richard Thomas                   | Commissioner                              | OJK       | AGM 27 March 2014     | No. SR-159/D.03/2014 dated 15 September 2014  | 15 September 2014 | RUPST 24 April 2018 |

<sup>\*)</sup> Appointed as Commissioner in the EGM on 25 September 2020 and effective upon obtaining OJK approval and/or fulfilled the requirements as determined in the OJK approval.

## DUTIES, RESPONSIBILITIES, AND AUTHORITIES OF THE BOARD OF COMMISSIONERS

The Board of Commissioners shall act and be responsible collegially, and is assisted by the Audit Committee, the Risk Oversight Committee, the Nomination and Remuneration Committee and the Integrated Governance Committee in their respective areas. Members of the Board of Commissioners must act in good faith, full of responsibility, prudently and independently. The duties, responsibilities, and authorities of the Board of Commissioners that apply to each member of the Board of Commissioners are as follows:

1. Each member of the Board of Commissioners must not act individually, and shall act based on a decision by the Board of Commissioners.
2. The Board of Commissioners must ensure that the principles of Good Corporate Governance shall apply to all business activities of the Bank at all levels of the organization, at least through:
  - a. The implementation of the Board of Commissioners and the Board of Directors duties and responsibilities;
  - b. The completeness and implementation of the Committees' and working units' duties when performing the Bank's internal control functions;
3. The Board of Commissioners shall supervise the management policies, the general management processes and is responsible for this supervision, and shall provide advice to the Board of Directors.
4. In performing the supervisory duties as referred to in number 2 and 3 above, the Board of Commissioners must direct, monitor and evaluate the Bank's strategic policy implementation pursuant to the regulations.
5. The BOC shall ensure the harmony of environment, economic, social and governance aspects in the
  - c. The implementation of the compliance function, and the internal and external audits;
  - d. The risk management implementation, including the internal control system;
  - e. The provision of funds to related parties and provision of large funds;
  - f. The Bank's strategic plan;
  - g. The transparency of the Bank's financial and non-financial condition;
  - h. Periodically approve and review the Bank's Vision, Mission and Core Values.

preparation of Bank's business strategies and implementation of business activities by the BOD, as the form of sustainable banking practices.

6. In the event that there is only one member of the Board of Commissioners due to the absence of the other members, all duties and authorities granted to the President Commissioner, or other members of the Board of Commissioners, as described in the Bank's Articles of Association will automatically apply to him/her.
7. The Board of Commissioners are prohibited from take part in decision-making related to the Bank's operations, except for:
  - a. Loan provisions to related parties as regulated in the OJK regulation regarding Legal Lending Limit for Commercial Banks; and
  - b. Other matters specified in the Bank's 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 supervisory functions of the Board of Commissioners so as not to negate the Board of Directors' responsibility for the management of the Bank.
9. The Board of Commissioners approves and monitors the implementation of the Bank's strategies, the Business Plan, and several policies in accordance with the prevailing regulations, including the establishment and implementation of strategies related to Anti-Fraud, Anti Money Laundering and Counter-Terrorist Financing (AML- CFT), Whistleblowing, Integrated Corporate Governance, Related Party Transaction (RPT), Legal Lending Limit (LLL), and other Bank strategies in accordance with the prevailing regulations.
10. Through the Nomination and Remuneration Committee, supervises the selection and assessment of candidate members for the Board of Directors and the Board of Commissioners without interference.
11. The Board of Commissioners shall ensure that the Board of Directors has taken follow up actions on audit findings and recommendations from the Bank's Internal Audit, External Auditor, supervision results from OJK and/or other authorities.
12. The Board of Commissioners shall report to OJK within 7 (seven) working days any findings related to:
  - a. Violations of finance and banking laws and regulations; and
  - b. Any 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 shall establish at least:
  - a. Audit Committee;
  - b. Risk Oversight Committee; and
  - c. Nomination and Remuneration Committee.
14. The Board of Commissioners shall supervise the established Committees, as referred to in point 13 above, so they perform their duties effectively, and shall evaluate and/or assess the performance of these committees at a minimum at the end of each financial year.
15. The Board of Commissioners together with the President Director approve the annual audit plan and budget allocation for the internal audit function execution and internal audit charter, by considering the recommendations of the Audit Committee.
16. The Board of Commissioners shall conduct active supervision of the Compliance Function by:
  - a. Evaluating the Bank's Compliance Function at least twice a year.
  - b. Providing recommendations to improve the quality of the Bank's Compliance Function.
17. Based on point 15, the Board of Commissioners shall provide recommendations for improving the quality of the Compliance Function to the President Director.
18. 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 the Risk Management policy including Risk Management Strategy and Framework as determined based on the Bank's risk appetite and risk tolerance.
  - b. Evaluating the Risk Management policies and strategy at least once a year, or more frequently in the event of any changes in factors significantly affecting the Bank's business activities.
19. In the execution of the internal audit function, the Board of Commissioners is responsible to:
  - a. Ensure that the Board of Directors formulates and maintains an internal audit system that is adequate, effective and efficient;
  - b. Evaluate the effectiveness and efficiency of the internal control system based on the information



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received from the Bank's Internal Audit Unit (IA) at least once a year;

- c. Appoint an independent quality assurer from external parties to undertake reviews on the performance of the Internal Audit Unit by considering the recommendations of the Audit Committee.
20. The Board of Commissioners and the President Director are responsible for to ensure that the implementation of internal audit in the Bank's subsidiaries are carried out using the audit standards applied to the Bank, with due consideration on the size, characteristics, and complexities of the subsidiaries business.
21. The Board of Commissioners communicates with the internal audit function of the Controlling Shareholder of the Bank so as they will prepare the scope of audit and executes the internal audit activities with a scope that is adequate for the Bank, with due consideration to prevailing laws and regulations.
22. The Board of Commissioners and President Director approve the appointment and dismissal of the Chief Audit Executive, by considering the recommendation of the Audit Committee.
23. A member of the Board of Commissioners, appointed by the Board of Commissioners must chair the GMS. In the event that all members of the Board of Commissioners are absent or unable to attend due to any reason whatsoever, without any requirement to prove to third parties, the President Director shall chair the GMS.
24. In performing its duties, the Board of Commissioners is entitled to seek the assistance of experts for a limited period of time.
25. The Board of Commissioners, based on Board of Commissioners meeting resolutions, is authorized to temporarily dismiss members of the Board of Directors by stating the reasons. In the event that a Board of Directors member is temporarily dismissed, the Board of Commissioners must convene a GMS within 90 (ninety) days after the date of any dismissal, to revoke or enforce the dismissal decision.
26. The Board of Commissioners may undertake Bank management actions 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.
27. The Board of Commissioners is, at all times within office hours, entitled to enter the buildings, yards,

or other premises used or controlled by the Bank, and is entitled to examine all accounts, letters and other evidence, to audit and verify the cash and other financial conditions, as well as to know all actions taken by the Board of Directors.

28. The Board of Commissioners has the right to obtain explanations on all matters relating to the operations of the Bank and its subsidiaries, as well as matters relating to the Bank's ethical standards.
29. The Board of Commissioners shall ensure that the Board of Directors possess and implements the Financial Literacy and Financial Inclusion plans.
30. The Board of Commissioners shall prepare a succession plan for the Chief Executive Officer (CEO)/ President Director and key management to ensure the Bank's sustainable future leadership.

#### **DUTIES AND RESPONSIBILITIES OF THE PRESIDENT COMMISSIONER**

In addition to the above duties and responsibilities, the President Commissioner has the following additional duties and responsibilities:

1. Coordinating the implementation of the Board of Commissioners duties and responsibilities.
2. May propose to hold a Board of Commissioners' meetings, including the Meetings' agenda.
3. To invite and chair the Board of Commissioners' meetings.
4. Deliver the BOC supervisory report to obtain approval from the AGM on the Board of Commissioners duties and supervision performance.
5. Ensuring that the responsibilities of the Board of Commissioners are discharged in accordance with procedures.
6. Together with the President Director signing the report on the appointment or dismissal of the Chief Audit Executive and the report from external independent reviews on the performance of the Bank's Internal Audit Unit, to be submitted to OJK.
7. To ensure that the Board of Commissioners' meetings are effective in that decisions are taken, based on sound and well-informed basis, including ensuring that:
  - a. All strategic and critical issues are considered by the Board of Commissioners;
  - b. Matters are carefully and thoroughly discussed;
  - c. All members of the Board of Commissioners are given the opportunity to contribute effectively;

- d. Each Commissioner receives the relevant information on a timely basis, including being properly briefed on issues arising at the Board of Commissioners' meetings; and
- e. The Board of Commissioners' meetings come to clear decisions and resolutions are noted.
8. To ensure that the Board of Commissioners behaves in accordance with the Board of Commissioners Charter.
9. Lead efforts to address the Board of Commissioners development requirements.
10. Perform other responsibilities as assigned by the Board of Commissioners, from time to time, and
11. Conduct a final evaluation on the collegial performance of the Board of Commissioners and the Committees as well as individual performance of members of the Board of Commissioners and members of the Committees after taking into account the recommendation from the Nomination and Remuneration Committee.

### SEGREGATION OF DUTIES OF THE BOARD OF COMMISSIONERS

Based on their respective competencies and fields, several members of the Board of Commissioners concurrently serve as Chairman and/or Members of the Committees established to support the Board of Commissioners' duties and responsibilities.

| Committee                             | Committee Membership by Members of the Board of Commissioners  |
|---------------------------------------|--|
| Audit Committee                       | Jeffrey Kairupan (Chairman and concurrently member)  |
| Risk Oversight Committee              | 1. Glenn M. S. Yusuf (Chairman and concurrently member)<br>2. Didi Syafruddin Yahya (Member)<br>3. David Richard Thomas (Member) |
| Nomination and Remuneration Committee | 1. Sri Widowati (Chairman and concurrently member)<br>2. Glenn M. S. Yusuf (Member)<br>3. Didi Syafruddin Yahya (Member)         |
| Integrated Governance Committee       | Jeffrey Kairupan (Chairman and concurrently member)  |

### INDEPENDENCY OF THE BOARD OF COMMISSIONERS

In discharging their duties and responsibilities, members of the Board of Commissioners uphold the principle of independence at all times, prioritizes the interest of the Bank before self-interest, and protects oneself against the influence of any other party. These commitments are in line with the provisions of the Board of Commissioners Charter, as follows:

1. The Board of Commissioners and their families and any parties affiliated to them are not allowed to take loans from the Bank.
2. The Board of Commissioners are not allowed to use information obtained from the Bank for making any decisions for the benefit of their own, their family and affiliated parties.
3. The Board of Commissioners are not allowed to accept personal gains 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 the highest standard
5. The Board of Commissioners are not allowed to retain and duplicate Bank's documents and control the Bank's assets for personal benefits.

6. Unless otherwise stipulated in the prevailing laws and regulations and the Bank's Article of Association, the Board of Commissioners has no right to represent the Bank even though authorized by the Board of Directors, unless due to the failure of the Board of Directors, when 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 Officer and business partners.

All members of the Board of Commissioners of the Bank do not receive shares or bonuses.

### CONCURRENT POSITIONS OF THE BOARD OF COMMISSIONERS

The Board of Commissioners Charter governs the provisions regarding the concurrent positions of members of the Board of Commissioners of CIMB Niaga, whereby members of the Board of Commissioners may only hold concurrent positions as:

1. A member of the Board of Commissioners, Board of Directors, or Executive Officer of 1 (one) other non-financial institution/company; or

2. A member of the Board of Commissioners, Board of Directors, or Executive Officer who carry out supervisory functions in 1 (one) non-bank subsidiary controlled by the Bank;
3. A Committee member up to 5 (five) committees in the Bank or Public Company where the person concerned also serves as the member of the Board of Directors or the Board of Commissioners.

Not considered as a concurrent position as stated above, when:

1. The non-Independent member of the Board of Commissioners carry out functional duties for the Bank's shareholders in the form of legal entities in their business groups; and/or
2. Members of the Board of Commissioners hold positions in non-profit organizations or institutions.

Provided that the members of the Board of Commissioners do not neglect their duties and responsibilities as a member of the Bank's Board of Commissioners. No members of CIMB Niaga's Board of Commissioners have concurrent positions at the subsidiaries of CIMB Niaga.

Information on the concurrent positions for the Board of Commissioners members in other agencies/companies/institutions/organizations for 2020 are available in the Corporate Profile Section of this Annual Report.

### **CONFLICT OF INTEREST OF THE BOARD OF COMMISSIONERS**

During 2020, the Bank ensured that all Board of Commissioners' members did not have a conflict of interest or a potential conflict of interest against CIMB Niaga. All members of the Board of Commissioners must avoid potential conflicts of interest and must not place themselves in a potential position for conflicts of interest in any situation as stated in the Board of Commissioners' Charter.

In the event of a conflict of interest, members of the Board of Commissioners are prohibited from taking actions that could harm or reduce the Bank's profit and must disclose any potential conflict of interest in each decision taken. The procedures that must be followed by the Board of Commissioners' members in the event of a conflict of interest are as follows:

1. They are obliged to immediately report in writing to the Board of Commissioners regarding any matters

that have the potential to create and/or contain a conflict of interest that may have significant financial and reputational impact on CIMB Niaga, the Board of Commissioners, and the Board of Directors.

2. Should preclude themselves from participating in the assessment process of any activities that may constitute a conflict of interest.
3. May participate in meeting, but are not allowed to participate in decision making.

### **POLICY ON LOANS PROVISION TO THE BOARD OF COMMISSIONERS**

Members of the Board of Commissioners and their families and other affiliated parties are not allowed to borrow money from the Bank as stipulated in the Board of Commissioners' Charter.

### **BOARD OF COMMISSIONERS SUPERVISION FOCUS IN 2020**

Throughout 2020, the meetings of the Board of Commissioners produced recommendations and inputs on a number of aspects that support the Bank's business. The main focus remained on the achievement of business targets, risk management, prudent banking, and compliance with prevailing regulations.

The Board of Commissioners also formulates and implements its oversight focus and work plan as the agreed guideline and basis for the agendas of the Board of Commissioners meetings and joint meetings with the Board of Directors. The oversight focus of the Board of Commissioners that covers several important aspects in 2020 were:

1. Analysed, provided inputs, and together with the Board of Directors approved the Bank's Business Plan (RBB) as well as reviewed and approved the RBB revision for the submission to OJK in the allotted time frame.
2. The Board of Commissioners was obliged to oversee the implementation of RBB that is also reported to OJK periodically through the RBB realization report.
3. The Board of Commissioners also monitored, analysed and provided inputs on the strategic plan of the Bank.
4. Periodically reviewed the financial performance of the Bank in the meetings of the Board of Commissioners and/or the Committees and also inviting business units to present their respective performance.

5. Pursuant to prevailing regulations, the oversight on risk management is the focus of the Board of Commissioners, including the self-assessment on Bank's soundness ratios using the Risk Based-Bank Rating (RBBR). In 2020, through the Risk Oversight Committee, the Board of Commissioners oversaw the risk management, assets quality, Bank soundness, and the results of stress test as well as reviewed the Bank's mandatory risk management policies including the policy on Funding Contingency Planning and evaluated the risk management policies against the implementation.
6. Ensured the Board of Directors has followed up on the audit findings and recommendations of the Internal Audit Unit, including improvements to audit findings from the external auditors and the Regulator.
7. Periodically received the Board of Directors Report on the Bank's liquidity in Rupiah and US Dollars to obtain a clear illustration on the funding and liquidity structure, as well as the funding strategy of the Bank.
8. Reviewed the: (i) Supervision Report on every half-year, (ii) GCG Assessment Reports, and (iii) related party transaction and approved several internal policies that required approval of the Board of Commissioners.
9. Received the updated reports on the investment and progress on operations and information technology that were implemented in 2020.
10. Monitored the Bank's operational risk related to (Non Performing Loan – NPL), impaired loans, and fraud.
11. Reviewed and approved the updated Recovery Plan that has been submitted to OJK in November 2020 and ensured that the updated plan will be proposed for shareholders' approval in the 2021 AGM.
12. In 2020, the Board of Commissioners approved the recommendations of the Nomination and Remuneration Committee for submission to the GMS on the appointments of members to the Board of Commissioners and Board of Directors as follows: (i) Didi Syafruddin Yahya who previously served as Commissioner appointed as President Commissioner, (ii) appointments of new members to the Board of Commissioners, namely Glenn M. S. Yusuf as Vice President Director (independent) and Dato' Abdul Rahman Ahmad as Commissioner, (iii) re-appointment of Jeffrey Kairupan as an Independent Commissioner, and the re-appointment of several members of the Board of Directors, namely Vera Handajani, Lani Darmawan, Pandji P. Djajanegara as Director respectively, and Fransiska Oei as Director, concurrently as Compliance Director, whose terms of office have all expired at the AGM on 9 April 2020, and (iv) the appointment of a new Director, namely Tjioe Mei Tjuen.
13. In terms of Human Resources, the Board of Commissioners through the Nomination and Remuneration Committee monitored the policies on manpower and HR function that contain risk with potential significant impact on the Bank, and overseen the implementation of risk management on personnel outsourcing.
14. Through the Audit Committee, reviewed the Bank's financial report including the financial statements, the accounting treatment in line with prevailing accounting standards, reviewed the adequacy of the financial publication and statutory report, and evaluated the compliance function of the Bank.
15. The oversight function of risk management was carried out through the Risk Oversight Committee that provided its recommendation to the Board of Commissioners in support of the effective discharge of the duties and responsibilities of the Board of Commissioners with regards to risk management.
16. Oversaw the implementation of the Integrated Governance within the CIMB Indonesia Financial Conglomerate through the Integrated Governance Committee, including the evaluation on the implementation of the integrated governance through the assessment of the integrated internal control's adequacy and the implementation of compliance function.
17. Analysed, provided input, and together with the Board of Directors approved the Action Plan on Sustainability Finance (RAKB) of 2021 and the realization of RAKB 2020 for submission to OJK.

## RECOMMENDATIONS OF THE BOARD OF COMMISSIONERS

The Board of Commissioners carried its supervision and provided advisories that are conveyed directly or through the Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee, and the Integrated Governance Committee that are discussed in the Board of Commissioners meetings. Throughout 2020, some of the more important recommendations by the Board of Commissioners are presented as follows:

1. Provided inputs and approved the Bank's Corporate Action plan for 2020 including the Annual and Extraordinary General Meeting of Shareholders and the issuance of the Shelf Registration Sukuk Mudharabah I Phase III of 2020.





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2. Approved the revised RBB of 2020, RAKB of 2021 and the realization of RAKB of 2020 as well as the Bank's strategic & business plan of 2021.
3. Reviewed and provided inputs on the Risk Appetite Statement of the Bank.
4. Provided inputs on the financial targets of the Bank, including Net Interest Margin, NPL and watch list account, Loan to Deposit Ratio, Asset Quality, productivity and market competition.
5. Provided inputs on increasing the low-cost funds (CASA) and fee-based income of the Bank by increasing Bank's services to facilitate convenient transactions through Transaction Banking, Value Chain and improvements to the Sharia Banking business through dual banking leverage as well as the continuing development of branchless banking facilities provided by the Bank to enhance the customer experience in transactions.
6. Provided inputs and recommendations on cost management efficiency and discipline to continue reducing cost ratio while increasing Bank revenues, the IT transformation program and the productivity of both frontline and back office operations, delegation of authority on the approval process to expedite customer service.
7. Periodically discussed the macro economic and industrial conditions as well as new banking regulations, and their impacts on the business of the Bank and the follow up actions.
8. Provided recommendations to the Board of Directors through the committees of the Board of Commissioners as provided for in the Report of the Implementation of the Duties of the Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee, and the Integrated Governance Committee in the Corporate Governance Report Section of this Annual Report.
9. Pursuant to the Articles of Association of the Bank, the Board of Commissioners approved the recommendation of actions on non-performing loans, credit restructuring and write-offs above a certain limit as provided for in the Bank's policy. In addition, the Board of Commissioners gave its approval on credit to the affiliate party of the Bank, in accordance with the prevailing regulatory requirements.

## DEVELOPMENT PROGRAMS OF THE BOARD OF COMMISSIONERS

To accommodate the enhancement of professional knowledge, competence and leadership capabilities of

members of the Board of Commissioners in line with current development in the industry and Good Corporate Governance, the Bank facilitates this competency development through various training programs for the Board of Commissioners. The development programs are meant to support the effectiveness of the duties of the Board of Commissioners to achieve sustainable growth and effective management of the Bank as provided for in the Board of Commissioners' Charter.

### RISK MANAGEMENT CERTIFICATION

CIMB Niaga undertakes risk management certification program for members of the Board of Commissioners pursuant to the Regulation on the Implementation of Employment (P2K) on the Implementation of Employee Learning and PBI No. 11/19/PBI/2009 dated 4 June 2009 and its amendment in PBI No. 12/7/PBI/2010 date 19 April 2010 on the Risk Management Certification of the Managements and Executives of the Commercial Bank, members of the Board of Directors and Board of Commissioners are required to enroll in the competence test/certification programs of the Regulator, namely the Risk Management Certification and its Refreshment program.

All members of the Board of Commissioners who served as of 31 December 2020 have had the Risk Management Certification and/or Refreshment as presented in the Company Profile Section in this Annual Report.

### TRAINING AND COMPETENCY DEVELOPMENT PROGRAM

CIMB Niaga is committed to conduct competency development and training programs for all members of the Board of Commissioners to support their supervisory function. This commitment is reflected in the training attended by each member of the Board of Commissioners, which is listed in the Company Profile Section of this Annual Report.

### INDUCTION PROGRAM FOR NEW MEMBERS OF THE BOARD OF COMMISSIONERS

Newly appointed members of the Board of Commissioners must attend an Induction Program as provided for in the Board of Commissioners' Charter. The induction program aims to familiarize the new members of the Board of Commissioners' on the Bank's profile including its characteristics and business processes, enabling them to work in line with the other organisations of the Bank.

The induction program for new Commissioners takes the form of documents prepared by the Corporate Affairs unit, including:

1. Bank's Vision and Mission.
2. Bank's Code of Ethics and Conduct.
3. Bank's Organizational Structure.
4. Bank's Articles of Association.
5. Corporate Policy Manual (GCG Charter).
6. Board of Commissioners' Charter and The Committees under the Board of Commissioners' Charters.
7. Regulations related to the Banking and Capital Markets.
8. Bank's Annual Report.
9. Bank's Business Plan.

To improve the induction program's quality and effectiveness, the Bank has developed a digital induction program (e-Learning), through the Learning on the Go (LoG) application, which is accessible to the Commissioner candidates anywhere at any time.

In 2020, induction programs were given to 2 (two) new members of the Board of Commissioners namely Glenn M. S. Yusuf dan Dato' Abdul Rahman Ahmad.

## PERFORMANCE ASSESSMENT OF COMMITTEES UNDER THE BOARD OF COMMISSIONERS

### PERFORMANCE ASSESSMENT POLICY AND PROCEDURE FOR COMMITTEES UNDER THE BOARD OF COMMISSIONERS

The performance assessments of the Committees under the Board of Commissioners are evaluated each year (at least once a year), and includes:

1. Collegial performance assessment for the Committees under the Board of Commissioners;
2. Individual performance assessment for each members of the Committees under the Board of Commissioners; and
3. Performance assessment for the Chairman of the Committees under the Board of Commissioners.

The final evaluation on the performance of the Committees under the Board of Commissioners both collegially and individually, including that of the Committee Chairman, are presented by the Nomination and Remuneration Committee at the Board of Commissioners meeting. The results thereof will be followed up for improvement or as an action plan (if needed).

## PERFORMANCE ASSESSMENT CRITERIA FOR COMMITTEES UNDER THE BOARD OF COMMISSIONERS

The criteria for the performance assessment of the Committees under the Board of Commissioners includes:

### 1. Collegial Performance Assessment for the Committees under the Board of Commissioners

The assessment criteria comprise of the Committee structure, effectiveness of Committee meetings and the effectiveness of the execution of Committee duties and responsibilities.

### 2. Individual Performance Assessment for Each Members of the Committees under the Board of Commissioners

The assessment criteria comprise of the competence and capability, as well as effectiveness of the members of the Committee in their duties and responsibilities implementation.

### 3. Performance Assessment for the Chairman of the Committees under the Board of Commissioners

The assessment criteria comprise of the effectiveness in the implementation of duties and responsibilities, and leadership over the Committee.

## PARTIES PERFORMING THE PERFORMANCE ASSESSMENT FOR COMMITTEES UNDER THE BOARD OF COMMISSIONERS

The parties involved in the performance assessment for the Committees, Committee members and Committees Chairman are as follows:

### 1. Collegial Performance Assessment for the Committees under the Board of Commissioners

The assessment is carried out by each Committee member on Committee performance.

### 2. Individual Performance Assessment for Each Members of the Committees under the Board of Commissioners

Each Committee member provides an assessment for every other Committee member.

### 3. Performance Assessment for the Chairman of the Committees under the Board of Commissioners

Each Committee member assess the performance of the Chairman of their respective Committee.

## PERFORMANCE ASSESSMENT RESULTS FOR THE COMMITTEES UNDER THE BOARD OF COMMISSIONERS IN 2020

The results of the collegial performance assessment for the Committees under the Board of Commissioners are as follows:

| Audit Committee | Risk Oversight Committee | Nomination and Remuneration Committee | Integrated Governance Committee |
|-----------------|--------------------------|---------------------------------------|---------------------------------|
| 3.8             | 4.0                      | 4.2                                   | 3.4                             |

Meanwhile, the average results of individual performances assessment of the Committee members are as follows:

| Audit Committee | Risk Oversight Committee | Nomination and Remuneration Committee | Integrated Governance Committee |
|-----------------|--------------------------|---------------------------------------|---------------------------------|
| 3.8             | 4.1                      | 4.5                                   | 3.5                             |

Whereas the performances assessment results of the respective Committee Chairman are as follows:

| Audit Committee | Risk Oversight Committee | Nomination and Remuneration Committee | Integrated Governance Committee |
|-----------------|--------------------------|---------------------------------------|---------------------------------|
| 4.2             | 4.2                      | 4.6                                   | 3.6                             |

Range of score value:

| Range      | Description        |
|------------|--------------------|
| $\geq 4.7$ | Excellent          |
| 4.0 - 4.6  | Exceptional        |
| 3.7 - 3.9  | Beyond Expectation |
| 3.0 - 3.6  | Meet Expectation   |
| $< 3.0$    | Need Improvement   |

## INDEPENDENT COMMISSIONERS

The OJK Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Corporate Governance for Commercial Banks stipulates that the Independent Commissioners are the members of the Board of Commissioners who have no financial, managerial, share ownership and/or familial relationship with other members of the Board of Commissioners, members of the Board of Directors and/or the controlling shareholders, or with companies that may hinder or inhibit their position to act independently. The Independent Commissioners are responsible for supervising and also representing the interests of minority shareholders in accordance with the principles of GCG.

### NUMBER AND COMPOSITION OF INDEPENDENT COMMISSIONERS

As of 31 December 2020, CIMB Niaga has 3 (three) Independent Commissioners from a total of 6 (six) members of the Board of Commissioners or equal to 50% (fifty percent). The number of Independent Commissioners of CIMB Niaga has complied with the OJK Regulation No. 55/POJK.03/2016 on the Implementation of Corporate Governance for Commercial Banks that stipulates the number of Independent Commissioners should comprise a minimum of 50% (fifty percent) of the total members of the Board of Commissioners.

All of the Independent Commissioners of CIMB Niaga have passed the fit and proper test and have been approved by OJK as Independent Commissioners as well as were appointed by the Bank's GMS. As such, the composition of CIMB Niaga's Independent Commissioner is in accordance with the prevailing laws and regulations.

The Bank's Independent Commissioners are:

| Name              | Term of Office   |
|-------------------|--|
| Glenn M. S. Yusuf | Appointed as Vice President Commissioner (Independent) of CIMB Niaga based on the AGM Resolution on 9 April 2020 and effective since 16 September 2020.  |
| Jeffrey Kairupan  | Appointed as Independent Commissioner of CIMB Niaga based on the AGM Resolution on 15 April 2016 and effective since 14 September 2016. Reappointed based on the AGM Resolution on 9 April 2020. |
| Sri Widowati      | Appointed as Independent Commissioner based on the AGM Resolution on 15 April 2019 and effective since 20 November 2019.   |

### CRITERIA OF THE INDEPENDENT COMMISSIONER

All Independent Commissioners in CIMB Niaga are selected based on criteria set forth in the Board of Commissioners' Charter, as well as the Policies and Procedures for Nomination, Appointment, Replacement and/or Dismissal of the members of the Board of Commissioners, members of the Board of Directors, and the Independent Parties as members of the Committees under the Board of Commissioners, the criteria of which were prepared pursuant to prevailing regulations, as follows:

1. Not an individual who had been employed or had the authority and responsibility to plan, direct, control or supervise the Bank's activities including former members of the Bank's Board of Directors or Executive Officers, or other parties with a relationship with the Bank, which may affect their ability to act independently during the last 1 (one) year, except for re-appointment as an Independent Commissioner of the Bank for a following period.

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

2. Has no financial relationship, management relationship, shareholding relationship, familial relationship with other members of the Board of Commissioners, members the Board of Directors and/or the Controlling Shareholders of the Bank.
3. Has no direct or indirect shareholding in the Bank.
4. Has no affiliation with the Bank, other members of the Board of Commissioners, members of the Board of Directors, or with the Controlling Shareholders of the Bank.
5. Is not associated with any business, either directly or indirectly, that is involved with the business activities of the Bank.
6. Fulfills all other requirements of the Independent Commissioner as stipulated in prevailing regulations.
7. The term of office of the Independent Commissioner is for a maximum of 2 (two) consecutive terms or a total of 9 (nine) years.



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8. If the Independent Commissioner is serving on the Audit Committee, then they may only be re-appointed to the Audit Committee for 1 (one) further term.
9. An Independent Commissioner who serves as a Committee Chairman may only concurrently serve as a Committee Chairman in one other Committee.

## STATEMENTS OF INDEPENDENCE OF THE RESPECTIVE INDEPENDENT COMMISSIONER

All Independent Commissioner members fulfill the independence aspects as stipulated in Article 25 paragraph (1) of the OJK Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Listed Companies, as follows:

### Fulfillment of Independency Aspects

| No | Criteria of the Independent Commissioners  | Glenn M. S. Yusuf | Jeffrey Kairupan | Sri Widowati |
|----|--|-------------------|------------------|--------------|
| 1  | Not an individual who works or has authority and responsibility to plan, lead, control or oversee the activities of (the Bank) in the last 6 (six) months.   | ✓                 | ✓                | ✓            |
| 2  | Has no direct or indirect shares in the Bank.  | ✓                 | ✓                | ✓            |
| 3  | Has no affiliation with the Bank, fellow members of the Board of Commissioners, members of the Board of Directors or the Controlling Shareholders of the Bank.   | ✓                 | ✓                | ✓            |
| 4  | Has no financial relationship, management relationship, shareholding relationship, family relationship with fellow members of the Board of Commissioners, members of the Board of Directors and/or the Controlling Shareholders of the Bank. | ✓                 | ✓                | ✓            |
| 5  | Has no direct or indirect business relationship with the business activities of the Bank.  | ✓                 | ✓                | ✓            |

## BOARD OF DIRECTORS

The Board of Directors is a Governance organ that has full collegial responsibility for the management of the Bank in the interest of, and in accordance with the purpose and objectives of the Bank, as well as to represent the Bank both inside and outside court, according to the provisions of the Bank's Articles of Association. Each member of the Board of Directors carries out his/her duties in accordance with their respective duties and authorities, with the aim of achieving management effectiveness and maximum results. The Board of Directors of CIMB Niaga always upholds professional, objective, strategic thinking and prioritizes the interests of the Bank to increase added value for the Bank's stakeholders and ensure its business sustainability.

### LEGAL BASIS

The legal basis that constitute the reference of the formation and appointment of the Board of Directors of CIMB Niaga is as follows:

1. Laws of the Republic Indonesia concerning the Limited Liability Company and Banking.
2. The Bank's Articles of Association.
3. OJK Regulations, Bank Indonesia (BI) Regulations, OJK Circular Letters and BI Circular Letters on the implementation and organization of Corporate Governance.
4. Deed of the Annual General Meeting of the Shareholders No. 27 dated 17 November 2020, which was notified to, and acknowledged by the Minister of Law and Human Rights of the Republic of Indonesia (Menkumham RI) through Notification Receipt No. AHU-AH.01.03-0409518 on 19 November 2020 on amendments to the Bank's Articles of Association.

### BOARD OF DIRECTORS' CHARTER

In discharging its duties and responsibilities, the Board of Directors refer to the by Board of Directors' Charter that is periodically evaluated and updated based on the prevailing laws and regulations in Indonesia that is binding upon each member of the Board of Directors.

The basis for preparing the Board of Directors Charter is as follows:

1. Law of the Republic Indonesia No. 40 of 2007 on the Limited Liability Company.
2. OJK Regulations and OJK Circular Letters on the Implementation and Organization of Corporate Governance.
3. Bank's Articles of Association.
4. GCG General Guidelines in Indonesia from the National Committee on Governance Policy (KNKG).
5. The ASEAN Corporate Governance Scorecard.

The latest update of the Board of Directors' Charter was on 27 September 2019 and has been uploaded to the Bank's website ([www.cimbniaga.co.id](http://www.cimbniaga.co.id)). The contents of the Board of Directors' Charter regulate several matters including:

1. Accountability;
2. Structure and Membership;
3. Requirements and Appointment;
4. Duties, Responsibilities, and Authorities;
5. Conflicts of Interest;
6. Transparency;
7. Work Ethics and Working Hours;
8. Meetings;
9. Term of Office;
10. Resignation; and
11. Performance Assessment and Accountability.

### MECHANISM OF NOMINATION, APPOINTMENT, DISMISSAL, REPLACEMENT AND/OR RESIGNATION OF MEMBERS OF THE BOARD OF DIRECTORS

CIMB Niaga has and implements the Policy and Procedure for the Nomination, Appointment, Dismissal, Replacement and/or Resignation of Members of the Board of Commissioners, the Board of Directors and Independent Parties as the Members of the Committees Responsible to the Board of Commissioners No. M.04.

CIMB Niaga has drafted such policy with the aim of ensuring the implementation of good corporate governance and risk management as well as to guide the process of nomination, replacement and/or termination of members of the Board of Commissioners, Board of Directors and Independent Parties with the following rules:

1. Criteria for Member of the Board of Directors  
The candidates for members of the Board of Directors of CIMB Niaga must at least meet the requirements and criteria as stipulated in prevailing laws and regulations, in terms of integrity, competence, reputation, domicile, independence and other specific requirements and criteria befitting the Director's area of expertise.
2. Procedure on the Nomination of Members of the Board of Directors are as follows:
  - a. Prioritized candidates are from the Bank's internal pool of talents who are deemed potential to be nominated as the Bank's Director, and can also come from professionals.



- b. The Bank can utilize the services of an independent and reputable third-party (search firms) that has a good reputation in the process of selecting candidates for a Director. The appointed third parties (search firms) will assist the selection process, including:
    - i. Identifying candidates who meet the requirements;
    - ii. Conducting interviews and selection of candidates (including conducting background and reference checking);
    - iii. Acting as a liaison between the Board of Commissioners, the Nomination and Remuneration Committee and the candidates during the selection and evaluation process;
    - iv. Providing consultations as needed by the Nomination and Remuneration Committee.
  - c. Members of the Board of Directors, Board of Commissioners and/or Shareholders of the Bank may propose candidates as members of the Board of Directors to the Bank. The shareholders who may propose a candidate for the members of the Board of Directors are 1 (one) or more shareholders who represent 1/20 (one twenty) or more of the total shares with voting rights.
3. Appointment Procedures of Members to the Board of Directors are as follows:  
Appointment of the Board of Directors' members must obtain GMS approval and have passed the Fit and Proper Test from OJK, and/or meet other requirements as set out by other relevant regulators before being declared effective as a Director.
  4. Procedures for Dismissal, Replacement and/or Resignation of the members of the Board of Directors are as follows:
    - a. Proposal for the dismissal, and/or replacement of members of the Board of Directors submitted to the GMS must have been recommended by the Bank's Nomination and Remuneration Committee.
    - b. Members of the Board of Directors may be dismissed at any time by resolution of the GMS by stating the reason for dismissal.
    - c. Members of the Board of Directors are entitled to resign from their positions by submitting a written notification regarding their intentions and reasons for resignation to the Bank no later than 90 (ninety) days or 3 (three) months prior to the effective resignation.

## STRUCTURE, NUMBER, AND COMPOSITION OF THE BOARD DIRECTORS IN 2020

The structure and composition of CIMB Niaga's Board of Directors have met all prevailing regulations, as stipulated in the Board of Directors' Charter which include:

1. The total number of CIMB Niaga's Board of Directors consists of more than 3 (three) persons, namely 8 (eight) persons.
2. The total number of members of the Board of Directors of CIMB Niaga is more than the number 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 the Board of Directors members are Indonesian, namely 7 (seven) out of the 8 (eight) members of the Board of Directors.
5. The Board of Directors is led by a President Director, who is independent from the CIMB Niaga's Controlling Shareholder, fellow members of the Board of Directors and members of the Board of Commissioners.
6. The majority of members of the Board of Directors have at least 5 (five) years' experience in banking operations (including but not limited to credit, funding, treasury, risk management, finance, etc.) as Executive Officers and do not hold concurrent positions in other banks, companies or institutions.
7. The replacement and/or appointment of members of the Board of Directors of CIMB Niaga has taken into account the recommendation from the Nomination and Remuneration Committee and has obtained approval from the GMS and OJK.
8. All members of the Board of Directors of CIMB Niaga have no family relationship up to the second degree with fellow members of the Board of Directors and/or Board of Commissioners and the Controlling Shareholder.
9. All members of the Board of Directors of CIMB Niaga have passed the Fit and Proper Test.

In general, the total number of members of the Board of Directors has been determined based on the need to achieve the Bank's goals and objectives, and has been adjusted with the Bank's conditions including its characteristics, capacity, and size as well as the diversity of the Board of Directors' members. The number and composition of the members of the Board of Directors have also considered the need for effective decision-making.

## COMPOSITION OF THE BOARD OF DIRECTORS IN 2020

| No | Name                   | Position                                       | Term of Office |
|----|------------------------|--|----------------|
| 1  | Tigor M. Siahaan       | President Director                             | 2019 - 2023    |
| 2  | Lee Kai Kwong          | Strategy, Finance & SPAPM Director             | 2019 - 2023    |
| 3  | John Simon             | Treasury & Capital Market Director             | 2018 - 2022    |
| 4  | Vera Handajani         | Risk Management Director                       | 2020 - 2024    |
| 5  | Lani Darmawan          | Consumer Banking Director                      | 2020 - 2024    |
| 6  | Pandji P. Djajanegara  | Sharia Banking Director                        | 2020 - 2024    |
| 7  | Fransiska Oei          | Compliance, Corporate Affairs & Legal Director | 2020 - 2024    |
| 8  | Tjioe Mei Tjue*        | Operations & Information Technology Director   | 2020 - 2024    |
| 9  | Rita Mas 'Oen**        | Operations & Information Technology Director   | 2016 - 2020    |
| 10 | Megawati Sutanto**     | Credit Director                                | 2016 - 2020    |
| 11 | Hedy Lapien**          | Human Resources Director                       | 2016 - 2020    |
| 12 | Rahardja Alimhamzah*** | Business Banking Director                      | 2017 - 2021    |

\*<sup>1</sup> Appointed as Director in the AGM on 9 April 2020 and effective as of 3 November 2020

\*\*<sup>2</sup> Term of office as Director ended upon the closing of the AGM on 9 April 2020

\*\*\*<sup>3</sup> Resigned as Director on 21 February 2020 and effective upon the closing of the AGM on 9 April 2020

## TERM OF OFFICE OF THE BOARD OF DIRECTORS

- The term of office of members of the Board of Directors shall be effective from the date specified in the GMS appointing them, until the close of the 4<sup>th</sup> AGM after the date of the appointment without prejudice to the right of the GMS to dismiss them at any time in accordance with Articles of Association and the prevailing regulations.
- In the event of vacancies for the members of the Board of Directors' position, where the total members of the Board of Directors is less than 3 (three) persons, then the Bank must organize GMS to fulfill such vacancies.
- The members of the Board of Directors can be dismissed temporarily by the Board of Commissioners by mentioning the reason of such dismissal.
- Such temporary dismissal must be conveyed in written to the concerned Board of Directors members, and shall be followed up according to the prevailing regulations.
- The position of a member of the Board of Directors shall end in the event of:
  - The expiry of their term of office in accordance with the provisions in the Bank's Article of Association;

- Tender resignation in accordance with the prevailing regulations;
  - No longer comply with the law and regulation requirements;
  - Passed away; and
  - Dismissed based on a resolution of the GMS.
- Members of the Board of Directors who have completed their term of office may be re-appointed after taking into account the prevailing regulations.

## FIT AND PROPER TEST

Pursuant to OJK Regulation No. 27/POJK.03/2016 on the Fit and Proper Test for Main Parties of the Financial Services Institutions, candidates of Board of Directors members must obtain approval from OJK before conducting their act, duties and functions as the Board of Directors. Board of Directors members who have passed the fit and proper test without comments and have received approval from the OJK, shows that each of the Board of Directors members has adequate integrity, competence and financial reputation, as shown in the table below.

| No | Name                  | Position           | Regulator | Basis of Appointment    | BI/OJK Approval  | Effective Date       | Reappointment        |
|----|-----------------------|--------------------|-----------|-------------------------|--|----------------------|----------------------|
| 1  | Tigor M. Siahaan      | President Director | OJK       | AGM<br>10 April 2015    | No. SR-84/D.03/2015,<br>dated 19 May 2015                  | 1 June 2015          | AGM<br>15 April 2019 |
| 2  | Lee Kai Kwong         | Director           | OJK       | EGM<br>19 December 2018 | No. SR-98/PB.12/2019,<br>dated 24 April 2019               | 24 April 2019        | -                    |
| 3  | John Simon            | Director           | OJK       | AGM<br>27 March 2014    | No. SR-143/D.03/2014,<br>dated 29 August 2014              | 29 August<br>2014    | AGM<br>24 April 2018 |
| 4  | Vera Handajani        | Director           | BI        | EGM<br>26 July 2013     | No. 15/113/GBI/DPIP/<br>Rahasia, dated 26<br>November 2013 | 26 November<br>2013  | AGM<br>9 April 2020  |
| 5  | Lani Darmawan         | Director           | OJK       | AGM<br>15 April 2016    | No. SR-75/D.03/2016,<br>dated 3 May 2016                   | 3 May 2016           | AGM<br>9 April 2020  |
| 6  | Pandji P. Djajanegara | Director           | OJK       | AGM<br>15 April 2016    | No. SR-27/PB.13/2016,<br>dated 4 October 2016              | 28 September<br>2016 | AGM<br>9 April 2020  |
| 7  | Fransiska Oei         | Director           | OJK       | AGM<br>15 April 2016    | No. SR-138/D.03/2016,<br>dated 27 July 2016                | 27 July 2016         | AGM<br>9 April 2020  |
| 8  | Tjioe Mei Tjuen       | Director           | OJK       | AGM<br>9 April 2020     | SR-358/PB.12/2020 dated<br>3 November 2020                 | 3 November<br>2020   | -                    |

## DUTIES, RESPONSIBILITIES, AND AUTHORITIES OF THE BOARD OF DIRECTORS

The Board of Directors have the duties, responsibilities and authorities in managing the Bank for the benefit of the Bank and in order to achieve the Bank's vision and objectives stipulated in its Articles of Association and prevailing laws and regulations. The Board of Directors must implement the principles of Good Corporate Governance in every business activities of the Bank at all levels of the organization.

The main duties of the Board of Directors include but not limited to: (i) leading and managing the Bank in accordance with the objectives of the Bank, (ii) controlling, maintaining and managing the Bank's assets for the Bank's interests, (iii) creating a structure of the Bank's internal control at each level of management and follow up on the findings of the internal audit and external audit, as well as the regulator's recommendations in accordance with the policies or advice from the Board of Commissioners. The authorities of the Board of Directors, among others, represents the Bank inside and outside the Bank, binds the Bank with other parties as well as carry out immediate actions both regarding management and ownership with certain restrictions as described in the Bank's Articles of Association.

Detailed information on the duties, responsibilities and authorities of the Board of Directors are stipulated in the Bank's Articles of Association and the Board of Directors' Charter which has been uploaded on the CIMB Niaga's website ([www.cimbniaga.co.id](http://www.cimbniaga.co.id)).

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

Pursuant to the resolutions of the AGM on 9 April 2020, particularly in regards to the changes in the composition of the Board of Commissioners and Board of Directors of the Bank and according to the Law of the Republic Indonesia No. 40 of 2017 on the Limited Liability Company, specifically Article 92 paragraph 6 whereas in the event the GMS does not stipulate, therefore the delegation of duties and authorities of members of the Board of Directors shall be determined by the resolution of the Board of Directors. Based on the Circular Resolution of the Board of Directors of the Bank No. 005/SIR/DIR/IV/2020 dated 30 April 2020 (SK Direksi No. 005/SIR/DIR/IV/2020), all members of the Board of Directors have unanimously decided the delegation of the main duties and responsibilities of each member of the Board of Directors as follows:

## 1. TIGOR M. SIAHAAN – PRESIDENT DIRECTOR

- a. Responsible for overall direction, strategy and management of the organization of the Bank, ensuring that all strategies, activities, programs, services and governance of the Bank are implemented in the interest of shareholders, customers, employees, and communities.
- b. Provide direction and guidance on the policies of supporting elements of the Banking's operations and services, information technology, systems and procedures, legal aspects, financial aspects, and human resources.
- c. Ensuring the implementation of compliance function at all levels of bank operations as well as overall implementation of the Bank's risk management in order that the Bank hold high ethical standards, adheres to the principles of good corporate governance and the practices of prudential banking
- d. Provide strategic direction in the management and development of human resources to improve the productivity and quality of the Bank's human resource to support achieving the business targets of the Bank; ensuring and preserving alignment with prevailing labor regulations and Bank's culture.

## 2. LEE KAI KWONG – STRATEGY, FINANCE & SPAPM DIRECTOR

- a. Provide strategic direction, guidance and strategy on the overall financial activities of the Bank, especially in regards to monitoring and evaluating the performance of the Bank and those of subsidiary entities, including the budgeting and financial management pursuant to the Bank's vision and mission.
- b. Manage the financial performance, capitalization and strategic investments of the Bank to optimize profitability, productivity, and total shareholders' return.
- c. Develop and manage the management information system, accountancy and performance of the Bank to be reported to the regulator and communicated to stakeholders.
- d. Carry out effective supervision and planning of the Bank's financial management and ensuring reliable accounting practices in accordance to prevailing the standards.

- e. Ensuring that the activities of Strategic Procurement & Administration of Property Management (SPAPM) are carried out responsibly and support the Bank's operations efficiently and effectively.

## 3. JOHN SIMON – TREASURY & CAPITAL MARKET DIRECTOR

- a. Provide direction, guidance and strategy in implementing all Treasury and Capital Market activities, including trading, market making, short-term liquidity management to meet growth target, profitability and a competitive market position.
- b. Provide direction, guidance and strategy in implementing the function of ALCO with other ALCO members to manage liquidity, funding, FTP, asset and liability of the Bank to achieve growth and profitability targets of the Bank.
- c. Maintain good relations with financial institutions, customers, communities, and the government, to assure longevity of the Bank's image, identify, anticipate, and respond quickly to optimally utilize market opportunities.

## 4. VERA HANDAJANI – RISK MANAGEMENT DIRECTOR

- a. Provide strategic direction, guidelines and policies on risk management in accordance with current business developments, prudential principles, and on the basis of the Bank's risk characteristics in order to identify, monitor, control, and mitigate risks accurately, effectively, and comprehensively.
- b. Monitor all aspects of the Bank's second line of defense in credit risk management and ensure the effective implementation of the Bank's overall framework for the management of credit risk.
- c. Plan, develop, manage, and direct the execution of process and strategy, policy, credit administration, framework, and methodology of credit management holistically to ensure that the Bank's exposure to credit risk is within the Bank's Risk Appetite.
- d. Review credit proposal, and as a member of the committee related to credit, maintain the quality of credit portfolio and ensure that all business activities follow the prevailing regulations, policies and procedures.



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## **5. LANI DARMAWAN – CONSUMER BANKING DIRECTOR**

- a. Develop strategy and direct the sales and services of Consumer Banking products in all branch offices of the Bank throughout Indonesia.
- b. Optimize market potential through the development of Consumer Banking products that are competitive and innovative to achieve the profit target as set out by the Bank, by remain ensuring the precautionary aspects, the overall implementation of all aspects of the Bank's risk management policy and to reach a banking business process that is both efficient and effective.
- c. Ensure the implementation and execution of the Bank's strategy in network and innovative expansion is in development of digital channels and branches, to remain following the market development and technologies demands customer needs, and achievement of a good market share with a competitive market.

## **6. PANDJI P. DJAJANEGARA – SHARIA BANKING DIRECTOR**

- a. Provide strategic direction that is innovative in implementing the operations of Sharia Banking.
- b. Ensure the availability of policies and procedures on working, development, marketing, product sales as well as and to manage the Sharia Banking functions including to manage of daily operations, business development, customer relations, and manage working systems and processes.
- c. Ensure the achievement of profit and business growth in line with the Bank's objective and the Sharia Banking principles.

## **7. FRANSISKA OEI – COMPLIANCE, CORPORATE AFFAIRS & LEGAL DIRECTOR**

- a. Formulate the strategy on compliance, including those that relate to the policies and principles of compliance.
- b. Ensure that all internal rules of the Bank (policies, systems and procedures) are aligned with all relevant external laws and regulations (Bank Indonesia, OJK and other institutions/authorities), including regulations of Capital Market.
- c. Responsible for managing the Bank's legal risk.

- d. To provide information to the community on each required information particularly related to the condition of the Bank as a public-listed company, including maintaining the reputation of the Bank and acting as liaison or contact person between the Bank and the regulators and the community.
- e. Responsible for Corporate Social Responsibility activities and the implementation of sustainability including the sustainable finance of the Bank.

## **8. TJIOE MEI TJUEN – OPERATIONS & INFORMATION TECHNOLOGY DIRECTOR**

- a. Establish the Bank's long-term strategy of Operations and Information Technology.
- b. Direct the Operations & Information Technology Directorate to undertake effectivity and efficiency in the banking transaction operations with a high standard, to reach reliability.
- c. Ensure communications fluency with users of the operational and information technology processes as required.
- d. Ensure implementation of strategy and infrastructure of the Information Technology and security systems over operations, transactions, data information, and digital channels throughout all business units are fully deployed to minimize Bank risks.

## **9. VACANT – BUSINESS BANKING DIRECTOR**

- a. Establish the business strategy and provide strategic direction and guidelines for all segments, products, and services of Business Banking, comprising of Financial Institution/Non-Bank Financial Institution, Corporate, Commercial, and SME (Small, Medium, Enterprise).
- b. Responsible for achieving the funding and lending targets of the Bank and increasing cross-selling between those segments and branch offices.
- c. Determine the direction for products that are competitive, development of services with operational support that can accommodate the demands of the banking industry and advances in technology.

## INDEPENDENCY OF THE BOARD OF DIRECTORS

CIMB Niaga ensures that none of the members of the Board of Directors have financial, management, shareholding, or family relationships with fellow members of the Board of Directors, members of the Board of Commissioners and/or the Controlling Shareholder of the Bank. As such, all members of the Board of Directors of the Bank are independent.

In discharging their duties and responsibilities, the members of the Board of Directors highly adhere to the principle of independence and place the interests of the Bank above their personal interests, and conduct themselves and their work with a high degree of integrity as stipulated in the Board of Directors' Charter as follows:

1. Members of the Board of Directors are prohibited to take advantage of the Bank and/or information obtained from the Bank for personal, family and/or other parties' interests that could harm and/or reduce the profits and reputation of the Bank and its subsidiary.
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 determined by the GMS and/or internal policy.
3. Members of the Board of Directors are prohibited from using individual advisors and/or professional services as consultants unless fulfilling the following requirements:
  - a. The project is specific;
  - b. Based on a clear contract, which at least covers the scope of work, responsibilities and duration of work and fees;
  - c. The Consultant is an Independent Party and has the qualifications to work for the specific project.

## CONCURRENT POSITIONS OF THE BOARD OF DIRECTORS

All members of the Board of Directors are prohibited from serving concurrently as members of Board of Commissioners, Board of Directors or as Executive Officers of other banks, companies, and/or institutions except those permitted by the regulation. This matter is in accordance with the provisions of OJK Regulation No. 55/POJK.03/2016 concerning the Implementation of Corporate Governance For Commercial Banks. All members of CIMB Niaga's Board of Directors have no concurrent positions other than those permitted under the prevailing regulations.

Members of the Board of Directors who are responsible for the supervision of the Bank's subsidiaries, may perform functional duties as a member of the Board of Commissioners of non-bank subsidiaries controlled by the Bank, provided that such concurrent position does not neglecting the execution of their duties and responsibilities as a member of the Board of Directors, and as such is not categorized as a concurrent position.

The information on concurrent position of the members of the Board of Directors at subsidiaries in 2020 are disclosed in the Company Profile Section of this Annual Report.

## CONFLICT OF INTEREST OF THE BOARD OF DIRECTORS

During 2020, the Bank ensured that all Board of Directors members did not have a conflict of interest or a potential conflict of interest against CIMB Niaga. This is in line with the Board of Directors' Charter, that all members of the Board of Directors must avoid potential conflicts of interest and must not place themselves in a potential position for conflicts of interest in any situation. In the event of a conflict of interest, the members of the Board of Directors are prohibited from taking actions that could harm or reduce the Bank's profit and must disclose any potential conflict of interest in each decision taken.

Members of the Board of Directors are not authorized to represent the Bank if:

1. There is a case in a Court between the Bank and the concerned member of the Board of Directors; and/or
2. The concerning Members of the Board of Directors have a conflict of interest with the interests of the Bank.

The Bank has procedures that must be followed by members of the Board of Directors in the event of a conflict of interest, namely, each member of the Board of Directors who is personally in any way directly or indirectly has an interest in a transaction, contract or proposed contract, where the Bank is one of the parties, must state the nature of the interests in the Board of Directors meeting and will not be allowed to participate in voting on matters relating to the proposed transaction or contract, unless the Board of Directors determines otherwise.



## PARTICIPATION OF MEMBERS OF THE BOARD OF DIRECTORS IN ASSOCIATIONS/ ORGANIZATIONS

Several members of the Bank's Board of Directors participate actively in various associations or organizations. Participation of the Board of Directors in associations/organizations as described in the table below, do not cause the concerning Director to ignore his or her duties and responsibilities as a member of the Board of Directors of the Bank, and therefore this is not included in the concurrent position category.

| Name                  | Position                                       | Position in Associations/Organizations  |
|-----------------------|--|---|
| Tigor M. Siahaan      | President Director                             | <ul style="list-style-type: none"> <li>Deputy Chairman of the Indonesian Bankers Association (2019 - present)</li> <li>Chairman of Banking, Financial Services and Taxation Sector of APINDO (2018 - present)</li> <li>Chairman of Malaysia Bilateral Committee of KADIN Indonesia (2016 - present)</li> <li>Deputy Chairman of PERBANAS (2016 - present)</li> <li>Member of the Board of Trustees of Jakarta International School (JIS) (2014 - present)</li> <li>Mentor at Endeavor Indonesia (2012 - present)</li> <li>Member of Young Presidents Organization (YPO) Indonesia (2008 - present)</li> </ul> |
| John Simon            | Treasury & Capital Market Director             | <ul style="list-style-type: none"> <li>Member of Association Cambiste Internationale the Financial Markets Association of Indonesia (ACI FMA Indonesia)</li> <li>Member of Indonesia Foreign Exchange Market Committee (IFEMC)</li> </ul>   |
| Vera Handajani        | Risk Management Director                       | <ul style="list-style-type: none"> <li>First Deputy Chairman of the Board of Management of the Bankers Association for Risk Management (BARA) (2018-2021)</li> <li>Member of the Communication Sector of the Board Management of the Indonesian Bankers Association (IBI) (2019-2023)</li> </ul>  |
| Pandji P. Djajanegara | Sharia Banking Director                        | <ul style="list-style-type: none"> <li>Member of the ASBISINDO Regulatory Committee (2018-2021)</li> <li>Board Member of Organizational Sector of PERBANAS (2016 - 2020)</li> <li>Member of Research, Study and Publication (RPP) Sector of the Indonesian Bankers Association (IBI) (2019 - 2023)</li> </ul>   |
| Fransiska Oei         | Compliance, Corporate Affairs & Legal Director | <ul style="list-style-type: none"> <li>Chairman of Communication Forum of Banking Compliance Director (FKDKP) (2019-2022)</li> <li>Chairman of Legal Sector of the PERBANAS (2016-2020)</li> <li>Chairman of the Legal and Regulation Review Section of PERBANAS (2016 - 2024)</li> <li>Trustee Member of the PERBANAS Educational Foundation (2018 - 2023)</li> <li>Chairman of Supervisory Board of LAPSPI (2016 - RUA 21 Jan 2021)</li> <li>Supervisor of the Alternative Arbitration Settlement Court for the Financial Services Sector (LAPS SJK) (2020 - 2023)</li> </ul>                               |
| Tjioe Mei Tjuen       | Operations & Information Technology Director   | <ul style="list-style-type: none"> <li>Member of Communication Forum of Banking Operations Directors (FKDOP) (2020 - present)</li> <li>Member of iCIO - Indonesia CIO (2016 - present)</li> </ul>   |

## POLICY ON LOANS PROVISION TO THE BOARD OF DIRECTORS

The Bank may provide loans to the members of Board of Directors following the normal pricing policy and conditions, as conducted to the non-related parties of the Bank. Loans to the members of the Board of Directors will be calculated as the CIMB Niaga's Legal Lending Limit in accordance with BI Regulation No. 8/13/PBI/2006. This policy is regulated in the Board of Directors' Charter.

## IMPLEMENTATION OF THE DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS IN 2020

Other than implementing the GMS resolutions that was conducted in 2020, the execution of the duties and responsibilities of the Board of Directors in 2020 are including the followings:

1. Established the strategic steps to achieve the mission of the Bank to provide universal banking services in Indonesia in an integrated manner that among others include: (i) Focus on core competence, (ii) focus on growing low-cost funds, (iii) increasing efficiency and discipline in managing cost, (iv) balancing of risk, compliance culture and capital adequacy, and (v) strengthening the use of technology and information.
2. Engaged in syndicated loans by managing credit risk and improving infrastructure to encourage the growth of business banking customers.
3. Enhanced the customer experience, as part of the Bank's efforts at becoming a leader in innovation and digital banking services.
4. Increased branchless banking deliveries, among others through the optimization and addition of the ATM, CRM and CDM equipment and the development



of digital-based products and services such as OCTO Clicks, OCTO Mobile, BizChannel, and Bizlite.

5. Strengthened IT Security systems in securing the Bank's confidential data, enhanced the capabilities of the Security Operations Center in monitoring and countering cyber crimes.
6. Ensured that Business Continuity Management and Business Continuity Plan are prepared and practiced throughout CIMB Niaga's business lines so that the organization can continue to operate in a crisis situation at a certain reasonable level to continue to provide banking services.
7. Considered the spreading of COVID-19 since the beginning of 2020 and its impact on all aspects of humanity including public health, and business continuity in many sectors. The Bank increased its vigilance over (i) protecting employees' health and welfare, (ii) maintaining liquidity, (iii) asset quality, (iv) cost management, (v) support the government programs to ensure economic and business continuity, and (vi) transformation and digitalization.
8. Continued with the Bank's transformation program that has started since 2019. The Bank has carried out a transformation program that is oriented towards short, medium, and long-term growth by relying on new technologies, agile development and data analytics and focusing on the customer experience. The transformation program is expected to raise the performance of the Bank to the next level.

## DEVELOPMENT PROGRAMS OF THE BOARD OF DIRECTORS

In order to accommodate the enhancement of professional knowledge, competence and leadership of members of the Board of Directors to align with the latest development in the industry and of Good Corporate Governance. The programs are meant to support the duties of the Board of Directors to achieve sustainable growth and effective management of the Bank as stipulated in the Board of Directors Charter.

## RISK MANAGEMENT CERTIFICATION

CIMB Niaga carries out the Risk Management Certification for members of the Board of Directors pursuant to the Employment Regulation (P2K) concerning Implementation of Employee Learning and BI Regulation No. 11/19/PBI/2009 dated 4 June 2009 and its amendment in BI Regulation No. 12/7/PBI/2010 dated 19 April 2010 concerning Risk Management Certification

for Management and Officers of Commercial Banks. Members of the Board of Directors and Board of Commissioners are required to take the competence test/certification pursuant to the rules of the Regulator, namely the Risk Management Certification and its Refreshment programs.

All members of the Board of Directors as of 31 December 2020 have had their Risk Management Certificate and/or Refreshment Program as shown in the Company Profile Section of this Annual Report.

## TRAINING AND COMPETENCY DEVELOPMENT PROGRAM

All CIMB Niaga's members of the Board of Directors are committed to improve their competences in order to support the implementation of their daily duties and responsibilities. This commitment is reflected in the training attended by each member of the Board of Directors in 2020, which are disclosed in the Company Profile Section of this Annual Report.

## INDUCTION PROGRAM FOR NEW MEMBERS OF THE BOARD OF DIRECTORS

The orientation program for new members of the Board of Directors is stipulated in the Board of Directors' Charter. Newly appointed members of the Board of Directors must participate in an Induction Program in order to gain an understanding of the Bank so they can carry out their duties effectively and efficiently.

The induction program materials are prepared by the Corporate Affairs unit, and include:

1. Bank's Vision and Mission.
2. Bank's Code of Ethics and Conduct.
3. Bank's Organizational Structure.
4. Bank's Articles of Association.
5. Corporate Policy Manual (GCG Charter)
6. Board of Directors' Charter and Committees under the Board of Directors' Charter.
7. Regulations related to the Banking and Capital Markets.
8. Bank's Annual Report.
9. Bank's Business Plan.



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To improve the quality and effectiveness of the induction programs, the Bank has developed a digital induction program (e-Learning), through Learning on the Go (LoG) application which is accessible by Director candidate at any time. In 2020, the Orientation Program was carried out by CIMB Niaga for 1 (one) new member of the Board of Directors, namely Tjioe Mei Tjue.

## PERFORMANCE ASSESSMENT OF COMMITTEES UNDER THE BOARD OF DIRECTORS

### PERFORMANCE ASSESSMENT POLICIES AND PROCEDURES FOR THE COMMITTEES UNDER THE BOARD OF DIRECTORS (EXECUTIVE COMMITTEES)

Criteria and basis for consideration in the performance assessment of the Executive Committees, based on respective Term of Reference (TOR) are as follows:

1. Number of meetings held;
2. Board of Directors' attendance;
3. SLA of Minutes of Meeting;
4. Action on Matters Arising; and
5. Distribution of the meeting invitation.

Throughout 2020, the implementation of the duties, responsibilities and discussions of the Executive Committee meetings were considered well done and effective. The attendance of the Board of Directors in Committee meetings during 2020, including decisions taken during the discussion of the meeting can also be used as a reference.

### PERFORMANCE ASSESSMENT RESULTS OF EXECUTIVE COMMITTEE IN 2020

| Executive Committee                              | Score |
|--|-------|
| Risk Management Committee (RMC)                  | 495   |
| Asset & Liability Committee (ALCO)               | 470   |
| Information Technology Steering Committee (ITSC) | 445   |
| Credit Policy Committee (CPC)                    | 460   |

#### Performance Rating

1. Excellent > 470 – 500
2. Good 400 - < 470
3. Fair 300 - < 400
4. Poor 200 - < 300
5. Very Poor < 200

The assessments on the performances of the Bank's Internal Audit Unit and Risk Management Unit are presented in more details in the Internal Audit Unit and Risk Management Unit report in the Good Corporate Governance Report Section of this Annual Report.

# PERFORMANCE ASSESSMENT ON THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

## BOARD OF COMMISSIONERS' (INCLUDING THE PRESIDENT COMMISSIONER) PERFORMANCE ASSESSMENT

The performance of the Board of Commissioners including the President Commissioner in carrying out their functions, duties and responsibilities are regularly evaluated and reported to the Shareholders.

### PERFORMANCE ASSESSMENT POLICIES AND PROCEDURES FOR BOARD OF COMMISSIONERS

CIMB Niaga assess the performance of the Board of Commissioners through online survey, and all assessment results are confidential and anonymous.

The performance assessment of the Board of Commissioners is conducted annually (at least once a year), and includes:

1. Collegial performance assessment of the Board of Commissioners;
2. Individual performances assessment of each member of the Board of Commissioners; and
3. Performance assessment of the President Commissioner.

The performance assessment results are expected to contribute to the continuous performance of the Board of Commissioners' performance.

### PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF COMMISSIONERS

The criteria applied in the performance assessment of the Board of Commissioners (including that of the President Commissioner) are as follow:

#### 1. Collegial Performance Assessment of the Board of Commissioners

Collegial assessment criteria shall include:

- a. Effectiveness of the Board of Commissioners' role
- b. Effectiveness in implementation of duties and responsibilities
- c. Effectiveness of the Board of Commissioners' meetings
- d. Implementation of Good Corporate Governance and Sustainability Principles
- e. Effectiveness of Risk Management and Internal Control implementation

#### 2. Individual Performances Assessment of Each Member of the Board of Commissioners

Individual assessment criteria shall include:

- a. Competency and capability

- b. Effectiveness in the implementation of duties and responsibilities
- c. Leadership

#### 3. Performance Assessment of the President Commissioner

President Commissioner assessment criteria shall include:

- a. Effectiveness in the implementation of duties and responsibilities
- b. Leadership

### PARTIES PERFORMING THE PERFORMANCE ASSESSMENT FOR BOARD OF COMMISSIONERS

The parties involved in the performance assessment of the Board of Commissioners are as follow:

#### 1. Collegial Performance Assessment of the Board of Commissioners

The assessment is carried out by each Commissioner on the overall performance of the Board of Commissioners.

#### 2. Individual Performances Assessment of the Board of Commissioners

Each Commissioner provides an assessment for each other Commissioners.

#### 3. Performance Assessment of the President Commissioner

The assessment is carried out by each Commissioners on the performance of the President Commissioner.

The final evaluation of collegial and individual performance assessment of the Board of Commissioners including the performance assessment of the President Commissioner are presented by the Nomination and Remuneration Committee in the Board of Commissioners meeting. President Commissioner may provide feedback or improvements on the collegial and individual performance assessment of the Board of Commissioners if deemed necessary.

### PERFORMANCE ASSESSMENT RESULTS FOR BOARD OF COMMISSIONERS IN 2020

In 2020, the Board of Commissioners had performed its supervisory functions well in ensuring that the Bank performed within the expectations of the shareholders and all other stakeholders. In detail, the results of the collegial and individual performance assessment of the Board of Commissioners were as follows:

| Collegial Assessment | Individual Assessment (Average) | President Commissioner |
|----------------------|---------------------------------|------------------------|
| 4.0                  | 4.3                             | 3.7                    |



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Pursuant to the commitment of the Bank to implement Good Corporate Governance principles, GCG implementation was one of the aspects assessed in the collegial performance assessment of the Board of Commissioners. In 2020, the assessment result of the implementation of GCG by the Board of Commissioners was 4.2.

#### Scoring Range

| Scoring Range | Description          |
|---------------|----------------------|
| > 4.7         | Exceptional          |
| 4.0 – 4.6     | Outstanding          |
| 3.7 – 3.9     | Exceeded Expectation |
| 3.0 – 3.6     | Met Expectation      |
| < 3.0         | Need Improvement     |

#### ASSESSMENT OF GCG IMPLEMENTATION ON THE ASPECT OF THE BOARD OF COMMISSIONERS

The assessment on the implementation of GCG by the Board of Commissioners is based on provisions of OJK No. 55/POJK.03/2016 and No. 13/SEOJK.03/2017 that require Commercial Banks to perform self-assessment on Bank Governance.

#### PERFORMANCE ASSESSMENT PROCEDURES FOR BOARD OF COMMISSIONERS

The performance assessment of the Board of Commissioners is part in the GCG self-assessment of the Bank which are conducted periodically in every semester, in June and December in the current year.

#### PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF COMMISSIONERS

The performance assessment of the Board of Commissioners follow the governance system that is classified into 3 (three) aspects, namely Governance Structure, Governance Process, and Governance Outcome.

#### PARTIES CONDUCTING THE ASSESSMENT

The GCG self-assessment involves the Board of Commissioners, Independent Parties, Board of Directors, Executive Officers, and the independent functions, coordinated by the Compliance Unit.

#### RESULT OF THE PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS

| Self-Assessment Results  |          |
|--|----------|
| Bank's Governance Implementation   |          |
| Description  | Rating   |
| Duties and Responsibilities Implementation of the Board of Commissioners | 2 (GOOD) |

#### RECOMMENDATION AND ACTION PLAN

The structure and composition of the members of the Bank's Board of Commissioners and Committee at the level of the Board of Commissioners, have meet the minimum requirement, and equipped with all of the infrastructure (charter, guidelines, policies and procedures) to support the implementation of duties and responsibilities of the Board of Commissioners. In 2020, there was a change in the composition of the Board of Commissioners in compliance with OJK regulations and the Board of Commissioners Charter as the working guidelines of the Board of Commissioners is reviewed periodically. During 2020, no recommendations had not been followed up by the Board of Commissioners.

#### BOARD OF DIRECTORS' (INCLUDING THE PRESIDENT DIRECTOR) PERFORMANCE ASSESSMENT

The performance of the Board of Directors including the President Director in accomplishing their functions, duties and responsibilities are regularly evaluated and reported to the Shareholders.

#### PERFORMANCE ASSESSMENT POLICIES AND PROCEDURES FOR BOARD OF DIRECTORS

CIMB Niaga conducted the performance assessment of each member of the Board of Directors, including the President Director, to monitor the strategy implementation and performance of the Bank each year. The performance indicators of each member of the Board of Directors are determined using a Balanced Scorecard approach, in which the aspirations and strategic goals of the Bank are translated into Key Performance Indicators (KPI) in accordance with each member of the Board of Directors' duties and responsibilities, take into account the collegial and individual responsibilities for financial or non-financial. The KPIs set are mutually agreed upon by the Board of Directors, and with a recommendation from the Nomination and Remuneration Committee, which approved by the Board of Commissioner. The KPI are cascaded down to all employees to ensure alignment with the goals and strategies of the Bank.

The individual performances assessment of each member of the Board of Directors at the end of the year are submitted to the Nomination and Remuneration Committee for their input and recommendations before being submitted for approval by the Board of Commissioner.

In the past several years, the Bank had also carried out collegial performance self-assessment of the Board of Directors using online survey.

All results are treated confidentially and anonymously. The assessment results are discussed in the Board of Directors meeting and at the Nomination and Remuneration Committee for inputs on continuous improvements on the Board of Directors performance.

All performance assessments of the Board of Directors, both individually and collegially are conducted out at least once a year.

## PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF DIRECTORS

The criteria applied in the performance assessment of the Board of Directors (including the President Director) includes:

### 1. Collegial Performance Assessment of the Board of Directors

Collegial assessment criteria shall include:

- Effectiveness of the Board of Directors' Role
- Effectiveness in the Strategy and Management Implementation of the Bank
- Effectiveness of the Board of Directors' Meetings
- Implementation of Good Corporate Governance and Sustainability Principles
- Effectiveness of Risk Management and Internal Control Implementation

### 2. Individual Performances Assessment of the Board of Directors

Components applied in the individual performance assessment of each Director (including the President Director) are as follows:

| No | Performance Parameter | Directorate        |   |                           |                |                             |                  |                                       |                                       |   |                             |
|----|-----------------------|--------------------|---|---------------------------|----------------|-----------------------------|------------------|---------------------------------------|---------------------------------------|---|-----------------------------|
|    |                       | Business Unit      |   |                           |                |                             | Business Enabler |                                       |                                       |   |                             |
|    |                       | President Director | Commercial Banking* (Corporate and SME) | Consumer Banking (Retail) | Sharia Banking | Treasury and Capital Market | Risk Management  | Operations and Information Technology | Compliance, Corporate Affairs & Legal | Finance & Strategic Procurement and Admin Property Management** | Transformation & Strategy** |
| 1  | Shared Target         | -                  | 10%                                     | 10%                       | 10%            | 10%                         | 10%              | 10%                                   | 10%                                   | 10%   | 10%                         |
| 2  | Financial             | 40%                | 35%                                     | 40%                       | 40%            | 45%                         | 10%              | 15%                                   | 10%                                   | 20%   | 10%                         |
| 3  | Customer              | 10%                | 15%                                     | 20%                       | 20%            | 15%                         | 10%              | 10%                                   | 20%                                   | 10%   | 10%                         |
| 4  | Key Focus Areas       | 15%                | -                                       | -                         | -              | -                           | 30%              | 35%                                   | 30%                                   | 30%   | 50%                         |
| 5  | Risk & Compliance     | 25%                | 30%                                     | 20%                       | 20%            | 20%                         | 30%              | 20%                                   | 20%                                   | 20%   | 10%                         |
| 6  | Learning & Growth     | 10%                | 10%                                     | 10%                       | 10%            | 10%                         | 10%              | 10%                                   | 10%                                   | 10%   | 10%                         |

Note:

\* Business Banking is in charge of the Corporate Banking, Commercial Banking and SME Banking

\*\* Managed by 1 (one) Director

## PARTIES PERFORMING THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The parties involved in the performance assessment of the Board of Directors are as follow:

### 1. Collegial Performance Assessment of the Board of Directors

Each Directors provides an assessment on the Board of Director's collegial performance. The results shall be discussed in the Board of Directors' meeting, with follow-up improvements or action plans (if necessary). The President Director/appointed officer, present the results of the collegial performance assessment of the Board of Directors, with improvement plan (if any) to the Board of Commissioners and the Nomination and Remuneration Committee for input and approval.

### 2. Individual Performances Assessment of the Board of Directors

The President Director carries out the performances assessment of each Directors. The individual assessment results for all Directors (including the President Director) will be discussed in the Nomination and Remuneration Committee for input and recommendation before the results are submitted to the Board of Commissioner for approval.



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## PERFORMANCE ASSESSMENT RESULTS FOR BOARD OF DIRECTORS IN 2020

In general, the result of the individual performances assessment of the Board of Directors in 2020 was good, as well as the result of the collegial performance assessment of the Board of Directors was also good, with a score of 3.8.

In addition, as form of the Bank's commitment to implement Good Corporate Governance principles, the GCG implementation was one of the aspects being evaluated in the collegial performance assessment of the Board of Directors. In 2020, the assessment result for the implementation of GCG by the Board of Directors was 4.0.

### Scoring Range

| Scoring Range | Description          |
|---------------|----------------------|
| > 4.7         | Exceptional          |
| 4.0 – 4.6     | Outstanding          |
| 3.7 – 3.9     | Exceeded Expectation |
| 3.0 – 3.6     | Met Expectation      |
| < 3.0         | Need Improvement     |

## ASSESSMENT OF GCG IMPLEMENTATION ON THE ASPECT OF THE BOARD OF DIRECTORS

The assessment on the implementation of GCG by the Board of Directors is based on provisions of OJK No. 55/POJK.03/2016 and No. 13/SEOJK.03/2017 that require Commercial Banks to perform self-assessment on Bank Governance.

### PERFORMANCE ASSESSMENT PROCEDURES FOR BOARD OF DIRECTORS

The performance assessment of the Board of Directors is inherent in the GCG self-assessment by the Bank which is conducted periodically in every semester, in June and December in the current year.

### ON PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF DIRECTORS

The performance assessment of the Board of Directors follow the governance system that is classified into 3 (three) aspects, namely Governance Structure, Governance Process, and Governance Outcome.

### PARTIES CONDUCTING THE ASSESSMENT

The GCG self-assessment involves the Board of Commissioners, Independent Parties, the Board of Directors, Executive Officers, and the independent functions, coordinated by the Compliance Unit.

## RESULTS OF THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

| Self-assessment Result   |          |
|--|----------|
| Bank's Governance Implementation                                     |          |
| Description  | Rating   |
| Duties and Responsibilities Implementation of the Board of Directors | 2 (GOOD) |

## RECOMMENDATION AND ACTION PLAN

The structure and composition of the members of the Board of Directors of the Bank meet the minimum requirement, and equipped with all of the infrastructure (charter, guidelines, policies and procedures) to support the implementation of duties and responsibilities of the Board of Directors. The Board of Directors manages the Bank with the authorities and responsibilities as provided for in the Bank's Articles of Association and pursuant to prevailing laws and regulations. The Board of Directors' Charter, which serves as the working guidelines of the Board of Directors, is reviewed periodically.

The Bank has formed the Executive Committee in order to supports the implementation of the duties and responsibilities of the Board of Directors. The Board of Directors had followed up the audit findings and the recommendations of the IA, external auditors, and the results of audit by authorities. In the annual governance report, the members of the Board of Directors have disclosed all transparency aspects that are mandated by regulations, pertaining to affiliated relationship and share ownership by the management of the Bank.

In 2020, there was a change in the composition of the Board of Directors in compliance with the provisions of OJK and the Board of Directors' Charter as the working guideline of the Board of Directors is reviewed periodically. In 2020, no recommendations that had not been followed up by the Board of Directors.



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

The diversity in the composition of members of the Board of Commissioners and the Board of Directors of CIMB Niaga, as stipulated in the Appendix of the OJK Circular Letter No. 32/SEOJK.04/2015 on the Guidelines of the Corporate Governance for Public Listed Companies, has been accommodated in the Articles of Association of the Bank.

The diversity of the composition of the Board of Commissioners and the Board of Directors is a combination of the required characteristics both collegially and individually, in accordance with the Bank's needs. The Bank also appoints members of the Board of Commissioners and Board of Directors by considering the experience and understanding of the banking industry, integrity, and dedication of each individual.

This combination should take into account the appropriate expertise, knowledge and experience when distributing the duties and functions to the Board of Commissioners and Board of Directors, in achieving the objective of the Bank. Consideration of these characteristics will have an impact on the accuracy of the nomination process and the appointment of individual members of the Board of Commissioners and the Board of Directors or the Board of Commissioners and the Board of Directors collegially.

When the diversity in the composition of members of the Board of Commissioners and Board of Directors of the Bank is appropriate and is in accordance with the Bank's needs, it will support the effectiveness of the Board of Commissioners and Board of Directors duties and responsibilities implementation, and will support the achievement of the Bank's vision and mission to grow and develop. The Bank has governed the diversity in the composition of members of the Board of Commissioners and the Board of Directors in its Policy on the Diversity in the Composition of Members of the Board of Commissioners and the Board of Directors (No. M.07 Version 02.2020).

## DIVERSITY IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS

The diversity factors in the composition of the Board of Commissioners includes:

- 1. Expertise/Experience/Education, shall have at least:**
  - a. 1 (one) member who has expertise/work experience/education in the fields of economy/business/finance, and/or
  - b. 1 (one) member who has expertise/work experience/education in the banking industry, and

- c. 1 (one) member who has expertise/work experience/education in the field of risk management.

- 2. Nationalities**

The majority (more than 50% (fifty percent)) of the members of the Board of Commissioners shall be Indonesian.

- 3. Gender**

Pays attention to gender diversity of the members of the Board of Commissioners.

- 4. Age**

Members of the Board of Commissioners shall have diversity in ages.

- 5. Independence**

- a. A minimum of 50% (fifty percent) of the Board of Commissioners shall be Independent Commissioners.
- b. The term of office of an Independent Commissioner shall be 2 (two) consecutive terms or a maximum of 9 (nine) years.

## DIVERSITY IN THE COMPOSITION OF THE BOARD OF DIRECTORS

The diversity factors in the composition of the members of the Board of Directors include:

- 1. Expertise/Experience/Education, shall have at least:**

- a. 1 (one) member who has expertise/work experience in the banking industry or expertise/work experience/education in the field of economy/business,
- b. 1 (one) member who has expertise/work experience/education in the field of risk management,
- c. 1 (one) member who has expertise/work experience/education in the field of finance/accounting.

- 2. Nationalities**

The majority (more than 50% (fifty percent)) of the members of the Board of Directors shall be Indonesian.

- 3. Gender**

Pays attention to gender diversity of the members of the Board of Directors, with a minimum of 1 (one) female or male member.

- 4. Age**

Members of the Board of Directors shall have diversity in ages.

- 5. Independence**

The President Director shall be independent of the Bank's controlling shareholders.





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#### Diversity Aspects of Members of the Board of Commissioners

|                 |   |
|-----------------|---|
| Nationality     | Consists of:<br>4 (four) members of the Board of Commissioners are Indonesian citizens.<br>1 (one) member of the Board of Commissioners is a Malaysian citizen.<br>1 (one) member of the Board of Commissioners is a United States citizen.   |
| Education       | The level of education of the members of the Board of Commissioners includes Bachelor and Postgraduate degrees in economics, business management, risk management, and finance.   |
| Work Experience | A diverse working experience that includes:<br>1. Members of the Board of Commissioners and/or Board of Directors and/or Officials or Senior Executives or other key positions in national and multinational financial and non-financial institutions;<br>2. Officials or Members/Chairman of Committee/Special Teams or Expert Staff or occupy other important positions in Government Institutions, such as IBRA, Ministry of Finance and Bank Indonesia;<br>3. Lecturers and Vice Deans of leading universities both at home and abroad. |
| Independency    | 1. There are 3 (three) Independent Commissioners out of 6 (six) members of the Board of Commissioners, or 50% (fifty percent) of the Board of Commissioners are Independent Commissioners.<br>2. All Independent Commissioners have served less than 9 (nine) years.  |
| Age             | The age diversity of members of the Board of Commissioners is in a fairly productive and mature ages, ranging from 51 to 65 years old.  |
| Gender          | There is 1 (one) female Independent Commissioner.   |

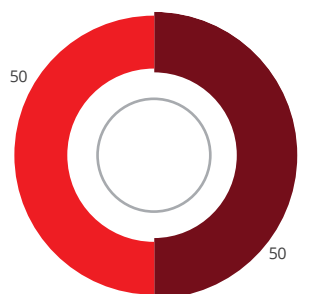
#### Diversity Aspects of Members of the Board of Directors

|                 |   |
|-----------------|---|
| Nationality     | Consists of:<br>7 (seven) members of the Board of Directors are Indonesian citizens.<br>1 (one) member of the Board of Directors is a Malaysian citizen.  |
| Education       | The level of education comprises of Bachelor's and Master's degrees in various academic fields that include economics, finance, law, commerce, business, accounting, computer science & statistics and others.  |
| Work Experience | A diverse range of work experiences, including:<br>1. Members of the Board of Directors of national and multi-national financial and non-financial institutions.<br>2. Key positions in national and foreign banks, including, Chief Country Officer, Head of Finance and Planning, Head of Trading & Structuring, Head of Treasury, Head of Operational Risk, Head of Financial Institutions Credit, Consumer Banking Country Head, Head of Network, Chief of Sharia Banking, Operations & Technology Head and others.<br>3. Founder and Senior Partner in a Law Firm.<br>4. Auditor.<br>All members of the Board of Directors have working experience in banking. |
| Independency    | All members of the Board of Directors are not affiliated with the fellow members of the Board of Directors, members of the Board of Commissioners and the Ultimate and Controlling Shareholder of the Bank.   |
| Age             | The age diversity of members of the Board of Directors is in a fairly productive and mature ages, ranging from 49 to 63 years old.  |
| Gender          | There are 4 (four) female members, of the total 8 (eight) members of the Board of Directors.  |

### ACHIEVEMENT OF THE POLICY ON DIVERSITY IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

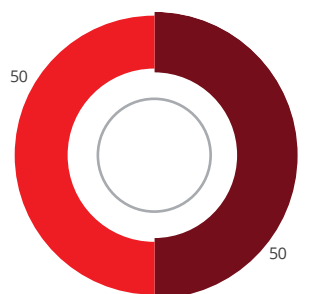
The current compositions of the Bank's Board of Commissioners (BOC) and Board of Directors (BOD) have fulfilled the above diversity aspects and are aligned with the Bank's strategy, vision and mission, as shown in the table below:

Age of the BOC (%)



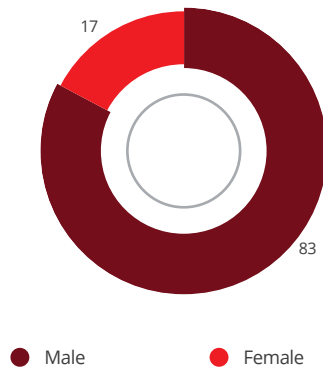
● 51 - 60 years ● 61 - 70 years

Age of the BOD (%)

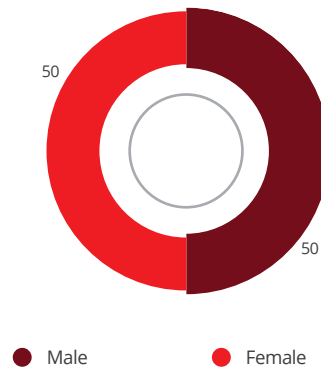


● 45 - 55 years ● 56 - 65 years

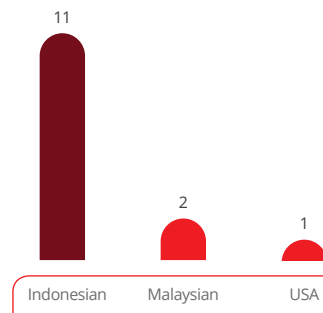
Gender of the BOC (%)



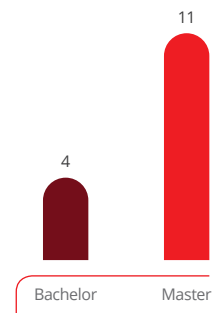
Gender of the BOD (%)



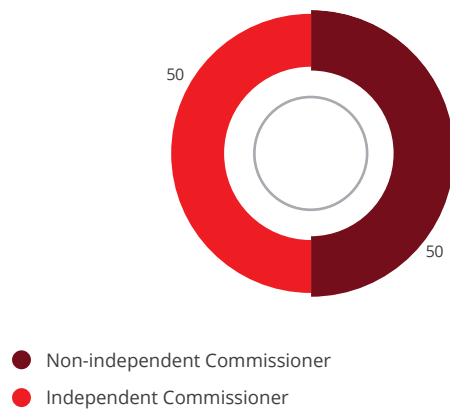
Nationality of the BOC and BOD



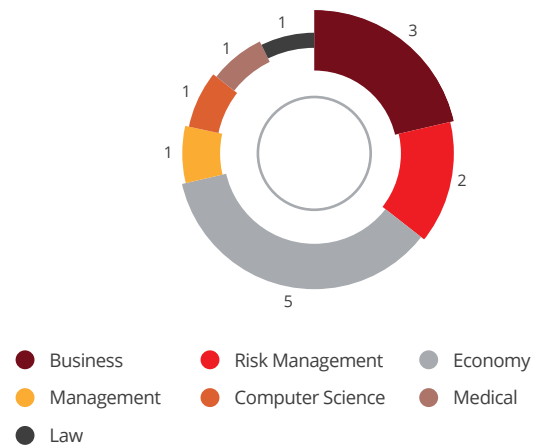
Education/Skill of the BOC and BOD



Independency of the BOC (%)



Expertise of the Commissioners & Directors



## REMUNERATION POLICY

The Bank is committed in implementing a competitive, fair, risk-based remuneration system based on prevailing laws and regulations, while always ensuring that no individual receives compensation below the minimum wages set by the government. Accordingly Bank has established and implemented the Risk-Based Remuneration Policy No. A.06.02 since October 2017, which was amended on 1 December 2018 by adding Sharia principles to the policy.

The Bank did not use external consultants to prepare its remuneration policy. However, to maintain competitiveness, the Bank performed remuneration benchmarking through independent party surveys. The Bank's remuneration policy is based on performance, competitiveness, fairness and risk-based, in accordance with POJK No. 45/POJK.03/2015 on the Implementation of Governance in Providing Remuneration in Commercial Bank, OJK Circular Letter No. 40/SEOJK.03/2016 on Implementation of Governance in Providing Remuneration in Commercial Bank as well as POJK No. 59/POJK.03/2017 on Implementation of Governance in Providing Remuneration in Sharia Bank and Sharia Business Unit.

### OBJECTIVES AND BACKGROUND

Employee remuneration policy is an important aspect in attracting, motivating and retaining the best talents at CIMB Niaga, as part of the effort to ensure the availability of qualified human capital. The Bank sets remuneration policies for the Board of Commissioners, the Board of Directors and employees, comprising both the mandatory components as well as additional benefits, in accordance with prevailing laws and regulations. The remuneration policy also take into consideration of short-term and long-term liquidity requirements, capital adequacy and strength, financial stability, risk management effectiveness, as well as potential future revenues.

### RISK-BASED REMUNERATION POLICY

CIMB Niaga implements remuneration strategy that includes a review of remuneration policies based on performance, risk, and empowerment. The Bank implements policies and procedures of employee benefit program as part of the remuneration strategy by taking risk profile in consideration. The main risk types in the remuneration policy were adjusted in line with the annual Bank's risk profile by reviewing market

conditions, industry developments, performance and financial capacity of the Bank. As a result, the main risk profile has an impact on the implementation of variable remuneration.

The Bank's remuneration policy covers and applies to employees in business, operational and support functions, set accordingly with POJK No. 45/POJK.03/2015, SEOJK No. 40/SEOJK.03/2016, and POJK No. 59/POJK.03/2017 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks and Sharia Business Units, whereby the policy regulates:

1. Prudential principle in the provision of risk-based remuneration.
2. The application of variable remuneration in accordance with regulatory provisions regarding the implementation of remuneration for Commercial Banks and Sharia Business Units.

### DETERMINATION OF REMUNERATION BASED ON PERFORMANCE AND RISK

CIMB Niaga sets employee performance assessment using the Key Performance Indicator (KPI) approach. The KPIs are set based on the Bank's, Directorate's objective and strategy, as well as taking into consideration risk, compliance and good corporate governance. The Bank conducts periodic evaluations and reviews of performance achievement that used as a consideration in determining remuneration. The Bank has been implementing risk-based remuneration with the establishment of Material Risk Taker (MRT), as well as the implementation of a deferred payment scheme.

### REVIEW AND INDEPENDENCY OF REMUNERATION POLICY IMPLEMENTATION

CIMB Niaga reviews employee remuneration and benefit system by taking into account the following aspects:

1. The Bank's performance and financial condition
2. Employee's competency and performance (meritocracy)
3. Peer remuneration practices (market competitiveness)
4. Eligibility and suitability in accordance with the position
5. Internal equity
6. Risk level attached to the position
7. The Bank's long-term strategy

To ensure the independency of remuneration for all employees, including employees in the control units, the Bank ensures that performance evaluations and remuneration determination are conducted through supervision and review up to the Nomination and Remuneration Committee.

The Bank periodically reviews and communicates its Wages Structure and Scale in accordance with the Minister of Manpower Regulation No. 1 Year 2017 concerning Wages Structure and Scale. In addition, the Bank implemented remuneration policy by taking into account POJK No. 45/POJK.03/2015, POJK No. 59/POJK.03/2017 and SEOJK No. 40/SEOJK.03/2016 concerning Implementation of Governance in the Provision of Remuneration in Commercial Bank and Sharia Business Unit.

## DETERMINATION OF MATERIAL RISK TAKER

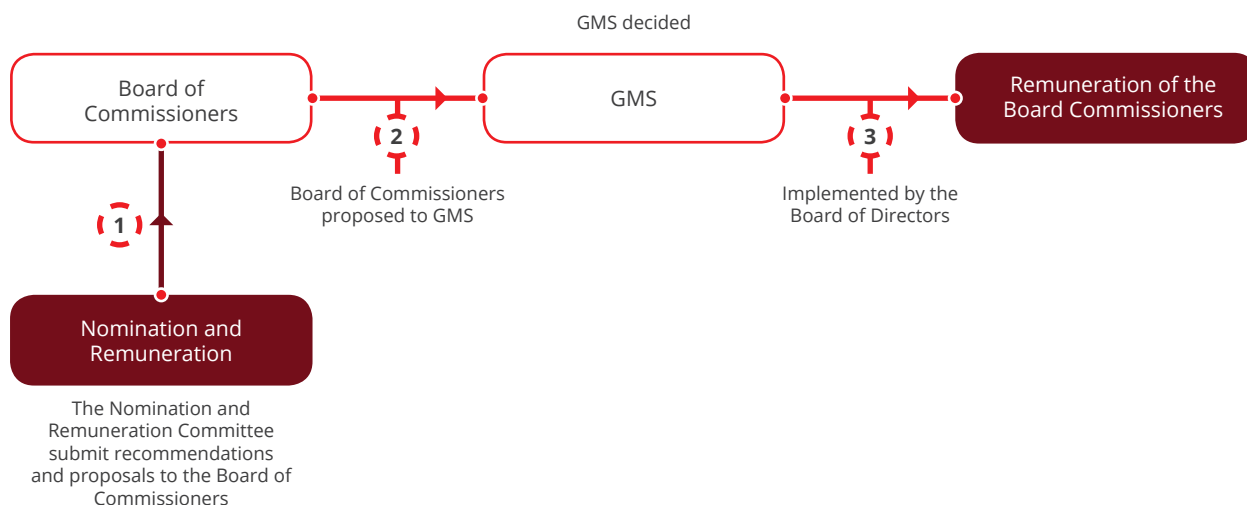
The Material Risk Taker (MRT) category is determined as follow:

1. MRT is determined using qualitative method according with the portion of responsibility that affects the main risk profile as determined based on the Bank's annual risk profile evaluation.
2. MRT category is also determined quantitatively by comparing variable remuneration between MRT and non-MRT employees with consideration of performance and also the level of risk attached to the position concerned.

All members of the Board of Directors as well as any employee meeting the above definitions are determined as MRT, whereby currently there are 11 (eleven) individuals in the Bank classified as MRT.

## BOARD OF COMMISSIONERS' REMUNERATION

### PROCEDURE FOR DETERMINING THE BOARD OF COMMISSIONERS' REMUNERATION



The Bank prepares the structure, policies, and amount of remuneration for each member of the Board of Commissioners after taking into account their duties, authorities, performance, and responsibilities. In addition, the Bank also considers the remuneration applicable in the similar industries (peers group) and the Bank's capabilities.

### BOARD OF COMMISSIONERS' REMUNERATION POLICY

The procedures for determining the remuneration for the Board of Commissioners are as follows:

1. The Nomination and Remuneration Committee conducts discussions regarding the Board of Commissioners' remuneration after taking into account information on the range and remuneration standards with similar industries (peers group) and the Bank's capabilities;
2. The Committee provides recommendations for further discussion at the Board of Commissioners' meeting;

3. The Board of Commissioners studies the recommendations from the Nomination & Remuneration Committee and proposes to the GMS; and
4. The GMS determines the remuneration for the Board of Commissioners, to be further implemented by the Board of Directors.

## BOARD OF COMMISSIONERS' REMUNERATION STRUCTURE

The Board of Commissioners' remuneration structure consists of an honorarium, meeting allowances, position allowances, transportation allowances, feast day allowances, year-end benefits, and other facilities such as medical, communication, and club membership. Based on the decision at the 2020 AGM, detailed information for members of CIMB Niaga's Board of Commissioners' remuneration and other facilities is as follows:

### 1. Remuneration Packages and Other Facilities

| Type of Remuneration and Other Facilities  | Amount Received in 1 Year by Non-Independent Commissioners |              |          |              |
|--|--|--------------|----------|--------------|
|  | 2020   |              | 2019     |              |
|  | Person   | Rp (million) | Person   | Rp (million) |
| Remuneration (salary, routine allowance, tantiem, and other non-natura facilities) | 3 <sup>*)</sup>  | 4,934        | 4        | 5,384        |
| Other natura facilities (housing, transportation, health insurance, etc.) which:   |  |              |          |              |
| a. Could be owned  | -  | -            | -        | -            |
| b. Could not be owned  | -  | -            | -        | -            |
| <b>Total</b>   | <b>3<sup>*)</sup></b>                                      | <b>4,934</b> | <b>4</b> | <b>5,384</b> |

<sup>\*)</sup> Including remuneration for Non-Independent Commissioner that are no longer in position.

| Type of Remuneration and Other Facilities  | Amount Received in 1 Year by Independent Commissioners |              |          |              |
|--|--|--------------|----------|--------------|
|  | 2020   |              | 2019     |              |
|  | Person   | Rp (million) | Person   | Rp (million) |
| Remuneration (salary, routine allowance, tantiem, and other non-natura facilities) | 5 <sup>*)</sup>  | 7,892        | 4        | 7,082        |
| Other natura facilities (housing, transportation, health insurance, etc.) which:   |  |              |          |              |
| a. Could be owned  | -  | -            | -        | -            |
| b. Could not be owned  | -  | -            | -        | -            |
| <b>Total</b>   | <b>5<sup>*)</sup></b>                                  | <b>7,892</b> | <b>4</b> | <b>7,082</b> |

<sup>\*)</sup> Including remuneration for Independent Commissioner that are no longer in position.

| Remuneration Per Person               | Total Non-Independent Commissioners |      | Total Independent Commissioners |      |
|---------------------------------------|-------------------------------------|------|---------------------------------|------|
|                                       | 2020                                | 2019 | 2020                            | 2019 |
| Above Rp5 billion                     | -                                   | -    | 0                               | -    |
| Above Rp2 billion up to Rp5 billion   | 1                                   | -    | 2                               | 3    |
| Above Rp1 billion up to Rp2 billion   | 1                                   | 3    | 1                               | -    |
| Above Rp500 million up to Rp1 billion | -                                   | -    | 2                               | -    |
| Below Rp500 million                   | 1                                   | 1    | 0                               | 1    |

## 2. Variable Remuneration for the Board of Commissioners

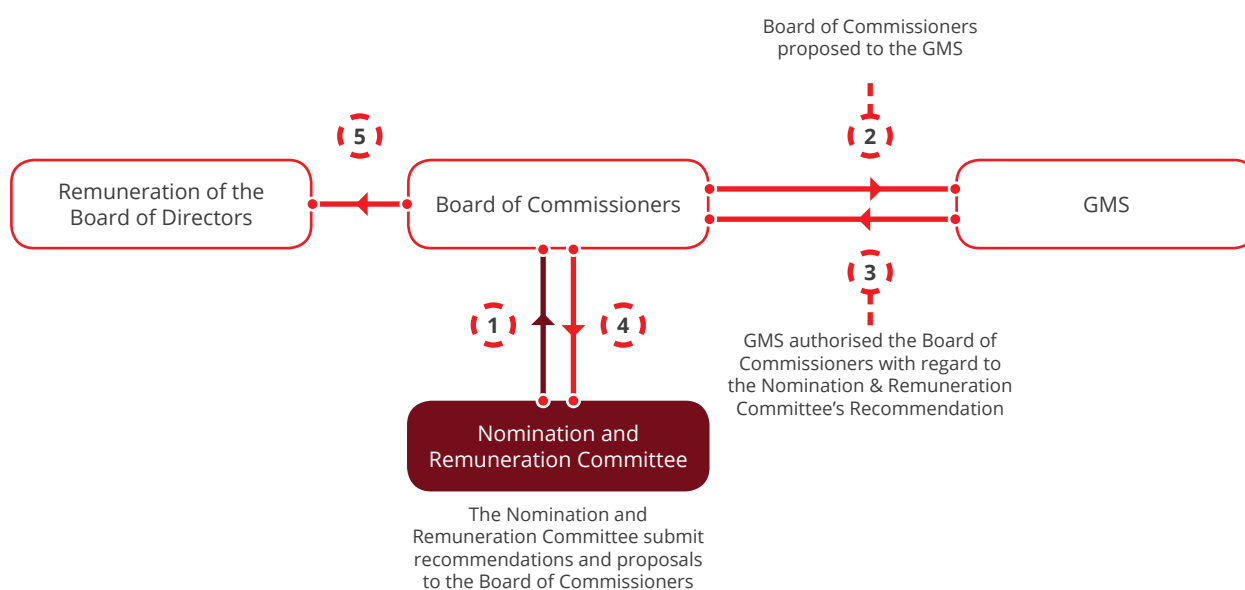
| Variable<br>Remuneration* | Amount Received in 1 Year<br>by Non-Independent Commissioners |              |            |              | Amount Received in 1 Year<br>by Independent Commissioners |              |            |              |
|---------------------------|---|--------------|------------|--------------|---|--------------|------------|--------------|
|                           | 2020  |              | 2019       |              | 2020  |              | 2019       |              |
|                           | Person  | Rp (million) | Person     | Rp (million) | Person  | Rp (million) | Person     | Rp (million) |
| <b>Total</b>              | <b>Nil</b>  | <b>Nil</b>   | <b>Nil</b> | <b>Nil</b>   | <b>Nil</b>  | <b>Nil</b>   | <b>Nil</b> | <b>Nil</b>   |

\* Remuneration based on performance and risk (such as bonuses)

All members of Board of Commissioners (including Independent Commissioners) of CIMB Niaga did not receive any variable remuneration (shares or bonuses, both based of performance or non-performance as well as shares option).

## BOARD OF DIRECTORS' REMUNERATION

### PROCEDURE FOR DETERMINING THE BOARD OF DIRECTORS' REMUNERATION



CIMB Niaga prepares the structure, policies, and amount of remuneration for each member of the Board of Directors after taking into account their duties, authorities, performance, and responsibilities. In addition, the Bank also considers the remuneration applicable in the similar industries (peers group), Bank's performance, individual performance of each Board of Directors member, and the Bank's capabilities.

## BOARD OF DIRECTORS' REMUNERATION POLICY

The procedures for determining the remuneration for the Board of Directors are as follows:

1. The Nomination and Remuneration Committee conducts discussions regarding the Board of Directors' remuneration after taking into account information on the range and remuneration standards with similar industries (peers group), Bank's performance, each Director's performance and risk in achieving the predetermined KPIs, and the Bank's capabilities.
2. The Nomination and Remuneration Committee provides recommendations for further discussion at the Board of Commissioners' meeting.
3. The Board of Commissioners studies the recommendations from the Nomination & Remuneration Committee and proposes to the GMS.
4. The GMS determines the remuneration for the Board of Directors by granting authority to the Board of Commissioners to determine the Board of Directors' remuneration after taking into account the Nomination and Remuneration Committee's recommendations, to be further implemented by the Board of Directors.

## INDICATORS TO DETERMINE THE BOARD OF DIRECTORS' REMUNERATION

Indicators for determining the Board of Directors' remuneration are based on Bank's performance, which includes financial performance, the Bank's soundness level and appropriate risk governance in accordance with regulations. The remuneration is also determined by considering national economic conditions. The performance indicators are described in detail in the Performance Assessment on the Board of Commissioners and the Board of Directors section in this Annual Report.

## THE BOARD OF DIRECTORS' REMUNERATION STRUCTURE

The remuneration structure for Board of Directors consists of salaries, bonuses, transportation allowances, housing benefits, feast day allowances, year-end benefits, and club membership. Based on the decision at the 2020 AGM, detailed information for members of CIMB Niaga's Board of Directors' remuneration and other facilities is as follows:

### 1. Remuneration Packages and Other Facilities

| Type of Remuneration and Other Facilities  | Amount Received in 1 Year by the Board of Directors |               |           |               |
|--|---|---------------|-----------|---------------|
|  | 2020  |               | 2019      |               |
|  | Person  | Rp (million)  | Person    | Rp (million)  |
| Remuneration (salary, routine allowance, tantiem, and other non-natura facilities) | 12 <sup>*)</sup>                                    | 77,211        | 11        | 91,185        |
| Other natura facilities (housing, transportation, health insurance, etc.) which:   |   |               |           |               |
| a. Could be owned  | -   | -             | -         | -             |
| b. Could not be owned  | -   | -             | -         | -             |
| <b>Total</b>   | <b>12<sup>*)</sup></b>                              | <b>77,211</b> | <b>11</b> | <b>91,185</b> |

<sup>\*)</sup> Including remuneration for the members of the Board of Directors that are no longer in position.

| Remuneration per Person               | Total Members of the Board of Directors |      |
|---------------------------------------|---|------|
|                                       | 2020                                    | 2019 |
| Above Rp5 billion                     | 7                                       | 10   |
| Above Rp2 billion up to Rp5 billion   | 4                                       | 1    |
| Above Rp1 billion up to Rp2 billion   | 1                                       | -    |
| Above Rp500 million up to Rp1 billion | -                                       | -    |
| Below Rp500 million                   | -                                       | -    |

### 2. Variable Remuneration for the Board of Directors

| Variable Remuneration** | Amount Received in 1 Year by the Board of Directors |               |           |               |
|-------------------------|---|---------------|-----------|---------------|
|                         | 2020  |               | 2019      |               |
|                         | Person  | Rp (million)  | Person    | Rp (million)  |
| <b>Total</b>            | <b>12<sup>*)</sup></b>                              | <b>50,678</b> | <b>11</b> | <b>72,969</b> |

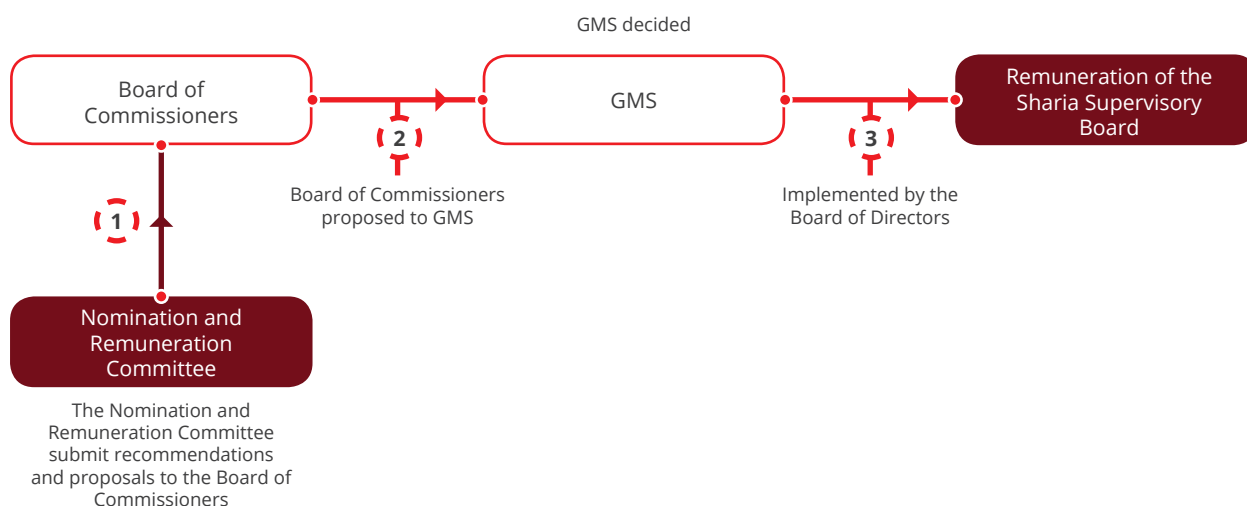
<sup>\*)</sup> Including remuneration for the members of the Board of Directors that are no longer in position.

<sup>\*\*)</sup> Remuneration based on performance and risk (such as bonuses)



## SHARIA SUPERVISORY BOARD'S REMUNERATION

### PROCEDURE FOR DETERMINING THE SHARIA SUPERVISORY BOARD'S REMUNERATION



CIMB Niaga prepares the structure, policies, and amount of remuneration for each member of the Sharia Supervisory Board after taking into account their duties, authorities, performance, and responsibilities. In addition, the Bank also considers the remuneration applicable in the banking industry (peers group) and the Bank's capabilities.

### SHARIA SUPERVISORY BOARD'S REMUNERATION POLICY

CIMB Niaga implemented the following procedures to determine remuneration for the Sharia Supervisory Board:

1. The Nomination and Remuneration Committee conducts discussions regarding the Sharia Supervisory Board's remuneration after taking into account information on the range and remuneration standards with similar industries (peers group) and the Bank's capabilities;
2. The Nomination and Remuneration Committee provides recommendations for further discussion at the Board of Commissioners' meeting;
3. The Board of Commissioners studies the recommendations from the Nomination & Remuneration Committee and proposes to the GMS; and
4. The GMS determines the Sharia Supervisory Board's remuneration, to be further implemented by the Board of Directors.

### SHARIA SUPERVISORY BOARD'S REMUNERATION STRUCTURE

The Sharia Supervisory Board's remuneration structure consists of honorarium, meeting allowances, holiday allowances, and year-end benefits. Based on the decision at the 2020 AGM, detailed information regarding remuneration and other facilities for members of the CIMB Niaga Sharia Supervisory Board are as follows:

#### 1. Remuneration Packages and Other Facilities

| Type of Remuneration and Other Facilities  | Amount Received in 1 Year by the Sharia Supervisory Board |              |          |              |
|--|---|--------------|----------|--------------|
|  | 2020  |              | 2019     |              |
|  | Person  | Rp (million) | Person   | Rp (million) |
| Remuneration (salary, routine allowance, tantiem, and other non-natura facilities) | 3   | 1,698        | 3        | 1,643        |
| Other natura facilities (housing, transportation, health insurance, etc.) which:   |   |              |          |              |
| a. Could be owned  | -   | -            | -        | -            |
| b. Could not be owned  | -   | -            | -        | -            |
| <b>Total</b>   | <b>3</b>  | <b>1,698</b> | <b>3</b> | <b>1,643</b> |

| Remuneration per Person               | Total Members of the Sharia Supervisory Board |      |
|---------------------------------------|---|------|
|                                       | 2020  | 2019 |
| Above Rp5 billion                     | -   | -    |
| Above Rp2 billion up to Rp5 billion   | -   | -    |
| Above Rp1 billion up to Rp2 billion   | -   | -    |
| Above Rp500 million up to Rp1 billion | 1   | 1    |
| Below Rp500 million                   | 2   | 2    |

## 2. Variable Remuneration for the Sharia Supervisory Board

| Variable Remuneration* | Amount Received in 1 Year by the Sharia Supervisory Board |              |            |              |
|------------------------|---|--------------|------------|--------------|
|                        | 2020  |              | 2019       |              |
|                        | Person  | Rp (million) | Person     | Rp (million) |
| <b>Total</b>           | <b>Nil</b>  | <b>Nil</b>   | <b>Nil</b> | <b>Nil</b>   |

\* Remuneration based on performance and risk (such as bonuses)

All members of the Sharia Supervisory Board of CIMB Niaga did not receive any variable remuneration (shares or bonuses both based of performance or non-performance as well as shares option).

## EMPLOYEE/MANAGEMENT SHARE OWNERSHIP PROGRAM

In 2020, CIMB Niaga does not have a share ownership program for employees and management. However, information regarding the share ownership program for employees and management conducted by the Bank in 2018 is as follows:

| Remarks                | 2020                            |                |                   |                               | 2019                            |                |                   |                               | 2018                            |                    |                   |                               |
|------------------------|---------------------------------|----------------|-------------------|-------------------------------|---------------------------------|----------------|-------------------|-------------------------------|---------------------------------|--------------------|-------------------|-------------------------------|
|                        | Number of Shares Owned (shares) | Option Amount  |                   | Option Price Rp (time period) | Number of Shares Owned (shares) | Option Amount  |                   | Option Price Rp (time period) | Number of Shares Owned (shares) | Option Amount      |                   | Option Price Rp (time period) |
|                        |                                 | Given (shares) | Executed (shares) |                               |                                 | Given (shares) | Executed (shares) |                               |                                 | Given (shares)     | Executed (shares) |                               |
| Board of Directors     | -                               | -              | -                 | -                             | -                               | -              | -                 | -                             | -                               | 77,000,000         | -                 | 1,391 (3 years)               |
| Board of Commissioners | -                               | -              | -                 | -                             | -                               | -              | -                 | -                             | -                               | -                  | -                 | -                             |
| Executive Officers     | -                               | -              | -                 | -                             | -                               | -              | -                 | -                             | -                               | 40,651,000         | -                 | 1,391 (3 years)               |
| <b>Total</b>           | -                               | -              | -                 | -                             | -                               | -              | -                 | -                             | -                               | <b>117,651,000</b> | -                 | <b>1,391 (3 years)</b>        |

## HIGHEST AND LOWEST SALARY RATIO

| Ratio   | 2020       | 2019       | 2018       |
|---|------------|------------|------------|
| The highest and lowest ratio of employees' salary                                     | 121.82 : 1 | 116.80 : 1 | 121.15 : 1 |
| The highest and lowest ratio of the Board of Directors' salary                        | 5.03 : 1   | 4.31 : 1   | 4.37 : 1   |
| The highest and lowest ratio of the Board of Commissioners' salary                    | 1.52 : 1   | 1.37 : 1   | 1.50 : 1   |
| The ratio of the highest Board of Directors' salary and the highest employees' salary | 4.06 : 1   | 3.97 : 1   | 3.95 : 1   |

## VARIABLE REMUNERATION FOR EMPLOYEES

| Variable Remuneration | Amount Received in 1 year by Employees |                |              |                |              |                |
|-----------------------|--|----------------|--------------|----------------|--------------|----------------|
|                       | 2020                                   |                | 2019         |                | 2018         |                |
|                       | Person                                 | Rp (million)   | Person       | Rp (million)   | Person       | Rp (million)   |
| <b>Total</b>          | <b>8,045</b>                           | <b>366,285</b> | <b>8,739</b> | <b>337,940</b> | <b>8,900</b> | <b>294,492</b> |

## FIXED AND VARIABLE REMUNERATION FOR PARTIES CATEGORIZED MATERIAL RISK TAKERS (MRT)

| A. Fixed Remuneration   | 2020      | 2019      | 2018      |
|---|-----------|-----------|-----------|
| 1. Cash (Rp million)  | 67,477.01 | 69,318.82 | 95,099.63 |
| 2. Shares/Instruments based on shares issued by the Bank (shares) | -         | -         | -         |

| B. Variable Remuneration  | 2020         |          | 2019         |          | 2018         |          |
|---|--------------|----------|--------------|----------|--------------|----------|
|   | Non-deferred | Deferred | Non-deferred | Deferred | Non-deferred | Deferred |
| 1. Cash (Rp million)  | 36,681       | 11,837   | 34,715       | 11,456   | 59,009       | 6,742    |
| 2. Shares/Instruments based on shares issued by the Bank (shares) | -            | 24,095   | -            | 26,731   | -            | 28,931   |

## QUANTITATIVE INFORMATION FOR PARTIES CATEGORIZED AS MATERIAL RISK TAKERS (MRT)

| Type of Variable Remuneration  | 2020                         |  |                                |              | 2019                        |  |                                |              | 2018                       |  |                                |             |
|--|------------------------------|--|--------------------------------|--------------|-----------------------------|--|--------------------------------|--------------|----------------------------|--|--------------------------------|-------------|
|  | Remaining Deferred           | Total Reduction during the Report Period |                                |              | Remaining Deferred          | Total Reduction during the Report Period |                                |              | Remaining Deferred         | Total Reduction during the Report Period |                                |             |
|  |                              | Due to Explicit Adjustment (A)           | Due to Implicit Adjustment (B) | Total (A+B)  |                             | Due to Explicit Adjustment (A)           | Due to Implicit Adjustment (B) | Total (A+B)  |                            | Due to Explicit Adjustment (A)           | Due to Implicit Adjustment (B) | Total (A+B) |
| 1. Cash (Rp million)   | 17,854                       | 1,620                                    |                                | 1,620        | 15,184                      | 398                                      | -                              | 398          | 6,742                      | -  | -                              | -           |
| 2. Shares/ Stock-based instruments issued by the Bank (in shares and nominal million rupiah which is a conversion from the shares) | 10,316,586 shares (Rp34,819) | 691,968 shares (Rp3,781)                 | Rp1,600                        | Rp5,381      | 7,169,778 shares (Rp44,901) | 182,488 shares (Rp1,123)                 | Rp5,546                        | Rp6,669      | 3,644,522 shares (Rp8,931) | -  | -                              | -           |
| <b>Total (Rp million)</b>  | <b>52,672</b>                | <b>5,401</b>                             | <b>1,600</b>                   | <b>7,001</b> | <b>60,085</b>               | <b>1,520</b>                             | <b>5,546</b>                   | <b>7,066</b> | <b>35,674</b>              | <b>-</b>                                 | <b>-</b>                       | <b>-</b>    |

Note: Explicit adjustment was due to malus and cessation of employment (MRT) during the reporting period while the implicit adjustment was caused by decrease in the share price between the date of grant and the end date of the report.

## TOTAL SEVERANCE GRANTED TO EMPLOYEES AFFECTED BY TERMINATION AND TOTAL AMOUNT PAID

| Severance pay amount paid per person in 1 (one) year | Number of Employees |      |      |
|--|---------------------|------|------|
|  | 2020                | 2019 | 2018 |
| Above Rp1 billion                                    | 13                  | 27   | 6    |
| Above Rp500 million up to Rp1 billion                | 42                  | 65   | 10   |
| Below Rp500 million                                  | 398                 | 644  | 366  |

## BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS MEETINGS

### PROVISIONS FOR BOARD OF COMMISSIONERS' MEETING AND JOINT MEETING OF BOARD OF COMMISSIONERS WITH THE BOARD OF DIRECTORS

1. The Board of Commissioners must prepare a schedule for the Board of Commissioners meeting and the Board of Commissioners' meeting by inviting the Board of Directors (joint meeting of the Board of Commissioners with the Board of Directors) for the upcoming financial year before the end of the financial year and uploading it to the Bank's website.
2. The Board of Commissioners' Meeting must be held periodically at least 1 (once) in 2 (two) months or at any time if deemed necessary. Whilst the Board of Commissioners meeting by inviting the Board of Directors (joint meeting of the Board of Commissioners with the Board of Directors) must be held at least 1 (one) time in 4 (four) months.
3. Meetings may be conducted, among others, by face to face or utilize teleconference technology meeting (hearing and seeing each other between participants in the Meeting).
4. At least 2 (two) times a year, meeting of the Board of Commissioners must be attended physically by all members of the Board of Commissioners. If a Non-Independent Commissioner cannot physically attend the Meeting, therefore the Meeting may be attended through teleconference or telepresence technology.
5. The proposal for holding a meeting may originated from the President Commissioner or more than 2 (two) members of the Board of Commissioners, or a Board of Directors meeting, or on a written application from one shareholders or more who (collectively) have at least 1/10 (one-tenth) part of the total number of shares with valid voting rights issued by the Bank in accordance with the Articles of Association and applicable provisions.
6. Each member of the Board of Commissioners must attend at least 75% (seventy five percent) meeting of the Board of Commissioners in a year.
7. Minutes of meeting shall disclose the each member of the Board of Commissioners attendance, either physically or via teleconference/telepresence. Attendance via teleconference/telepresence must be accompanied by a recording (audio/visual) of the meeting.
8. Meeting may be attended by the Corporate Secretary or other parties appointed by the Board of Commissioners, and may also be attended by other invited parties, both by the Bank internal or external parties.
9. Invitation and material for the Board of Commissioners meeting must be delivered to the participants of the Board of Commissioners meeting no later than 5 (five) working days before the meeting is held. In the event of an ad-hoc Board of Commissioners meeting, the meeting material is delivered to participants of the Board of Commissioners meeting at the latest before the meeting is held.
10. Invitation to the meeting must be signed by the President Commissioner, other members of the Board of Commissioners, or the Corporate Secretary by stating the date, time, place, and agenda of the meeting.
11. A member of the Board of Commissioners may only be represented by other members of the Board of Commissioners in a meeting based on a special Power of Attorney made for the meeting purpose, subject to:
  - a. The physical absence can be calculated in the physical attendance frequency in the meeting;
  - b. The physical absence of the person concerned does not nullify the right to vote in decision-making corresponding the granted power, so that the voting rights are considered in the meeting quorum.
12. The Meeting must be held in the territory of Indonesia but in case being held outside the territory of Indonesia, the decision of the meeting is considered valid if attended by all members of the Board of Commissioners or representatives under the special power of attorney.
13. The Meeting are valid and have the right to make binding decisions if attended/represented by at least 2/3 (two thirds) of the total number of the Board of Commissioners member.
14. The Meeting decisions are made based on deliberation to reach consensus. If a decision based on deliberation to reach consensus is not reached, then the decision is taken by voting based on than 2/3 (two thirds) agreed vote or more from the total present members of the Board of Commissioners.
15. Voting is generally done verbally but under certain condition and according to the collective agreement, voting can be done with a closed letter.
16. Members of the Board of Commissioners who is present at the meeting but not when the decision is made for some reason, the voting rights concerned are considered as blank.
17. Each present member of the Board of Commissioners is entitled to cast 1 (one) vote and an additional 1 (one) vote to represent other members of the Board of Commissioners.

18. The Member of the Board of Commissioners who are unable to attend the meeting must inform the reason for his/her absence to the President Commissioner.
19. The meeting shall be chaired by the President Commissioner, if the President Commissioner is unable to attend, which does not need to be proven to a third party, then the meeting will be chaired by the attending member of the Board of Commissioners and elected by the Meeting.
20. Minutes of meetings are made by the Corporate Secretary or other parties appointed by the Board of Commissioners and documented properly.
21. If a meeting is conducted through teleconference technology, must be followed up with the preparation of meeting minutes signed by all attending members of the Board of Commissioners.
22. Minutes of Board of Commissioners' meeting must be signed by all attending members of the Board of Commissioners and submitted to all members of the Board of Commissioners.
23. If there is such member of the Board of Commissioners who have not signed the minutes of the meeting, the respective party must state a written excuse in separate letter attached to the minutes of the meeting.
24. If there are dissenting opinions that occur in a meeting, it must be clearly stated in the minutes of the meeting along with the reasons for the dissenting opinion.
25. The Board of Commissioners may also take legal and binding decisions without holding a meeting of the Board of Commissioners, provided that all currently serving members of the Board of Commissioners give their approval by signing the proposed decision (Circular Resolution). Circular Resolution shall have the same power as decisions taken legally in a Board of Commissioners' meeting.
26. In case the minutes of the meeting are made bilingual, then in the event that there are differences in interpretation, the Indonesian version applies.

27. Minutes of meetings are valid evidence for members of the Board of Commissioners and third parties regarding the decisions resolved at the meeting.

In 2020, due to the COVID-19 pandemic and the Work From Home (WFH) way of working, most of the meetings of the Board of Commissioners and joint meetings between the Board of Commissioners and the Board of Directors were held virtually.

The schedule of meetings of the Board of Commissioners and the meetings between the Board of Commissioners and the Board of Directors (joint meetings) for 2020 were set at the end of 2019 and uploaded in the Bank's website.

### AGENDA OF THE MEETINGS OF THE BOARD OF COMMISSIONERS IN 2020

The regular agenda that have been discussed during the Board of Commissioners meetings each year were as follows:

1. Confirmation to obtain approval of the previous Board of Commissioners' Minutes of Meeting;
2. Follow-up reports on the previous Board of Commissioners' Minutes of Meeting and discussion on unresolved issues from the previous Board of Commissioners' Meeting;
3. Summary of the previous month's credit proposals;
4. Financial Performance Report; and
5. Reports from the Committees under the Board of Commissioners, namely the Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee, and Integrated Governance Committee.

In addition to the fixed agenda as mentioned above, Meetings of Board of Commissioners also discussed other agenda items including the following:

| No | Date             | Agenda   | Attendees   |
|----|------------------|--|---|
| 1  | 28 February 2020 | <ol style="list-style-type: none"> <li>1. Proposal on the Percentage of Net Profit for 2019 dividends</li> <li>2. Orion Project 2020</li> <li>3. Risk Appetite Statement as of January 2020</li> </ol>   | <ol style="list-style-type: none"> <li>1. Tengku Dato' Sri Zafrul Tengku Abdul Aziz*</li> <li>2. Zulkifli M. Ali**</li> <li>3. Pri Notowidigdo**</li> <li>4. Jeffrey Kairupan</li> <li>5. Sri Widowati</li> <li>6. David Richard Thomas</li> <li>7. Didi Syafruddin Yahya***</li> </ol> |
| 2  | 24 April 2020    | <ol style="list-style-type: none"> <li>1. Report of Bank Risks as of March 2020</li> <li>2. Update on COVID-19</li> <li>3. Consolidated Financial Performance as of March 2020</li> <li>4. Update on Quarter 1 Transformation Project Year 2020</li> <li>5. Update on Quarter 1 Group Corporate Assurance Division (GCAD) Year 2020</li> </ol> | <ol style="list-style-type: none"> <li>1. Didi Syafruddin Yahya***</li> <li>2. Glenn M. S. Yusuf****</li> <li>3. Jeffrey Kairupan</li> <li>4. Sri Widowati</li> <li>5. David Richard Thomas</li> </ol>  |



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Risk Management

| No | Date              | Agenda   | Attendees  |
|----|-------------------|--|--|
| 3  | 28 August 2020    | 1. Revision of 2020 Bank Business Plan(initial discussion)<br>2. Risk Appetite Statement as of April 2020<br>3. Proposed 2020 Risk Appetite Statement<br>4. Update on COVID-19   | 1. Didi Syafruddin Yahya***<br>2. Glenn M. S. Yusuf****<br>3. Jeffrey Kairupan<br>4. Sri Widowati<br>5. David Richard Thomas |
| 4  | 26 June 2020      | 1. Approval of the Revision of 2020 Bank Business Plan<br>2. Risk Appetite Statement as of May 2020<br>3. Update on COVID-19<br>4. Update on Internet Service Disruptions  | 1. Didi Syafruddin Yahya***<br>2. Glenn M. S. Yusuf****<br>3. Jeffrey Kairupan<br>4. Sri Widowati<br>5. David Richard Thomas |
| 5  | 28 August 2020    | 1. Update on Transformation Project<br>2. Update on Orion Project<br>3. Update on Treasury & Capital Market<br>4. Risk Appetite Statement as of July 2020<br>5. Update on COVID-19   | 1. Didi Syafruddin Yahya***<br>2. Glenn M. S. Yusuf****<br>3. Jeffrey Kairupan<br>4. Sri Widowati<br>5. David Richard Thomas |
| 6  | 25 September 2020 | 1. Risk Appetite Statement as of August 2020<br>2. Update on the Bank Operational Risk Incident<br>3. Update on COVID-19   | 1. Didi Syafruddin Yahya***<br>2. Glenn M. S. Yusuf****<br>3. Jeffrey Kairupan<br>4. Sri Widowati<br>5. David Richard Thomas |
| 7  | 26 November 2020  | 1. Approval of 2021 Bank Business Plan<br>2. Realization of the 2020 Action Plan on Sustainability Finance (RAKB) and 2021 RAKB<br>3. Update on COVID-19<br>4. Risk Appetite Statement as of October 2020<br>5. Summary of Internal Audit as of October 2020 | 1. Didi Syafruddin Yahya***<br>2. Glenn M. S. Yusuf****<br>3. Jeffrey Kairupan<br>4. Sri Widowati<br>5. David Richard Thomas |
| 8  | 17 December 2020  | CIMB Niaga's Forward Strategy 23+ and 2021 Budget.   | 1. Didi Syafruddin Yahya***<br>2. Glenn M. S. Yusuf****<br>3. Jeffrey Kairupan<br>4. Sri Widowati<br>5. David Richard Thomas |

\*) Resigned as the President Commissioner effective 9 March 2020

\*\*) Term of office as Independent Commissioner ended on the closing of AGM on 9 April 2020

\*\*\*) Appointed as the President Commissioner in the AGM on 9 April 2020 and effective on 7 July 2020

\*\*\*\*) Appointed as Vice President Commissioner (Independent) in the AGM on 9 April 2020 and effective on 16 September 2020

## AGENDA OF JOINT MEETINGS OF THE BOARD OF COMMISSIONERS WITH THE BOARD OF DIRECTORS IN 2020

| No | Date            | Board of Commissioners Attendance   | Board of Directors Attendance  | Agenda  |
|----|-----------------|---|--|---|
| 1  | 28 January 2020 | 1. Tengku Dato' Sri Zafrul Tengku Abdul Aziz*<br>2. Zulkifli M. Ali**<br>3. Pri Notowidigdo**<br>4. Jeffrey Kairupan<br>5. Sri Widowati<br>6. David Richard Thomas<br>7. Didi Syafruddin Yahya*** | 1. Tigor M. Siahaan<br>2. Rita Mas'Oen**<br>3. Megawati Sutanto**<br>4. Vera Handajani<br>5. John Simon<br>6. Lani Darmawan<br>7. Fransiska Oei<br>8. Hedy Lapien**<br>9. Pandji P. Djajanegara<br>10. Rahardja Alimhamzah**** | 1. Update on subsidiary (CNAF)<br>2. Report on the Realization and Supervision of the Bank Business Plan for Second Semester of 2019<br>3. Update on Forward-23 Transformation Project<br>4. Results of 2019 Group Corporate Assurance Division (GCAD)<br>5. Risk Appetite Statement as of December 2019 and the Recovery Plan<br>6. Approval on the Plan for the 2020 Annual General Meeting of Shareholders (AGM) |
| 2  | 9 April 2020    | 1. Zulkifli M. Ali**<br>2. Pri Notowidigdo**<br>3. Jeffrey Kairupan<br>4. Sri Widowati<br>5. David Richard Thomas<br>6. Didi Syafruddin Yahya***  | 1. Tigor M. Siahaan<br>2. Rita Mas'Oen**<br>3. Megawati Sutanto**<br>4. Vera Handajani<br>5. John Simon<br>6. Lani Darmawan<br>7. Fransiska Oei<br>8. Hedy Lapien**<br>9. Pandji P. Djajanegara<br>10. Lee Kai Kwong           | Risk Appetite Statement as of February 2020   |

| No | Date            | Board of Commissioners Attendance  | Board of Directors Attendance   | Agenda  |
|----|-----------------|--|---|---|
| 3  | 24 July 2020    | 1. Didi Syafruddin Yahya***<br>2. Glenn M. S. Yusuf****<br>3. Jeffrey Kairupan<br>4. Sri Widowati<br>5. David Richard Thomas | 1. Tigor M. Siahaan<br>2. Lee Kai Kwong<br>3. Vera Handajani<br>4. John Simon<br>5. Lani Darmawan<br>6. Fransiska Oei<br>7. Pandji P. Djajanegara | 1. Report on the RBB realization in First Semester of 2020<br>2. Approval on the Plan for the 2020 Extraordinary General Meeting of Shareholders (EGMS)<br>3. Report on Group Corporate Assurance Division Q2 2020<br>4. Risk Appetite Statement as of June 2020<br>5. Risk Escalation Event<br>6. Update on COVID-19 |
| 4  | 27 October 2020 | 1. Didi Syafruddin Yahya***<br>2. Glenn M. S. Yusuf****<br>3. Jeffrey Kairupan<br>4. Sri Widowati<br>5. David Richard Thomas | 1. Tigor M. Siahaan<br>2. Vera Handajani<br>3. John Simon<br>4. Lani Darmawan<br>5. Fransiska Oei<br>6. Pandji P. Djajanegara<br>7. Lee Kai Kwong | 1. 2021 RBB (1 <sup>st</sup> Draft for Discussion)<br>2. Update on Bank Recovery Plan<br>3. Update on Taxation<br>4. Risk Appetite Statement as of October 2020<br>5. Update on COVID-19<br>6. Progress of Digital Transformation   |

\*) Resigned as President Commissioner effective as of 9 March 2020

\*\*) Term of office ended on the closing of AGM on 9 April 2020

\*\*\*) Appointed as the President Commissioner in the AGM on 9 April 2020 and effective as of 7 July 2020

\*\*\*\*) Resigned as Director on 21 February 2020 and effective on the closing of the AGM on 9 April 2020

\*\*\*\*\*) Appointed as Vice President Commissioner (Independent) in the AGM on 9 April 2020 and effective as of 16 September 2020

## FREQUENCY AND ATTENDANCE AT THE BOARD OF COMMISSIONERS' MEETING IN 2020

| No | Name                   | Meetings of Board of Commissioners |                    |                            | Joint Meetings of Board of Commissioners with the Board of Directors |                    |                            |
|----|------------------------|------------------------------------|--------------------|----------------------------|--|--------------------|----------------------------|
|    |                        | Attendance Frequency               | Rate of Attendance | Average Rate of Attendance | Attendance Frequency   | Rate of Attendance | Average Rate of Attendance |
| 1  | Didi Syafruddin Yahya* | 8/8                                | 100%               | 100%                       | 4/4  | 100%               | 100%                       |
| 2  | Glenn M. S. Yusuf**    | 3/3                                | 100%               |                            | 1/1  | 100%               |                            |
| 3  | Jeffrey Kairupan       | 8/8                                | 100%               |                            | 4/4  | 100%               |                            |
| 4  | Sri Widowati           | 8/8                                | 100%               |                            | 4/4  | 100%               |                            |
| 5  | David Richard Thomas   | 8/8                                | 100%               |                            | 4/4  | 100%               |                            |

\*) Appointed as the President Commissioner in the AGM on 9 April 2020 and effective as of 7 July 2020

\*\*) Appointed as Vice President Commissioner (Independent) in the AGM on 9 April 2020 and effective as of 16 September 2020

## PROVISIONS FOR BOARD OF DIRECTORS' MEETING AND JOINT MEETING OF BOARD OF DIRECTORS WITH BOARD OF COMMISSIONERS

- The Board of Directors must prepare a schedule for the Board of Directors and the Board of Directors meetings by inviting the Board of Commissioners (Joint meeting of the Board of Directors with the Board of Commissioners) for the following year before the end of the fiscal year, and uploaded in the Bank's website.
- Meetings of the Board of Directors are held periodically at least 1 (one) time a month or at any time if deemed necessary, or as a whole at least 12 (twelve) times a year. The Board of Directors meeting may be proposed by 1 (one) or more members of the Board of Directors or based on written request of the Board of Commissioners,
- or based on written request from 1 (one) or more shareholders who collectively representing 1/10 (one-tenth) or more of the total number of shares with valid voting rights issued by the Bank.
- The Board of Directors must hold a Board of Directors meeting by inviting the Board of Commissioners (Joint meeting of the Board of Directors with the Board of Commissioners) periodically at least 1 (one) time in 4 (four) months or 3 (three) times a year.
- Meetings of the Board of Directors can be held by physical presence or by the use of teleconference, telepresence or through other electronic media.
- The minimum annual attendance of the meeting is at least 75% (seventy-five percent) which among others must be attended by all members of the Board of Directors.



6. Every policy and strategic decision must be decided through a Board of Directors meeting by taking into account the provisions of the AD and the applicable laws and regulations.
  7. Invitations and meeting materials must be submitted to meeting participants in accordance with applicable regulations.
  8. In the event that a meeting is held outside the schedule that has been prepared as referred to above, the meeting material is delivered to the meeting participants at least before the meeting is held.
  9. The Board of Directors Meeting is led by the President Director, in the event the President Director is vacant or absent or unable to attend, where it is not necessary to be proven to the third party, the Board of Directors meeting will be led by the Vice President Director or a member of the Board of Directors present and elected by the Directors present in a meeting.
  10. The Board of Directors Meeting is lawful and entitled to take legal and binding decisions if attended/represented by more than 2/3 (two thirds) of the total members of the Board of Directors.
  11. Decisions making in the Board of Directors' Meeting is conducted based on deliberation to reach consensus. In the event that consensus is not reached, then the decision is taken by voting based on a vote of "agree" at least 2/3 (two-thirds) of the total members of the Board of Directors present at the meeting.
  12. Each member of the Board of Directors present shall be entitled to cast 1 (one) vote and an additional 1 (one) vote for each other member of the Board of Directors he she represents.
  13. A member of the Board of Directors may only be represented by another member of the Board of Directors based on a special Power of Attorney made for the purpose of the meeting, provided that the physical absence:
    - a. Can be calculated in the frequency of physical attendance at meetings of the Board of Directors of the Bank;
    - b. Invalidate the right to vote in decision-making according to the power granted so that the voting rights are taken into account in the meeting minutes.
  14. Members of the Board of Directors who are unable to attend the Board of Directors' meeting must submit the reasons for their absence to the President Director through the Corporate Secretary.
  15. Decisions can be taken through meetings or outside meetings, which is through the circular of the Board of Directors or other acknowledged media, provided that all members of the Board of Directors are required to sign the circular or media concerned.
  16. The Board of Directors meeting is attended by the Corporate Secretary, and by other parties either internal or external parties of the Bank, if deemed necessary by the Board of Directors and is related to the agenda of the meeting.
  17. Minutes of meetings are prepared and administered by the Corporate Secretary and if the Corporate Secretary is concurrently held by one of the Directors, then minutes of the meeting can be made by Corporate Affairs.
  18. Minutes of Board of Directors' meetings must be signed by all members of the Board of Directors present at the meeting and distributed to all members of the Board of Directors.
  19. Minutes of the Board of Directors' meeting disclose the attendance of each member of the Board of Directors whether physically, teleconference or telepresence.
  20. In the event that a Board of Directors meeting is conducted through teleconference, telepresence, or through other electronic media, then it must be followed up with the making of minutes of meetings signed by all members of the Board of Directors present.
  21. Minutes of Board of Directors 'meeting is the valid evidence for members of the Board of Directors and third parties regarding decisions taken at Directors' meetings.
  22. If there are dissenting opinions that occur in a Board of Directors meeting, it must be clearly stated in the minutes of the meeting along with the reasons for the dissenting opinion.
  23. The decision of the Board of Directors meeting by inviting the Board of Commissioners must be stated in the minutes of the meeting, signed by all members of the Board of Directors and the Board of Commissioners present, and submitted to all members of the Board of Directors and the Board of Commissioners and the Corporate Secretary.
  24. In the event that there are members of the Board of Directors and/or members of the Board of Commissioners who have not signed the minutes of the meeting above, the relevant party must state the reasons in writing in a separate letter attached to the minutes of the meeting.
  25. Directors may also adopt valid and binding decisions without holding a Board of Directors meeting, provided that all members of the Board of Directors incumbent give their approval by signing the decision letter containing the relevant proposal (Circular Decision).
  26. Circular Decisions have the same power as decisions taken legally at a Board of Directors meeting.
- During 2020, due to COVID-19 and the implementation of Work From Home (WFH), most of the Board of Directors' meetings and joint meetings of the Board of Directors with the Board of Commissioners were held virtually.

The schedule of the Board of Directors' meeting and the Board of Directors meeting by inviting the Board of Commissioners (joint meeting of the Board of Directors with the Board of Commissioners) for 2020 was scheduled at the end of 2019 and uploaded to the Bank's website.

## AGENDA OF THE MEETINGS OF THE BOARD OF DIRECTORS IN 2020

The meetings of the Board of Directors were originally scheduled to be held at the Kalimantan Meeting Room on the 14<sup>th</sup> Floor of Graha CIMB Niaga, Jl. Jend. Sudirman Kav 58, Jakarta. However, since the implementation of the Work From Home (WFH) policy due to the COVID-19, the Meetings of the Board of Directors throughout the period 17 March – 31 December 2020 were held through telepresence (video conference). The agendas discussed in the meetings throughout 2020 were as follows:

| No | Date             | Agenda  | Attendees   |
|----|------------------|---|---|
| 1  | 7 January 2020   | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meetings on 10 December 2019, 13 December 2019 and 17 December 2019</li> <li>Plan for the 2021 Annual General Meeting of Shareholders (AGM) of CIMB Niaga</li> <li>Consolidated Financial Performance as of December 2019</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Rahardja Alimhamzah**</li> <li>Lee Kai Kwong</li> </ol>  |
| 2  | 22 January 2020  | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 7 January 2020</li> <li>CIMB Niaga Year-end Audit Results as of 31 December 2019</li> <li>Risk Profile Q4/2019, Risk-Based Bank Rating (RBBR) H2/2019, and Integrated Risk Profile H2/2019</li> <li>Realization and Supervisory Report of the 2019 Bank Business Plan (RBB) Revision and the 2020 RBB Presentation</li> <li>Subsidiary Corporate Action</li> <li>HR Update on LoG Mobile and MPP</li> <li>Data Governance Monthly Report</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Hedy Lopian*</li> <li>Pandji P. Djajanegara</li> <li>Rahardja Alimhamzah**</li> <li>Lee Kai Kwong</li> </ol> |
| 3  | 4 February 2020  | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 22 January 2020 and the Minutes of Joint Meeting of the Board of Directors with the Board of Commissioners on 28 January 2020</li> <li>Recovery Plan Updates</li> <li>Cybersecurity Threat &amp; Capability Review</li> <li>Issuance Proposal of the Shelf Registration Sukuk Mudharabah &amp; the Sustainability/Green Sukuk</li> <li>2019 Learning Budget Realization</li> <li>The Indonesian National Work Competency System (SKKNI) and the Payment and Management System of Rupiah Currency (SPPUR)</li> <li>Update on the Impact of Flood, Evacuation and Insurance</li> <li>Transformation Updates</li> <li>Other</li> </ol> | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Hedy Lopian*</li> <li>Pandji P. Djajanegara</li> <li>Rahardja Alimhamzah**</li> <li>Lee Kai Kwong</li> </ol> |
| 4  | 18 February 2020 | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 4 February 2020</li> <li>Executive Committee (EXCO) Performance and Strategy</li> <li>Approval on External Auditor for the 2020 Financial Year</li> <li>Corporate PD Model PSAK 71</li> <li>Subsidiary Corporate Action Updates</li> <li>TSO Organisation Structure</li> <li>Data Management Monthly Update</li> <li>Corona Virus (COVID-19) Alert Level &amp; Responses</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Hedy Lopian*</li> <li>Pandji Djajanegara</li> <li>Rahardja Alimhamzah**</li> <li>Lee Kai Kwong</li> </ol>    |



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| No | Date             | Agenda  | Attendees   |
|----|------------------|---|---|
| 5  | 25 February 2020 | <ol style="list-style-type: none"> <li>2020 Orion Project</li> <li>Plan for Dividend Payment FY 2019</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Hedy Lopian*</li> <li>Pandji P. Djajanegara</li> <li>Rahardja Alimhamzah**</li> <li>Lee Kai Kwong</li> </ol> |
| 6  | 3 March 2020     | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 18 February 2020</li> <li>HR Matrix Showcase using Tableau</li> <li>COC + Callback Centralizations &amp; COE RPA</li> <li>Business Continuity Management Update</li> <li>Family Day at Makassar on 7 March 2020</li> <li>SPAPM Sub-Directorate Project Updates</li> <li>BCG Transformation Updates</li> </ol>                                   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Hedy Lopian*</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol>  |
| 7  | 10 March 2020    | <ol style="list-style-type: none"> <li>AML &amp; Compliance Updates</li> <li>Consolidated Financial Performance as of February 2020</li> <li>1 Platform Updates – Tax Management</li> <li>SPAPM Sub-Directorate Updates – Readiness of Thermal Scanner and Space for Split Office</li> <li>Other</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol>  |
| 8  | 17 March 2020    | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 3 March 2020</li> <li>2020 Performance Framework &amp; Work From Home</li> <li>Summary of Internal Audit Findings as of February 2020</li> <li>Data Management Montly Update</li> <li>Transformation Project Updates</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Hedy Lopian*</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol>                                |
| 9  | 31 March 2020    | <ol style="list-style-type: none"> <li>Update on CCAL Directorate – Anti-Corruption Policy &amp; Integrity Pact</li> <li>2020 Additional Capital for Sharia Business Unit</li> <li>Credit Restructuring Program (COVID-19 Impacts)</li> <li>COVID-19 Handling Updates (Business Continuity Management)</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Hedy Lopian*</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol>                                |
| 10 | 7 April 2020     | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 17 March 2020</li> <li>Consolidated Financial Performance as of March 2020</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Hedy Lopian*</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol>                                |
| 11 | 21 April 2020    | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of the Board of Directors Meetings on 31 March 2020 &amp; 7 April 2020 and the Minutes of Joint Meeting of the Board of Directors with the Board of Commissioners on 9 April 2020</li> <li>1Q 2020 Internal Audit Results</li> <li>RBB Realization Reports - 1<sup>st</sup> Quarter 2020</li> <li>2020 Performance Framework</li> <li>Data Management Monthly Updates</li> </ol> | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol>  |

| No | Date         | Agenda  | Attendees  |
|----|--------------|---|--|
| 12 | 5 May 2020   | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 21 April 2020</li> <li>Internal Audit Results as of April 2020</li> <li>2020 Risk Appetite Statements</li> <li>3D Training Program (Digital, Data, Design)</li> <li>R&amp;R COVID-19: Legal Documentation Review</li> <li>F23 Transformation: Identifying future opportunities in the new normal era</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 13 | 13 May 2020  | <ol style="list-style-type: none"> <li>Consolidated Financial Performance as of April 2020</li> <li>2020 RBB Revision</li> <li>Shelf Registration Sukuk Issuance (Green Sukuk)</li> <li>Proposed Activities during Idul Fitri Holidays 2020</li> <li>Comparison between PC Desktops &amp; Notebook</li> <li>Update on the Impact of COVID-19 on All Credit Lines</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 14 | 19 May 2020  | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 5 May 2020</li> <li>Activities in Branch Network during Idul Fitri Holiday 2020</li> <li>Budget for Staff Disaster Relief Due to COVID-19</li> <li>Data Management Monthly Updates</li> <li>Transformation Update – Sales Force Tools (SFT) Demo</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 15 | 2 June 2020  | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meetings on 12 May 2020 &amp; 19 May 2020</li> <li>2020 Mid-Year Senior Leaders Meeting (SLM)</li> <li>Transformation Project Updates: SME Credit</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 16 | 9 June 2020  | <ol style="list-style-type: none"> <li>Consolidated Financial Performance as of May 2020</li> <li>Business Continuity Management: COVID-19 Updates</li> <li>Management Stress Test</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 17 | 16 June 2020 | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 2 June 2020</li> <li>Internal Audit Results as of May 2020</li> <li>2020 RBB Revision (Final)</li> <li>Data Management Monthly Updates</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 18 | 30 June 2020 | <ol style="list-style-type: none"> <li>Follow-up of Senior Leader Meeting (SLM)</li> <li>Other</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 19 | 2 July 2020  | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meetings on 9 June 2020 &amp; 16 June 2020</li> <li>Consolidated Financial Performance as of May 2020 (1<sup>st</sup> Cut)</li> <li>Value Driver</li> <li>Sharia Non Compliance Risk</li> <li>Transformation Project Updates</li> <li>Other</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 20 | 21 July 2020 | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meetings on 30 June 2020 &amp; 7 July 2020</li> <li>Q2 2020 Internal Audit Summary Update &amp; 3Q 2020 Audit Plan</li> <li>Report of Realization and Oversight of RBB Amendment 2<sup>nd</sup> Quarter 2020</li> <li>Data Management Monthly Updates</li> <li>Proposal on Additional Budget of Disaster Relief for Affected Staffs &amp; Other Updates from SPAPM Sub-Directorate</li> <li>Update on TSO &amp; Transformation Project</li> <li>Other (Plan for EGM &amp; Procedures for Providing Interest Subsidies for SME loans in order to the Implementation of National Economic Recovery Program)</li> </ol> | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |



Performance Highlights



Management Reports



Company Profile



Management Discussion and Analysis



Risk Management

| No | Date              | Agenda   | Attendees  |
|----|-------------------|--|--|
| 21 | 4 August 2020     | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 21 July 2020</li> <li>SME Business Strategy</li> <li>HR Updates (COVID-19, 2020 Collective Leave &amp; Nomenclature)</li> <li>2020 Sharia Survey</li> <li>Transformation Project Updates (Consumer &amp; SME Banking)</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 22 | 11 August 2020    | <ol style="list-style-type: none"> <li>Application to Convert a Giro Account to a Sharia Account without Changing the Account Number</li> <li>Data Management Monthly Updates</li> <li>Consolidated Financial Performance as of July 2020</li> <li>Proposed Forward-24 (F24)</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 23 | 18 August 2020    | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 4 August 2020 and the Minutes of Joint Meeting of the Board of Directors with the Board of Commissioners on 24 July 2020.</li> <li>Internal Audit Results Updates as of July 2020 &amp; 2020 Mid-year Audit Plan</li> <li>External Quality Assurance Review Services for Internal Audit Function</li> <li>Audit Plan by PWC for the Financial Year Ending on 31 December 2020</li> <li>Orion Project Updates</li> <li>New Performance Management Framework</li> <li>Other</li> </ol> | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 24 | 25 August 2020    | <ol style="list-style-type: none"> <li>1H 2020 Compliance Director Updates</li> <li>Q2 2020 Banks Benchmarking</li> <li>Other</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 25 | 1 September 2020  | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meetings on 11 August 2020 &amp; 18 August 2020</li> <li>1 Platform (1P) Settlement- Tax Management</li> <li>Callback Process Improvement</li> <li>SPAPM Sub-Directorate Initiatives</li> <li>HR Application - Your Own Digital Assistant (Y.O.D.A)</li> <li>Plan for 65 Year Celebration of CIMB Niaga</li> <li>Other</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 26 | 8 September 2020  | <ol style="list-style-type: none"> <li>Consolidated Financial Performance as of August 2020</li> <li>BMC Competency Survey Results &amp; Talent Management Updates</li> <li>UUS Spin-off Plan Update</li> <li>Subsidiary Updates - CIMB Niaga Sekuritas (CNS)</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 27 | 15 September 2020 | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meetings on 25 August 2020 and 1 September 2020</li> <li>Internal Audit Summary as of August 2020 and 2Q 2020 Data Analysis Results</li> <li>Flexible Working Arrangement</li> <li>Sustainability Updates to BMC</li> <li>Data Management Monthly Updates</li> <li>Special Asset Management Updates</li> <li>Other</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |
| 28 | 22 September 2020 | <ol style="list-style-type: none"> <li>CNAF 2024 Strategic Plan</li> <li>Transformation Project Updates</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol>                     |
| 29 | 29 September 2020 | <ol style="list-style-type: none"> <li>Regulatory Compliance Management System (RECOM)</li> <li>Other</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol> |

| No | Date             | Agenda   | Attendees   |
|----|------------------|--|---|
| 30 | 6 October 2020   | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meetings on 8 September 2020 and 15 September 2020</li> <li>Consolidated Financial Performance (1<sup>st</sup> Cut) as of September 2020</li> <li>Transformation Project Updates</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol>                            |
| 31 | 13 October 2020  | <ol style="list-style-type: none"> <li>Risk Management Updates (2021 Risk Posture &amp; 2021 Management Stress Test)</li> <li>Tax Management Updates</li> <li>Data Management Monthly Updates</li> <li>OJK Exit Meeting Preparation</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol>                            |
| 32 | 20 Oktober 2020  | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meetings on 22 September 2020, 29 September 2020 and 6 October 2020</li> <li>Internal Audit Results Summary as of September 2020</li> <li>Recovery Plan Updates</li> <li>Q3 2020 RBB Realization and 2021 RBB</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Pandji P. Djajanegara</li> <li>Lee Kai Kwong</li> </ol>                            |
| 33 | 3 November 2020  | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meetings on 13 October 2020 and 20 October 2020</li> <li>Update on Loan Workout, Legal Risk &amp; Business Law</li> <li>Future Proof Organization</li> <li>Forward Ways of Working</li> <li>2020 IT Capex &amp; Forecast Updates</li> <li>Other</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Lee Kai Kwong</li> <li>John Simon</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Pandji P. Djajanegara</li> <li>Fransiska Oei</li> <li>Tjioe Mei Tjue***</li> </ol> |
| 34 | 10 November 2020 | <ol style="list-style-type: none"> <li>Consolidated Financial Performance as of October 2020</li> <li>Tax Management Updates</li> <li>Other</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Lee Kai Kwong</li> <li>John Simon</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Pandji P. Djajanegara</li> <li>Fransiska Oei</li> <li>Tjioe Mei Tjue***</li> </ol> |
| 35 | 17 November 2020 | <ol style="list-style-type: none"> <li>Internal Audit Results Summary as of October 2020 and 2021 Audit Plan</li> <li>Realization of the 2020 Sustainable Finance (SF) Action Plan (RAKB) and 2021 SF Action Plan</li> <li>Blanket Approval on Physical Records</li> <li>2020 Sharia Sustainability Development Goals (SDGs) Initiatives</li> <li>2021 RBB, Business Plan F23+ &amp; 2020 IT Capex</li> </ol>  | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Lee Kai Kwong</li> <li>John Simon</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Pandji P. Djajanegara</li> <li>Fransiska Oei</li> <li>Tjioe Mei Tjue***</li> </ol> |
| 36 | 1 December 2020  | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meetings on 10 November 2020 and 17 November 2020</li> <li>Subsidiary Updates (CNS)</li> <li>Forward Ways of Working Strategy Implementation</li> <li>HR Updates – Impact of the 2020 Omnibus Law</li> <li>New way of Learning: Virtual Reality (VR) Program</li> <li>2021 CAR Target &amp; Capital Triggers</li> <li>Transformation Year-end Review</li> <li>Others</li> </ol> | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Lee Kai Kwong</li> <li>John Simon</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Pandji P. Djajanegara</li> <li>Fransiska Oei</li> <li>Tjioe Mei Tjue***</li> </ol> |
| 37 | 8 December 2020  | <ol style="list-style-type: none"> <li>Internal Audit Results Summary as of November 2020</li> <li>Consolidated Financial Performance as of November 2020</li> <li>External Audit Updates for Financial Year Ending on 31 December 2020</li> <li>Discussion of Plan for Year-end 2020 Thanksgiving</li> <li>Other</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Lee Kai Kwong</li> <li>John Simon</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Pandji P. Djajanegara</li> <li>Fransiska Oei</li> <li>Tjioe Mei Tjue***</li> </ol> |





Performance Highlights



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Company Profile



Management Discussion and Analysis



Risk Management

| No | Date             | Agenda  | Attendees   |
|----|------------------|---|---|
| 38 | 15 December 2020 | <ol style="list-style-type: none"> <li>Confirmation on the Minutes of Board of Directors Meeting on 1 December 2020</li> <li>Updates on Sub Directorate Operational Accounting Financial System &amp; Accounting Control Group</li> <li>2021 CIMB Niaga &amp; Directorate Scorecards</li> <li>Fitch Rating 2021 Outlook</li> <li>2021 Risk Posture: Budget Validation (Non Retail)</li> <li>e-PRIME Update: Switching Process from Manual to Digital</li> </ol> | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Lee Kai Kwong</li> <li>John Simon</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Pandji P. Djajanegara</li> <li>Fransiska Oei</li> <li>Tjioe Mei Tjue***</li> </ol> |
| 39 | 22 December 2020 | <ol style="list-style-type: none"> <li>2021 AGM Plan</li> <li>2021 CIMB Niaga &amp; Directorate Scorecards</li> </ol>   | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Lee Kai Kwong</li> <li>John Simon</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Pandji P. Djajanegara</li> <li>Fransiska Oei</li> <li>Tjioe Mei Tjue***</li> </ol> |

<sup>\*)</sup> Term of office as Director ended as of the closing of AGM on 9 April 2020

<sup>\*\*)</sup> Resigned as Director on 21 February 2020 and effective on the closing of AGM on 9 April 2020

<sup>\*\*\*)</sup> Appointed as Director in the AGM on 9 April 2020 and effective as of 3 November 2020

## AGENDA OF JOINT MEETINGS OF THE BOARD OF DIRECTORS WITH THE BOARD OF COMMISSIONERS IN 2020

| No | Date            | Board of Directors Attendance  | Board of Commissioners Attendance   | Agenda  |
|----|-----------------|--|---|---|
| 1  | 28 January 2020 | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Hedy Lapian*</li> <li>Pandji P. Djajanegara</li> <li>Rahardja Alimhamzah**</li> </ol> | <ol style="list-style-type: none"> <li>Tengku Dato' Sri Zafrul Tengku Abdul Aziz***</li> <li>Zulkifli M. Ali*</li> <li>Pri Notowidigdo*</li> <li>Jeffrey Kairupan</li> <li>David Richard Thomas</li> <li>Didi Syafruddin Yahya****</li> <li>Sri Widowati</li> </ol> | <ol style="list-style-type: none"> <li>Message from the President Director</li> <li>Consolidated Financial Performance as of December 2019</li> </ol>                   |
| 2  | 9 April 2020    | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Rita Mas'Oen*</li> <li>Megawati Sutanto*</li> <li>Vera Handajani</li> <li>John Simon</li> <li>Lani Darmawan</li> <li>Fransiska Oei</li> <li>Hedy Lapian*</li> <li>Pandji Djajanegara</li> <li>Lee Kai Kwong</li> </ol>            | <ol style="list-style-type: none"> <li>Zulkifli M. Ali*</li> <li>Pri Notowidigdo*</li> <li>Jeffrey Kairupan</li> <li>David Richard Thomas</li> <li>Didi Syafruddin Yahya****</li> <li>Sri Widowati</li> </ol>   | <ol style="list-style-type: none"> <li>Message from the President Director</li> <li>Consolidated Financial Performance as of March 2020 (1<sup>st</sup> Cut)</li> </ol> |
| 3  | 24 July 2020    | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Lee Kai Kwong</li> <li>John Simon</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Pandji P. Djajanegara</li> <li>Fransiska Oei</li> </ol>   | <ol style="list-style-type: none"> <li>Didi Syafruddin Yahya****</li> <li>Glenn M. S. Yusuf*****</li> <li>Jeffrey Kairupan</li> <li>David Richard Thomas</li> <li>Sri Widowati</li> </ol>   | <ol style="list-style-type: none"> <li>Message from the President Director</li> <li>Consolidated Financial Performance as of June 2020</li> </ol>                       |
| 4  | 27 October 2020 | <ol style="list-style-type: none"> <li>Tigor M. Siahaan</li> <li>Lee Kai Kwong</li> <li>John Simon</li> <li>Vera Handajani</li> <li>Lani Darmawan</li> <li>Pandji P. Djajanegara</li> <li>Fransiska Oei</li> </ol>   | <ol style="list-style-type: none"> <li>Didi Syafruddin Yahya****</li> <li>Glenn M. S. Yusuf*****</li> <li>Jeffrey Kairupan</li> <li>David Richard Thomas</li> <li>Sri Widowati</li> </ol>   | <ol style="list-style-type: none"> <li>Message from the President Director</li> <li>Consolidated Financial Performance as of September 2020</li> </ol>                  |

<sup>\*)</sup> Term of office ended as of the closing of AGM on 9 April 2020

<sup>\*\*) Resigned as Director on 21 February 2020 and effective as of the closing of AGM on 9 April 2020</sup>

<sup>\*\*\*)</sup> Resigned as President Commissioner effective as of 9 March 2020

<sup>\*\*\*\*)</sup> Appointed as President Commissioner in the AGM on 9 April 2020 and effective as of 7 July 2020

<sup>\*\*\*\*\*)</sup> Appointed as Vice President Commissioner (Independent) in the AGM on 9 April 2020 and effective as of 16 September 2020

## FREQUENCY AND ATTENDANCES AT THE BOARD OF DIRECTORS' MEETINGS IN 2020

| No | Name                  | Meetings of Board of Directors |                    |                            | Joint Meetings of the Board of Directors with the Board of Commissioners |                    |                            |
|----|-----------------------|--------------------------------|--------------------|----------------------------|--|--------------------|----------------------------|
|    |                       | Attendance Frequency           | Rate of Attendance | Average Rate of Attendance | Attendance Frequency   | Rate of Attendance | Average Rate of Attendance |
| 1  | Tigor M. Siahaan      | 39/39                          | 100%               | 99%                        | 4/4  | 100%               | 96%                        |
| 2  | Lee Kai Kwong         | 39/39                          | 100%               |                            | 3/4  | 75%                |                            |
| 3  | John Simon            | 37/39                          | 95%                |                            | 4/4  | 100%               |                            |
| 4  | Vera Handajani        | 39/39                          | 100%               |                            | 4/4  | 100%               |                            |
| 5  | Lani Darmawan         | 39/39                          | 100%               |                            | 4/4  | 100%               |                            |
| 6  | Pandji P. Djajanegara | 39/39                          | 100%               |                            | 4/4  | 100%               |                            |
| 7  | Fransiska Oei         | 39/39                          | 100%               |                            | 4/4  | 100%               |                            |
| 8  | Tjioe Mei Tjuen*      | 7/7                            | 100%               |                            | -  | -                  |                            |

\*1 Appointed as Director in the AGM on 9 April 2020 and effective as of 3 November 2020

## ULTIMATE AND CONTROLLING SHAREHOLDER

Disclosure of information on the Ultimate and Controlling Shareholder is presented in the Company Profile section of this Annual Report.

## AFFILIATION AMONG MEMBERS OF THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND THE CONTROLLING SHAREHOLDER

The majority members of the Bank's Board of Commissioners and Board of Directors have no affiliation, either familial or financial relationship, with fellow members of the Board of Commissioners, the Board of Directors and the Controlling Shareholder. However, 50% (fifty percent) of the Non-Independent Commissioners on the Bank's Board of Commissioners have financial relationships with the Bank's Controlling Shareholder. The entire affiliations remain comply with the applicable regulations. Members of the Board of Commissioners and the Board of Directors of CIMB Niaga have the integrity and independence, and are free of any conflict of interest that may impair their ability to carry out their duties in a professional and objective manner.

The affiliation criteria among members of the Board of Commissioners, Board of Directors and the Controlling Shareholder include:

1. Affiliated relationships between a member of the Board of Directors with other members of the Board of Directors;
2. Affiliated relationships between a member of the Board of Directors with members of the Board of Commissioners;
3. Affiliated relationships between a member of the Board of Directors with the Ultimate and/or Controlling Shareholder;
4. Affiliated relationships between a member of the Board of Commissioners with other members of the Board of Commissioners; and
5. Affiliated relationships between a member of the Board of Commissioners with the Ultimate and/or Controlling Shareholder.

## BOARD OF COMMISSIONERS

### AFFILIATED RELATIONSHIPS WITH MEMBERS OF THE BOARD OF DIRECTORS, FELLOW MEMBERS OF THE BOARD OF COMMISSIONERS AND THE CONTROLLING SHAREHOLDER

| Name                       | Position                                  | Family Relationship with |    |                    |    |                         |    | Financial Relationship with |    |                    |    |                         |    |
|----------------------------|---|--------------------------|----|--------------------|----|-------------------------|----|-----------------------------|----|--------------------|----|-------------------------|----|
|                            |   | Board of Commissioners   |    | Board of Directors |    | Controlling Shareholder |    | Board of Commissioners      |    | Board of Directors |    | Controlling Shareholder |    |
|                            |   | Yes                      | No | Yes                | No | Yes                     | No | Yes                         | No | Yes                | No | Yes                     | No |
| Didi Syafruddin Yahya      | President Commissioner                    | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | √                       | -  |
| Glenn M. S. Yusuf          | Vice President Commissioner (Independent) | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |
| Jeffrey Kairupan           | Independent Commissioner*                 | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |
| Sri Widowati               | Independent Commissioner                  | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |
| Dato' Abdul Rahman Ahmad** | Commissioner                              | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | √                       | -  |
| David Richard Thomas       | Commissioner                              | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | √                       | -  |

\* Appointed as Senior Independent Commissioner through the Circular Resolutions of the Board of Commissioners of CIMB Niaga No. 014/DEKOM/KP/VI/2019 as of 28 June 2019

\*\* Appointed at the EGM on 25 September 2020 and effective upon obtaining OJK approval and/or fulfilled the requirements as determined in the OJK approval

## BOARD OF DIRECTORS

### AFFILIATED RELATIONSHIPS WITH FELLOW MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF THE BOARD OF COMMISSIONERS AND THE CONTROLLING SHAREHOLDER

| Name                  | Position                                       | Family Relationship with |    |                    |    |                         |    | Financial Relationship with |    |                    |    |                         |    |
|-----------------------|--|--------------------------|----|--------------------|----|-------------------------|----|-----------------------------|----|--------------------|----|-------------------------|----|
|                       |  | Board of Commissioners   |    | Board of Directors |    | Controlling Shareholder |    | Board of Commissioners      |    | Board of Directors |    | Controlling Shareholder |    |
|                       |  | Yes                      | No | Yes                | No | Yes                     | No | Yes                         | No | Yes                | No | Yes                     | No |
| Tigor M. Siahaan      | President Director                             | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |
| Lee Kai Kwong         | Strategy, Finance & SPAPM Director             | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |
| John Simon            | Treasury & Capital Market Director             | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |
| Vera Handajani        | Risk Management Director                       | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |
| Lani Darmawan         | Consumer Banking Director                      | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |
| Pandji P. Djajanegara | Sharia Banking Director                        | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |
| Fransiska Oei         | Compliance, Corporate Affairs & Legal Director | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |
| Tjioe Mei Tjuen*      | Operations & Information Technology Director   | -                        | √  | -                  | √  | -                       | √  | -                           | √  | -                  | √  | -                       | √  |

\* Appointed as Director at the AGM on 9 April 2020 and effective as of 3 November 2020

## COMMITTEES UNDER THE BOARD OF COMMISSIONERS

In carrying out its supervision duties, the Board of Commissioners is assisted by Committees under the Board of Commissioners, which consist of:

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

All of the committees under the Board of Commissioners are chaired by an Independent Commissioner who has

no financial, management, share ownership and/or family relationship with other members of the Board of Commissioners, the Board of Directors and/or the Controlling Shareholders, or other forms of relationship with the Bank that may affect their independence. The implementation of the duties and responsibilities of committees under the Board of Commissioners refers to the respective Committee's Charter, which is based on the prevailing regulations in Indonesia as well as best practices that are reviewed periodically.

### AUDIT COMMITTEE

The Audit Committee is tasked with the duties and responsibilities of assisting the Board of Commissioners in reviewing and clarifying financial information, the selection, appointment and supervision of the independent auditors, evaluating the effectiveness of the internal audit function and internal control mechanism. The Audit Committee also supervises CIMB Niaga's compliance with prevailing laws and regulations.

#### LEGAL BASIS

The Audit Committee was established based on the following regulations:

1. Otoritas Jasa Keuangan (OJK) Regulations and OJK Circular Letters concerning Implementation of Corporate Governance in Commercial Banks, Establishment and Working Guidelines of Audit Committee, Implementation of Internal Audit Function in Commercial Banks, Board of Directors and Board of Commissioners of Issuers or Public Company, Compliance Function of Commercial Banks, Anti-Fraud Strategy of Commercial Banks, Public Accountant and Public Accounting Firm Services in Financial Services Activities, as well as Affiliated Transactions and Conflict of Interest for Certain Transactions.
2. CIMB Niaga's Articles of Association concerning the Board of Commissioners duties and authorities.
3. International Professional Practices Framework from the Institute of Internal Auditors.
4. The Bank's Corporate Policy Manual.

#### AUDIT COMMITTEE CHARTER

The Audit Committee has a working guidelines in the form of the Audit Committee Charter, which regulates the following:

1. Objective
2. Composition, structure, tenure and membership
3. Membership requirements
4. Duties and responsibilities
5. Authority
6. Guidelines, procedures and conduct of meetings
7. Reporting
8. Handling complaints or reports in connection with suspected violations related to financial reports
9. Work ethics and working hours

Periodically, the Audit Committee Charter is reviewed and updated to comply with prevailing regulations and Bank's requirements. The Audit Committee Charter was last updated on 29 May 2019 and has been uploaded to CIMB Niaga's website.

#### TERM OF OFFICE

According to prevailing regulation, the term of office of the Audit Committee shall not be longer than the term of office of the Board of Commissioners in accordance with POJK No. 55/POJK.04/2015 and the Audit Committee Charter, and can be re-elected for only one subsequent period. The term of office of Committee members appointed in the middle of the term of office of the Board of Commissioners shall end at the same time as the term of office of the Board of Commissioners.

## AUDIT COMMITTEE MEMBERSHIP NUMBER, STRUCTURE AND COMPOSITION

In 2020, CIMB Niaga's Audit Committee has 3 (three) members consisting of 1 (one) chairman and concurrently member who is also an Independent Commissioner, and 2 (two) non-Commissioner members from independent party with competence and qualifications in banking accounting and finance. The membership number, structure and composition as well as independence of all members of the Audit Committee have met the applicable requirements as stipulated in the Audit Committee Charter.

### AUDIT COMMITTEE MEMBERSHIP IN 2020

#### January – April 2020

| No | Name                    | Position in Bank         | Position in Committee | Term of Office |
|----|-------------------------|--------------------------|-----------------------|----------------|
| 1  | Jeffrey Kairupan        | Independent Commissioner | Chairman              | 2016 - 2020    |
| 2  | Zulkifli M. Ali*        | Independent Commissioner | Member                | 2016 - 2020    |
| 3  | Mawar I. R. Napitupulu* | Independent Party        | Member                | 2016 - 2020    |
| 4  | Yap Tjay Soen*          | Independent Party        | Member                | 2016 - 2020    |

\* The term of office as Audit Committee Member ended effectively on the closing of the AGM on 9 April 2020

#### April - December 2020

| No | Name                   | Position in Bank         | Position in Committee | Term of Office |
|----|------------------------|--------------------------|-----------------------|----------------|
| 1  | Jeffrey Kairupan       | Independent Commissioner | Chairman              | 2020 – 2024    |
| 2  | Endang Kussulanjari S* | Independent Party        | Member                | 2020 – 2024    |
| 3  | Ronald T.A. Kassim**   | Independent Party        | Member                | 2020 – 2024    |

\* Appointed as Audit Committee Member effectively since the closing of the AGM on 9 April 2020

\*\* Appointed as Audit Committee Member effectively as of 20 April 2020

## PROFILES OF AUDIT COMMITTEE MEMBERS



### JEFFREY KAIRUPAN AUDIT COMMITTEE CHAIRMAN

First appointed as Chairman of the Audit Committee on 1 January 2019 and subsequently re-appointed to the same position on 9 April 2020, concurrently serves as Chairman of the Integrated Governance Committee.

He is currently also serves as an Independent Commissioner of the Bank.

His complete profile is presented in the Board of Commissioners' Profiles

#### Legal Basis for Appointment as Audit Committee Chairman

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 008/DEKOM/KP/IV/2020 dated 9 April 2020;
- Circular Resolution of the Board of Directors No. 003/SIR/DIR/IV/2020 dated 20 April 2020.



### ENDANG KUSSLANJARI S. AUDIT COMMITTEE MEMBER

Appointed as Member of the Audit Committee effective as of 9 April 2020 and concurrently serves as Member of the Integrated Governance Committee.

**Age/Gender** 64/Female

**Nationality** Indonesia

**Domicile** Jakarta

#### Education

- Master of Arts from University of Colorado Boulder, Colorado – USA (1987)
- Bachelor degree in Economics from Universitas Gadjah Mada, Yogyakarta, Indonesia (1981)

### Work Experiences

- Deputy Commissioner AIMRPK OJK (2015 - 2016)
- Deputy Commissioner DKB2 OJK (2014 - 2015)
- Assistant Governor of Bank Indonesia (May - December 2013)
- Head of DPB2 Department of Bank Indonesia (2008 - 2013)
- Senior Main Researcher DPNP Bank Indonesia (April - August 2008)
- Head of Bank Indonesia Yogyakarta Office (2007 - 2008)
- Deputy Director DPB3 Bank Indonesia (2006 - 2007)
- Deputy Director DPMB1 Bank Indonesia (2002 - 2006)
- Deputy Director DPWB1 Bank Indonesia (2001 - 2002)

**Concurrent Positions** Commissioner of PT Pefindo Biro Kredit (2016 – present)

**Share Ownership** Nil

### Affiliated Relationship

No affiliated relations with fellow Committee members, members of the Board of Commissioners, members of the Board of Directors, or the Ultimate and Controlling Shareholders

**Certification** Level 5 Risk Management Certification

### Legal Basis for Appointment as Audit Committee Member

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 008/DEKOM/KP/IV/2020 dated 9 April 2020;
- Circular Resolution of the Board of Directors No. 003/SIR/DIR/IV/2020 dated 20 April 2020.



**RONALD T. A. KASIM**  
AUDIT COMMITTEE MEMBER

Appointed as Member of the Audit Committee effective as of 20 April 2020.

**Age/Gender** 53/Male

**Nationality** Indonesia

**Domicile** Jakarta

### Education

- Doctor of Philosophy (PhD) in Leadership and Policy Innovation from Universitas Gadjah Mada – Yogyakarta, Indonesia (2019)
- Master of Business Administration (MBA) – Business Administration & Management from Creighton University - Omaha, Nebraska, USA (1994)
- Bachelor of Science in Business Administration, majoring in Finance (BSBA) from Creighton University - Omaha, Nebraska, USA (1992)

### Work Experiences

- Country Director of PT Trusting Social Indonesia – Jakarta, Indonesia (2017 - 2019)
- Director of PT Trust Teknologi Finansial (TrustIQ) – Jakarta, Indonesia (2018 - 2019)
- President Director of PT Pefindo Biro Kredit (PBK) – Jakarta, Indonesia (2015 - 2017)
- President Director of PT Pemeringkat Efek Indonesia (PEFINDO) – Jakarta, Indonesia (2010 - 2015)
- Senior Vice President – Strategic Information Management at PT Bank Permata Tbk – Jakarta, Indonesia (2009 - 2010)
- Project Manager – Risk Management Products at Fermat (a business unit of Moody's Investors Service) – Paris, Dubai, Singapore (2007 - 2009)
- Senior Risk Management Consultant – Banking Risk Product at IPS-Sendero (a business unit of Fiserv, Inc.) – Scottsdale, AZ, USA (2004 - 2007)
- Finance Officer and Head of Financial Strategic Group at First National Capital Markets, Inc. – Omaha, NE, USA (2001 - 2004)
- Lead Financial Analyst of Asset-Liability Management Group at First National Bank of Omaha – Omaha, NE, USA (1999 - 2001)
- Head of Financial Institution Ratings Division at PT Pemeringkat Efek Indonesia (PEFINDO) – Jakarta, Indonesia (1994 - 1998)

**Concurrent Positions** Chief Advisor at PT Advance Intelligence Indonesia - Jakarta, Indonesia (2019 - present)

**Share Ownership** Nil

### Affiliated Relationship

No affiliated relations with fellow Committee members, members of the Board of Commissioners, members of the Board of Directors, or the Ultimate and Controlling Shareholders

### Certification

- Chartered Financial Analyst (CFA)
- Level 4 Risk Management Certification

### Legal Basis for Appointment as Audit Committee Member

- NRC Recommendation No. 006/NOMREM/KP/IV/2020 dated 17 April 2020;
- Circular Resolution of the Board of Commissioners No. 009/DEKOM/KP/IV/2020 dated 20 April 2020;
- Circular Resolution of the Board of Directors No. 004/SIR/DIR/IV/2020 dated 20 April 2020.



Performance Highlights



Management Reports



Company Profile



Management Discussion and Analysis



Risk Management

## TRAINING FOR AUDIT COMMITTEE MEMBERS

Data on training participated by Audit Committee members in 2020 is presented in the Company Profile Section of this Annual Report.

## AUDIT COMMITTEE INDEPENDENCY

All members of the Audit Committee have met all independency criteria and are able to perform their duties independently, uphold the Bank's interests and are not influenced by any parties. This is evidenced by the membership composition that consists of 1 (one) Chairman who is an Independent Commissioner, and 2 (two) non-Commissioner members from Independent Parties.

In accordance with OJK Regulation No.55/POJK.03/2016 concerning the Implementation of Corporate Governance for Commercial Banks Article 41 paragraph 4, the Independent Commissioners and Independent Parties who are members of the Audit Committee account for at least 51% (fifty one percent) of the total Audit Committee members. All members of CIMB Niaga's Audit Committee are Independent Commissioner and Independent Parties, thus the composition has met the independence requirements.

### INDEPENDENCY OF AUDIT COMMITTEE MEMBERS AS OF DECEMBER 2020

| Independency Aspect  | Jeffrey Kairupan | Endang Kussulanjari S. | Ronald T. A. Kasim |
|--|------------------|------------------------|--------------------|
| Has no financial relationship with the Board of Commissioners and Board of Directors                                     | Yes              | Yes                    | Yes                |
| Has no management relationship at the Bank, subsidiaries or affiliate companies of the Bank                              | Yes              | Yes                    | Yes                |
| Has no shareholding relationship at the Bank   | Yes              | Yes                    | Yes                |
| Has no family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of Audit Committee | Yes              | Yes                    | Yes                |
| Not serving as an administrator of political parties, officials or government  | Yes              | Yes                    | Yes                |

## DUTIES, RESPONSIBILITIES AND AUTHORITIES

The Audit Committee has the following duties and responsibilities:

1. Reviewing financial information that will be issued by CIMB Niaga to the public and/or authorities, such as financial statements, projections and other reports related to the Bank's financial information, including evaluating the conformity of financial statements with prevailing financial accounting standards.
2. Reviewing compliance with laws and regulations related to Bank activities.
3. Providing independent opinion in the event of differences of opinion between management and accountants for the services rendered.
4. Assisting the Board of Commissioners in performing active supervision on the external auditor's activities by:
  - a. Providing recommendations to the Board of Commissioners regarding the appointment and/or replacement of a Public Accountant based on and not limited to independency, scope of assignment and fees, expertise, and methods used.
  - b. Discussing audit plans which include the nature and scope of the audit.
5. Related to functional accountability of Internal Audit to the Audit Committee, the Audit Committee has the following responsibilities:
  - a. Providing recommendations to the Board of Commissioners concerning the appointment, dismissal, and performance assessment of the Chief Audit Executive.
  - c. Reviewing the adequacy of the examination by Public Accounting Firm by considering all important risks.
  - d. Monitoring and evaluating implementation of the audit services on annual historical financial information by Public Accountant and/or the Public Accounting Firm including compliance with applicable financial accounting standards, adequacy of time for fieldwork, adequacy of sampling tests, and recommendations for improvement given.
  - e. The Audit Committee's evaluation results on the Public Accountant implementation duties are to be submitted no later than 6 (six) months after the fiscal year ends.
  - f. Ensuring the coordination if more than one Public Accountant are assigned.



- b. Reviewing, monitoring and evaluating audit planning and the effectiveness of audit implementation as well as monitoring the follow up of audit results in order to assess the adequacy of internal control, including the adequacy of the financial reporting process.
  - c. Assisting the Board of Commissioners to ensure that the Board of Directors develop and maintain an adequate, effective and efficient internal control system.
  - d. Assisting the Board of Commissioners to review the effectiveness and efficiency of the internal control system based on information received from the Internal Audit at least once a year.
  - e. Providing recommendations to the Board of Commissioners related to the audit plan preparation, scope and budget for the Internal Audit.
  - f. Signing special reports regarding any internal audit findings that could endanger the Bank's business continuity and report the internal audit implementation and main results to OJK.
  - g. Providing recommendations to the Board of Commissioners for approval of the internal audit charter.
  - h. Providing recommendations to the Board of Commissioners on the appointment of an independent quality reviewer from an external party to conduct a review of the Internal Audit performance.
  - i. Ensuring Internal Audit communicate with the Board of Directors, the Board of Commissioners, the Sharia Supervisory Board, external auditors, and the Financial Services Authority (OJK).
  - j. Ensuring that the Internal Audit works independently.
  - k. Providing recommendations to the Board of Commissioners on the overall annual remuneration of the Internal Audit as well as performance appreciation.
  - l. Ensuring that Internal Audit upholds integrity in carrying out its duties.
  - m. Assisting the Board of Commissioners to ensure that internal audit in the subsidiaries is carried out using the Bank's audit standard.
  - n. Reviewing the audit report and ensuring the Board of Directors takes the corrective actions needed quickly to overcome weaknesses in control, fraud, issues of compliance with policies, laws and regulations, or other problems identified and reported by the Internal Audit, external auditors and any other recommendations from regulator.
6. Reviewing and reporting to the Board of Commissioners regarding complaints relating to the accounting process and financial reporting of the Bank, including if there are allegations of errors in the decisions in the Board of Directors meeting or deviation in the implementation of the resolutions of the Board of Directors meeting. If necessary, the Committee may carry out examinations either by the Committee itself or by assignment of a third party. The report must be submitted to the Board of Commissioners no later than 2 (two) working days after the completion of the report.
  7. Reviewing and providing suggestions and recommendations to the Board of Commissioners regarding the plans for material affiliated transaction and potential conflicts of interest in the Bank submitted by Management to the Audit Committee.
  8. Assist the Board of Commissioners in carrying out active supervision of the compliance function by:
    - a. Evaluating the implementation of the Bank's Compliance Function against the Bank's internal regulations and laws and regulations relating to the Bank's activities at least 2 (two) times in 1 (one) year.
    - b. Providing suggestions to improve the quality of the implementation of the Bank's Compliance Function.
  9. Assisting the Board of Commissioners in carrying out active supervision of the implementation of anti-fraud strategies by reviewing the Anti-Fraud Strategy Implementation Report submitted by the Anti-Fraud Management unit.
  10. Maintain the confidentiality of Bank documents, data and information.
  11. The Committee members conduct a collegial assessment for the performance of Audit Committee and individual assessment for performance of each member and Committee Chairman, with the criteria and assessment process as set out in the Attachment to the Nomination and Remuneration Committee Charter.
  12. The Chairman of the Audit Committee has the duty and responsibility to coordinate all activities of the Audit Committee to fulfill the objectives of the Audit Committee in accordance with its formation, including being responsible for the following matters:
    - a. Prepare the annual work plan;
    - b. Prepare the annual schedule of committee meetings;
    - c. Prepare regular reports on Committee activities as well as on matters considered of concern to the Board of Commissioners;

- d. Perform a self-assessment on the effectiveness of Audit Committee's activities;
  - e. Appoint a non-Commissioner member of the Audit Committee or other third party as Committee secretary to record committee meetings and prepare the Minutes of Audit Committee Meetings.
13. Assist the Board of Commissioners to ensure that the Board of Directors implements sustainability in the Bank.
2. To communicate directly with Bank employees including Board of Directors and/or Senior Executives/ Officers and parties who perform the functions of Internal Audit, Risk Management, and accountants related to the duties and responsibilities of the Audit Committee.
  3. To involve independent parties outside of the Audit Committee to assist in performing their duties (if needed).
  4. To execute other authorities as delegated by the Board of Commissioners.

The Audit Committee has the following authority:

1. To have access to the required Bank documents, data and information regarding employees, funds, assets and Bank resources.

## AUDIT COMMITTEE MEETINGS AND ATTENDANCE

The Audit Committee Charter stipulates that the Audit Committee must hold meetings at least once every 3 (three) months, and the meetings must be physically attended at least twice a year. Meetings can only be held if attended by at least 51% (fifty- one percent) of the total members, including Independent Commissioners and Independent Parties.

Throughout 2020, the Audit Committee held 13 (thirteen) meetings, which included ratification of the minutes of previous meeting, discussion of matters that needed to be followed up from the previous meeting, and other matters requiring attention.

**Table of Meeting Attendance of Audit Committee Members in January – December 2020**

| Name                      | Attendance in Audit Committee Meetings | Physical Attendance | Attendance through Teleconference or Telepresence | Rate of Attendance | Average Rate of Attendance |
|---------------------------|--|---------------------|---|--------------------|----------------------------|
| Jeffrey Kairupan          | 13                                     | 2                   | 11  | 100%               | 100%                       |
| Endang Kussulanjari*      | 10                                     | -                   | 10  | 100%               |                            |
| Ronald T.A. Kassim**      | 10                                     | -                   | 10  | 100%               |                            |
| Zulkifli M. Ali***        | 3                                      | 2                   | 1   | 100%               |                            |
| Mawar I. R. Napitupulu*** | 3                                      | 2                   | 1   | 100%               |                            |
| Yap Tjay Soen***          | 3                                      | 2                   | 1   | 100%               |                            |

\* ) Appointed as Audit Committee Member effectively since the closing of the AGM on 9 April 2020

\*\* ) Appointed as Audit Committee Member effectively as of 20 April 2020

\*\*\* ) The term of office as Audit Committee Member ended effectively since the closing of the AGM on 9 April 2020

During 2020, Audit Committee meetings discussed the following agendas:

1. Meetings with the Finance Director and Bank's Executives:
  - a. Review of financial reports, including the presentation and disclosure in the financial statements, accounting treatment and policies, and compliance with generally accepted accounting principles.
  - b. Review of financial performance and the adequacy of published financial statements as well as reporting to the authorities.
  - c. Provide recommendations to the Board of Commissioners regarding the appointment of a Public Accountant.
- d. Discussion on recommendations and the progress of follow-up on audit results from external auditors.
- e. Discussion on issues related to asset and credit quality.
2. Meetings with the Chief Audit Executive:
  - a. Discussion on the audit plan, audit scope and findings, follow-up on audit results recommendations, and the adequacy of the internal control system.
  - b. Internal Audit performance.

3. Meetings with the Compliance Director:
  - a. Discussion on recommendations and progress of follow-up to the audit results from OJK, Bank Indonesia and Bank Negara Malaysia.
  - b. Discussion on identified compliance risks as well as fines paid to Bank Indonesia. In addition, discussion on lessons learned from existing cases.
  - c. Discussion of new rules and regulations and their effects to the Bank.
  - d. Discussion of the Bank's sustainable report.
4. Meetings with the Anti-Fraud Management (AFM) to discuss the implementation of anti-fraud strategies through four interrelated anti-fraud pillars, namely Prevention, Detection, Investigation and Monitoring. Several fraud prevention programs that have been implemented including the Anti-Fraud Campaign Weeks, Anti-Fraud Awareness Training and Socialization, and E-learning and certification through applications, conducting investigations of fraud cases, and monitoring of sanctions against fraud perpetrators and corrective actions taken by Bank so that fraud is not repeated in the future.
5. Meetings with the Public Accountant to discuss the audit plan, audit scope, audit findings, recommendations on audit results, and the submitted management letter.
6. Meetings with Directors and related work units to ensure the adequacy of the internal control system, including in the management of Non-Performing Loans (NPL), Cyber Security Review, and Sharia Banking, as well as the status of key projects in 2020.

### REPORT OF AUDIT COMMITTEE DUTIES IMPLEMENTATION IN 2020

The implementation of the duties of the Audit Committee in 2020 includes the following activities and recommendations made:

1. Reviewing the accountability and transparency of financial statements.
2. Reviewing the resilience of the Bank's compliance and control structures (including Sustainable Finance).
3. Conducting studies on the effectiveness of fraud prevention, detection and investigation.
4. Reviewing the Anti Money Laundering Act.
5. Conducting a study on Cyber Security.
6. Reviewing Data Quality.
7. Conducting a study on Asset Quality.
8. Conducting a study on the conditions of economic development including the response to the impact of the COVID-19 pandemic.

### AUDIT COMMITTEE STATEMENT ON THE EFFECTIVENESS OF INTERNAL CONTROL AND RISK MANAGEMENT

The internal control system implemented by CIMB Niaga is considered to be effective and adequate, as reflected in the effective implementation of internal control functions, including internal audit, risk management, compliance, finance, and operational controls.

### WORK PLANS IN 2021

For 2021, the Audit Committee has prepared its work plans and established its strategic priorities as follow:

1. Reviewing the accountability and transparency of financial statements.
2. Conducting a review on the response to the impact of the COVID-19 pandemic.
3. Reviewing the resilience of the Bank's compliance and control structure (including Sustainable Finance).
4. Reviewing the effectiveness of fraud prevention, detection and investigation.
5. Conducting review on data quality and technology (such as cyber security and IT infrastructure resilience).

### REMUNERATION FOR AUDIT COMMITTEE MEMBERS

#### 1. REMUNERATION PACKAGE AND OTHER FACILITIES RECEIVED

| Types of Remuneration and Other Facilities   | Amount Received in 1 Year by Audit Committee Members |              |          |              |
|--|--|--------------|----------|--------------|
|  | 2020   |              | 2019     |              |
|  | Person   | Rp (Million) | Person   | Rp (Million) |
| Remuneration (salary, routine allowance, tantiem, and other non-natura facilities) | 6 <sup>*)</sup>                                      | 5,687        | 5        | 9,258        |
| Other natura facilities (housing, transportation, health insurance, etc.) which:   |  |              |          |              |
| a. Could be owned  | -  | -            | -        | -            |
| b. Could not be owned  | -  | -            | -        | -            |
| <b>Total</b>   | <b>6<sup>*)</sup></b>                                | <b>5,687</b> | <b>5</b> | <b>9,258</b> |

<sup>\*)</sup> Including remuneration for Committee members that are no longer in position.

| Remuneration Per Person               | Total Audit Committee Members |      |
|---------------------------------------|-------------------------------|------|
|                                       | 2020                          | 2019 |
| Above Rp5 billion                     | 0                             | 0    |
| Above Rp2 billion up to Rp5 billion   | 1                             | 2    |
| Above Rp1 billion up to Rp2 billion   | 0                             | 3    |
| Above Rp500 million up to Rp1 billion | 3                             | 0    |
| Below Rp500 million                   | 2                             | 0    |

## 2. VARIABLE REMUNERATION FOR AUDIT COMMITTEE MEMBERS

| Variable Remuneration | Amount Received in 1 Year by Audit Committee Members |              |            |              |
|-----------------------|--|--------------|------------|--------------|
|                       | 2020   |              | 2019       |              |
|                       | Person   | Rp (Million) | Person     | Rp (Million) |
| <b>Total</b>          | <b>Nil</b>   | <b>Nil</b>   | <b>Nil</b> | <b>Nil</b>   |

All Audit Committee members of CIMB Niaga did not receive any variable remuneration (shares or bonuses both based of performance or non-performance as well as shares option).



**JEFFREY KAIRUPAN**  
AUDIT COMMITTEE CHAIRMAN



**ENDANG KUSSULANJARI S.**  
AUDIT COMMITTEE MEMBER



**RONALD T.A. KASSIM**  
AUDIT COMMITTEE MEMBER

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) is formed to assist the Board of Commissioners in discharging its oversight responsibilities on the implementation of the Bank's policies on the nomination and remuneration of members of the Board of Commissioners and the Board of Directors, the Sharia Supervisory Board, members of the Committees under the Board of Commissioners and all employees of the Bank pursuant to prevailing statutory requirements.

### LEGAL BASIS

CIMB Niaga has established the NRC on the basis of the followings:

1. OJK Regulation and OJK Circular Letter regarding the implementation and organs of Corporate Governance, the Committee of Nomination and Remuneration, the Governance of Remuneration, and the Principles of Prudence for Commercial Banks that Outsource Part of Their Operations to Other Parties.
2. CIMB Niaga's Articles of Association concerning the duties and authorities of the Board of Commissioners.
3. The Corporate Policy Manual.

### NOMINATION AND REMUNERATION COMMITTEE CHARTER

NRC has a Charter that governs its membership, structure, authorities, duties and responsibilities, meetings, activities and working protocols in discharging its function pursuant to OJK Regulation No. 34/POJK.04/2014.

The NRC Charter comprise of:

1. Objective
2. Composition, structure, membership and tenure period
3. Membership Requirements
4. Duties, responsibilities, and authorities

5. Meeting protocols and procedures
6. Work ethics and working hour
7. Working protocols and procedures
8. Reporting

The NRC Charter was last updated on 26 June 2020 and had been uploaded to the website of the Bank. Subsequently, the NRC Charter is reviewed periodically to align with prevailing rules and regulations.

### TERM OF OFFICE

According to applicable provisions, the term of office of the NRC 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 can be re-elected for only one subsequent period. The term of office of Committee members appointed in the middle of the term of office of the Board of Commissioners shall end at the same time as the term of office of the Board of Commissioners.

### NOMINATION AND REMUNERATION COMMITTEE MEMBERSHIP NUMBER, STRUCTURE AND COMPOSITION

The membership and composition, as well as independency of the NRC members meet the prevailing statutory requirement. In 2020, the membership of NRC comprises of 4 (four) members, consists of 1 (one) Chairman concurrently as a member who was an Independent Commissioner, with three other members who are an Independent Commissioner, a Commissioner, and an Executive Officer in charge of Human Resources. Members of the NRC are appointed by the Board of Directors with the approval of the Board of Commissioners, on the recommendation of the NRC.

### NOMINATION AND REMUNERATION COMMITTEE MEMBERSHIP IN 2020

#### January - April 2020

| No | Name                  | Position in Bank              | Position in Committee | Term of Office |
|----|-----------------------|-------------------------------|-----------------------|----------------|
| 1  | Pri Notowidigdo*      | Independent Commissioner      | Chairman              | 2016 - 2020    |
| 2  | Didi Syafruddin Yahya | President Commissioner        | Member                | 2019 - 2023    |
| 3  | Sri Widowati          | Independent Commissioner      | Member                | 2020 - 2023    |
| 4  | Joni Raini            | Chief Human Resources Officer | Member                | 2016 - 2020    |

\* The term of office as NRC Member ended effectively on the closing of the AGM on 9 April 2020

## April - December 2020

| No | Name                  | Position in Bank   | Position in Committee | Term of Office |
|----|-----------------------|--|-----------------------|----------------|
| 1  | Sri Widowati*         | Independent Commissioner   | Chairman              | 2020 – 2023    |
| 2  | Didi Syafruddin Yahya | President Commissioner   | Member                | 2019 – 2023    |
| 3  | Glenn M. S. Yusuf**   | Independent Commissioner   | Member                | 2020 – 2024    |
| 4  | Joni Raini***         | Chief Human Resources Officer (Executive Officer in charge of Human Resources) | Member                | 2020 – 2024    |

\* ) Appointed as NRC Chairman effectively since the closing of the AGM on 9 April 2020

\*\* ) Appointed as NRC Member since the closing of the AGM on 9 April 2020 and effectively on 16 September 2020

\*\*\* ) Reappointed as NRC Member effectively since the closing of the AGM on 9 April 2020

## PROFILE OF THE NOMINATION AND REMUNERATION COMMITTEE MEMBERS



### SRI WIDOWATI

#### NOMINATION AND REMUNERATION COMMITTEE CHAIRMAN

Appointed as NRC Chairman since 9 April 2020, after previously serving as a NRC Member since 2 January 2020.

She is currently also serves as an Independent Commissioner of the Bank.

Her complete profile is presented in the Board of Commissioners' Profiles.

#### Legal Basis for Appointment as NRC Chairman

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 008/DEKOM/KP/IV/2020 dated 9 April 2020;
- Circular Resolution of the Board of Directors No. 003/SIR/DIR/IV/2020 dated 20 April 2020.



### DIDI SYAFRUDDIN YAHYA

#### NOMINATION AND REMUNERATION COMMITTEE MEMBER

Appointed as a NRC member since 26 November 2019 and concurrently as a member of the Risk Oversight Committee.

He is currently also serves as the President Commissioner.

His complete profile is presented in the Board of Commissioners' Profile.

#### Legal Basis for Appointment as NRC Member

- NRC Recommendation No. 011/NOMREM/KP/XI/2019 dated 26 November 2019;
- Circular Resolution of the Board of Commissioners No. 021/DEKOM/KP/XI/2019 dated 26 November 2019;
- Circular Resolution of the Board of Directors No. 010/SIR/DIR/XI/2019 dated 26 November 2019.



### GLENN M. S. YUSUF

#### NOMINATION AND REMUNERATION COMMITTEE MEMBER

Appointed as a NRC Member on 9 April 2020 and effectively on 16 September 2020, concurrently as Risk Oversight Committee Chairman.

He is currently also serves as the Vice President Commissioner (Independent)

His complete profile is presented in the Board of Commissioners' Profile.

#### Legal Basis for Appointment as NRC Member

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 008/DEKOM/KP/IV/2020 dated 9 April 2020; and
- Circular Resolution of the Board of Directors No. 003/SIR/DIR/IV/2020 dated 20 April 2020.



### JONI RAINI

#### NOMINATION AND REMUNERATION COMMITTEE MEMBER

He is currently also serves as Chief Human Resources Officer (Executive Officer in charge of Human Resources).

His complete profile is presented in the Senior Executives' Profile.

**Certification** Level 4 Risk Management Certification

#### Legal Basis for Appointment as NRC Member

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 008/DEKOM/KP/IV/2020 dated 9 April 2020; and
- Circular Resolution of the Board of Directors No. 003/SIR/DIR/IV/2020 dated 20 April 2020.

## TRAINING OF THE NOMINATION AND REMUNERATION COMMITTEE MEMBERS

Data on training participated by NRC members in 2020 is presented in the Company Profile Section in this Annual Report.

## NOMINATION AND REMUNERATION COMMITTEE INDEPENDENCY

The NRC performs its duties, responsibilities and authorities in a professional and independent manner, without interference from any party, and pursuant to prevailing laws and regulations.

The members of NRC have met all independence criteria and are able to perform their duties independently, uphold the interests of the Bank without influence from all parties. This is evidenced by the fact that two of the three Commissioners of the Bank who are Committee members are Independent Commissioners.

## DUTIES, RESPONSIBILITIES, AND AUTHORITIES

The NRC is in charge, responsible, and authorized to provide recommendations to the Board of Commissioners as follows:

1. Related to the nomination policy:
  - a. Prepare and provide recommendations regarding the system and procedures for nominating and/or replacing members of the Board of Commissioners, Board of Directors, and the Sharia Supervisory Board to the Board of Commissioners to be submitted to the GMS;
  - b. Provide recommendations regarding candidates for membership on the Board of Commissioners and/or Board of Directors, and/or the Sharia Supervisory Board to the Board of Commissioners to be submitted to the GMS;
  - c. Evaluate the performance and establish development programs for the Board of Commissioners, Board of Directors and the Sharia Supervisory Board;
2. Related to the remuneration policy:
  - a. Evaluate the remuneration policy;
  - b. Evaluate the alignment of the remuneration policy with its implementation;
  - c. Provide recommendations to the Board of Commissioners regarding:
    - i. Structure, policy and amount of remuneration for members of the Board of Commissioners, the Sharia Supervisory Board, the Board of Directors and members of the Committees under the Board of Commissioners; and
    - ii. The framework of remuneration policy for Executive Officers and employees of the Bank that has been approved by the Board of Directors.
3. The Committee shall ensure that the remuneration policy takes into account:
  - a. Financial performance and provisioning requirements pursuant to prevailing rules and regulations;
  - b. Individual work performance;
  - c. Fairness within the peer group;
  - d. Consideration of the Bank's long-term goals and strategies.
4. In the event that a Committee member has a conflict of interest with the proposed recommendation, the proposal shall disclose the conflict of interest and the considerations underlying the proposal.
5. Provide recommendations regarding Independent Parties who will serve as members of the Audit Committee, Risk Oversight Committee and Integrated Governance Committee.





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## NOMINATION AND REMUNERATION COMMITTEE MEETINGS AND ATTENDANCE

The NRC Charter stipulates that NRC Meetings are held in line with the business requirements of the Bank, at least once every 4 (four) months. Meetings can only be held if attended by at least 51% (fifty one percent) of the total members, including an Independent Commissioner and the HR Executive Officer.

In 2020, the NRC convened 7 (seven) meetings, with the following attendances:

**Table of Meeting Attendance of Nomination and Remuneration Committee Members in January-December 2020**

| Name                  | Attendance in NRC Meetings | Physical Attendance | Attendance through Teleconference or Telepresence | Rate of Attendance | Average Rate of Attendance |
|-----------------------|----------------------------|---------------------|---|--------------------|----------------------------|
| Sri Widowati          | 7                          | 2                   | 5   | 100%               | 100%                       |
| Didi Syafruddin Yahya | 7                          | 2                   | 5   | 100%               |                            |
| Glenn M. S. Yusuf*    | 5                          | -                   | 5   | 100%               |                            |
| Joni Raini            | 7                          | 2                   | 5   | 100%               |                            |
| Pri Notowidigdo**     | 2                          | 2                   | -   | 100%               |                            |

\*<sup>1</sup> Appointed as NRC Member since the closing of the AGM on 9 April 2020 and effective on 16 September 2020

\*\*<sup>2</sup> The term of office as NRC Member ended effectively on the closing of the AGM on 9 April 2020

In 2020, the meetings of the NRC discussed the following agendas:

1. Bank performance in 2019
2. Achievement of the KPI of the Board of Directors in 2019
3. Result of survey on internal satisfaction in 2019
4. Talent management and succession plan
5. Result of evaluation on the collective performances of the Board of Commissioners and the Board of Directors
6. Competency survey result of the Board of Commissioner
7. 2020 Annual Review
8. Remuneration for members of the Board of Commissioners, Board of Directors, Committees of the Board of Commissioners and the Sharia Supervisory Board
9. Nomination of members to the Board of Commissioners, the Board of Directors, Committees of the Board of Commissioners including independent parties
10. Framework for the KPI of the Board of Directors in 2020
11. COVID-19 & Employment
12. Implementation of Sustainability Finance
13. Assessment of the effectiveness of the Board of Commissioners and the Board of Directors
14. Forward Ways of Working

## REPORT OF NOMINATION AND REMUNERATION COMMITTEE DUTIES IMPLEMENTATION IN 2020

In 2020, the NRC carried out the activities and provided a number of recommendations as follows:

1. Provided assessments and recommendations for the nomination of Directors, Commissioners, members of Committees and Independent Parties after considering the expertise, competence, background and experience of candidates proposed by the Shareholders for further discussion at the General Meeting of Shareholders.  
The Bank has used third-party service (search firm) in the process of finding new candidate for Director in 2020.
2. Provided direction and input on the framework of the Key Performance Indicator (KPI) of the Board of Directors in 2020, and key aspects that require the attention of the Board of Directors.
3. Provided assessments and recommendations on the remuneration review for the Board of Commissioners, Board of Directors, Committee members and Sharia Supervisory Board for 2019 so as to continuously maintain the level of fairness and competitiveness to create a positive impact on the Bank's overall performance.
4. Provided inputs and recommendations for the bonus payments and salary increases as well as promotions for employees in 2020 related to performance achievements (KPI) in 2019.

5. Discussed and provided inputs on the assessments of the collective performances of the Board of Directors and the Board of Commissioners, the individual performances of each Commissioner, and the performance of the President Commissioners and those of the Chairman of the Committees of the Board of Commissioners.
6. Provided evaluation and direction on the KPI performance of the Board of Directors, and inputs to units that have performed below targets to improve their performances.
7. Implemented the framework for Talent Management that comprises of the identification, development and evaluation of talents that represents part of the commitments of the Bank towards succession planning especially for Senior Management.
8. Provided direction and inputs related to the handling of COVID-19 by applying the health protocols and safety at work to ensure the continuity of Bank's operations in line with Government policies.
9. Assessed the required competences of the Board of Commissioners and the Board of Directors to minimize the gap in the level of proficiencies between current members of the Board of Commissioners and the Board of Directors.

## EVALUATION OF THE NOMINATION AND REMUNERATION COMMITTEE ON THE IMPLEMENTATION OF THE BANK'S NOMINATION AND REMUNERATION POLICIES

In 2020, the NRC evaluated and assessed that the Bank has carried out its nomination process in accordance with the principles of Good Corporate Governance, and that furthermore, the Bank's remuneration structure and policies have been carried out in accordance with the remuneration policies applicable to the banking industry, the principles of Good Corporate Governance, and mindful of the considerations for risk-based remuneration.

## WORK PLANS IN 2021

For 2021, the NRC has set forth its working plan that emphasizes the following strategic priorities:

1. Assess and recommend the nomination of members to the Board of Directors, Board of Commissioners, Committees and/or Independent parties for membership on Committees to be submitted to the Board of Commissioners and proposed at the GMS.
2. Review and recommend the KPI framework of the Board of Directors.
3. Evaluate the collegial and individual performances of members of the Board of Commissioners, Board of Directors, and Committees under the Board of Commissioners.
4. Review and recommend the proposal for remuneration to members of the Board of Commissioners, Board of Directors, Committees under the Board of Commissioners, and the Sharia Supervisory Board, as well as the framework for the policy on remuneration for all executives and employees of the Bank.
5. Review and evaluate competency development programs for members of the Board of Commissioners, Board of Directors and the Sharia Supervisory Board.
6. Continue the implementation Talent Management, Succession Plan and Self Development of the Directors and all employees of the bank.
7. Review the initiatives or proactive and effective ways to create a working structure that is more relevant in post COVID-19 pandemic.

## REMUNERATION FOR NOMINATION AND REMUNERATION COMMITTEE MEMBERS

### 1. REMUNERATION PACKAGE AND OTHER FACILITIES RECEIVED

| Types of Remuneration and Other Facilities   | Amount Received in 1 Year by NRC Members |              |          |              |
|--|--|--------------|----------|--------------|
|  | 2020                                     |              | 2019     |              |
|  | Person                                   | Rp (Million) | Person   | Rp (Million) |
| Remuneration (salary, routine allowance, tantiem, and other non-natura facilities) | 4  | 7,297        | 4        | 4,418        |
| Other natura facilities (housing, transportation, health insurance, etc.) which:   | -  | -            | -        | -            |
| a. Could be owned  | -  | -            | -        | -            |
| b. Could not be owned  | -  | -            | -        | -            |
| <b>Total</b>   | <b>4</b>                                 | <b>7,297</b> | <b>4</b> | <b>4,418</b> |

| Remuneration Per Person               | Total NRC Members |      |
|---------------------------------------|-------------------|------|
|                                       | 2020              | 2019 |
| Above Rp5 billion                     | 0                 | 0    |
| Above Rp2 billion up to Rp5 billion   | 2                 | 0    |
| Above Rp1 billion up to Rp2 billion   | 1                 | 2    |
| Above Rp500 million up to Rp1 billion | 0                 | 0    |
| Below Rp500 million                   | 1                 | 2    |

## 2. VARIABLE REMUNERATION FOR NOMINATION AND REMUNERATION COMMITTEE MEMBERS

| Variable Remuneration | Amount Received in 1 Year by NRC Members |              |            |              |
|-----------------------|--|--------------|------------|--------------|
|                       | 2020                                     |              | 2019       |              |
|                       | Person                                   | Rp (Million) | Person     | Rp (Million) |
| <b>Total</b>          | <b>Nil</b>                               | <b>Nil</b>   | <b>Nil</b> | <b>Nil</b>   |

All Nomination and Remuneration Committee members of CIMB Niaga did not receive any variable remuneration (shares or bonuses both based of performance or non-performance as well as shares option).

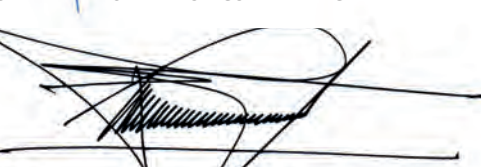
### BOARD OF DIRECTORS' SUCCESSION POLICY

The succession policy for the Board of Directors and/or Senior Management in CIMB Niaga is governed under the Bank Policy, as follows:

1. The Board of Commissioners, assisted by the NRC, ensure that the Bank adopts a talent management system that is managed by the HR Directorate, as a tool to identify executive officers who have the potential to become the Bank's future leaders, maintaining the business continuity and long-term goals of the Bank.
2. The Human Resources Directorate, together with the Nomination and Remuneration Committee, identify talents within the Bank and does not rule out potential talents who are professionals from outside the Bank, for the succession planning of members of the Board of Directors, including the President Director and/or Senior Management.
3. For internal talents within the Bank, the Human Resources Directorate assesses and provides further opportunities for the self-development of these talented employees, in the form of mandatory training and career development opportunities, and others.
4. Talented employees who are considered as potential successors to members of the Board of Directors are further evaluated and must meet the criteria to being candidates for membership on the Board of Directors of the Bank.


  
**SRI WIDOWATI**  
NOMINATION AND REMUNERATION COMMITTEE CHAIRMAN


  
**DIDI SYAFRUDDIN YAHYA**  
NOMINATION AND REMUNERATION  
COMMITTEE MEMBER


  
**GLENN M. S. YUSUF**  
NOMINATION AND REMUNERATION  
COMMITTEE MEMBER


  
**JONI RAINI**  
NOMINATION AND REMUNERATION  
COMMITTEE MEMBER

## RISK OVERSIGHT COMMITTEE

The Risk Oversight Committee (ROC) is formed by and responsible to the Board of Commissioners, to assist the duties and responsibilities of the Board of Commissioners in overseeing the implementation of Risk Management by the Bank.

### LEGAL BASIS

The ROC is established on the basis of:

1. OJK Regulations and Circular Letters on the Governance Implementation of Commercial Banks
2. The Bank's Articles of Association
3. The Corporate Policy Manual

### RISK OVERSIGHT COMMITTEE CHARTER

CIMB Niaga's Risk Oversight Committee has a Charter that governs its membership, structure, authority, duties and responsibilities, meetings, activities and working protocols of the Committee in discharging its duties.

The Risk Oversight Committee Charter consists of its:

1. Objective
2. Membership (Composition, Membership Requirements, Independence, Term of Office)
3. Duties and Responsibilities
4. Meetings Procedure
5. Reporting

The ROC Charter was last updated on 21 April 2017 and has been uploaded to CIMB Niaga's website. The Charter

is reviewed periodically to ensure its compliance with all prevailing regulations and Bank requirements.

### TERM OF OFFICE

According to applicable provisions, the term of office of members of the ROC shall be no longer than the term of office of the Board of Commissioners as stipulated in the Bank's Articles of Association, and can be re-elected. The term of office for Committee members who are appointed in between the terms of office of the Board of Commissioners, shall end at the same time as the term of office of the current Board of Commissioners.

### RISK OVERSIGHT COMMITTEE MEMBERSHIP NUMBER, STRUCTURE AND COMPOSITION

The membership, composition and independence of members of the ROC have met the requirements of all prevailing regulations. In 2020, the ROC consisted of 5 (five) members, 1 (one) who serves as the Committee Chairman and concurrently an Independent Commissioner of the Bank, 2 (two) Committee Members who are also Commissioners of the Bank, and 2 (two) non-Commissioner members as Independent Parties with competencies and qualifications in Finance and Risk Management. The ROC members were appointed by the Board of Directors with the approval of the Board of Commissioners, and based on the recommendation of the Nomination and Remuneration Committee.

### RISK OVERSIGHT COMMITTEE MEMBERSHIP IN 2020

#### January – April 2020

| No | Name                  | Position in Bank         | Position in Committee | Term of Office |
|----|-----------------------|--------------------------|-----------------------|----------------|
| 1  | Zulkifli M. Ali*      | Independent Commissioner | Chairman              | 2016 – 2020    |
| 2  | Didi Syafruddin Yahya | Commissioner             | Member                | 2019 – 2023    |
| 3  | David R. Thomas       | Commissioner             | Member                | 2020 – 2022    |
| 4  | Firmanzah**           | Independent Party        | Member                | 2020 – 2024    |
| 5  | Sri Tuti Hadiputranto | Independent Party        | Member                | 2020 – 2024    |

\*1) The term of office as a ROC Member ended effectively on the closing of the AGM on 9 April 2020

\*\*1) Deceased on 6 February 2021

#### April – October 2020

| No | Name                  | Position in Bank                                       | Position in Committee | Term of Office |
|----|-----------------------|--|-----------------------|----------------|
| 1  | Jeffrey Kairupan*     | Independent Commissioner                               | Chairman              | 2020 - 2024    |
| 2  | Glenn M. S. Yusuf**   | Vice President Commissioner (Independent Commissioner) | Member                | 2020 - 2024    |
| 3  | Didi Syafruddin Yahya | President Commissioner                                 | Member                | 2019 – 2023    |
| 4  | David R. Thomas       | President Commissioner                                 | Member                | 2020 – 2022    |
| 5  | Firmanzah***          | Independent Party                                      | Member                | 2020 – 2024    |
| 6  | Sri Tuti Hadiputranto | Independent Party                                      | Member                | 2020 – 2024    |

\*1) Served as the ROC Chairman during 17 June – 6 October 2020

\*\*1) Appointed as ROC Member on the closing of the AGM on 9 April 2020 and effective since 16 September 2020

\*\*\*1) Deceased on 6 February 2021

## October – December 2020

| No | Name                  | Position in Bank                                       | Position in Committee | Term of Office |
|----|-----------------------|--|-----------------------|----------------|
| 1  | Glenn M. S. Yusuf*    | Vice President Commissioner (Independent Commissioner) | Chairman              | 2020 - 2024    |
| 2  | Didi Syafruddin Yahya | President Commissioner                                 | Member                | 2019 – 2023    |
| 3  | David R. Thomas       | Commissioner   | Member                | 2020 – 2022    |
| 4  | Firmanzah**           | Independent Party                                      | Member                | 2020 – 2024    |
| 5  | Sri Tuti Hadiputranto | Independent Party                                      | Member                | 2020 – 2024    |

\* ) Appointed as ROC Chairman effectively since 6 October 2020

\*\* ) Deceased on 6 February 2021

## PROFILE OF THE RISK OVERSIGHT COMMITTEE MEMBERS



### GLENN M. S. YUSUF

#### RISK OVERSIGHT COMMITTEE CHAIRMAN

Appointed as ROC Chairman effective since 6 October 2020, having been previously a ROC member since the closing of the AGM on 9 April 2020 and effective on 16 September 2020, concurrently also a member of the Nomination and Remuneration Committee.

He is currently also serves as the Vice President Commissioner (Independent) of the Bank.

His complete profile is presented in the Board of Commissioners' Profiles.

#### Legal Basis for Appointment as ROC Chairman

- NRC Recommendation No. No. 006/NOMREM/KP/IX/2020 dated 25 September 2020;
- Circular Resolution of the Board of Commissioners No. 017/DEKOM/KP/X/2020 dated 2 October 2020;
- Circular Resolution of the Board of Directors No. 008/SIR/DIR/X/2020 dated 6 October 2020.



### DIDI SYAFRUDDIN YAHYA

#### RISK OVERSIGHT COMMITTEE MEMBER

Appointed as a ROC member effective on 26 November 2019, concurrently also a member of the Nomination and Remuneration Committee.

He is currently also serves as the President Commissioner of the Bank.

His complete profile is presented in the Board of Commissioners' Profile.

#### Legal Basis for Appointment as ROC Member

- NRC Recommendation No. 011/NOMREM/KP/XI/2019;
  - Circular Resolution of the Board of Commissioners No. 021/DEKOM/KP/XI/2019;
  - Circular Resolution of the Board of Directors No. 010/SIR/DIR/XI/2019;
- All of the above of which are dated 26 November 2019.



### DAVID RICHARD THOMAS

#### RISK OVERSIGHT COMMITTEE MEMBER

Appointed as a ROC member since November 2014, and reappointed on 15 April 2016 and 9 April 2020.

He is currently also serves as a Commissioner of the Bank.

His complete profile is presented in the Board of Commissioners' Profile.

#### Legal Basis for Appointment as ROC Member

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 008/DEKOM/KP/IV/2020 dated 9 April 2020;
- Circular Resolution of the Board of Directors No. 003/SIR/DIR/IV/2020 dated 20 April 2020.



**FIRMANZAH\***  
RISK OVERSIGHT COMMITTEE MEMBER

Appointed as a ROC member since April 2016, and reappointed on 9 April 2020.

**Age/Gender** 44/Male

**Nationality** Indonesia

**Domicile** Jakarta

**Education**

- PhD in Strategic & International Management from the University of Pau et Pays de l'Adour, France (2015).
- Master of Philosophy from University of Science and Technology of Lille 1, France (2002).
- MBA from University of Pierre Mendes-Grenoble II, France and Master of Management (2001).
- Economic degree from the University of Indonesia (1998).

**Work Experiences**

- Commissioner of PT Perusahaan Gas Negara (PGN) (2012 - 2015)
- Special Staff of the President of the Republic of Indonesia for Economy and Development (2012-2014)
- President Commissioner of PT Rajawali Nusantara (RNI) (2012 - 2013)
- Independent Commissioner of CIMB-Asset Principal Indonesia (2012)
- Member of the Advisory Council of the Minister of Fishery and Maritime of the Republic of Indonesia (2012 - 2013)
- Board of Advisors, the Indonesian Center for Public Policy Studies (ICPPS) (2011 - 2012)
- Dean of the Faculty of Economics and Business of the University of Indonesia (2009 - 2012)
- Head of Communication Department, the University of Indonesia (2008 - 2009), and Secretary to the Post Graduate Management Study Program (PPIM) of the Faculty of Economics and Business of the University of Indonesia (2007 - 2008)
- Secretary to the Department of Management Science of the Faculty of Economics and Business of the University of Indonesia (2005 - 2007)
- Faculty Member and Researcher at the University of Pau et Pays de l'Adour (France) (2004 - 2005)
- Assistant Marketing Manager at PT JasNet (2000 - 2001)
- Consultant and Researcher at the Management Institute of the Faculty of Economics and Business (LM-FEB) of the University of Indonesia (1999-2000)
- Market Analyst at PT Sewu New York Life (1998-1999)

**Concurrent Positions**

- Independent Commissioner of PT Bakrie & Brothers (2018 - present)
- Member of the Committee on SMI18 Index at PT Sarana Multi Infrastruktur (SMI) (2015 - present)
- Rector of Universitas Paramadina (2015 - present)
- Senior Lecturer, Faculty of Economics and Business, the University of Indonesia (2010 - present)
- Permanent Teaching Staff at Faculty of Economics and Business, the University of Indonesia (2005 - present)

**Share Ownership** Nil

**Affiliated Relationship**

No affiliate relationship with fellow Committee members, members of the Board of Commissioners, Board of Directors, or the Ultimate and Controlling Shareholders.

**Certification** -

**Legal Basis for Appointment as ROC Member**

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 008/DEKOM/KP/IV/2020 dated 9 April 2020; and
- Circular Resolution of the Board of Directors No. 003/SIR/DIR/IV/2020 dated 20 April 2020.

<sup>\*)</sup> Deceased on 6 February 2021



**SRI TUTI HADIPUTRANTO**  
RISK OVERSIGHT COMMITTEE MEMBER

Appointed as a ROC member since July 2016, and reappointed on 9 April 2020.

**Age/Gender** 77/Female

**Nationality** Indonesia

**Domicile** Jakarta

**Education**

- Law degree from the University of Indonesia (1970).
- Master of Laws from the University of Washington (1981).



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### Work Experiences

- Co-founder of Hadiputranto, Hadinoto & Partners, the largest Law Firm in Indonesia, a member of the Baker & McKenzie International Law Firm. Became an International Partner (1989 – 2016).
- A Member of the Board of Commissioners of PT Bursa Efek Indonesia (BEI) 2001 - 2004. In addition, as member of various Committees of BEI for over a decade, serving last in the Stock Exchange Member Disciplinary Committee.

### Concurrent Positions

- President Commissioner of PT Mitra Adiperkasa Tbk (2020 - present)
- Senior Advisor at GT Group (2016 – present)
- President Commissioner of PT Bali Turtle Island Development (2017 - present)
- Independent Commissioner of PT Astra International Tbk. (2018 - present)
- Senior Advisor at PT Morgan Stanley Indonesia (2016 - present)

### Share Ownership Nil

### Affiliated Relationship

No affiliate relationship with fellow Committee members, members of the Board of Commissioners, Board of Directors, or the Ultimate and Controlling Shareholders.

### Certification -

### Legal Basis for Appointment as ROC Member

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 008/DEKOM/KP/IV/2020 dated 9 April 2020;
- Circular Resolution of the Board of Directors No. 003/SIR/DIR/IV/2020 dated 20 April 2020.

## TRAINING FOR RISK OVERSIGHT COMMITTEE MEMBERS

Information of the training programs participated by members of the Risk Oversight Committee in 2020 is presented in the Company Profile Section of this Annual Report.

### RISK OVERSIGHT COMMITTEE INDEPENDENCY

The ROC performs its duties, responsibilities and authorities in a professional and independent manner, without interference from any party, and pursuant to prevailing laws and regulations. The members of ROC have met all independence criteria and are able to perform their duties independently, uphold the interests of the Bank without influence from any party. This is evidenced by membership composition of 1 (one) Chairman who is an Independent Commissioner, 2 (two) members who are Commissioners of the Bank, and 2 (two) non-Commissioner from as independent parties.

## DUTIES, RESPONSIBILITIES AND AUTHORITIES

The main duties, responsibilities and authorities of the ROC are to provide recommendations to the Board of Commissioners in support of the latter's duties and responsibilities pertaining to the oversight of risk management at the Bank, namely to:

1. Evaluate the alignment between the policy and implementation of risk management in the Bank; and
2. Monitor and evaluate the performances of the Risk Management Committee and the Risk Management Unit.

### RISK OVERSIGHT COMMITTEE MEETINGS AND ATTENDANCE

The ROC Charter stipulates that the Committee must hold meetings at least once a month and the meetings must be attended in-person at least twice a year. Meetings can only be held if attended by at least 51% (fifty-one percent) of the total number of members, including an Independent Commissioner and an Independent Party.

In 2020, the ROC held 12 (twelve) meetings with the attendance record as follows:



**Table of Meeting Attendance of Risk Oversight Members in January - December 2020**

| Name                            | Attendance in ROC Meetings | Physical Attendance | Attendance through Teleconference or Telepresence | Rate of Attendance | Average Rate of Attendance |
|---------------------------------|----------------------------|---------------------|---|--------------------|----------------------------|
| Glenn M. S. Yusuf <sup>*)</sup> | 4                          | -                   | 4   | 100%               | 98.7%                      |
| Didi Syafruddin Yahya           | 12                         | 2                   | 10  | 100%               |                            |
| David R. Thomas                 | 11                         | 1                   | 10  | 92%                |                            |
| Firmanzah <sup>**)</sup>        | 12                         | 2                   | 10  | 100%               |                            |
| Sri Tuti Hadiputranto           | 12                         | 2                   | 10  | 100%               |                            |
| Zulkifli M. Ali <sup>***)</sup> | 3                          | 2                   | 1   | 100%               |                            |

<sup>\*)</sup> Appointed as a ROC Member on the closing of the AGM on 9 April 2020, effective on 16 September 2020, and subsequently appointed as the ROC Chairman effective on 6 October 2020.

<sup>\*\*)</sup> Deceased on 6 February 2021

<sup>\*\*\*)</sup> The term of office as a ROC Member ended effectively on the closing of the AGM 9 April 2020.

In 2020, the meetings of the Risk Oversight Committee discussed agendas which include the following:

1. Agenda that relates to Risk Management governance:

- Monitor and evaluate the Realization of Work Plan 2019 and Work Plan 2020 (Risk Oversight Committee).
- Monitor and evaluate the Realization of Work Plan 2019 and Work Plan 2020 (Risk Management Committee - RMC).
- Monitor and evaluate the Realization of Work Plan 2019 and Work Plan 2020 (Risk Management Unit).
- Review and ratify the minutes of the Risk Oversight Committee meetings.

2. Agenda that relates to Capital and soundness of Bank:

- Evaluate the risk management of capital, including the implementation of Stress Tests (Group-wide, Management and Corona Virus) and ICAAP.
- Discuss mandatory reporting to Bank Supervision which include Risk Profile Report, Bank Soundness Report and other reports.

3. Agenda that relates to the risk profile of the Bank:

- Monitor monthly risk management reports (Risk Appetite Statement/Risk Report) covering several aspects of risk management (Credit, Market, Liquidity, Operational and others).
- Recommend to the Board of Commissioners on risk management policies, including: Non-retail

Credit Policy, Liquidity Risk, and IRRBB.

- Review on the implementation of risk management, including: Market Risk, Strategic Risk, Compliance Risk, and Legal Risk.
- Discuss monthly Economic Outlook report by Bank Economist.
- Monitor and discuss impact of COVID-19 on Bank performance.
- Discuss Bank capabilities and preparedness on Cyber Security.
- Monitor and discuss business plan, strategy and account planning for large debtor groups.
- Monitor and discuss Credit Assurance Testing report.
- Review discussions on the performances of certain operating units.
- Monitor the implementation of IFRS9.

## REPORT OF THE RISK OVERSIGHT COMMITTEES DUTIES IMPLEMENTATION IN 2020

The Risk Oversight Committee undertook activities throughout 2020 in accordance with its Work Plan, which is drawn up annually pursuant to the duties and responsibilities of the ROC as provided for in its Charter. In 2020, there were 26 additional agenda items from the work plan that was set at the beginning of the year, to ensure that the ROC meetings discuss the most up-to-date and relevant topics related to the Bank.



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The duties of ROC that were carried out in 2020 involved activities and recommendations that include:

1. Review and submit recommendations to the Board of Commissioners on:
  - a. Implementation of risk management policies/frameworks by the Board of Directors, and
  - b. Bank's risk appetite setting, including the risk appetite statement and risk posture.
2. Evaluate the performances of the Risk Management Committee and the Risk Management Unit as well as the consistency between the Risk Management policies and their implementation by discussing:
  - a. Risk Management strategies and policies for various risk aspects, not only Credit Risk, Operational Risk, Liquidity Risk and Market Risk, but also Legal Risk, Compliance Risk, Reputational Risk and Information Technology Risk.
  - b. Risk Management that is related to capital, including Internal Capital Adequacy Assessment Process and the implementation of stress tests.
  - c. Internal reports that include the monitoring results of material & emerging risk, macro-economic conditions, the Bank's financial performance, and risk indicators to ensure compliance with the Bank's risk appetite.
  - d. Mandatory reports that are submitted to the Bank's supervisor consisting of the Risk Profile Report, the Risk Based Bank Rating Report and other reports to ensure that the information conveyed to the Bank supervisor accurately reflect the actual risks faced by the Bank.
3. Monitor the Bank's credit risk by discussing:
  - a. Status of asset quality for each loan segment to ensure each business unit has taken the necessary measures to maintain and improve the Bank's assets quality in line with the established risk posture and risk appetite.
  - b. Thematic review of loan portfolios that could be negatively affected by COVID-19 in 2020.
  - c. Business plan, strategy and account planning for Large Group borrowers.

- d. The Credit Assurance Testing assessment results presented every 3 months in an effort to improve the underwriting process.

4. Evaluate the bank's strategy and steps with respect to:
  - a. Latest report on the impact of COVID-19 on Bank Risk
  - b. Latest report on the effects of implementing IFRS9 in 2020.

### **RISK OVERSIGHT COMMITTEE ASSESSMENT ON THE IMPLEMENTATION OF RISK MANAGEMENT BY THE BANK**

The ROC assessed that the implementation of Risk Management by the Bank in 2020 had actively managed the Bank's Risk Profile through inherent risk monitoring and thereby strengthened the quality of risk management, enhanced Good Corporate Governance through various risk committees, and maximized shareholder value by managing capital comprehensively, and ensuring profitability and sustainable growth, enabling the Bank to maintain a sound balance sheet after accounting for all risks.

### **WORK PLANS FOR 2021**

For 2021, the ROC will continue to carry out its main duties and responsibilities, namely to support the effectiveness of the Board of Commissioners in discharging its duties and responsibilities pertaining to risk management. In addition to the work plan that have been established based on the responsibilities stipulated in the Charter, the ROC proactively continues to monitor and raise the latest risk-related issues so that they remain relevant and up-to-date with the risks faced by the Bank.

## REMUNERATION FOR RISK OVERSIGHT COMMITTEE MEMBERS

### 1. REMUNERATION PACKAGE AND OTHER FACILITIES RECEIVED

| Types of Remuneration and Other Facilities   | Amount Received in 1 Year by ROC Members |               |          |              |
|--|--|---------------|----------|--------------|
|  | 2020                                     |               | 2019     |              |
|  | Person                                   | Rp (Million)  | Person   | Rp (Million) |
| Remuneration (salary, routine allowance, tantiem, and other non-natura facilities) | 7 <sup>*)</sup>                          | 12,089        | 6        | 8,545        |
| Other natura facilities (housing, transportation, health insurance, etc.) which:   |  |               |          |              |
| a. Could be owned  | -  | -             | -        | -            |
| b. Could not be owned  | -  | -             | -        | -            |
| <b>Total</b>   | <b>7<sup>*)</sup></b>                    | <b>12,089</b> | <b>6</b> | <b>8,545</b> |

<sup>\*)</sup> Including remuneration for Committee members that are no longer in position..

| Remuneration Per Person               | Total ROC Members |      |
|---------------------------------------|-------------------|------|
|                                       | 2020              | 2019 |
| Above Rp5 billion                     | 0                 | 0    |
| Above Rp2 billion up to Rp5 billion   | 2                 | 1    |
| Above Rp1 billion up to Rp2 billion   | 4                 | 4    |
| Above Rp500 million up to Rp1 billion | 1                 | 0    |
| Below Rp500 million                   | 0                 | 1    |

### 2. VARIABLE REMUNERATION FOR RISK OVERSIGHT COMMITTEE MEMBERS

| Variable Remuneration | Amount Received in 1 Year by ROC Members |              |            |              |
|-----------------------|--|--------------|------------|--------------|
|                       | 2020                                     |              | 2019       |              |
|                       | Person                                   | Rp (Million) | Person     | Rp (Million) |
| <b>Total</b>          | <b>Nil</b>                               | <b>Nil</b>   | <b>Nil</b> | <b>Nil</b>   |

All Risk Oversight Committee members of CIMB Niaga did not receive any variable remuneration (shares or bonuses both based of performance or non-performance as well as shares option).



**GLENN M. S. YUSUF**  
RISK OVERSIGHT COMMITTEE CHAIRMAN



**DIDI SYAFRUDDIN YAHYA**  
RISK OVERSIGHT COMMITTEE MEMBER



**DAVID RICHARD THOMAS**  
RISK OVERSIGHT COMMITTEE MEMBER



**FIRMANZAH\***  
RISK OVERSIGHT COMMITTEE MEMBER



**SRI TUTI HADIPUTRANTO**  
RISK OVERSIGHT COMMITTEE MEMBER

<sup>\*)</sup> Deceased on 6 February 2021



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## INTEGRATED GOVERNANCE COMMITTEE

CIMB Niaga as the Main Entity (ME) of the CIMB Indonesia Financial Conglomerate (CIFC) has formed the Integrated Governance Committee (IG Committee) to assist the duties of the Board of Commissioners as the Board of Commissioners of ME, especially in the discharge of its function of oversight on the implementation of IG at CIFC, pursuant to prevailing laws and regulations

### Composition of members of CIFC:

Main Entity : PT Bank CIMB Niaga Tbk (CIMB Niaga)  
Members : PT CIMB Niaga Auto Finance (CNAF)  
PT CIMB Niaga Sekuritas (CNS)

### LEGAL BASIS

The establishment of the IG Committee is based on the following regulation:

1. OJK Regulations and Circular Letters on the implementation of Integrated Governance for the Financial Conglomerate.
2. The Articles of Association of CIMB Niaga regarding the duties and responsibilities of the Board of Commissioners.

### INTEGRATED GOVERNANCE COMMITTEE CHARTER

The IG Committee of CIMB Niaga has a Charter that regulates the membership, authorities, duties and responsibilities, meetings, activities and work procedures of the IG Committee in carrying out its functions.

The IG Committee Charter is reviewed periodically so as to comply with the prevailing rules and regulations and Bank's need. The IG Committee Charter was last updated on 3 October 2018 and has been uploaded to Bank's website.

### TERM OF OFFICE

The prevailing regulations stipulates that the term of office of members of the IG Committee who are Independent Commissioners of the Financial Services Institution (FSI) of CIFC is 4 (four) years and/or does not exceed the term of office at the FSI of CIFC. Meanwhile, the term of office of members who are Independent Parties and/or other parties (if any) is 4 (four) years and/or does not exceed the term of office of the Board of Commissioners of ME.

### INTEGRATED GOVERNANCE COMMITTEE NUMBER, STRUCTURE, AND COMPOSITION

The membership, composition and independency of IG Committee members have met the applicable criteria and conditions and in accordance with the IG Committee Charter. Members of the IG Committee are appointed by the Board of Directors, with approval of the Board of Commissioners based on the recommendation of the Nomination and Remuneration Committee, or in certain cases based on decisions of IG Committee meeting in accordance with Appointment Letter of Financial Services Institution member of the CIFC.

In 2020, the IG Committee comprises of 5 (five) members, 1 (one) of who is the Chairman and concurrently member who is an Independent Commissioner, 1 (one) member who is an Independent Party, 1 (one) member who is member of the Sharia Supervisory Board of ME, and 2 (two) members who are Independent Commissioners of the subsidiary entities as representatives of the financial service institution members of CIFC.

### INTEGRATED GOVERNANCE COMMITTEE MEMBERSHIP IN 2020

| No | Name                   | Position in Bank and in Subsidiaries                 | Position in Committee | Term of Office |
|----|------------------------|--|-----------------------|----------------|
| 1  | Jeffrey Kairupan       | Independent Commissioner of CIMB Niaga               | Chairman              | 2020 - 2024    |
| 2  | Sri Widowati*          | Independent Commissioner of CIMB Niaga               | Chairman              | 2020 - 2023    |
| 3  | Endang Kussulanjari S  | Independent Party                                    | Member                | 2020 - 2024    |
| 4  | Serena K. Ferdinandus  | Independent Commissioner of CNAF                     | Member                | 2020 - 2024    |
| 5  | Yulizar D. Sanrego     | Member of the Sharia Supervisory Board of CIMB Niaga | Member                | 2019 - 2023    |
| 6  | Achiran Pandu Djajanto | Independent Commissioner of CNS                      | Member                | 2019 - 2022    |

\* Appointed as Chairman of the IG Committee replacing Jeffrey Kairupan for 17 June – 6 October 2020.

## PROFILES OF INTEGRATED GOVERNANCE COMMITTEE MEMBERS



### JEFFREY KAIRUPAN

#### INTEGRATED GOVERNANCE COMMITTEE CHAIRMAN

Reappointed as the IG Committee Chairman effective since 6 October 2020 and concurrently as the Audit Committee Chairman.

He is currently also serves as Independent Commissioner of the Bank.

His complete profile is presented in the Board of Commissioners' Profiles.

#### Legal Basis for Appointment as IG Committee Chairman

- NRC Recommendation No. 006/NOMREM/KP/IX/2020 dated 25 September 2020
- Circular Resolution of the Board of Commissioners No. 017/DEKOM/KP/X/2020 dated 2 October 2020
- Circular Resolution of the Board of Directors No. 008/SIR/DIR/X/2020 dated 6 October 2020



### ENDANG KUSSULANJARI S.

#### INTEGRATED GOVERNANCE COMMITTEE MEMBER

Appointed as the IG Committee Member since April 2016 and reappointed on 9 April 2020, concurrently the Audit Committee Member.

Her complete profile is presented in the Audit Committee's Profile.

#### Legal Basis for Appointment as IG Committee Member

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 008/DEKOM/KP/IV/2020 dated 9 April 2020;
- Circular Resolution of the Board of Directors No. 003/SIR/DIR/IV/2020 dated 20 April 2020



### YULIZAR D. SANREGO

#### INTEGRATED GOVERNANCE COMMITTEE MEMBER

Appointed as the IG Committee member since March 2015 and reappointed on 15 April 2016 and 15 April 2019.

He is currently also serves as a Member of the Sharia Supervisory Board of the Bank.

His complete profile is presented in the Sharia Supervisory Board's Profiles.

#### Legal Basis for Appointment as IG Committee Member

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 006/DEKOM/KP/III/2019 dated 15 March 2019;
- Circular Resolution of the Board of Directors No. 004/SIR/DIR/IV/2019 dated 15 April 2019



### SERENA K. FERDINANDUS

#### INTEGRATED GOVERNANCE COMMITTEE MEMBER

Appointed as the IG Committee member since March 2015 and reappointed on 15 April 2016 and 9 April 2020.

**Age/Gender** 60/Female

**Nationality** Indonesian

**Domicile** Jakarta

#### Education

Bachelor in Economics from the University of Indonesia (1986).

#### Work Experiences

- Risk Management Committee member at PT Elnusa Tbk (2016 - 2020)
- Audit Committee member at PT Blue Bird Tbk (2014 - 2020)
- Commissioner at PT Anpa Internasional (2012 - 2018)
- Audit Committee member at PT Elnusa Tbk (2015 - 2016)
- Audit Committee member at PT Chandra Asri Petrochemical Tbk (2009 - 2015)
- Audit Committee member at PT Barito Pacific Tbk (2009 - 2013)
- Senior Vice President Investment Banking Division at PT NC Securities (2002 - 2009)
- Vice President Investment Banking Division and Direct Investment Division at PT Danareksa (Persero) and PT Danareksa Finance (1996 - 2001)
- Manager Audit Division at Ernst & Young, Sarwoko & Sandjaja in Indonesia (1986 - 1995) and Ernst & Young, Dallas.



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#### Concurrent Positions

- Risk Oversight Committee Chairman at PT CIMB Niaga Auto Finance (2020 - present)
- Audit Committee member at PT Elnusa Tbk (2020 - present)
- Independent Commissioner and Audit Committee Chairman at PT CIMB Niaga Auto Finance (2012 - present)
- Chief Audit Executive (Internal Audit & Risk Management Head) at PT Ithaca Resources (2009 - present)

#### Share Ownership

Nil

#### Affiliated Relationship

Not affiliated with fellow members of the Committee, members of the Board of Commissioners, members of the Board of Directors, or the Ultimate and Controlling Shareholder.

#### Certification -

#### Legal Basis for Appointment as IG Committee Member

- NRC Recommendation No. 004/NOMREM/KP/III/2020 dated 9 March 2020;
- Circular Resolution of the Board of Commissioners No. 008/DEKOM/KP/IV/2020 dated 9 April 2020;
- Circular Resolution of the Board of Directors No. 003/SIR/DIR/IV/2020 dated 20 April 2020.



#### ACHIRAN PANDU DJAJANTO

INTEGRATED GOVERNANCE COMMITTEE MEMBER

Appointed as the IG Committee member since 7 August 2019.

**Age/Gender** 62/Male

**Nationality** Indonesian

**Domicile** Bekasi

#### Education

- Bachelor of Law from University of Gadjah Mada (1983)
- Magister of Management from Entrepreneur Development Institute (1997)
- Phd in Law from University of Gadjah Mada (2015)

#### Work Experiences

- Compliance and Risk Management Director of PT Jasa Marga (Persero) Tbk. (2015-2016)
- Expert Staff of the Minister of SOEs for Governance and Synergy (2014- 2015)
- Expert Staff of the Minister of SOEs for Human Resources and Technology (2014-2015)
- Expert Staff of the Minister of SOEs for Corporate Governance (2010 - 2013)
- Head of Legal Division of the Indonesian Bank Restructuring Agency (1998 - 2002)
- Head of the BPR Sub-Directorate of the Directorate General of Financial Institutions DJLK (1994 - 1998)
- Various Positions in Government Agencies since 1983.

#### Concurrent Positions

Independent Commissioner of CNS (2018 - present)

#### Share Ownership

Nil

#### Affiliated Relationship

Not affiliated with fellow members of the Committee, members of the Board of Commissioners, members of the Board of Directors, or the Ultimate and Controlling Shareholder.

#### Certification -

#### Legal Basis for Appointment as IG Committee Member

- Decision of IGC Meeting on 7 August 2019;
- Decision of Board of Commissioners Meeting on 26 August 2019;
- Circular Resolution of the Board of Directors No. 009/SIR/DIR/IX/2019 dated 2 September 2019

## TRAINING FOR INTEGRATED GOVERNANCE COMMITTEE MEMBERS

Data on training participated by IG Committee members in 2020 is presented in the Company Profile Section of this Annual Report.

## INTEGRATED GOVERNANCE COMMITTEE INDEPENDENCY

IG Committee members have met all independency criteria and are capable of performing their duties independently, upholding the Bank's interest without interference from any parties. This is evidenced in the minimum membership requirements for the IG Committee, which is as follows:



1. An Independent Commissioner who serves as Chairman of another committee at the Main Entity, acting as Chairman concurrently as a member;
2. An Independent Commissioner who represents, and is appointed from the Financial Services Institution (FSI) within the Financial Conglomerate, as a member;
3. An independent party, as a member.

### DUTIES, RESPONSIBILITIES, AND AUTHORITIES

The duties, responsibilities and authorities of the IG Committee include the followings:

1. Evaluating the implementation of IG at least through the assessment of the adequacy of internal control and the implementation of the integrated compliance function;
2. Providing recommendations on the adequacy of internal control and the implementation of the integrated compliance function;
3. Providing recommendations in the context of implementing improved internal control, application of risk management and the application of good corporate governance;
4. Providing recommendations to the Board of Commissioners of ME for the preparation and improvement of the IG Guidelines;
5. Organizing regular IG Committee meetings;
6. Obtaining input, suggestions and recommendations from professional parties or other parties outside the EM, FSI or CIFIC related to their duties as members of the IG Committee;
7. Authorized to request information in the form of evaluation results from:

- a. The integrated compliance function of the Integrated Compliance Unit;
  - b. The integrated internal audit function of the Integrated Internal Audit Unit on the implementation of internal audit; and
  - c. The integrated risk management function for the implementation of integrated risk management from the Integrated Risk Management Committee and/or the Integrated Risk Management Unit, including but not limited to the obligation to apply integrated minimum capital;
8. The Chairman of the Committee shall prepare and submit a report to the Board of Commissioners of EM on each implementation of their duties accompanied by recommendations (for approval if necessary).

### INTEGRATED GOVERNANCE COMMITTEE MEETINGS AND ATTENDANCE

The IG Committee Charter stipulates that the IG Committee Meetings must hold at least twice 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.

In 2020, the IG Committee held 2 (two) meetings, on 7 February 2020 and 7 August 2020, which included ratification of the previous meetings minutes, discussion regarding issues that needed to be followed-up from the previous meeting, and other matters that required attention, with attendance levels of the meetings as follows:

**Table Of Meeting Attendance Of Integrated Governance Committee Members In January – December 2020**

| Name                   | Attendance at IG Committee Meetings | Physical Attendance | Attendance through Teleconference or Telepresence | Rate of Attendance | Average Rate of Attendance |
|------------------------|-------------------------------------|---------------------|---|--------------------|----------------------------|
| Jeffrey Kairupan       | 1                                   | 1                   | -   | 100%               | 91.7%                      |
| Sri Widowati*          | 1                                   | -                   | 1   | 100%               |                            |
| Endang Kussulanjari S  | 2                                   | 1                   | 1   | 100%               |                            |
| Serena K. Ferdinandus  | 2                                   | 1                   | 1   | 100%               |                            |
| Yulizar D. Sanrego     | 1                                   | -                   | 1   | 50%                |                            |
| Achiran Pandu Djajanto | 2                                   | 1                   | 1   | 100%               |                            |

\* Appointed as Chairman of the IG Committee replacing Jeffrey Kairupan for 17 June – 6 October 2020.

The agendas discussed at the IG Committee meetings in 2020, were as follows:

Permanent IG Committee Meeting Agenda:

1. Confirmation on minutes of the previous IG Committee meeting;
2. Report on the results of follow-up or discussion of issues that have not been completed from the previous IG Committee meeting.

Other IG Committee Meeting Agenda besides the Permanent Agenda:

1. IG Committee Meeting on 7 February 2020.
  - a. Report on Integrated Risk Management in 2<sup>nd</sup> half-year of 2019.
  - b. Report on Integrated Minimum Capital Adequacy as of December 2019
  - c. Report on Integrated Internal Audit (including Sharia Audit Update) for 2<sup>nd</sup> half-year of 2019.





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- d. Report on Implementation of Integrated Governance in 2<sup>nd</sup> half-year of 2019.
- e. Report on Compliance of Integrated Governance in 2<sup>nd</sup> half-year of 2019.
2. IG Committee meeting on 7 August 2020
  - a. Report on Integrated Risk Management in 1<sup>st</sup> half-year of 2020
  - b. Report on Integrated Minimum Capital Adequacy as of June 2020
  - c. Report on Integrated Internal Audit (including Sharia Audit Update) for 1<sup>st</sup> half-year of 2020
  - d. Report on Implementation of Integrated Governance in 1<sup>st</sup> half-year of 2020
  - e. Report on Compliance of Integrated Governance in 1<sup>st</sup> half-year of 2020

### REPORT OF INTEGRATED GOVERNANCE COMMITTEE DUTIES IMPLEMENTATION IN 2020

During 2020, the IG Committee carried out activities that focused on evaluating and/or reviewing the following reports and/or items:

1. Report on the Integrated Risk Profile as part of the Report on Integrated Risk Management.
2. Report on Integrated Minimum Capital Adequacy as of December 2019 and June 2020.
3. Report on the Implementation of Integrated Governance in 2<sup>nd</sup> Half-year 2019 and 1<sup>st</sup> Half-year 2020, including the Integrated Compliance Report.
4. Report on the Integrated Internal Audit (Including Sharia) for 2<sup>nd</sup> Half-year 2019 and 1<sup>st</sup> Half-year 2020.
5. Periodic Self-Assessment Report on the Implementation of Integrated Governance for June and December.
6. Reviewed the Membership of the IG Committee.

### EVALUATION OF THE INTEGRATED GOVERNANCE COMMITTEE ON THE IMPLEMENTATION OF THE INTEGRATED GOVERNANCE BY THE CIMB INDONESIA FINANCIAL CONGLOMERATE

The IG Committee evaluated the implementation of Integrated Governance in the CIMB Indonesia Financial Conglomerate throughout 2020, including the adequacy of internal control, risk management, capitalization, and the compliance function on an integrated basis, all of which were found to be generally satisfactory and in accordance with the prevailing laws and regulations that govern the implementation of Integrated Governance by the financial conglomerate in Indonesia, and in proportion to the size and complexity of the CIMB Indonesia Financial Conglomerate. This implies that CIFC has implemented the principles of Integrated Governance comprehensively and adequately, except for certain minor issues. These issues are generally insignificant and could be resolved/ corrected through normal actions either at the ME or the FSI members of the CIFC.

### WORK PLANS IN 2021

Work Plan of the IG Committee for 2021 is as follows:

1. Review the Integrated Risk Management Report.
2. Review the Integrated Minimum Tier-1 Capital Adequacy Report.
3. Review the Integrated Internal Audit Report, including Sharia Audit.
4. Review the Integrated Compliance Report.
5. Review the Integrated Risk Profile Report.
6. Review the Implementation of Integrated Governance Report.
7. Review the Integrated Governance Policy and provide recommendation to the Main Entity's Board of Commissioners should any amendment required.
8. Provide report on Self-Assessment of the Implementation of the Integrated Governance regularly for the positions of June 2021 and December 2020.

## REMUNERATION FOR INTEGRATED GOVERNANCE COMMITTEE MEMBERS

### 1. Remuneration Package and Other Facilities Received

| Types of Remuneration and Other Facilities   | Amount Received in 1 Year by IGC Members |              |          |              |
|--|--|--------------|----------|--------------|
|  | 2020                                     |              | 2019     |              |
|  | Person                                   | Rp (Million) | Person   | Rp (Million) |
| Remuneration (salary, routine allowance, tantiem, and other non-natura facilities) | 6 <sup>a)</sup>                          | 377          | 5        | 395          |
| Other natura facilities (housing, transportation, health insurance, etc.) which:   |  |              |          |              |
| a. Could be owned  | -  | -            | -        | -            |
| b. Could not be owned  | -  | -            | -        | -            |
| <b>Total</b>   | <b>6<sup>a)</sup></b>                    | <b>377</b>   | <b>5</b> | <b>395</b>   |

<sup>a)</sup> Including remuneration for Committee members that are no longer in position.

| Remuneration Per Person               | Total IGC Members |      |
|---------------------------------------|-------------------|------|
|                                       | 2020              | 2019 |
| Above Rp5 billion                     | 0                 | 0    |
| Above Rp2 billion up to Rp5 billion   | 1                 | 1    |
| Above Rp1 billion up to Rp2 billion   | 1                 | 1    |
| Above Rp500 million up to Rp1 billion | 0                 | 0    |
| Below Rp500 million                   | 4                 | 3    |

## 2. Variable Remuneration for Integrated Governance Committee Members

| Variable Remuneration | Amount Received in 1 Year by IGC Members |              |            |              |
|-----------------------|--|--------------|------------|--------------|
|                       | 2020                                     |              | 2019       |              |
|                       | Person                                   | Rp (Million) | Person     | Rp (Million) |
| <b>Total</b>          | <b>Nil</b>                               | <b>Nil</b>   | <b>Nil</b> | <b>Nil</b>   |

All Integrated Governance Committee members of CIMB Niaga did not receive any variable remuneration (shares or bonuses both based of performance or non-performance as well as shares option).



**JEFFREY KAIRUPAN**  
INTEGRATED GOVERNANCE COMMITTEE CHAIRMAN



**ENDANG KUSSULANJARI S.**  
INTEGRATED GOVERNANCE COMMITTEE MEMBER



**YULIZAR D. SANREGO**  
INTEGRATED GOVERNANCE COMMITTEE MEMBER



**SERENA K. FERDINANDUS**  
INTEGRATED GOVERNANCE COMMITTEE MEMBER



**ACHIRAN PANDU DJAJANTO**  
INTEGRATED GOVERNANCE COMMITTEE MEMBER



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## COMMITTEES UNDER THE BOARD OF DIRECTORS

CIMB Niaga has formed committees that are directly responsible to the Board of Directors to help and support the duties and responsibilities of the Board of Directors, namely the Executive Committee. In accordance to the prevailing regulations, the Bank is required to have 3 (three) Executive Committees that comprise of Risk Management Committee, Assets & Liability Committee and IT Steering Committee. However, the Board of Directors is also authorized to form other Executive Committees as needed by the Bank.

In line with the complexities development of businesses that required the management and quality enhancement in the implementation of Good Corporate Governance, therefore the Board of Directors has formed few other committees. As of the end of 2020, CIMB Niaga has 4 (four) Executive Committees (called Exco), as follows:

1. Risk Management Committee (RMC)
2. Asset & Liability Committee (ALCO)
3. Information Technology Steering Committee (ITSC)
4. Credit Policy Committee (CPC)

### THE COMMITTEES' POSITION IN THE BANK STRUCTURE

The four Executive Committees are directly responsible to the Board of Directors, as shown in the corporate governance structure of committees in the section on Risk Management of this Annual Report.

### RISK MANAGEMENT COMMITTEE (RMC)

#### MAIN FUNCTION AND AUTHORITY

RMC has the main function and authority to provide recommendations to the President Director in formulating and perfecting the policies, evaluate the

update and condition of risk profiles, as well as providing recommendations and remedial steps.

### STRUCTURE AND MEMBERSHIP

Pursuant to the Charter of the Board of Directors of the Bank, the member of RMC should be at least 2/3 (two-thirds) of the total members of the Board of Directors, plus appointed Executive Officers one level below the Board of Directors.

Based on the RMC Minutes of Meeting that has been approved on 28 April 2020, the RMC membership structure has been resolved, which is simultaneously recognized as the assignment of the Chairman, Vice Chairman and Members of the Committee, as mentioned below.

#### RMC MEMBERSHIP STRUCTURE

Chairman : President Director

Vice Chairman 1 : Risk Management Director

Vice Chairman 2 : Strategy, Finance & SPAPM Director

#### Members

1. Operations & Information Technology Director
2. Treasury & Capital Market Director
3. Consumer Banking Director
4. Compliance, Corporate Affairs & Legal Director
5. Sharia Banking Director
6. Chief of Corporate Banking & Financial Institutions
7. Chief Special Asset Officer
8. Chief Audit Executive
9. Chief Human Resources Officer
10. Advisor SME

#### Secretary

Integrated Risk & Basel PMO Head

#### Profile of the members of RMC

##### SUKARMAN OMAR

ADVISOR SME

**Age/Gender** 61/Male

**Nationality** Indonesian

**Domicile** Jakarta

Appointed as the Advisor SME since 1 February 2020 after previously served as Chief of Micro, Small & Medium Enterprise Banking of CIMB Niaga since November 2013. Previously, he had served in several positions at Bank Permata since 1986 and lastly served as the Head of SME at Bank Permata. He graduated with a Bachelor degree from Universitas Ryama, Medan.

The profiles of the other RMC members are presented in the Profiles of the Board of Directors and Senior Executives in the Company Profile section of this Annual Report.

## DUTIES AND RESPONSIBILITIES

1. Formulate and recommend policies and framework of risk management, including the risk management strategy of the Bank and Risk Appetite Statement (RAS).
2. Review the risk exposures and the implementation of risk management in the Bank and its subsidiaries, both periodically and incidentally as a result of changes in the external and internal conditions of the Bank.
3. Approve the risk profile report, stress testing including the scenarios and the follow up mitigating action.
4. Approve the specific policy on risk management beyond the policies that have been approved by the other Executive Committees.
5. Review the capital adequacy of the Bank and its subsidiary entities.
6. Approve the limit portfolio of the Bank/Management Action Trigger (MAT); such as sectorial limit, house limit, VaR limit, etc.
7. Evaluate and approve treasury market risk limit, excess limit of market risk, changes in the measurement of market risk and credit risk factor for treasury products.
8. Receive report of decision taken by other committees that comprise of: ALCO (Asset & Liabilities Committee), ORC (Operational Risk Committee) and CPC (Credit Policy Committee).
9. Receive information on the decision made by Business Development Committee (BDC) in relation to new products and activities.
10. Supervise the management of asset quality:
  - a. To review that business units have a process for reviewing asset quality and an early warning system in the identification, classification, reporting, and monitoring of every non-performing loans according to the prevailing regulations.
  - b. To review asset quality in line with the overall risk appetite of the Bank.
  - c. To review and discuss on the portfolio trends and assets quality in order to identify the possibility of risks appearance.
11. Approve risk model with respect to the capital adequacy, reserve requirement and other business uses.
2. The quorum attendance of the meetings must be 5 (five) members, including 4 (four) Directors and one of them being the Chairman or Vice Chairman.
3. If the Chairman is absent, the Vice Chairman will lead the meeting.
4. If both the Chairman and Vice Chairman are absent, anyone among the Members must be appointed and the Chairman chosen must be a Director
5. The quorum for the resolution of meetings must be approved by more than 50% (fifty percent) of total members who is entitled to cast a vote; with 2 (two) Directors, one of who is the Chairman or Vice Chairman.

## REALIZATION OF WORK PROGRAM IN 2020

1. Approval and evaluation of policies related to risk management.
2. Approval of several Basel and IFRS9 models including their validation for certain business segments.
3. Approval of the framework for restructuring related to the COVID-19 Stimulus.
4. Approval of House Limit for several Big Debtors (>10% Tier-1 Capital).
5. Discussion of monthly risk reports on each type of risk, raise significant issues and providing direction for follow up action by the related party.
6. Approval and evaluation on risk limits and risk appetite.
7. Approval on the risk profile report and RBBR for the Bank, Sharia Business Unit, Consolidated and Integrated.
8. Approval of scenarios and results of several stress tests.
9. Approval of risk assessment results in 2020.

## WORK PLANS FOR 2021

1. Approval and evaluation of policies related to risk management.
2. Approval and evaluation on risk limits and risk appetite.
3. Enhancing the role of Committee in reviewing the implementation of best practices in risk management.
4. Increasing the effectiveness of meeting by focusing on key risk issues.
5. Complying with the BI and OJK regulations in risk management sector.

## MEETING, QUORUMS AND RESOLUTIONS

1. Meetings are held at least 10 (ten) times a year.

## CERTIFICATION

Membership to RMC does not require any certain certification.

## ASSET & LIABILITY COMMITTEE (ALCO)

### MAIN FUNCTION AND AUTHORITY

ALCO is a supporting committee of the Board of Directors which duties is to analyze and evaluate the management of assets and liabilities, and taking decisions with respect to the formulation of policies, strategies and targets for managing assets and liabilities of the Bank, integratedly. In addition, ALCO has the authority over the Sharia Pricing Committee (the Syariah PC). Syariah PC has the autonomy of deciding on the rate of gross yield distribution, which is routinely reported to the ALCO meeting.

### STRUCTURE AND MEMBERSHIP

In line with the Charter of the Board of Directors of the Bank, the membership of ALCO is at least 2/3 (two-thirds) of the total members of the Board of Directors, plus appointed Executive Officers one level below the Board of Directors.

Through the ALCO's Terms of Reference (ToR) that has been renewed on 28 July 2020, the structure of ALCO membership has been determined (including the membership structure of Syariah PC), which is simultaneously recognized as the assignment of the Chairman, Vice Chairman and Members of the Committee, as mentioned below.

#### ALCO MEMBERSHIP STRUCTURE

Chairman : President Director  
Vice Chairman 1 : Strategy, Finance & SPAPM Director  
Vice Chairman 2 : Treasury & Capital Market Director

#### Members

1. Risk Management Director
2. Consumer Banking Director
3. Sharia Banking Director
4. Operations & Information Technology Director
5. Compliance, Corporate Affairs & Legal Director

#### Secretary

Head of Asset & Liability Management

#### MEMBERSHIP STRUCTURE OF SYARIAH PC

Chairman : Sharia Banking Director  
Vice Chairman 1 : Strategy, Finance & SPAPM Director  
Vice Chairman 2 : Treasury & Capital Market Director

#### Members

1. Head of Syariah Business Banking
2. Head of Syariah Consumer
3. Head of Retail Product & Segment
4. Head of Advisory & Legal

The profiles of members of ALCO are presented in the Profiles of the Board of Directors and Senior Executives in Company Profile section of this Annual Report.

### DUTIES AND RESPONSIBILITIES

1. Balance Sheet and Net Interest Income (NII)
  - a. Examine and analyze the balance sheet of the Bank based on business, composition of assets and liabilities, currency, growth, income and margin.
  - b. Examine the variation that arises between targets and the actual balance sheet, and how such variation would impact on funding and lending, balance sheet ratios, and whether the Bank is still within its risk appetite limits.
  - c. Examine trends in Net Interest Income (NII) and Net Interest Margin (NIM), including the projection, variation with NIM targets, and elaborate on needed actions.
  - d. Examine the impact on NII under Base Case condition and also under Stressed Economic Scenarios.
  - e. Examine and ensure that the framework of Fund Transfer Pricing (FTP) is in line with and functions as a bridge between business lines in designing and implementing FTP, and ensuring consistency in the performance of the Bank.
  - f. Examine and approve the Pricing that requires the approval from regulator as well as the Pricing for new and old products to align with the strategic business objectives of the Bank through a quorum requirement.
2. Contingency Funding Plans
  - a. Examine Contingency Funding Plan (CFP) as the business operational plan and measure the capacity of such plan to ascertain that management actions are realistic; and
  - b. Ensure that the Early Warning Indicators are relevant with current conditions.
3. Asset Liability Management
  - a. Examine the framework and policy of Asset and Liability Management to ensure that those framework and policies are in line with the operational scale and the current and the future complexities of CIMB Niaga;
  - b. Uphold the consistency of the practices and policies by the Bank;

- c. Approve the Management Action Trigger (MAT)/ the limit of liquidity and interest rate risk in the Banking Book;
  - d. Establish, monitor, and evaluate protection strategy of all entities under CIMB Niaga;
  - e. Examine and ensure that the risk profile of the Bank is still within the specified limit of MAT/ the limit of liquidity and interest rate risk in the Banking Book, including evaluating the result of internal stress tests and regulations in all material currencies and banking entities within the CIMB Niaga Group;
  - f. Examine and approve the parameter models for ALM risk and validation model; and
  - g. Identify and evaluate the funding and liquidity needs, and take appropriate steps for certain conditions of liquidity and funding.
4. Syariah PC
- a. Determine Gross Yield for the current month and ensure that Gross Yield is in line with Sharia Compliance;
  - b. Establish or change the level of nisbah (profit sharing) if needed;
  - c. Determine the amount of cost that should be set aside or placed in reserve for the purpose of profit equalization under the Sharia principles;
  - d. Determine the amount of hibah (grant), if any, to be provided;
  - e. Undertake activities that have been delegated by ALCO from time to time.

## MEETINGS, QUORUMS AND RESOLUTIONS

### ALCO

1. Meetings are held at least 12 (twelve) times a year.
2. The quorum attendance of the meeting is at least 2/3 (two-thirds) of the number of Director members.
3. Quorum for resolution of meetings is the approval of at least 2/3 (two-thirds) of the number of Director members present at the meeting.
4. Quorum on attendance and resolution of meetings can be delegated to at least 2 (two) out of 3 (three) members of the Board of Directors as follows:
  - Chairman : President Director
  - Vice Chairman 1 : Strategy, Finance & SPAPM Director
  - Vice Chairman 2 : Treasury & Capital Market Director

### SYARIAH PC

1. The quorum attendance of the meetings at least of 1/2n+1 or a minimum of 3 (three) members of the Syariah PC which consist of Chairman or Vice Chairman.
2. In the event there is a member of the Syariah PC who cannot attend a meeting, his or her position can be replaced by someone appointed by the said Syariah PC member.
3. Resolution of meetings can be made when the meeting's quorum is fulfilled.

### REALIZATION OF WORK PROGRAMS IN 2020

1. Maintaining optimum composition of balance sheet and active management of NII that are impacted by the COVID-19 pandemic.
2. Ensuring the liquidity of the Bank at optimum level amid uncertainties throughout the COVID-19 pandemic period.
3. Actively maintaining the liquidity ratio - Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) above the requirement of regulator, and implementing an internal incentive scheme through the Fund Transfer Pricing on funding sources that have higher LCR value.
4. Ensuring the availability of diversified alternative funding sources, if needed.
5. Monitoring and revising the pricing strategy for actively funding by considering the level of funding needs, condition and competition in the market, and the maximum level of funding pricing allowed by the regulator.

### WORK PLANS FOR 2021

1. Anticipating policies and decisions on the management of ALMA actively due to the impact of COVID-19 pandemic.
2. Ensuring that the liquidity of the Bank is always at optimum level.
3. Actively maintaining the liquidity ratio - Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are above the requirement of regulator.
4. Ensuring the availability of diversified alternative funding sources, if needed.
5. Managing pricing strategy on active funding.

### CERTIFICATION

ALCO membership does not require any certification.





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## INFORMATION TECHNOLOGY STEERING COMMITTEE (ITSC)

### MAIN FUNCTION AND AUTHORITY

ITSC is responsible for reviewing and recommending policies on the management and development of CIMB Niaga's technology and information system.

### STRUCTURE AND MEMBERSHIP

Pursuant to the Charter of the Board of Directors of the Bank, the members of ITSC should be at least 2/3 (two-thirds) of the number of members of the Board of Directors, plus appointed Executive Officers one level below the Board of Directors.

Through the Term of Reference (ToR) of ITSC that has been approved by the ITSC meeting on 14 July 2020, the membership structure of ITSC who also serves or recognized as the assignment of the Chairman, Vice Chairman and members of the Committee as shown below.

The membership structure of ITSC has been aligned with OJK Regulation No. 38/POJK.03/2016 and OJK Circular Letter No. 21/SEOJK/03/2017 on the Implementation of Risk Management in the Use of Information Technology by a Commercial Bank.

### MEMBERSHIP STRUCTURE OF ITSC

Chairman : President Director

Vice Chairman 1 : Operation & Information Technology Director

Vice Chairman 2 : Strategy, Finance & SPAPM Director

### Members

1. Risk Management Director
2. Consumer Banking Director
3. Treasury & Capital Market Director
4. Sharia Banking Director
5. Business Banking Director
6. Compliance, Corporate Affairs & Legal Director
7. Chief Human Resource Officer
8. Chief Audit Executive
9. Head of Information Technology (Member concurrently Secretary)

The profiles of members of ITSC are presented in the Profiles of the Board of Directors and Senior Executives in the Company Profile's section of this Annual Report.

## DUTIES AND RESPONSIBILITIES

The duties and responsibilities of ITSC is to provide recommendations related to:

1. The Strategic Plan for Information Technology (IT) that is in line with the business strategy of the Bank. Matters that must be considered are:
  - a. Road map to meet IT's needs to support the business strategy of the Bank;
  - b. Requirement for human resources;
  - c. Benefits from the implementation of the IT's Strategic Plan; and
  - d. Problems that may be encountered in the implementation of the IT's Strategic Plan.
2. Formulating the main IT policies, standards, and procedures, such as policies on the security of IT and risk management related to the use of IT by the Bank.
3. The suitability between the approved IT's project with the IT Strategic Plan. The Committee also establishes the priority status of IT projects that are critical and have significant bearing on the Bank's operations.
4. The suitability between the IT's project implementation with the approved project plan (Project Charter). ITSC also completes the recommendation with the analysis result of the main IT project. This agenda is also part of the CIC (Capital Investment Committee) agenda.
5. The suitability between the IT with the requirement for the management information system and that of the Bank's business activity.
6. Effectiveness steps taken to minimize risks towards the Bank's investment in the IT sector to enable the Bank's investment in the IT sector gives the contribution to the achievement of the Bank's business objective. This agenda is also part of the CIC (Capital Investment Committee) agenda.
7. Monitoring on the IT's performance and efforts to improve IT's performance.
8. Making efforts to resolve IT issues that cannot be resolved by the respective IT users in an effective, efficient and timely manner.
9. Ensuring the adequacy and allocation of resources of the Bank.
10. Planning for Strategic Cybersecurity that is in line with the risk appetite of the Bank, followed by a comprehensive working plan for technological operations and risk management.

## MEETINGS, QUORUMS AND RESOLUTIONS

1. Meetings are held at least 4 (four) times a year.
2. Quorum attendance of the meetings must be at least 2/3 (two-thirds) of the total members of the Board of Directors.



3. Quorum for resolution of meetings is the approval of more than 2/3 (two-thirds) of the total members of the Board of Directors present in the meeting.

#### REALIZATION OF WORK PROGRAMS IN 2020

1. Defining IT Strategic Plan 2021-2023.
2. Defining IT Security Roadmap as part of the IT Strategic Plan 2021-2023.
3. Defining IT projects in the 2020 annual budget.
4. Routinely monitor the progress status of information technology projects in the 2020 annual budget.
5. Monitoring and consulting on the mitigation of cyber-attacks on the IT system of CIMB Niaga.
6. Monitoring and consulting on the use of IT budget and capital expenditures.
7. Monitoring and consulting on IT issues.
8. Analyzing the alignment between the rules and regulations of OJK and Bank Indonesia with the policies and procedures of the Bank.
9. Monitoring the follow-up actions on reviews of baseline technology.
10. Monitoring the status of obsolete technology.

#### WORK PLANS FOR 2021

1. Recommend the IT Strategic Plan 2022 – 2024.
2. Recommend formulation of the main policies, standards and procedures of IT.
3. Recommend formulation of 2021 budget for IT projects in line with the Strategic Plan of IT.
4. Recommend the execution of IT projects.
5. Recommend the alignment of IT with management information system requirements and the business activities of the Bank.
6. Review/monitor the use of the IT budget and capital expenditures.
7. Monitor the efficiency of IT service.
8. Monitor IT issues.
9. Recommend analysis of IT resources of the Bank.
10. Recommend Cybersecurity Strategic Plan and monitor cyber-attack on the Bank's system.

#### CERTIFICATION

ITSC membership does not require any certification.

### CREDIT POLICY COMMITTEE (CPC)

#### MAIN FUNCTION AND AUTHORITY

The CPC at CIMB Niaga has the role of assisting the Board of Directors in formulating credit policies, as well as recommending improvements thereof. In addition, CPC function is also to ensure adherence to the principles of Corporate Governance in the framework of credit policies in the interest of the Bank and its stakeholders.

#### STRUCTURE AND MEMBERSHIP

Pursuant to the Charter of the Board of Directors of the Bank, the membership of CPC should be at least 2/3 (two-thirds) of the number of members of the Board of Directors, plus appointed Executive Officers one level below the Board of Directors.

Through the Charter of CPC that has been approved in the CPC meeting on 14 April 2020, the membership structure of CPC which also serves or recognized as the assignment of the Chairman, Vice Chairman and members of the Committee as shown below.

The membership structure of CPC has been aligned with OJK Regulation No. 42/POJK.03/2017 on the Mandatory Formulation and Implementation of Bank Credit or Financing Policies for a Commercial Bank.

#### MEMBERSHIP STRUCTURE OF CPC

Chairman : President Director  
Vice Chairman 1 : Risk Management Director  
Vice Chairman 2 : Consumer Banking Director

#### Members

1. Treasury & Capital Market Director
2. Operations & Information Technology Director
3. Compliance, Corporate Affairs & Legal Director
4. Strategy, Finance & SPAPM Director
5. Sharia Banking Director
6. Chief Special Asset Officer
7. Chief of Corporate Banking & Financial Institution; and Chief of Transaction Banking
8. Chief Audit Executive

#### Secretary

Head of Non-Retail Credit Policy and Assurance Testing

The profiles of members of CPC are presented in the Profiles of the Board of Directors and Senior Executives in the Company Profile's section of this Annual Report.



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## DUTIES AND RESPONSIBILITIES

1. Defining the direction of credit policies (including risk acceptance criteria, process and credit approval), in line with risk appetite of the Bank to propel the growth of credit of good quality while keeping to prudential banking practices.
2. Defining and ensuring the consistency of:
  - a. The Bank's compliance toward credit management policies and prevailing regulations, especially those with significant risk exposures;
  - b. Approval for the policies and strategies of credit management of the Bank; and
  - c. Oversight on the implementation of credit policies.
3. Approval of the criteria for selecting Bank executives for membership to the Credit Committee.

## MEETINGS, QUORUMS AND RESOLUTIONS

1. Meetings are held at least 10 (ten) times a year.
2. The meeting is valid and entitled to resolve binding resolution if the meeting are attended by more than 2/3 (two-thirds) of the members with the provision that it must include at least 2/3 (two-thirds) of the total of the Board of Directors.
3. Resolutions of meetings must be agreed upon through consensus.
4. In case where a consensus cannot be reached, the resolution must be made through voting with more than 2/3 (two thirds) of the attending members voting in favor of the resolution, with the provision that 2/3 (two thirds) of the consenting votes come from the Directors.

## REALIZATION OF WORK PROGRAMS IN 2020

Update and alignment of the Credit Policy:

### A. Commercial (Conventional & Sharia)

Updating and alignment of credit policies with external regulations such as OJK regulation, government regulation, and the internal rules of the Bank in line with its risk appetite, as follows:

1. Alignment of the Policy on Defining Asset Quality pursuant to OJK Regulation No. 40/POJK.03/2019.
2. Alignment of the Policy on Credit Concentration related to Lending Limit pursuant to OJK Regulation No. 38/POJK.03/2019.
3. Formulation of the Policy and Framework/Action Plan on debtors affected by COVID-19 pandemic pursuant to OJK Regulation No. 11/POJK.03/2020 including changes such as definition of debtor criteria, industry sector, restructuring terms and level of approval.
4. Updating of the Principal Credit Policies of the Bank.
5. Alignment of the Policy on Credit Disbursement, which among other things relate to credit

analyses, loan takeovers, and approval of high risk credit.

6. Update of Sector Appetite and House Limit Policy 2020.
7. Update of the Policy on the Appointment of a Third Party as a working partner of the Bank such as the Public Accounting Firm, Notary Firm, Appraisal Firm, and Insurance.
8. Alignment of the Policy on the Management of Non-Performing Loans related to the Management of Foreclosed Collateral Assets and Credit Write-offs related to the Criteria for Book Write-offs/Receivables Write-offs, the Mechanism for the Execution and Reporting of Book Write-offs/Receivables Write-offs.
9. Update on the Policy of Credit Program and Account Maintenance, Credit Monitoring and Reporting.
10. Alignment of Terms of Reference (TOR) on Approval Authority, related among other things to TOR Non Performing Loan (NPL), TOR Board of Commissioners (BOC) Sub Committee, TOR Joint Delegated Authority (JDA), TOR JDA Banks, Delegation of Authority (Carve Out) ECC and TOR DA SME.
11. Alignment of the Policy on Trade Finance Products, including among other things Preliminary Covenants, Anti Money Laundering, Sight and Usance L/C, Domestic L/C, Bank Guarantees, Retail Trade Program and the Revamped Factoring Facility (into other form of receivables).
12. Counterparty Policy related to Counterparty Category.
13. Definition of Legal Policy & Procedure related to the Registration of Fiduciary Collateral Object and the Drafting of Audit Report of the Credit Legal Document.

### B. SME

1. Alignment of the Regulation on the Process Simplification of Term Loan Reviews as well as Term Loan Reviews by Portfolio Approach (Loan > Rp10 billion – Rp15 billion).
2. Formulation of the Policy and Framework/Action Plan on debtors affected by the spreading of COVID-19 pursuant to OJK Regulation No. 11/POJK.03/2020 including its amendment, such as definition of debtor criteria, industry sector, restructuring terms and level of approval.
3. Provisions on Back to Back Loan Facility with Cash Collateral.
4. Provisions on Foreign Exchange (FX) Facility: Forward up to one year with minimum Cash Collateral at least 100% CRF.
5. Provisions on Financing: Trade Finance Facility for the Retail Lending Program of SME.

6. Provisions on Commercial Properties for Platinum Developers.
7. Provisions on Frequencies of Business Visits.
8. Provisions on the Usage of IMB Certificate for the SME Retail Lending Program.

#### C. Consumer

Throughout 2020, CIMB Niaga undertook several alignments on the Policy for retail products to external policies issued by the regulator, government regulations and the Bank's business strategy in line with its risk appetite, including in anticipation and management of the impact of COVID-19 pandemic.

#### WORK PLANS 2021

1. Evaluate and approve the strategy for credit policy.
2. Monitor the implementation of the credit policy to ensure Bank compliance to the credit policy management and prevailing regulations.
3. Identify significant credit issues in the implementation of credit policies, especially with regards to the

management of debtors affected by the spreading of COVID-19, and defining the strategy for such management, while also identifying the impact on the Bank's policies and strategies.

4. Identify new regulations issued by the regulator, and their impact on the internal policies of the Bank.

#### CERTIFICATION

CPC membership does not require any certification.

#### THE PROCEDURE FOR APPOINTMENT AND TERMINATION OF THE CHAIRMAN OF EXCO

All of the Executive Committee of CIMB Niaga is Chaired by the President Director of the Bank, the appointment and termination as well as his term of office, are defined by the GMS as described in the Board of Directors' section which is a part of the Corporate Governance Report in this Annual Report. The membership structure of each Committee, including the Committee's Chairman, is in accordance with the description in the respective Exco TOR.

#### FREQUENCY AND ATTENDANCE OF THE DIRECTORS IN THE EXECUTIVE COMMITTEE (EXCO) MEETINGS IN 2020

| No | Name                  | Frequency and Number of Attendance |       |      |     |
|----|-----------------------|------------------------------------|-------|------|-----|
|    |                       | RMC                                | ALCO* | ITSC | CPC |
| 1  | Tigor M. Siahaan      | 13                                 | 13    | 4    | 14  |
| 2  | Lee Kai Kwong         | 12                                 | 13    | 4    | 14  |
| 3  | John Simon            | 12                                 | 13    | 4    | 14  |
| 4  | Vera Handajani        | 13                                 | 13    | 4    | 14  |
| 5  | Lani Darmawan         | 13                                 | 11    | 3    | 13  |
| 6  | Pandji P. Djajanegara | 13                                 | 12    | 4    | 14  |
| 7  | Fransiska Oei         | 13                                 | 1     | 4    | 14  |
| 8  | Tjioe Mei Tjue**      | 3                                  | 3     | 1    | 4   |

\*1) Quorum on attendance and resolution of meetings were delegated to at least 2 (two) out of 3 (three) Board of Directors members as follows:

Chairman : President Director  
 Vice Chairman 1 : Strategy, Finance & SPAPM Director  
 Vice Chairman 2 : Treasury & Capital Market Director

\*\*1) Effectively served as Director since 3 November 2020.

In addition to Exco, CIMB Niaga also has a Special Committee (called "Speco") that is formed by the respective Directors, the formation of which is optional and on a need basis, including Operational Risk Committee (ORC), Executive Credit Committee (ECC), Non-Performing Loan Credit Committee (NPLCC), Asset Quality Committee (AQC) and Customer Experience Committee (CXC).

The Speco members comprise of 1 (one) Director in charge and one other related Director (if needed) and several Executive Officers of the Bank who are appointed in the Speco meeting.

The assignment of duties and responsibilities of each Speco is provided for in the Terms of Reference (TOR) of the respective Committees.

## CORPORATE SECRETARY

CIMB Niaga has a Corporate Secretary who is responsible for maintaining the Bank's image and protecting the Bank's interests by establishing good communications and relationships, and acting as liaison between the Bank and its Shareholders as well as other Stakeholders. The Corporate Secretary must also ensure the Company's compliance with prevailing laws and regulations, regulations and laws, particularly those related to the capital markets, as part of the Bank's implementation of Good Corporate Governance (GCG).

### LEGAL BASIS

The appointment of Fransiska Oei as the Corporate Secretary of CIMB Niaga is based on Circular Resolution of the Board of Directors of CIMB Niaga No. 001/SIR/DIR/IX/2016 dated 21 September 2016 pursuant to OJK Regulation No. 35/POJK.04/2014 of 8 December 2014 and the Indonesia Stock Exchange (IDX) Regulation No. I-A of 20 January 2014 and its amendments. The appointment has been reported to OJK on 23 September 2016 and announced to the public through SPE OJK or IDXNet system (e-reporting) on the same day.

### TERM OF OFFICE & DOMICILE

She has served as Corporate Secretary since 26 September 2016 and is domiciled in Jakarta, Indonesia.

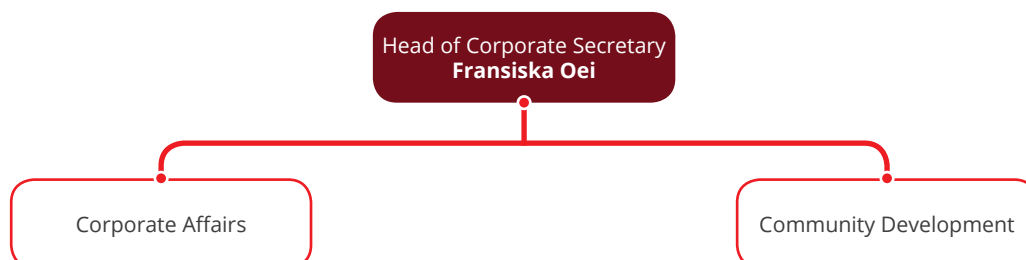
### CORPORATE SECRETARY PROFILE



**FRANSISKA OEI**  
CORPORATE SECRETARY

Fransiska Oei's profile are presented in the Section of Board of Directors' Profiles in this Annual Report.

### ORGANIZATION STRUCTURE OF CORPORATE SECRETARY



### DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Corporate Secretary are as follows:

1. Keeping abreast of developments and prevailing rules and regulations of the Capital Market.
2. Providing inputs to the Board of Directors and Board of Commissioners of the Bank to comply with regulations issued by OJK, BI, and Capital Market Regulators.
3. Organizing and documenting the General Meeting of Shareholders and Public Expose held by the Bank.
4. Organizing and attending meetings of the Board of Commissioners, the Board of Commissioners with the Board of Directors, Committees under the Board of Commissioners, and preparing and administering the minutes of meetings.
5. Organizing and attending the meetings of Board of Directors, the Board of Directors with the Board of Commissioners, Committees under the Board of Directors, and preparing and administering the minutes of meetings.
6. Submitting reports related to Capital Market regulations, either regular or ad-hoc reports to OJK and IDX in a timely manner.
7. Disclosing information to the general public in accordance with prevailing rules and regulations.
8. Improving and aligning all Corporate Governance implementation practices of the Bank in line with the regulations of OJK and the ASEAN Corporate Governance Scorecard.

9. Preparing documents and assisting in the Fit & Proper Test process for candidates of the Board of Commissioners and/or Board of Directors.
10. Organizing orientation programs for new Directors and/or Commissioners to provide knowledge and understanding about the Bank.
11. Administering all original Bank documents including 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 shareholders, investors, authorities and other stakeholders.

### DUTIES IMPLEMENTATION IN 2020

Throughout 2020, the Corporate Secretary has carried out her duties and responsibilities in line with the provisions set forth in the function of the Corporate Secretary, as follows:

1. Organizing the 2020 Annual GMS on 9 April 2020 (AGM) and the Extraordinary GMS on 25 September 2020 (EGM), complying with the COVID-19 protocols and OJK Regulations No. 16/POJK.04/2020. Details of the GMS are presented in the Sub-section on GMS in the Corporate Governance Report Section in this Annual Report.
2. In addition to e-voting, the EGM has also provided an alternative for granting authorization electronically (e-proxy) through the eASY.KSEI application.
3. Constantly updating information in the menu "About Us" on the Bank's website, especially with regards to Corporate Governance and Investor Relations to enhance the quality and accessibility on Bank information disclosure for all stakeholders.
4. Keeping abreast of developments in the Capital Market especially on prevailing rules and regulations of the Capital Market, among others ensuring Bank compliance to new regulations that are issued by OJK, IDX and other relevant regulators of the Capital Market, and conveying the information thereof as well as inputs to the Board of Directors and Board of Commissioners, such as:
  - a. OJK Regulation No. 15/POJK.04/2020 concerning the Plan and Implementation of the General Meeting of Shareholders of Public Listed Company;
  - b. OJK Regulation No. 16/POJK.04/2020 concerning the Implementation of the Electronic General Meeting of Shareholders of Public Listed Company;
  - c. OJK Regulation No. 17/POJK.04/2020 concerning Material Transactions and Change of Business Activity;
  - d. OJK Regulation No. 41/POJK.04/2020 concerning the Implementation of the Electronic Public Offering of Shares, Bonds and/or Sukuk;
  - e. OJK Regulation No. 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions;
  - f. OJK Regulation No. 49/POJK.04/2020 concerning the Rating of Bonds and/or Sukuk;
  - g. OJK Circular Letter No. 3/SEOJK.04/2020 concerning the Unusual Condition as the Fluctuated Market Condition Significantly within the Exercise of a Buyback of Shares Issued by the Issuers or Public Listed Company;
  - h. Circular Letter of PT Bursa Efek Indonesia No. se-00003/BEI/05-2020 regarding the Implementation Procedures for the Electronic Public Expose;
  - i. Regulation of the Indonesian Investment Coordinating Board No. 1 of 2020 concerning the Implementation Guidelines for the Electronic Integrated Business Licensing Services.
5. Collaborating with the Investor Relations Unit in organizing the 2020 electronic Public Expose of CIMB Niaga on 18 November 2020, and quarterly analyst meetings via conference call and video conferencing.
6. Arranging and attending the Board of Commissioners meeting once, meetings of the Board of Commissioners with or attended by the Board of Directors 4 (four) times, and arranging meetings of the Committees at Board of Commissioners level that comprised of: the Audit Committee meetings 13 (thirteen) times, the Risk Oversight Committee meetings 12 (twelve) times, the Nomination and Remuneration Committee meetings 7 (seven) times and the Integrated Governance Committee meetings twice; and administering the minutes of meetings and attendance records thereof.
7. Arranging and attending the Board of Directors meetings 39 (thirty-nine) times and the Board of Directors meetings with or attended by the Board of Commissioners 4 (four) times, and administering the minutes of meetings and attendance record thereof; and arranging and attending the meetings of the Executive Committees (Exco) of the Board of Directors.
8. Submitting regular reports and incidental reports to the Regulator as required by prevailing regulations.
9. Disclosing information transparently to the general public as required by prevailing regulations.



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10. Administering, distributing and following up on letters addressed to the Board of Directors and/or Board of Commissioners. In 2020, the Bank received a total of 13,665 (thirteen thousand six hundred and sixty-five) letters that were addressed to the Board of Directors and/or Board of Commissioners, some of which were also received by OJK, Bank Indonesia, the Indonesia Stock Exchange (IDX), Indonesian Central Securities Depository (KSEI), the Association of Private National Banks (PERBANAS), the State Court of the Republic of Indonesia, the National Police Force of the Republic of Indonesia, the Directorate General of Taxation and other.
11. Preparing documentation and assisting the process of Fit and Proper Test for 1 (one) candidate member of the Board of Directors and 2 (two) candidate members of the Board of Commissioner, consist of 1 (one) candidate for Vice President Commissioner (Independent) and 1 (one) candidate for Commissioner.

12. Organizing the orientation program for new members of the Board of Directors and Board of Commissioners.

### COMPETENCY DEVELOPMENT

Throughout 2020, the Bank's Corporate Secretary participated in a number of trainings, seminars, workshops, and knowledge sharing as part of a continuous competence enhancement to support her in exercising her duties as the Corporate Secretary, the full details of which are presented in the Section on the Company Profile in this Annual Report.

### INFORMATION DISCLOSURE IN 2020

The Corporate Secretary has disseminated information to the general public during 2020, through the mass media, IDX website and CIMB Niaga website in both Bahasa Indonesia and English, and submitted periodic or incidental reports to IDX and OJK as follows:

### REGULAR REPORTS

| No | Type of Reports  | Addressee | Reporting Period | Number of Reports |
|----|--|-----------|------------------|-------------------|
| 1  | Monthly Report of Securities Holder Register of BNGA                 | OJK & IDX | Monthly          | 12                |
| 2  | Consolidated Financial Statements of the Bank and its Subsidiaries   | OJK & IDX | Quarterly        | 4                 |
| 3  | Annual Report  | OJK & IDX | Yearly           | 1                 |
| 4  | Annual Rating Reports  | OJK & IDX | Yearly           | 2                 |
| 5  | Report of Foreign Currency Debt                                      | OJK       | Monthly          | 12                |
| 6  | Financial Statements of the Controlling Shareholders                 | OJK       | Half-yearly      | 2                 |
| 7  | Annual Report of the Controlling Shareholders and its Subsidiaries   | OJK       | Yearly           | 1                 |
| 8  | Related Parties Detail List Report                                   | OJK       | Half-yearly      | 2                 |
| 9  | Report on the Execution of the Annual Public Expose                  | IDX       | Yearly           | 1                 |
| 10 | Report on the Results of Shares Buyback*                             | OJK       | Half-yearly      | 2                 |
| 11 | Report on the Information of Material Fact of the COVID-19 Impacts** | IDX       | Monthly          | 4                 |

\* The regular report must be submitted every 6 (six) months (at the latest on the 15<sup>th</sup> of the following month) during the period of the shares buyback for a maximum period of 18 (eighteen) months since the date of the GMS Resolution approving the shares buyback.

\*\* The regular report must be submitted once a month (at the latest on the 15<sup>th</sup> of the following month) for the end-of-month pursuant to IDX request. However, this only applied in the period of May – August 2020 and has been declared over or no longer need to do periodic/regular reports by IDX.

### INCIDENTAL REPORTS

Throughout 2020, the Bank carried out information disclosure in the form of incidental reports to Regulators (OJK and/ or IDX) of a total of 71 reports. Details of the Bank's incidental reports can be seen on the website of CIMB Niaga through the link <https://investor.cimbniaga.co.id/newsroom.html>.



## INTERNAL AUDIT (IA)

The Internal Audit (IA) is responsible for carrying out internal audit function at CIMB Niaga. As the third line of defense, the main task of IA is to ensure that the Bank's management and operations in accordance with the prevailing rules and regulations while also to support the interest and objective of the Bank. IA is also responsible to ensuring that internal control processes are adequate and carried out accordingly.

CIMB Niaga's IA provides assurance, consulting and advisory that are independent and objective that can add value and improve the Bank's operations. The IA helps the Bank to achieve its objectives by evaluating and increasing the effectiveness of governance, internal control process and risk management. Until end of 2020, IA continues to carry out required innovation in the banking industry and use of methodology and technology that can enhance the effectiveness and efficiency of audit process.

### THE INTERNAL AUDIT CHARTER

The Internal Audit Charter constitutes a compliance to:

1. OJK Regulation No. 1/POJK.03/2019 on the Implementation of the Function of Internal Audit in a Commercial Bank, OJK Regulation No. 56/POJK.04/2015 on the Formation and Guidelines of the Formulation of the Internal Audit Charter, and OJK Regulation No. 18/POJK.03/2014 on the Implementation of the Integrated Governance of a Financial Conglomerate.
2. OJK Circular Letter No. 21/SEOJK.03/2017 on the Implementation of Risk Management in the use of Information Technology by a Commercial Bank, OJK Circular Letter No. 35/SEOJK.03/2017 on the Guidelines on Standard for the Internal Control System of a Commercial Bank, OJK Circular Letter No. 34/SEOJK.03/2016 on the Implementation of Risk Management by a Commercial Bank, and OJK Circular Letter No. 14/SEOJK.07/2014 on the Secrecy and Security of Data and/or Private Information of Bank Customers.
3. As well as best practices pursuant to the standards of IPPF (International Professional Practice Framework) and IIA (The Institute of Internal Auditor).

The IA of CIMB Niaga has Internal Audit Charter as the guideline for IA that consist of the main principles of the IA professional practices, vision and mission, objectives, structure and position, authority, duties and responsibilities, function and scope of assignments, independence and objectivity, professionalism, impartiality, rights and obligations of the IA Head (the Chief Audit Executive), and the IA's code of ethics. The Internal Audit Charter was last updated on 28 May 2019, and was approved by the President Director and the Board of Commissioners.

The Internal Audit Charter defines the rules and guidelines for the audit practices to ensure:

1. The effectiveness, efficiency and adequacy of the internal control system, risk management and governance on a continuous basis.
2. The reliability, effectiveness and integrity of the process and information management system including the relevance, accuracy, completeness, availability and security of data.
3. Compliance towards prevailing laws and regulations.
4. Quality of the organization performance.
5. Interaction with other governance group is carried out accordingly.
6. Critical financial information, managerial and operational of the Bank is accurate, reliable, and timely.
7. Resources are obtained economically, efficiently utilized and adequately protected.
8. Programs, plans and targets are well achieved.
9. Quality and continuous improvements are inherent in the control process of CIMB Niaga.
10. Opportunities to improve risk management, profitability, and the reputation of CIMB Niaga are identified and stated in the audit.

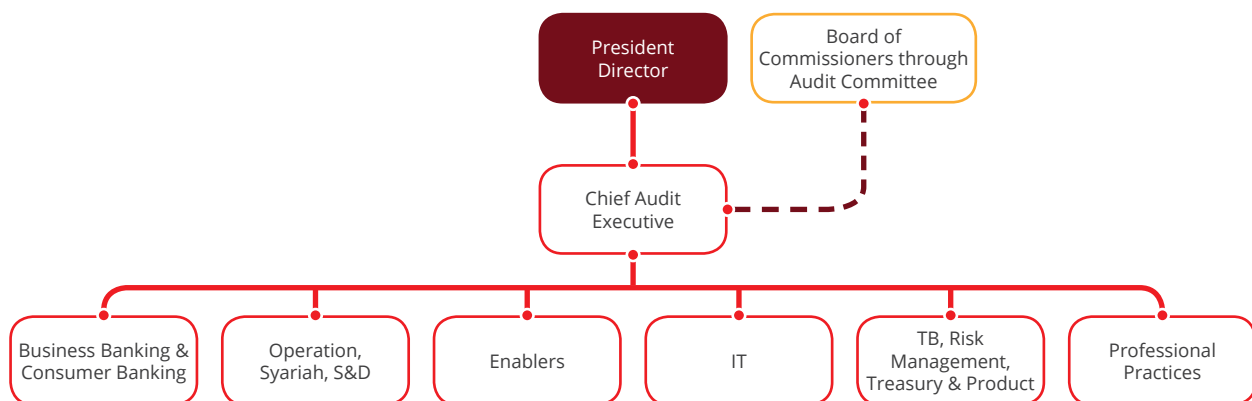
### APPOINTMENT AND DISMISSAL OF THE CHIEF AUDIT EXECUTIVE

The Chief Audit Executive is appointed and dismissed by the President Director with the approval of the Board of Commissioners and based on recommendation of the Audit Committee. The appointment of the Chief Audit Executive is also reported to the OJK. In 2020, the Chief Audit Executive of CIMB Niaga is Antonius Pramana Gunadi, effective on 3 January 2017, based on the Decree No. 024/HROB/HRS/XII/2016. The appointment has been reported to the OJK based on Bank's letter No. 008/DIR/XII/2016 dated 19 December 2016.



## POSITION OF IA IN THE ORGANIZATION

As an independent audit unit, IA reports directly to the President Director, and by matrix to the Board of Commissioners through the Audit Committee pursuant to OJK Regulation No. 1/POJK.03/2019 dated 28 January 2019, on the Implementation of the Function of Internal Audit in a Commercial Bank (PFAIB) and OJK Regulation No. 56/POJK.04/2015 dated 29 December 2015, on the Formation and Guidelines of the Formulation of the Internal Audit Charter. The position of IA in the organization is shown in the following structure:



## PROFILE & TRAINING OF THE CHIEF AUDIT EXECUTIVE



**ANTONIUS PRAMANA GUNADI**  
CHIEF AUDIT EXECUTIVE

**Age/Gender** 46/Male  
**Nationality** Indonesian  
**Domicile** Jakarta

**Legal Basis for Appointment** Decree No. 024/HROB/HRS/XII/2016 dated 19 December 2016

**Education**  
• Degree in Accounting from Tarumanagara University (1996)

### Work Experiences

- Audit Director at Citibank (2013-2016)
- Chief Audit Executive at Bank Internasional Indonesia (2010-2013)
- Chief of IA at Barclays Indonesia (2009-2010)
- Head of IA at ABN Amro Bank Indonesia (2005-2009)
- Auditor at Ernst & Young Firm (2003-2005)
- Auditor at KPMG Firm (1998-2002)
- Auditor at the public accounting firm of Coopers & Lybrand (1996-1998)

### Certification

- Certified Internal Auditor (CIA)
- Certified Anti Money Laundering Specialist (CAMS)
- Level 4 Certification of Risk Management

### Organization Membership

- Bank Internal Auditors Association (IAIB) – Chairman for 2020-2023
- Bank Internal Auditors Association (IAIB) – Head of Membership and Organisation Section for 2017-2020

## Training of the Chief Audit Executive (Including as Speaker) 2020

Training of the Chief Audit Executive is presented in the Company Profile Section of this Annual Report.

## DUTIES AND RESPONSIBILITIES OF IA

The duties and responsibilities of CIMB Niaga's IA based on the Internal Audit Charter are as follows:

1. Assist the duties of the President Director and Board of Commissioners in carrying out their supervision related to Bank's operations from planning, fieldwork and follow up audit findings.
2. Undertake the analysis and evaluation of the financial, accounting, operational and other activities through audit.
3. Identify all possibilities to improve and enhance efficiency in the use of resources and budget.

4. Provide recommendations for improvements and objective information on all of the audited activities of management.
5. Prepare and implement the annual audit plan based on the risk-based audit methodology, comprehensively. The annual audit plan and its budget allocation are approved by the Board of Directors and Board of Commissioners by considering the recommendation of the Audit Committee.
6. Carry out the audit activities and evaluate the effectiveness and efficiency of the Bank's financial, accounting, operational, human resources, marketing, information technology and other activities.
7. Report periodically to the Board of Directors and Board of Commissioners through the Audit Committee on the objective, authority, and responsibilities as well as the performances of IA against its planning. The report shall also cover significant risk exposures and control issues.
8. Submit the semester report regarding implementation and audit result to OJK, which consist of summary of audit activities and significant audit findings, no later than one month after the period closed.
9. Monitor the follow-up actions taken on the audit findings and recommendations. All significant audit findings will be classified as "open" until they are resolved.
10. Inform the status of improvements taken on the audit findings and recommendations to the Board of Directors, and the Board of Commissioners through the Audit Committee.
11. Inform the Anti-Fraud Management of any indication of frauds uncovered by the audit team.
12. Prepare the success measurements and achievements of the IA objectives.
13. Prepare and retain adequate audit working papers as in line with the required regulations.
14. Conduct and present the Quality Assurance and Improvement Programs (QAIP) covering all aspects of IA activities. QAIP includes the evaluation over IA's adherence to the definition and standards of IA, and evaluation on whether the auditors adhere to the code of ethics. QAIP also evaluates the effectiveness and efficiency of the audit process and identifies potential improvements thereof.
15. Report specifically to OJK, any findings by IA that can significantly disrupt the business continuity of CIMB Niaga. The report should take no later than three days following the finding.
16. Report to OJK, the results of external reviews that evaluate the working process of IA and its adherence to PPFAIB and possible improvements thereof.
17. In the case where implementation of the Integrated Governance and CIMB Niaga's role as the Main Entity that already established an IA, the duties of the Integrated IA are carried out by the existing IA with the following responsibilities:
  - a. Able to carry out audits on Financial Services Institutions (FSI) either individually, collectively, or on the basis of the audit report of the FSI.
  - b. Monitor and evaluate the execution of the Integrated IA in the respective members of CIMB Indonesia's Financial Conglomerate, coordinate with the IAs of all members in the conglomerate in accordance with their functions, and compile the results of the Integrated IA from each member of the financial conglomerate.
  - c. Prepare and present the report on the execution of duties and responsibilities of the Integrated IA to the Director responsible for supervising the FSI within the financial conglomerate, the Compliance Director of the Main Entity and the Board of Commissioners of the Main Entity.

## CODE OF ETHICS OF THE INTERNAL AUDITORS

The Chief Audit Executive and all personnel of the IA must adhere to the Code of Ethics and Conducts of CIMB Niaga and the Code of Ethics of the Internal Auditors of CIMB Niaga in carrying out their duties and responsibilities. The Code of Ethics of the Internal Auditors of CIMB Niaga has been formulated pursuant to the code of ethics of The Institute of Internal Auditor, as follow:

### 1. Integrity

The integrity of the Internal Audit gives rise to the trust and thereby forms the foundation of confidence for the evaluation that it provides.

### 2. Objectivity

The Internal Audit demonstrates a high level of professional objectivity in the collection, evaluation, and communication of the information that it imparts on the audit process and execution. Internal Audit carries out a balanced assessment on all relevant facts without being influenced by personal interests or those of others.



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### 3. Confidentiality

The Internal Audit assures the confidentiality of the information it obtains and is not authorized to divulge this information without clear authority, except in the case where the sharing of information/data/documents to outside parties are fully compatible with Bank policies.

### 4. Competency

The Internal Audit imparts knowledge, skills and experience that are required to provide the IA services.

Each year, all personnel of CIMB Niaga's IA are refreshed of the code of ethics, and are required to sign a statement of adherence to the code of ethics.

## HUMAN RESOURCES AND PROFESSION CERTIFICATION

As at 31 December 2020, the number of employees at IA is 115 personnel including the Chief Audit Executive. IA strives continuously to enhance the skills and competence of its auditors by enlisting them in various training programs, seminars, workshops and certification training.

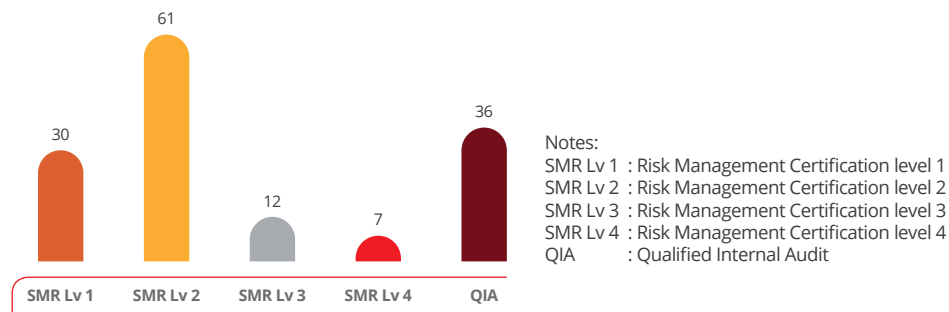
With the mandatory Work from Home (WFH) protocol due to the pandemic in 2020, IA had remained active in undergoing with totaling 104 training programs equivalent to 9,346 hours. The following list describes some of those training programs:

| Name of Training/Workshop/Conference/Seminar                       | Organizer                         | Date and Place                  |
|--|-----------------------------------|---------------------------------|
| Basic Custody Training - Core Custody & Opr Risk                   | Asosiasi Bank Kustodian Indonesia | 13 – 14 February 2020<br>Online |
| 6-Class of Application on Detective Skills                         | IIA Indonesia                     | 6 – 15 May 2020<br>Online       |
| Virtual Learning Series: Audit Interviewing Techniques             | Gartner                           | 13 July 2020<br>Online          |
| Robotic Innovation   | CIMB Niaga                        | 31 August 2020<br>Online        |
| Digital-Data-Design as Key Differentiator                          | CIMB Niaga                        | 30 September 2020<br>Online     |
| Solving the Audit Skills Mismatch: Getting to Data Driven Insights | Gartner                           | 20 October 2020                 |
| 2020 National IIA Indonesia Conference                             | IIA Indonesia                     | 2 – 3 December 2020             |

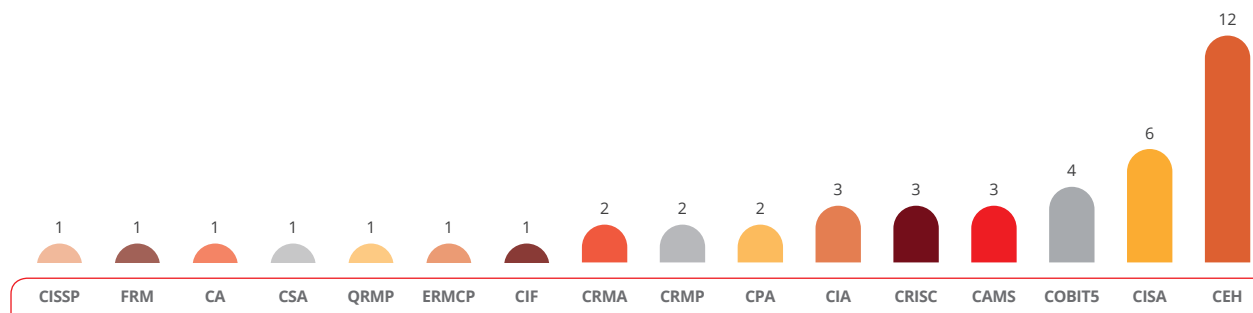
The enhancement of the auditor's competence whether in terms of audit skills or knowledge were also facilitated through providing ease of access for auditors to participate in online training of international pedigree. IA had also renewed its membership to the Corporate Executive Board (CEB/Gartner), whereupon IA can have 24-hour access to the CEB website to obtain the latest trends and development in internal audit, risk management, and benchmarking against best practices in internal audit, including the use of CEB tools such as on-line training and webinars. Throughout 2020, IA actively utilized the CEB tools, as evidenced by 2,340 document views, 113 active web users, and 7 participations in virtual learning series.

In addition to participating in training sessions, IA had also been required to obtain professional certifications for internal audit such as Qualified Internal Auditor (QIA) and the Risk Management Certification. Other certification programs that IA had enlisted in comprised of Certified Internal Auditor (CIA), Certified Risk Management Assurance (CRMA), Certified Anti Money Laundering Specialist (CAMS), Certified Information Systems Auditor (CISA), and Certified Ethical Hacker (CEH).

### National Certification



### International Certification



#### Notes:

CISSP : Certified Information System Security Professional  
 FRM : Financial Risk Managert  
 CA : Chartered Accountant  
 CSA : Certified Securities Analyst  
 QRMP : Qualified Risk Management Professional  
 ERMCP : Enterprise Risk Management Certified Proffesional  
 CIF : Certified Investment Foundation  
 CRMA : Certified in Risk Manajemen Assurance

CRMP : Certified Risk Manajemen Professional  
 CPA : Certified Public Accountan  
 CIA : Certified Internal Auditor  
 CRISC : Certified in Risk and Information System Controls  
 CAMS : Certified Anti Money Laundering Specialist  
 COBIT5 : Certified Objective for Information and Related Technology  
 CISA : Certified Information System Auditor  
 CEH : Certified Ethical Hacker

### PARTICIPATION IN PROFESSIONAL ORGANIZATION

IA enlisted its auditors in various professional organizations related to internal audit to broaden the perspectives and professional competence of the auditors, and to share best practices among Internal audit colleagues. Some of these professional organizations included the Institute of Internal Auditor (IIA) – Indonesian Chapter, Information Systems Audit and Control Association (ISACA), the Indonesian Accountant Association (IAI), the Banking Internal Auditors Association (IAIB). In addition, IA also acted as keynote speakers to various institutions and seminars on the audit benchmarking practices carried out by the IA of CIMB Niaga.

#### Participation of IA of CIMB Niaga in external organizations

| Name of Organization                         | Position  | Period      |
|--|---|-------------|
| Banking Internal Auditors Association (IAIB) | - Chairman  | 2020 - 2023 |
|  | - Head of Communication Section                           |             |
|  | - Member of Communication Section                         |             |
|  | - Member of Training, Education and Certification Section | 2017 - 2020 |
|  | - Head of Membership and Organization                     |             |



### Participation of IA of CIMB Niaga as keynote speakers in external seminars/webinars by online

| Topics  | Organizer  | Date                |
|---|--|---------------------|
| Data analytics from the perspective of internal auditing  | Swiss German University Online Lecture           | 2 April 2020        |
| Remote auditing and keeping your audit effective during COVID-19  | IAIB   | 30 April 2020       |
| Data science  | IAIB   | 7 May 2020          |
| From data to insight: Sharing experience generating insight from data analytics and visual storytelling | IIA  | 13 July 2020        |
| Money laundering detection: sample cases for analytical scenarios                                       | IAIB   | 3 August 2020       |
| Audit data analytic   | - Inspektorat Jenderal Kementerian Perindustrian | 17 September 2020   |
|   | - Lembaga Pembiayaan Ekspor Indonesia (LPEI)     | 14 October 2020     |
|   | - OJK  | 18 November 2020    |
| The effect of Pandemic on Changes in the Work Process and Function of Internal Audit                    | SKK Migas  | 3 November 2020     |
| Next Generation Auditors  | IIA Malaysia                                     | 4 November 2020     |
| Internal Audit Journey  | Bank Mandiri Audit Course                        | 24 November 2020    |
| 2020 National IIA Indonesia Conference (as speaker – Agile & Remote Auditing)                           | IIA Indonesia                                    | 2 – 3 December 2020 |
| BSMR Refreshment  | GPS Learning                                     | 3 December 2020     |

### AUDIT MANAGEMENT INFORMATION SYSTEM

IA has adopted the audit management information system of “TeamMate” since 2010. TeamMate is used to monitor each phase of the audit process starting from planning, fieldwork, reporting, and the monitoring of follow up progress on the audit recommendation, and documentation of the audit working paper. The use of TeamMate is aimed at improving the effectiveness and efficiency of IA’s operational activities.

To date, TeamMate is still used as the Audit Management Information System that continues to be developed to support and meet the needs of IA activities.

### AUDIT METHODOLOGY

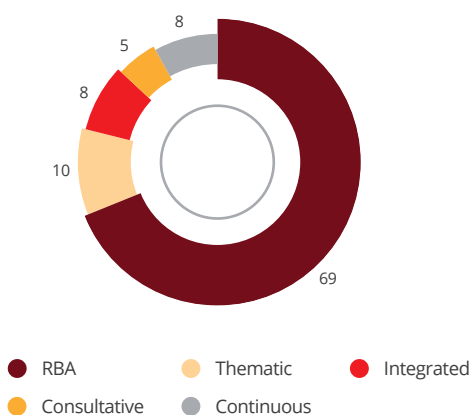
The IA of CIMB Niaga applies the Risk Based Audit methodology holistically in carrying out its audit works. The risk-based audit starts from the annual audit plan phase to the audit fieldwork. IA undertakes a comprehensive evaluation on all risks faced by operating units at Head Office, Area and Branches. With this comprehensive risk evaluation method, IA can determine the risk ranking and audit frequency of every business unit/supporting unit of the Bank.

IA will continue to carryout improvements in its audit processes, methods, tools as well as the quality and skills of its human resources in order to be a trusted business partner that can provide added value to CIMB Niaga.

### REPORT ON IA ACTIVITIES IN 2020

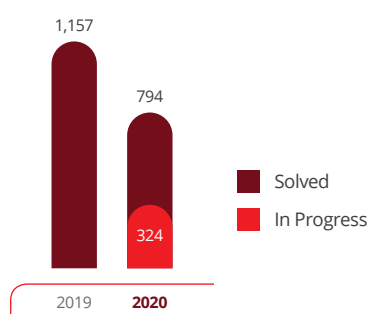
Throughout 2020, the IA of CIMB Niaga had completed 97% of its audit assignments based on the audit plan for the year. The realization of the audits is as follows:

Audit Realization (%)



IA continuously monitors the remediation taken up by Management on the audit recommendations. In 2020, IA provided a total of 1,118 audit recommendations, of which 324 audit recommendations had not been yet due as of 31 December 2020. All of the due audit recommendations have been followed up on time.

#### Audit Recommendation



In addition to undertaking routine audit assignments, IA also undertook the following activities:

1. Continuing with the roles of IA in providing consultative review and advisory to business units and supporting units.
2. Undertaking internal reviews on quality assurance & improvement program (QAIP) of CIMB Niaga's IA.
3. Continuing to enhance the cooperation with all business units and supporting units in enhancing the performance of CIMB Niaga through good governance, risk management and internal control through the role of IA as a trusted business partner.
4. Continuing with the reviews on the prevailing policies and procedures of IA in order to be constantly abreast of, and in line with, the current profession standards.

#### KEY INITIATIVES IN 2020

In 2020, IA took several initiatives on a continuous basis. These initiatives were aimed at supporting the IA in achieving its objective of becoming World Class Internal Audit and a Trusted Business Partner.

Amid the COVID-19 pandemic in 2020, CAE and Audit Management had considered various options that would enable the continuity of audits. IA focused on finding alternatives to the conventional method of face-to-face auditing, replacing it with remote auditing. To this end, IA made several adjustments to adapt with the prevailing conditions, with a focus on the followings:

#### 1. Fulfilling the need for the safety of auditors

Starting from 16 March 2020, IA had fully undertaken the Work from Home protocol for all auditors to ensure the safety of the team. IA endeavored to find ways to carry out effective audits remotely while postponing audits that require travelling and meeting face-to-face with auditees, except for audits that were required by regulators. Currently, IA has adapted to the virtual working environment, relying as much as possible on the use of data and technology, and the application of virtual meeting platforms. To keep the productivity of auditors and protect data confidentiality, every auditor has been equipped with the required infrastructures, such as computer laptops, VPN (to ensure system accessibility for all auditors), and virtual meetings through the Webex application. IA has also succeeded in managing the team remotely and virtually by monitoring their work progress on a daily, weekly and monthly basis.

#### 2. Carrying Out the Audit Plan

All physical visits to the auditees had been barred since 16 March 2020. All audit processes were then taken up through remote viewing, data analytics, telephone and video conference.

#### 3. Renewing the Audit Plan

IA had reviewed its audit plan by evaluating the risk associated with COVID-19. In response to the pandemic, IA undertook a "Crash Program" to review and prioritize audits in critical and high-risk areas three months in advance on a continuous basis during the running year, with the following considerations:

- Risks that arose from COVID-19 and of split operation.
- The potential of irregularities that may contravene with prevailing rules and regulations stemming from COVID-19 related protocols.
- Reviewing whether the risks from "business as usual" are still relevant or even critical in the current condition.

Throughout the COVID-19 pandemic, IA had reviewed its quarterly audit plans to ensure that they remain relevant with the development of the Bank amid COVID-19. This periodical reviews will be submitted to the Audit Committee and Management.

#### 4. Monitoring the Impact on the Bank's Business Operations

IA continued to discuss with Management as part of its "Business Monitoring" on the impact of COVID-19. The results of business monitoring are used as feedbacks on the evaluation of the audit plan adjustments and to determine the focus on risks that are the main concerns for the audit fieldwork.

Several key initiatives by IA in 2020 included the followings:

##### 1. Development of Data Analytics

IA continued to improve and develop Data Analytics in line with so-called industry 4.0 revolution that is dominated by the rapid development of digital equipment, and the propensity for the individual evolvement to become "3D (Digital, Data, Disruption) Ready." To achieve this, Data Analytics continued to enhance the knowledge and skills of the auditors through several training programs such as SQL Server, ACL, Tableau, Python/R, and Data Science & Machine Learning. Not only that, Management also supported the enhancement of Data Analytics through investments in both Hardwares and Softwares. Also in 2020, the Data Analytics team provided the opportunity for other members of IA to familiarize themselves with Data Analytics through the Data Analytics attachment program.

The development by Data Analytics is also done through periodical assessments on existing alert/scenarios in order to more effectively detect sooner any irregularities or indication of irregularities that could arise and take remedial actions. Improvements and enhancements on Data Analytics are also carried out in line with the development of the IA organization as well as the growth of the Bank's business and operations. From these assessments, the number of parameters that resulted from the Data Analytics increased by 17% from 231 parameters in 2019 to 271 parameters in 2020 as follows:

| No.          | Type of Alert       | Parameter 2019 | Parameter 2020 |
|--------------|---------------------|----------------|----------------|
| 1            | CIF                 | 17             | 17             |
| 2            | Deposit             | 81             | 96             |
| 3            | Credit & Collateral | 81             | 109            |
| 4            | Credit Card         | 16             | 18             |
| 5            | Forex               | 2              | - *            |
| 6            | Fraud Detection     | 34             | 31             |
| <b>Total</b> |                     | <b>231</b>     | <b>271</b>     |

\*In re-development phase

Throughout 2020, IA had informed Management on a number of operational lapses that had an effect on profitability as well as findings that prevented potential losses from lapses that had been identified early by IA.

##### 2. Visualisation

IA continued to develop its visualisation on the results of data analytics, with the aim of presenting these results to the stakeholders with more clarity, structured and easy to understand format. The data presentation could be in the form of diagrams, maps, charts or other infographics. This data visualisation could present the relations or trends between existing variables/parameters. As such, visualisation can help Management make effective decisions on issues that need expedient follow-ups. This visualization uses the Tableau dashboard. In 2020, improvements had been made on the interface and menu arrangement on IA's Tableau Dashboard within the Tableau server.

##### 3. Thematic Audit

IA continued to carry out audit using Thematic approach, focusing on certain areas/processes/products. Through this Thematic Audit, auditors can identify the root of the problem and provide comprehensive and effective recommendations that can be implemented bankwide.



#### 4. Guest Auditor Program

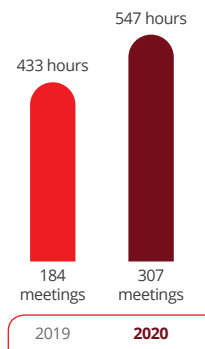
In 2020, IA had included two guest auditors in this program. The aim of the program is to facilitate the sharing of best practises, providing greater understanding to the guest auditors on the audit process and control framework, which could eventually be used and implemented in the respective business unit/supporting unit and to provide the guest auditors an understanding of the internal control framework, risk identification and control definition, as well as an understanding of the importance of the auditor's work in helping Management to carry out the strategy and achieving the objectives of the Bank.

#### 5. Business Monitoring

Business Monitoring constitutes a non-audit activity by IA by engaging in continuous communication with Management. The activity is carried out routinely and not involving audit. Business Monitoring benefits both sides, whether IA or Management, among other things as follows:

- Fostering strong working relations with business unit/supporting unit
- Having a greater understanding on the activities and operations of the business units/supporting units
- Obtaining latest information on changes in business strategy, process, risk and controls
- A medium for sharing key audit issues and changes in audit methods
- A medium for networking between auditor and Head of business/support unit.

In 2020, IA undertook 307 meetings with Management.



#### 6. Combine Assurance Audit

In 2020, IA carried out the combined assurance with other assurance functions, such as the Compliance and Risk Management team with the aim that the various assurance functions can work together to schedule their audits collectively so as not to disrupt the operations of the auditees with repetitive audits, while still ensuring that the functions of assurances can proceed effectively and efficiently. In 2020, IA had carried out several assignments on combined assurances with the teams of Compliance and RCU.

#### 7. Attachment Program

The Attachment Program is where an auditor is attached to an on the job assignment in a business unit/supporting unit/operations with the aim of equipping the auditor with a greater understanding of the business process including the risk and control elements. Throughout 2020, IA had enlisted 10 auditors in this program.

The benefits of the attachment program are as follows:

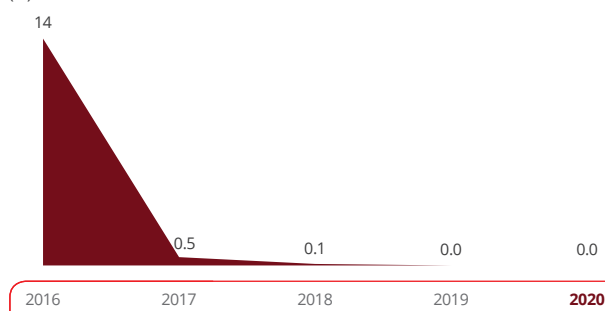
- Increasing the auditor's understanding of the business process as well as risk and control elements of the unit in question.
- Increasing the auditor's understanding of the role of a certain job including the challenges faced by the job.
- Providing feedbacks to Management on how to improve controls, mitigation and increase work and business efficiency and effectiveness.

## 8. Demerit Audit Rating

Since 2017, IA has developed the framework for Demerit from the results of audit implemented on the evaluation of Management performance. The use of Demerit is aimed at increasing the awareness of all parties at CIMB Niaga to collectively improve the Bank's internal controls in order to achieve the Bank's objectives. The Demerit Audit is applied in two parameters, namely the Audit Rating and Late Remediation Rate.

Since the implementation of Demerit Audit, the ratio of Late Remediation has improved, with a decrease from 15% (in 2016) to 0.5% (in 2017), 0.1% (in 2018) and 0% in both 2019 and 2020. This decreasing indicate the significant improvements being made in the control environment and the timely remediation of the audit recommendation.

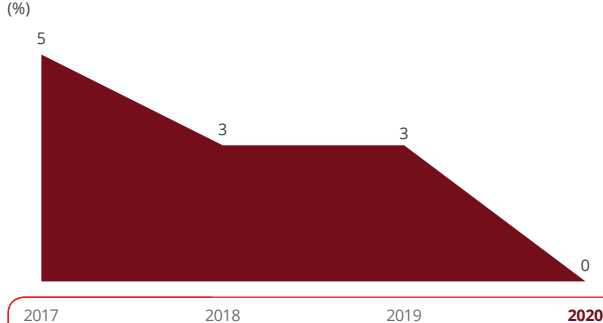
Late Remediation (%)



## 9. High Risk Validation

IA has also continued with its high-risk validation, in order to ensure that all of the audit recommendations have been remediated on a timely and continuous basis, so as not to incur repeat audit findings in the future. If in the validation process a repeated finding does occur, the recommendation will be "Re-open" and Management has to follow through again on the "Re-open" recommendation. From the results of validation undertaken in 2020, the ratio of sustainable audit remediation indicated an improving trend, wherein the 2020 ratio was 0%, down from 3% in both 2018 and 2019.

Re-Open Rate (%)



## 10. Competency Framework and Learning Journey

As part of the commitment to enhance the quality of auditors, IA undertook a comprehensive review on the existing competency model in order to align it with the evolvement of the organization and profession, including the core competency of CIMB Niaga, while also designing the learning journey for auditors. In this digital era, IA also gives its support to all of its members to acquire the Digital-Data-Design (3D) Talent. With its competency model and learning journey, IA can devise a more structured and targeted development programs for auditors, improving their quality and accountability of their assignments.

## EVALUATION OF IA PERFORMANCE

The evaluation on IA performance is carried out through the dissemination of questionnaires to auditees following the audit process and evaluation by the Audit Committee. These questionnaires cover several evaluation aspects, including that of the audit management, audit execution and presentation of the audit findings. As independent unit, the evaluation of the IA performance was assessed directly by the Audit Committee which covers several aspects, namely the quality of the audit report, presentation skills and performance of IA.

The scoring for the evaluation on IA performance by the Audit Committee ranges from 1 (very poor) to 5 (exceptional). The score of the evaluation by the Audit Committee on IA performance in 2020 was 4.46, increasing from that of the previous year of 4.09, and indicating the improved performance of IA over that of the previous year.

In addition to this, in 2020, PT Deloitte Konsultan Indonesia undertook a Quality Assurance Review on the activities of CIMB Niaga's IA, with result "Generally Conform" with Bank Indonesia Regulation No. 1/6/

PBI/1999, OJK Regulation No. 1/POJK.03/2019, OJK Regulation No. 38/POJK.03/2016 including OJK Circular Letter No. 21/SEOJK.03/2017 and IPPF.

IA will continue to carry out improvements in its audit processes, methods, tools as well as the quality and skills of its human resources in order to be a trusted business partner that can provide added value to CIMB Niaga.

### WORK PLAN 2021

Going forward, IA will continue to improve the auditors' competence, develop methodologies and technology, and optimize the audit tools and their uses in order to execute the audit plan. IA's work plan for 2021 includes the following strategic priorities:

1. Optimising data analytics and visualisation to support all of the audit processes as well continuous auditing.
2. Responding to the effects of the COVID-19 pandemic, audit will focus on credit quality, recovery and restructuring process, quality of operational activities, and business continuity plan.
3. Focusing on organization resilience of all main business lines of CIMB Niaga.
4. Continuing with the implementation of layered audits on CIMB Niaga branch units, in both data analytics and area audits, thematic audits for several processes and products whether in credit or operations, such that the scope of audits on branch units will be enhanced.
5. Ensuring that the management and operations of CIMB Niaga proceeds in accordance with prevailing laws and regulations, such as reviewing the practices of AML (Anti Money Laundering) and CFT (Counter-Terrorist Financing) in all business lines and supporting units and auditing on the quality of data used in regulatory reporting.
6. Undertaking the mandatory pre and post implementation review on the E-Banking Project for both new and upgrading projects.
7. Reviewing data and technology including the reviews on information security, cyber security, IT governance and data governance.
8. Continuing the attachment program initiative.
9. Continuing the guest auditor program initiative.
10. Continuing combined assurance initiative.
11. Planning for the agile audit concept in future audits.
12. Preparing for the plan to use machine learning and robotic process automation in several years to come.
13. Continuing with business monitoring in order for IA to be constantly abreast of developments and changes in business, processes, and issues faced by management as well as aligning the focus of audits with those changes.
14. Continuing with the roles of IA in providing consultative review and advisory to business units and supporting units.
15. Continuing to enhance the cooperation with all business units and supporting units in enhancing the performance of CIMB Niaga through good governance, risk management and internal control through the role of IA as a Business Partner.
16. Continuing with the reviews on the prevailing policies and procedures of IA in order to be constantly abreast of, and in line with, the current profession standards.
17. Enhancing the competence of auditors continuously to provide added value to business units as well as supporting units and support all members of IA to become 3D Talent.

## COMPLIANCE UNIT

CIMB Niaga has a Director in charge of the compliance function, and has established an independent Compliance Unit (CU) directly under the Compliance Director. The Head of Compliance Management is in charge of CIMB Niaga's CU, which carries out the compliance function as a key element toward improving the implementation of Corporate Governance.

The role and function of the Compliance Unit at the Bank represent one of the preventive measures taken to mitigate the compliance risk in the Bank's business activities. The compliance function ensures that all policies, provisions, systems and procedures, as well as activities of the Bank, are in accordance with the provisions of the Otoritas Jasa Keuangan (OJK) and the prevailing laws and regulations.

### LEGAL BASIS

The establishment of the Bank's CU refers to the respective POJK and SEOJK on Implementation of Governance in Commercial Banks, Integrated Governance, Assessment of Bank' Soundness, and Implementation of Compliance Function in Commercial Banks.

### APPOINTMENT AND DISMISSAL OF HEAD OF COMPLIANCE MANAGEMENT

The Head of Compliance Management is appointed and dismissed based on a decision of the Board of Directors, duly reported to the OJK.

### PROFILE & TRAINING OF THE HEAD OF COMPLIANCE MANAGEMENT



**LISTON SIAHAAN**  
HEAD OF COMPLIANCE MANAGEMENT

**Age/Gender** 52/Male

**Nationality** Indonesian

**Domicile** Jakarta

**Legal Basis for Appointment** SK No.253/HRPA/HRS/XI/2013 dated 1 November 2013

#### Education

- Bachelor degree from Institut Teknologi Bandung (1992)
- Master degree in Management from Prasetya Mulya Business School (1996)

#### Work Experiences

- Head of Compliance Management, CIMB Niaga
- Risk Management Group Head at Bank Niaga
- Indonesian Banking Restructuring Agency (BPPN)
- PT Pefindo (Credit Rating Agency)

#### Certification

- Level 2 Compliance Certification
- Level 4 Risk Management Certification (BSMR)

### Training of Head of Compliance in 2020

| No. | Training/Workshop/Conference/Seminar  | Organizer    | Date and Place                |
|-----|---|--------------|-------------------------------|
| 1   | Workshop Foreign Currency Exchange (LLD) & Forex Transactions   | CIMB Niaga   | 10 July 2020<br>online        |
| 2   | Holistic Leadership Immersion Webinar Batch II  | OJK          | 19 May 2020<br>online         |
| 3   | Material Transaction and Affiliated Transaction   | OJK          | 11 August 2020<br>online      |
| 4   | Socialization and Dissemination of Regulations and Policies for Industry Players in Indonesia Capital Market  | OJK-IDX      | 8 September 2020<br>online    |
| 5   | Invitation to a Hearing on RPOJK on Supervision of Market Conduct in the Financial Services Sector (RPOJK MC) | OJK          | 1 October 2020<br>online      |
| 6   | RCU Leadership Training<br>Tema : Working Virtually   | CIMB Niaga   | 17 November 2020<br>online    |
| 7   | GRC Summit 2020   | MetricStream | 16-18 November 2020<br>online |

## COMPLIANCE PRINCIPLE

OJK Regulation No.46/POJK.03/2017 dated 12 July 2017 concerning Implementation of Compliance Function for Commercial Banks, explained the need for the implementation of the compliance function for the Bank, given the increasingly complex business activities of banks in line with the development of information technology, globalization and the integration of financial markets today. The Compliance Function serves as one of the key factors in the implementation of Governance and CIMB Niaga is committed to complying with the laws and regulations, through its compliance risk management on the basis of the following compliance principles:

1. Compliance starts at the top;
2. Compliance is the responsibility of all parties;
3. Compliance is conducted to comply with laws and regulations;
4. Compliance is implemented with competence and integrity in accordance with its responsibility;
5. Oriented to stakeholders;
6. Dedicated to the Bank; and
7. Oriented to problem solving.

## COMPLIANCE FUNCTION AT THE BANK

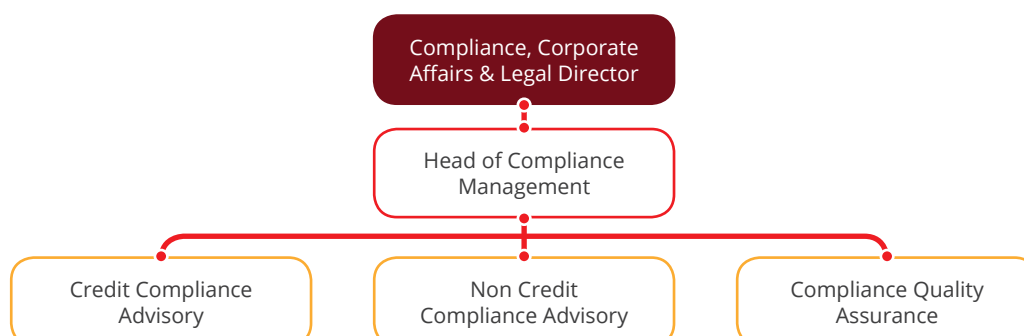
The Compliance function at the Bank is designed and implemented towards:

1. Realizing the implementation of compliance culture at all levels of the Bank's organization and business activities;
2. Managing the compliance risks faced by the Bank;
3. Ensuring that the policies, provisions, systems and procedures as well as activities carried out by the Bank are in accordance with the provisions of the OJK as well as prevailing laws and legislation, including Sharia Principles for Sharia Banks and Sharia Business Units; and
4. Ensuring the Bank's compliance with commitments made by the Bank to the OJK and/or other authorized supervisory authorities.

## DUTIES AND RESPONSIBILITIES OF THE COMPLIANCE UNIT

1. Establishing compliance policies and procedures and performing periodic reviews or updates.
2. Establishing a compliance program to support the development of a Compliance Culture in all of the Bank's business activities at every level of the organization.
3. Identifying, measuring, monitoring and controlling the Compliance Risk in accordance with the requirements for implementation of Risk Management in Commercial Banks and Sharia Business Units (UUS).
4. Assessing and evaluating the effectiveness, adequacy and conformity of CIMB Niaga's policies, guidelines, systems and procedures based on the regulatory requirements. In addition, the Compliance Unit also reviews compliance aspects in the other working units.
5. Conducting review and providing recommendations for updating and refining current policies, guidelines, systems and procedures of the Bank in accordance with the requirements from authorities, including Sharia Principles for the UUS.
6. Acting as the Bank's liaison officer when dealing with the regulators, particularly regarding the implementation of compliance and regulatory audit.
7. Reporting the implementation of CIMB Niaga's compliance function and compliance status to the Board of Directors and Board of Commissioners through the Compliance Director.
8. Providing input/clarification regarding questions from business units related to the implementation of BI/OJK regulations
9. Preparing training/socialization programs regarding external regulations for business/working units in the Bank.
10. Perform other tasks related to the Compliance Function.

## ORGANIZATIONAL STRUCTURE OF COMPLIANCE UNIT





Performance Highlights



Management Reports



Company Profile



Management Discussion and Analysis



Risk Management

## HUMAN RESOURCES AND PROFESSIONAL CERTIFICATIONS

As of 31 December 2020, the Compliance Unit has 29 personnel, including the Head of Compliance Management. All personnel at the Compliance Unit have been equipped with Compliance and Risk Management certifications.

Personnel at the Compliance Unit also attended various training sessions and seminars during 2020 in support of its role and function, including: Driving the Fourth Industrial Revolution, Leading in Digital Age, Fintech Foundation, Digital-Data-Design as Key Differentiator, Sustainability Finance Procedure, Robotic Innovation, RCU Leadership & Forum, The Cooler Earth Sustainability Summit 2020.

Apart from personnel in the CU itself, according to the compliance framework, the Bank also has employees whose jobs are directly related to compliance risk management in the work unit. This work unit is on the first line (work unit) and is called the Risk Control Unit (RCU). Up to the present time, 6 employees of the Risk Control Unit (RCU) have participated and awarded the Compliance certification.

### COMPLIANCE UNIT WORK PLAN FOR 2020

1. Programs and Activities in the Socialization of Provisions
  - Update the database of banking regulations and other related guidelines.
  - Socialize and organize training on regulations and compliance aspect to employees of the Bank.
2. Programs and Activities in Compliance Testing
  - Compliance testing on new product/activity plans and new policies/procedures and its amendments.
  - Advisory, including recommendation/opinion from the Compliance Unit in response to requests for advice from other business/work units related to compliance aspects.
3. Programs and Activities in Monitoring Compliance Implementation
  - Improvements to the RCU framework and RCU competency through discussion and training.
  - The RCU to submit results of RCSA self-assessment to CU, and CU to review such RCSA self-assessment reports.

- Check the compliance implementation in the business/work units.
- Monitoring the follow-up of the Bank's commitment to the authorities and monitoring the compliance status at the Bank.
- Monitoring of compliance implementation through the Regulatory Commitment (ReCoM) monitoring application and its further development.

4. Programs and Activities in Compliance Status Report
  - Measurement of compliance risk and compliance risk management analysis in the Bank Soundness Report.
  - Periodic reports of compliance status to the Board of Directors, Board of Commissioners and authorized authorities.
5. Activities in Integrated Compliance
  - Reporting Integrated Compliance over the implementation of compliance in the CIMB Indonesia Financial Conglomerate periodically to the Board of Directors and Board of Commissioners of the Bank as the Main Entity.
  - Perform alignment of the framework for compliance with the Compliance Unit(s) of Financial Services Institution (FSI) member of CIMB Indonesia Financial Conglomerate, to support the creation of a culture of compliance and minimize compliance risk exposure in each FSI.
6. KPI related to Compliance in each Work Unit
 

Prepare the Directorate KPI results related to Compliance and the KPI for Head of RCU in 2020.

### COMPLIANCE INDICATORS 2020

1. Minimum Capital Adequacy Ratio/CAR (for Credit Risk, Market Risk and Operational Risk) was 21.24%, meeting the regulatory minimum limit.
2. There was no breach/violation for Legal Lending Limit (LLL) requirements.
3. Net Non-Performing Loan (NPL) was 1.42%, meeting the regulatory maximum limit of 5%.
4. Minimum Rupiah Statutory Reserve for Daily and Daily + Average positions were 2.36% and 3.16%, respectively, meeting the regulatory minimum limit of 3% and 6%.

5. Minimum Foreign Exchange Statutory Reserve for Daily and Daily + Average positions were 4.05% and 4.05%, respectively, meeting the regulatory minimum limit of 3% and 8%.
6. Liquidity Coverage Ratio (LCR) was 245.65%, meeting the regulatory minimum limit of 100%.
7. Net Stable Funding Ratio (NSFR) was 119.04%, meeting the regulatory minimum limit of 100%.
8. Net Open Position (on and off-balance sheet) was 1.77%, meeting the regulatory maximum limit of 20%.
9. The commitment to follow-up the regulator's audit results was completed as scheduled.

## IMPLEMENTATION OF DUTIES OF THE COMPLIANCE UNIT IN 2020

### a. Compliance Awareness Program

The CU conducted regulations socialization through Compliance News e-mail blast, and also administered and updated the banking regulation database in the Bank's internal web-based system, namely the e-Manual. Socialization was conducted using electronic-based communication media and self-learning applications, such as:

- RCU Forum
- Bi-Weekly Meeting Compliance Management
- Socialization of new regulations, and workshops and refresher courses on compliance aspects
- Compliance certification
- Formulating the compliance learning module accessible through the Learning on the Go (LoG) application

### b. Compliance Testing and Compliance Advisory

The CU conducted compliance testing on new internal policies and new products and/or activities in order to comply with the regulatory requirements. CU also provided opinion/advice to business units regarding the prudential principles and compliance with external regulations.

### c. Implementation and Development of ReCoM System

Starting from 2019, CU has developed the ReCoM (Regulatory Commitment Monitoring) application, which aims to record and monitor fulfillment of commitments and follow-up reporting to regulators for all work units (bank-wide), while also continually developing and improving its function as needed. Currently, the ReCoM application consists of the following modules.

- Regulatory Audit Follow Up Module to monitor compliance with regulatory audit commitments.
- Regulatory Data Request Module to monitor compliance with requests from regulators.
- New Regulation Follow Up Module and Regulation Update Memo Module to monitor follow-up actions concerning new regulations.
- Periodic Off-Line Report Module to monitor the completion of off-line periodic reports.
- Frequently Asked Question (FAQ) Module, a database of information to questions on regulations.
- Policy Review Module, to monitor the compliance testing on policies/procedures.
- Unit Self-Testing/RCSA Module, a further development of the ReCoM to automate the RCSA self-assessment process by work units.

### d. Compliance Monitoring

The CU monitored the implementation of compliance in business units through the RCSA (Risk Control Self-Assessment) performed by each RCU/DCORO (Risk Control Unit/Designated Compliance & Operational Risk Officer) as well as the results from other independent units (including the Internal Audit unit and Risk Management unit) as well as results of examination by regulators. In addition, CU conducted a Compliance Management Services Survey to internal and external parties.

### e. Compliance Review

The Compliance function conducts compliance reviews (unit review, periodic review and thematic review) in the work unit. The review is conducted to verify the work unit's self-assessment process for RCSA and assess whether there are compliance issues in the work unit. In addition, CU conducts a compliance review on the implementation of the RCSA self-assessment in work units. Throughout 2020, CU has conducted a compliance review of 29 work units.

### f. Supervision by Regulators

The CU coordinates all regulatory audit activities at CIMB Niaga. Throughout 2020, CU has coordinated the audit activities of OJK Conventional Supervisor and OJK Capital Market. Based on the Bank's monitoring, the Bank's commitment to the results of the regulatory audit that is due has been followed up by the Bank according to the fulfillment time target, and there is no commitment to follow-up audit with "overdue" status to the regulator.



g. Compliance Report

CU submits compliance reports and Bank compliance activities reports to authorized internal parties and regulators in accordance with the provisions.

| Compliance Activity              | 2020   |
|----------------------------------|--|
| Socialization of New Regulations | 155 regulations  |
| Training                         | 5,333 participants in various training/socialization sessions.                                     |
| Compliance Testing               | 476 new policies/procedures and new product/activity (including PIR activity changes) were tested. |

### COMPLIANCE UNIT WORK PLAN FOR 2021

1. Programs and Activities in the Dissemination of Provisions

- Update the database of banking regulations and other related provisions.
- Socialization and training on external regulations, conducted through online meetings or via other electronic communication media.

2. Training programs for RCU and DCORO

CU will collaborate closely with RCU to improve the competences of RCU and monitor the implementation of compliance in the work units. This will be conducted through regular RCU Forum.

3. Programs and Activities in Compliance Testing

- Compliance testing on plans for new products/activities and new policies/procedures, including changes thereto.
- Providing recommendation/opinion by the Compliance Unit on request for advice by other work units related to the fulfillment of compliance aspects.

4. Programs and Activities in Monitoring Compliance Implementation

- Improvement of RCU roles, function and competences in the framework, through discussion/forum and training.
- The RCU to submit results of RCSA self-assessment to CU

- CU to review such RCSA self-assessment reports, including to check the compliance implementation at work units.

- Monitoring the follow-up of the Bank's commitment to the authorities

- Monitoring the compliance status of member entities in the CIMB Niaga Indonesia Financial Conglomerate (KKCI).

- Monitoring of compliance implementation through the Regulatory Commitment Monitoring (ReCoM) application, and further development of ReCoM to automate processes in the compliance framework.

5. Programs and Activities in Compliance Reporting and KPI

- Self-assessment of compliance risk profile for the Bank Soundness Report.
- Periodic Compliance Status reports to the Board of Directors, the Board of Commissioners, and OJK.
- Formulation of KPIs related to compliance aspects for Directorate and Work Unit, as well as KPIs for the RCU.

6. Activities in Integrated Compliance Function

- Perform periodic Integrated Compliance reporting on the implementation of compliance in KKCI to the Board of Directors and Board of Commissioners of the Bank as the Main Entity.
- Aligning the compliance framework with the Compliance functions of KKCI member entities.

# ANTI MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING (AML & CFT)

As a Bank with a network that extends broadly throughout Indonesia and a diverse range of products and services, CIMB Niaga could be vulnerable to crimes involving money laundering and terrorism funding. As such, the Bank is committed to mitigating this risk and undertake various prevention measures, by implementing the Anti Money Laundering and Counter-Terrorist Financing (AML & CFT) programs effectively. These efforts are carried out through the use of risk-based approach in its implementation, in order to measure the AML & CFT risks at the customer level (customer risk rating) as well as that of bankwide (Bank AML risk rating).

In implementing the AML & CFT programs, CIMB Niaga has formed the AML Unit as a special working unit that reports directly to the Compliance in carrying out the AML & CFT programs at the Bank.

## AML & CFT POLICIES

The implementation of the AML & CFT programs constitutes the commitments of the Board of Directors and Board of Commissioners of CIMB Niaga to instill a Risk Culture at all levels of the Bank's organization, and to prevent the use of Bank's products, services and e-channel outlets for purposes of money laundering and terrorism funding.

CIMB Niaga's undertaking of the AML & CFT programs is pursuant to prevailing laws and regulations including the Laws on the Criminal Acts of Money Laundering No. 8 of 2010, Laws on the Prevention and Eradication of the Criminal Acts of Terrorist Financing No. 9 of 2013, OJK Regulation No. 12/POJK.01/2017 on the Implementation of AML & CFT that has been amended OJK Regulation No. 23/POJK.01/2019, SEOJK No. 32/SEOJK.03/2017 on the implementation of the AML/CFT programs in the financial services sector and OJK Circular No. 47/SEOJK.04/2017 on the Implementation of Anti Money Laundering and Terrorist Financing Prevention in the Capital Markets Sector, as well as pursuant to best international practices.

CIMB Niaga also commits fully in fulfilling the requirements of other OJK regulations and circular letters pertaining to the Implementation of the AML-CFT Programs and Guidelines on the immediate Blocking on the Customers Funds in the Financial Services Sector whose identities are listed in the List of Suspected Terrorists and Terrorist Organizations as well as the Register of the Proliferation of Weapons of Mass Destruction.

## PROCEDURE FOR THE APPOINTMENT AND DISMISSAL OF THE HEAD OF AML

The Head of AML is appointed and dismissed based on the decision of the Board of Directors and is reported to OJK.

## PROFILE & TRAINING OF THE HEAD OF AML



### ENTIN ROSTINI

HEAD OF ANTI MONEY LAUNDERING (AML)

**Age/Gender** 56/Female

**Nationality** Indonesia

**Domicile** Jakarta

**Legal Basis for Appointment** Decree No. 00083/HROB/HR/III/2017

### Education

- Degree in Economic, Accountancy Major, from Padjadjaran University, Bandung (1988)
- Magister of Management from Gadjah Mada University, Yogyakarta (2005)

### Work Experiences

- Senior Vice President – AML Head at Bank Danamon Indonesia (2009 – 2016)
- Vice President – Head of Compliance at China Trust Bank Indonesia (2009 – 2009)
- Assistant Vice President, Head of International Banking & Operation Compliance at BII (2007 – 2009)
- Assistant Vice President, Head of BII Pension Fund at BII (2005- 2009)
- Assistant Vice President, Head of Domestic Payment Center Central Processing Center at BII (2003 – 2006)
- Senior Manager, Head of Treasury and Capital Market at BII (1998 – 2003)
- Internal Audit at BII (1989 – 1998)

### Certification

- Level 4 Risk Management Certification
- Level 2 Compliance Certification

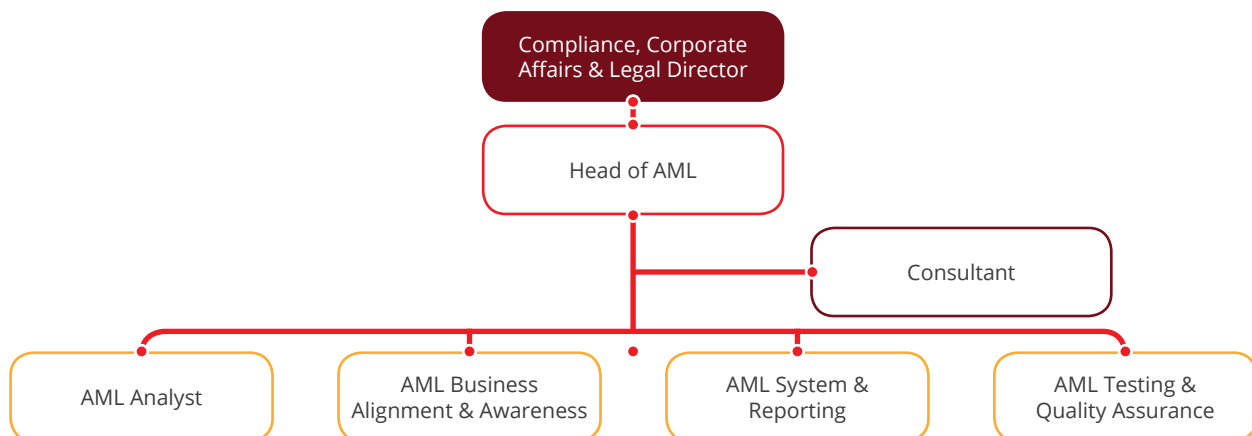
### Organization Membership

Communication Forum of Bank Compliance Director (FKDKP) and National Bank Association (PERBANAS) since 2009.

### Training of Head of AML in 2020

| No | Training/Workshop/Conference/Seminar   | Organizer  | Time and Place                  |
|----|--|--|---------------------------------|
| 1  | Digital & Holistic Leadership Immersion - Webinar  | OJK  | 8-9 April 2020<br>Online        |
| 2  | Webinar GRC Integrated in Digital Era: Opportunities & Challenges  | OJK  | 28 July 2020<br>Online          |
| 3  | US Sanctions and Export Controls Compliance for Non-US Banks   | Steptoe  | 12 August 2020<br>Online        |
| 4  | Vulnerability of Money Laundering and Terrorist Financing as Impacted by the COVID-19 Crisis   | Communication Forum of Banking Director of Compliance (FKDKP)      | 19 August 2020<br>Online        |
| 5  | Webinar/Workshop on the Understanding of Regulations Related to the Reporting of the Personal Savings Guarantee Data (Single Customer View)-PLPS No.05 of 2019 | FKDKP  | 22 September 2020<br>Online     |
| 6  | FGD NRA Level of Threat of ML/TF/PF in 2020  | Center for Reporting and Analysis of Financial Transaction (PPATK) | 23 October 2020<br>Online       |
| 7  | Banking Readiness for Regional Election 2020   | FKDKP  | 6 November 2020<br>Online       |
| 8  | Wells Fargo Webinar on Current Risks to Business Emails and Updates from PPATK and OJK   | Wells Fargo  | 10 November 2020<br>Online      |
| 9  | The Role of PJK in Preventing TPPU Through In-depth Understanding of Corruption as the Source of TPPU Crime Act of High Risk                                   | OJK  | 12 November 2020<br>Online      |
| 10 | RCU Leadership Training  | CIMB Niaga   | 17 November 2020<br>Online      |
| 11 | Dissemination of Virtual Financial Integrity Rating on Money Laundering and Terrorist Financing (FIR on ML/TF) to Commercial Banks in 2020                     | PPATK  | 25 - 26 November 2020<br>Online |
| 12 | Dissemination of Policies on the Regulation on Capitalizing on the Application of Politically Exposed Person   | PPATK  | 10 December 2020<br>Online      |

### ORGANIZATION STRUCTURE OF AML & CFT AML UNIT



### DUTIES AND RESPONSIBILITIES OF THE AML UNIT

The AML Unit has the following duties and responsibilities:

1. Plan and develop the strategy for the AML & CFT programs implementation to identify the AML & CFT risks, measure and manage these risks for their mitigation.
2. Formulate the AML & CFT Policies and Procedures of the Bank's in line with the prevailing laws and regulations, as well as best practices that will guide employees in carrying out the business and operations of the bank.

3. Evaluate and maintain against the possibility that the Bank's policies and procedures on products, services and delivery channels being used as a medium for money laundering, terrorism funding, and proliferation.
4. Prepare the information system that supports the implementation of AML & CFT programs in identifying customers, classifying customers according to their risk profiles, monitoring transaction and ensuring the result of screening against the AML watch-list.
5. Identify AML & CFT risks on the basis of NRA, SRA and the five risk factor parameters, namely the profiles of customers, businesses, countries and geographies, choice of banking products and types of businesses that are vulnerable to money laundering.
6. Measure the AML & CFT risks and mitigating those risks through the Risk Control Self-Assessment (RCSA) mechanism, in order to minimize the potential of money laundering in the business units or branch offices.
7. Map these risks bank-wide and undertake assessments and validation at branch offices or business units from time to time, both offsite and onsite.
8. Increase AML awareness within the Bank's first line of defense in the implementation of AML & CFT.
9. Ensure that the Bank responds and fulfills to request for information from the authorities as provided for in the prevailing laws and regulations related to money laundering, terrorism funding and proliferation.
10. Provide services and information in the form of advisory and recommendations to business units and branch offices with regards to AML and TFP.
11. Undertake the reporting process of LTKM, LTKT, IFTI, SIPESAT as well as other reports pursuant to prevailing laws and regulations in an accurate and timely manner.
12. Undertake the monitoring of the implementation of AML & CFT at business units and branch offices through the Testing and Quality Assurance method on the implementation of Risk Control Self-Assessment (RCSA) and provide ratings for business units and branch offices as a means to make improvements going forward.
13. Carry out updates on the information system to always be aligned with advances in technology, transactions, products, services and latest activities.

## IMPLEMENTATION OF AML & CFT PROGRAMS IN 2020

In implementing the AML & CFT programs, the Bank has set up 3 (three) lines of defense, as follows:

### 1. First Line of Defense

The first line of defense is carried out by the Business Unit/Branch Office that operates the Bank's daily business activities as the front-liners. In every Business Unit/Branch Office, there is someone who is responsible for the AML & CFT programs, designated as the Local AML. He or she is also given access to the information system used in the management of AML & CFT.

### 2. Second Line of Defense

The second line of defense is an oversight function that ensures the first line of defense is on top of the situation. The AML & CFT Unit that acts as the second line of defense, prepares the strategy and steps needed to take, and the system in use to strengthen the implementation of the AML & CFT programs.

### 3. Third Line of Defense

The third line of defense is an oversight function on implementation of the AML & CFT programs by the first and second lines of defense. The internal auditors, external auditors and the Board of Commissioners carry out this function to ensure that the first two lines of defense are working effectively.

The implementation of AML & CFT programs that are actively supervised by the Board of Directors and Board of Commissioners of CIMB Niaga is as follows:

### 1. Establishment of a special organization, the Anti Money Laundering (AML) Unit, to implement the AML & CFT programs

In carrying out its function, the AML unit reports and is directly responsible to the Compliance Director. The staffs of AML unit possess adequate banking knowledge and experience on the evaluation and mitigation of risks related to the implementation of the AML & CFT programs. All of the staffs have participated in training and certification programs on compliance. 6 (six) additional staffs was joined in 2020, increased from 23 staff to 29 staff. In addition, in view of the large scale of the Bank, a DCORO and the Local AML Team are located at every Branch Office and Business Unit to ensure the implementation of AML & CFT in their respective branch or unit. As at year-end 2020, the total number of employees assigned to Local AML Team amounted to 6,144 employees.

## 2. Risk-based AML & CFT policies and procedures of, in accordance with the complexity of the Bank's business, involving the followings relevant provisions:

- a. Customer Due Diligence (CDD) in the context of Customer Identification and Customer Data Updates, including the classification of the customer's risk profile on the potential for money laundering and terrorism financing, identifying the Beneficial Owner and screening of customer data against the Anti Money Laundering Watchlist (AML Screening) database. The realization of data updating in 2020 reached 78,216 CIF (89,90%) out of a total of 87,000 CIF.
- b. The AML & CFT risks are measured through the indicators/parameters of the Risk Based Approach (RBA), which comprises of the Customer Risk Rating and the Bank AML Risk Rating.
- c. The AML & CFT risks are controlled and managed through Customer Due Diligence (CDD) process or Enhanced Due Diligence (EDD) to ascertain the profile of the customer and analyze whether the transactions match with the customer's profile, as well as through the socialization of the policies and procedures, training of all employees of the Bank, and evaluation on the implementation of AML & CFT at Branch Office through the Risk Control Self-Assessment (RCSA).
- d. Continuous monitoring and analysis to identify correlation between customer transaction and customer profile, including the closure of accounts and refusal to carry out the transactions in the interest of AML & CFT enforcement.
- e. Identification and evaluation of the risk of potential money laundering and terrorism financing through the Bank's products, services and e-channel deliveries.
- f. Identification and Reporting of Suspicious Financial (LTKM), Cash Financial Transaction (LTKT), Foreign Financial Transactions (LTKL) and the Integrated Service User System (SIPESAT) to the PPATK.
- g. Procedure for screening new employees and monitoring of employee's financial transaction as part on implementing the Know Your Employee (KYE).

- h. The administration of CDD document and other documents related to AML & CFT.
- i. Follow-up on results of evaluation and the reporting on AML & CFT risk exposures to senior management, committee and regulator.
- j. Internal Control, encompassing:
  - 1) Preparing the process and control as guidelines for business units to ensure compliance and understanding of the AML & CFT programs. The controls are described in AML & CFT policies and procedures (SOPs).
  - 2) Testing and quality assurance process to ensure that Branch Office and Business Unit have implemented AML & CFT in line with prevailing Policies and Procedures.
  - 3) Evaluation on risk indicators based on appropriate risk considerations and methodology as well as the documentation.

## 3. Management Information System in the Implementation of AML & CFT

For the purpose of monitoring the profile and transaction of the customer, CIMB Niaga has used an application system that can identify and determine the degree of risk ascribed to the customer, analyze, monitor and prepare a report on the characteristics of the transactions of the customer, including the identification of suspicious transactions. This application is able to comprehensively monitor all of the customer transactions in the Bank, including those of credit cards, wealth management and custody. The application is equipped with parameters and thresholds, all of which are continuously evaluated in line with the evolvement in the modus operandi of money laundering and terrorism funding. The application is also able to carry out the screening process of the watch list and the reporting of LTKM, LTKT, LTKL & Sipesat. The Bank will continue to expand the use of the application with additional functions that are designed to increase the effectiveness and efficiency of the system.

#### 4. Screening of the Watch-List

The Bank carries out screening on every account opening to ascertain if there are business connections between the customer and those listed on the watch list issued by the authorities as well as the watch lists that are commonly referred to as part of international best practices, including The Office of Foreign Assets Control (OFAC) List, United Nations (UN) List, List of Alleged Terrorists and Terrorist Organisations (DTTOT) and Proliferation List, Politically Exposed Peoples (PEP) and adverse news. The Bank subscribes to the watch-list database of Thomson Reuters-Worldcheck. The Bank also carries out repeat screening of all existing customers every time there is an update or addition to the watch-list.

#### 5. AML & CFT Risk Assessment

The Bank has developed a risk-based method to approach the measurement of risks related to AML & CFT at the customer level (customer risk rating) as well as at the bank-wide level (Bank AML risk rating):

- a. **Customer AML Risk Rating (CRR)**, is a measure of the AML & CFT risk that is inherent in every customer by using indicators that cover customer identity/profile, geographic factors/countries or businesses, products/services/channels that are used by customers and the type of business that is classified as Low, Medium and High.

The Risk Profile of CIMB Niaga in 2020:

| No | Customer Risk | Total     | %      |
|----|---------------|-----------|--------|
| 1  | Low Risk      | 51        | 0.00%  |
| 2  | Medium Risk   | 5,125,712 | 95.72% |
| 3  | High Risk     | 229,072   | 4.28%  |

- b. **Bank AML Risk Rating (BARR)**, is a measure of the AML & CFT risk at CIMB Niaga that is determined based on the inherent risk as well as the level of risk management and control over AML & CFT at the Bank. Based on the Bank's evaluation, the overall AML & CFT Compliance Risk Profile as of the end of the 2<sup>nd</sup> semester of 2020 was "Low-Moderate".

Throughout 2020, assessments had been carried out on 125 branch offices and 14 business units, from which inputs were provided to all branch offices and business units for improvements going forward.

#### 6. Internal Control to Evaluate the Adequacy and Effectiveness of the AML & CFT Programs

To ensure that the AML & CFT programs are implemented in accordance with the policies that have been set, a self-assessment procedure is required of every branch office, which included the Risk Self-Assessment method.

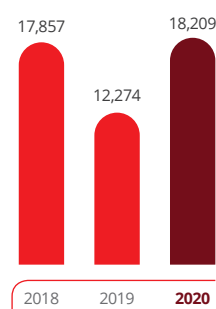
#### 7. Compliance Test and Advisory related to AML & CFT

Throughout 2020, the AML Unit conducted 454 reviews on the policies, procedures, products/activities/channels to ensure full compliance towards the prevailing laws and regulations related to AML & CFT. In addition, the AML Unit gave 454 opinions to the business and other working units on various questions and issues related to the implementation of AML & CFT.

#### 8. Training (Certification) of AML & CFT to Employees

Training on AML & CFT are mandatory for all employees on a periodical basis. These trainings are conducted in classrooms as well as through e-learning. The number of employees that had participated in AML & CFT training in 2020 is 18,209 staff including on-line training through Learning on the Go (LoG) application.

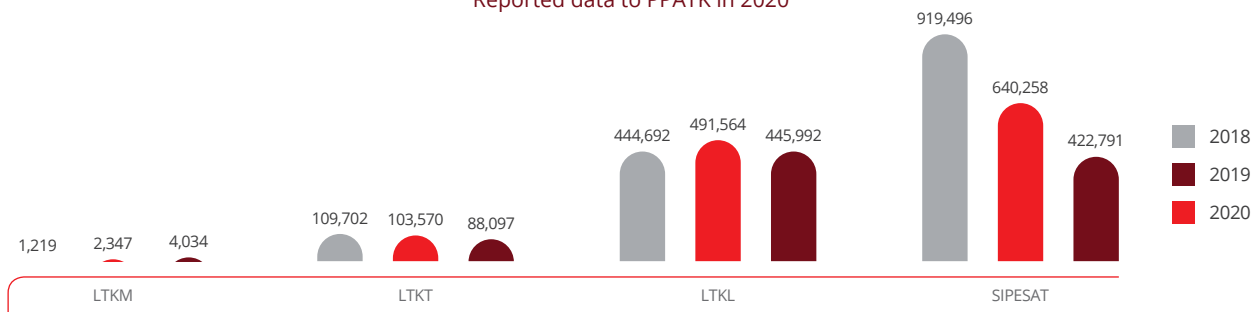
AML Training



#### 9. Reporting and Data Submission to Regulator/Law Enforcement

The reporting to PPATK in the implementation of AML & CFT has been carried out by the AML unit at the head office, as follows:

Reported data to PPATK in 2020



#### Number of Correspondence with the Regulator in 2020

| Agency        | Total Data Request |
|---------------|--------------------|
| PPATK/BNN/KPK | 317                |
| Investigation | 42                 |

#### 10. Improvements Initiatives in 2020

In 2020, in the efforts to enhance the implementation of AML & CFT, AML Unit took several initiatives as follows:

- Improvement of the AML system that used to generate more added value in the implementation of AML & CFT programs of the Bank.
- Alignment of the policies of AML & CFT as well as SOP in line with prevailing regulations.
- Alignment of the policies and implementation of AML & CFT with those of the CIMB Group.
- Assessment of the implementation of AML & CFT at business units/branch offices as well as subsidiaries deemed to have higher risks.
- Determination of the measurement method for AML & CFT risks and the evaluation process of the inherent risk mitigation.
- Updates of customer data in line with the type of risk of the respective customer.
- Addition of special learning modules for front-liners in Learning on the Go (LoG) as a means for the Bank to provide online training related to AML & CFT to all employees.

#### AML & CFT PLANS IN 2021

For 2021, CIMB Niaga has a working plan in support of the implementation of AML & CFT as follows:

- Undertake the development of the AML system with respect to the planned implementation of Go AML
- Undertake the development of the AML system with respect to the need for improvement in the quality of LTKM reporting in either Artificial Intelligence or Robotic applications.
- Aligning the policies and procedures of AML & CFT to be in line with prevailing regulations as well as with policies of the CIMB Group.
- Assessing AML & CFT implementations at business units/branch offices and subsidiary operations that are deemed to have higher risks.
- Undertake the development of the AML system with respect to the registration and approval for an account opening and data updates based on trigger events (such as opening additional accounts).
- Apply the AML & CFT programs in every new product development or new activities including those that rely on the enhancement of e-channel deliveries.



## PUBLIC ACCOUNTANT

CIMB Niaga implements the External Audit function as an independent oversight of financial aspects through the implementation of Audit on the Financial Statements by Public Accountants (PA) and Public Accounting Firm (PAF). Audit of the Bank's Financial Statements is carried out to ensure that the financial information referred to is prepared and presented in a quality manner, and to form and express an opinion on the fairness of the Financial Statements.

The PA and PAF that conduct the audit on the Bank's Financial Statements for financial year 2020 were appointed in Annual GMS based on the recommendation from the Board of Commissioners and the Audit Committee, pursuant to POJK No. 13/POJK.03/2017 dated 27 March 2017 regarding Procedures for Using the Services of Public Accountants and Public Accountant Firms in Financial Services Activities. The selection process followed the established mechanism for the procurement of goods and services to guarantee the independence and quality of work of the designated PA and PAF.

### POLICY FOR APPOINTMENT OF PUBLIC ACCOUNTANT

Pursuant to the provisions of POJK No. 6/POJK.03/2015 on Transparency and Publication of Bank Reports, an audit of CIMB Niaga's Financial Statements for financial year 2020 was performed by an independent, competent, professional and objective Public Accountant, registered with the OJK, in accordance with the Professional Standards of Public Accountant as well as the pre-determined work agreement and scope of audit.

The Annual GMS on 9 April 2020 approved the appointment of Drs. Irhoan Tanudiredja, CPA, and the Public Accounting Firm of Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PricewaterhouseCoopers Global Network), respectively, as PA and PAF registered with the OJK.

### PERIOD OF SERVICE OF PUBLIC ACCOUNTANT AND PUBLIC ACCOUNTING FIRM

Pursuant to POJK No. 13/POJK.03/2017 dated 27 March 2017 regarding Procedures for Using the Services of Public Accountants and Public Accounting Firms in Financial Services Activities, the use of audit services on historical financial information from the same PA must be no longer than 3 (three) consecutive financial reporting years, whereas the use of PAF services depends on the

Audit Committee's evaluation of the potential risk of using the services of the same PAF in a row for a fairly long period of time.

In 2020, the appointment of Drs. Irhoan Tanudiredja, CPA, as PA for the first time, replacing the previous PA, along with PAF Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PricewaterhouseCoopers Global Network), was approved by the OJK through Letter S-106/PM.22/2018 dated 15 January 2018.

### EFFECTIVENESS OF AUDIT BY PUBLIC ACCOUNTANT

The provision of quality financial information is part of the implementation of GCG principles as well as the prevailing laws and regulations, which require that an audit of the Bank's Financial Statements is performed by an independent party, namely the PA and PAF, with the audit report is then submitted to the OJK.

To ensure the effectiveness of the implementation of the audit function, the Audit Committee evaluates the implementation of the audit by the appointed PA and/or PAF, and the results of the evaluation are submitted to the OJK.

### SUPERVISION AND COMMUNICATION BETWEEN PUBLIC ACCOUNTANT AND THE BANK

The Bank strives at all times to improve communication with PA to ensure that the audit process is in accordance with the Professional Accountant Standards and the audit scope has been determined and completed on time, resulting in regular meetings to discuss a number of significant issues. The designated PA must communicate plans for the audit on the Bank's Financial Statements to the Audit Committee and submit the audit plan along with the audit methodology and audit samples to be used, to Internal Audit.

The Audit Committee and Internal Audit also continue to supervise and ensure the smoothness and conformity of the external audit process with applicable regulations as well as evaluating the quality of the audit process. The monitoring of the performance of PA and/or PAF is discussed with the Board of Directors through Audit Committee meetings attended by Internal Audit and related Directors. The meetings also discussed the follow-up of audit findings by PA and/or PAF, so that the coordination carried out could provide comprehensive and optimal audit results.



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## NAMES, PERIODS AND FEES FOR PUBLIC ACCOUNTING FIRMS AND PUBLIC ACCOUNTANTS CONDUCTING THE AUDIT ON THE BANK'S ANNUAL FINANCIAL STATEMENTS IN THE LAST 5 (FIVE) YEARS

| Year | Public Accounting Firm                       | Accountant Name<br>(Partner-in-charge)      | PAF<br>Period | PA Period | Fee (Rp)         | PAF License       |
|------|--|---|---------------|-----------|------------------|-------------------|
| 2020 | KAP Tanudiredja,<br>Wibisana, Rintis & Rekan | Irhoan Tanudiredja, CPA                     |               | 1         | Rp9,396,000,000  | KEP-241/KM.1/2015 |
| 2019 | KAP Tanudiredja,<br>Wibisana, Rintis & Rekan | Angelique Dewi Daryanto,<br>S.E., CPA       |               |           | Rp13,938,500,000 |                   |
| 2018 | KAP Tanudiredja,<br>Wibisana, Rintis & Rekan | Angelique Dewi Daryanto,<br>S.E., CPA       | 5             | 3         | Rp15,037,000,000 |                   |
| 2017 | KAP Tanudiredja,<br>Wibisana, Rintis & Rekan | Angelique Dewi Daryanto,<br>S.E., CPA       |               |           | Rp8,299,494,000  |                   |
| 2016 | KAP Tanudiredja,<br>Wibisana, Rintis & Rekan | Drs. Muhammad Jusuf<br>Wibisana, M.Ec., CPA |               | 2         | Rp12,680,700,000 |                   |

## FEES FOR OTHER SERVICES PROVIDED BY THE PUBLIC ACCOUNTING FIRM AND PUBLIC ACCOUNTANT OTHER THAN THE AUDIT ON THE LAST ANNUAL FINANCIAL STATEMENTS IN 2020

In 2020, no fees were rendered to the Tanudiredja, Wibisana, Rintis & Rekan Public Accounting Firm for non-audit services.

# RISK MANAGEMENT

## OVERVIEW OF RISK MANAGEMENT SYSTEM AT CIMB NIAGA

CIMB Niaga implements risk management align with Enterprise Wide Risk Management (EWRM) framework. This framework provides the basis for a risk management process that is proactive and forward looking to ensure healthy and sustainable business growth; maximizing shareholder value; and manage capital comprehensively. Within the EWRM framework, risk is managed in an integrated manner by aligning risk appetite with business strategy.

One of the main components of the EWRM framework is the implementation of strong Bank management governance that functions to improve four eyes principle mechanism as well as transparency in the entire risk management process. In addition, risk management has been made to be an integral part of the Bank's culture, operational activities and decision-making processes. At the daily risk management operational level, the Bank applies the concept of three lines of defense by involving all levels in the organization, starting from the Board of Directors, senior management and all employees.

To ensure that the Bank can obtain an optimal level of risk adjusted return, risk discussion becomes the main and fundamental issue in the business planning process, including in the formulation of risk appetite, risk posture and new products/activities, to ensure the alignment of strategy, growth, operational plans, capital and risk. In this regard, the Bank optimizes its risk management function to support and provide analysis or information that can be used as a basis for making business decisions related to pricing, resource allocation and other business decisions. In this way, the Bank is expected to be able to maintain the trust of customers, shareholders and other stakeholders.

CIMB Niaga's EWRM risk management process includes risk identification considered significant in the Bank's business activities as well the capital requirement level. Risk Measurement and risk aggregation are performed with an adequate methodology, while risk management, risk control and risk reporting are performed continuously to evaluate and manage risks, as well as to ensure that risk exposures are appropriate with the Bank's risk appetite.

The implementation of EWRM is an ongoing initiative and is supported by an adequate risk management infrastructure. This includes developing and updating

appropriate risk management policies and procedures to keep risk levels within defined limits as well as maintaining adequate human and technological resources. EWRM implementation is also supported by the existence of a Risk Management Unit that acts independently from the risk-taking units.

The process of risk identification and measurement as well as the types of risks faced by the Bank are further explained in the Risk Management section of this Annual Report.

## RISK MANAGEMENT UNIT

### RISK MANAGEMENT ORGANIZATION STRUCTURE

The Risk Management (SKMR) function in the Bank is conducted by the Risk Management Unit (RMU), which is led by Risk Management Director. The Bank's Risk Management Unit structure is further explained in the Risk Management section in this Annual Report.

### PROFILES OF RISK MANAGEMENT UNIT HEAD

The legal basis and mechanism of appointment and dismissal of the Head of Risk Management Unit held by Risk Management Director as disclosed in the Board of Directors' discussion which is part of the Corporate Governance Report Section in this Annual Report.



**VERA HANDAJANI**  
RISK MANAGEMENT  
DIRECTOR

Complete profile presented  
in the Board of Directors'  
Profiles

### KOEI HWEI LIEN

HEAD OF RETAIL CREDIT RISK MANAGEMENT

Complete profile presented in the Senior Executive's Profiles

### JULIUS WIANTARA TJHIOE

HEAD OF OPERATIONAL RISK MANAGEMENT (ORM)

Complete profile presented in the Senior Executive's Profiles

### DIVA MAHDI

HEAD OF MARKET RISK MANAGEMENT & MODEL VALIDATION

Complete profile presented in the Senior Executive's Profiles



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### YULIUS SETIAWAN

HEAD OF RISK ANALYTICS & INFRASTRUCTURE

Complete profile presented in the Senior Executive's Profiles

### WAHDINIE MUSMAR

HEAD OF NON-RETAIL CREDIT POLICY AND ASSURANCE TESTING

Complete profile presented in the Senior Executive's Profiles

### SANDI MARUTO

HEAD OF ALM RISK

Complete profile presented in the Senior Executive's Profiles

### TJAHJADI YAPETER

HEAD OF WHOLESALE BANKING CREDIT

Complete profile presented in the Senior Executive's Profiles

### HENRY SAWALI

HEAD OF COMMERCIAL BANKING AND SME CREDIT

Complete profile presented in the Senior Executive's Profiles

### HADI SOEDARSO

HEAD OF CREDIT RELATED RCU

Complete profile presented in the Senior Executive's Profiles

## CERTIFICATIONS OF RISK MANAGEMENT UNIT HEAD

| Name   | Certification  |
|--|--|
| <b>Vera Handajani</b><br>Risk Management Director                                | Certification is presented in the Board of Directors' Profiles   |
| <b>Koei Hwei Lien</b><br>Head of Retail Credit Risk Management                   | Level 4 Risk Management Certification  |
| <b>Julius Wiantara Tjhioe</b><br>Head of Operational Risk Management (ORM)       | Level 4 Risk Management Certification  |
| <b>Diva Mahdi</b><br>Head of Market Risk Management & Model Validation           | Level 4 Risk Management Certification  |
| <b>Yulius Setiawan</b><br>Head of Risk Analytics & Infrastructure                | <ul style="list-style-type: none"> <li>- Certified Financial Risk Manager (FRM)</li> <li>- Certification in Risk Management Assurance (CRMA)</li> <li>- Certified Internal Auditor (CIA)</li> <li>- Level 4 Risk Management Certification</li> </ul>   |
| <b>Wahdinie Musmar</b><br>Head of Non-Retail Credit Policy and Assurance Testing | Level 4 Risk Management Certification  |
| <b>Sandi Maruto</b><br>Head of ALM Risk  | <ul style="list-style-type: none"> <li>- Certified Financial Risk Manager (FRM)</li> <li>- Level 4 Risk Management Certification</li> </ul>  |
| <b>Tjahjadi Yapeter</b><br>Head of Wholesale Banking Credit                      | Level 4 Risk Management Certification  |
| <b>Henry Sawali</b><br>Head of Commercial Banking and SME Credit                 | <ul style="list-style-type: none"> <li>- Level 4 Risk Management Certification</li> <li>- Senior Credit Workshop - Omega Certification</li> <li>- Minimizing Problem Loans - Omega Certification</li> <li>- Credit Risk Module Certification</li> <li>- Foreign Exchange &amp; Treasury Certification</li> </ul>   |
| <b>Hadi Soedarso</b><br>Head of Credit Related RCU                               | <ul style="list-style-type: none"> <li>- Level 4 Risk Management Certification</li> <li>- Level 1 Compliance Certification</li> <li>- Diploma in Credit from The Chartered Institute of Bankers in Scotland, in association with Omega Performance.</li> <li>- Omega Certification &amp; Certified Trainer for Omega Training module : Business Lending Fundamental (BLF), Financial Accounting for Lenders (FAL), Commercial Loan to Business (CLB) &amp; Minimizing Problem Loan (MPL).</li> <li>- Basic Knowledge in Pension Funds Certification issued by Pension Fund Professionals Certification Institute (MUDP)</li> </ul> |

## RISK MANAGEMENT UNIT DUTIES AND RESPONSIBILITY

1. Monitor risk management strategy implementation recommended by the Risk Management Committee and approved by the Board of Directors.
2. Provide input to the Board of Directors, on developing Risk Management policies.
3. Monitor position or overall risk exposure (composite), for each risk type, and each functional activity type.
4. Perform stress testing to determine the impact of significant changes in external performance, liquidity and capital conditions.
5. Conduct periodic reviews of the Risk Management process.
6. Review proposed new activities and/or products proposed or developed by particular unit. The review is focused primarily on aspects of the Bank's ability to conduct the new activities and/or products, including the systems and procedures used and their impact on overall risk exposure.
7. Provide recommendations related to the amount or maximum risk exposure that the Bank can have to the RTU and to the Risk Management Committee, in accordance with their respective authorities.

8. Evaluate model accuracy and validity of the data used to measure risk in the event that the Bank uses the model for internal purposes.
9. Prepare and submit risk profile reports to the Board of Directors, the Risk Management Committee and the Sharia Supervisory Board (for UUS Risk Profiles) on a regular basis or at least quarterly.
10. Monitor risk management policies implementation including developing procedures for risk identification, measurement, monitoring and control methods.
11. Review proposed new strategic business lines and may have a significant effect on Financial Conglomerate Risk exposure.
12. Conduct independent studies in the credit underwriting process including post-mortem reviews.
13. Carry out duties as an Integrated Risk Management Work Unit in the context of implementing integrated Risk Management.
14. Providing input to the Integrated Risk Management Committee, in order to formulate and improve Integrated Risk Management Policies.
15. Prepare and submit Integrated Risk Profile reports regularly to the Integrated Risk Management Committee.
16. Provide information to the Integrated Risk Management Committee on issues that need to be followed up regarding the results of the evaluation of the application of Integrated Risk Management.

### COMPETENCY DEVELOPMENT PROGRAM AND PROFESSIONAL CERTIFICATION FOR RISK MANAGEMENT UNIT MEMBERS

In 2020, the Risk Management Unit (RMU) comprised of 308 employees. A variety of training programs have been organized in support of competence development of RMU personnel, including:

| No | Name of Training Program/Workshop/Conferences/<br>Seminar | Organizer                        | Date & Venue   |
|----|---|----------------------------------|--|
| 1  | PROJECT TRANSFORMATION LEADERSHIP                         | Deloitte & Electric 8            | 12 & 20 February 2020<br>Jakarta   |
| 2  | Anti Fraud Awareness                                      | CIMB Niaga                       | 29 February, 12 August,<br>18 September, 16 October,<br>4 November<br>Online |
| 3  | Mastering & Enhancing Presentation With Infographic       | Executrain                       | 17 June 2020<br>Online   |
| 4  | Design Thinking   | CIAS (Corporate Innovation Asia) | 8 July 2020<br>Online  |
| 5  | Centre of Applied Data Science (CADS) Level 4             | CADS                             | 9 September 2020<br>Online   |
| 6  | Digital-Data-Design as Key Differentiator                 | VP AdTech and PromoTech Gojek    | 30 September 2020<br>Online  |
| 7  | Agile Scrum Foundation For Risk Management                | Trainocate                       | 7, 23 October & 9 November 2020<br>Online                                    |
| 8  | Advanced Corporate Credit - Warning Signals               | Fitch Learning                   | 2 November 2020<br>Online  |
| 9  | Certified Python Programmer for Data Science              | I Train                          | 30 November 2020<br>Online   |
| 10 | Problem Credits: Early Warning Signs and Restructuring    | Moody's Analytics                | 8 December 2020<br>Online  |

### RISK MANAGEMENT CERTIFICATION

The number of Bank personnel who obtained Risk Management Certification (RMC) is presented in the following table:

| Level        | Mandatory RMC |                |            | Total personnel with RMC<br>(mandatory & non-mandatory) |             |
|--------------|---------------|----------------|------------|---|-------------|
|              | Passed        | Not Yet Passed | %          | Passed  | %           |
| 1            | 1,675         | 46             | 97%        | 2,591   | 155%        |
| 2            | 585           | 29             | 95%        | 1,200   | 205%        |
| 3            | 257           | 9              | 96%        | 419   | 163%        |
| 4            | 98            | 1              | 99%        | 114   | 116%        |
| 5            | 8             | 0              | 100%       | 10  | 125%        |
| <b>Total</b> | <b>2,623</b>  | <b>85</b>      | <b>96%</b> | <b>4,334</b>  | <b>165%</b> |



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## BOARD OF DIRECTORS' PERFORMANCE ASSESSMENT OF RISK MANAGEMENT UNIT

CIMB Niaga continuously reviews the effectiveness of RMU's performance. The assessment of the effectiveness of RMU's performance can be seen from the indicators of asset quality and losses due to operational risk, among others. Although the Bank is still experiencing challenges in 2020, in connection with the COVID-19 pandemic, overall risk indicators are still at a manageable level, which reflects on the proper execution of RMU's performance.

In 2020, operational risk is still within the range of the Bank's pre-determined risk appetite. In addition, the Bank has completed several initiatives for the review, improvement, and development of infrastructure such as systems, methodologies and human resources, to support healthier business growth of the Bank going forward.

## RISK MANAGEMENT

CIMB Niaga implements an Enterprise Wide Risk Management (EWRM) framework in risk management that is proactive and forward looking. The EWRM framework refers to and is in line with the scope of risk management determined by regulators, namely: (i) Active supervision of the Board of Commissioners and Board of Directors; (ii) Adequacy of risk management policies and procedures as well as risk limit setting; (iii) Adequacy of risk identification, measuring, monitoring and control processes, as well as risk management information system; and (iv) Comprehensive internal control system.

Risk management begins with the risk identification stage, which aims to determine the material risks to products and activities to be measured further so that the Bank can determine the level of risk faced. Next, the Bank determines which risks will be taken, avoided, transferred or managed by considering the risk impact and cost and benefit of the Bank's products or activities.

CIMB Niaga continues to ensure a process for reporting and reviewing the effectiveness of the Bank's risk management system. In addition, the Bank continues to strive to implement a risk management process based on prudential principles and establishes a risk culture, risk management infrastructure and good corporate governance.

A more detailed discussion on the various risk types and efforts of the Bank in risk management can be found in the Risk Management section of this Annual Report.

## RISK MANAGEMENT SYSTEM EFFECTIVENESS STUDY RESULT

The risk management processes in the Bank is evaluated by the Risk Management Committee (RMC) that is responsible for the implementation of the overall risk management framework. Chaired by the President Director, the committee consists of all members of the Board of Directors and a number of executive officers.

In RMC meetings, in addition to comprehensive discussions on monthly risk exposure reports, other specific matters are also discussed, such as discussion of the risk appetite monitoring dashboard, which serves as a traffic light related to risk-taking activities carried out by the Bank, the implementation of Internal Capital Adequacy Assessment Process (ICAAP) to assess the Bank's capital adequacy in relation to its risk level, approval of policies and procedures, implementation of integrated risk management, approval of risk limits and approval of models and methodologies used in the risk measurement process.

In addition to the RMC, there are several other Executive Committees related to risk management to discuss certain risks in more depth, such as the Asset Liability Committee (ALCO), the Operational Risk Committee (ORC), the Credit Policy Committee (CPC), and the IT Steering Committee (ITSC).

In 2020, CIMB Niaga's evaluation on risk management process has been effective. All decisions made by these committees are properly documented. In addition, the Board of Commissioners also conducts evaluation of the implementation of risk management strategies through the Risk Oversight Committee (ROC). Several matters related to the implementation of risk management require approval from the Board of Commissioners, including: approval of risk management policies, determination of the Risk Appetite Statement and direction on risk levels that may be taken by business units in the year concerned.

# INTERNAL CONTROL SYSTEM

The internal control system is a control mechanism that is applied by the Bank on a continuous basis. An effective internal control system is a key element and the foundation for a safe and sound banking operations, enabling the Board of Commissioners and the Board of Directors to safeguard the Bank's assets, ensuring reliable management and financial reports, enhancing the Bank's compliance to prevailing laws and regulations, as well as reducing the risk of loss, fraud, or violation of the prudential aspects, while also increasing the effectiveness of the organization as well cost efficiency.

As a process that is carried out at all levels of the organization, the internal control system is inherently applied within the strategies of all working units and is designed to identify the possibilities of any event that may have an effect on the Bank, and to mitigate risks to remain within the Bank's tolerable risk appetite, in order to provide reasonable assurances for the Bank to achieve its objectives.

## BASIS OF IMPLEMENTATION

The implementation of the internal control system at CIMB Niaga is carried out pursuant to the OJK Circular Letter No. 35/SEOJK.03/2017 on the Guidelines for the Internal Control Standard of a Commercial Bank. The main objective of the internal control system, in addition to the efforts in support of achieving the Bank's vision and mission, is also to increase stakeholder value, minimize risk of loss, and ensure compliance to prevailing laws and regulations. CIMB Niaga implements the Internal Control System as a key component of supervision over the Bank's management, and a measure for the sound and controlled operations of the Bank.

## THE PURPOSE OF IMPLEMENTING THE INTERNAL CONTROL SYSTEM

CIMB Niaga undertakes an effective internal control system with the following objectives:

### 1. Compliance Objective

To ensure that all business activities of the Bank are carried out within prevailing laws and regulations, including those issued by the Government, the Banking Regulatory Authority, the Capital Market Authority, as well as the Banks internal policies, rules and procedures.

### 2. Information Objective

To provide information that is accurate, comprehensive, on-time and relevant for the purpose of informed decision making that is appropriate and accountable, comprising of both financial and non-financial reporting for internal and external parties.

### 3. Operational Objective

To increase the effectiveness and efficiency in the use of the Bank's assets and other resources, and to protect the Bank from the risk of losses including from fraudulent activities.

### 4. Risk Culture Objective

To identify weaknesses and detect frauds early and reevaluate the merits of the Bank's internal policies and procedures on a continuous basis.

## IMPLEMENTATION OF INTERNAL CONTROL SYSTEM, FINANCIAL AND OPERATIONAL IN LINE WITH COSO - INTERNAL CONTROL FRAMEWORK

The implementation of the Bank's internal control system is pursuant to COSO (Committee of the Sponsoring Organizations of the Treadway Commission) - Internal Control Integrated Framework, in formulating the framework of internal control that ensures adequate control over operational as well as financial aspects, financial reporting, operational effectiveness and efficiency, and compliance towards prevailing laws and regulations.

## FINANCIAL AND OPERATIONAL CONTROL

The Bank's internal control is applied to two aspects, namely the operational control and financial control.

The Bank's operational control includes:

1. A review by the Board of Directors by requesting for explanation and the operational performance report of the Bank such that the Directors could detect weaknesses in the controls, faults in the financial reporting, and even frauds.
2. A review of the risk profile reporting by the Risk Management Unit, and analysis of the operational data by the Internal Audit.
3. A review of Bank's work plan and budget realization.
4. Undertake control over information technology that encompasses control over operational database and applications.
5. Documentation of all policies, procedures and work standards.



Meanwhile, the Bank undertakes financial control in the followings:

1. Implement segregation of duties such that every person in their respective positions will not have the opportunity to hide mistakes and or frauds in the exercise of their duties.
2. All policies, procedures, operational systems and accounting standards are updated regularly to reflect current and actual operations.
3. Approval for expense disbursement and its realization.
4. Control over customer accounts and Bank's account.
5. Control over transaction records in the Bank's ledger.
6. Control over physical assets, comprising of among other things safeguarding assets, record keeping and documentation, as well as access restriction to application programs.

## ALIGNMENT OF INTERNAL CONTROL WITH THE COSO FRAMEWORK

CIMB Niaga carries out the internal control system on the operational and financial reporting of the Bank pursuant to the international standards COSO – Internal Control Integrated Framework. COSO states that internal control is a system or process that is carried out by the Board of Commissioners, Directors, Management and employees of a company, to provide adequate assurances for achieving the control goals.

The COSO – Internal Control Framework, is comprised of five components, which are:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring

Throughout 2020, CIMB Niaga had implemented the COSO-based internal control system as follows:

| The Internal Control Component Based on COSO   | Implementation of Internal Control System at CIMB Niaga   |
|--|---|
| <b>Control Environment</b><br>The control environment forms the basis for all internal control components.<br><br>The control environment factors comprise of integrity, ethical values, competency of people and entities, management philosophy and style, and the ways in which Management exercises authority and responsibility as well as organizes and develops people, the attention and direction from the Commissioners. | The Board of Commissioners, through the committees that have been formed periodically, evaluates the control environment and makes independent assessments that are conveyed to the Board of Directors, for subsequent follow ups.  |
| <b>Risk Assessment</b><br>A mechanism that is designed to identify, analyze, and manage risks that pertain to the various activities where the organization operates.  | The Board of Directors has put in place procedures to anticipate, identify and response to events and challenges that could compromise the achievement of goals. The Board of Commissioners through the Risk Monitoring Committee ensures that the Board of Directors has carried out risk management effectively.  |
| <b>Control Activities</b><br>These are activities of the policies and procedures adopted by Management to help ensure that goals are achieved.   | <p>The policies and procedures have been set for both the main business units and supporting business units, and have been approved by the Board of Directors, which are periodically reviewed and renewed by the Risk Management Unit.</p> <p>The Compliance Unit is responsible for disseminating information on the prevailing banking regulations, undertakes due diligence over compliance towards new rules, as well as on recommendations for new products or new activities, implements the Anti-Money Laundering and Counter-Terrorist Financing, and monitors compliance through designated officers in other operating units that are verified by Independent Units that constitute the second and third line of defense. The Compliance Unit submits regular compliance reports to the Board of Commissioners, Directors and Regulators.</p> <p>Bank officials review the status and effectiveness of controls periodically, carry out adequate job delegation, and undertake routine verification on the accuracy of data and due diligences on plans in response to emergency situations.</p> |

| The Internal Control Component Based on COSO   | Implementation of Internal Control System at CIMB Niaga  |
|--|--|
| <b>Information and Communication</b><br>A system that allows individuals or entities to obtain and share information needed to carry out, manage and control operations. | A procedure is at hand to collect data from information technology that can result in the reporting of business activities, financial condition, risk management implementation and the fulfillment of conditions that allow the Board of Directors and Board of Commissioners to carry out their duties.  |
| <b>Monitoring</b><br>The implementation of the internal control system shall be monitored to ensure its effectiveness.   | <p>The Board of Directors, Bank executives and the Internal Audit undertake continuous monitoring of the effectiveness of the entire internal control activities.</p> <p>The monitoring of primary risks has been prioritized and is part of daily activities, including the periodical reviews. The Board of Directors and the Bank executive are committed to the efforts and have followed up the findings and recommendations of the Internal Audit.</p> |

In its internal control system framework, CIMB Niaga adopts the Three Lines of Defense concept, which constitutes the implementation of the control strategy within the monitoring system of COSO – Internal Control Framework that is fully described in the Section on Risk Management of this annual report.

## STATEMENT OF ADEQUATE INTERNAL CONTROL

The internal control system is a process that is carried out by the Board of Directors and all of the Bank's executives that provide the instruction, guidelines and supervision; the Executive Committee; The Internal Audit; as well as all employees. Both the Board of Commissioners and Board of Directors commit to ensure that Good Corporate Governance is implemented as the foundation for achieving the goal of protecting and increasing the value of the Bank. One of the best implementations of Good Corporate Governance is to ensure that internal control is adequately carried out. The Board of Directors is responsible for implementing internal control effectively to enable the Bank to achieve its goal.

The Board of Commissioners, assisted by the Audit Committee, is responsible for supervising and ensuring that internal control is broadly undertaken, including the policies of the Board of Directors on the internal control. The internal control system is designed to manage and control risks effectively, and not to eliminate the risks. This statement on internal control describes the key elements used to achieve the purpose of the Bank's internal control, as follows:

1. Operations are carried out effectively and efficiently;
2. Financial reporting that is reliable and accurate;
3. Compliance towards prevailing laws and regulations; and
4. Safeguarding the Bank's assets.

## EVALUATION ON THE EFFECTIVENESS OF INTERNAL CONTROL

Throughout the year 2020, CIMB Niaga carried out its internal control system in line with the principles of control and, in general, the quality of the internal control system being applied is considered sound. Issues pertaining to the adequacy of internal control have been reported to the Board of Directors, and follow-up steps have been taken to mitigate risks. Reports have also been submitted to the Board of Commissioners through Committees at the Board of Commissioners level.

## IMPORTANT CASES

Throughout 2020, the Bank had to deal with a number of important cases both civil and criminal cases. In the civil cases, the Bank was a Defendant; whereas in the criminal cases the Bank was a Reported Party, with details of the cases as follows (excluding Sharia cases, which disclosed in the Sharia Business Unit Governance Report):

| Legal Issues                                     | Total       |            |                |           |
|--|-------------|------------|----------------|-----------|
|  | Civil Cases |            | Criminal Cases |           |
|  | 2020        | 2019       | 2020           | 2019      |
| <b>Total Cases</b>                               | <b>220</b>  | <b>269</b> | <b>11</b>      | <b>13</b> |
| Settled Cases (final and legally binding)        | 66          | 77         | -              | 8         |
| Cases in the Settlement Process (as of December) | 154         | 192        | 11             | 5         |

### IMPORTANT CASES INVOLVING THE BANK

Cases with a value of over Rp10 billion, with the quantitative risk information faced by the Bank, in 2020 included:

| No | Case   | Subject  | Status   | Risk Encountered by the Bank   | Bank's Management Efforts  | Imposed Sanctions | Case Value   |
|----|--|--|--|--|--|-------------------|--|
| 1  | Lawsuit No 253/ PDT.G/2016/PN.Jkt.Ut between JMS (Plaintiff I) RVS (Plaintiff II) AJS (Plaintiff III) and Bank (Defendant X)                                   | Customer's internal shareholder conflict (inheritance dispute) | Appeal to the High Court of DKI Jakarta                  | Loss of collateral   | The bank has submitted a counter Appeal that supports its position   | NA                | Material: Rp291,500,000,000<br>Immaterial: Rp300,000,000,000     |
| 2  | Lawsuit No. 176/ PDT.G/2017/PN.DPK between SA (Plaintiff I) SP (Plaintiff II) BUG (Plaintiff III) SBP (Plaintiff IV) SPP (Plaintiff V) and Bank (Defendant II) | Granting of rights to shareholders to buy back shares          | Appeal to the Supreme Court of the Republic of Indonesia | Compensation for the value of the lawsuit to be paid with other Defendants | The bank has submitted a counter Appeal that supports its position   | NA                | Material: Rp2,100,000,000,000<br>Immaterial: Rp2,200,000,000,000 |
| 3  | Lawsuit No. 572/ PDT.G/2018/PN.Jkt.Sel between BKPL (Plaintiff) and Bank (Defendant)   | Cancellation of Credit Agreement Addendum                      | Appeal to the Supreme Court of the Republic of Indonesia | Compensation for the value of the lawsuit                                  | Maximum effort has been made to reach an amicable settlement between the parties. The bank is currently waiting for the lawsuit to be revoked. | NA                | Material: Rp34,818,314,000<br>Immaterial: Rp50,000,000,000       |

| No | Case   | Subject   | Status   | Risk Encountered by the Bank   | Bank's Management Efforts   | Imposed Sanctions | Case Value   |
|----|--|---|--|--|---|-------------------|--|
| 4  | Lawsuit No. 109/ PDT.G/2019/PN.Jkt.Tim<br><br>between<br><br>DJ (Plaintiff)<br><br>and<br><br>Bank (Defendant)                             | Debtor was in default and filed a lawsuit for cancellation of the auction execution   | Appeal to the High Court of DKI Jakarta                  | Compensation for the value of the lawsuit                                  | The Bank has won the lawsuit and the Plaintiff has submitted an Appeal. Until now there has been no memory of appeal nor release of notification of appeal                              | NA                | Material:<br>Rp11,400,000,000<br><br>Immaterial:<br>Rp -               |
| 5  | Lawsuit No. 359/ Pdt.G/2019/PN.Jkt.Sel<br><br>between<br><br>IH (Plaintiff I)<br>IRMAS (Plaintiff II)<br><br>and<br><br>Bank (Defendant I) | Debtor defaulted and filed a lawsuit for the cancellation of the auction execution  | Appeal to the High Court of DKI Jakarta                  | Compensation for the value of the lawsuit                                  | The bank has submitted a counter Appeal that supports its position and is currently awaiting a verdict.   | NA                | Material:<br>Rp110,000,000,000<br><br>Immaterial:<br>Rp100,000,000,000 |
| 6  | Lawsuit No. 134/ PDT.G/2019/PN.Dpk<br><br>between<br><br>HM (Plaintiff)<br><br>and<br><br>Bank (Defendant I)                               | Claims from customers regarding withdrawal of deposits.   | Appeal to the Supreme Court of the Republic of Indonesia | Compensation for the value of the lawsuit to be paid with other defendants | The Bank is currently awaiting a Cassation verdict  | NA                | Material:<br>Rp114,769,504.954<br><br>Immaterial:<br>Rp150,000,000,000 |
| 7  | Lawsuit No. 902/ PDT.G/2019/PN.Jkt.Sel<br><br>between<br><br>IB (Plaintiff)<br><br>and<br><br>Bank (Defendant I)                           | Lawsuit regarding the cancellation of a debtor's collateral auction   | In the District Court of Jakarta Selatan                 | Compensation for the value of the lawsuit                                  | The bank is currently awaiting a Court verdict  | NA                | Material and Immaterial:<br>Rp100,000,000,000                          |
| 8  | Lawsuit No. 16/ PDT.G/2020/PN.Skh<br><br>between<br><br>SCG (Plaintiff)<br><br>and<br><br>Bank (Defendant I)                               | Debtor defaulted and filed a lawsuit for the cancellation of the auction. The Plaintiff felt that he was under threat, intimidation and pressure from Defendant I | Appeal in the High Court of Semarang                     | Compensation for the value of the lawsuit to be paid with other defendants | The Bank has won the lawsuit at the District Court of Sukoharjo. The Plaintiff has submitted an appeal of this decision. The appeal is currently ongoing at the High Court of Semarang. | NA                | Material and Immaterial:<br>Rp60,000,000,000                           |

| No | Case   | Subject   | Status                                   | Risk Encountered by the Bank   | Bank's Management Efforts   | Imposed Sanctions | Case Value   |
|----|--|---|--|--|---|-------------------|--|
| 9  | Lawsuit No. 855/PDT.G/2020/PN.Jkt.Sel between KIL (Plaintiff) and Bank (Defendant I) | A lawsuit related to the cancellation of Cessie | In the District Court of Jakarta Selatan | Compensation for the value of the lawsuit to be paid with other Defendants | The trial process is currently ongoing in the District Court of Jakarta Selatan | NA                | Material: Rp15,000,000,000<br>Immaterial: Rp10,000,000,000 |

### MATERIAL CASES INVOLVING INCUMBENT MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

During 2020, no members of the Bank's Board of Directors and/or Board of Commissioners were involved in civil and/or criminal cases and/or disputes.

### MATERIAL CASES INVOLVING SUBSIDIARIES

In 2020, legal issues faced by the Subsidiaries consisted of civil and criminal cases, as follows:

| Subsidiary                     | Legal Issues                                     | Total       |           |                |            |
|--------------------------------|--|-------------|-----------|----------------|------------|
|                                |  | Civil Cases |           | Criminal Cases |            |
|                                |  | 2020        | 2019      | 2020           | 2019       |
| CIMB Niaga Auto Finance (CNAF) | <b>Total Cases</b>                               | <b>13</b>   | <b>30</b> | <b>6</b>       | <b>107</b> |
|                                | Settled Cases (final and legally binding)        | 3           | 22        | 3              | 44         |
|                                | Cases in the Settlement Process (as of December) | 10          | 8         | 3              | 63         |
| CIMB Niaga Sekuritas (CNS)     | <b>Total Cases</b>                               | -           | -         | -              | -          |
|                                | <b>Settled Cases final and legally binding</b>   | -           | -         | -              | -          |
|                                | Cases in the Settlement Process (as of December) | -           | -         | -              | -          |

### MATERIAL CASES INVOLVING INCUMBENT MEMBERS OF BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

During 2020, no members of CNAF's Board of Directors and/or Board of Commissioners were involved in civil and/or criminal cases and/or disputes.

### IMPACT OF LEGAL ISSUES FOR THE BANK AND ITS SUBSIDIARIES

Litigation involving the Bank in 2020 did not materially affect the status, position and/or business continuity of the Bank and its subsidiaries.

## ADMINISTRATIVE SANCTION FROM RELEVANT AUTHORITIES

Throughout 2020, there were no material administrative sanctions that affected the continuity of the Bank's business, nor were there any administrative sanction imposed on members of the Board of Directors and Board of Commissioners by the regulators.

## ANTI-CORRUPTION POLICY

### PROGRAMS AND PROCEDURES

CIMB Niaga has an Anti-Corruption Policy No. M.11 to complement all other policies related to the prevention of corruption and as part of the Bank's commitment in supporting anti-corruption practices, including the Code of Ethics and Conduct and the Anti-Fraud Policy.

The Anti-Corruption Policy of CIMB Niaga regulates the programs and procedures, as follows:

1. The Bank's principles in supporting anti-corruption practices;
2. The commitments to anti-corruption in the Bank;
3. The responsible parties;
4. The corruption prevention programs, include:
  - a. Implementation of awareness programs;
  - b. Know Your Customers (KYC) and Know Your Employee (KYE);
  - c. Anti-Gratification Letters to the Bank's Business Relations.
5. The prohibition to give and/or receive gratification and political donation;
6. Sanctions;
7. Documentation and Reporting.

### TRAINING/SOCIALISATION ON ANTI-CORRUPTION

CIMB Niaga constantly strives to increase the awareness of all Bank levels in the prevention and avoidance of corruption practices, including by socialization through blast email on Anti-Corruption and the Anti-Corruption Policy, socialization on the prohibition to receive or give gratification, and anti-fraud awareness campaign to all employees, as well as regular reminders on anti-gratification to the Bank's relations through mails, e-mails, website, social media of the Bank and national daily newspaper.

As part of the Banks' commitments in supporting anti-fraud and anti-corruption, on 9 April 2020 the members of the Board of Commissioners and Board of Directors of CIMB Niaga have signed the Declaration of Integrity Pact, Code of Ethics and Anti-Corruption Commitments as well as made a Director's testimony on the commitment to anti-fraud, bribery & corruption. These two items have also been presented to the public through the CIMB Niaga website. The commitments have subsequently been followed up at all levels of the organization through the mandatory attestation of the Declaration of Integrity Pact and Code of Ethics & Anti-Corruption Commitments by all employees, both permanent and non-permanent employees.

CIMB Niaga also provides a Whistleblowing System channels as a reporting tool for employees and external parties which is explained in more detail in the Whistleblowing System section in this Annual Report.



Performance Highlights



Management Reports



Company Profile



Management Discussion and Analysis



Risk Management

## ACCESS TO BANK INFORMATION AND DATA

CIMB Niaga will always commit towards transparency that constitutes as one of the elements of Good Corporate Governance. The Bank provides convenient access to pertinent data and information on the Bank's performance for all stakeholders. All of this information, whether financial or non-financial, is accessible via communication conduits such as press releases and public expose. The Bank actively disseminates information in both printed and electronic media, including its official website that is accessible in the Indonesian language and English.

To obtain further information, the Bank has several number of contact points that can be accessed, including:

- **Contact Center:** 14041 or +6221-2997-8888 (from overseas)
- **Preferred Assistance:** 1500 800 (for CIMB Preferred customers)
- **Email:** 14041@cimbniaga.co.id
- **Business Banking Contact Center:** 14042 or +6221-8065-5111 (from overseas)
- **Website:** [www.cimbniaga.co.id](http://www.cimbniaga.co.id),
- Investors can reach the **Bank's Investor Relations** services directly through the webpage: <https://investor.cimbniaga.co.id> or email: [investor.relations@cimbniaga.co.id](mailto:investor.relations@cimbniaga.co.id)

### INVESTOR RELATIONS

CIMB Niaga has an Investor Relations unit that is responsible for managing relationships and interactions with financial community. By providing relevant, accurate and timely information to all stakeholders, the Bank aims to assist investors to make informed decisions on their investments, while also addressing the perceptions and expectations of investors with regards to strategy, performance and financial condition of the Bank.

The duties and responsibilities of Investor Relations are as follows:

1. Developing the communication strategy pertaining mainly to investors, securities analysts, fund managers, securities firms, rating agencies and the general capital market community.
2. Preparing presentation materials on the Bank's financial performance for use in analyst meeting, public expose, and teleconference in the interest of transparency.

3. Providing transparency on the Bank's financial and non-financial information, as well as Bank strategy.
4. Communicating the Bank's performance to external parties such as investors, securities analysts and other capital market community.
5. Maintaining good relationship and serving as liaison officer between the Bank and its stakeholders by managing the communication and correspondence with investors, securities analysts, securities firms and rating agencies.
6. Ensuring the Bank and customer information confidentiality as is appropriate and not using such information for own or others benefits.
7. Coordinating the production, publication and distribution of the Annual Report to all stakeholders.
8. Providing the data and information of the Bank's performance on the website in both the Indonesian language and English, which provide a broader and more convenient access to the public to obtain the following information:
  - a. Monthly and quarterly reports, liquidity capital ratio (LCR) and net stable funding ratio (NSFR), quantitative risk exposures, disclosure on capital adequacy as well as the financial statements of the parent entity pursuant to OJK requirements that apply to banks in Indonesia.
  - b. Quarterly consolidated financial statements and the audited financial statements pursuant to OJK requirements for publicly listed companies as well as for presentation material in Analyst Meetings.
  - c. The Annual Report that contains a comprehensive report for the general public and stakeholders on the performance, business results and other activities of the Bank.

### ACTIVITIES OF INVESTOR RELATIONS

Throughout the year 2020, the activities and interactions of Investor Relations with investors, securities analysts, and other capital market community, include:



### 1. Organized 4 (four) analyst meeting in a year

| Date             | Topic                   | Description           |
|------------------|-------------------------|-----------------------|
| 19 February 2020 | CIMB Niaga 4Q19 Results | Conference Call       |
| 8 May 2020       | CIMB Niaga 1Q20 Results | Conference Call       |
| 30 July 2020     | CIMB Niaga 2Q20 Results | Conference Call       |
| 6 November 2020  | CIMB Niaga 3Q20 Results | Video Conference Call |

### 2. Interactions and discussion with investors and securities analysts through teleconferencing as well as in-house meetings, as follows:

| Type of Meeting   | Number of Meeting | Security Analysts/Investor |
|-------------------|-------------------|----------------------------|
| Bilateral Meeting | 5                 | 11                         |
| Group Meeting     | 1                 | 8                          |
| Teleconferencing  | 3                 | 27                         |
| Total             | 9                 | 46                         |

### 3. Organized the Annual Review with national and international credit rating agencies:

| Date             | Rating Agency |
|------------------|---------------|
| 13 April 2020    | Fitch         |
| 4 September 2020 | Pefindo       |
| 24 November 2020 | Moody's       |

### 4. The Bank's Annual Public Expose for 2020 was held on 18 November 2020 carried out on-line through video conference using the Webex Event platform. In this Public Expose, the Bank's Board of Directors presented the operational and financial performance, as well as the strategy of the Bank to the general public, media, securities analysts, investors and potential investors.

## SOCIAL MEDIA

CIMB Niaga maintains and manages 5 (five) social media accounts, which are:

1. Facebook : CIMB Niaga
2. Instagram : @cimb\_niaga
3. Twitter : @CIMBNiaga
4. Youtube : CIMB Niaga
5. LinkedIn : CIMB Niaga

These accounts serve for delivering information on the Bank's activities including brands, product promotions, tips and other information. In addition, 3 (three) of the 5 (five) accounts respond to fans/followers inquiries, whether as Bank's customers or non-customers. The Bank also uses social media to convey information on the Bank's activities, as well as to help customers with problems that they may encounter in their banking transactions.

## FACEBOOK





Performance Highlights



Management Reports



Company Profile

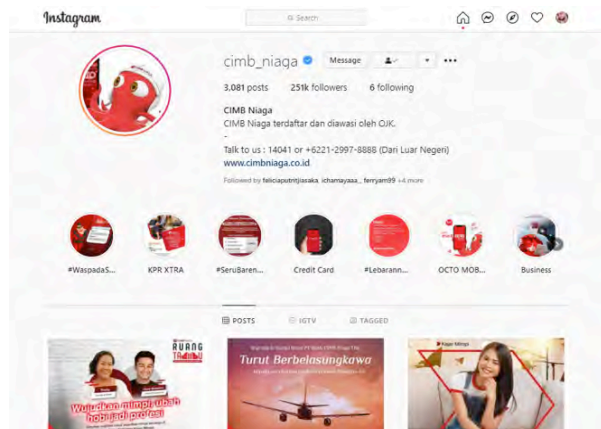


Management Discussion and Analysis



Risk Management

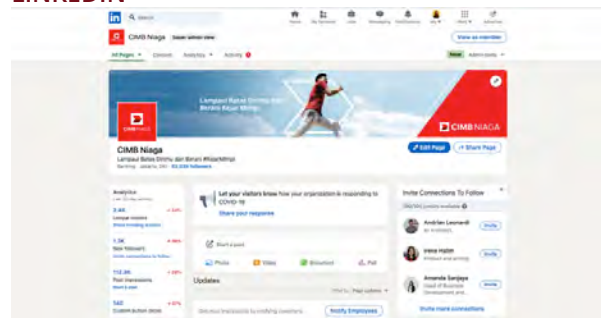
## INSTAGRAM



## YOUTUBE



## LINKEDIN



## TWITTER



## INTERNAL COMMUNICATION

CIMB Niaga also maintains its internal communication, providing information to employees as one of the Bank's stakeholders through internal communication's various channels, i.e. email blasts (Gallery News & HR Info), e-Portrait digital magazine, and wallpaper on desktop or laptop. Employees can easily access the available information using various platforms such as computer and smartphone. Throughout 2020, the e-Portrait site was visited around 6,700 times by employees via handheld or computer. In addition, all employees also received update through email blast and wallpaper on daily basis.



## GALLERY NEWS



## WALLPAPER



## HR INFO



## PRESS RELEASES

Engaging and maintaining good relations with the mass media through various activities, including the distribution of press releases, which constitutes as one of the Bank's priorities. CIMB Niaga believes that the mass media has a significant role in reporting the journey, growth and achievements of CIMB Niaga.

## PRESS RELEASES 2020

| No.             | Titles   | Dates |
|-----------------|--|-------|
| <b>JANUARY</b>  |  |       |
| 1               | CIMB Niaga Instills Financial Literacy to Students via AMDB  | 23    |
| 2               | CIMB Niaga Launches Latest Innovation, VCN and BizChannel@CIMB Mobile for Corporate Customers                              | 30    |
| <b>FEBRUARY</b> |  |       |
| 3               | Collaboration of Visa, CIMB Niaga and Tokopedia Offers Credit Card Billing Payment Services                                | 3     |
| 4               | Welcoming 65 Years of Services in Indonesia, CIMB Niaga Unveils Special Offerings  | 4     |
| 5               | CIMB Niaga Offers Discount Promo and Cashback 65% on XTRA XPO 2020   | 8     |
| 6               | Completely digital CIMB Niaga Opens the Digital Lounge @Campus at the Faculty of Economics and Business of UGM, Yogyakarta | 17    |
| 7               | CIMB Niaga Reports Increasing Consolidated Net Profit of 12.4% to IDR3.9 Trillion  | 19    |
| 8               | CIMB Niaga Sharia Books Increasing Profit of 63.7% to IDR1.1 Trillion in 2019  | 28    |
| <b>MARCH</b>    |  |       |
| 9               | Supporting the National QRIS Week, CIMB Niaga Expedites Non-cash Transaction   | 13    |
| 10              | CIMB Niaga Ready to Serve Customers with Comprehensive Digital Banking   | 22    |
| 11              | Stay at Home. Remain Productive with CIMB Clicks   | 27    |
| 12              | CIMB Niaga Syariah Supports DT Peduli in Collection of Zakat, Sedekah, and Wakaf Using QR Code                             | 31    |
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| 14              | Promoting Non-cash Transaction, CIMB Niaga Offers Top-Up Promo on GoPay  | 8     |
| 15              | AGM of CIMB Niaga Approves the Annual Report and Consolidated Financial Statements for Fiscal Year 2019                    | 9     |
| 16              | Initiating SolidLawanCOVID, CIMB Niaga Implores the Public to Help Others  | 16    |
| 17              | CIMB Niaga Distributes protective health gear (APD) to University of Indonesia Hospital and Mariner Hospital               | 21    |



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| 19               | CIMB Niaga Offers Convenience to Fulfill the Needs of Customer during Ramadhan   | 27    |
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| 20               | Introducing OCTO Mobile, CIMB Niaga Unveils Transformation Towards the Complete Digital Bank ]   | 4     |
| 21               | CIMB Niaga Reports Consolidated Net Profit Growth 11.8% Y-o-Y to IDR1.1 Trillion for First Quarter of 2020                                     | 8     |
| 22               | CIMB Niaga Expedites Customer Investments via OCTO Mobile  | 18    |
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| 24               | Implementing Corporate Governance Pursuant to ASEAN Standards, CIMB Niaga Earns the ASEAN Corporate Governance Scorecard Award                 | 11    |
| 25               | Presenting #KejarMimpi Online Festival, CIMB Niaga Implores Indonesia's Youth to Prepare for The New Culture                                   | 12    |
| 26               | Introducing OCTO Clicks, CIMB Niaga Completes the Digital Experience of Its Internet Banking   | 29    |
| 27               | CIMB Niaga Syariah and YPI Al-Azhar Offer the Edu Xtra Financing Program   | 30    |
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| 28               | CIMB Niaga Syariah Donates an Ambulance for Communities of West Bandung  | 10    |
| 29               | Appreciating Customers, CIMB Niaga Unveils the Festival Xtra Step Up Savers Program  | 21    |
| 30               | For a Safe and Healthy Transaction in the New Normal Era, CIMB Niaga Encourages the Public to Use the Scan QRIS OCTO Mobile                    | 22    |
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| 32               | CIMB Niaga Earns 'The Most Helpful Bank during COVID-19 in Indonesia' Award from The Asian Banker  | 29    |
| 33               | CIMB Niaga Reports Consolidated Net Profit of IDR1.7 Trillion for First Semester of 2020   | 30    |
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| 38               | Convenient and Beneficial, Transfer Funds via OCTO Mobile is the Solution  | 27    |
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| 47               | In Sinergy with Bogor Institute of Agriculture (IPB), CIMB Niaga Syariah Supports the "Tri Dharma" Development of Higher Learning Institutions | 17    |
| 48               | OCTO Clicks Helps Customers Maintain Financial Health Through Personal Financial Management  | 18    |
| 49               | CIMB Niaga Earns the 2020 Anugerah Inovasi Indonesia Main Award  | 21    |
| 50               | Strengthening the Digitalization of Banking, CIMB Niaga has Developed API  | 23    |
| 51               | CIMB Niaga Motivates Youth to be the Catalysts for Change  | 24    |
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| 53               | Celebrating 65 <sup>th</sup> Anniversary, CIMB Niaga Exclaims the Spirit of Giving Service to Indonesia  | 26    |
| 54               | Spreading the Joy of 65 Years, CIMB Niaga Shares Inspirations # KejarMimpi Goes to Orphanage Mandalika 2020                                    | 28    |

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| 55              | CIMB Niaga, The First Bank to Facilitate Payment via WeChat Pay in Indonesia                                     | 29    |
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| 56              | OCTO Mobile CIMB Niaga Expedites Top-Up e-Wallet   | 1     |
| 57              | CIMB Niaga Provides Convenience for Public to Invest in ORI 018 via OCTO Mobile                                  | 7     |
| 58              | CIMB Niaga Earns The 2020 Liquidity Risk Technology Implementation of the Year Award from The Asian Banker       | 8     |
| 59              | OCTO Mobile, the Digital Banking that Can 'Do Many, Do Any'  | 9     |
| 60              | Scan QRIS OCTO Mobile Adds Value to Merchants and Customers  | 16    |
| 61              | CIMB Niaga Improves Services to SME Customers Digitally  | 20    |
| 62              | OCTO Mobile Offers Customer-Oriented Transaction Through a Complete Single Device Service                        | 22    |
| 63              | CIMB Niaga Distributes Scholarship Program for the Period of 2020-2022   | 23    |
| 64              | CIMB Niaga Strengthens Safety Features of OCTO Mobile for Customers' Peace of Mind                               | 27    |
| 65              | CIMB Niaga Syariah Drives Digital Transaction Through Haya Online Fest 2020                                      | 30    |
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| 66              | CIMB Niaga Reports Consolidated Net Profit of IDR1.9 Trillion for First Nine Months of 2020                      | 6     |
| 67              | Supporting Health Protocols, CIMB Niaga's OCTO Vending Machines Dispense Protective Masks and Other Health Items | 12    |
| 68              | CIMB Niaga Holds Annual Public Expose for 2020   | 18    |
| 69              | With Scan QRIS OCTO Mobile, Transactions Can be Converted to Installment Payments of 0%                          | 27    |
| 70              | Drive Financing, CIMB Niaga Syariah Optimizes the Motor X-TRA Program  | 30    |
| <b>DECEMBER</b> |  |       |
| 71              | CIMB Niaga Syariah Strengthens Collaboration, Generating the Customer Spirit to Fight Pandemic                   | 7     |
| 72              | CIMB Niaga Syariah Partners with Cicilsewa, Introducing the SEWA X-TRA Program                                   | 8     |
| 73              | Supporting Customers' Year-end Transactions, CIMB Niaga Optimizes the Scan QRIS OCTO Mobile                      | 20    |
| 74              | Provide Convenience for Customers, CIMB Niaga Provide ATM Drive Thru at Rest Area KM 164, Cipali Toll Road       | 23    |
| 75              | CIMB Niaga Optimizes Digital Banking to Serve Customers at Year-end.   | 28    |



# GOODS AND SERVICES PROCUREMENT POLICY

The Bank has a Goods and Services Procurement Policy that was last updated in 2017. The policy is also supported by Standard Operating Procedures (SOP) for Goods and Services Procurement that was approved in 2018 and still valid as a reference. The goods and services procurement policy and SOP have become the main reference for all procurement activities for goods and/or services carried out by the working units in the Bank, either Conventional or Sharia Business Units.

## BASIC PRINCIPLES OF GOODS AND SERVICES PROCUREMENT

1. Obtaining reliable and excellent supplier of goods and/or services of the Bank effectively and efficiently.
2. Creating a fair, orderly and controlled competition climate by increasing transparency in the selection of the goods and/or services suppliers.
3. Selecting vendors based on GCG and Sustainability principles.
4. Complying with the applicable taxation provisions for every procurement of goods and/or services by the Bank with vendors supplying the goods and/or services.

## VENDOR'S CODE OF ETHICS

CIMB Niaga has established the requirements in a code of ethics that must be met by the Vendors. Vendors must comply with the Bank's particular provisions as stated in the cooperation agreement, including:

### 1. Legal Compliance

In compliance with prevailing laws and regulations;

### 2. Corruption, Bribery or Illegal Payment

Vendors may not be involved in any form of corruption or fraud or bribery, including payments or other forms of benefits provided to any government officials, civil servants or political parties for the purpose of improperly influencing the decision making;

### 3. Gifts and Entertainment

Vendors are prohibited from offering or giving gifts or entertainment to Bank employees;

### 4. Conflict of Interest

Vendors must provide information regarding any potential conflict of interest, for example family relationship, partnership, or relationship with Bank employees;

### 5. Labor and Human Rights, Vendors shall:

- a. Ensure that they have complied with all applicable labor laws and regulation;
- b. Ensure equal opportunity and treatment of their employees;
- c. Respect the dignity and personal rights of their employees;
- d. Refrain from employing or forcing anyone to work against their will.

### 6. Confidentiality and Protection of Bank and Customer Data, Vendors shall:

- a. Maintain the confidentiality of all data or information received from the Bank, or known by the Vendors, during and after the cooperation ends, as stated in the cooperation agreement. Vendors may not share such data and information with third parties unless there is an official written agreement from the Bank;
- b. Comply with all applicable laws, rules and regulations concerning confidentiality, banking confidentiality and protection of customers' personal data;
- c. In conditions where confidential Bank data or information must be known by the Vendors or other external parties, the Vendors must sign a Confidentiality Agreement (NDA – Non-Disclosure Agreement) to protect the Bank's information and interests as well as the its customers' information and interests with reference to the Information Security and Data Classification Policy. In cases involving confidential or sensitive Information, Data and Documents (IDD) that will be delivered to outside parties, it is mandatory to obtain evaluations and recommendations from the Legal team and/or the BISO (BANK Information Security Officer).

### 7. Employee Health and Safety

- a. Vendors shall take all reasonable steps to ensure the provision of comfortable and safe working environment for their employees;
- b. Vendors shall take the necessary prevention measures against accidents or diseases in the working environment.

## 8. Environmental Protection

- a. Vendors shall comply with all applicable environmental laws and regulations;
- b. Vendors shall strive to minimize environmental pollution and to continually work to protect the environment from all types of pollution, as well as from the destruction of the natural carbon deposits, habitat and ecosystems.

## 9. Fair Competition

- a. Vendors may not discuss prices, procedures for distribution, product development, and plans or activities carried out by the Vendor with other competing Vendors;
- b. Vendors must comply with all applicable laws and regulations related to competition or anti-trust.

Vendors found to be in violation of the Vendor's Code of Ethics will be placed on a Vendor Blacklist, and may face termination of the ongoing cooperation.

## ELECTRONIC PROCUREMENT OF GOODS AND/OR SERVICES (E-PROCUREMENT)

CIMB Niaga implements the electronic procurement process for goods and/or services through a web/internet-based system by utilizing communication and information technology facilities. This online service can be accessed by Vendors of goods and/or services for vendor registration, tender/bidding, and goods and/or service billing processes.

The objectives of the e-procurement process are:

1. Increased transparency and accountability;
2. Increased efficiency of the procurement process;
3. Facilitating the monitoring and audit process;
4. Meeting the need for real-time information access as well as equal information for all vendors involved in the procurement process.

## VENDOR DUE DILIGENCE

In 2020, CIMB Niaga conducted a due diligence on the vendors involved in the procurement of goods and services for the Bank, an annual evaluation process comprising of:

1. Vendor evaluation is the process of implementing due diligence on the existence and condition of a prospective Vendor, which is conducted at the first time the Bank intends to use the vendor services.
2. The Vendor Selection team conducts the following steps in Vendor evaluation:
  - a. Receiving the proposal for New Vendor submission, which is done in writing using the form of a New Vendor Submission Form that has been approved by the D2 Work Unit Officer who submitted the proposal.
  - b. Contacting the prospective Vendor to complete related documents and provide forms that must be completed, comprising:
    - i. Vendor Code of Ethics;
    - ii. List of Information from Vendor/Prospective Vendor containing a Sustainability Due Diligence (SDD) questionnaire, related to sustainability both from an economic, social and environmental perspective, as well as a statement of whether there is a relationship with the Bank's employees;
    - iii. Declaration related to company establishment deed in the form of share ownership structure and company board of directors;
    - iv. Statement of the appointment of a PIC to work with the Bank;
    - v. Declaration regarding any involvement in a litigation case.
  - c. Request information of client(s) that have cooperated, or is currently cooperating, with the Prospective Vendor.
3. Periodic assessments of Vendors providing goods and/or services. The Partner Selection team will make documentation of the results of the Vendor's performance appraisal carried out in random by the team that carries out the procurement of goods and/or services and the user's work unit, using the Vendor's annual assessment form.
4. Evaluation of Vendor for the user in a project work, can be followed up by providing an assessment of the results of Vendor performance for each project that has been completed.



# EMPLOYEES CODE OF ETHICS & CONDUCT

The Code of Ethics & Conduct serves as the guideline for all employees of CIMB Niaga in accomplishing their daily tasks and activities as well as in dealing with customers, suppliers and colleagues. The implementation of Employees Code of Ethics & Conduct is one of the Bank's commitments of corporate governance principles to achieve Vision and Mission of the Bank.

The Code of Ethics and Conduct sets forth standard for ethical business and personal conduct and part of the culture of the Bank in the implementation of Good Corporate Governance (GCG). The Code of Ethics and Conduct of CIMB Niaga is the foundation of employee's attitudes and actions to work professionally and ethically following the basic principles refer to the vision, mission and core values of the Bank, as well as the prevailing internal and external regulations.

## THE CODE OF ETHICS & CONDUCT PURPOSE

The purposes of the Code of Ethics & Conduct are as follows:

- Guide the formulation of policies, procedures and management practices of the Bank.
- Define the rules of norms, action and responsibility of employee and those working on behalf and in the name of the Bank to work professionally and ethically.
- Serve as the basic guideline for the attitude and behavior at work and decision-making.
- Provide for an understanding of employee norms in engaging cordially with the Bank, colleagues, customers, regulators, suppliers and public.
- Ensure common and consistent attitude and conduct of employees in their daily operational activities.

## THE CODE OF ETHICS & CONDUCT PRINCIPLES/CONTENTS

CIMB Niaga's Code of Ethics & Conduct describes 6 (six) ethical principles comprising as follows:

### 1. Integrity

Each employee has to preserve integrity by being honest, respectful of one another, and professional.

### 2. Confidentiality

Each employee must protect the confidentiality of information entrusted to him/her, including customer's data and information only for the purpose intended by the Bank. The disclosure of information can only be done in line with the policies of the Bank and pursuant to prevailing laws and regulations.

### 3. Competence

Each employee must apply and develop his/her knowledge and skills that required to maintain the level of professionalism, including to upgrade and refresh the skills and qualifications that are needed consistently.

### 4. Conflict of Interest

Each employee must avoid any situation or condition that could engender conflict of interest. If there are circumstances that may affect the objectiveness of the employee's state of mind, he/she should report this to the Bank.

### 5. Fairness

Each employee must act in accountable manner and espouse the culture of fairness and transparency in every interaction with all stakeholders. Employee is required to act fairly and in accordance with the business ethics as well as the prevailing laws and regulations, whether in terms of the internal policies of the Bank or those of regulators. In addition, employee is prohibited from acting in contravention to prevailing laws and regulations.

### 6. Mutual Respect

The Bank shall treat each employee with fairness, respect and appreciation. It therefore expects all employees to behave honestly, to uphold integrity and be respectful of one another in order to maintain good relations.

Those 6 (six) ethical principles shall serve as the basis for every employee to interact professionally in carrying out their daily tasks.

In addition, the contents of the Code of Ethics & Conduct of CIMB Niaga also govern as the guideline and reference that each employee must adhere to in his/her interactions with all stakeholders. The main provisions of the Code of Ethics & Conduct are as follows:

1. Anti-bribery and corruption;
2. Prohibition to conduct insider trading;
3. Anti-fraud;
4. Provision in managing conflicts of interests;
5. Provision on no gift policy;
6. Provision on external employment and financial interest;
7. Provision on whistleblowing;

8. Provision on the custody and confidentiality of customers, Bank and other stakeholders' data;
9. Provision on the use of Bank assets;
10. Provision on the use of social media;
11. Prohibition on personal dealings with customer;
12. Provision on customer complaints handling;
13. Compliance and reporting to regulators;
14. Provision on anti-money laundering policy;
15. Provision on anti-competition policy;
16. Provision on Sustainability culture;
17. Provision on Corporate Social Responsibility culture.

### STATEMENT OF THE CODE OF ETHICS & CONDUCT APPLIES TO ALL LEVELS OF THE ORGANIZATION

The Code of Ethics & Conduct of CIMB Niaga serves as the standard bearer of behavior that must be adhered to by all CIMB Niaga employees in carrying out business activities, including when interacting with all stakeholders. As such, the Bank expects all personnel to abide by the Code of Ethics & Conduct including members of the Board of Directors and Board of Commissioners.

All employees of CIMB Niaga are obligated to learn and fully understand the contents of the policy and make an attestation each year. The application of the Code of Ethics & Conduct become the responsibility of all employees at all levels of the organization, and one of the commitments of the Bank in the implementation of Good Corporate Governance to achieve its vision and mission.

On 9 April 2020, the members of the Board of Commissioners and Board of Directors of CIMB Niaga have signed the Declaration of Integrity Pact, Code of Ethics & Anti-Corruption Commitments. The declaration has been disclosed to the public through the CIMB Niaga's website. Subsequently, the commitment has been followed up at all levels of the organization through the mandatory attestation of the Declaration of Integrity Pact, Code of Ethics & Anti-Corruption Commitments by all employees, both permanent and non-permanent employees.

### THE CODE OF ETHICS & CONDUCT DISSEMINATION/SOCIALIZATION

The Code of Ethics & Conduct of CIMB Niaga is continuously communicated and disseminated to the Board of Commissioners and its committees, the Board of Directors and its Senior Executive subordinates, as well as all employees of the Bank, to increase the awareness and understanding in order to implement behaviour in accordance with the core values of the Bank.

The Bank periodically conducts socialization through various media. Each year, all employees are required to attest to their commitments in applying the Code of Ethics & Conduct. To increase the understanding of employees of the Code of Ethics & Conduct, the Bank has made online guidelines and learning materials through the Learning on the Go (LoG) application. In addition, the Code of Ethics & Conduct of CIMB Niaga is also uploaded on the internal web of the Bank (e-Manual) to make it easily accessible by employees.

### THE CODE OF ETHICS & CONDUCT MONITORING

CIMB Niaga continuously monitors the implementation of the Code of Ethics & Conduct and strictly imposes sanctions to employees breaching the provisions. CIMB Niaga provides 2 (two) reporting channels:

1. Communication channels managed internally by CIMB Niaga through:
  - a. Email: [ayo.lapor@cimbniaga.co.id](mailto:ayo.lapor@cimbniaga.co.id)
  - b. Phone & SMS: 087829652767 (0878 AYO LAPOR)
2. Communication channels managed by PT Deloitte Advis Indonesia as the independent third party assigned to manage the Bank's whistleblowing reports, through:
  - a. Website: <https://ayolapor.tipoffs.info>
  - b. Email: [ayolapor@tipoffs.info](mailto:ayolapor@tipoffs.info)
  - c. Phone: 14031
  - d. SMS & WA: +62 822 11356363
  - e. Facsimile: +62 21 2856 5231
  - f. Mail: Ayo Lapor PO BOX 3331 JKP 10033

## POLICY ON DISCIPLINE ENFORCEMENT AND SANCTIONS IMPOSED FOR VIOLATIONS

The provisions of the sanctions to be imposed for violations conducted by employee is governed in the Disciplinary Enforcement and Sanctions for Breach Policy No. A.11.02. This policy also defines among other things the roles and responsibilities of direct supervisors and unit heads, the duties and responsibilities of relevant units in handling the violations, and the duties and responsibilities of the Disciplinary Committee in determining either the coaching or sanctioning for employees who commit violations.

Coaching or sanction imposed to the employee are adjusted based on the severity of the violation, starting from a reprimand, written warning letter, to termination of employment. To assure objectivity, sanctions for each level of severity is determined by the Disciplinary Committee based on the prevailing rules.

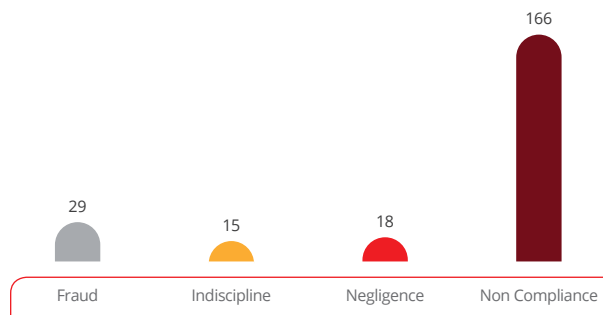
For the violations of Code of Ethics and Conduct, sanctions that can be imposed are as follows:

1. Coaching
2. Reprimand Letter
3. First Warning Letter (SP 1)
4. Second Warning Letter (SP 2)
5. Third Warning Letter (SP 3)
6. Termination of Employment

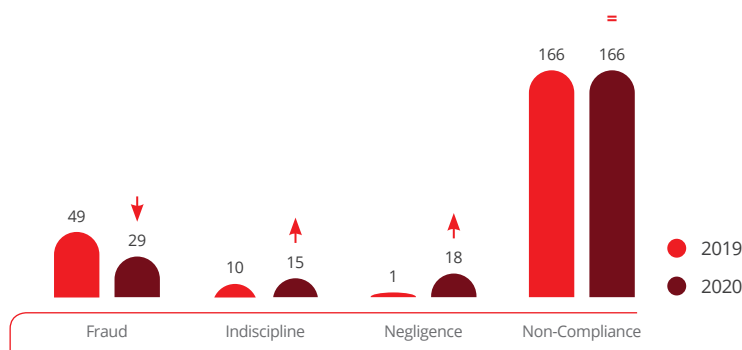
## DATA ON EMPLOYEE VIOLATIONS IN 2020

### Category and Number of Violations in 2020

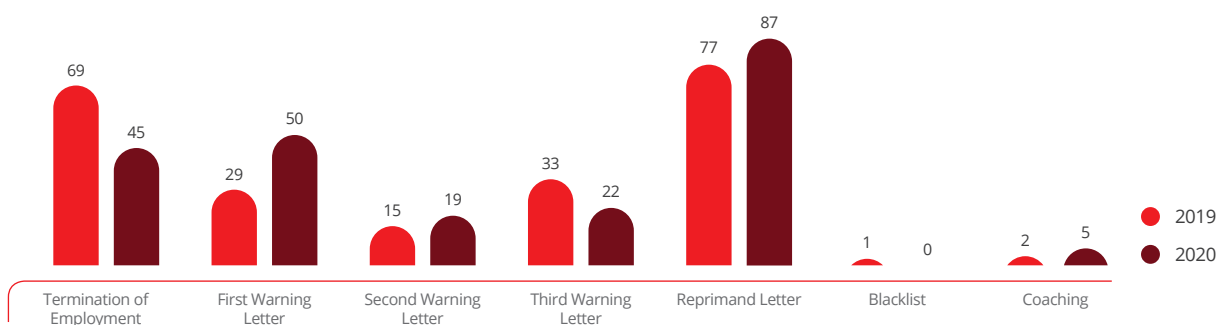
In 2020, there were 228 employees who received sanctions, as follows:



## Trend of Code of Ethics & Conduct Implementation in 2019 and 2020



## Number & Type of Sanctions on Employee Transgression in 2019 and 2020



# CORPORATE CULTURE

Corporate culture is the shared principles, values, beliefs and norms that characterize the company/bank and provides general frame of reference for employees in their conduct and interactions within the company.

CIMB Niaga emphasizes the importance of internalizing the Bank's Core Values as a basic principle in interacting with fellow employees and customers as well as being the basis for behavior in the workplace. CIMB Niaga also consistently upholds and implements the Bank's Core Values at all levels of the organization. CIMB Niaga's Core Values are known as "**CHIDA**", which consists of:

## Customer Obsessed

We are here for our customers, to ensure they're happy and satisfied.

## High Performance

We always strive to go above and beyond in everything we do.

## Integrity

We're always honest, responsible and accountable in everything we do. Be vigilant, be alert, be thorough.

## Diversity and Inclusion

We believe everyone has something to contribute, regardless of race, gender or opinions.

## Agility

We must respond quickly to change and be problem solvers.

The five Core Values of the Bank are manifested through the 3 (three) Critical Behaviors that must be carried out consistently by every employee, in their daily work and interactions, namely:

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

CIMB Niaga believes that the 3 (three) Critical Behaviors above can be the main catalyst in accelerating the Bank towards a better path, supporting excellent customer service and increasing effectiveness of cooperation between employees to create synergy between individuals, units or functions.

Throughout 2020, by implementing a culture of responsiveness to change (Agility) during pandemic, the process of implementing CIMB Niaga's Core Values is carried out through a variety of virtual activities, including:

- Organizing corporate culture orientation programs for new employees directly (before the pandemic) and through virtual media. Internalization of the Bank's Core Values and Corporate Culture is launched through digitization and gamification, which is accessible from gadgets through the **Learning on the Go (LOG)** apps, so that the process of internalizing the Bank's culture and core values is no longer bound by time and place.
- Carrying out Corporate Culture campaigns through activities with particular themes related to the implementation of the Bank's corporate culture, launched virtually every week through a program called **Anti Mati Gaya (AMG)**. In its implementation, the AMG program consist of five pillars, namely:

### 1. Mental Health

The Bank put attention to mental health of employees through various initiatives such as organizing sharing sessions with professional psychologists with different theme every month. In addition, CIMB Niaga also provides a psychological consultation platform called the 'AMG Ruang Cerita' for all employees, which can be accessed via email or video conference on workdays.

### 2. Physical Health

Through this pillar, the Bank provides education and information on the importance of maintaining employees' physical health, including inviting employees to compete in regular, thematic virtual sports activities.

### 3. Hobbies

Facilitating employee's hobby and activities in the form of sharing sessions and tutorials on various topics include cooking, book review, as well as entertainment activities and organize hobby community among employees such as cycling, running, healthy walking, and other sports activities.



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#### 4. Sharing Session

The sharing of knowledge and skills, aims to provide development for employees such as in financial management, emotional intelligence, and digital awareness.

#### 5. Competitions and Other Activities

Build affection among employees through virtual competitions that are casual and fun, including: Live Quiz, Regular Quiz, video competitions, and photo competitions through social media.

The AMG program is designed based on employees' feedback, aims to increase awareness of the Bank's Corporate Culture and Core Values as well as to increase engagement and collaboration among employees.

- Facilitating employees' ideas through the OPeRA Innovation. Through this program, CIMB Niaga foster a culture of innovation and continuous improvement to the employees, while still paying attention to the 5 (Five) Core Values of the Bank and the 3 (Three) Critical Behaviors, in designing their ideas. OPeRA Innovation is a regular competition followed by development activities for employees to gather innovative ideas and initiatives that have a positive impact on the Bank's operations and improve service quality to customers.

In addition, CIMB Niaga intensively and continuously carries out initiatives to improve risk awareness culture and compliance through various programs such as campaigns, Communication through various media, joint discussion program discussing risk and compliance related issues including discussion of case studies, as well as internal and external certification for all employees through various learning media such as in classroom, digital, and other learning media.

## FUNDING FOR SOCIAL AND POLITICAL ACTIVITIES

CIMB Niaga provides funds in support of social activities through the Corporate Social and Responsibility (CSR) programs. Through the CSR programs and activities, CIMB Niaga aim to contribute in creating positive impact on the environment and social aspects of communities in which the Bank operates, sustainably over the long term. A detailed narrative on the CSR activities of the Bank in 2020 is provided in the "Corporate Social Responsibility" section and the 2020 Sustainability Report as an integral part of this Annual Report.

In the political realms, the Bank did not provide funding for political activities or political parties throughout the year of 2020. The Bank openly allows employees to express their aspirations in political events. However, the Code of Ethics and Conduct of the Bank, as well as the Bank Employment Policies on Extracurricular Activities Related to Political Organizations or Political Activities regulates restrictions regarding the involvement of the Bank and its employees in political activities to avoid conflict of interests, including but not limited to the prohibition of the Bank to make political donations. This policy is adopted in order to maintain the independency and professionalism of the Bank and its employees.

## TRANSPARENCY OF THE BANK'S FINANCIAL AND NON-FINANCIAL CONDITIONS

The Bank meets the obligation governing transparency and publication of its financial and non-financial conditions stipulated in prevailing rules and regulations, through the submission and publication of information in the printed media and on the Bank's website.

### TRANSPARENCY OF THE BANK'S FINANCIAL CONDITIONS

1. Monthly Financial Reports have been submitted to regulators in accordance with stipulated provisions and due dates. The Monthly Financial Reports were also published in the Bank's website as required.
2. Quarterly Financial Reports have been submitted to regulators in accordance with stipulated provisions and due dates. The Quarterly Financial Reports were also published in the Bank's website as well as in Indonesian language newspapers with national circulation, even though based on POJK No.37/POJK.03/2019, publication in newspapers is no longer a mandatory requirement.
3. CIMB Niaga's Annual Report was prepared and presented according to all applicable provisions, submitted to regulators, rating agencies, banking development institutions, research institutions and financial magazines, and published in the Banks' website.
  - a. Financial highlights including stock highlights, report from the Board of Commissioners, report from the Board of Directors, company profile, management analysis and discussion on business and financial performance, corporate governance and corporate social responsibility.
  - b. Annual Financial Statements that have been audited by Public Accountant and Public Accountant Firm registered with OJK. The Annual Financial Statements is prepared for 1 (one) Financial Year and is presented with a comparison to the previous 2 (two) financial years.
  - c. Statement of responsibility of the Board of Commissioners and Board of Directors for the accuracy of the contents of the Annual Report. The statement was stated in a statement page bearing the signature of all members of the Board of Commissioners and Board of Directors.
  - d. In accordance with OJK Regulation No. 37/POJK.03/2019 dated 19 December 2019 on Transparency and Publication of Bank Reports, which replaced OJK Regulation No. 32/POJK.03/2016 dated 8 August 2016 on Amendment to OJK Regulation No. 6/POJK.03/2015 and OJK Regulation No. 29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies,

the Bank has accordingly submitted its Annual Reports to OJK and its shareholders.

- e. The Annual Reports (financial and non-financial) and Monthly Published Financial Reports, Quarterly Published Financial Reports, Annual Published Financial Reports and Consolidated Published Financial Reports have been published on the Bank's website ([www.cimbniaga.co.id](http://www.cimbniaga.co.id)) and published in Indonesian language newspapers with national circulation.
4. The Quarterly and Annual Published Risk Exposure and Capital Reports have been made public in accordance with OJK Regulation, through the Bank's website.

### TRANSPARENCY OF THE BANK'S NON-FINANCIAL CONDITIONS

CIMB Niaga's Non-Financial transparency information includes the following:

1. Information on Corporate Governance, including the Annual Report, Corporate Governance, Corporate Vision, Mission and Values, Composition and Profiles of the Board of Commissioners, Sharia Supervisory Board, Board of Directors, and Board of Commissioners Committees, as well as internal policies pertaining to Corporate Governance including the Articles of Association and Committee Charters, are also published on CIMB Niaga's website.
2. Information on Bank's products and services, including the office network, are published in the Annual Report as well as in leaflets, brochures and other printed materials available in each branch office, or in the form of electronic information on CIMB Niaga's website, or via the Bank's hotline service, providing customers, investors and the general public with easy access to information on the Bank's products and services.
3. Information on Procedures for Complaint Submission and publication reports published on CIMB Niaga's website in compliance with consumer protection regulations.
4. Information on ownership structure in the Annual Report and CIMB Niaga's website.
5. Important and relevant material information or facts regarding events, incidents or facts that may influence the decisions of interested parties regarding such information or facts, are published to the general public via the websites of CIMB Niaga and the Indonesia Stock Exchange.
6. Other information for the purposes of information disclosure, financial education, and public service.

## SHARES AND BONDS BUYBACK OF CIMB NIAGA

In 2020, the Bank conducted a share buyback of 3,486,600 (full amount) shares at an average price per share of Rp684.51 (full amount), for a total proceeds of Rp2,387 million (including commission fees and taxes). The Bank planned to transfer the shares acquired from the share buyback to certain management and staff personnel that met the criteria of Material Risk Taker (MRT) as established by the Bank in accordance with the provisions of POJK No. 45/POJK.03/2015 regarding Implementation of Governance in the Provision of Remuneration in Commercial Banks. Meanwhile, in

2019, the Bank conducted a share buyback of 3,724,900 (full amount) shares at an average price per share of Rp1,057.52 (full amount), for a total proceeds of Rp3,954 million (including commission fees and taxes). For the buyback of shares in 2019, the Bank has granted shares from treasury shares to its employees amounted to 1,241,633 (full amount) shares during 2020.

During 2019 and 2020, the Bank did not conduct any buyback of bonds that were previously issued by the Bank.

## DIVIDEND POLICY

Further information related to Dividend Policy is available in the Management Discussion and Analysis section of this Annual Report.

## CONFLICT MANAGEMENT POLICY (INCLUDING INSIDER TRADING)

Conflict Management Policy aims to establish policies, identify, avoid, and manage any potential conflicts of interest that may arise within the Bank or the CIMB Group as a result of the activity by a business unit of the Bank that receives information about the Bank, the Bank's customers, or the CIMB Group.

The Bank has this policy to regulate the trading procedures on the securities of the Bank and those of the CIMB Group and to reaffirm the prohibition of Insider Trading in the private securities trading by the employees and management (in this case the members of the Board of Directors and Board of Commissioners). Specifically, for certain periods, this Policy also regulates the Blackout period in which all employees and Management are prohibited from conducting any transaction of the Bank's Securities.

This Blackout period must be announced to all employees by the Control Room of the Bank (Corporate Affairs Group), and conveyed to the Control Room of the CIMB Group. Any employee or Management who wants to trade the Securities of the Bank and those of the CIMB Group (outside of the Blackout period) is required to obtain prior written approval from the Bank's Control Room (Corporate Affairs Unit) no later than 2 (two) working days prior to the planned transaction, and from the CIMB Group Control Room by completing the employee transaction request form.

Also, if an 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) working days after the transaction occurred. This policy is expected to mitigate the use of insider information for the personal interest of employees and/or Management (insiders).



## PROTECTION OF CREDITOR'S RIGHTS

In the efforts to ensure the rights of creditors and maintain the trust of creditors, CIMB Niaga has established Policy of Fulfilment of Creditor Rights No. M.05 that is used as the guidelines when receiving loans from creditors, and had been uploaded in the Bank's website.

CIMB Niaga applies a transparent and honest information disclosure system on an equal treatment basis for all creditors without any discrimination to protect the creditor's rights. With this transparent disclosure, all creditors and business partners of the Bank can obtain the

relevant information according to their needs, enabling the respective parties to make informed decision based on fair, reasonable and accurate considerations.

Furthermore, CIMB Niaga also assures that the creditor's rights are carried out properly, as provided for in the agreement signed by the concerned parties, and endeavors to meet the Bank's obligation as agreed upon on timely basis to avoid delays or negligence that could result in financial losses to the parties thereof.

## PROVISION OF FUNDS TO RELATED PARTIES

### POLICY

The provision of funds to related parties of the Bank (Commissioners, Directors, Executive Officers, and other related or affiliated parties of the Bank) shall be conducted on an arm's length basis with regard to applicable credit policies and procedures, including the Commercial Credit Policy and the Consumer Credit Policy.

### PROCEDURES

The provision of funds to related parties shall require prior approval of the Board of Commissioners of the Bank. This refers to OJK Regulation (POJK) No.32/POJK.03/2018 regarding Legal Lending Limit and Provision of Large Funds for Commercial Banks as well as to the Bank's internal policies.

Material transactions with affiliated parties, as well as transactions with the potential to cause a conflict of interest with the Bank, shall also require the approval of the Board of Commissioners, after first receiving a recommendation from the Audit Committee as stipulated

in the Audit Committee Charter. Further, the Bank shall report such transactions to the OJK and conduct an information disclosure to the public, as regulated by POJK No. 42/POJK.04/2020 regarding Affiliated and Conflict of Interest Transactions and POJK No. 17/POJK.04/2020 regarding Material Transaction and Change of Business Activity.

Throughout 2020, there were no violations or excess of the Legal Lending Limit (LLL) in the provision of funds to the Bank's related parties.

### DISCLOSURE

Throughout 2020, the Bank did not engage in any material transactions with affiliated parties with a potential conflict of interest. Detailed information on the provision of funds to related party regarding the nature of relation, type of transaction and value of transaction, have been disclosed in the Notes of the Consolidated Financial Statements, which is part of this Annual Report.

## CUSTOMER PROTECTION POLICY

Pursuant to OJK Regulation No. 1/POJK.07/2013 on the Consumer Protection in the Financial Services Sector, OJK Regulation No. 18/POJK.07/2018 on Consumer Complaints Handling in the Financial Services Sector, and OJK Circular Letter No. 17/SEOJK.07/2018 on the Guidelines for the Implementation of Consumer Complaints Handling in the Financial Services Sector, CIMB Niaga constantly endeavors to protect the interest of customers and provide the best banking services.

At CIMB Niaga, customers are the Bank's first priority and an integral part of the Bank's policy. As such, CIMB Niaga strives continuously to enhance the customer experience. To that end, the bank has elevated the role of its Customer Care Unit (CCU), which is responsible to respond to customer complaints on the Bank's products and services. The CCU has consistently improved the quality in resolving customer complaints through periodical evaluation, and thereby enhanced and expedited the management of customer complaints. In 2020, the Bank resolved 94% of all customer complaints in within the timeline. CIMB Niaga also actively participated in the Banking Mediation Working Group in cooperation with Bank Indonesia and OJK as well as with other banks to undertake an education program for bank customers, in the form of seminars and other forums.

In addition to that, the Bank operates a Customer Experience Unit as a special working unit that manages the customer experience. In 2020, Customer Experience focused on creating the framework for continuous improvements through a measurement of Net Promoter Score (NPS) as a key metric that represents the voice of customer. This framework has been consistently

developed to measure the customer satisfaction on CIMB Niaga's internal processes, enriching the Voice-of-Customer (VoC), and to amplify customer insights holistically. As a manifestation of Bank's focus on customer protection, the NPS surveys have consistently shown improving results from 2017 until 2020, indicating the increasing satisfaction of customers over the Bank's products and services.

CIMB Niaga continues to apply various improvements in providing differentiated and exceptional banking experience. In 2020, a new feature was introduced to the Customer Relationship Management (CRM) system, a service module platform than provides seamless, end-to-end service to both individual and corporate customers. The platform enables front-liners to understand the customer's profile better with the availability of more comprehensive information, helping them to serve the customers better in more personalized ways. This system will be enhanced continuously, in line with the dynamic needs of the customer.

The passion of CIMB Niaga to adopt a bank-wide customer-oriented culture does not stop with the process improvements or system developments. In 2020, CIMB also strengthened its Customer Obsession culture through a series of training, consistent communications, and recognitions for employees who place the customer in their hearts in every activity. Through the internalization of this Customer Obsession culture, the Bank expects to enhance the service experience that is felt by the customers, thereby increasing their satisfaction and loyalty towards the CIMB Niaga brand.

### Net Promotor Score (NPS) Results

| Year | NPS Score |
|------|-----------|
| 2020 | +24%      |
| 2019 | +18%      |
| 2018 | +16%      |
| 2017 | +5%       |

### Total Complaints and Resolutions Percentage

| Year | Total Complaints | Resolved Complaints | Resolutions Percentage |
|------|------------------|---------------------|------------------------|
| 2020 | 56,318           | 55,507              | 99%                    |
| 2019 | 64,615           | 64,050              | 99%                    |
| 2018 | 61,628           | 60,470              | 98%                    |

### Complaints Type, Number and Resolutions

| Type of Complaints   | 2020             |                     | 2019             |                     | 2018             |                     |
|----------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|
|                      | Total Complaints | Resolved Complaints | Total Complaints | Resolved Complaints | Total Complaints | Resolved Complaints |
| Financial            | 42,205           | 41,522              | 48,627           | 64,615              | 48,790           | 48,426              |
| Non-Financial        | 14,113           | 13,985              | 15,988           | 15,646              | 12,838           | 12,044              |
| - Quality of Service | 146              | 140                 | 458              | 349                 | 300              | 168                 |
| - Others             | 13,967           | 13,845              | 15,530           | 15,646              | 12,538           | 11,876              |
| <b>Total</b>         | <b>56,318</b>    | <b>55,507</b>       | <b>64,615</b>    | <b>15,646</b>       | <b>61,628</b>    | <b>60,470</b>       |

### COMPLAINTS HANDLING IN 2020

Pursuant to OJK Circular Letter No. 17/SEOJK.07/2018 on the Guidelines for the Implementation of Consumer Complaints Handling in the Financial Services Sector, the Bank published the complaints handled by the Bank at least once a year in the Bank's Annual Report and website, as shown in the following table.

| Type of Financial Transaction     | Resolved      |               | In Process |              | Unresolved |              | Total Complaints |
|-----------------------------------|---------------|---------------|------------|--------------|------------|--------------|------------------|
|                                   | Total         | %             | Total      | %            | Total      | %            |                  |
| Bancassurance                     | 18            | 90.00%        | 2          | 10.00%       | -          | 0.00%        | 20               |
| Deposit                           | 119           | 95.97%        | 5          | 4.03%        | -          | 0.00%        | 124              |
| Direct Debit                      | 56            | 93.33%        | 4          | 6.67%        | -          | 0.00%        | 60               |
| Electronic Banking                | 24,264        | 98.82%        | 290        | 1.18%        | -          | 0.00%        | 24,554           |
| ATM/Debit Card/ATM Machine        | 28,346        | 98.62%        | 396        | 1.38%        | -          | 0.00%        | 28,742           |
| Credit Card                       | 1,050         | 98.41%        | 17         | 1.59%        | -          | 0.00%        | 1,067            |
| Clearing (Transfer)/Remittance    | 33            | 84.62%        | 6          | 15.38%       | -          | 0.00%        | 39               |
| Unsecured Loan                    | 166           | 96.51%        | 6          | 3.49%        | -          | 0.00%        | 172              |
| Vehicle Loan/Financing            | 9             | 100.00%       | -          | 0.00%        | -          | 0.00%        | 9                |
| Working Capital Loan/Financing    | -             | 0.00%         | -          | 0.00%        | -          | 0.00%        | -                |
| Home/Apartment Mortgage/Financing | 105           | 84.00%        | 20         | 16.00%       | -          | 0.00%        | 125              |
| Other Funding                     | 117           | 95.90%        | 5          | 4.10%        | -          | 0.00%        | 122              |
| Savings                           | 1,213         | 97.35%        | 33         | 2.65%        | -          | 0.00%        | 1,246            |
| Trade Finance/Letter of Credit    | -             | 0.00%         | -          | 0.00%        | -          | 0.00%        | -                |
| Mutual Funds                      | 6             | 35.29%        | 11         | 64.71%       | -          | 0.00%        | 17               |
| Wealth Management                 | 5             | 23.81%        | 16         | 76.19%       | -          | 0.00%        | 21               |
| <b>Total</b>                      | <b>55,507</b> | <b>98.56%</b> | <b>811</b> | <b>1.44%</b> | <b>-</b>   | <b>0.00%</b> | <b>56,318</b>    |

# INTERNAL FRAUD

## ANTI-FRAUD POLICY

CIMB Niaga's Anti-Fraud Policy is part of the Bank's risk management and internal control system with regard to the development of a compliance culture and the creation of risk awareness on the potential and consequences of fraud at all levels within the organization. With reference to POJK No. 39/POJK.03/2019 on Implementation of Anti-Fraud Strategy for Commercial Banks, CIMB Niaga's Anti-Fraud Policy regulates the framework, governance and implementation of the anti-fraud strategy, and represents the Bank's strategy for controlling fraud by taking into account the characteristics and scope of potential fraud and has been implemented in the fraud control system. The Anti-Fraud Policy has been covered in the section on Risk Management in this Annual Report.

In 2020, as part of efforts to increase awareness of the risk of fraud as well as the implementation of active supervision by the Board of Directors and Board of Commissioners, the Board of Directors and Board of Commissioners have signed the Integrity Pact, the Code of Conduct, and the Anti-Corruption Commitment statements on 9 April 2020, subsequently published for public access in CIMB Niaga's website.

Further, all employees, both permanent employees and non-permanent employees, are also required to annually attest to the Integrity Pact, Code of Conduct and Anti-Corruption Commitment. In addition, CIMB Niaga also holds several activities and programs related to anti-fraud awareness including the following:

- Tone from the Top - in the form of active participation from the Board of Directors with attendance at the socialization program of anti-fraud awareness and speak-up culture during mandatory training programs, sharing sessions, and other anti-fraud campaigns.
- Mandatory training provided on an ongoing basis for all employees, both new and existing employees, either in face-to-face sessions, virtual meetings or e-Learning platform.
- Training and sharing sessions initiated by Business/ Supporting Units and HR Learning.
- Anti-fraud awareness dissemination to internal employees through internal communication media via HR Info email blast, E-Portrait digital magazine, as well as desktop wallpaper on employee PCs/laptops.
- Education for the customers on anti-fraud awareness, conveyed through social media and email blasts to customers, to remind them to be cautious in carrying out their transactions.

During the COVID-19 pandemic, all anti-fraud awareness training programs and sharing sessions were conducted virtually using the Webex application, as well as internal digital communication media, in the form of email blasts, digital magazine e-Portrait, and interfaces on computer monitors or wallpapers for socialization and campaign.

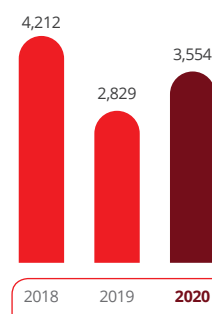
## ANTI-FRAUD AWARENESS TRAINING

On an ongoing basis, CIMB Niaga also held mandatory Anti-Fraud Awareness training for new and existing employees aimed at increasing employee knowledge about the prevention and consequences of fraud. During 2020, the anti-fraud training program is implemented using 3 methods, namely:

- Anti-fraud awareness training program that aims to provide a general understanding of fraud risks and their prevention as well as to grow and enhance the implementation of an anti-fraud culture for all employees and leaders under the Directorate of Risk Management, Sharia, Finance & SPAPM
- Refreshment & sharing session in anti fraud awareness which aims to remind the importance of maintaining integrity and group discussions on the implementation of control, a culture of integrity and speak up for employees who are under the Consumer Banking Directorate.
- Fraud Precaution for Business Banking in the form of training and debriefing for Business Banking employees related to techniques for detecting fraud documents in the credit process (applied skills).

Throughout 2020, 3,554 employees have participated in face-to-face as well as virtual sessions of anti-fraud awareness training.

Number of employees participated in the anti-fraud awareness mandatory training



These activities and programs are expected to increase anti-fraud awareness, Speak Up and compliance culture at all levels of the Bank's organization. Likewise with the

Speak Up culture, where several fraud cases that occurred in 2020 were a follow-up to reports submitted through the media whistleblowing system and several employees have been subject to sanctions related to cases reported through the whistleblowing system.

The following table provides information regarding data on fraud violations with a nominal value exceeding Rp100,000,000 (one hundred million Rupiah) committed by management, as well as permanent and non-permanent employees. The related nominal does not take into account the recovery obtained in the effort to save the Bank's assets.

### DATA OF INTERNAL FRAUD EXCEEDING RP100 MILLION

| Internal Fraud Case                   | Total Cases Committed by                      |      |                     |          |                         |      |
|---------------------------------------|---|------|---------------------|----------|-------------------------|------|
|                                       | Board of Commissioners and Board of Directors |      | Permanent Employees |          | Non-Permanent Employees |      |
|                                       | 2020  | 2019 | 2020                | 2019     | 2020                    | 2019 |
| Resolved                              | -   | -    | 3                   | 4        | -                       | -    |
| In the process of Internal resolution | -   | -    | 3                   | -        | -                       | -    |
| Unresolved                            | -   | -    | -                   | -        | -                       | -    |
| Has been followed up in Legal Process | -   | -    | -                   | 1        | -                       | -    |
| <b>Total Fraud</b>                    | -   | -    | <b>6</b>            | <b>5</b> | -                       | -    |

## WHISTLEBLOWING SYSTEM

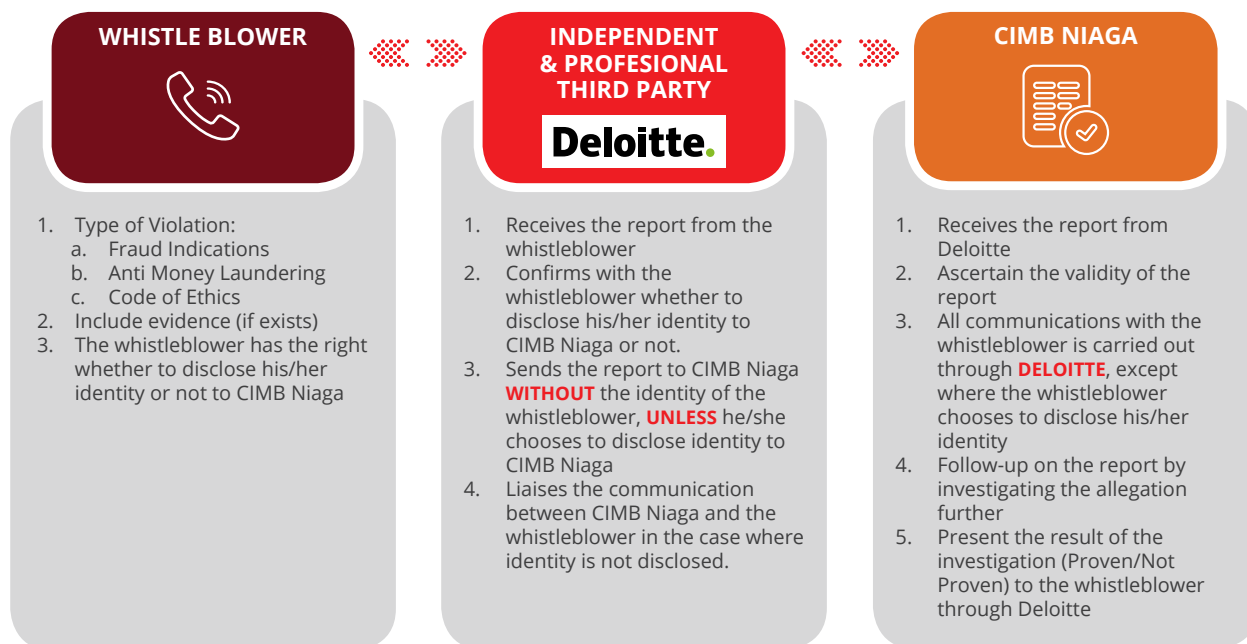
CIMB Niaga is fully committed to implement the principles of Good Corporate Governance (GCG) in all aspects of its operations in order to realize and achieve the Bank's vision and mission. As part of this commitment, the implementation of the Whistleblowing System of CIMB Niaga is a key element in the protection and enhancement of the Bank's transparency as well as to counter practices that could damage the operations and reputation of the Bank.

CIMB Niaga has established and implemented policy on whistleblowing system since 2011, and has continuously made improvements in both its reporting mechanism as well as awareness for the reporting medium. CIMB Niaga undertakes the policy on whistleblowing comprehensively

and in all aspects of its business activities. The Whistleblowing System (WBS) policy of CIMB Niaga are pursuant to OJK Regulation No. 39/POJK.03/2019 on the Implementation of Anti-Fraud Strategy by a Commercial Bank.

The Bank has, since 4 December 2017, appointed PT Deloitte Advis Indonesia (a.k.a PT Deloitte Konsultan Indonesia) as the third party to handle the whistleblowing reports. The appointment of a third party in the Whistleblowing System of CIMB Niaga is to ensure that reports on irregular activities are handled professionally and independently, enabling all parties, whether internal or external, to submit their reports freely and comfortably, without any hesitation.

## MECHANISM OF THE WHISTLEBLOWING SYSTEM AT CIMB NIAGA – DELOITTE



### WHISTLEBLOWING REPORTING CHANNEL

CIMB Niaga's Whistleblowing System provides 2 (two) channels both for internal and external parties to submit the whistleblowing report:

- Communication channels managed internally by CIMB Niaga:
  - E-mail : ayo.lapor@cimbniaga.co.id
  - Phone or SMS : 087829652767  
(0878 AYO LAPOR)
- Communication channels managed by PT Deloitte Advis Indonesia:
  - Website : <https://ayolapor.tipoffs.info>
  - E-mail : ayolapor@tipoffs.info
  - Phone : 14031
  - SMS & WA : +62 822 11356363
  - Facsimile : +62 21 2856 5231
  - Mail : Ayo Lapor PO BOX 3331  
JKP 10033

To optimize the function of the Whistleblowing System, all reports submitted to our internal e-Mail will be automatically forwarded to the e-Mail managed by

PT Deloitte Advis Indonesia. Whereas reports that are received through the phone/SMS to 087829652767 (0878 AYO LAPOR) or allegations that are conveyed directly to Bank Officers/Regulators will also be registered in the E-mail managed by PT Deloitte Advis Indonesia. This is aimed to maintain a centralized administration system while also maintaining the confidentiality principle of the whistleblower.

### WHISTLEBLOWER PROTECTION

CIMB Niaga extends the rights of the whistleblower by not requiring them to disclose his/her identity or to provide evidence for the allegations. However, whistleblowers are encouraged to submit data, information or an early indication about the violation. Each whistleblower are required to have a strong reasons for their allegation or potential allegation, and should always file their whistleblowing report in good faith.

The Bank assures protection of the whistleblower by guarantees the confidentiality of the whistleblower's identity, and protects the whistleblower at the time

of reporting and throughout the investigation by the investigation unit, as stipulated for in the internal policies of the Bank. To ensure the confidentiality, for those whistleblowers who choose to disclose their name/identity/e-Mail/telephone number, PT Deloitte Advis Indonesia could only disclose such information only at the discretion of the whistleblower.

### WHISTLEBLOWING REPORT HANDLING

Every information submitted by the whistleblower shall be treated as confidential information. The Whistleblowing Officer will analyse all received reports in accordance with the basic principles of whistleblowing management. For the reports discloses the identity and contact number of the whistleblower, when deemed necessary, the Whistleblowing Officer could contact the whistleblower to obtain more information pertinent to the allegation. However, in the event the whistleblower chooses not to disclose his/her contact number/email, whenever the Bank should require more information from the whistleblower, the Bank shall contact the whistleblower through PT Deloitte Advis Indonesia.

Type of violations that are covered within the scope of the whistleblowing policy are concerning to fraud, money laundering and human resources. If the initial information is deemed sufficient to warrant an investigation, steps will be taken to ascertain the validity or invalidity of the report. However, if the report falls outside of the scope of the whistleblowing system mentioned above, the Whistleblowing Officer will then simply refer the matter to the relevant parties or unit for further follow-up.

The whistleblower will receive updates on the status of investigation from PT Deloitte Advis Indonesia. The Whistleblowing Officer shall carry out the administration of the whistleblower's report. In the context of supervision, including that of the proceeding investigation, Whistleblowing Coordinator/Officer of CIMB Niaga periodically reports the result of the investigation to the Director in charge of the Whistleblowing System, which is the Compliance Director with copies to the Director in charge of Risk Management and the Director in charge of Human Resources/Chief Human Resources Officer, Chief Audit Executive and all members of the Whistleblowing Coordinator Unit. Furthermore, in performing the Board of Commissioners oversight function, the whistleblowing reports will be reported to the Audit Committee on a quarterly basis.

### PERSONS IN CHARGE OF WHISTLEBLOWING

Based on the internal policies of the Bank, the persons appointed to manage whistleblowing include:

- 1. The person in charge of Whistleblowing System** of CIMB Niaga is the Compliance Director with the main duties and responsibilities of supervising the process of the whistleblowing reports handling to ensure the compliance with the relevant procedures and regulations.
  - 2. The Whistleblowing Coordinator of CIMB Niaga** is the Anti-Fraud Management unit, in which the D-1 Officer in charge of Anti-Fraud Management is also appointed as coordinator of the whistleblowing handling at CIMB Niaga.
  - 3. The Whistleblowing Coordinator Unit** comprises of D-1 officers in charge of Anti-Fraud Management (AFM), Anti Money Laundering (AML) and Human Resources (HR) in line with the scope/type of reports within the Whistleblowing System.
- The Whistleblowing Coordinator Unit has the authority to approve or decide whether the report can proceed into investigation, is invalid, be closed or re-opened should there additional information on the report is discovered.
- 4. The Whistleblowing Officers** are employees from the AFM, AML and HR units who has been appointed to manage the whistleblowing reports related to the respective categories. The main duties and responsibilities of the Whistleblowing Officer are to analyse the reports before presenting them to the Whistleblowing Coordinator Unit for the follow-up actions that needs to be undertaken and to ensure the administration of data pertaining to the most recent status of the report. With respect to the Whistleblowing Officer from the Anti-Fraud Management unit and in accordance with the function of the Anti-Fraud Management unit as coordinator, the Whistleblowing Officer from Anti-Fraud Management also serves as the Whistleblowing Officer of CIMB Niaga to assist the duties of the Whistleblowing Coordinator of CIMB Niaga.
  - 5. The Chief Audit Executive (CAE)** undertakes the role of an independent supervisor with respect to the governance of the Whistleblowing System management.

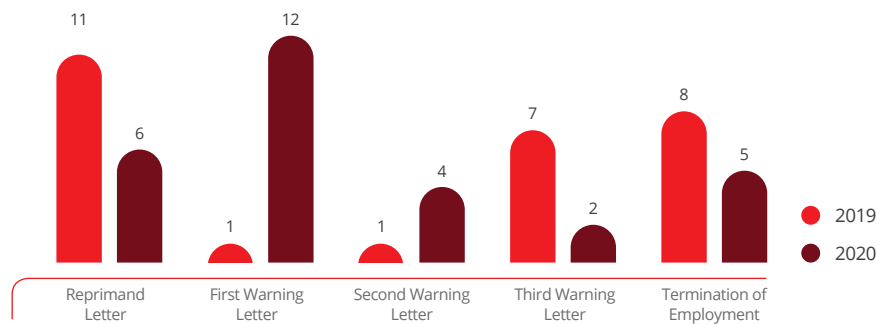


## NUMBER OF WHISTLEBLOWING REPORTS IN 2020 AND 2019

| Status of Whistleblowing (WB) Reports  | Numbers    |            |
|--|------------|------------|
|  | 2020       | 2019       |
| <b>WB reports not investigated (Pre-CLOSED)</b>  | <b>95</b>  | <b>74</b>  |
| <b>WB reports investigated</b>   | <b>43</b>  | <b>55</b>  |
| a. WB reports - investigated and concluded (CLOSED)  | 41         | 45         |
| b. WB reports under ongoing investigation (OPEN)   | 2          | 10         |
| <b>WB reports pending due to data completeness</b>   | <b>0</b>   | <b>2</b>   |
| <b>Total reports received</b>  | <b>138</b> | <b>131</b> |
| WB reports found to be PROVEN based on the investigation   | 22         | 21         |
| WB reports found to be PROVEN based on the investigation related to Fraud  | 12         | 5          |
| Percentage of WB reports that have been investigated out of total reports received   | 30%        | 34%        |
| Percentage of WB reports that have been investigated out of the total reports valid for investigation (as per end of December) | 95%        | 82%        |

## FOLLOW UP SANCTIONS ON VIOLATION

CIMB Niaga takes corrective measures on violations by applying sanctions on errant employees on the basis of the cases that have been reported through the Whistleblowing System. In 2020, there were 29 employees who had received sanctions, compared to 28 employees on 2019, with the following details:



# ASEAN CORPORATE GOVERNANCE SCORECARDS IMPLEMENTATION

| No.   | Criteria   | Page              |
|---|--|-------------------|
| <b>Principle A: Rights Of Shareholders</b>              |  |                   |
| <b>A.1</b>  | <b>Basic Shareholder Rights</b>  |                   |
| 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? | 252 & 626         |
| <b>A.2</b>  | <b>Right to participate in decisions concerning fundamental corporate changes</b>  |                   |
|   | <b>Do shareholders have the right to participate in:</b>   |                   |
| A.2.1   | Amendments to the company's constitution?  | 472               |
| A.2.2   | The authorization of additional shares?  | 472               |
| A.2.3   | The transfer of all or substantially all assets, which in effect results in the sale of the company?   | 472               |
| <b>A.3</b>  | <b>Right to participate effectively in and vote in general shareholder meeting and should be informed of the rules, including voting procedures that govern general shareholder meetings</b>   |                   |
| A.3.1   | Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?  | 472 & 478         |
| A.3.2   | Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?   | 472, 488 & 502    |
| A.3.3   | Does the company allows shareholders to elect directors/commissioners individually?  | 475-482           |
| A.3.4   | Does the company disclose the voting procedures used before the start of meeting?  | 475 & 481         |
| 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?  | 473 & 480         |
| 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?   | 475-480           |
| A.3.7   | Does the company disclose the list of board members who attended the most recent AGM?  | 473               |
| A.3.8   | Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?   | 473               |
| A.3.9   | Does the company allow voting in absentia?   | 475 & 481         |
| A.3.10  | Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?  | 475-480           |
| A.3.11  | Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?   | 475 & 482         |
| A.3.12  | Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?   | 474 & 481         |
| A.3.13  | Does the company provide at least 21 days notice for all AGM and EGMs?   | 474 & 481         |
| 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?   | 474 & 481         |
| A.3.15  | Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?  | 472               |
| <b>A.4</b>  | <b>Markets for corporate control should be allowed to function in an efficient and transparent manner</b>  |                   |
| 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?  | 261               |
| <b>A.5</b>  | <b>The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated</b>  |                   |
| A.5.1   | Does the company disclose its practices to encourage shareholders to engage the company beyond AGMs?   | 472-486 & 612-617 |
| <b>Principle B: Equitable Treatment of Shareholders</b> |  |                   |
| <b>B.1</b>  | <b>Shares and Voting Rights</b>  |                   |
| B.1.1   | Does the company's ordinary or common shares have one vote for one share?  | 472               |
| 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)?  | 472               |



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| <b>B.2</b>                               | <b>Notice of AGM</b>  |   |
| 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?  | 473-480                                       |
| B.2.2                                    | Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local - language version?   | 474   |
|  | <b>Does the notice of AGM/circulars have the following details:</b>   |   |
| B.2.3                                    | Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in seeking election/re-election included?  | 474   |
| B.2.4                                    | Are the auditors seeking appointment/re-appointment clearly identified?   | 474 & 476                                     |
| B.2.5                                    | Were the proxy documents made easily available?   | 472-473                                       |
| <b>B.3</b>                               | <b>Insider trading and abusive self-dealing should be prohibited.</b>   |   |
| B.3.1                                    | Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?   | 124 & 626                                     |
| B.3.2                                    | Are the directors/commissioners required to report their dealings in company shares within 3 business days?   | 124 & 626                                     |
| <b>B.4</b>                               | <b>Related party transactions by directors and key executive</b>  |   |
| B.4.1                                    | Does the company have a policy requiring directors/commissioners to disclose their interest in transactions and any other conflicts of interest?  | 494, 507, 620 & 626                           |
| 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?  | 542-543 & 627                                 |
| B.4.3                                    | Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?   | 494 & 507                                     |
| B.4.4                                    | Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?   | 494, 507 & 627                                |
| <b>B.5</b>                               | <b>Protecting minority shareholders from abusive actions</b>  |   |
| 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?   | 259 & 627                                     |
| B.5.2                                    | In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?   | 259 & 627                                     |
| <b>Principle C: Role of Stakeholders</b> |   |   |
| <b>C.1</b>                               | <b>The rights of stakeholders that are established by law or through mutual agreements are to be respected.</b>   |   |
|  | <b>Does the company disclose a policy and practices that address:</b>   |   |
| C.1.1                                    | The existence and scope of the company's efforts to address customers' welfare?   | 628-629, 683-686 & 698-701                    |
| C.1.2                                    | Supplier/contractor selection procedures?   | 618-619                                       |
| C.1.3                                    | The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?   | 618-619, 687-692 & 2020 Sustainability Report |
| C.1.4                                    | The company's efforts to interact with the communities in which they operate?   | 702-707                                       |
| C.1.5                                    | The company's anti-corruption programmes and procedures?  | 611 & 679-682                                 |
| C.1.6                                    | How creditors' rights are safeguarded?  | 627   |
| C.1.7                                    | Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?  | 2020 Sustainability Report                    |
| <b>C.2</b>                               | <b>Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.</b>  |   |
| 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? | 79, 134, 135-137, 612-614 & 673-707           |

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| <b>C.3</b>                                      | <b>Mechanisms for employee participation should be permitted to develop.</b>   |                            |
| C.3.1   | Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?   | 433-448 & 693-697          |
| C.3.2   | Does the company explicitly disclose the policies and practices on training and development programmes for its employees?  | 118-120 & 433-448          |
| C.3.3   | Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?  | 443-444 & 518-525          |
| <b>C.4</b>                                      | <b>Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this</b>   |                            |
| C.4.1   | Does the company have a whistleblowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report | 79, 134, 135-137 & 631-634 |
| C.4.2   | Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?   | 631-634                    |
| <b>Principle D: Disclosure And Transparency</b> |  |                            |
| <b>D.1</b>                                      | <b>Transparent Ownership Structure</b>   |                            |
| D.1.1   | Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?   | 128 & 121-125              |
| D.1.2   | Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?   | 128                        |
| D.1.3   | Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?   | 123-124                    |
| D.1.4   | Does the company disclose the direct and indirect (deemed) shareholdings of senior management?   | 125                        |
| D.1.5   | Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPES)/(SPVs)?  | 128-132                    |
| <b>D.2</b>                                      | <b>Quality of Annual Report</b>  |                            |
|   | <b>Does the company's annual report disclose the following items:</b>  |                            |
| D.2.1   | Corporate Objectives   | 82 & 250-251               |
| D.2.2   | Financial Performance indicators   | 12-13, 17-23 & 203-234     |
| D.2.3   | Non-Financial Performance indicators   | 13, 30-33 & 160-202        |
| D.2.4   | Dividend Policy  | 252 & 626                  |
| D.2.5   | Biographical details (at least age, academic qualifications, date of first appointment, relevant experience,   | 94-105                     |
| D.2.6   | Attendance details of each director/commissioner in all directors/commissioners meetings held during the year  | 526-537                    |
| D.2.7   | Total remuneration of each member of the board of directors/commissioners  | 518-525                    |
|   | <b>Corporate Governance Confirmation Statement</b>   |                            |
| D.2.8   | Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?                                       | 668                        |
| <b>D.3</b>                                      | <b>Disclosure of Related Party Transactions (RPTs)</b>   |                            |
| D.3.1   | Does the company disclose its policy covering the review and approval of material RPTs?  | 259 & 627                  |
| D.3.2   | Does the company disclose the name, relationship, nature and value for each material RPTs?   | 259 & 627                  |
| <b>D.4</b>                                      | <b>Directors and Commissioners dealings in the shares of the company</b>   |                            |
| D.4.1   | Does the company disclose trading in the company's shares by insiders?   | 124-125 & 626              |
| <b>D.5</b>                                      | <b>External Auditor and Auditor Report</b>   |                            |
|   | <b>Where the same audit firm is engaged for both audit and non-audit services</b>  |                            |
| D.5.1   | Are the audit and non-audit fees disclosed?  | 599-600                    |



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| D.5.2   | Does the non-audit fee exceed the audit fees?   | 599-600                              |
| <b>D.6</b>  | <b>Medium of Communications</b>   |                                      |
|   | <b>Does the company use the following modes of communication?</b>   |                                      |
| D.6.1   | Quarterly Reporting   | 612-617 & 625                        |
| D.6.2   | Company Website   | 135-137 & 625                        |
| D.6.3   | Analyst's briefing  | 612-617 & 625                        |
| D.6.4   | Media briefings/press conferences   | 612-617                              |
| <b>D.7</b>  | <b>Timely filing/release of annual/financial reports</b>  |                                      |
| D.7.1   | Are the audited annual financial report/statement released within 120 days from the financial year end?   | Consolidated Financial Report p. 2-4 |
| D.7.2   | Is the annual report released within 120 days from the financial year end?  | 72-73                                |
| D.7.3   | Is the statement that the Annual Financial Report has been presented correctly and fairly, confirmed by the Board of Commissioners or the Board of Directors and/or related officials of the company. | Consolidated Financial Report p. 2-4 |
| <b>D.8</b>  | <b>Company Website</b>  |                                      |
|   | <b>Does the company have a website disclosing up-to-date information on the following:</b>  |                                      |
| D.8.1   | Financial statements/reports (latest quarterly)   | 135-137                              |
| D.8.2   | <i>Materials provided in briefings to analysts and media</i>  | 135-137                              |
| D.8.3   | Downloadable Annual Report  | 135-137                              |
| D.8.4   | Notice of AGM and/or EGM  | 135-137                              |
| D.8.5   | Minutes of AGM and/or EGM   | 135-137                              |
| D.8.6   | Company's constitution (company's by-laws, memorandum and association)  | 135-137                              |
| <b>D.9</b>  | <b>Investor Relations</b>   |                                      |
| D.9.1   | The company discloses detailed information about company contacts (telephone, fax and email) from a department/officer is responsible for investor relations activities.                              | 79, 134 & 612-617                    |
| <b>Principle E: Responsibilities of the Board</b> |   |                                      |
| <b>E.1</b>  | <b>Board Duties and Responsibilities</b>  |                                      |
|   | <b>Clearly defined board responsibilities and corporate governance policy</b>   |                                      |
| E.1.1   | Does the company disclose its corporate governance policy/board charter?  | 461-462, 487 & 501                   |
| E.1.2   | Are the types of decisions requiring board of directors/commissioners' approval disclosed?  | 490-496 & 504-509                    |
| E.1.3   | Are the roles and responsibilities of the board of directors/commissioners clearly stated?  | 490- 493 & 504-506                   |
|   | <b>Corporate Vision/Mission</b>   |                                      |
| E.1.4   | Does the company have an updated vision and mission statement?  | 82                                   |
| E.1.5   | Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually?  | 82 & 504                             |
| E.1.6   | Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?   | 82 & 504                             |
| <b>E.2</b>  | <b>Board Structure</b>  |                                      |
|   | <b>Code of Ethics or Conduct</b>  |                                      |
| E.2.1   | Are the details of the code of ethics or conduct disclosed?   | 620-622                              |
| E.2.2   | Are all directors/commissioners, senior management and employees required to comply with the code/s?  | 620-622                              |
| E.2.3   | Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?   | 620-622                              |
|   | <b>Board Structure &amp; Composition</b>  |                                      |
| E.2.4   | Do independent directors/commissioners make up at least 50% of the board of directors/ commissioners?   | 488-489 & 499-500                    |

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| E.2.5   | Does the company have a term limit of nine years or less or 2 terms of five years <sup>1)</sup> each for its independent directors/commissioners? | 489 & 499              |
| E.2.6   | Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?       | 493-494, 499-500 & 507 |
| E.2.7   | Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?                         | 94-104, 493-494 & 507  |
| <b>Nomination Committee (NC)</b>                          |   |                        |
| E.2.8   | Does the company have a Nominating Committee?   | 547-552                |
| E.2.9   | Is the Nominating Committee comprised of a majority of independent directors/commissioners?   | 547-552                |
| E.2.10  | Is the chairman of the Nominating Committee an independent director/commissioner?   | 547-552                |
| E.2.11  | Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?  | 547                    |
| E.2.12  | Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?      | 550                    |
| <b>Remuneration Committee (RC)/Compensation Committee</b> |   |                        |
| E.2.13  | Does the company have a Remuneration Committee?   | 547-552                |
| E.2.14  | Is the Remuneration Committee comprised of a majority of independent directors/commissioners?   | 547-552                |
| E.2.15  | Is the chairman of the Remuneration Committee an independent director/commissioner?   | 547-552                |
| E.2.16  | Does the company disclose the terms of reference/governance structure/charter of the Remuneration Committee?                                      | 547                    |
| E.2.17  | Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year? | 550                    |
| <b>Audit Committee (AC)</b>                               |   |                        |
| E.2.18  | Does the company have an Audit Committee?   | 539-546                |
| E.2.19  | Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?        | 539-546                |
| E.2.20  | Is the chairman of the Audit Committee an independent director/commissioner?  | 539-546                |
| E.2.21  | Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?   | 539                    |
| E.2.22  | Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)? | 539-546                |
| E.2.23  | Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year?          | 544                    |
| E.2.24  | Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?                  | 542-544                |
| <b>E.3 Board Processes</b>                                |   |                        |
| <b>Board Meetings and Attendance</b>                      |   |                        |
| E.3.1   | Are the board of directors meeting scheduled before the start of financial year?  | 527 & 531              |
| E.3.2   | Does the board of directors/commissioners meet at least six times during the year?  | 526-537                |
| E.3.3   | Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?                                     | 529 & 537              |
| E.3.4   | Does the company require a minimum quorum of at least 2/3 for board decisions?  | 526 & 530              |
| E.3.5   | Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?        | 527-528                |
| <b>Access to Information</b>                              |   |                        |
| E.3.6   | Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting? | 526                    |
| E.3.7   | Does the company secretary play a significant role in supporting the board in discharging its responsibilities?                                   | 574-576                |



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| E.3.8  | Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?   | 574-576, 148 & 144     |
| <b>Board Appointment and Re-Election</b>           |  |                        |
| E.3.9  | Does the company disclose the criteria used in selecting new directors/commissioners?  | 487-488 & 501-502      |
| E.3.10   | Did the company describe the process followed in appointing new directors/commissioners?   | 487-488 & 501-502      |
| E.3.11   | Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years <sup>2)</sup> each?  | 489-490 & 503          |
| <b>Remuneration Matters</b>                        |  |                        |
| E.3.12   | Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?     | 518-525                |
| E.3.13   | Is there disclosure of the fee structure for non-executive directors/commissioners?  | 518-525                |
| E.3.14   | Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?  | 518-525                |
| E.3.15   | Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executive with long-term interests of the company, such as claw back provision and deferred bonuses?            | 518-525                |
| <b>Internal Audit</b>                              |  |                        |
| E.3.16   | Does the company have a separate internal audit function?  | 577-587                |
| E.3.17   | Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?  | 577-587                |
| E.3.18   | Does the appointment and removal of the internal auditor require the approval of the Audit Committee?  | 577-587                |
| <b>Risk Oversight</b>                              |  |                        |
| E.3.19   | Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?  | 286-428, 545 & 601-607 |
| E.3.20   | Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems? | 286-428, 545 & 601-607 |
| E.3.21   | Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?   | 286-428, 545 & 601-607 |
| E.3.22   | Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?                              | 545 & 558              |
| <b>E.4 People on the Board</b>                     |  |                        |
| <b>Board Chairman</b>                              |  |                        |
| E.4.1  | Do different persons assume the roles of chairman and CEO?   | 94 & 98                |
| E.4.2  | Is the chairman an independent director/commissioner?  | -                      |
| E.4.3  | Is any of the directors a former CEO of the company in the past 2 years?   | 98-103                 |
| E.4.4  | Are the roles and responsibilities of the chairman disclosed?  | 492-493                |
| <b>Lead Independent Director</b>                   |  |                        |
| E.4.5  | If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?  | 95 & 488-489           |
| <b>Skills and Competencies</b>                     |  |                        |
| E.4.6  | Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?  | 98-103                 |
| <b>E.5 Board Performance Directors Development</b> |  |                        |
| E.5.1  | Does the company have orientation programmes for new directors/commissioners?  | 496-497 & 509-510      |



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| E.5.2   | Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?  | 496-497 & 509-510                    |
| <b>CEO/Executive Management Appointments and Performance</b>  |   |                                      |
| E.5.3   | Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?   | 552                                  |
| E.5.4   | Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?  | 512-514                              |
| <b>Board Appraisal</b>  |   |                                      |
| E.5.5   | Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?   | 511-514                              |
| <b>Director Appraisal</b>   |   |                                      |
| E.5.6   | Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment?   | 511-514                              |
| <b>Committee Appraisal</b>  |   |                                      |
| E.5.7   | Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?   | 497-498                              |
| <b>LEVEL 2 - BONUS ITEMS</b>  |   |                                      |
| <b>(B)A. Rights of Shareholders</b>   |   |                                      |
| <b>(B)A.1 Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting</b> |   |                                      |
| (B)A.1.1  | Does the company practice secure electronic voting in absentia at the general meetings of shareholders?   | 475 & 481                            |
| <b>(B)B. Equitable Treatment of Shareholders</b>  |   |                                      |
| <b>(B)B.1 Notice of AGM</b>   |   |                                      |
| (B)B.1.1  | Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?  | 474 & 481                            |
| <b>(B)C Role of Stakeholder</b>   |   |                                      |
| <b>(B)C.1 The rights of stakeholders that are established by law or through mutual agreement are to be respected</b>  |   |                                      |
| (B)C.1.1  | Does the company adopt an internationally recognised reporting framework for sustainability (i.e.GRI, Integrated Reporting, SASB)?  | 2020 Sustainability Report           |
| <b>(B)D Disclosure and Transparency</b>   |   |                                      |
| <b>(B)D.1 Quality of Annual Report</b>  |   |                                      |
| (B)D.1.1  | Are the audited annual financial report/statement released within 60 days from the financial year end?  | Consolidated Financial Report p. 2-4 |
| (B)D.1.2  | Does the company disclose details of remuneration of the CEO?   | -                                    |
| <b>(B)E Responsibilities of The Board</b>   |   |                                      |
| <b>(B)E.1 Board Competencies and Diversity</b>  |   |                                      |
| (B)E.1.1  | Does the company have at least one female independent director/commissioner?  | 96, 488-489, 499-500 & 516-517       |
| (B)E.1.2  | Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?  | 516-517                              |
| <b>(B)E.2 Board Structure</b>   |   |                                      |
| (B)E.2.1  | Is the Nominating Committee comprise entirely of independent directors/commissioners?   | -                                    |
| (B)E.2.2  | Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?  | 547-551                              |
| <b>(B)E.3 Board Appointments and Re-Election</b>  |   |                                      |
| (B)E.3.1  | Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners? | 488, 502 & 551                       |



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| No.                            | Criteria  | Page    |
|--------------------------------|---|---------|
| <b>(B)E.4</b>                  | <b>Board Appointments and Re-Election</b>   |         |
| (B)E.4.1                       | Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman?   | -       |
| <b>(B)E.5</b>                  | <b>Risk Oversight</b>   |         |
| (B)E.5.1                       | Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board?                          | 449-455 |
| <b>(B)E.6</b>                  | <b>Board Performance</b>  |         |
| (B)E.6.1                       | Does the company have a separate board level Risk Committee?  | 553-559 |
| <b>LEVEL 2 - PENALTY ITEMS</b> |   |         |
| <b>(P)A.</b>                   | <b>Rights Of Shareholders</b>   |         |
| <b>(P)A.1</b>                  | <b>Basic Shareholder Right</b>  |         |
| (P)A.1.1                       | Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?   | -       |
| <b>(P)A.2</b>                  | <b>Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.</b> |         |
| (P)A.2.1                       | Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?   | -       |
| <b>(P)A.3</b>                  | <b>Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting</b>                                    |         |
| (P)A.3.1                       | Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?  | -       |
| (P)A.3.2                       | Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?   | -       |
| <b>(P)A.4</b>                  | <b>Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed</b>  |         |
| (P)A.4.1                       | Shareholders Agreement?   | -       |
| (P)A.4.2                       | Voting Cap?   | -       |
| (P)A.4.3                       | Multiple Voting Rights?   | -       |
| <b>(P)A.5</b>                  | <b>Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</b>   |         |
| (P)A.5.1                       | Is a pyramid ownership structure and/or cross holding structure apparent?   | -       |
| <b>(P)B</b>                    | <b>Equitable Treatment of Shareholders</b>  |         |
| <b>(P)B.1</b>                  | <b>Insider trading and abusive self-dealing should be prohibited</b>  |         |
| (P)B.1.1                       | Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?   | -       |
| <b>(P)B.2</b>                  | <b>Protecting minority shareholders from abusive action</b>   |         |
| (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?  | -       |
| (P)B.2.2                       | Were there any RPTs that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly-owned subsidiary companies?   | -       |
| <b>(P)C</b>                    | <b>Role Of Stakeholders</b>   |         |
| <b>(P)C.1</b>                  | <b>The rights of stakeholders that are established by law or through mutual agreements are to be respected</b>  |         |
| (P)C.1.1                       | Have there been any violations of any laws pertaining to labour/employment/consumer/insolvency/commercial/competition or environmental issues?  | -       |

| No.           | Criteria   | Page |
|---------------|--|------|
| <b>(P)C.2</b> | <b>Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis</b>                |      |
| (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?  | -    |
| <b>(P)D</b>   | <b>Disclosure and Transparency</b>   |      |
| <b>(P)D.1</b> | <b>Sanctions from regulator on financial reports</b>   |      |
| (P)D.1.1      | Did the company receive a “qualified opinion” in its external audit report?  | -    |
| (P)D.1.2      | Did the company receive an “adverse opinion” in its external audit report?   | -    |
| (P)D.1.3      | Did the company receive a “disclaimer opinion” in its external audit report?   | -    |
| (P)D.1.4      | Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?   | -    |
| <b>(P)E</b>   | <b>Responsibilities of The Board</b>   |      |
| <b>(P)E.1</b> | <b>Compliance with listing rules, regulations and applicable laws</b>  |      |
| (P)E.1.1      | Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?   | -    |
| (P)E.1.2      | Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?   | -    |
| <b>(P)E.2</b> | <b>Board Structure</b>   |      |
| (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 <sup>1</sup> 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?  | -    |
| <b>(P)E.3</b> | <b>External Audit</b>  |      |
| (P)E.3.1      | Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?   | -    |
| <b>(P)E.4</b> | <b>Board Structure and Composition</b>   |      |
| (P)E.4.1      | Has the chairman been the company CEO in the last three years?   | -    |
| (P)E.4.2      | Do independent non-executive directors/commissioners receive options, performance shares or bonuses?   | -    |

# IMPLEMENTATION OF CORPORATE GOVERNANCE ASPECTS AND PRINCIPLES IN A PUBLIC COMPANY PURSUANT TO OJK REGULATION

In the interest of enhancing the implementation of Good Corporate Governance in Public Companies, OJK has issued Regulation No. 21/POJK.04/2015 on the Implementation of Corporate Governance Guidelines for Public Companies and Circular Letter No. 32/SEOJK.04/2015 on the Corporate Governance Guidelines for Public Companies. The regulation contains 5 (five) aspects, 8 (eight) principles, and 25 (twenty-five) recommendations on governance recommended by OJK.

CIMB Niaga applies those aspects, principles and recommendations, using the “comply or explain” approach as follows:

| Aspect  | Principle   | Recommendation   | Explanation   |
|---|---|--|---|
| Public Company Relationship with Shareholders in ensuring the Right of the Shareholders | <b>Principle 1:</b> Improve the Management Value of the General Meeting of Shareholders (GMS) | 1.1 The Public company has technical voting procedure either open or closed that promotes independency and the interest of shareholders. | <p>Comply</p> <p>As an effort to improve independence, freedom and confidentiality of shareholders in the voting process, CIMB Niaga has policy to conduct voting in the GMS in a closed and electronic manner (e-voting) for each agenda of the GMS. This policy is set out in the GMS Rules.</p> <p>Voting in the AGM and EGMS were carried out in a closed and electronic manner, through touch screen devices provided by CIMB Niaga, smartphones and other mobile devices (tablets, ipad, etc.) owned by the Shareholders or their proxies. This made CIMB Niaga the first public listed company in Indonesia to hold voting for shareholders electronically (e-voting). Since 2020, the Bank has implemented e-Proxy, whereby shareholders who could not or chose not to attend the meeting can exercise their voting rights by giving their proxies through electronic (e-Proxy), using Electronic General Meeting System (eASY.KSEI) provided by KSEI.</p> <p>The vote counting and results are ascertained by independent parties, namely the Shares Registrar, PT Bima Registra, and Notary Ashoya Ratam, SH. Therefore, the independence and interests of the shareholders are protected in the voting process.</p> <p>The GMS Rules have been uploaded on the Bank's website 28 (twenty eight) days before the GMS and distributed to shareholders when entering the GMS room, and read out by the Corporate Secretary before the GMS begins.</p> |
|   |   | 1.2 All members of the Board of Directors and the Board of Commissioners are present at the Annual GMS.                                  | <p>Comply</p> <p>All members of the Board of Directors and Board of Commissioners of CIMB Niaga were present in the AGM on 9 April 2020, except for Tengku Dato' Sri Zafrul Abdul Aziz, the President Commissioner who had tendered his resignation on 9 March 2020, having been appointed as the Minister of Finance of Malaysia and officially assumed his new post effectively on 10 March 2020. The attending members of the Board of Directors and Board of Commissioners were able to represent the Bank in informing all of the meeting agendas to the shareholders, for the AGM to proceed without a hitch.</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 GMS minutes on the same day after the adjournment of the GMS on the CIMB Niaga's website (<a href="http://www.cimbniaga.co.id">www.cimbniaga.co.id</a>). The summary of the minutes of the GMS since 2013 up to the present day are available on the Bank's website, both in Bahasa Indonesia and English.</p>  |

| Aspect  | Principle   | Recommendation   | Explanation   |
|---|---|--|---|
| Public Company Relationship with Shareholders in ensuring the Right of the Shareholders | <b>Principle 2:</b><br>Improving the Communication Quality of the Public Company with Shareholders or Investors | 2.1 The Public Company has a communication policy with the shareholders or investors.  | <p>Comply</p> <p>CIMB Niaga has the Policy on Communication with Shareholders or Investors No. M.02 that has been uploaded on the CIMB Niaga website (<a href="http://www.cimbniaga.co.id">www.cimbniaga.co.id</a>).</p> <p>The communication carried out by the Bank are through the implementation of the GMS, Public Expose, Analyst Presentation, Annual Rating Review, publication of Monthly, Quarterly and Annual Financial Reports, as well as conducting accurate and timely disclosure of information. CIMB Niaga also provides information on head office and branch location address, e-mail addresses and telephone numbers both on the website and the Annual Report, access to Social Media (Facebook, Twitter, Instagram, LinkedIn) and Contact Center as a means for shareholders and investors to easily communicate with Bank.</p> |
|   |   | 2.2 The Public company discloses its communication policy with the shareholders or investors on the website.   | <p>Comply</p> <p>Policy of Communication with Shareholders or Investors of CIMB Niaga No. M.02 has been uploaded to the CIMB Niaga's website (<a href="http://www.cimbniaga.co.id">www.cimbniaga.co.id</a>).</p>  |
| Board of Commissioners Function and Role  | <b>Principle 3:</b><br>Strengthen the Board of Commissioners Membership and Composition                         | 3.1 Determination of the number of Board of Commissioners' members shall consider the condition of the Public Company.                                   | <p>Comply</p> <p>CIMB Niaga has a Policy and Procedure for the Nomination, Appointment, Replacement and/or Dismissal of Members of the Board of Commissioners, the Board of Directors and the Committees under the Board of Commissioners as a guideline for the Nomination and Remuneration Committee in the nomination process of the members of the Board of Commissioners of CIMB Niaga by considering the needs, conditions and abilities of the Bank.</p> <p>As of December 2020, the Board of Commissioners of the Bank consists of 6 (six) people, where 3 of them (50%) were Independent Commissioners. Total members of the Board of Commissioners does not exceed the total members of the Board of Directors.</p>   |
|   |   | 3.2 Determination on the composition of the members of the Board of Commissioners considers the diversity, expertise, knowledge and experience required. | <p>Comply</p> <p>The Board of Commissioners of CIMB Niaga has a diverse backgrounds in terms of expertise/education, knowledge, experience and citizenship that aims to support the development of the Bank's business. This shown in the profiles of each member of the Board of Commissioners.</p>  |

| Aspect                               | Principle  | Recommendation  | Explanation  |
|--------------------------------------|--|---|--|
|                                      | <b>Principle 4:</b><br>The Function and Role of the Board of Directors in Enhancing the Quality of the Discharge of Duties and Responsibilities by the Board of Commissioners. | 4.1 The Board of Commissioners has a self-assessment policy to evaluate its performance.  | Comply<br><br>The performance assessment policies of the Board of Commissioners and the Committees under the Board of Commissioners are set out in the Appendix of the Nomination and Remuneration Committee Charter, which can be accessed through the CIMB Niaga's website ( <a href="http://www.cimbniaga.co.id">www.cimbniaga.co.id</a> ).   |
|                                      |  | 4.2 The self-assessment policy on the Board of Commissioners performance is disclosed in the Annual Report of the Public Company.   | Comply<br><br>The performance assessment policy of the Board of Commissioners is set out in the Appendix of the Nomination and Remuneration Committee Charter, and the results of the assessment is disclosed in the Corporate Governance Report Section of this Annual Report.  |
|                                      |  | 4.3 The Board of Commissioners has a policy related to resignation of the Board of Commissioner's members if such member is involved in financial crimes.                     | Comply<br><br>The Board of Commissioners of the CIMB Niaga's 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<br><br>The succession policy has been stipulated in the Nomination and Remuneration Committee Charter and the Policy and Procedure for the Nomination, Appointment, Replacement and/or Dismissal of the Members of the Board of Commissioners, the Board of Directors and Committees under the Board of Commissioners as well as disclosed in the Nomination and Remuneration Committee's Report in this Annual Report.   |
| Board of Directors Function and Role | <b>Principle 5:</b><br>Strengthen the Board of Directors Membership and Composition  | 5.1 Determination of the number of Board of Directors' members shall considers the Public Company condition and effectiveness of decision making.                             | Comply<br><br>CIMB Niaga has a Policy and Procedure for the Nomination, Appointment, Replacement and/or Dismissal of Members of the Board of Commissioners, the Board of Directors and the Committees under the Board of Commissioners as a guideline for the Nomination and Remuneration Committee in the nomination process of the members of the Board of Directors of CIMB Niaga by considering financial condition and ability of the Bank as well as organizational needs and complexity of the Bank as the second largest private bank in Indonesia.<br><br>As of December 2020, the Board of Directors of the Bank consists of 8 (eight) people. The total members of the Board of Directors is more than the total members of the Board of Commissioners. |
|                                      |  | 5.2 Determination on the composition of the members of the Board of Directors' considers the diversity, expertise, knowledge, and experience required.                        | Comply<br><br>The Board of Directors of CIMB Niaga has a diverse background in terms of expertise/education, knowledge and experience. This shown in the profiles of each member of the Board of Directors. The diversity and number of Board of Directors are required in order to provide the best possible solution for the Bank, according to the Bank's needs, size and business complexity.  |
|                                      |  | 5.3 Members of the Board of Directors responsible for accounting or finance have accounting expertise and/or knowledge.   | Comply<br><br>The Strategy, Finance & SPAPM Director of CIMB Niaga who is in charge of accounting and finance is Mr. Lee Kai Kwong. He holds a Bachelor of Science (Fin) from the University of Pennsylvania, USA and previously served as Senior Managing Director - Regional Head of Consumer Business Planning & Analysis at CIMB Bank Malaysia, and has held various positions in the field of Finance. Mr. Lee Kai Kwong meets the criteria of having expertise and/or knowledge in accounting and/or finance.  |

| Aspect                     | Principle  | Recommendation  | Explanation  |
|----------------------------|--|---|--|
|                            | <b>Principle 6:</b><br>Improve the Quality of the Board of Directors Duties and Responsibilities performance | 6.1 The Board of Directors has a self-assessment policy to evaluate its own performance.  | Comply<br><br>The performance assessment policies of the Board of Directors is set out in the Appendix of the Nomination and Remuneration Committee Charter, which can be accessed through the CIMB Niaga's website ( <a href="http://www.cimbniaga.co.id">www.cimbniaga.co.id</a> ).  |
|                            |  | 6.2 The self-assessment policy on the Board of Directors performance is disclosed in the Annual Report of the Public Company.                     | Comply<br><br>The performance assessment policy of the Board of Directors is set out in the Appendix of the Nomination and Remuneration Committee Charter, and the results of the assessment is disclosed in the Corporate Governance Report Section of this Annual Report.  |
|                            |  | 6.3 The Board of Directors has a policy related to resignation of the Board of Directors' members if such member is involved in financial crimes. | Comply<br><br>The Board of Directors Charter of the CIMB Niaga (point XI.4) has stipulated that members of the Board of Directors who are involved in financial crimes and/or other criminal offenses are required to resign from their positions.   |
| Stakeholders Participation | <b>Principle 7:</b><br>Improving Corporate Governance through Stakeholders Participation                     | 7.1 The Public company has a policy to prevent insider trading.   | Comply<br><br>To prevent Insider Trading, CIMB Niaga has Conflict Management Policy that has been uploaded to the CIMB Niaga's website ( <a href="http://www.cimbniaga.co.id">www.cimbniaga.co.id</a> ).<br><br>This policy establishes the rules, identify, reduce and manage any potential conflicts of interest that may arise within the Bank as a result of activities carried out by the Bank's business units that enable them to obtain information about the Bank, Bank's customers and the CIMB Group.   |
|                            |  | 7.2 The Public Company has an anti-corruption and anti-fraud policy.  | Comply<br><br>CIMB Niaga has Anti-Corruption Policy No. M.11 and Anti- Fraud Policy No. E.07 uploaded to the CIMB Niaga's website ( <a href="http://www.cimbniaga.co.id">www.cimbniaga.co.id</a> ).<br><br>The Anti-Corruption Policy is intended to provide information and guidance for those working for and on behalf of the Bank, on how to recognize, raise concern and deal with corruption issues.<br><br>The Anti-Fraud Policy regulates the framework, governance and implementation of anti-fraud strategy which are implemented through 4 pillars namely prevention, detection, investigation and supervision.<br><br>Further explanation regarding the Anti-Corruption Policy and Anti-Fraud Policy is disclosed in this Annual Report. |
|                            |  | 7.3 The Public Company has a suppliers or vendors selection and capability improvement policy.  | Comply<br><br>CIMB Niaga has a Goods and Services Procurement Policy No. E.04.A.06 and Goods and Services Procurement Procedure No. E.04.A.06.P.01 which has been uploaded to the CIMB Niaga's website ( <a href="http://www.cimbniaga.co.id">www.cimbniaga.co.id</a> ) and disclosed further in this Annual Report.<br><br>The CIMB Niaga Code of Ethics & Conduct also regulates relationships with suppliers, vendors and consultants (partners) in collaboration with the Bank, including objective evaluations, prohibitions on receiving compensation from partners, partner compliance with the Bank's Code of Ethics & Conduct and consultation and lobbying with partners.  |



| Aspect                 | Principle  | Recommendation  | Explanation  |
|------------------------|--|---|--|
| Information Disclosure | <b>Principle 8:</b><br>Improvement on the Information Disclosure | 7.4 The Public Company has a policy on the fulfillment of creditor's rights.  | <p>Comply</p> <p>CIMB Niaga has a Policy of the Fulfillment of Creditor Rights No. M.05 which has been uploaded on the CIMB Niaga's website (<a href="http://www.cimbniaga.co.id">www.cimbniaga.co.id</a>) and disclosed further in this Annual Report.</p> <p>This policy regulates that CIMB Niaga shall apply and respect to the rights of creditors through equal treatment to all creditors, exercising their rights and obligations in a timely manner with no hidden information by the Bank.</p> |
|                        |  | 7.5 The Public Company has a whistleblowing system policy.  | <p>Comply</p> <p>CIMB Niaga has a Whistleblowing Policy No. E.08 which has been uploaded on the CIMB Niaga's website (<a href="http://www.cimbniaga.co.id">www.cimbniaga.co.id</a>) and disclosed further in this Annual Report.</p>   |
|                        |  | 7.6 The Public Company has a long-term incentive policy for the Board of Directors and employees.   | <p>Comply</p> <p>CIMB Niaga has a Risk-based Remuneration Policy which stipulated a long-term incentive policy for the Board of Directors and employees considered as Material Risk Taker (MRT).</p> <p>Further explanation regarding the Remuneration Policy is disclosed in this Annual Report.</p>  |
|                        |  | 8.1 The Public Company benefits from the use of broader information technology other than Website as information disclosure channel.  | <p>Comply</p> <p>In addition to website, CIMB Niaga also utilizes other information technology such as phone banking, radio, printed media and social media (such as Instagram, Facebook, Twitter, LinkedIn, and YouTube) as media channels for information disclosure.</p> <p>Further information disclosed in the Information and Corporate Data Access report in 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 major and controlling shareholders. | <p>Comply</p> <p>CIMB Niaga has no shareholders own 5% of the shares other than Ultimate Shareholders (CIMB Group) as disclosed in the Corporate Profile section in this Annual Report.</p>  |
|                        |  |   |  |

# INTEGRATED GOVERNANCE REPORT

The OJK issued OJK Regulation No. 18/POJK.03/2014 dated 18 November 2014 and OJK Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 concerning Implementation of the Integrated Governance (IG) for the Financial Conglomerate, and POJK No. 45/POJK.03/2020 of 16 October 2020 concerning Financial Conglomerate. These regulations govern the establishment of the Financial Conglomerate, appointment of the Main Entity (ME) in a Financial Conglomerate, and implementation of IG in a comprehensive and effective manner, and the requirement to formulate the Corporate Charter of the Main Entity.

The Implementation of Good Corporate Governance in the business activity of the Financial Conglomerate will improve its performance and compliance with all prevailing laws and regulations, as well as prevailing ethical norms of the financial services industry. The implementation of Integrated Governance in the

Financial Conglomerate is expected to induce financial system stability and sustainability, so as to increase competitiveness in the financial services industry.

## STRUCTURE OF THE FINANCIAL CONGLOMERATE

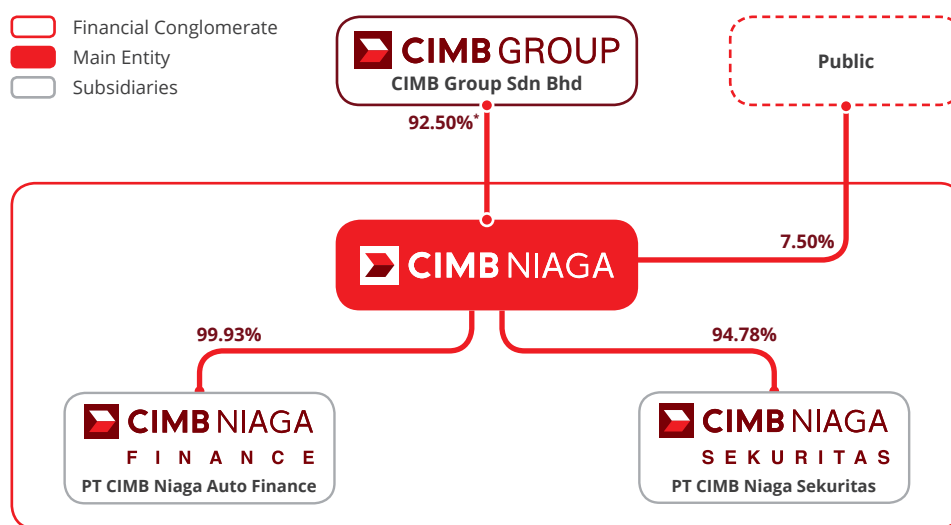
The membership composition of the CIMB Indonesia Financial Conglomerate has been reported to OJK through CIMB Niaga letter No. 050/FO/KP/19 dated 24 April 2019, as follows:

**Main Entity** : PT Bank CIMB Niaga Tbk. (CIMB Niaga)

**Members** : PT CIMB Niaga Auto Finance (CNAF)  
PT CIMB Niaga Sekuritas (CNS)

## SHAREHOLDING STRUCTURE

The current shareholding structure of the CIMB Indonesia Financial Conglomerate is shown below.



<sup>\*)</sup> Including PT Commerce Kapital 1.02%.

## MANAGEMENT STRUCTURE

Pursuant to OJK Regulation No. 18/POJK.03/2014 concerning Implementation of the Integrated Governance for the Financial Conglomerate, the management structure in CIMB Indonesia Financial Conglomerate is as follows:

| Entity                         | IG Committee * | Compliance Function | Internal Audit Function | Risk Management Function |
|--------------------------------|----------------|---------------------|-------------------------|--------------------------|
| CIMB Niaga                     | ✓              | ✓                   | ✓                       | ✓                        |
| CIMB Niaga Auto Finance (CNAF) | -              | ✓                   | ✓                       | ✓                        |
| CIMB Niaga Sekuritas (CNS)     | -              | ✓                   | ✓                       | ✓                        |

<sup>\*)</sup> The IG Committee is in the Main Entity. However, the Committee consists also of representatives (Independent Commissioners) of each of the member entities of the Financial Conglomerate.



Performance Highlights



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## MAIN ENTITY: CIMB NIAGA

### BOARD OF COMMISSIONERS, SHARIA SUPERVISORY BOARD AND BOARD OF DIRECTORS OF THE MAIN ENTITY

The compositions of the Board of Commissioners, the Sharia Supervisory Board and the Board of Directors of CIMB Niaga as the Main Entity are presented in the Company Profile Section of this Annual Report.

### DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS OF THE MAIN ENTITY

Overseeing the implementation of the Integrated Corporate Governance by:

1. Approving the IG Charter prepared by the Board of Directors of ME;
2. Overseeing the Governance implementation of each member of the CIMB Indonesia Financial Conglomerate in accordance with the IG Charter;
3. Overseeing implementation of the duties and responsibilities of the Board of Directors of ME, and provide direction or advice to the Board of Directors of ME on implementing the IG Charter;
4. Evaluating the IG Charter and implementation guidelines;
5. Providing direction for the improvement of the IG Charter and implementation guidelines;
6. Submitting the IG Committee recommendations to the Board of Directors of EU regarding the IG implementation by members of the CIMB Indonesia Financial Conglomerate;
7. Establishing an IGC to support the effectiveness of IG implementation in a separate section;
8. Convening regular meetings at least 1 (one) time per semester.

### DUTIES AND RESPONSIBILITIES OF SHARIA SUPERVISORY BOARD OF THE MAIN ENTITY

1. Ensuring the IG implementation does not conflict with Sharia principles;
2. Oversee FSI activities to comply with Sharia principles.

### DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF THE MAIN ENTITY

1. Ensuring the IG implementation in the CIMB Indonesia Financial Conglomerate;
2. Preparing the IG Charter for approval by the Board of Commissioners of ME;
3. Preparing the Implementation Guidelines needed to support the IG Charter implementation including, but not limited to:
  - a. Integrated Risk Management Guidelines;
  - b. Integrated Compliance Guidelines; and
  - c. Integrated Internal Audit Guidelines.
4. Directing, monitoring, and evaluating the implementation of the IG Charter;
5. Following up the Board of Commissioners of ME direction and advice to improve the IG Charter and its implementation;
6. Ensuring the audit findings and recommendations from the Integrated Internal Audit, External Audit, and supervision results from OJK and/or other authorities have been followed up by FSI in the CIMB Indonesia Financial Conglomerate;
7. Reporting the IG self-assessment (semi-annually) and the IG Annual Report;
8. Appointing an organizational unit within the ME to be responsible for coordinating the IG implementation in the CIMB Indonesia Financial Conglomerate.

## MEMBERS:

### CIMB NIAGA AUTO FINANCE (CNAF)

The compositions of the Board of Commissioners and Board of Directors of CNAF are presented in the Company Profile Section of this Annual Report.

### CIMB NIAGA SEKURITAS (CNS)

The compositions of the Board of Commissioners and Board of Directors of CNS are presented in the Company Profile Section of this Annual Report.

#### Duties and Responsibilities of Members of the CIMB Indonesia Financial Conglomerate

| Board of Commissioners   | Board of Directors  |
|--|---|
| <ol style="list-style-type: none"> <li>1. Provide recommendations and approval regarding the Governance Policy prepared by the Board of Directors and ensure the Governance Policy is in accordance with IG Charter;</li> <li>2. Supervise the IG implementation, with the duties and responsibilities as follows: <ol style="list-style-type: none"> <li>a. Supervise Governance implementation in accordance with the IG Charter and Governance Policy;</li> <li>b. Follow up the IG Committee recommendations related to IG implementation and improvements of Governance Policy;</li> <li>c. Supervise the implementation of the Board of Directors duties and responsibilities, and also provide directions or recommendations to the Board of Directors regarding the implementation of Governance Policy;</li> <li>d. Evaluate and approve the Governance Policy;</li> <li>e. Establish the Governance Committee by considering the characteristic and scale of business;</li> <li>f. The Board of Commissioners discusses the recommendations from the IG Committee in the Board of Commissioners and Board of Directors meetings in order to provide direction and advice.</li> </ol> </li> </ol> | <p>The Board of Directors must ensure the IG implementation by CIMB Indonesia Financial Conglomerate members, with the responsibilities as follows:</p> <ol style="list-style-type: none"> <li>1. Prepare the Governance Policy aligned with IG Charter;</li> <li>2. Prepare the necessary policies and procedures for the IG implementation, aligned with the Main Entity procedures</li> <li>3. Provide sufficient resources;</li> <li>4. Guide, monitor and evaluate the Governance Policy implementation including reporting;</li> <li>5. Follow up on the directions and advice from the Board of Commissioners in order to improve the Governance Policies, IG and Governance implementation based on the IG Committee recommendations; and</li> <li>6. Report the assessment and implementation of Governance to the ME in accordance with the prevailing procedures.</li> </ol> |

### THE CORPORATE CHARTER

As the Main Entity, CIMB Niaga has formulated the Corporate Charter of CIMB Indonesia Financial Conglomerate pursuant to OJK Regulation No. 45/POJK.03/2020 concerning Financial Conglomerate that has been approved by the Board of Directors of CIMB Niaga and the Board of Directors of the Financial Services Institutions as member of the CIMB Indonesia Financial Conglomerate on 25 November 2020. The Corporate Charter has been submitted to OJK on 27 November 2020.

### THE INTEGRATED GOVERNANCE (IG) COMMITTEE

The establishment of the Committee on Integrated Governance is not merely to comply with prevailing statutes, but is part of the commitments of CIMB Niaga in implementing Good Corporate Governance in a professional and sustainable manner. The IGC helps the effective discharge of the duties of the Board of Commissioners of the Main Entity in overseeing the implementation of an integrated governance within the CIMB Indonesia Financial Conglomerate. The detailed information on IG Committee is presented in the IG Committee discussion as part of the Corporate Governance Report Section in this Annual Report.

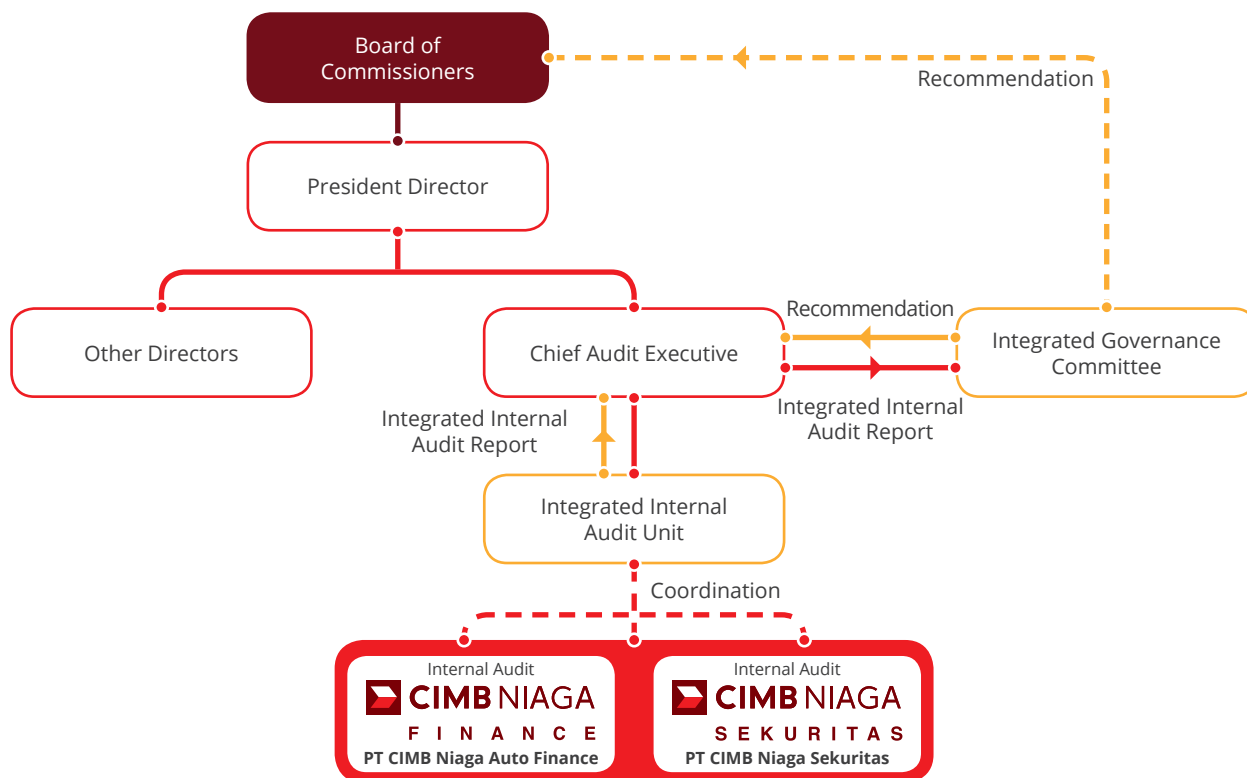
### INTEGRATED INTERNAL AUDIT UNIT (IIA)

The IIA was established in CIMB Indonesia Financial Conglomerate to support the proper implementation of Integrated Governance (IG). The IIA has formulated the Integrated Internal Audit Policy and Integrated Internal Audit Guidelines as the basis for the workings of the respective Internal Audit units at the Main Entity (ME) and at each Financial Services Institution (FSI) as members of CIMB Indonesia Financial Conglomerate, in implementing integrated supervision and monitoring functions to improve the quality of the implementation of Integrated Internal Audit governance.

### DUTIES AND RESPONSIBILITIES OF IIA

1. Monitoring and evaluating the implementation of integrated audit in each member of the CIMB Indonesia Financial Conglomerate;
2. Coordinating all IIA in the CIMB Indonesia Financial Conglomerate members in accordance with their respective functions;
3. Compiling the results of integrated audit from each member of the CIMB Indonesia Financial Conglomerate;
4. Preparing and submitting the report on implementation of integrated audit duties and responsibilities to the appointed Director to conduct supervision of the FSIs in the CIMB Indonesia Financial Conglomerate, the Compliance Director of ME, and the Board of Commissioners of ME.

### Organizational Structure of IIA in CIMB Indonesia Financial Conglomerate



In conducting its duties, the IIA of CIMB Indonesia Financial Conglomerate can conduct audits on members of the CIMB Indonesia Financial Conglomerate, both through joint audits, or based on Internal Audit reports from the respective CIMB Indonesia Financial Conglomerate members.

#### INTEGRATED AUDIT IMPLEMENTATION IN 2020

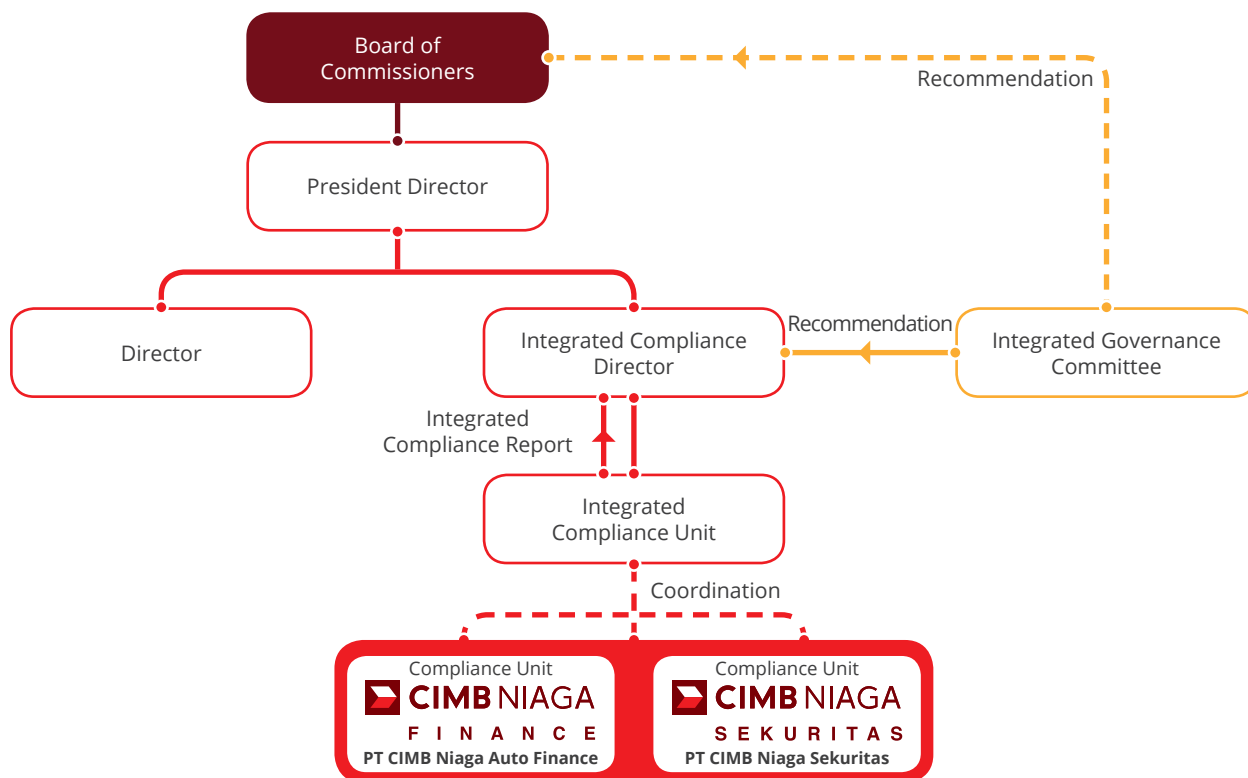
During 2020, IIA monitored and reported the implementation of integrated internal audit to the Head of Internal Audit ME, the Director charged with supervision of the FSIs in the CIMB Indonesia Financial Conglomerate, the Compliance Director of ME, and the Board of Commissioners of ME on a regular basis. IIA strive to ensure that integrated internal audit has been implemented as expected by OJK through the following initiatives, among others:

1. Aligned the internal audit policies and procedures with the Internal Audit (IA) of CIMB Niaga.
2. Conducted routine meetings of the Heads of IA from CIMB Indonesia Financial Conglomerate members.
3. Periodically monitored the CIMB Indonesia Financial Conglomerate members IA plans and audit results.

#### INTEGRATED COMPLIANCE UNIT (ICU)

Pursuant to the provisions of OJK Regulation No. 18/POJK.03/2014 regarding the Implementation of Integrated Governance in Financial Conglomerates, CIMB Niaga's Compliance Unit (CU) also serves as the Integrated Compliance Unit (ICU) and supervises the compliance function in CIMB Indonesia Financial Conglomerate, in coordination with the CUs of the subsidiaries. CIMB Niaga's CU is an independent unit that is separate from the operational units in the ME.

### Organizational Structure of ICU in CIMB Indonesia Financial Conglomerate



### ICU DUTIES AND RESPONSIBILITIES

- Monitoring or evaluating the implementation of Integrated Compliance in each member of the CIMB Indonesia Financial Conglomerate;
- Coordinating with other CUs in the CIMB Indonesia Financial Conglomerate members in accordance with their functions;
- Compiling the Integrated Compliance implementation results from each member of the CIMB Indonesia Financial Conglomerate;
- Preparing and reporting the Integrated Compliance duties and responsibilities implementation report to the Compliance Director of the ME;
- Establishing policies as guidelines for Integrated Compliance functions and forwarding these policies to other Financial Services Institution members of the Financial Conglomerate.
- The ICU prepares and submits:
  - Quarterly Integrated Compliance Report to the ME Director in charge of compliance function;
  - Self-assessment report on the application of IG at CIMB Indonesia Financial Conglomerate on a semester basis to the IG Committee and the OJK;
  - Annual reporting on the implementation of IG to OJK and publication of such report in the Bank's Annual Report/website.
- The ME Compliance Director submits the Integrated Compliance Report on a semester basis to the Board of Directors and the Board of Commissioners of ME;
- Aligning the compliance frameworks between ICU and each CU in members of the CIMB Indonesia Financial Conglomerate;
- Updating of internal policies and developing a number of procedures that are used as references in implementing the compliance function in an integrated manner;
- Conducting regular coordination meetings with each CU in members of the CIMB Indonesia Financial Conglomerate and monitoring corrective actions on compliance issues faced by each member of the CIMB Indonesia Financial Conglomerate, including fulfillment of follow-up actions on the audit findings of Regulator;

### IMPLEMENTATION OF INTEGRATED COMPLIANCE ACTIVITIES IN 2020

- Every CU in the CIMB Indonesia Financial Conglomerate prepares and submits a periodic Compliance Report to the ICU;

7. The ME and members of the CIMB Indonesia Financial Conglomerate conduct their own assessment of the Implementation of Compliance Risk Management in accordance with internal regulations and methodologies.

| Compliance Risk Profile        | Self-Assessment Rating | Explanation  |
|--------------------------------|------------------------|--|
| Bank CIMB Niaga                | 2/Low Moderate         | Taking into account the business activities carried out by the Bank, the possibility of losses faced from Compliance Risk is classified as low during a certain period of time in the future. The quality of the implementation of Composite Compliance Risk management is moderate. In the event of a minor weakness, the weakness can be resolved in the normal business activities.                                   |
| CIMB Niaga Auto-Finance (CNAF) | 2/Low Moderate         | Taking into account the business activities carried out by CNAF, the possibility of losses faced from Compliance Risk is classified as low during a certain period of time in the future. The quality of the implementation of Composite Compliance Risk management is moderate. In the event of a minor weakness, the weakness can be resolved in the normal business activities.                                       |
| CIMB Niaga Sekuritas (CNS)     | 3/Moderate             | Taking into account that CNS business activities and organization have just started this year, the possible losses faced from Compliance Risk are moderate for a certain period of time in the future. The quality of the implementation of composite Risk Management is moderate. The minimum requirements have been met, and there are a number of weaknesses that receive the management's attention for improvement. |
| CONSOLIDATED/<br>INTEGRATED    | 2/Low Moderate         | Taking into account the business activities carried out by the Financial Conglomerate, the possibility of losses faced from Compliance Risk is low during a certain period of time in the future. The quality of the implementation of Composite Compliance Risk management is moderate. In the event that there are minor weaknesses, these weaknesses need management attention.                                       |

## INTEGRATED RISK MANAGEMENT

Referring to POJK No. 17/POJK.03/2014 on Implementation of Integrated Risk Management for Financial Conglomerates, the Main Entity (ME) is required to establish an Integrated Risk Management Committee (IRMC) and an Integrated Risk Management Work Unit (IRMU) to implement comprehensive and effective integrated risk management. The implementation of integrated risk management is carried out by taking into account the characteristics and business complexity of each member of the CIMB Indonesia Financial Conglomerate. The process of monitoring and evaluating the risk exposure of the CIMB Indonesia Financial Conglomerate is carried out through the IRMC and reported to the Risk Management Committee (RMC) of the ME.

IRMC membership comprises of Risk Management Director and several related senior executives of the ME, as well as the Directors in charge of risk management function at the respective FSI members of CIMB Indonesia Financial Conglomerate.

In 2020, there were no changes in the membership composition of IRMC from that in the previous year, namely PT Bank CIMB Niaga Tbk as ME and 2 (two) subsidiary entities, PT CIMB Niaga Finance dan PT CIMB Niaga Sekuritas, comprising the CIMB Indonesia Financial Conglomerate.

## IRMC MEMBERSHIP COMPOSITION IN 2020

| Name              | Position   | IRMC Position      |
|-------------------|--|--------------------|
| Vera Handajani    | Risk Management Director - CIMB Niaga                          | Chairman           |
| Julius W. Tjhioe  | Head of Operational Risk Management - CIMB Niaga               | Deputy Chairman I  |
| Yulius Setiawan   | Head of Risk Analytics & Infrastructure - CIMB Niaga           | Deputy Chairman II |
| Antonius Herdaru  | Director - CIMB Niaga Finance                                  | Member             |
| Harry M. Supoyo   | President Director - CIMB Niaga Sekuritas                      | Member             |
| Sandi Maruto      | Head of ALM Risk - CIMB Niaga                                  | Member             |
| Koei Hwei Lien    | Head of Retail Credit Risk Management - CIMB Niaga             | Member             |
| Diva Mahdi        | Head of Market Risk Management & Model Validation - CIMB Niaga | Member             |
| Nanang N. Sumirat | Integrated Risk Management & Basel PMO Head - CIMB Niaga       | Secretary          |



## DUTIES AND RESPONSIBILITIES OF IRMC

1. Provide recommendations to the ME Board of Directors of the ME in the formulation of a Risk Management Policy, including Integrated Risk Management, Integrated Risk Management Procedure, as well as improvement or enhancement of these policies and procedures based on the evaluation of the implementation of integrated risk management.
2. Review and coordinate the evaluation result of the integrated risk management implementation including integrated risk profile reports or other reports generated from the integrated risk management information system.

Regulation for the IRMC work guidelines are further stipulated in the IRMC Term of Reference (TOR).

## ACTIVITY REPORT OF INTEGRATED RISK MANAGEMENT IN 2020

In 2020, the following activities in integrated risk management have been conducted:

1. The IRMU of ME coordinates the submission of Integrated Risk Profile Reports from each IRMU member of the CIMB Indonesia Financial Conglomerate to the regulator on a semester basis.
2. The IRMU, together with the Finance Unit, submitted the Minimum Capital Adequacy Requirement Report every semester to regulators. Prior to this, the report is submitted to the IRMC for recommendations, before approved by the RMC of the ME.
3. Coordinated the integrated risk management implementation by the ME to FSI members of the CIMB Indonesia Financial Conglomerate, carried out on a regular basis with the IRMU of each FSI member of the CIMB Indonesia Financial Conglomerate.
4. Submission of the results of the Integrated Risk Profile Report to all IRMC members to obtain recommendations before approved by the RMC of the ME.
5. There are no significant incidents that occur in each of the FSI members of CIMB Indonesia Financial Conglomerate that could affect the overall risk profile of CIMB Indonesia Financial Conglomerate.

## INTEGRATED RISK MANAGEMENT UNIT (IRMU)

In performing their duties, CIMB Niaga's IRMC is supported by the IRMU, which coordinate the risk management work unit of each FSI member of the CIMB

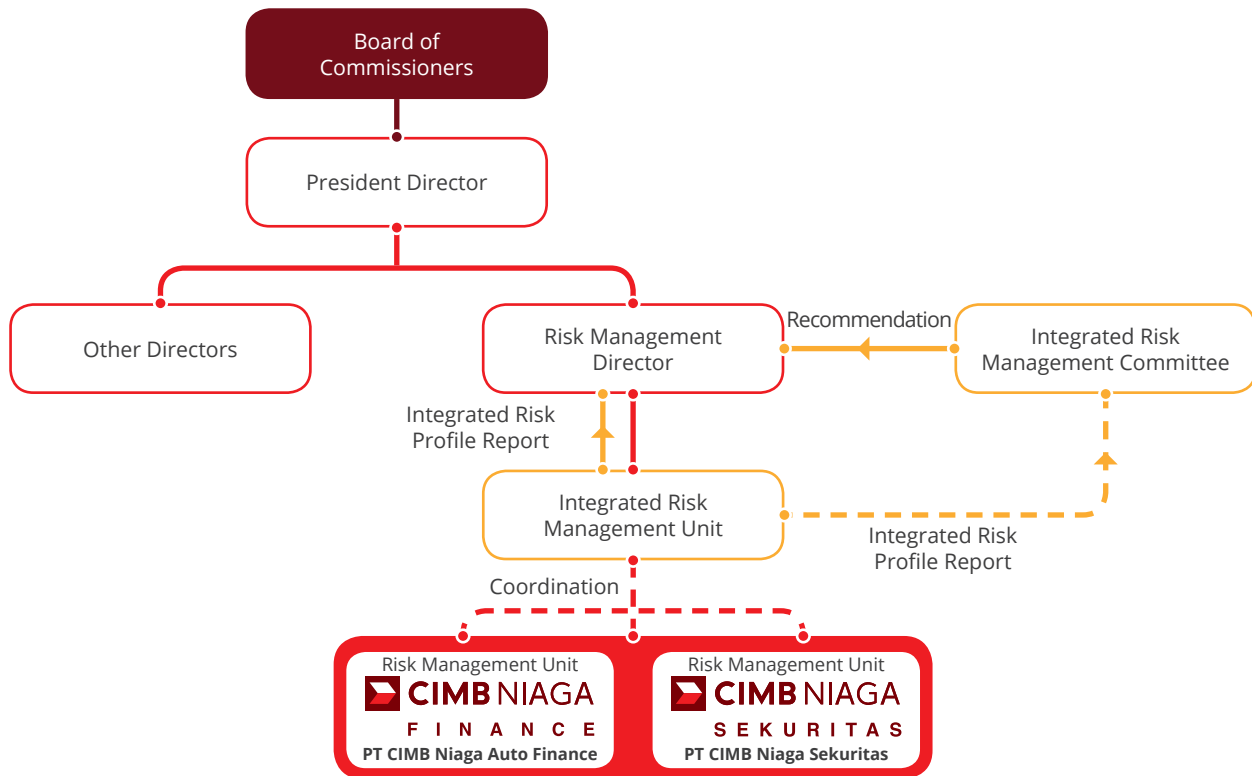
Indonesia Financial Conglomerate. The authority and responsibilities of IRMU include, among others:

1. Provide input to the ME IRMC and RMC, among others in the development and implementation of Integrated Risk Management policies and procedures.
2. Provide information to the IRMC on issues that need to be followed up, including if there is an exceedance or a significant incident occurring in each of the FSI members of the CIMB Indonesia Financial Conglomerate that may affect the CIMB Indonesia Financial Conglomerate as a whole.
3. Perform risk monitoring at the CIMB Indonesia Financial Conglomerate based on the results of the risk profile assessment of each FSI member of CIMB Indonesia Financial Conglomerate as well as the integrated risk profile.
4. Develop and review the accuracy of the risk profile assessment methodology on a regular basis or at any time in the event of changes in relevant regulations.
5. Prepare and submit the integrated risk profile and minimum capital adequacy reports on a regular basis to the Risk Management Director, the IRMC and the RMC at the Bank as the ME, prior to submission to the regulator.

The IRMU carries out a monitoring process on the integrated risk management implementation. The monitoring process result regarding risk exposure are then reported and evaluated by the IRMC and reported to the RMC of the ME in line with efforts by the IRMU to comply with regulatory requirements regarding the implementation of risk management, during 2020 the following initiatives have been implemented:

1. Periodic review of risk management policies and procedures that serve as guidelines and references in the implementation of integrated risk management.
2. Review of the methodology used in the risk profile self-assessment process of each FSI member of the CIMB Indonesia Financial Conglomerate (at least once a year).
3. Prepare and submit the integrated risk profile and minimum capital requirement report on a regular basis to the IRMC and the RMC at the ME, for subsequent submission to the regulators.
4. Conduct an annual risk assessment as part of the robust ICAAP (Internal Capital Adequacy Assessment Process) of the Bank. The annual risk assessment is conducted by involving all units in the Bank and its subsidiaries, with the aim of calculating the capital requirements for risks outside of Pillar I that cannot be quantified.

## Organizational Structure of IRMU in CIMB Indonesia Financial Conglomerate



5. Encourage the availability of risk reports, policies and procedures and limits on CIMB Niaga Sekuritas, as the newest subsidiary, which are aligned with the implementation of risk management in the ME.

Further information on the implementation of integrated risk management is presented in the Risk Management Report section of this Annual Report.

### INTRAGROUP TRANSACTIONS POLICY

Intragroup transaction risk is one of the risks related to Integrated Risk Management implementation that must be managed. Intragroup transaction risk arises due to the dependence of an entity, either directly or indirectly, to another entity within a financial conglomerate, in order to meet written and unwritten agreements, whether followed by a transfer of funds and/or not followed by a transfer of funds.

Intragroup transaction risk may arise from, among others:

1. Cross ownership among FSIs in a financial conglomerate.
2. Centralized short-term liquidity management.
3. Collateral, loans, and commitments provided or obtained by a FSI from another FSI in a financial conglomerate.
4. Exposures to the ultimate shareholders, including loan and off-balance sheet exposures such as collateral and commitments.
5. Purchase or sale of assets to other FSIs in a financial conglomerate.
6. Transfer of risk through reinsurance.
7. Transactions to transfer third party risk exposures between FSIs in a financial conglomerate.
8. Business cooperation or cross-selling in the form of incentives or fees between FSIs.

In the context of active supervision, the Board of Commissioners and the Board of Directors receive regular reports regarding intragroup transactions. Adequate policies and procedures for managing intragroup transactions have been compiled at each of the FSI. At the ME, these policies include Risk Management Policy, Policy regarding Legal Lending Limit (LLL), and Subsidiary Equity Participation Policy. Clarity of authority and responsibility has also been properly regulated under the authority of the Director of Finance & SPAPM.

In the intragroup transaction risk management process, the ME has identified, measured, monitored and controlled the risk of composition and fairness of transactions between members of the CIMB Indonesia Financial Conglomeration. On a regular basis, the Finance Unit and the IRMU monitor the risk of composition of intragroup transactions to ensure compliance with limits, such as LLL, as well as the principle of fairness of transactions.

The dependence between FSI members of the CIMB Indonesia Financial Conglomeration is still considered very low or limited, which can be seen from, among others, the absence of centralized liquidity management, non-binding intragroup support, the very low level of transaction operations in which one company acts with or on behalf of another company in the CIMB Indonesia Financial Conglomerate, and the immaterial amounts in intragroup asset purchase or sale. In terms of documentation and transaction fairness, the documentation of the intragroup transaction agreement is very adequate and all transactions are carried out based on the arm's length principle and in accordance with applicable regulations. The exposure to controlling shareholders to total capital and exposure arising from the placement of customer assets with other companies in the CIMB Indonesia Financial Conglomerate is also insignificant.

In addition, the implementation of an independent review is carried out by Internal Audit unit in accordance with the business scale and complexity of the intragroup transaction.

The risk of intragroup transactions within the CIMB Indonesia Financial Conglomerate is identified, managed and reported regularly together with the integrated risk

profile reporting. Until the end of 2020, the risk profile of intragroup transactions was still considered low, where the significance of intragroup transactions to the total assets of the CIMB Indonesia Financial Conglomerate was still insignificant.

## IG IMPLEMENTATION ASSESSMENT REPORT

### METHOD OF IG IMPLEMENTATION ASSESSMENT

In accordance with SEOJK No. 15/SEOJK.03/2015 on Implementation of Integrated Governance for Financial Conglomerates, self-assessment of the implementation of IG is conducted every semester, involving the evaluation of 3 (three) aspects of IG (Structure, Process and Outcome) on the 7 (seven) IG Implementation Evaluation Criteria, as follow:

1. Implementation of duties and responsibilities of ME's Board of Directors;
2. Implementation of duties and responsibilities of ME's Board of Commissioners;
3. Duties and responsibilities of IG Committee;
4. Duties and responsibilities of ICU;
5. Duties and responsibilities of IIAU;
6. Implementation of Integrated Risk Management; and
7. Formulation and implementation of IG Guidelines, as well as observance of other information related to IG.

Assessment on the implementation of IG is performed with due consideration to the significance and materiality of each criteria in the IG assessment, and the impact of the strengths and weaknesses of IG implementation in Financial Conglomerates. The self-assessment of IG implementation is performed by members of the IG Committee and the IRM Committee, by evaluating the adequacy of structure, process and outcome of each respective assessment criteria.

Further, in the self-assessment of IG implementation, the Bank as ME also considers data and other information obtained from other work units such as Risk Management, Internal Audit Unit, Corporate Affairs, Human Resources, and Anti-Fraud Management, as well as work units in the Bank's subsidiaries, which are used as a validating factor in the assessment on the implementation of IG at CIMB Indonesia Financial Conglomerate.



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## IG IMPLEMENTATION ASSESSMENT RESULT

The result of the IG implementation assessment for the period of Semester I and II of 2020, is as follows:

| Result of Assessment on Implementation of Integrated Governance |   |
|---|---|
| Rating  | Rating Definition   |
| 2 (GOOD)  | The Financial Conglomerate is considered to have implemented IG that is generally good, as reflected in the adequate fulfillment of the application of IG principles. |

CIMB Indonesia Financial Conglomerate is considered to have implemented IG, which is generally good on the 7 IG assessment factors. This is reflected in the adequate fulfillment of the three aspects of IG, namely structure, process and outcome. The completeness and effectiveness of the implementation of adequate IG structure and infrastructure resulted in outcomes for the implementation of IG, which were generally good in the CIMB Indonesia Financial Conglomerate. This can be seen, among others, through the implementation of the duties and functions of IG Committee and IRM Committee supported by the implementation of the ICU function, the IIA function and the IRMU function, as well as the alignment of the framework in implementing internal control systems, risk management and compliance. CIMB Indonesia Financial Conglomerate conducts a self- assessment of the effectiveness of IG principles every semester and identifies weaknesses in the implementation of the IG processes. These are generally less significant and can be resolved by normal business actions by the ME and/or Financial Services Institution members of CIMB Indonesia Financial Conglomerate.

# SHARIA BUSINESS UNIT GOVERNANCE REPORT

## IMPLEMENTATION OF SHARIA GOVERNANCE POLICY

The Sharia financial industry has shown quite a remarkable development in Indonesia over the past several decades. A number of achievements have been accomplished that is evident from the variety of products, the adequate regulatory frameworks, and the growing number of customers and businesses that are active in the sharia financial industry.

With the community's growing demand for sharia-based financial products and services, more and more financial institutions are providing financing and financial services based on the Sharia principles. To satisfy this demand, CIMB Niaga has established a Sharia Business Unit (SBU) that offers many Sharia financial products and services as an effort to meet the needs of the community and develop the Islamic economy in Indonesia.

CIMB Niaga SBU is fully committed to be a Commercial Bank that is based on the sharia principles and is constantly true to its beliefs, while give benefit for all stakeholders. Being a financial intermediary institution that raise funds as savings from the public and redistribute in into financing, CIMB Niaga SBU has become a significant part of the engine of economic growth.

CIMB Niaga SBU continues to improve the quality of its services, products and operations, including its Sharia Governance that encompasses the implementation of Good Corporate Governance (GCG) and its compliance with Sharia principles.

## LEGAL BASIS

1. Republic of Indonesia Laws regarding Limited Liability Companies and Sharia Banking.
2. Financial Services Authority (OJK) and Bank Indonesia Regulations, OJK and Bank Indonesia Circular Letter related to Sharia Commercial Banks and Sharia Business Units.
3. Articles of Association of CIMB Niaga.

## GCG PRINCIPLES

CIMB Niaga's SBU is committed to improving the GCG implementation related to the success and sustainability of its sharia business. The sharia-based financial business management is expected to make a positive contribution to all stakeholders. CIMB Niaga's SBU business activities is based on five key foundations, namely:

1. **Transparency:** Transparency in presenting material and relevant information, and transparency in the decision-making process.
2. **Accountability:** Clarity and accuracy in presenting information regarding the management of the Bank that runs effectively in accordance with the objectives.
3. **Responsibility:** Consistent Bank management in accordance with all prevailing rules and regulations and the principles of sound SBU management.
4. **Professionalism:** Being competent, being able to act objectively and free from influence/pressure from any party and having high commitment in developing the Sharia business.
5. **Fairness:** Fairness and equality in fulfilling the rights and interests of stakeholders in accordance with prevailing rules and regulations.

## SHARIA GCG SELF ASSESSMENT

The self-assessment on the implementation of GCG is carried out by the Bank to measure the results of GCG implementation of the past one year as stipulated by the regulator. The assessment is regularly conducted by sends out questionnaire to respondents which include the Sharia Supervisory Board, the Board of Directors and Executive Officers. In 2020, the results of the GCG self-ssessment of CIMB Niaga's SBU are as follows:



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| Factor  | Weight      | Rating | Score       |
|---|-------------|--------|-------------|
| Execution of Duties and Responsibilities of the SBU Director  | 35%         | 1.22   | 0.40        |
| Execution of Duties and Responsibilities of the Sharia Supervisory Board (SSB)                              | 20%         | 1.25   | 0.25        |
| Execution of Sharia Principles in Funding and Financing Activities as well as Services                      | 10%         | 2.56   | 0.24        |
| Financing to Core Customers and Funding from Core Customers   | 10%         | 2.29   | 0.23        |
| Transparency of Financial and Non-financial Conditions, Report of GCG Implementation and Internal Reporting | 25%         | 1.70   | 0.42        |
| <b>Composite Index</b>  | <b>100%</b> |        | <b>1.54</b> |

Description:

| Composite Index             | Attribute |
|-----------------------------|-----------|
| Composite Index >1.5        | Very Good |
| 1.5 ≤ Composite Index < 2.5 | Good      |
| 2.5 ≤ Composite Index < 3.5 | Fair      |
| 3.5 ≤ Composite Index < 4.5 | Poor      |
| 4.5 ≤ Composite Index ≤ 5   | Very Poor |

## STRUCTURE AND MECHANISM OF THE SHARIA GOVERNANCE OF CIMB NIAGA SBU

### GCG STRUCTURE OF CIMB NIAGA SBU

CIMB Niaga SBU's GCG structure consists of the SSB and SBU Directors who establish several Groups for carrying out CIMB Niaga SBU business operations as stated in the Bank's Organizational Structure in this Annual Report. The Bank's SBU Sharia governance bodies carry out their duties and responsibilities in accordance with their respective functions.

### SHARIA GOVERNANCE MECHANISM

CIMB Niaga's commitments to implementing Sharia Governance in the SBU are observed in daily business operations. All SBU bodies and their supporting units will respect their respective functions and roles in accordance with the relevant regulations and policies, and are expected to increase sharia governance implementation on an ongoing basis from year to year.

### SHARIA SUPERVISORY BOARD (SSB)

The Sharia Supervisory Board (SSB) is charged with providing advice and recommendations to the Board of Directors and overseeing the Bank activities in accordance with Sharia Principles. In carrying out their duties, SSB has the authority to supervise, monitor, provide sharia opinions, approve and closely monitor all SBU activities in accordance with the Sharia Principles.

The SSB members are appointed and approved by the General Meeting of Shareholders (GMS) after obtaining recommendations from the National Sharia Council – Majelis Ulama Indonesia (DSN-MUI) and obtaining the Fit and Proper Test approval from OJK.

### SSB CHARTER

CIMB Niaga SBU has the SSB Charter that is periodically reviewed and updated with improvements as well as to align with the laws and regulations prevailing in Indonesia. This Charter serves as the SSB guidelines, standards and code of ethics to enable the SSB to perform its daily functions, duties and responsibilities, and quality standards for the management and administration of the SSB, SBU and other related parties. The SSB Charter was last updated in 2018.

The SSB Charter governs the following:

1. Purpose
2. Duties and Responsibilities
3. Membership
4. Work Mechanism and Plan
5. Work Ethics and Working Hours
6. Remunerations and Benefits
7. Meetings and Minutes of Meetings
8. Assessment and Accountability of Performance
9. Units that Support SSB Duties and Responsibilities
10. Reporting

## CRITERIA FOR SSB

Based on the Bank's SSB Charter, SSB members must meet the following requirements:

### 1. Integrity that at least to include:

- a. Having a good character and morals;
- b. Capable to take legal actions;
- c. Having a commitment to fully comply and implement with professionalism the SSB Charter, Sharia banking provisions, and all prevailing laws and regulations;
- d. Having commitment to the development of a sound and solid Sharia banking;
- e. Not being listed in the List of Not Passed the Fit and Proper Test as governed by the OJK provisions on Fit and Proper Test.
- f. Have never committed fraud, embezzlement, and/or irregularities in the banking sector, finance sector, and other business sector, and has never been convicted of a crime committed (proven by a personal statement).

### 2. Competence, at least having knowledge and experience of Sharia Mu'amalah and knowledge in banking and/or finance in general.

### 3. Reputation, at least within the last 5 (five) years prior to being nominated and during their tenure:

- a. Not being included in the Black List and OJK list of non-performing loans;
- b. Have never been declared bankrupt;
- c. Have never served as a shareholder, member of a Board of Commissioners, or a member of a Board of Directors of a Company and/or a member of the management of a business entity that has been found guilty of causing a company and/or business entity to be declared bankrupt;

- d. Have never been convicted for committing a crime that was detrimental to the state finances and/or related to the financial sector;
- e. Have never been a member of the Board of Directors and/or Board of Commissioners who during their tenure:
  - i. Have failed to organize an Annual GMS;
  - ii. Have had their accountability disapproved by the GMS or have failed to provide accountability as a member of the Board of Directors and/or Board of Commissioners to the GMS;
  - iii. Have caused a company that has obtained the permit, approval or registration from OJK to fail to submit the Annual Report and/or Financial Report to the OJK.

## STRUCTURE, COMPOSITION AND TERM OF OFFICE OF SSB MEMBERS

As stipulated in the SSB Charter, the minimum number of SSB members is 2 (two) persons with a maximum of 3 (three) persons, led by a Chairman appointed from one of the SSB members.

The Bank's SSB members have the ability to carry out their mandated duties and responsibilities, and have adequate understanding and competence to carry out their duties and responsibilities properly, and encourage the SBU of CIMB Niaga performance improvement.

The term of office of the SSB member is stipulated in the SSB Charter and shall be effective from the date specified at the GMS appointing them until the close of the 4<sup>th</sup> GMS after the date of their appointment without prejudice to the right of the GMS to dismiss them at any time in accordance with the Articles of Association and prevailing regulations, and can be reappointed with due regard to the applicable provisions.





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## COMPOSITION OF THE SHARIA SUPERVISORY BOARD IN 2020

| No | Name                                  | Position                     | Term of Office       |  |                       |                |
|----|---------------------------------------|------------------------------|----------------------|--|-----------------------|----------------|
|    |                                       |                              | GMS Appointment      | BI/OJK Approval                        | Latest Re-appointment | Term of Office |
| 1  | Prof. Dr. M. Quraish Shihab, MA       | Chairman concurrently Member | AGM 23 April 2008    | No. 11/260/DPbS dated 11 February 2009 | AGM 15 April 2019     | 2019-2022      |
| 2  | Prof. Dr. Fathurrahman Djamil, MA     | Member                       | EGM 19 December 2008 | No. 11/260/DPbS dated 11 February 2009 | AGM 15 April 2019     | 2019-2022      |
| 3  | Dr. Yulizar Djamaluddin Sanrego, M.Ec | Member                       | AGM 28 March 2013    | No. 15/825/DPbS dated 10 June 2013     | AGM 15 April 2019     | 2019-2022      |

## FIT AND PROPER TEST

The SSB Charter stipulates that members of SSB are appointed by the General Meeting of Shareholders (GMS) and are only effective when the appointment has been approved by OJK as stipulated in PBI No. 11 of 2009 concerning Sharia Commercial Banks, and OJK Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test for Key Parties in Financial Services Institutions stipulates that prospective members of SSB must obtain approval from OJK before carrying out any actions, duties, and functions on the Sharia Supervisory Board.

All members of the SSB of CIMB Niaga SBU have passed the fit and proper test, without qualification, and have been approved by OJK, indicating that all members of the SSB have the integrity, competence and impeccable financial reputation.

## SHARES OWNERSHIP

No members of the SSB of the Bank have shares in the Bank, other financial institutions or other companies.

## CONCURRENT POSITIONS OF SSB MEMBERS

Based on BI Regulation No.11/10/PBI/2009 regarding Sharia Business Units article 11 paragraph 3, SSB members can hold concurrent positions as SSB members at most in 4 (four) other Sharia financial institutions, which has been stipulated also in the Bank SSB Charter. The concurrent positions of members of the Bank's SSB have met the above requirements.

Information on the concurrent positions of members of the SSB of CIMB Niaga are available in each SSB member's profiles in the Company Profile Section of this Annual Report.

## DUTIES AND RESPONSIBILITIES OF THE SSB

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

1. Assessing and ensuring compliance with Sharia Principles regarding the Sharia operational and product guidelines issued by the Bank;
2. Overseeing the Bank's process of new product development that relates to Sharia in accordance with the DSN-MUI fatwa;
3. Providing Sharia opinions regarding new Sharia related products and/or restructured financing with reference to DSN-MUI fatwa and provisions governing the implementation of Sharia Principles and business activities of the SBU;
4. Requesting a fatwa from DSN-MUI for the Bank's new Sharia-related products that do not yet have a fatwa;
5. Periodically reviewing the compliance with Sharia Principles concerning the mechanism for fund raising and fund disbursement and SBU services;
6. Requesting data and information related to Sharia aspects from the Bank's operating units that perform and/or relate to Sharia activities in the context of conducting their duties; and
7. Performing duties and responsibilities in accordance with the principles of Good Corporate Governance.

## CONFLICT OF INTEREST MANAGEMENT IN THE SSB

The SSB Charter regulates conflict of interest pursuant to OJK Regulation No.55/POJK.03/2016 Chapter X Article 63 that stipulates if there is a conflict of interest, members are not allowed to take action that may result in a loss for the Bank or reduce the Bank's profit and must disclose the conflict of interest in every decision.

The procedures that must be followed by members of the SSB in the event of a conflict of interest are as follows:

1. They are obligated to immediately report in writing to the Board of Commissioners of all matters that have the potential to create and/or contain conflicts of interest that have significant financial and reputational impact on the Bank, the Board of Commissioners, the SSB and the Board of Directors.
2. Not permitted to participate in the process of evaluating any activities that have potential conflict of interest.
3. Allowed to attend meetings, but are not allowed to participate in decision-making.

## RESIGNATION AND DISMISSAL OF SSB MEMBERS

The SSB Charter governs the procedure of resignation and dismissal of members as follows:

1. A member of SSB has the right to resign from their position through written notification regarding their intention to the Bank prior to the resignation becoming effective.
2. The Bank is required to hold a GMS at the latest 90 (ninety) days after receipt of the written notice for resignation from the SSB member.
3. The Bank is required to disclose information to the public and report it to OJK no later than 2 (two) working days after receipt of the written notice for resignation of the SSB member.
4. If the resignation results in the number of SSB members being less than the minimum number as stipulated in the prevailing laws and regulations, the Bank is required to appoint new SSB members in accordance with the procedures for appointing SSB members.

5. SSB members who resign before their terms of office expire, accountability can still be requested for the execution of their duties from their last accountability up to the effective date of resignation, at the following Annual GMS.
6. Dismissal and/or resignation of SSB members must be reported to OJK no later than 10 (ten) calendar days from the effective dismissal and/or resignation.

## PERFORMANCE ASSESSMENT OF THE SSB

Assessment on the performance of the SSB duties and responsibilities is reported in the AGM, and is regulated as follows:

1. At the beginning of the year, SSB and Sharia Banking Director establish Work Plans and Key Performance Indicator (KPI) to be approved by the Board of Commissioners;
2. The assessment and measurement over the performance of members of the SSB is based on the results of the execution of their duties against the realization and achievement of the Work Plan;
3. Assessment on the SSB performance is carried out as follows:
  - a. The assessment covers a period of 1 (one) year;
  - b. In the first stage, members of the SSB perform self-assessments (towards the achievement of KPIs and other metrics);
  - c. In the second stage, the Nomination and Remuneration Committee discusses the SSB performance self-assessment results to be used as recommendation to the Board of Commissioners and to be determined by the AGM.
4. Report on the performance assessment and accountability of the SSB against the realization of the Bank's Work Plan is submitted to the Sharia Banking Director to be approved and submitted to the Nomination and Remuneration Committee and the Board of Commissioners through the Nomination and Remuneration Committee Secretary with a copy to the Corporate Secretary of the Bank which is conducted twice a year (June and December) no later than 2 (two) months after the reporting month to be subsequently set forth in the Annual Report, and submitted at the GMS for submission to the authorities according to the prevailing laws and regulations.



Performance Highlights



Management Reports



Company Profile



Management Discussion and Analysis



Risk Management

## MEETINGS OF THE SSB

The CIMB Niaga SSB meetings are held at least once a month, and attended by all members of SSB and the Sharia Banking Director with the main topics being strategic and operational policies and decision-making, oversight functions, and advice or recommendations on sharia banking matters to the Board of Directors and SBU Management, in accordance with Sharia principles. All decisions that are documented in the minutes of meetings represent the consensus of meetings and the decision-making process could also involve the DSN – MUI, if necessary.

In 2020, due to the COVID-19 and the Work From Home (WFH) implementation, most of the meetings of the SSB were held virtually. SSB held 12 (twelve) regular meetings with attendance as shown in the following table:

| Name                                 | Attendance Frequency | Rate of Attendance | Average Rate of Attendance |
|--------------------------------------|----------------------|--------------------|----------------------------|
| Prof. Dr. M. Quraish Shihab, MA      | 12                   | 100%               | 97%                        |
| Prof. Dr. Fathurrahman Djamil, MA    | 12                   | 100%               |                            |
| Dr. Yulizar Djamaludin Sanrego, M.Ec | 11                   | 91.67%             |                            |

In addition to the regular meetings, there were also exit-meeting reviews on Sharia compliance, as well as sharing sessions and consultations between SBU and SSB as follows:

| Date              | Topic   |
|-------------------|---|
| 23 January 2020   | Exit Meeting Review on Sharia Compliance of iB Commercial Financing & SME Financing, Jakarta Area |
| 18 May 2020       | Exit Meeting Review on Sharia Compliance of iB Mortgage Financing, Balikpapan Area                |
| 16 June 2020      | Exit Meeting Review on Sharia Compliance of iB Linkage Financing, Balikpapan & Mataram Areas      |
| 29 September 2020 | Exit Meeting Review on Sharia Compliance of iB Current Account Financing Product                  |
| 1 October 2020    | Continuation of Exit Meeting Review on Sharia Compliance of iB Current Account Financing Product  |
| 12 November 2020  | Exit Meeting Review on Sharia Compliance of iB Xtra Dana  |
| 12 November 2020  | Exit Meeting Review Kepatuhan Syariah Produk Xtra Dana iB   |

## ACTIVITIES OF THE SHARIA SUPERVISORY BOARD IN 2020

The SSB submits its Oversight Report to the Management of CIMB Niaga once in every 6 (six) months. The Oversight Report is then forwarded to OJK by Management.

In 2020, reporting by SSB to OJK is as follows:

| Period      | Reference            | Date            |
|-------------|----------------------|-----------------|
| Semester I  | 056/PD/UUS/VIII/2020 | 7 August 2020   |
| Semester II | 008/PD/UUS/II/2021   | 8 February 2021 |

Throughout 2020, SSB has realized the following work programs:

1. Convened 12 (twelve) regular meetings to discuss new products, features, programs, operational guidelines, financing/funding models, financing proposals, risk profile, financial performance, benevolence funds and ZIS, and others.
2. Attended Ijtima Sanawi/Annual Meeting of the Supervisory Boards of Sharia Financial Institution, the Sharia Banking Sector, 2020 that was organized by DSN-MUI.
3. Convened Coordination Meeting with the Risk Management Director, Compliance Director and the Internal Audit.

4. Reviewed Sharia compliance through financial sampling, funding and services transaction sampling tests for iB Mortgage Financing, Fund Raising and Services at Sharia branch and Office Channeling, iB Linkage Financing, iB Current Account Financing, iB Xtra Dana Product, Commercial Banking and SME financing in the Jakarta area.
5. Conducted 7 (seven) meetings to discuss the Sharia compliance review results with related units.
6. Submitted the SSB Oversight Report for the periods of:
  - a. Semester II of 2019 submitted in February 2020;
  - b. Semester I of 2020 submitted in August 2020.
7. Contributed to Sharia GCG through the 2020 GCG Self-Assessment in accordance with the applicable provisions.
8. Discussed and formulated the IG Committee membership with all SSB affiliated companies in the CIMB Indonesia Financial Conglomerate.
9. Actively contributed to the IG Committee Membership in accordance with the applicable provisions.

## SHARIA BANKING DIRECTOR

The CIMB Niaga SBU is led by the Sharia Banking Director who is fully responsible for the implementation of sharia business management based on the prudential principles and sharia principles. In 2020, the Sharia Banking Director is Pandji P. Djajanegara, who was appointed through the AGM Resolution dated 15 April 2016 and approved by OJK through Letter No.SR-27/PB.13/2016 dated 4 October 2016.

## PROFILE OF THE SHARIA BANKING DIRECTOR



**PANDJI P. DJAJANEGARA**  
SHARIA BANKING DIRECTOR

Complete profile is presented in the Board of Directors' Profiles in this Annual Report.

1. Having good integrity, competence and financial reputation as required by prevailing regulations;
2. Having a commitment to the development of sound Sharia banking operations;
3. Having sufficient knowledge and understanding of Sharia banking operations;
4. Having knowledge and expertise of banking operations, Sharia banking, finance or Sharia finance;
5. Has the ability to carry out strategic management in the framework of developing a sound and resilient SBU.

## CRITERIA

The criteria for the Sharia Banking Director is based on Bank Indonesia Regulation (PBI) No. 11/10/PBI/2009 concerning Sharia Business Units, PBI No. 14/6/PBI/2012 concerning the Fit and Proper Test for Sharia Banks and Sharia Business Units, and BI Circular No. 14/25/DPbS concerning the Fit and Proper Test for Sharia Banks and Sharia Business Units. The criteria that must be met by candidates for Sharia Banking Director, includes:

Detailed information related to Sharia Banking Director is available in Board of Directors Sub-section in Good Corporate Governance Report Section of this Annual Report.

## LIST OF CONSULTANTS AND ADVISORS

| No | Consultant              | Service                                     |
|----|-------------------------|---|
| 1  | Karimsyah LawFirm       | Law & Legal MMIA Consultants                |
| 2  | EY (Persek PSS Consult) | Tax Consultants & IMBT Accounting Treatment |

## INTERNAL FRAUD & SETTLEMENT EFFORTS

In 2020, there were no internal fraud of more than Rp100,000,000.00 (one hundred million Rupiah) as reported by the Internal Audit and Anti-Fraud Management.

| Internal Fraud Case                   | Total Cases Committed by                      |      |                     |          |                         |      |
|---------------------------------------|---|------|---------------------|----------|-------------------------|------|
|                                       | Board of Commissioners and Board of Directors |      | Permanent Employees |          | Non-Permanent Employees |      |
|                                       | 2020  | 2019 | 2020                | 2019     | 2020                    | 2019 |
| Resolved                              | -   | -    | 1                   | 1        | -                       | -    |
| In the process of Internal resolution | -   | -    | -                   | -        | -                       | -    |
| Unresolved                            | -   | -    | -                   | -        | -                       | -    |
| Has been followed up in Legal Process | -   | -    | -                   | -        | -                       | -    |
| <b>Total Fraud</b>                    | -   | -    | <b>1</b>            | <b>1</b> | -                       | -    |

## LEGAL ISSUES (CIVIL AND CRIMINAL) AND SETTLEMENT EFFORTS

In 2020, the legal issues faced by the SBU of CIMB Niaga involve only civil suits and not criminal charges as the following table shows:

| Legal Issues                              | Criminal (Bank as Reported) |      | Civil (Bank as Defendant) |          |
|---|-----------------------------|------|---------------------------|----------|
|   | 2020                        | 2019 | 2020                      | 2019     |
| Settled Cases (final and legally binding) | -                           | -    | 1                         | 2        |
| In the Settlement Process                 | -                           | -    | 7                         | 4        |
| <b>Total Cases</b>                        | -                           | -    | <b>8</b>                  | <b>6</b> |

## TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITIONS

Transparency of financial and non-financial conditions of the SBU was carried out together with the Bank as described in the Corporate Governance Report Section on this Annual Report.

## NON HALAL REVENUE AND UTILIZATION

In 2020, no Non-halal revenue was generated.

## DONATIONS FOR SOCIAL ACTIVITIES

In 2020, CIMB Niaga SBU collaborated with humanitarian social institutions, religious institutions and educational institutions to organize 227 (two hundred and twenty-seven) programs with a total funding of Rp6,775,975,628. The funds were distributed to 5 (five) donation categories, as follows:

| Distribution Sector  | Number of Activities | Donation (Rp)        |
|----------------------|----------------------|----------------------|
| Economic Empowerment | 11                   | 235,770,000          |
| Education            | 49                   | 1,467,817,500        |
| Infrastructure       | 64                   | 1,425,145,000        |
| Health               | 20                   | 1,505,646,128        |
| Social               | 83                   | 2,141,597,000        |
| <b>Total</b>         | <b>227</b>           | <b>6,775,975,628</b> |

Several featured programs in collaboration with partner institutions were divided into five areas of Qardhul Hasan Fund distribution in 2020, which included:

### Economic Empowerment

- Working capital aid program for the SME business – Bintaro Tangerang in cooperation with Masjid Raya Bintaro Jaya Foundation
- Bunda Mart program to provide working capital aid for several SME in Surabaya, in cooperation with Yatim Mandiri Surabaya Foundation
- Program to provide equipment for a small business that produces honey dates pie in Surabaya, in cooperation with DT Peduli

### Education

- Scholarship program for school-age children and learning facilities for children of waste collector in Aceh, in cooperation with the Organization of the Educational Garden for Smart Children of Waste Collector
- Scholarship program for under-privileged girl students of Islamic school in Banjarmasin, in cooperation with the Ponpes Darul Hijrah Putri Martapura of South Kalimantan
- Scholarship program for under-privileged university students in Padang, in cooperation with the Muhammadiyah University, Padang
- Donation of the Holy book of Al Qur'an for several Pesantren (Islamic school) in the Bantung area, in cooperation with the Indonesian Associate of Publisher, West Java chapter.

### Infrastructure

- Construction of a bore well in the Dologan Village, Boyolali, in cooperation with the Aksi Cepat tanggap (ACT).
- Development of the Miftahul Hidayah Mosque in the Kampar Riau area, in cooperation with Ponpes Islamic Center Al Hidayah Kampar.
- Renovation of dilapidated houses for families living below the poverty line in the West Bandung area, in cooperation with Rumah Zakat Indonesia.

### Health

- Maintenance of halfway houses of Sasana Marsudi Husada in the Jakarta area, in cooperation with the Indonesian Cancer Foundation
- Health care program for retired CIMB Niaga employees in cooperation with the Family Association of CIMB Niaga Retirees
- Donation of ambulance for emergency responses in and around Solo in cooperation with the Indonesian Red Cross Foundation of Surakarta, and the donation of another ambulance for community health care services in Puncak Sari Village in cooperation with the village institution.

### Social

- Donation of staple goods and cash for communities impacted by COVID-19 in cooperation with social foundations such as Al Azhar Peduli, DT Peduli, Asbisindo, Badan Wakaf Al Quran and Baznas.
- Relief aids for the flood disaster in Jabodetabek in cooperation with several social foundations such as IZI and PPPA Daarul Quran Nusantara.
- Donation of sewing machines and working capital for a home-scale convection business of the Pondok Pesantren Bani Sawiyah Foundation in Bandung area.
- Provision of 98 goats to 25 CIMB Niaga Sharia branch offices, the meat of which was distributed to members of the surrounding communities.

## TRANSPARENCY ON BAD CORPORATE GOVERNANCE PRACTICES

In line with CIMB Niaga's commitment to implement Good Corporate Governance, up to the end of 2020, CIMB Niaga has not performed any actions or policies related to the practice of Bad Corporate Governance, described as follow:

| No. | Description  | Practice |
|-----|--|----------|
| 1   | Being reported as a Company that pollutes the environment  | Nil      |
| 2   | Significant legal proceeding currently involving the company, subsidiaries, members of the Board of Directors and/or members of the Board of Commissioners that are not disclosed in the Annual Report | Nil      |
| 3   | Non-compliance in meeting tax liabilities  | Nil      |
| 4   | Mismatch between the presentation of the Annual Report and the Financial Statements with applicable regulations and the Financial Accounting Standards   | Nil      |
| 5   | Labor and employment cases   | Nil      |
| 6   | No disclosure of operating segments in the Financial Statements  | Nil      |
| 7   | Discrepancies between hardcopy and softcopy of the Annual Report   | Nil      |

## DECLARATION OF IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE PRINCIPLES

All CIMB Niaga management and employees, declare that in carrying out its business activities, the principles of Good Corporate Governance have been implemented and no material violations of applicable laws and regulations have been committed. Further, CIMB Niaga always implements the principles of Governance in accordance with the principles of the ASEAN Corporate Governance Scorecard. CIMB Niaga is committed to continuously improving its Good Corporate Governance practices in a transparent, accountable, responsible, and independent manner, with due observance to equality, fairness and sustainability in striving to achieve the targeted Bank Business Plan.



**Didi Syafruddin Yahya**  
President Commissioner



**Tigor M. Siahaan**  
President Director