

RACE FORWARD

TOWARDS A BETTER INDONESIA



SUSTAINABILITY REPORT 2019
PT BANK CIMB Niaga Tbk



Kejar Mimpi

#ThankYouFromTomorrow

#CIMBNiagaForTomorrow



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RACE FORWARD

TOWARDS A BETTER INDONESIA

The theme of *“Race Forward towards a Better Indonesia”* harmonized with CIMB Niaga’s spirit to continuously serve and be a part of Indonesia’s journey as well as each customer’s life. Life is a long journey full of dreams. Every dream achieved is a momentum in which our future is determined. Let’s keep going. Race forward to reach our dreams with CIMB Niaga, which always committed to provide innovative and comprehensive banking solutions.

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MESSAGE FROM

THE BOARD OF DIRECTORS

[102-14] [102-15]



Total financing in sustainable business activities category in 2019 reached 37% of the total Bank's loans



Dear Respected Stakeholders,

"Race Forward towards a Better Indonesia" describes Bank CIMB Niaga's spirit when carrying out our banking operations during 2019, as we continue to pursue our aspirations. We, the Board of Directors, continued this spirit in line with the commitment to serve all our customers and become part of Indonesia's sustainability journey. One year has passed, continuing the foundation we have built, with challenges, achievements, and experiences that we now present in this sustainability report. Bank CIMB Niaga has given its best performance, as well as realizing its commitment in carrying out sustainable business activities, according to sustainable finance principles. These principles integrate in not only economic aspects, but also the environment, social, and governance (ESG). In line with this commitment, Board of Directors and Board of Commissioners will continue to support the Sustainable Development Goals (SDGs). One form of the support was implemented to its contribution in the Indonesian Sustainable Finance Initiative (IKBI) by becoming a member in November 2019. As one of the IKBI's members, we hope CIMB Niaga will have a greater role in the journey of sustainable finance implementation in Indonesia.

Response to the Challenge of Sustainability Strategy Implementation

‘Sustainability’ has become the responsibility of the entire business world, including banks, to move together to reduce the negative impacts of climate change. Data from the Intergovernmental Panel on Climate Change (IPCC) in 2018 emphasized that an increase in global temperature of 1.5°C will have major climate change impact. Climate change, such as changing rain patterns and cloud formation, will cause rainfall anomalies, drought, floods, sea level rise, and others. Furthermore, in the long run, this can cause ecosystem balance disruption and will have impact on the human life and other sentient being welfare.

Response and Commitment in Sustainable Finance Implementation

Responding to the challenges of climate change, CIMB Niaga realize that we are all in the transition to low carbon economic development. The financial services sector has a key role to play by developing policies that can improve various industry performances to reduce carbon (Greenhouse Gas) emissions. Therefore, CIMB Niaga takes immediate steps to align its business activities to support sustainable development, by implementing sustainability and sustainable finance strategies. The implementation is also in line with our support to the Financial Services Authority (OJK), as one of the Sustainable Banking Network members who is committed and participate in climate risk management.

Sustainability and Sustainable Finance Values

Sustainability and sustainable finance are parts of the core value in CIMB Niaga, which includes Customer-Centric, High Performance, Enabling People, Strength in Diversity, and Integrity. These values will support sustainability strategy that is focused on five aspects, including Sustainable Action, Sustainable Business, Corporate Social Responsibility (CSR), Governance & Risk, and Stakeholder Engagement & Advocacy. CIMB Niaga applies core values and sustainability strategies when conducting its business, especially to create economic, environmental, social and governance harmony. We, the members of the Board of Directors and Board of Commissioners participate in the process of formulating the Bank’s sustainability strategies and overseeing the implementation of those strategies. This is to ensure the strategies are in line with the Bank’s target as well as Sustainable Finance Vision and Mission.

Sustainable finance Application Performance Achievement

In 2018, CIMB Niaga established a Sustainable Finance Vision and Mission and appointed Director of Compliance, Corporate Affairs and Legal as the Director responsible for implementing, monitoring, and evaluating Bank’s Sustainable Finance Action Plan (RAKB). Moreover, CIMB Niaga established Good Corporate Governance and Sustainability (GCG & Sustainability) working unit that is responsible in coordinating sustainable finance implementation.

Continuing this achievement, in 2019, CIMB Niaga has identified and conducted monitoring of debtors who have received the environmental assessment of PROPER, Indonesia Sustainable Palm Oil (ISPO) certificate and Roundtable on Sustainable Palm Oil (RSPO) certificate. On the other hand, CIMB Niaga also continues to embed the sustainability culture, to provide training on sustainable finance, to apply the sustainability principles for our business relations, and to identify debtors under sustainable business activity categories (KKUB).

CIMB Niaga is also continuing several of its sustainability initiatives, such as calculation of carbon (Greenhouse Gas) emissions, as well as implementing green office concept. In regard to capacity building, CIMB Niaga has created sustainability and sustainable finance training module through its own e-learning platform, i.e., Learning on the Go (LoG), with 4,417 employees had completed this module by the end of 2019. In addition, CIMB Niaga also continues corporate social responsibility (CSR) programs that are in line with the principle of sustainability, including Community Link, Woman Empowerment, Financial Inclusion and Literacy, as well as Bamboo conservation for biodiversity protection. Based on the carbon stock calculation in Tabah Bamboo (*Gigantochloa nigrociliata Kurz*) in Bali, it was found that from the planted bamboo are able to store 758.99 tons of CO₂e.

CIMB Niaga, as a bank that adopting digitalization, has launched various products and services to provide an excellent customer experience to its customers. More than 95% of banking transactions in 2019 has been facilitated by digital transactions. By using the CO₂ reduction calculation, these digital services have resulted in carbon (Greenhouse Gas) emissions reductions ranged from 27,375 to 29,619 tons of CO₂e.

The Bank has also issued Sustainability and Sustainable Finance Policy, which serves as a guideline for the Bank in applying the principles of sustainability and sustainable finance to the Bank’s operational activities.



For all the achievements to date, the Board of Directors would like to extend its appreciation to all employee who have worked together to implement sustainability performance. We recognize a good commitment shown by all working units to support the implementation of sustainable finance in accordance to Bank's Sustainable Finance Action Plan (RAKB). The Board of Directors also continues to pay attention to the rapidly developing current environmental and social issues that potentially may create higher ESG risk if the issues are not addressed collectively. To that end, all related working units are expected to carry out all Bank activities with a comprehensive risk mapping, focus on objectives, and be able to respond to the stakeholders needs.

Challenges of Achieving Sustainable Finance Performance

As one of the major financial institutions in Indonesia, CIMB Niaga recognizes the importance of the support and role of various parties in carrying out sustainable business activities. Although there have been some challenges in the implementation, all members of the Board of Directors are still aiming to improve the implementation of the RAKB. The challenges include the need for awareness of sustainable finance by all employees and debtors, as well as relatively small number of green projects available in Indonesia.

Other challenges are related to Government policies that are not yet mandatory, therefore the compliance level in various aspects are still low. In order to tackle these challenges, CIMB Niaga will continue to run stringent risk management process, strive to increase the capacity building in sustainable finance, to build a sustainability culture and to create synergies with other parties.

Sustainable Finance Implementation

Sustainable Finance Implementation Compared with Target

In regard to its financial performance, CIMB Niaga reported a net profit of Rp3.65 trillion in 2019 (including a one-off expense of IDR359 billion of Mutual Separation Scheme (MSS) program), an increase of 4.7% compared to 2018. The net profit growth mainly supported by increase in other operating income. CIMB Niaga Capital Adequacy Ratio (CAR) has improved every year and reached 21.47% in 2019, while the Net Interest Margin (NIM) ratio stood at 5.31% at the end of 2019.

In overall, total percentage of sustainable business activity categories (KKUB) in 2019 was 37% of the Bank's total loan (Rp194.24 trillion). The largest share of sustainable business activities was distributed to the micro, small and medium enterprises (MSME) amounted of Rp23.16 trillion, followed by financing activities in the natural resources management and sustainable land use amounted of Rp16.12 trillion.

CIMB Niaga has set sustainable business activities financing targets in some priority sectors as stated in RAKB. In 2019, Bank has identified palm oil company clients, where 17 company clients have been certified by ISPO and/or RSPO and 29 company clients are still in the process of certification. The total number of clients that are certified and in certification process reached 41.82% of total palm oil company clients (110 company clients). Bank will continue to educate its clients on sustainable finance practice, to encourage more clients practicing environment and/or social responsible business activities.

Banks has identified micro credit financing through Rural Banks (BPR) to 804 customers, it was also identified that 57.83% was channeled to women. This shows that the financing by the Bank supports women empowerment.

As for this achievement, the entire Board of Directors will commit to continue the strategies and objectives with support from all working units.

Achievements and Challenges

The Board of Commissioners, the Board of Directors and all CIMB Niaga employees actively develop our sustainability and sustainable finance performance competencies. With the number of achievements received by the Bank, it shows acknowledgement from our stakeholders in CIMB Niaga. We greatly appreciate the trust given to the Bank. On the other hand, these achievements come with some challenges. CIMB Niaga always views these challenges as opportunities in providing the best service for our customers.

Strategy to Achieve Sustainable Performance Targets [SUSBA-1.1.1.3]

Risk Management for the Implementation of Sustainable Finance

CIMB Niaga regularly reviews its credit facilities to ensure credit quality and credit risk mitigation. Its risk management follows the Bank's Credit Policy and Commercial Credit Policy. The review process is also applied to the credit facility by reviewing the debtor's commitment and background to comply with ESG aspects.

In carrying out the risk management process, CIMB Niaga adopts a proactive and forward-looking Enterprise Wide Risk Management (EWRM) framework to achieve optimal return. EWRM framework emphasizes integrated risk management through alignment of risk appetite with Bank's business strategy.

Since 2019, the Bank has a Sustainability and Sustainable Finance Policy, which among others regulates the provisions regarding Exclusion List and Sustainability Due Diligence for potential business relations. Both of these are part of the Bank's means of managing and mitigating sustainability and sustainable finance risks, so Bank is not involved with business relations that have and/or cause negative impacts on the environment and/or social.

External Situations which Potentially Influence Sustainability

Sustainability for CIMB Niaga is translated as conducting business activities whilst maintaining a balance of economic growth, environmental performance and social inclusion. This sustainability must be maintained to benefit all the people in Indonesia. However, external situations can potentially influence the Bank's sustainability, especially environmental risks. The World Economic Forum, held in January 2020, defined five environmental risks that potentially occur in 10 years, including extreme weather and lower biodiversity. These five risks related to environmental aspects will have an impact on the world economy. Noting on these issues, CIMB Niaga is inviting all stakeholders to collectively reduce the negative impacts that cause environmental damage, for our future, the people of Indonesia.

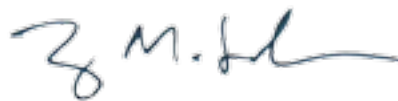
Business Opportunities and Prospects

Despite all these challenges, CIMB Niaga believes that there are new business opportunities and prospects in line with the dynamics of change. The Government of Indonesia set a target to support the Sustainable Development Goals (SDGs) in its National Medium-Term Development Plan (RPJMN). This RPJMN is also an implementation of Presidential Decree No. 59/2017 regarding Sustainable Development Goals. Government support is expected, to encourage more business activities that support SDGs. As follow, it will widen Bank's potential to increase its ESG responsible credit portfolios. CIMB Niaga in seizing this opportunity will continue to work closely with all stakeholders and look for business prospects that are in line with the Bank's strategy, and support the achievement of the RPJMN.

Race for Indonesia

The long journey throughout 2019 provided many valuable experiences. All the performance carried out was the result of hard work that should be appreciated. Therefore, CIMB Niaga expresses its appreciation and gratitude to all stakeholders involved in realizing the Bank's sustainable business activities. We are inviting all stakeholders to jointly race to preserve the environment for our future, our Indonesia. Let's keep moving forward together to reach our dreams, for future generations, for an innovative and sustainable Indonesia.

Jakarta, 11 March 2020



Tigor M. Siahaan
President Director

BOARD OF **COMMISSIONERS**



From left to right:

1. DAVID RICHARD THOMAS
COMMISSIONER

2. PRI NOTOWIDIGDO
INDEPENDENT
COMMISSIONER

3. GLENN M. S. YUSUF*
VICE PRESIDENT
COMMISSIONER

4. TENGGU DATO' SRI ZAFRUL TENGGU ABDUL AZIZ**
PRESIDENT
COMMISSIONER

*) Tendered resignation as Vice President Commissioner in accordance through letter dated 31 August 2019 that became effective on 1 September 2019

***) Has tendered his resignation from his position as President Commissioners through the letter that has been received on 9 March 2020 and will be conveyed to obtain resolution in the 2020 AGM,



5. ZULKIFLI M. ALI
INDEPENDENT
COMMISSIONER

6. SRI WIDOWATI
INDEPENDENT
COMMISSIONER

**7. DIDI SYAFRUDDIN
YAHYA**
COMMISSIONER

8. JEFFREY KAIRUPAN
INDEPENDENT
COMMISSIONER ***

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

BOARD OF **DIRECTORS**



From Left to Right:

1. JOHN SIMON
TREASURY &
CAPITAL MARKET DIRECTOR

2. RITA MAS'OEN
OPERATIONS &
INFORMATION TECHNOLOGY
DIRECTOR

3. PANDJI P. DJAJANEGARA
SYARIAH BANKING DIRECTOR

4. HEDY LAPIAN
HUMAN RESOURCES
DIRECTOR

5. TIGOR M. SIAHAAN
PRESIDENT DIRECTOR

6. LANI DARMAWAN
CONSUMER BANKING
DIRECTOR



7. VERA HANDAJANI
RISK MANAGEMENT
DIRECTOR

**8. RAHARDJA
ALIMHAMZAH***
BUSINESS BANKING
DIRECTOR

9. FRANSISKA OEI
COMPLIANCE,
CORPORATE AFFAIRS &
LEGAL DIRECTOR

10. LEE KAI KWONG
STRATEGY AND
FINANCE DIRECTOR

11. MEGAWATI SUTANTO
CREDIT DIRECTOR

*) Tendered resignation as Director through letter received by the Bank on 21 February 2020.

SUSTAINABILITY REPORT **RESPONSIBILITY STATEMENT**

Board of Commissioners' Responsibility Statement for the 2019 Sustainability Report of PT Bank CIMB Niaga Tbk

We, the undersigned, declare that all information in the 2019 PT Bank CIMB Niaga Tbk hereby declare that all information in the 2019 Sustainability Report of PT Bank CIMB Niaga Tbk (Report) is presented in compliance with the Regulation of Financial Services Authority (POJK) No. 51/POJK.03/2017 and are fully responsible for the correctness of the contents of this Report. This Report is prepared by the Board of Directors and has obtained approval from the Board of Commissioners to be presented to the stakeholders.

This statement is hereby made in all truthfulness.

11 March 2020

Board of Commissioners

Tengku Dato' Sri Zafrul Tengku Abdul Aziz**
President Commissioner

Glenn M.S. Yusuf*
Vice President Commissioner

Zulkifli M. Ali
Independent Commissioner

Pri Notowidigdo
Independent Commissioner

Jeffrey Kairupan
Independent Commissioner

Sri Widowati
Independent Commissioner

David Richard Thomas
Commissioner

Didi Syafruddin Yahya
Commissioner

*) has tendered resignation on 1 September 2019, and approval will be sought in the 2020 AGM

**) Has tendered his resignation from his position as President Commissioners through the letter that has been received on 9 March 2020 and will be conveyed to obtain resolution in the 2020 AGM

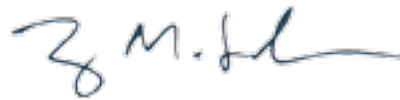
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This statement is hereby made in all truthfulness.

11 March 2020

Board of Directors




Tigor M. Siahaan
Presiden Direktur



Rita Mas'oen
Direktur



Megawati Sutanto
Direktur



Vera Handajani
Direktur



John Simon
Direktur



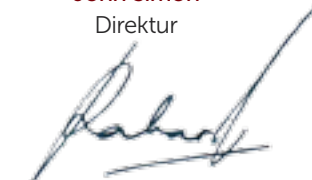
Lani Darmawan
Direktur



Pandji P. Djajanegara
Direktur



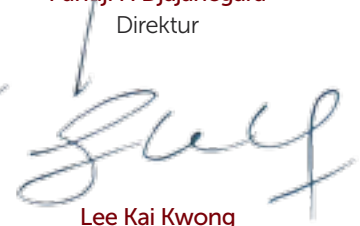
Hedy Lopian
Direktur



Rahardja Alimhamzah*
Direktur



Fransiska Oei
Direktur



Lee Kai Kwong
Direktur

*) Has tendered his resignation as Director through the letter that has been received by the Bank on 21 February 2020

MESSAGE FROM **WORLD WILDLIFE FUND (WWF) INDONESIA**

Dear CIMB Niaga Stakeholders,

The banking sector has a key role in dealing with two major global issues, climate change and sustainable development. Given Indonesia's economy based heavily on natural resources, 70 percent of the national financing demand comes from the banking sector. As such it plays a crucial role in ensuring its products and services align to uphold the ability of natural capital's ability to provide goods and services in supporting the economy and business activities.

These services are generated by natural capital assets which include forests, rivers, oceans, biodiversity and soils. Valued at US\$125 trillion per year, or two-thirds more than annual global GDP, these services underpin all business activities and form the bedrock of our economies. In addition, the impacts of climate change will greatly affect the ability of the natural capital in provisioning those services.

We see a number of initial steps taken by CIMB Niaga and CIMB Groups' leadership in responding to these global challenges.

In May 2018, the Indonesian Sustainable Financial Initiative (IKBI), a national platform for sustainable finance, was launched by eight major banks in Indonesia. This platform aims at promoting sustainable finance the norm for the financial industry towards achieving national commitments on Sustainable Development Goals (SDG) and the Paris Agreement. In November 2019, CIMB Niaga has joined the IKBI, which currently has a total of 13 national banks on board representing 60% of the national banking assets.

Globally, CIMB Group Holdings Berhad is the only ASEAN bank that has demonstrated its commitment to aligning its products and services towards the Paris Agreement by becoming one of the founding members of 28 banks and signed the Principles for Responsible Banking launched by UNEP FI.

CIMB Niaga has clearly stated in the upcoming 2019 Sustainability Report that, in responding to its portfolios exposed to climate change and Environmental, Social and Governance (ESG) risks, it will issue sector-specific policies (such as on land-based sector) in 2020 that will be using credible and science-based standards, implying that its commitment will go beyond its compliance with the POJK Regulation 51/2017 on Sustainable Finance per se. Therefore, WWF-Indonesia appreciates CIMB Niaga's commitment to better manage its ESG risk portfolio.

WWF-Indonesia appreciates a number of steps taken by CIMB Niaga, such as the establishment of ESG dedicated team to roll out ESG strategies and the the bank's improvements on ESG-related risk assessment processes and its monitoring scheme, including using the WWF Sustainable Banking Assessment (SUSBA, susba.org) as a tool to advance its ESG integration, refine its sustainable financial action plans (RAKB), as well as provide better ESG disclosures that are meaningful for the investors.

Based on our peer review preliminary assessment, CIMB Niaga has made a positive progress on its ESG integration disclosures compared to the previous year, and the ESG disclosures will potentially be surpassing at least half of the total SUSBA criteria. Yet, in order to fully implement the ESG integration, more need to be done in advancing its Policies, Products and Portfolios pillars.

There is a growing recognition on climate and environmental degradation risks among the Central Bank and Supervisors as a source of financial risk. Aligned with the movement, Bank Indonesia has also recognized climate risks as a source of financial risk and financial stability by joining the Network for Greening the Financial System (NGFS) in November 2019. It has stated that it will provide added value in developing analytical frameworks in relation to the climate risk assessment by integrating climate-related risks into financial stability monitoring and a climate change impact measurement.

Therefore, we would like to see more national banks follow the steps taken by CIMB Niaga and CIMB Group, and certainly concrete actions and continuing improvements from CIMB Niaga in aligning its ESG strategies and its products and services with the Paris Agreement that incorporates climate change risks into it. Going forward, CIMB Niaga needs to leverage new opportunities in the era of low carbon economy by developing a broader green finance products aimed at reducing GHG emissions and resilient to climate change, whereas most ASEAN banks are still only focusing at increasing its portfolios on renewable energy sector.

Jakarta, 11 March 2020

Rizkiasari Yudawinata



Head of Sustainable Finance
WWF-Indonesia



▮▮ CIMB Niaga has made a positive progress on its ESG integration disclosures compared to the previous year, and the ESG disclosures will potentially be surpassing at least half of the total SUSBA criteria



SUSTAINABILITY **STRATEGY**



Sustainability **Commitment** [SUSBA-1.1.1.1, 1.1.1.4.]

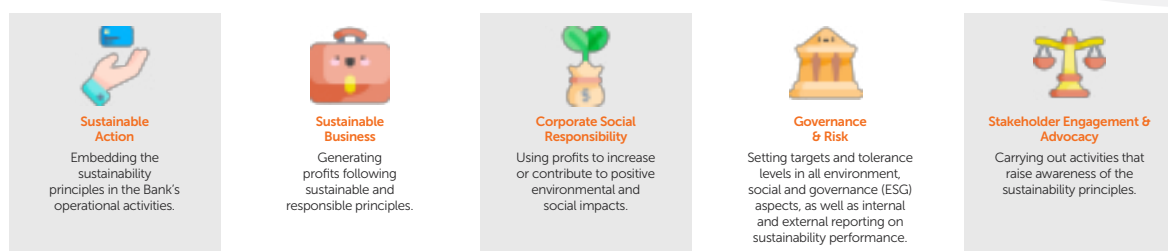
CIMB Niaga as one of the biggest financial institution in Indonesia always strives to carry out sustainable business activities. This activity is undertaken by integrating and harmonizing economic, environmental, social and governance aspects into the banking process. A balance integration to those aspects is able to support the Sustainable Development Goals (SDGs) implementation in Indonesia.

CIMB Niaga is committed to ensure that the Bank's business activities have positive and comprehensive impacts on the Bank's and its stakeholders' long-term existence. This commitment is maintained by implementing the integrated environmental, social and governance (ESG) sustainable finance principles into risk management and strategy. This commitment has been developed in line with the Financial Services Authority Regulation (OJK) No. 51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies.

Other commitments were embodied in the Sustainable Finance Action Plan (RAKB), a guideline for all working units in implementing sustainable finance and risk control, especially on social and environmental risks. The 2019-2023 RAKB preparation referred to the Financial Services Authority (OJK) Regulation No. 51/POJK.03/2017, regarding sustainable finance implementation by financial institutions, POJK No. 60/POJK.04/2017 regarding the Issuance and Requirements for Environmental Friendly Debt Securities (Green Bond), Presidential Decree No. 59 of 2017 dated 4 July 2017 regarding the Sustainable Development Goals Implementation, CIMB Group's sustainability road map, and other best practices for global sustainable finance implementation, such as the Guide to Banking and Sustainability and Principles of Responsible Banking (PRB) issued by the United Nations Environment Programme for Financial Initiative (UNEP FI). CIMB Group is one of the founding signatories of the UNEP FI initiative and Bank CIMB Niaga seeks to adjust the practices. [SUSBA 1.1.2.1].

In developing the RAKB, particularly on the program for developing sustainable finance products and/or services, CIMB Niaga applied the business strategy in the Bank's Business Plan and considered performance conditions, financing portfolios, macroeconomic conditions and world issues. The global issues included greenhouse gas (GHG) emissions, clean water crises, and social inequalities that can be significant factors when determining sustainability strategies.

Focus of Sustainability Commitments



The 2019 Bank's achievements in implementing Sustainable Finance, included:

- 1 Determination of the Sustainable Finance Vision and Mission
- 2 Appointment of Director and formation of responsible organization for Bank's implementation on sustainability and sustainable finance
- 3 Introducing/Embedding sustainability culture by updating the Code of Ethics & Staffing Behavior, Board of Commissioners' Charter, Board of Directors' Charter, Audit Committee Charter
- 4 Developing several policies as Bank guidelines, such as Sustainability Policy and Sustainable Finance Policy
- 5 Conducting training/socialization to increase awareness related to sustainability and sustainable finance, both for employees and customers
- 6 Apart of training, CIMB Niaga was also active as a speaker/resource person on sustainable finance
- 7 Applying the sustainability principles in the Bank's business relations, including vendors, business partners, corporate social responsibility (CSR) beneficiaries, and subsidiaries. This was achieved by conducting sustainability due diligence tests. Sustainability due diligence was carried out to ensure that business relationships did not have negative environmental and/or social/ethical impacts
- 8 Identifying debtors with the potential to support the Sustainable Development Goals (SDGs). The debtors identified were included in the sustainable finance portfolio. Also, an MIS system was established to identify sustainable financial portfolios and the debtors evaluation related to sustainable financial risk
- 9 Conducting several sustainability initiatives, including calculating carbon emissions (CO₂) on the electricity and fossil fuels usage in business activities and the application of the green office concept
- 10 Conducting various CSR programs that are in line with sustainability principles, for example, Community Link, Woman Empowerment, Financial Inclusion and Literacy, bamboo planting for biodiversity conservation, and calculating carbon stocks from planted bamboo
- 11 Joined Indonesian Sustainable Finance Initiative (IKBI) as member



2019-2023 Sustainability Strategy

Strategy	Target	Period
Sustainable finance product/portfolio development		
1 Identification and supervision of the SDGs impact on the Bank's focus industrial sector portfolio	<ul style="list-style-type: none"> The Bank has a database for the impact of the ongoing finance portfolio on SDGs 	2019-2023
2 Assessment of credit appetite in the sustainable business activities category industrial sectors	<ul style="list-style-type: none"> The Bank has sustainable finance portfolios and/or green portfolios Support for the SDGs achievement 	2019-2023
3 Increasing the sustainable finance portfolio and / or green portfolio		2021-2023
Capacity building		
1 The understanding of sustainability and sustainable finance principles for the employees, customers and partners	The Bank and related stakeholders have an understanding of sustainability and sustainable finance	2019-2023
2 Sustainable finance implementation in the Bank's focus industrial sector for the employees		2019-2023
Internal adjustments		
1 Formation of sustainability organization	<ul style="list-style-type: none"> Instilling a sustainability culture Integrating the sustainability and/or financial sustainability principles in the Bank's business processes 	2019
2 Issuance of sustainable finance policies		2019-2020
3 Adjustment of various charters and policies	<ul style="list-style-type: none"> Support the prevention of climate change 	2019
4 Development of Information Management Systems for sustainable finance portfolios	<ul style="list-style-type: none"> Support the achievement of SDGs 	2019-2020
5 Implementation of energy efficiency initiatives in the Bank's operations		2019-2023
6 Calculation of carbon emissions		2019-2023
Social responsibility activities which support sustainability		
1 Bamboo conservation	Supporting the achievement of SDGs	2019-2023
2 Training and empowerment for people with disabilities		2019-2023
3 Organizing financial literacy and inclusion programs		2019-2023

Sustainable Finance Challenges and Risk Management

In implementing the RAKB, CIMB Niaga faced challenges in applying the Sustainable Finance principles, including:

1. Increasing HR's understanding and competencies on sustainable finance implementation
2. Increasing debtor's understanding regarding business activities that support the SDGs
3. Some challenges of debtors in implementing Government policies, including economic conditions, capacity, or other technical constraints
4. There are government policies which are not yet mandatory, so that the level of with the debtor is still low
5. Changes in regulations issued by Regulators and/or Government
6. Lack of support from other Ministries in sustainable finance implementation
7. Green financing which is still relatively rare in Indonesia

Comprehensive and integrated risk management is needed in facing challenges and various risks that have the potential to hamper the RAKB target achievement. CIMB Niaga has adopted a proactive and forward-looking Enterprise Wide Risk Management (EWRM) framework to achieve an optimal return. Within the EWRM framework, risks are managed in an integrated manner by aligning risk appetite with business strategies.



CIMB Niaga has adopted a proactive and forward-looking Enterprise Wide Risk Management (EWRM) framework to achieve an optimal return. Within the EWRM framework, risks are managed in an integrated manner by aligning risk appetite with business strategies.

One of the main EWRM framework components is the implementation of a strong Bank management governance to improve the 'four eyes principle' mechanism and transparency in all risk management processes. In addition, the Bank treats risk management as an inseparable part of the culture, operational activities and decision making process. At the day-to-day risk management operational level, the Bank has applied the concept of three lines of defense involving all levels of the organization, including the Board of Directors, senior management and all employees. [SUSBA-WWF 1.4.1.4.]

Besides risk management, CIMB Niaga also carries out risk mitigation capacity building for sustainable finance understanding, including:

1. Conducting internal training at all organizational levels
2. Conducting socialization to customers
3. Conducting internal training in the Bank's focused industrial sectors
4. Socializing digitalization of the Bank's internal platform
5. Educating customers on electronic transactions



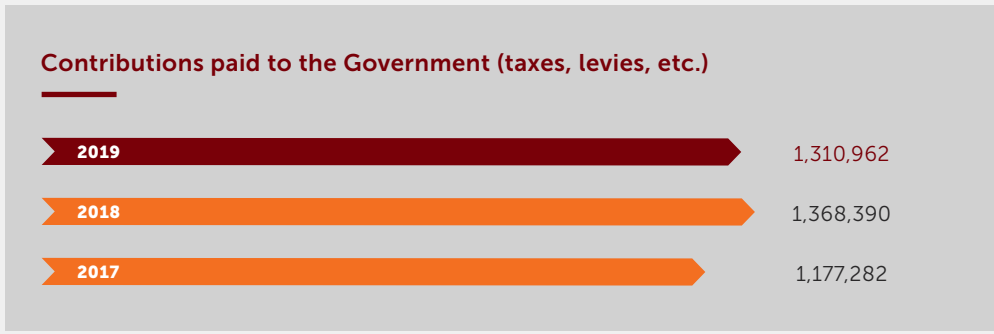
SUSTAINABILITY PERFORMANCE OVERVIEW



Prosperity Economy



BENEFITS DISTRIBUTION
TO THE INDONESIA'S
ECONOMY (RP MILLION)



MARKET PRESENCE
(UNITS)

	2019	2018	2017
Total Office Networks	451	503	542
Conventional branch offices	423	476	515
Sharia branch offices	28	27	27



FINANCIAL PERFORMANCE
(RP MILLION)

Credit disbursement

2019	194,237,351
2018	188,462,431
2017	185,115,806

Micro Small and Medium Enterprises (MSME) Financing *

2019	37,966,098
2018	37,261,998
2017	34,986,095

Total Operating Income

2019	16,824,730
2018	15,828,003
2017	15,755,827

Profit before tax

2019	4,953,897
2018	4,850,818
2017	4,155,020

Net Profit

2019	3,642,935
2018	3,482,428
2017	2,977,738






Earnings per Share (Rp)

2019	146.20
2018	139.67
2017	118.50

*The bank has no product yet that meets the criteria for the of sustainable business activities category (KKUB) other than MSME financing

Partnership Financial Technology



	2019	2018	2017
 CIMB CLICKS TRANSACTION VOLUME - RP BILLION	105,961	109,297	99,130
 BIZCHANNEL @CIMB TRANSACTION VOLUME - RP BILLION	2,839,385	2,462,825	1,844,092
 GO MOBILE TRANSACTION VOLUME - RP BILLION	53,337	22,974	13,777
 REKENING PONSEL TRANSACTION VOLUME - RP BILLION	10,586	5,603	5,942
 ATM, MULTI FUNCTION DEVICE (MFD), CASH DEPOSIT MACHINE (CDM) & CASH RECYCLING MACHINE (CRM) TRANSACTION VOLUME - RP BILLION	120.122	110.784	104.671

People Social

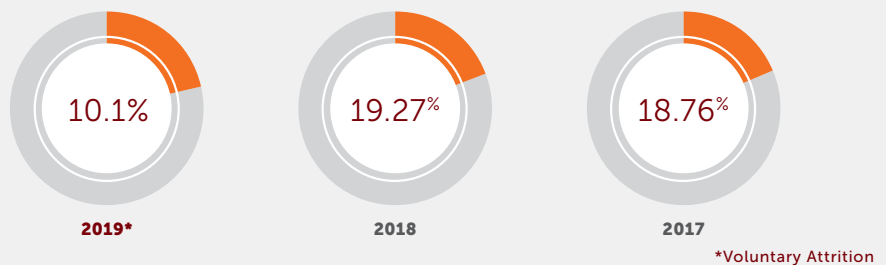


EMPLOYEE
DIVERSITY

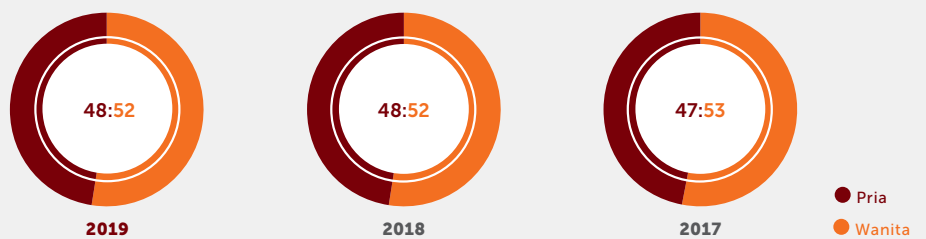
Number of employees



Employee Turnover



Composition of male and female employees (%)



COMMUNITY
INVESTMENTS

Realization of CSR education funds (Rp Million)



Realization of CSR community development funds (Rp Million)



Realization of total CSR funds (Rp Million)



Peace Together



Customer satisfaction level - Net Promoter Score (NPS)



2019

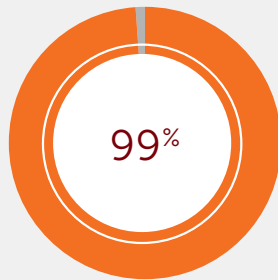


2018

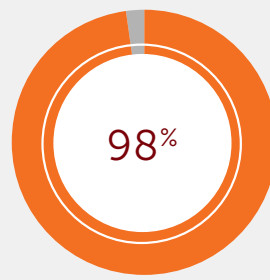


2017

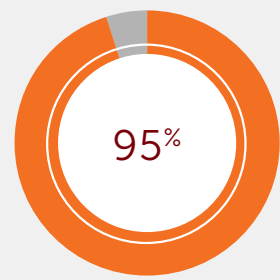
Settlement rate of customer complaints



2019

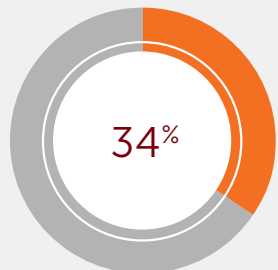


2018

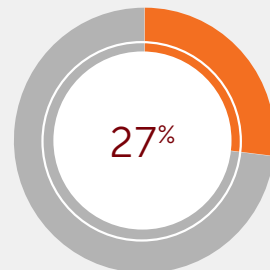


2017

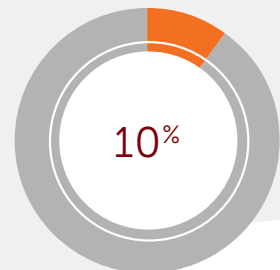
Percentage of whistleblowing reports investigated of total reports received



2019



2018



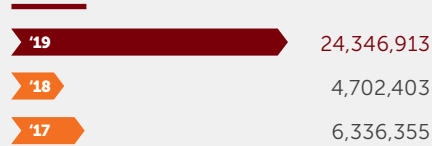
2017



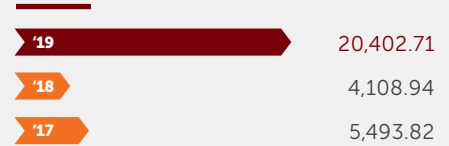
Planet Environment



Electricity Consumption (kWh)^a



Emissions (tons of CO₂e)^b



Gasoline consumption (liters)

1,263,035

Diesel fuel Consumption (liters)

128,007

Emissions (tons of CO₂)^c

3,376.65



Water volume from PDAM (m³)

192,340



Paper Volume (Reams)



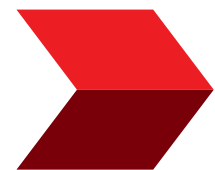
^a In 2017 and 2018 covered ±25% CIMB Niaga's branches, while in 2019 it covered more than 90% CIMB Niaga branches throughout Indonesia.

^b Modification of the Ministry of Mineral Resources Economy (2016) method, the emission factor used in the calculation is 8.38 x 10⁻⁴ t CO₂ / kWh equivalent.

^c Method of the Ministry of Environment and Forestry (2012), the conversion factor value for diesel is 2.68 and for gasoline is 2.40.



ABOUT **SUSTAINABILITY REPORT**



Report **Profile**

PT Bank CIMB Niaga (“CIMB Niaga” or “Bank”) provides sustainability performance information which covers economic, social, environmental and governance aspects to all stakeholders through its annual Sustainability Report. The Sustainability report contains information for the January 1 to December 31, 2019 reporting period and is a continuation of the previous report published on March 15, 2019. [102-50][102-51][102-52]

The development of the sustainability report refers to the Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017 regarding the Implementation of Sustainable Finance, Global Reporting Initiative (GRI) Standards: Comprehensive Option supplemented with Financial Service Sector (FS) supplement indicators, Sustainability Accounting Standard Board (SASB) and Sustainable Banking Assessment (SUSBA). The report also provides the performance contribution to the achievement of the Sustainable Development Goals (SDGs). [102-54][102-55][SUSBA 1.6.2.9]

In this report, there are no restatements of data submitted in the previous report. [102-48]

The sustainability report has been verified (assurance) by an independent party with AA1000 standards. The verification process was carried out to measure the report contents suitability to the sustainability and reporting principles, as well as to check the report contents against documentary evidence to ensure the report was reliable. The verification process was undertaken on 6 and 7 February 2020 at Graha CIMB Niaga. The independent party selection was based on competencies in the sustainability field and was approved by the Bank. The verification process ensured there were no conflicts of interest between the Bank and the assessor. [102-56]

For more information or to provide inputs on this Report, please contact: [102-53]

Corporate Secretary Graha CIMB Niaga

Jl. Jend Sudirman Kav.58, Jakarta 12190, Indonesia

-  corporate.secretary@cimbniaga.co.id
sustainability@cimbniaga.co.id
-  (62-21) 250 5252, 250 5353
-  (62-21) 250 5205
-  www.cimbniaga.com

Scope of Reporting

The scope of reporting data and information presented is derived from CIMB Niaga Head Office and operational activities throughout Indonesia. The financial data is derived from audited financial statements and are a consolidation of CIMB Niaga and its subsidiaries, PT CIMB Niaga Auto Finance (CNAF) and PT CIMB Niaga Sekuritas (CNS). The employee data and electricity consumption relate to CIMB Niaga working units and almost all branch offices across Indonesia. [102-45]

Report Content and Quality Determination

[102-46]

Sustainability reporting refers to the reporting principles, including stakeholder involvement, sustainability, context, materiality, and completeness. Also, the reporting quality takes into account the principles of balance, comparability, accuracy, timeliness, clarity, and reliability.

Determining the Sustainability Report

IDENTIFICATION

The sustainability topics identification process is adjusted to the banking industry characteristics and the stakeholders' influence.



TOPICS PRIORITIZATION [102-43]

To determine the sustainability topics relevant to the company's condition in 2019, the CIMB Niaga Sustainability Team conducted an internal discussion on January 10, 2020.



VALIDATION

Material topics were obtained from the results of joint discussions, as well as were validated and approved by the Board of Directors to prioritize the information presented in this report. [102-32]



REVIEW

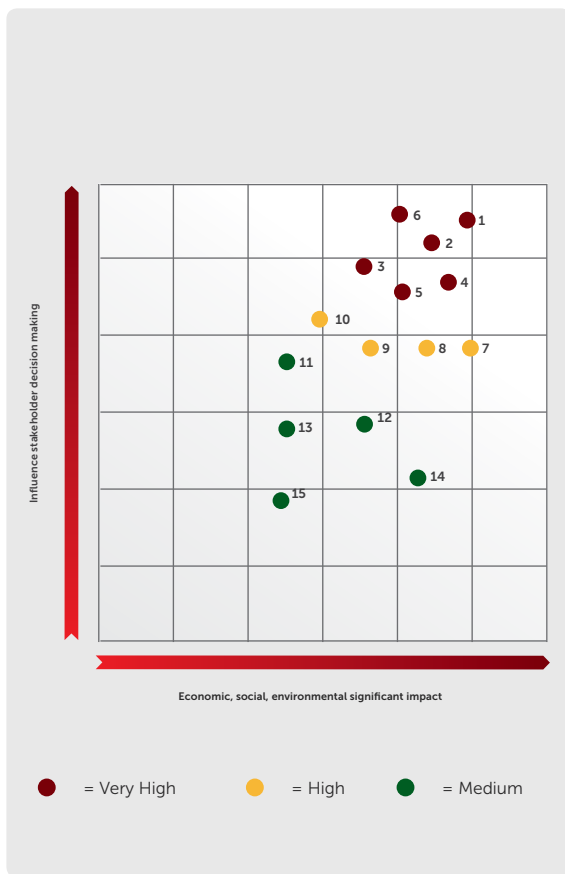
The last stage for determining the report content is a review. Review is conducted by paying attention and receiving suggestions from stakeholders, both through the feedback sheet and e-mail. These suggestions will be taken into consideration for the next report. Through this process, CIMB Niaga also responded to suggestions given to ensure that the information in sustainability report meet the stakeholders' needs.

Material Topics [102-49]

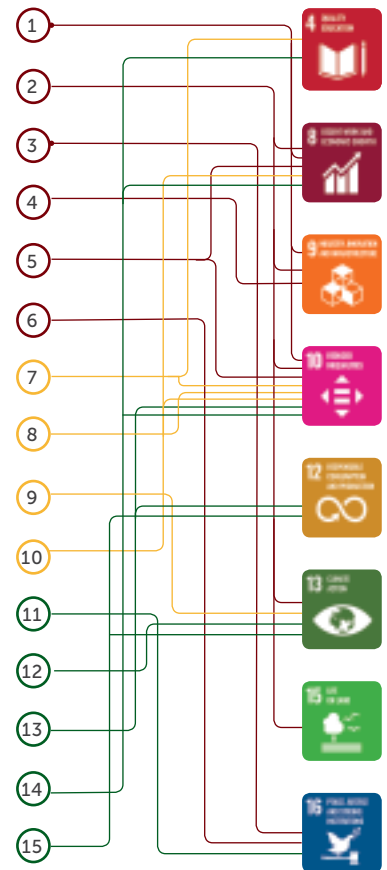
Sustainability issues covered in material topics were adapted to the relevant performance and the sustainable financial concepts, as presented in the report. There were no changes in the material topics and reporting scope from the previous year. Furthermore, CIMB Niaga mapped the business activity impacts towards SDGs achievement as well as the SDGs issues into CIMB Niaga's business activities. Details of this mapping is available at the page 97 of this report. CIMB Niaga will keep the commitment in supporting SDGs from business activities, as reflected in Race Forward towards a Better Indonesia'.

MATRIX ON MATERIAL TOPICS

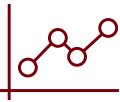



Material Topics Linkages to the SDGs



- Economic Performance
- Product Portfolio and Loan Quality
- Customer Information Protection
- Technology Development
- Indirect Economic Impact
- Company Reputation
- Education and Training
- Job Diversity and Opportunities
- Emissions
- Local Communities
- Anti Corruption
- Energy
- Procurement Practices
- Employment
- Waste and Effluent



MATERIAL TOPIC BOUNDARIES [102-47]

Material Topic Boundaries [102-47]		Impact on Stakeholders	
Topic	GRI and Financial Services Sector (FS)	Internal	External
 <p>ECONOMY</p>	<ul style="list-style-type: none"> Economic performance Product Portfolio and Financing Quality [SUSBA 1.1.1.10.] Procurement Practices Technology Development Policies related to application of social and environmental aspects in the Bank's business [FS1] Percentage of the business portfolio by banking sector [FS6] 	<ul style="list-style-type: none"> Shareholders 	<ul style="list-style-type: none"> Customers Regulators Investors
 <p>ENVIRONMENT</p>	<ul style="list-style-type: none"> Energy Emissions Waste and Effluent Monetary value of products and services designed to deliver environmental sustainability [FS8] 	<ul style="list-style-type: none"> Shareholders Employees Labour Unions 	<ul style="list-style-type: none"> Regulators Investors
 <p>SOCIAL</p>	<ul style="list-style-type: none"> Employment Diversity and Job Opportunities Education and Training Local Communities Protection of Customer Information Monetary value of products and services designed to deliver a specific social benefit [FS7] Enhancement of staff competencies to implement the environmental and social policies and procedures in the banking business activities [FS4] Access points in low populated or economically disadvantaged area that require banking support [FS13] Initiatives in improving access to financial services for disadvantaged people [FS14] 	<ul style="list-style-type: none"> Shareholders Employees Labour Unions 	<ul style="list-style-type: none"> Customers Public Regulators Investors
 <p>GOVERNANCE</p>	<ul style="list-style-type: none"> Protection of customer information Anti Corruption Audit coverage and frequency to assess the implementation of environmental and social policies and risk assessment procedures [FS9] [SUSBA 1.4.1.8.] 	<ul style="list-style-type: none"> Customers Regulators Investors 	<ul style="list-style-type: none"> Customers Regulators Investors



BRIEF **PROFILE**



Company Vision, **Mission and Values** [102-16]

“ The implementation of sustainability governance at CIMB Niaga is a responsibility that we take seriously. The Bank established a GCG & Sustainability Group working unit to ensure the implementation of sustainability and sustainable finance. ”

Fransiska Oei

Compliance, Corporate Affairs & Legal Director

VISION > To be the Leading ASEAN Company

VISION FOR SUSTAINABLE FINANCE

To be the Leading ASEAN Company that embraces the harmony of economic, social and environmental aspects

To provide universal banking services in Indonesia as a high-performing, institutionalized and integrated company located in ASEAN and key markets beyond, and to champion the acceleration of ASEAN integration and the region's links to the rest of the world

< MISSION

MISSION FOR SUSTAINABLE FINANCE

Conduct sustainable business activities that results in continuous and integrated growth

3 CRITICAL BEHAVIOURS



Go the extra-mile to delight customers



Respect each other, engage openly and work together



Recognize each other's efforts and always support each other

Core Values

C
H
E
S
I

*C*ustomer-centric

We exist to serve our customers and we sell products and services that our customers understand and value,

*H*igh Performance

We work hard and we work strategically for our customers, staff and other stakeholders,

*E*nabling People

We encourage our people to think big and look wide and ensure that they are appropriately empowered to deliver value,

*S*trength in Diversity

We have respect for different cultures, we value varied perspectives and we recognise diversity as a source of strength,

*I*ntegrity

We are honest, respectful and professional in everything we do because integrity is the founding value of CIMB Niaga.



CIMB NIAGA

Company Name [102-1]
PT Bank CIMB Niaga Tbk

Date and Year of Establishment
26 September 1955



Legal Basis of Establishment

Deed of Establishment No. 90 by Raden Meester Sowewandi, Notary in Jakarta, on 26 September 1955, amended by virtue of Deed No. 9 dated 4 November 1955. Deed of Establishment is endorsed with Decision of Justice Minister of the Republic of Indonesia (now Minister of Justice and Human Rights) No. J.A.5/110/15 dated 1 December 1955, State Gazette No. 71 dated 4 September 1956, State Gazette Supplement No. 729/1956.



Operational Area

[102-4] [102-10]

As of 31 December 2019, CIMB Niaga had 451 branch offices consisting of conventional, sharia, and mobile cash. The branch addresses can be found in the Branch Network List section in the CIMB Niaga 2019 Annual Report.



Ownership and Legal Entity

[102-5]

Limited Liability Company
Registered on the Indonesia Stock Exchange (IDX) on 29 November 1989
Shares and Bonds Code: BNGA 2019 Share Ownership:

- CIMB Group Sdn. Bhd: 91.48%
- PT Commerce Kapital: 1.02%
- Other Public Shareholders: 7.50%



Head Office

[102-3]

Graha CIMB Niaga
Jl. Jend Sudirman Kav. 58 Jakarta 12190, Indonesia
Tel: (+62-21) 250 5252, 250 5353
Fax: (+62-21) 250 5205



Website

www.cimbniaga.com



Email

Corporate Secretary : corporate.secretary@cimbniaga.co.id
Investor Relations : investor.relations@cimbniaga.co.id

Sectors and Types of Market Served

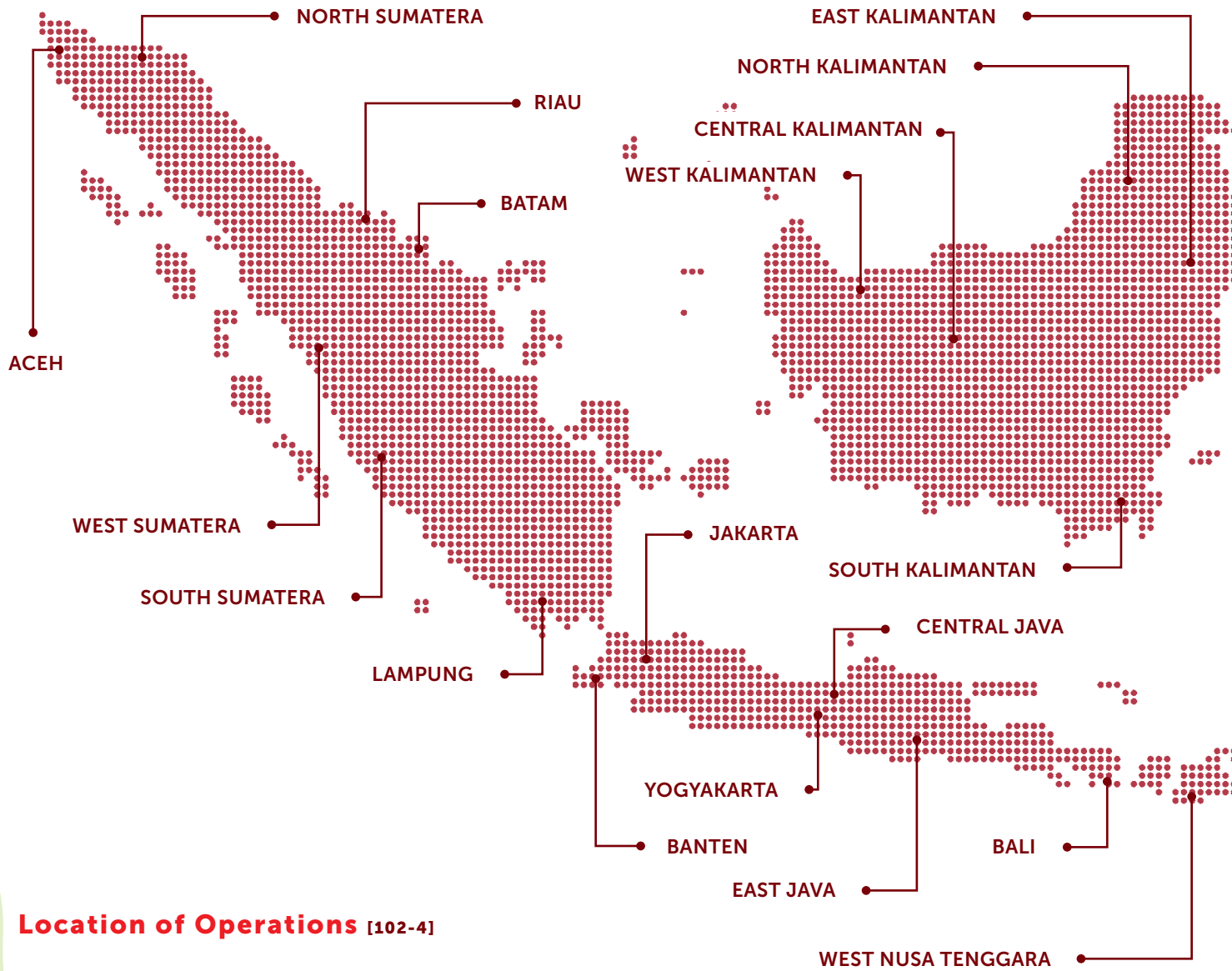
[102-2] [102-46]

CIMB Niaga's services cover consumer banking, micro, small and medium business (MSME), commercial banking, and corporate banking, supported by treasury and transaction banking capabilities with a reliable branchless banking network. CIMB Niaga also has sharia products and services through the CIMB Niaga Syariah Business Unit. The Bank is listed as having shares in subsidiaries, namely PT CIMB Niaga Auto Finance (CNAF), engaged in auto financing, and PT CIMB Niaga Sekuritas (CNS), a securities company.

During 2019, there were changes in the number of branches, sub-branch offices and work units operating, but these did not have a significant effect on the Bank's operational activities. Also, there were no significant changes in the Bank's ownership structure. [102-10]

Detailed information regarding types of product and service is available in the 2019 CIMB Niaga Annual Report.

Operational Areas [102-6]



Location of Operations [102-4]

Sumatera

55 Conventional Offices
9 Sharia Offices

Yogyakarta

12 Conventional Offices
1 Sharia Offices

Sulawesi

11 Conventional Offices
1 Sharia Offices

DKI Jakarta

123 Conventional Offices
3 Sharia Offices

East Java

62 Conventional Offices
2 Sharia Offices

West Java and Banten

82 Conventional Offices
6 Sharia Offices

Bali and Nusa Tenggara

15 Conventional Offices
2 Sharia Offices

Maluku and Papua

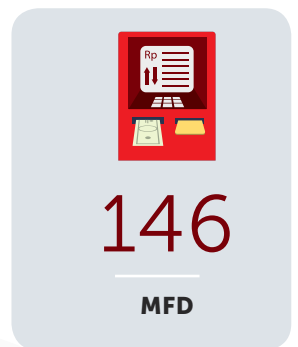
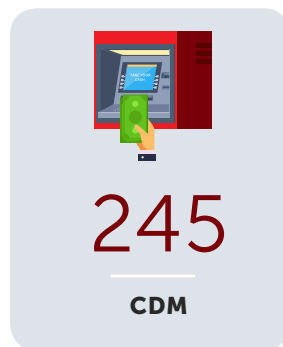
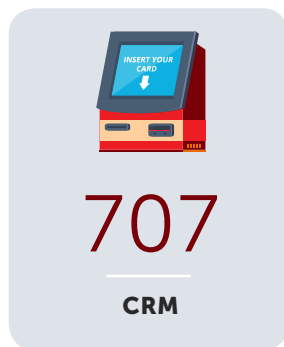
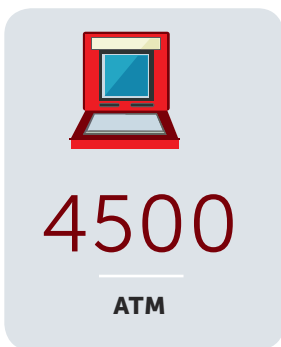
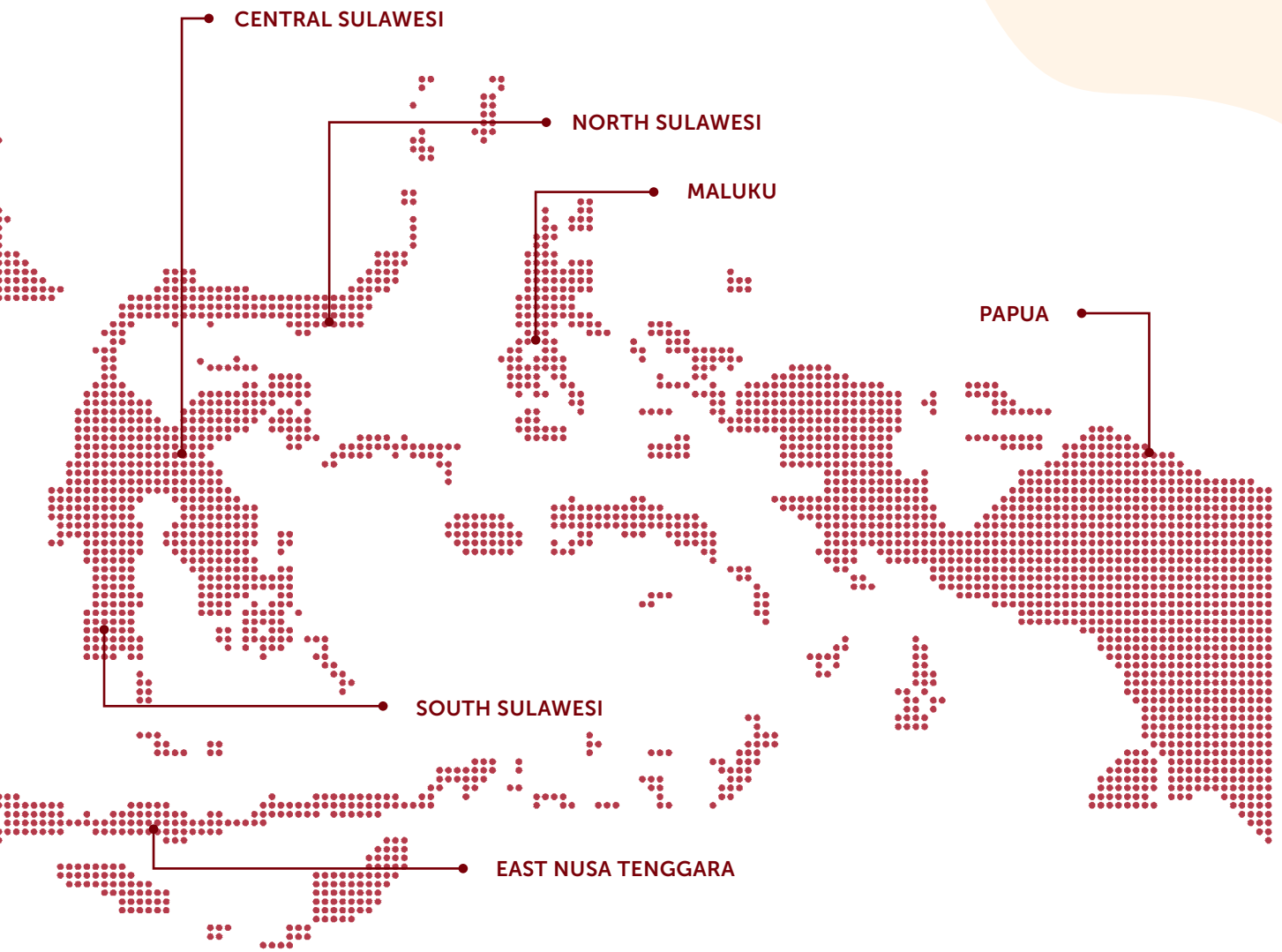
7 Conventional Offices

Central Java

41 Conventional Offices
2 Sharia Offices

Kalimantan

15 Conventional Offices
2 Sharia Offices



Information: • CRM : Cash Recycle machine • CDM : Cash Deposit Machine • MFD : Multi Function Device

Company Scale [102-7]

Total Employees (People)

2019	12,372
2018	12,461
2017	12,782

Net Profit (Rp Million)

2019	3,642,935
2018	3,482,428
2017	2,977,738

Operating Income (Rp Million)

2019	16,824,730
2018	15,828,003
2017	15,755,827

Total Assets (Rp Million)

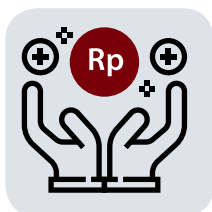
2019	274,467,227
2018	266,781,498
2017	266,305,445

Total Loan (Rp Million)

2019	194,237,531
2018	188,462,431
2017	185,115,806

Payables / liabilities

2019	231,173,061
2018	227,200,919
2017	229,354,449



TOTAL THIRD PARTY FUNDS (RP MILLION)



	2019	2019	2019
Current Accounts	48,943,913	45,857,151	49,281,023
Saving Deposits	59,316,069	54,495,883	50,214,272
Deposits	87,340,318	90,397,184	89,821,901

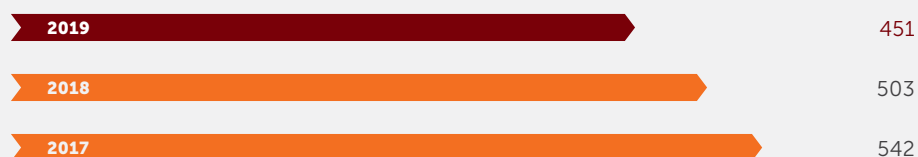


TOTAL CAPITALIZATION

Equity (Rp Million)



Number of Operating Work Units (Unit)



Number of products and services (Product and services)



CIMB Niaga Employees

CIMB Niaga upholds diversity and provides equal employment opportunities for all employees, including the Board of Directors and Board of Commissioners, based on their competencies. As of the end of 2019, CIMB Niaga had 11,127 permanent employees and 1,245 contract employees. All employees (100%) are protected by Collective Labor Agreements (CLA), which are guidelines in maintaining employment and industrial relations. [102-8, 102-41] [405-1]

Employee Composition by Employment Status [102-8]

Status	2019		2018		2017	
	Male	Female	Male	Female	Male	Female
Permanent	5,235	5,892	5,241	6,040	5,280	6,195
Contract	711	534	690	490	744	563
Total	5,946	6,426	5,931	6,530	6,024	6,758
	12,372		12,461		12,782	

Employee Composition by Region [102-8]

Region	2019		2018		2017	
	Male	Female	Male	Female	Male	Female
Jakarta Region	3,719	3,626	3,595	3,610	3,549	3,643
Sumatera Region	534	649	540	668	583	725
West Java Region	356	401	373	439	387	481
Central Java and DIY Region	422	623	482	678	515	742
East Java Region, Bali and Nusa Tenggara	640	811	654	814	670	836
Eastern Indonesia Region	275	316	287	321	320	331
Total	5,946	6,426	5,931	6,530	6,024	6,758
	12,372		12,461		12,782	

Employee Composition by Gender and Organisation Level [102-8]

Organization Level	2019		2018		2017	
	Male	Female	Male	Female	Male	Female
Senior Management	135	67	124	74	120	64
Middle Management	841	587	858	574	829	549
Junior Management	3,672	3,816	3,444	3,726	3,411	3,790
Non Management	1,298	1,956	1,505	2,156	1,664	2,355
Total	5,946	6,426	5,931	6,530	6,024	6,758
	12,372		12,461		12,782	

Employee Composition by Age [102-8]

Age	2019	2018	2017
< 25 years	1,275	771	934
> 25–30 years	2,972	2,863	2,985
> 30–35 years	2,710	2,697	2,771
> 35–40 years	2,305	2,446	2,401
> 40 years	3,110	3,684	3,691
Total	12,372	12,461	12,782

Employee Composition by Education Level [102-8]

Educational Level	2019	2018	2017
Up to High School	825	956	1,030
Diploma 1	37	36	46
Diploma 2	14	15	19
Diploma 3	1,764	1,889	2,033
Diploma 4	7	9	6
Bachelor's Degree	9,186	9,045	9,156
Master's Degree	536	509	490
PhD	3	2	2
Total	12,372	12,461	12,782

Management and Employee Composition by Nationality [102-8]

Organizational Level	2019	2019	2019
	Indonesia	Non-Indonesia	Total
Board of Commissioners	4	3	7
Board of Directors	10	1	11
Senior Management	199	3	202
Middle Management	1,424	4	1,428
Junior Management	7,488	0	7,488
Non-Management	3,254	0	3,254
Total	12,379	11	12,390

Prudential Principle

In conducting business activities, CIMB Niaga always applies the prudential principle and proper risk management. The Bank always complies with the prevailing provisions and legal norms. The prudential principle is also applied for the fund collection and distribution to the public. [102-11] [102-12]

Detailed information regarding risk management is available in the 2019 Annual Report.

External Initiatives and Association Membership [102-12, 102-13] [SUSBA-1.1.2.2.]

On November 26, 2019, CIMB Niaga officially became a member of the Indonesian Sustainable Finance Initiative (IKBI). CIMB Niaga membership shows the Bank's commitment in implementing inclusive sustainable finance practices in the financial services sector. CIMB Niaga is not yet included on the Global Systematically Important Bank (G-SIB) list. [FN-CB-550a.1]

Organization Name	Objective	Position or Involvement
 Asosiasi Emiten Indonesia (AEI)	Stock Issuers Association	Bank as member
 Kustodian Sentral Efek Indonesia (KSEI)	Processing dividend or bond payment to shareholders listed on the Exchange (mandatory)	Bank as member
 PERBANAS Perhimpunan Bank Swasta Nasional (Perbanas)	National Private Banks Association	<ul style="list-style-type: none"> Bank as a member President Director as Deputy Chairperson Director of Sharia Banking as Board Member HR Director as Manager of Governance, Education & HR Development Director of Compliance, Corporate Affairs & Law as Chair of Legal Affairs
 Lembaga Alternatif Penyelesaian Sengketa Perbankan Indonesia (LAPSPI)	Settlement of banking related disputes (mandatory)	Director of Compliance, Corporate Affairs & Law as Chairman of the Regulatory Body
 Indonesian Corporate Secretary Association (ICSA)	Corporate Secretary Association	Director of Compliance, Corporate Affairs & Legal as member
 Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)	Compliance Director Association	Director of Compliance, Corporate Affairs & Legal as chairman
 Kamar Dagang Indonesia (KADIN)	Communication, information, representation, consultation, facilitation and advocacy platform for Indonesian entrepreneurs	President Director as Chair of the Malaysia Bilateral Committee
 ASOSIASI PENGUSAHA INDONESIA Asosiasi Pengusaha Indonesia (APINDO)	Bridging bipartite relations between employees and employers	President Director as Chair of Banking, Financial Services and Taxation
 INISIATIF KEUANGAN BERKELAJUTAN INDONESIA Inisiatif Keuangan Berkelanjutan Indonesia (IKBI)	The commitment of Indonesian banks in implementing inclusive sustainable financial practices	Bank as member

Supply Chain and Procurement Practices [102-9]

CIMB Niaga works with local companies in goods and services procurement. Involving local companies is one of the commitments to provide indirect benefits to the surrounding communities. This commitment is in line with E.03.01 policy related to procurement of goods and services. The Bank always ensures that the procurement of goods and services process is well managed, can be accounted for, and is carried out by taking into account the good corporate governance principles.

The procurement of goods and services is conducted with the principles of transparency and avoiding conflicts of interest, practicing ethical standards, and focusing on the goal of obtaining the goods or services needed at the optimal cost and quality. The procurement of goods and services is the responsibility of the Strategic Procurement & Admin Property Management Unit (SPAPM) under the Directorate of Finance & SPAPM. In order to ensure a good governance process, there are involvement of other units, including Legal, Finance, Internal Audit and Operational Risk Management.

By the end of 2019, there were 435 partners as part of the CIMB Niaga supply chain, both domestic and foreign partners. Domestic partners can be defined as local suppliers, and includes security services, sales and promotion services, debt collecting services, cleaning services, transportation, and others.

The initial steps taken by CIMB Niaga in determining suppliers/partners are conducting studies and evaluations related to economic, social, environmental and governance aspects, which include:

- Ensuring the completeness of business licenses in accordance with the provisions
- Conducting visits to the business locations
- Cross-check the given references
- Screening partners using the Bank Indonesia Black List application, the Anti Money Laundering application, and the Financial Information Services System application

In 2019, the Bank put in sustainability due diligence evaluation process, to ensure that suppliers/partners working with the Bank have no negative impact on the environmental and/or social aspects.

CIMB NIAGA partners

	Domestic Partners	Foreign Partners	Total
2017	395	26	421
2018	400	25	425
2019	420	15	435



SUSTAINABILITY **GOVERNANCE**



Company **Reputation**

As a banking financial service company, reputation plays an important role for the Bank's business success. CIMB Niaga always pays close attention to the CIMB Niaga employees' performance and behavior that can influence stakeholder trust. Therefore, the Bank always builds and maintains the company's good reputation.

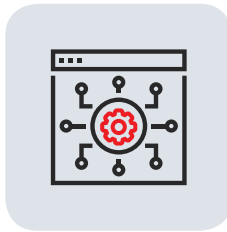
The efforts to maintain customer trust through the company's reputation include increasing technology development to support information protection systems and complaint handling. The Bank also improves service quality, as well as provides digitalized products and services for one of the target markets, millennials. The Bank also conducts customer satisfaction surveys, as well as periodic evaluations to maintain and manage the Bank's reputation risk. In 2019, there were no incidents that caused a significant decline in reputation.

Corporate Governance

CIMB Niaga Governance refers to the four pillars:



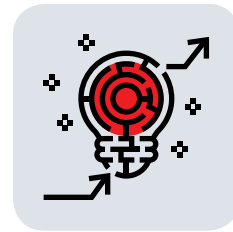
**Governance
commitment**



**Governance
structure**



**Governance
process**



**Governance
outcome**

The four Governance Pillars become the basis and reference for the Bank's responsibility in implementing good governance. CIMB Niaga has benefited from a consistent governance principle through the four pillars.

Benefits of the Governance Implementation:

1. Creating a foundation for long-term development
2. Raising the Bank's image
3. Increasing competitiveness
4. Increasing investor trust
5. Increasing the share value

CIMB Niaga always implements the Corporate Governance principles beyond compliance, to achieve good and sustainable performance. CIMB Niaga does not only comply with the principles, but also implements good governance as its key driver for increasing the benefits and added value for its stakeholders. This Governance Guideline is regulated in the Corporate Policy Manual version 01 of 2016, as the highest policy at CIMB Niaga.

“ We are inviting all stakeholders to jointly race to preserve the environment for our future, our Indonesia. ”

Fransiska Oei

Compliance, Corporate Affairs & Legal Director

Sustainability Governance

The General Meeting of Shareholders (GMS) is the highest body in the CIMB Niaga governance structure, and is attended by the Board of Commissioners and Board of Directors, as well as is supported by supporting bodies consisting of Committees below the Board of Commissioners, Committees below the Board of Directors, Corporate Secretary, Business / Support Units, and Independent Units.

Detailed description and disclosure of information regarding the duties, responsibilities and authorities of the GMS, the Board of Directors and the Board of Commissioners, are presented in the 2019 Annual Report compiled separately from this report, but complementary.

[102-22, 102-24, 102-25, 102-26, 102-27, 102-28]

Sustainable Finance Governance Structure [102-18]



In implementing the sustainability aspects and sustainable finance principles, the Board of Commissioners is responsible for ensuring harmony in economic, environmental, social and governance aspects. The Board of Directors consider all these aspects during the business strategy formulation and business activity performance.

[102-20, 102-23, 102-29]

The Board of Commissioners' duties and responsibilities for the implementation of sustainability aspects and sustainable finance principles, including:

- Discussing and providing input on exposure to sustainability and/or sustainable finance performance delivered by the Board of Directors.
- Approving the Sustainable Financial Action Plan (RAKB) prepared by the Board of Directors, to be submitted to the Financial Services Authority (OJK).

In carrying out its duties and responsibilities for the sustainability and sustainable finance principles application, Board of Commissioners is assisted by the Audit Committee. [SUSBA 1.4.1.7]

Meanwhile, as stated in the Board of Directors' Charter, the Board of Directors is responsible for paying attention to create the harmony of economic, environmental, social and governance aspects business strategy formulation and business activity performance in accordance with sustainable banking business.

[102-20, 102-29, 102-34]

The Board of Directors' duties and responsibilities for the implementation of sustainability aspects and sustainable finance principles, including:

- Ensuring the sustainability strategies are consistent with the Bank's overall strategy
- Approving policies and procedures related to sustainability aspects and sustainable finance principles
- Preparing the RAKB to be submitted to OJK after obtaining approval from the Board of Commissioners
- Conducting periodic reviews to evaluate sustainability and financial sustainability performance

RAKB implementation is the responsibility of all Board of entire Board of Directors. The Board of Directors has appointed Director of Compliance, Corporate Affairs and Legal as the Director responsible for the RAKB implementation including monitoring and evaluation. CIMB Niaga has also established a Good Corporate Governance and Sustainability (GCG & Sustainability) working unit that is responsible for coordinating sustainable finance implementation, including the RAKB program. [SUSBA 1.4.1.1, 1.4.1.3, 1.4.2.1] However, CIMB Niaga has not yet appointed a specific unit responsible for the climate change's monitoring.

The Director of Compliance, Corporate Affairs and Legal duties and responsibilities for the implementation of sustainability aspects and sustainable finance principles includes:

- Leading the preparation of the Sustainable Financial Action Plan (RAKB)
- Ensuring the RAKB is aligned with the vision and mission
- Coordinating, evaluating and following up on RAKB implementation regularly
- Ensuring the implementation of adequate frameworks, policies, methodologies, procedures and/or supervision to mitigate sustainability risks
- Conducting supervision and ensuring the implementation of ongoing activities/initiatives in line with the Bank's strategy
- Paying attention and providing input on sustainability reports

GCG & Sustainability Group's duties and responsibilities related to the implementation of sustainability aspects and sustainable financial principles includes: [102-19]

- Developing sustainability and financial sustainability policies
- Proposing and ensuring the Sustainable Finance vision and mission is periodically reviewed and in line with the Bank's vision and mission
- Preparing the RAKB and submitting it to the regulator [SUSBA-1.1.2.2]
- Overseeing the RAKB implementation, both the Bank's development of sustainable finance products/services, capacity building, and internal adjustments
- Carrying out initiatives and overseeing the implementation of sustainability culture and activities/initiatives in the Bank's internal environment
- Increasing awareness of sustainable finance practices and culture at the Bank.
- Ensuring the ongoing implementation of financial communication to stakeholders.

Enhancing Sustainable Finance Competencies

The Board of Commissioners, Board of Directors and all CIMB Niaga employees actively develop their competencies related to the application of sustainability aspects and sustainable finance principles. Competency development is carried out through in-house trainings, seminars and workshops delivered by third parties. Also, CIMB Niaga has developed a training module on sustainability and sustainable finance through an e-learning platform, namely Learning on the Go (LoG). As of the end of 2019, 4,417 employees had completed the modules.

Training on sustainability aspects and the principles of sustainable finance during 2019 includes:

1. Understanding of sustainability and sustainable finance
2. Sustainable finance implementation in Bank's focus industrial sector & 12 sustainable business activity categories (KKUB)
3. BizChannel socialization
4. Green Bonds

Sustainable Finance Training (FS4) [SUSBA-WWF 1.4.2.2, 1.4.2.3]

Position	Total Participants	Training Title	Organizers
Board of Commissioners	1	International Seminar on Finance Sector Movement towards a Climate Resilient Economy	IKBI
Board of Directors	5	Sustainable Finance Awareness for Leaders	CIMB Niaga
Employees	444	<ul style="list-style-type: none"> • Sustainable Finance Awareness for Leaders • Sustainable Finance Awareness & Reporting • Sustainable Finance Industrial Sectors • Sustainable Finance for Sharia • Sustainable Finance Summit • Analisis Lingkungan Hidup (TAL) • The Green Bonds & Sustainable Finance Executive Program 	<ul style="list-style-type: none"> • CIMB Niaga • OJK • SSE Executive Education, ICMA in partner with IFC

Sustainable Finance Training by Industrial Sector (FS4) [SUSBA-WWF 1.4.2.2]

Industrial Sector	Total Participants	Training Title	Organizer
Palm Oil	43	Sustainable Financial Training in Palm Oil Sector	CIMB Niaga
Healthcare	26	Sustainable Finance Training in Healthcare Industry Sector: Hospital and Pharmacy	CIMB Niaga
Infrastructure – Toll Road	23	Sustainable Finance Training on the Infrastructure Sector: Toll Road	CIMB Niaga
Infrastructure – Public Transportation	15	Sustainable Finance Training on the Infrastructure Sector: Public Transportation – Light Rail Transit	CIMB Niaga
Renewable Energy	13	Sustainable Finance Training on Renewable and Clean Energy Sector	CIMB Niaga
	3	Environmental Analysis Training on Solar Power Generation Project	OJK

In addition to internal training conducted by the Bank, CIMB Niaga management and employees are also active as resource persons in training or seminars conducted by third parties.

Role of CIMB Niaga as a Resource Person in Sustainable Financial Events

Position	Name	Event Name	Organizer
Director	Fransiska Oei	Workshop: "BUKU 1 and BUKU 2 Bank Readiness for Implementing POJK No. 51/2017 "	Perbanas
Director	Fransiska Oei	Sustainable Finance Training	OJK
Sustainability Specialist	Leo Mualim	Palm-Oil Sustainability Discussion	Singapore Institute of International Affairs

CIMB Niaga is aware that the successful sustainability and sustainable finance performance implementation requires support and involvement from all stakeholders, including non-profit organizations, research institutions and universities. To that end, in 2019, the Bank invited customers in several capacity building programs regarding sustainable finance. These activities aim to increase awareness so that more stakeholders are capable to implement sustainable finance principles in their business activities. CIMB Niaga also cooperates with WWF Indonesia to carry out capacity building by inviting customers/debtors. The number of debtors participating in this program is 4 (four) of the total Bank's debtors. Furthermore, the provision of information on sustainability and sustainable finance aspects in CSR activities was also conveyed with the help of the Yayasan KEHATI. [FS5, FS10] [SUSBA 1.1.1.8., 1.5.1.4].

Sustainability Policies and Procedures

[102-30, 102-31, 102-33, 102-34] [SUSBA 1.2.1.14., 1.2.2.4]

The Bank has developed Sustainability Policy and Procedure, as well as Sustainable Financial Policy. These policies and procedures are formulated with the aim to identify, measure, monitor and control the sustainability and sustainable finance implementation risks. Bank will conduct periodical reviews on the alignment of current policies with sustainability and sustainable finance best practice. [SUSBA 1.2.2.4]

Sustainability Policy and Procedure accommodate framework, strategy and approach to implement sustainability in various business activities of the Bank. The sustainability policy aims to provide clarity and transparency regarding how sustainability risks must be managed by the Bank in efficient and effective way. Sustainability Policy and Procedure will enable Bank to identify, monitor and control sustainability risks at the Bank.

Sustainable Finance Policy is a guide for the Bank in regard to the environmental and/or social risks as well as their impacts, particularly on Bank's credit/financing decision making. This policy aims to integrate environmental and/or social aspects into the Bank's credit/financing decisions and to manage direct or indirect environmental and/or social risks from customers financed by the Bank. Thus, the Bank is able to make decisions based on the information related to the Bank's values and aspirations in providing responsible and sustainable financial services. In addition, Sustainable Finance Policy also helps directing Bank in taking opportunities to create positive impacts and values for all stakeholders. This Sustainable Financial Policy will be immediately followed up with the development of Sustainable Finance Procedure.

Five main principles in implementing sustainability are:

1. The Bank ensures that operational activities and employee behavior are in line with the provisions under the Sustainability Policy.
2. The Bank will not be consciously involved in business activities or business relationships that do not meet the provisions in the Sustainability Policy.
3. The Bank will always try to create a positive-clean impact on partners and the community; will adopt an inclusive approach to its partners; and strive to positively influence their performance and commitment to sustainability.
4. The Bank will actively and transparently engage with stakeholders on sustainability risk management and identify opportunities for sustainable growth.
5. The Bank will take a proactive approach in integrating ESG risk assessments in key activities, such as lending/financing, investments, procurements, and operational impact management.

The Board of Directors is responsible to approve Sustainability and Sustainable Finance Policy, and to ensure the sustainability strategy and RAKB are in line with the Bank's business strategy. The Board of Directors will periodically receive and evaluate sustainable finance portfolio report and sustainable finance risk report. Based on 2019 reports, there were no significant concerns regarding the implementation of the RAKB communicated to the Board of Directors.

The Board of Directors then submits the RAKB proposal for input and approval by the Board of Commissioners. The Board of Commissioners and/or the Audit Committee reviews the RAKB provided by the Board of Directors, particularly on the results of portfolio identification, ongoing financial risk, and the realization of the RAKB. Through this evaluation process, the Board of Directors and Board of Commissioners ensure the implementation of sustainability strategies, sustainable finance portfolio growth performance, and sustainable finance risk mitigation have been carried out properly. If necessary, the Board of Directors and the Board of Commissioners will take steps to mitigate any identified ESG risks.

Issues, Progresses and Significances on the Implementation of Sustainable Finance

CIMB Niaga has implemented sustainability aspects and sustainable finance principles, as well as carrying out short-term priorities stated in the RAKB 2019-2023. Based on the evaluation, the issues faced by the Bank in implementing the 2019 RAKB include:

- Environmental and/or social issues in the oil palm sector, including: land fires, reduced biodiversity, issues of legality of land rights, and others.
- Lack of understanding of sustainability aspects and sustainable finance principles, both from Bank employees and stakeholders.
- Limited certification that supports sustainable finance, such as Indonesia Sustainable Palm Oil (ISPO) or Roundtable on Sustainable Palm Oil (RSPO) and green building.
- Limited green office initiatives.
- Limited green projects that can be funded by the Bank.
- There is still a need for time to implement sustainability procedures in various Bank's business activities.

CIMB Niaga provides various solutions on the existing problems or obstacles to solve the problems or minimize the negative impacts. These efforts include:

- Conducting trainings/socialization related to sustainability and sustainable finance for employees and invited customers.
- Conducting campaigns and various initiatives related to the environment by involving other working units, such as campaigns to reduce the use of plastic bottles, waste sorting and waste management. These efforts aim to raise the awareness on the concept of green office.
- Socialization of Sustainability Policy to related working units.

The significance of identified direct and indirect issues in the RAKB implementation, include:

- Customer awareness regarding ESG issues and risks must still be improved.
- There are still customers who experience problems in obtaining certification related to sustainability, such as ISPO, RSPO or green building.
- Initiatives related to an environmental-friendly working environment have not yet reached all the buildings operated by the Bank.
- Awareness of the climate change impact is not yet fully understood by stakeholders.

Stakeholder Engagement [102-21]

“ We respond actively to the needs of stakeholders as a form of engagement that will support sustainability. ”

Lina,
GCG & Sustainability Head

Stakeholder engagement is identified through a proximity approach and the amount of power that can influence each other and are influenced by the Bank. [102-42] [SUSBA 1.1.1.7] In addition, the Bank engages and discusses with the stakeholders on the the latest information related to environmental, social, economic and governance aspects on the application of sustainability and sustainable finance and its impact on the Bank and other stakeholders. Some of the stakeholders come from non-profit organizations, research institutions and universities.

Identification of Stakeholder Needs and Approaches [102-40] [102-43][102-44] [102-48] [SUSBA 1.1.1.9]



Customers

Topic	Method of Engagement	Frequency of Approach	Company Response
<ul style="list-style-type: none"> • Security of banking financial transactions • Banking facilities and ease of access • Banking facilities and ease of access • Customer complaints settlement in accordance with the Service Level Agreement (SLA) 	Call Center, branch offices, phone banking, websites, social media (facebook, instagram and twitter)	Anytime	<ul style="list-style-type: none"> • Receiving customer grievances/ complaints • Identifying customer satisfaction and the necessary improvement aspects • External parties' assessment related to customer satisfaction performance • Banking financial education on the banking products
	Customer and internal satisfaction surveys	Once a year by the Bank	
	External assessments on customer satisfaction	Once a year by each surveyor	
	Website & frontliner information	As needed	



Shareholders/Investors

Topic	Method of Engagement	Frequency of Approach	Company Response
<ul style="list-style-type: none"> Financial and non-financial performance updates Important activities/corporate events (CSR activities and events) 	<ul style="list-style-type: none"> Performance reporting Analyst Meetings 	Quarterly	<ul style="list-style-type: none"> Delivering company organization performance Reporting year-end performance
	Public Expose	At least once a year	
	Reporting to the Indonesia Stock Exchange (IDX)	In accordance with Stock Exchange provisions	
<ul style="list-style-type: none"> Submission of year-end financial and non-financial performance Appointment of the Public Accounting Firm Use of company profits Changes in the Board of Commissioners, Board of Directors and Sharia Supervisory Board composition Determination of salary or honorarium, bonuses and other benefits for the Board of Commissioners, Board of Directors, and Sharia Supervisory Board 	General Meeting of Shareholders	At least once a year	



Regulator

Topic	Method of Engagement	Frequency of Approach	Company Response
<ul style="list-style-type: none"> Compliance with applicable laws and regulations The prudential principle in the conventional and sharia banking operations and services 	<ul style="list-style-type: none"> Submission of the Bank Business Plan (RBB) and RBB Realization Report to Bank Indonesia and OJK Submission of RAKB to OJK Sharia compliance report to the National Sharia Board Other reports in accordance with applicable regulations to the regulators 	<ul style="list-style-type: none"> Twice a year In accordance with OJK provisions 	<ul style="list-style-type: none"> Reporting the Company's plans and achievements in accordance with the applicable laws and regulations Reporting the level of compliance with sharia principles



Suppliers

Topic	Method of Engagement	Frequency of Approach	Company Response
<ul style="list-style-type: none"> Mutually beneficial relationships with suppliers The fair and transparent process of procuring goods and services 	Policy socialization (gatherings)	At least once a year	Developing cooperation with CIMB Niaga business partners for the procurement of goods and services to the Company



Employees

Topic	Method of Engagement	Frequency of Approach	Company Response
<ul style="list-style-type: none"> Employee rights Equal career development opportunities Recruitment process Company performance update A valuable and enjoyable working experience 	<ul style="list-style-type: none"> Internal Media (HR Info, CIMB Net, E-Manual) Town Hall 	<ul style="list-style-type: none"> Any information that needs to be conveyed to employees When policy changes occur 	<ul style="list-style-type: none"> Socializing employment policies and strategies Identifying employee satisfaction and expectations
	<ul style="list-style-type: none"> Survei Kepuasan Karyawan (employee engagement survey/ EES) Internal Customer Satisfaction (ICS) 	<ul style="list-style-type: none"> Twice a year Every year 	



Local Communities

Topic	Method of Engagement	Frequency of Approach	Company Response
<ul style="list-style-type: none"> Conducting CSR programs Developing and Empowering communities to provide added value to the community Measuring the activities' impact on the beneficiaries 	<ul style="list-style-type: none"> Discussions with beneficiaries Meetings and discussions with Foundations or Consultants acting as community development partners 	<ul style="list-style-type: none"> Performed during initiation, implementation and supervision of any program AdHoc if there is an urgent need to be communicated 	<ul style="list-style-type: none"> Providing solutions to the arised issues Conducting field visits to community program beneficiaries



Labour Union

Topic	Method of Engagement	Frequency of Approach	Company Response
<ul style="list-style-type: none"> Company policies to employee management Employees' problems that have been submitted to the Labour Unions as the employees' representative organization Implementation of the Company's industrial relations Preparations for negotiating a Collective Labor Agreement (CLA) Labour Unions' inputs and proposals to the Management regarding the Employees' and the Company's rights and obligations 	Meetings and discussions	<p>As needed</p> <p>For 2019 there were 11 meetings with Labour Unions to discuss good working relations</p>	<ul style="list-style-type: none"> Accommodating and identifying proposals and input from Labour Unions Conducting communications to resolve industrial relations disputes Adopting a formal and informal approach, as well as creating a concept of good cooperation between Management and Labour Unions to create harmonious industrial relations

Anti-Corruption Policy and Strategy [205-1]

CIMB Niaga is committed to maintain the anti-fraud and anti-corruption principles in their business activities. This commitment is very important and in accordance with the Bank's main activities that are closely related to financial transactions. Anti-fraud and anti-corruption have significant influence on the Bank's sustainability.

In 2019, CIMB Niaga developed an Anti-Corruption Policy No. M.11 of 2019 as the Bank's commitment in supporting anti-corruption practice. This policy regulates the Bank's principles in supporting anti-corruption practice; anti-corruption commitment; responsible parties; corruption practice prevention program; prohibition of gratification and political contributions; provision of sanctions for violations; and documentation and reporting.

The Bank has policies and strategies to achieve a zero fraud target. Anti-fraud and anti-corruption policies are integrated with other policies so they can become guidelines in mitigating and preventing fraud and corruption that are inherent in every activity. Until the end of 2019, through corruption prevention efforts evaluated by the Anti-fraud Management Work Unit (AFM), there was no identified significant corruption risks. Hence, there was no significant losses in regards to fraud or corruption. [FN-CB-510a.1]

Anti-Money Laundering & Terrorism Financing Prevention Program (APU and PPT)

CIMB Niaga prevent products, services and e-channels that are used as a medium for money laundering and terrorism financing. Therefore, CIMB Niaga implements APU and PPT program aims to build an adequate risk culture at all organizational levels.

APU and PPT program is undertaken by applying 3 (three) lines of defence, which are as follows:

1. First Line of Defence, followed by the Bank's Business/Control/Operations Units which conduct daily activities as the front line of the organization.
2. Second Line of Defense, a monitoring function to ensure the first line of defense has carried out a proper function.
3. Third Line of Defence, a monitoring function of the APU and PPT Programs carried out by the first and second lines of defence. This function is conducted by internal auditors, external auditors and the Board of Commissioners to ensure that the first-line and second-line defence functions were effective.

The implementation of APU and PPT activities is actively monitored by the Directors and Board of Commissioners. Implementation activities include the implementation of APU and PPT policies and procedures, the formation of the Anti Money Laundering (AML) Group, APU and PPT training for employees, evaluation of effectiveness by internal parties, and reports to the Regulator. The Bank also applies Know Your Employee (KYE) as part of efforts to prevent APU, PPT and fraud.

Anti-Fraud Strategy

The anti-fraud strategy is CIMB Niaga's commitment to a zero tolerance for all types of fraud and perpetrators. Through the principle of anti-fraud and compliance in the working environment, CIMB Niaga believes that anti-fraud activities will be able to grow an integrity value. Based on Bank Indonesia Circular Letter No.13/28/DPNP 2011, which has been updated with POJK No. 39/POJK.03/2019 concerning the Implementation of the Anti-Fraud Strategy for Commercial Banks, CIMB Niaga has formed a special Anti-Fraud Management (AFM) unit to carry out the anti fraud strategy implementation function.

CIMB Niaga applies anti-fraud to all parties, both employees and partners through anti-fraud and anti-corruption statements in the Cooperation Agreement (PKS), Work Order (SPK), whistleblowing site, electronic mail to all vendors, as well as banners and posters in the Bank work areas.

In order to support the developed anti-fraud value, CIMB Niaga conducts mandatory Anti Fraud Awareness training for all employees. The training aims to increase employee knowledge about fraud prevention and its consequences. In 2019, 22.87% of CIMB Niaga's employees participated in anti-fraud training. Anti-fraud training was conducted not only through face-to-face but also through e-learning media and the Learning on the Go (LoG) application. These training and education activities have significant impact on reducing fraud cases. Many of the fraud cases handled in 2019 were also from the reports submitted through the whistleblowing service media.

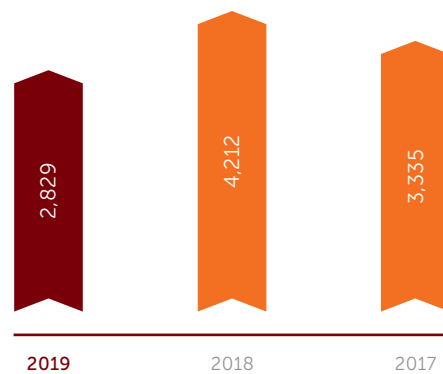
In 2018 and 2019, there were no incidents of fraud involving the Board of Commissioners and Board of Directors, or the contract employees. Fraudulent parties included permanent employees who were followed up by legal actions.

Number of Fraud Cases*

Internal Fraud Cases	Perpetrator					
	Board of Commissioners & Board of Directors		Permanent Employees		Non Permanent Employees	
	2019	2018	2019	2018	2019	2018
Resolved	-	-	4	4	-	-
In the Bank's internal resolution	-	-	-	-	-	-
Unresolved	-	-	-	-	-	-
Has been followed up in Legal Process	-	-	1	2	-	-
Total Fraud	-	-	5	6	-	-

*This data is cases with a nominal value exceeding Rp100 million.

Total Employees Joined Anti-Fraud Awareness Mandatory Training (Employees)





Whistleblowing System (WBS) [102-17, FS9]

CIMB Niaga has a whistleblowing system (WBS) and has appointed independent and professional third parties to manage the complaints. The appointment of a third party aims to provide a comfortable and transparent process so that the reporter can submit violation or fraud indication report. The Bank has gradually improved this reporting system, both reporting mechanisms and reporting media socialization. The WBS policy refers to OJK Regulation No. 39/POJK.03/2019 concerning the Implementation of Anti-Fraud Strategies for Commercial Banks. The Bank also has an internal policy related to the whistleblowing system as outlined in the Whistleblowing Policy.

Violation Reporting Mechanism

Internal and external parties can report any violations to CIMB Niaga through the following communication channels:

Internal CIMB Niaga communication channels

 0878 296 52767 (0878 AYO LAPOR)
 ayo.lapor@cimbniaga.co.id

Independent party communication channels (PT Deloitte Konsultan Indonesia)

 <https://ayolapor.tipoffs.info>
 ayolapor@tipoffs.info
 14031
 +62 822 113563636
 +62 21 2856 5231
 Ayo Lapor PO BOX 3331 JKP 10033

In optimizing the function of the whistleblowing system through PT. Deloitte Konsultan Indonesia, since 2018 all reports coming into internal media emails will be automatically forwarded to emails managed by PT. Deloitte Konsultan Indonesia.

Grievance Mechanism

The grievance mechanism is carried out through established procedures and regulations. During each reporting process, protection and confidentiality of the reporter is guaranteed. Following up the received information, the whistleblowing officer will contact the reporter secretly to request additional information or will contact PT Deloitte Konsultan Indonesia, as an independent party to communicate with the reporter, if there is information that is not known by the Bank.

Whistleblowing officers are also required to report the results of violations complaints regularly to the Director in charge of the whistleblowing service, Director of Compliance, with a copy to the Director of Risk Management, Director of Human Resources, Chief Audit Executive and all Whistleblowing Committee members. Furthermore, in practicing supervisory function of the Board of Commissioners, whistleblowing reports will then be submitted in periodical (on a quarterly basis) manner to the Board of Commissioners' committee, namely the Audit Committee. The Compliance Director, as the Director in charge of the Bank's whistleblowing service is responsible in the evaluation process of handling whistleblowing reports and ensuring all processes are conducted in accordance with procedures and regulations.

In 2019, the whistleblowing service received 131 complaint reports, this number decreases from 228 reports in 2018. In addition, during 2019, the Bank has investigated and completed 34% of the whistleblowing complaint reports received.

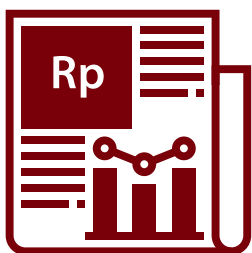
Number of Whistleblowing (WB) Reports and Settlements

	2019	2018	2017
WB reports were not proceeded for investigation (pre-closed)	74	145	80
WB reports proceeded for investigation	55	83	18
• WB Reports proceeded for investigation and have been closed	45	62	10
• WB Reports proceeded for investigation and under investigation (open)	10	21	8
WB Reports that are still awaiting data completeness	2	-	-
Number of reports received	131	228	98
WB Reports are proven based on the results of the investigation	21	32	2
WB Reports are proven based on the results of the fraud investigations	5	8	2
Percentage of WB report investigated from total reports received	34%	27%	10%

The complete information on the whistleblowing system available in the CIMB Niaga 2019 Annual Report. [FN-CB-510a.2]



ECONOMIC PERFORMANCE [FS-1]



CIMB Niaga's investment on Government of Indonesia's Green SUKUK amounted US\$75 million in 2018 has the potential to reduce emissions to 346.8 thousand tons of CO₂e. 

Pandji P. Djajanegara
Syariah Banking Director

Economic and Financial Inclusion Performance

Achievement

CIMB Niaga's economic performance achievement in 2019 is delivered in accordance with OJK Regulation guidelines, including comparison of production targets and performance, portfolio, financing or investment targets, income and profit and loss; as well as comparison of portfolio targets and performance, financing or investment targets in financial instruments or projects that are in line with the implementation of sustainable finance.

The Comparison of Production Targets and Performance, Portfolios, Financing Targets or Investment, Income and Profit and Loss of 2019

Description	Target	Realization
Net Income Margin	5.2%-5.4%	5.31%
Fee Income Ratio (FIR)	23%-26%	25.30%
Cost to income ratio (CIR)	48% - 50%	51.20%
ROA	1.3%-1.8%	1.86%
ROE	9%-11%	8.71%
Credit growth	5%-8%	3.06%
Asset Quality (NPL)	3.1%-3.4%	2.79%
LLC	100%-115%	113.60%
LDR	95%-98%	97.64%
Customer deposit growth	5%-8%	2.54%
CASA Ratio	52%-55%	55.35%
CAR	18%-19%	21.47%

The Comparison of Economic Performance Realization

Description	Unit	2019	2018	2017
Total Assets		274,467,227	266,781,498	266,305,445
Productive Assets		235,517,269	240,358,071	244,733,181
Bank Credit / Financing		194,237,531	188,462,431	185,115,806
Third-party funds	Million Rupiah	195,600,300	190,750,218	189,317,196
Operating Income		16,824,730	15,828,003	15,755,827
Operating Expenses		11,890,983	11,033,660	11,649,256
Net profit		3,642,935	3,482,428	2,977,738
Performance Ratio				
Minimum Capital Adequacy Ratio (MCAR)		21.47	19.66	18.60
Problematic Earning Assets and Problematic Non-productive Assets Against Total Earning Assets and Non-earning Assets		1.81	2.02	2.51
Problematic Earning Assets Against Total Earning Assets		2.42	2.64	3.13
Allowance for Impairment Losses for Financial Assets Against Earning Assets	%	2.75	2.80	3.75
NPL Gross		2.79	3.11	3.75
NPL Nett		1.30	1.55	2.16
Return on Asset (ROA)		1.86	1.85	1.70
Return on Equity (ROE)		9.02	9.49	8.73

The Comparison of Economic Performance Realization

Description	Unit	2019	2018	2017
Net Interest Margin (NIM)		5.31	5.12	5.60
Efficiency Ratio (BOPO)		82.44	80.97	83.48
Financing to Deposit Ratio (LDR)	%	97.75	97.18	96.24
Liquidity Coverage Ratio (LCR)				
• Individual LCR		167.13	117.67	129.29
• Consolidated LCR		166.72	117.91	129.40

The explanation regarding the economic performance achievement for the implementation of sustainable finance are discussed in the Credit Realization in Accordance with Sustainable Finance Principles section in this report.

Management Approach

[103-1, 103-2, 103-3]

CIMB Niaga as one of the BUKU 4 banks in Indonesia plays an important role in the national banking sector and influence the community's economic system sustainability. Therefore, the achievement of economic performance is significant to be presented in this report as the result is also a very important information for stakeholders.

In achieving good economic performance, CIMB Niaga applies a sustainable finance strategy through financial services which lead to product digitalization to support the national non-cash movement agenda launched by the Government. CIMB Niaga's financial performance is monitored by all Directors, specifically the Director of Finance & SPAPM and monitored by the Board of Commissioners.

In 2019, CIMB Niaga recorded credit growth to Rp194,237,351 million, an increase of 3.06% compared to Rp188,462,431 million in 2018. In line with this credit growth, CIMB Niaga's total assets reached Rp274,467,227 million in 2019. The credit growth was supported by the strategy of growth which included the competitive market conditions and asset quality as its top priorities. The bank has a credit growth target of 6-8% which will be achieved in the coming year.

In terms of third party funds (DPK), the Bank recorded total third party fund of Rp195,600,300 million by end of 2019, an increase of Rp4,850,082 million compared to Rp190,750,218 million in 2018.

CIMB Niaga stated a profit before tax of Rp4,953,897 million in 2019, an increase of 2.12% compared to Rp4,850,818 million in 2018, mainly due to other operating income. The Bank's Capital Adequacy Ratio (CAR) has improved every year and reached 21.4% in 2019, while the Net Interest Margin (NIM) ratio was 5.31% at the end of 2019.

Economic Value Generated and Distributed [201-1]

CIMB Niaga is committed to implement the sustainability principles. This commitment is demonstrated by developing products and services which support the sustainable development goals (SDGs), such as improving the community's quality of life, providing convenience financial activities and encouraging positive impacts for stakeholders. A part of CIMB Niaga's business income is distributed to stakeholders, including income tax payment. In 2019, CIMB Niaga paid income tax of Rp1,310,962 million, a decrease of 4.20% compared to Rp1,368,390 million in 2018. Until the end of 2019, CIMB Niaga had not received any financial assistance from the government. [201-4]

Extreme climate change is a global issue that can affect the Bank's economic performance and business processes. Climate change can have an impact in form of flood from high rainfall effect or drought from a reduced rainfall event which can lead to many losses to the banking world, both directly and indirectly. [SUSBA 1.1.1.5]. During 2019, there were several CIMB Niaga offices affected by floods and natural disasters. However, this natural disaster does not cause any material losses. Until the end of the reporting period, the Bank has not conducted an in-depth analysis of the risks and opportunities for climate change. [201-2]

Economic Value Distribution (Rp Million) [201-1]

Description	Reporting Period		
	2019	2018	2017
I. Direct Economic Value Received			
Interest and Sharia Income	21,689,486	20,293,247	20,403,384
Other Operating Income	2,206,680	2,151,855	2,134,817
Total direct economic value received	23,896,166	22,445,102	22,538,201
II. Total Economic Value Distributed			
Interest and Sharia Expense	9,121,468	8,281,516	8,000,005
Other operating expenses (personnel expenses and general & administrative expenses)	8,452,386	7,710,291	7,391,480
Payment to shareholders (dividend payments)	696,485	595,420	-
Payments to the Government (taxes, levies and others)	1,310,962	1,368,390	1,177,282
Total direct economic value distributed	19,581,301	17,955,617	16,568,767
III. Economic Value Retained			
Economic Value Retained	4,314,865	4,489,485	5,969,434

Credit Portfolio and Quality

Management Approach [103-1][103-2][103-3]

In facing the challenges in banking industry, CIMB Niaga is committed to maintain the quality of its business portfolio including the credit and saving activities. The portfolio growth is an important basis for the development of the Bank's business. To realize this commitment, CIMB Niaga continues to provide the best banking services, as well as credit performance and asset quality evaluation which is the responsibility of each related working unit, including business unit, credit unit and risk management unit. Each working unit is responsible to the Board of Directors.

Credit Portfolio by Sector and Category [FS6] [FN-CB-410a.1]

CIMB Niaga provides productive lending to debtors in various business segments and economic sectors. This distribution is in line with the Bank's contribution in supporting the national development goals. In addition, CIMB Niaga also focuses on lending to non-individual debtors starting from the micro, small and medium business (MSME) segment to the corporates. The long-term value for these lending activities is for a sustainable growth in every CIMB Niaga's key segments. This achievement is balanced with a strategy which prioritizes the prudential principle for managing asset quality by a rigorous and periodical monitoring on the quality of credit portfolio.

Credit Distribution Based on Economic Sector [SUSBA 1.6.2.1]

Sector	2019	2018	2017	Growth (%)	
				2019-2018	2018-2017
Industry	38,906,783	38,465,326	38,981,482	1.15	(1.32)
Trading, restaurants, hotels and administration	36,539,995	38,274,705	38,824,630	(4.53)	(1.42)
Housing	31,386,136	28,213,382	25,428,713	11.25	10.95
Business services	21,828,248	22,721,851	26,475,802	(3.93)	(14.18)
Consumer	22,118,456	19,098,102	19,312,552	15.81	(1.11)
Agriculture	15,299,196	16,551,605	15,863,929	(7.57)	4.33
Others	28,158,537	25,137,460	20,228,698	12.02	24.27
Total	194,237,531	188,462,431	185,115,806	3.06	1.81

Credit Distribution Based on Geographic Location (Rp Million)

Location	2019	%	2018	%	2017	%
Jakarta	128,302,978	66.05	129,100,095	68.50	121,136,145	65.44
East Java	12,974,806	6.68	14,442,628	7.66	17,033,434	9.20
Sumatera	12,209,084	6.29	14,149,489	7.51	15,534,140	8.39
Central Java	10,882,453	5.60	12,787,195	6.79	12,802,912	6.92
West Java	18,130,771	9.33	8,273,611	4.39	8,923,134	4.82
East Indonesia	8,483,026	4.37	7,509,613	3.98	5,975,957	3.23
Others	3,254,413	1.68	2,199,800	1.17	3,710,084	2.00
Total	194,237,531	100.00	188,462,431	100.00	185,115,806	100.00

Credit Distribution Based on Business Segment

Business Segment	2019 (%)	2018 (%)	2017 (%)
Corporate	37.59	37.15	37.11
Commercial	17.24	17.03	15.40
MSME	18.90	19.77	19.55
Consumer	26.27	26.05	27.94
	100.00	100.00	100.00

Non Performing Loan (NPL)

At the end of December 2019, all Non Performing Loans in CIMB Niaga business segments have improved, as indicated by the NPL ratios for consumer banking at 2.04%, MSME banking at 2.96%, commercial banking at 4.61%, and corporate banking at 2.43 %.

The economic sectors that contributed the most to Non Performing Loans were trade, restaurants, hotels and administration, industry, and housing.

NPL Gross Ratio per segment (%)

	2019	2018	2017
Consumer Banking	2.04	2.48	2.51
MSME Banking	2.96	3.0	3.5
Commercial Banking	4.61	7.9	8.2
Corporate Banking	2.43	1.3	2.5
Total	2.79	3.11	3.75

Environmental and Social Credit Portfolio

CIMB Niaga is committed to provide financing to debtors that comply with environmental, social and governance (ESG) aspects. This is in line with the Bank's commitment to apply sustainability principles, and support the SDGs achievement. CIMB Niaga has a policy that regulates financing by considering ESG aspects. To support the realization of its commitment, after issuing a Sustainable Finance Policy in 2019 and will be followed by the issuance of Sustainable Finance Procedures in 2020, CIMB Niaga will conduct an audit to evaluate the implementation of those Policies and Procedures in 2020. [\[FS10\]](#)[\[FS11\]](#) [\[SUSBA 1.1.1.2\]](#)

Based on the Sustainable Finance Action Plan (RAKB), CIMB Niaga has identified priority sectors for social and environmental financing, which include: [\[FS8\]](#)

- Financing to palm oil sector
- Financing to infrastructure sector - public transportation (Light rail transit/LRT and others)
- Financing to infrastructure sector - highways
- Electronic transactions
- MSME financing through channeling

Beside these sectors, CIMB Niaga provides opportunities to finance the sectors for clean energy and/or renewable energy, as well as loans to environmentally friendly projects (green estate/projects). These opportunity will be optimized, along with

increasing public awareness of the importance of preserving the earth by preventing the impacts of climate change. [\[FS8\]](#)

As stipulated in the Bank's credit policy, there are some requirements must be fulfilled by debtors, including Environmental Impact Analysis (AMDAL) or Environmental Management Efforts (UKL) and Environmental Monitoring Efforts (UPL). For those companies which are required to participate in Performance Rating Program in Environmental Management (PROPER), they are required to obtain Blue PROPER rating at minimum. CIMB Niaga only considers financing approval if the potential debtor has complied to all environmental regulations, and will conduct regular monitoring and evaluation. At any time, Bank can terminate the business relationships with debtors that no longer meet the requirements. The Bank also has guidance regarding sustainable high risk sectors. [\[FS1\]](#)[\[FS2\]](#) [\[SUSBA 1.2.2.1, 1.3.2.5\]](#)

In accordance with the RAKB, one of the prioritized financing sectors for sustainable business activities (KKUB) category is palm oil sector, with an exposure of approximately 10% of the Bank's total financing portfolio. CIMB Niaga's action plan for palm oil sector financing includes identifying and monitoring the ESG aspects on debtors and potential debtors, with the encouragement to Indonesia Sustainable Palm Oil (ISPO) or Roundtable on Sustainable Palm Oil (RSPO) certification. [\[FS12\]](#) [\[SUSBA 1.2.2.1, 1.2.2.2\]](#)

CIMB Niaga does not have a voting policy for debtors with ESG issues. However, the Bank has Sustainable Finance Policy that provides a mechanism handling for debtors with ESG issues [FS12]

Credit Distribution Based on ISPO and RSPO Certification in 2019 [SUSBA 1.6.2.5]

Certification	Number of Debtors
RSPO and ISPO	4
In the RSPO Process	1
ISPO	13
In the ISPO Process	28

CIMB Niaga has established an Exclusion List of business activities, Sustainability Due Diligence process and Enhanced Sustainability Due Diligence process to identify, monitor, measure and control ESG risks from the Bank's business activities. These processes will ensure that business activities have positive impacts on both social and environmental aspects. [SUSBA 1.3.1.1]

In addition, there is also an information not to provide financing to debtors with issues related to the UNESCO World Heritage Site, illegal logging, and human rights, particularly in violation of labor law and human trafficking laws. [SUSBA 1.2.1.1, 1.2.1.4, 1.2.1.7] Furthermore, the Bank also has a Risk Acceptance Criteria (RAC), a mechanism for determining the requirements needed to provide financing per sector, including environmental and/or social aspects as one of the consideration. Environmental aspects that are taken into consideration cover water aspects, e.g. the availability of water sources, effective water management, water pollution management, uncertain sea water conditions, and others. Therefore, the Bank requires the availability of AMDAL document or insurance related to marine risk. This document is important in evaluating the Bank's credit process, because the document indicates the debtor's compliance with environmental regulation on water management related to the debtor's business process. Marine risk insurance is also one of the Bank's mitigation measures to the possibility of default and operational risks resulting from disruption of debtor business activities due to sea water conditions. [SUSBA 1.2.1.6, 1.2.1.8].

In understanding environmental risks, CIMB Niaga is also aware of the risk on deforestation and biodiversity loss as a result of land-based sector financing. The Bank is indirectly exposed to potential environmental impacts if there is environmental damage by the debtors. This could lead to the reputation risk and credit risk for payment failure, whereas for debtors, it will lead to reputation risk and business continuity risk. [SUSBA 1.1.1.6, 1.2.1.4]

Bank is aware of the risks in providing credit to the palm oil sector, which are including: [SUSBA 1.2.1.10]

- Environmental risks, i.e., damage to rain forests, biodiversity loss and extinction of protected species due to expansion of plantation areas.
- Environmental risk from land fires due to land clearing through illegal burning.
- Risk of social conflict with indigenous people or local communities in the land licensing, land use or land acquisition.
- Social risks in human rights violations if forced or child labour occurs.

To minimize or avoid these risks, CIMB Niaga conducts several mitigation actions, including: [SUSBA 1.2.2.1, 1.2.2.2, 1.3.1.4, 1.3.2.2]

- Operating sustainable finance policies which includes regulating sustainability due diligence for debtors and potential debtors. The purpose of the sustainability due diligence is to ensure that the Bank does not have any business relationships with debtors or potential debtors who have ESG issues..
- Preparing sector guidance, which contains minimum standards in sustainability practices in each sector (e.g., land-based sector) that must be fulfilled by debtors or potential debtors. The sector guide also provides escalation mechanism when there is a misinterpretation of ESG and/or credit issues to the debtors or prospective debtors. The sector guide is planned to begin in 2020, referring to credible scientific-based standards.
- Establishing an action plan and its targets fulfillment, if the debtors or potential debtors do not meet the standards required in the sector guidance.
- Socialization or education on the importance of ESG aspects in supporting business sustainability to debtors in palm oil sector.
- Encouraging customers to acquire ISPO and / or RSPO certification.

MSME Financing [203-2] [FN-CB-240a.1] [FN-CB-240a.2]

In line with support for sustainable development goals, CIMB Niaga believes that credit financing for MSME has positive impacts on job creation, poverty reduction and equitable development. The distribution of MSME financing still has a negative impact, that is, it has not been able to reach many people so the customers inequality may exist. As a support, CIMB Niaga provides MSME financing, through 2 (two) MSME Banking sub segment, which includes:

1. MSME Banking: The MSME Banking Unit handles customers who have small and medium business activities spread throughout Indonesia through a financing process or a direct approach strategy. On an ongoing basis, the MSME Banking Unit promotes business growth and accelerates the credit process, while maintaining prudent principles in financing.
2. Micro Linkage: The Micro Linkage Banking Unit conducts an indirect approach strategy, by establishing a strategic partnership using the Linkage cooperation pattern of Executing, Channeling and Joint Financing. Strategic partners working with the Micro Linkage are Plantation Village Unit Cooperatives that implement the plasma-core pattern, Regional Development Banks (BPD), Rural Credit Banks (BPR), and other institutions which have the potential to increase MSME-scale credit distribution to the public.

Meanwhile, the end users financed by CIMB Niaga are customers/debtors from BPD and BPR, as well as members of the cooperative. The partner is appointed as an agent for CIMB Niaga, where they act as a marketing agent, collecting agent and security agent. The implementation of this strategy aims to better recognize and measure the potential of the MSME market according to the business diversity, while at the same time utilizing the existence of strategic partners who are able to help the MSME financing growth.

At the end of 2019, MSME banking recorded a credit growth of 1.89% to Rp38 trillion, mainly driven by the credit portfolio growth of the Micro Linkage banking unit of Rp2.4 trillion to Rp7.6 trillion. The improvement of MSME credit is in line with the implementation of the credit process improvement strategy for time efficiency and continuous improvement in service quality by simplifying the document requirements and procedures. In the future, CIMB Niaga will undertake a strategy to continue to increase MSME financing.

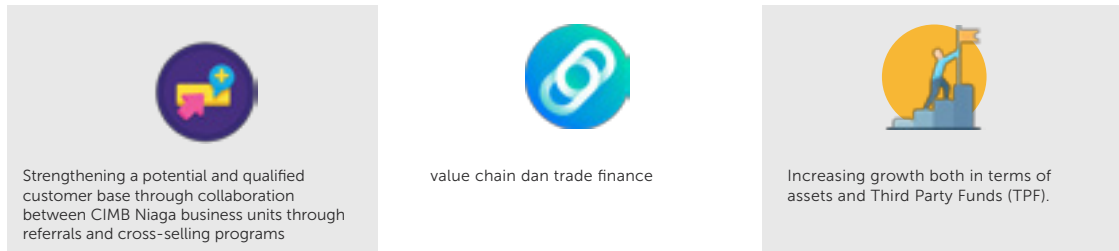
Through the Bank's Early Detection and Asset Quality Management Team, CIMB Niaga comprehensively monitors the growth in MSME Financing. The monitoring process starts with the evaluation of the debtor's health condition and includes predictive tools and oversight of arrears, to the settlement of credit problem. The Bank also monitors the credit portfolio quality in a comprehensive manner, including escalation mechanisms if there are credit problems. This process is carried out through collaboration with relevant work units, under the strict supervision of the Board of Directors and is reported regularly to the Board of Commissioners through the Audit Committee and the Board of Commissioners' Meeting.

Credit Realization in Accordance with Sustainable Finance Principles

Overall, the sustainable business category activities (KKUB) in 2019 reached 41.82% of the total credit disbursed by the Bank, including the investment portfolio of green bonds. All credit were given to 12 KKUB, with MSME activities as the largest portion of Rp23.16 trillion, and biodiversity and sustainable land use management activities of Rp16.12 trillion. [FS11]

CIMB Niaga also invested US\$75 million in the Government of Indonesia's Green SUKUK issued in 2018. This investment is a concrete manifestation of CIMB Niaga in supporting the government's efforts to tackle climate change. The proceeds of Green SUKUK are used to finance 23 national projects in the renewable energy, energy efficiency, waste management, sustainable transportation, and climate change adaptation sector. This investment has the potential to reduce emissions up to 346,800 tons CO₂e.

CIMB Niaga MSME banking strategies and policies



Total Earning Assets KKUB

Description	Total
Total KKUB Credit Loans (Rp Million)	75,668,439
Total Non-KKUB Credit (USD Million) - Green SUKUK Investment	75
Percentage of total credit / financing for sustainable business activities to total Bank credit / financing (%)	41,82

Amount and Quality of KKUB Credit [SUSBA 1.6.2.1]

KKUB	(Rp Trillion)	NPL (%)*
Renewable energy	-	0.00
Energy Efficiency	7.34	0.00
Pollution Prevention and Control	7.88	0.00
Management of Natural Resources and Sustainable Use of Land	16.12	0.00
Land and Water Biodiversity Conservation	-	-
Environmentally Friendly Transportation	0.77	0.00
Sustainable Management of Water and Effluent	0.50	0.00
Adaptation to Climate Change	-	-
Products that can Reduce Resource Use and Produce Less Pollution	0.87	0.00
Green Buildings that Fulfill National / Regional, or International Recognized Standards / Certifications	12.23	0.00
Business Activities and / or Other Activities with Other Environmental Insights	3.01	0.00
MSME Activities	23.16	0.40
Total	71.87	

*Percentage of NPL (gross) is calculated based on the total portfolio of each KKUB category.

Indirect Economic Impact

Management Approach [103-1][103-2][103-3]

One of CIMB Niaga's commitments in implementing sustainable finance, is manifested through its social responsibility activities in financial inclusion and literacy programs. This activity is also a form of the Bank's concern for community sustainability and welfare and aims to promote inclusive and sustainable economic growth.

In 2019, CIMB Niaga organized several financial inclusion and literacy programs, namely the *Ayo Menabung dan Berbagi* (AMDB), Tour De Bank (TDB), and #KejarMimpi Goes to School. Also, CIMB Niaga offers a Student Savings product (SimPel) as a form of Bank support for OJK's financial inclusion program.

CIMB Niaga Financial Inclusion and Literacy Products/Programs [203-1][FS14][FS16]

As a form of financial service deepening, OJK issued a policy for the banking industry to conduct financial inclusion programs. This program aims to introduce financial products and services in the form of savings as a safe means of depositing money, sending money, as well as loans and insurance to the people at the bottom of the pyramid.

Bank CIMB Niaga's commitment in supporting OJK's policies for inclusion and financial literacy programs is stated in the Corporate Social Responsibility Policy and Procedure.

Realization of Funds for Financial Inclusion and Literacy Program Activities in 2019

Number of Schools: 70			Number of Students: 7,427		
Elementary School	Junior High School	Senior/Vocational High School	Elementary School	Junior High School	Senior/Vocational High School
34	2	34	2,448	601	4,378

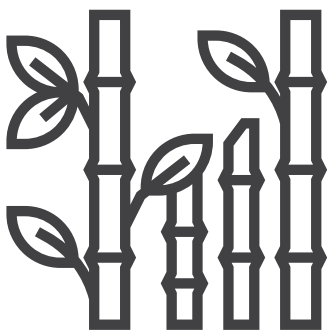
Student Savings (SimPel) [FS7][FS13][FS14] [FN-CB-230a.1]

CIMB Niaga participated in the Student Savings (SimPel) campaign at the 'Simpel Day' event organized by OJK on 2 May 2019. CIMB Niaga also actively conducted regular visits to schools that work together in financial inclusion and conducted SimPel Saving acquisitions to AMDB and TDB participants.

SimPel Savings Account opening is not subject to administrative fees. In 2019, CIMB Niaga opened 11,855 SimPel Savings for a total value of Rp1,691 billion, so that by the end of 2019, CIMB Niaga had 36,059 SimPel Savings with a total value of Rp 7.011 billion. [FS7] [FN-CB-240a.3]



SOCIAL PERFORMANCE



Based on the measurement of potential carbon stock for Tabah bamboo planted by the Bank in Bali, it was found that planted bamboo is able to absorb 758.99 tons of CO₂e.



Susy Hermanses

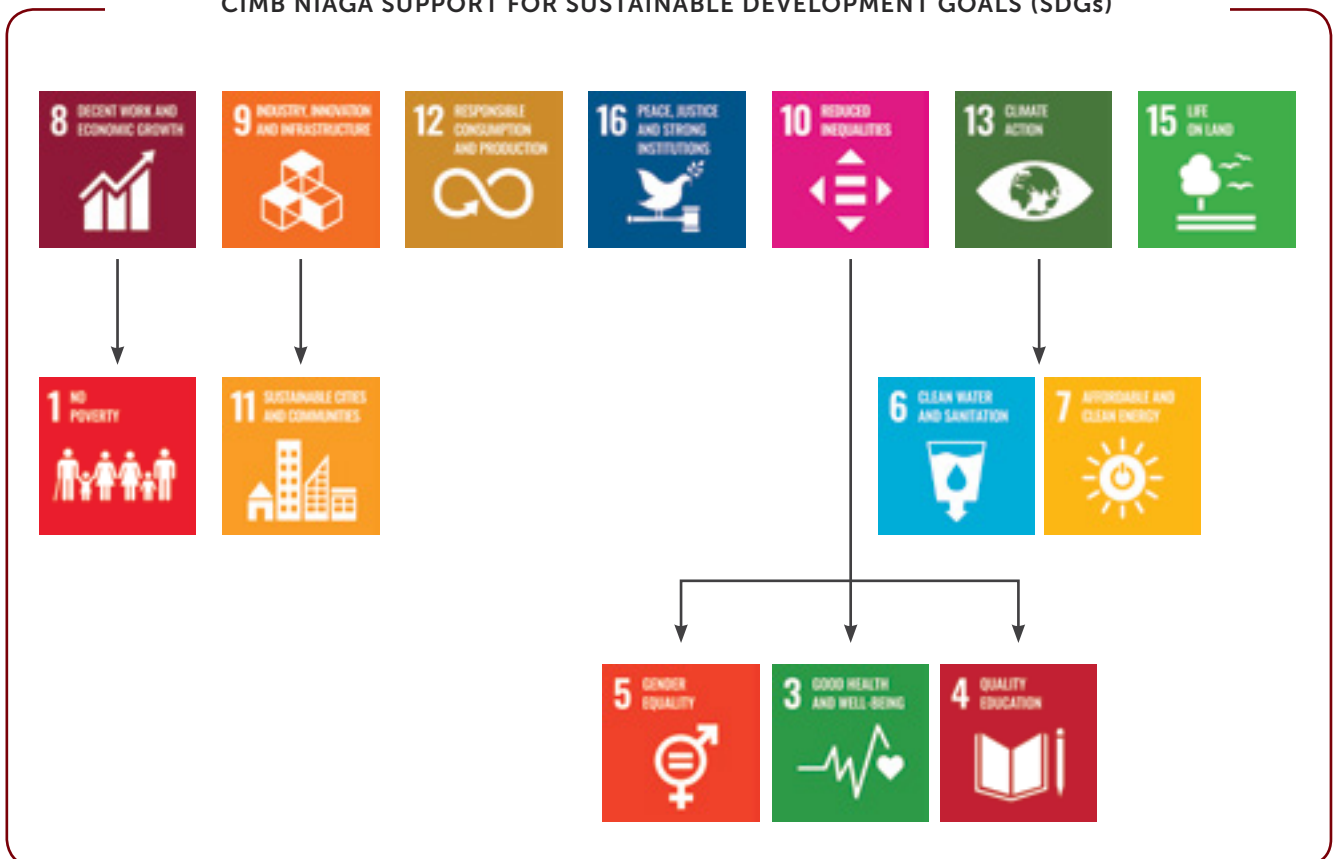
Community Development Group Head

Support to the Sustainable Development Goals

To support SDGs on social aspects, CIMB Niaga carries out capacity building for all CIMB Niaga employees and for community empowerment. Capacity building agenda is also accompanied with a development of a healthy and safe working environment, and efforts to be environmental-friendly through green office. Community empowerment is achieved through financial inclusion and literacy education, as well as corporate social responsibility (CSR) activities.

The CSR policies and strategies implemented are aligned with the Sustainable Finance Vision and Mission. CIMB Niaga builds synergy with internal and external parties by collaborating in CSR activities. This collaboration helps increase more effective, efficient activities and opens up wider networks, as well as delivers a stronger positive impact. CSR activities touch on economic, social and environmental aspects, both for internal and external parties. Overall, the CSR activities support the company's operations which starting to be prioritized in supporting sustainable development goals. [\[103-1\]](#) [\[103-2\]](#) [\[103-3\]](#)

CIMB NIAGA SUPPORT FOR SUSTAINABLE DEVELOPMENT GOALS (SDGs)



Contribution to Communities

Management Approach [103-1][103-2][103-3]

As a business entity, CIMB Niaga has a CSR role to play. CSR activities are aimed at improving community welfare, preserving the environment, and minimizing the negative impact of its company's operations on all its stakeholders.

The CSR programs are managed by the Community Development Group under the Corporate Secretary Division, and monitored by the Director of Compliance, Corporate Affairs & Legal. This working unit is responsible for the CSR strategy and implementation aligns the CSR activities with the policies or regulations, and supports the implementation of sustainable finance.

Social and Environmental Responsibility Activities

Social and Environmental Responsibility (SER) refers to the four pillars with the key activity focus on: [103-2]



Education

48 Scholarship Recipients from
from 17 universities in Indonesia



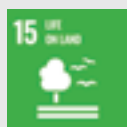
Community Development and Empowerment

29 disabled employees as Telesales
and Phone-banking Officers
Rp1,334 million in disbursed funds for disability
training



Philanthropy

4,050 beneficiaries including victims of natural
disasters
Rp1,662 million donations distributed



Environment

4,000 bamboo trees planted
758.99 tons CO₂e potential carbon stocks in the
Tabah Bamboo planted by the Bank



Realization of Funds for CSR Activities (Rp Million)

Type of Activity	2019	2018	2017
Environment Funds	994	307	30
Employment Practices, Occupational Health and Safety, including employees with disabilities	1,334	1,970	1,690
Social and community development:	36,513	28,588	28,454
• Education	17,236	8,980	10,470
• Community Development and Empowerment	3,218	2,252	3,048
• Philanthropy	1,662	2,524	8,236
• Qardhul Hasan fund	14,397	14,832	6,700
Others	4,507	3,056	727
Total	43,348	33,921	30,901

CIMB Niaga Employees and Customer Synergy ^[413-1]

Through the Community Link Program, CIMB Niaga invites the active participation of stakeholders to realize their dreams for improving community welfare through social activities. Since the official launch in 2018, the program has been split into two, namely #JadiNyata and #JadiPeduli.

Community Link #JadiNyata, CIMB Niaga believes that there are many customers or community who have social ideas and want to be part of the solution to the problems in their environment, but have limitations to realize these ideas. Therefore, through Community Link #JadiNyata, CIMB Niaga invites customers and the community to collaborate in overcoming various social problems, especially in the fields of education, environment, and community development. Community Link #JadiNyata chose the three best social activity ideas proposed by customers and prospective customers to receive funding and expert assistance in realizing their social ideas. After going through a fairly-rigorous selection and judging process from other 310 ideas, CIMB Niaga announced three winners of the #JadiNyata Community Link Social Idea competition in 2019.

Winner of #JadiNyata Community Link Program:



Putri Agustina

Digitalisasi Platform Kerelawanan



Danty Oktiana Prastiwi

Remaja Got-Feed



Zela Zeftiani

Kopi Dadaran, Menyeduh Kearifan Lokal

Community Link #JadiPeduli, this program is specifically for branch office employees as a forum for employees to channel their dreams in contributing to the surrounding community. #JadiPeduli Community Link is part of CIMB Niaga's efforts to help improve the welfare of the community around the branch office and accommodate the aspirations of the Employee Engagement Program. It is expected that the Community Link #JadiPeduli will raise awareness and further enhance the social sensitivity of CIMB Niaga's employee.

In 2019, there were 45 branch offices or 9.98% of the total branch offices participating in the #JadiPeduli Community Link Program. After going through the process of evaluating aspects of innovation / uniqueness of ideas, feasibility, cooperation support from internal work units, community involvement around branch offices, as well as the potential for sustainable implementation of ideas in the coming years, three branch offices were determined with the best social ideas. They are entitled to get CSR funds to carry out ideas and realize their dreams in supporting the welfare of society.

Winner of #JadiPeduli Community Link Program:



Slamet Riyadi Branch Office, Solo, Central Java



Singaraja Branch Office, Denpasar, Bali



Cilacap Branch Office, Central Java

Realizing the Nation's Generations Dream Through Scholarships

Education is a key focus of CIMB Niaga's social responsibility activities. The improvement of education is aligned to the improvement in the quality of life for the people. Social responsibility activities in the education sector includes scholarship programs, in line with CIMB Niaga's brand promise, 'forward', as one of the aspirations is 'forward your dream'.

In 2019, CIMB Niaga provided scholarships to 48 students in 17 state and private universities in Indonesia. Since it was started in 2006 until 2019, the total of 1,028 students from high schools, undergraduates, and postgraduates have received scholarships. Scholarships are given to support outstanding students to increase their academic and non-academic potential as future leaders.

In addition to scholarships provision, the Bank also provides soft skills to all scholarship recipients by holding a 'One Day Financial Literacy Workshop'. This activity is expected to increase student awareness of financial planning.

CIMB Niaga Peduli



One of CIMB Niaga's caring activities involves philanthropy. CIMB Niaga provides donations to support the people's welfare. Philanthropic activities carried out during 2019, Safari Ramadhan 1440H, which includes Qurban Donations, Shopping with Orphans, Breaking Fast with sight-impaired TSO Employees, and Halal Bi Halal. CIMB Niaga also held an End of Year Thanksgiving at CIMB Niaga's Graha Financial Hall by symbolically donating Rp25 million through 'Donasi Kasih Natal' to three foundations, namely: Barokah Surya Nusantara Foundation, Global Edutama Adonai and Bala Keselamatan Nias.



In addition, CIMB Niaga conducts disaster care activities. During 2019 the Bank assisted victims of natural disasters, including victims of floods in Sentani, fires in Pademangan, floods in Konawe, forest and land fires in Riau and West Kalimantan, earthquakes in Central Maluku, and tornadoes in Malang. The employee volunteer program also helped this activity. Several CIMB Niaga employees participated in distributing and providing assistance to the victims.



Financial Literacy and Inclusion

In improving financial literacy and inclusion, CIMB Niaga conducted several activities, aimed at providing a better understanding to the public regarding banking. Three main activities included the Ayo Menabung dan Berbagi Program, Tour De Bank, and #KejarMimpi Goes to School.

Financial Literacy and Inclusion

Ayo Menabung dan Berbagi (AMDB)			
			
Year	# Schools	# Students	
2011	24	3,780	
2012	20	3,253	
2013	28	4,133	
2014	30	3,700	
2015	40	5,859	
2016	41	6,214	
2017	40	5,630	
2018	40	5,452	
2019	38	5,217	
TOTAL	301	43,238	

Tour De Bank			
			
Year	# Schools	# Students	
2015	26	1,194	
2016	25	1,218	
2017	20	952	
2018	20	936	
2019	23	998	
TOTAL	114	5,298	

#KejarMimpi Goes to School			
			
Year	# Schools	# Students	
2018	4	383	
2019	9	1,212	
TOTAL	13	1,595	



Ayo Menabung dan Berbagi (AMDB)

Financial intelligence is important for the younger generation. CIMB Niaga consistently supports the government programs to increase financial literacy for students from elementary, junior high school (SMP), to high school or vocational high school (SMK) through the Let's Save and Share Program (AMDB). In 2019, the AMDB program was attended by 5,217 students in 38 schools in Pontianak, Banyuwangi, Yogyakarta, Pekanbaru, Semarang, Purwakarta, Ambon, Kendari, Denpasar and Palangkaraya

The AMDB program's effectiveness in providing financial literacy is measured by the increase of value obtained, which was 67% from the results of pre and post-tests. After holding AMDB for 9 years, CIMB Niaga has successfully provided education to 43,238 students. In addition to financial literacy, AMDB also support social sensitivity for environmental conservation through sharing with others by collecting donations, both in cash or from the sale of used plastic bottles.

[FN-CB-240a.4]



Tour De Bank

Tour De Bank (TDB) aims to introduce the elementary school children to the banking activities, to foster financial intelligence and building a saving culture since the early age. Students are invited to visit the Branch Office to experience banking service activities by introducing them to the tellers and customer service roles, as well as showing the automated teller machine (ATM) and cash deposit machine functions.

In 2019, TDB was attended by 998 students from 23 elementary schools in Malang, Solo, Bintaro Tangerang, Banda Aceh and Kupang. Improved banking understanding and the success of TDB was measured in the value obtained of 78%, measured by pre and post-test results. Since its launch in 2015, TDB has been attended by 5,298 students from 114 elementary schools. [FN-CB-240a.4]



#KejarMimpi Goes to School

In 2019, #KejarMimpi Goes to School activities were held in nine elementary schools located in eight cities, Padang, Manado, Solo, Makassar, Semarang, Banda Aceh, Denpasar and Jakarta. This activity reached out 1,212 students.

As a responsibility in implementing the financial literacy activities, and to look for areas of improvement, CIMB Niaga conducted a survey and pre and post-test with the Ayo Menabung dan Berbagi (AMDB) and Tour De Bank (TDB) participants.

In 2019, AMDB and TDB achieved a score of 4.57 (out of a total scale of 5) showing that the beneficiaries were satisfied with the programs provided. In the pre and post test results, there was an increase in understanding of 73% regarding financial and banking literacy. In 2019, 23 branch offices or 5.1% of the total CIMB Niaga office network participated in banking literacy and financial activities. [FN-CB-240a.4]



Empowerment Education

CIMB Niaga's #KejarMimpi Leaders Camp program, an event that presents inspirational speakers for Indonesia's young generation, especially higher education students. Inspirational speakers involves the CIMB Niaga Directors, CIMB Niaga Brand Ambassadors and local inspirational figures who will share the struggle to pursue dreams and workshops with hot and relevant topics for participants to pursue their dreams. During 2019, #KejarMimpi Leaders Camp was held in 7 cities and reached 3,740 students.

Beside the above programs, CIMB Niaga also supports the implementation of quality education by providing educational supporting facilities and infrastructure, such as Sejuta Buku Program, the Mini Bank Laboratory in the Vocational Program at Universitas Indonesia (UI), and the Bourse Game Laboratory Program at the Master of Management at the Faculty of Economics. In these two programs, the Bank provides teaching materials and teaching staff from the Bank employees.

Empowering People with Disabilities (FS14)

CIMB Niaga has consistently implemented the CSR pillar, community development and empowerment, and supported the sustainability principle in line with the SDGs. The implementation of CSR pillars is aligned with providing employment opportunities

and reducing unemployment rates for people with disabilities in Indonesia. CIMB Niaga participated in the 2019 Job & Innovation Fair for DiversAbility, organized by the International Labor Organization (ILO) and Diffago on August 22-23, 2019 at Atmajaya University, Jakarta. CIMB Niaga provided a recruitment booth for people with visual impairments for job vacancies as Telesales Funding Officers.

During 2019, CIMB Niaga recruited 12 people with disabilities as new outsourcing employees, who were placed as social media Telesales Funding Officers and Personal Banking Officers (PBO). By the end of 2019, CIMB Niaga employed 29 people with disabilities who are treated equally with other employees, in regards to their work abilities. CIMB Niaga is also committed to not employing underage workers, or forced labor.

In realizing equality and providing employment opportunities, as well as capacity building, CIMB Niaga does not look at the background, gender, age, ethnicity, religion and race of its employees, including people with disabilities. CIMB Niaga provided 'self-empowerment' training to 19 sight-impaired Telesales Officer (TSO) on 23 November 2019. In addition to the training, the Bank's Safari Ramadhan activities involved all employees.



Community Development and Empowerment

CIMB Niaga cooperates with Yayasan KEHATI held training to improve the capacity of housewives. This activity focuses on the development and empowerment of women. In 2019, the Bank held a Tabah bamboo post-harvest cultivation and processing training program for 40 women members of the Mekar Harum Rarung Women's Group in Pringgarata, Central Lombok. In addition, the Bank conducts the Sorghum Local Food Development and utilization training event to increase the awareness of local foods and good nutrition. These activities are expected to help the community economic conditions by increasing the sorghum utilization in Manggarai Raya.

The community development and empowerment program has had a positive impact, such as capacity building, in relation to knowledge and economic empowerment. On the other hand, the programs still had a negative impact, due to the inability to reach many schools and communities, and this lead to jealousy or inequality issues. Therefore, the Bank will be keep continuing and developing the financial literacy and inclusion programs, so that more people are reached.

The public complaint mechanism is set out in the Anti-Corruption Policy and Strategy Chapter of this Sustainability Report.

Contribution to Customers

Equal Customer Service Commitment

As a responsible banking institution, CIMB Niaga is always committed to providing quality and equal services to all customers regardless of ethnicity, religion, race and intergroup backgrounds. This can be seen in the variety of products and services offered and the business segments served, from large corporations to MSMEs.

The Bank also pays attention to customers with special needs, by providing special toilet facilities and wheelchair access, as well as service assistance. This application is in line with OJK Regulation No. 1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector requiring financial service industry players to provide special facilities for people with disabilities.

Customer Information Protection Commitment [103-1] [103-2][103-3]

CIMB Niaga is committed to maintain customer trust, by ensuring all confidentiality and security of customer data. Acquisition of customers data or information can only be accessed according to the rules and regulations. Maintaining customer information is also a form of trust that will influence the Bank's reputation and has been stipulated in E.04 Policy on Customer Protection and Provision of Information/Data/Documents to Outside Parties. In 2019, there were no material complaints regarding breaches of customer confidentiality involving other organizations and regulatory bodies. In addition, the Bank did not incur any losses due to sanctions/fines related to violations of financial sector regulations, business competition, and banking sector marketing regulations. [FN-CB-[FN-CB-510a.1] [418-1]

CIMB Niaga is committed to handle every customer complaint. To conduct this, the Bank has a Customer Resolution Unit (CRU) responsible for handling customer complaints regarding Bank products and services. CRU consistently improves the quality of customer complaint resolution through a periodic evaluation for corrective actions and acceleration of complaint resolution. The Bank also has a Customer Experience Unit as a special unit that manages customer experience, to ensure customers always get the best service from CIMB Niaga. The Bank periodically evaluates the implementation of services and customer protection through customer satisfaction surveys.

Product Responsibility Commitment

[FS15] [FN-CB-230a.2]

CIMB Niaga provides customers with accurate, honest, clear and correct information on the services and products types. The information includes the benefits, risks, costs of products and/or services, as well as applicable terms and conditions. Information is conveyed to customers through the authorized and responsible work units. The bank is also obliged to provide an understanding to customers regarding the rights and obligations to the selected products and/or services. In addition, in protecting data security and managing data security risks, all data is stored in a database that can only be accessed by the authorised person.

The Bank ensures that all (100%) products and/or services have been evaluated and approved by the relevant work units, Board of Directors and regulators. The evaluation included the financial, regulatory compliance, risk management, and the customer security aspects.

CIMB Niaga has a policy for providing information to potential customers. The Bank has implemented artificial intelligence and machine learning with a big data platform, aimed at providing real-time and relevant product offerings based on customer preferences and profiles.

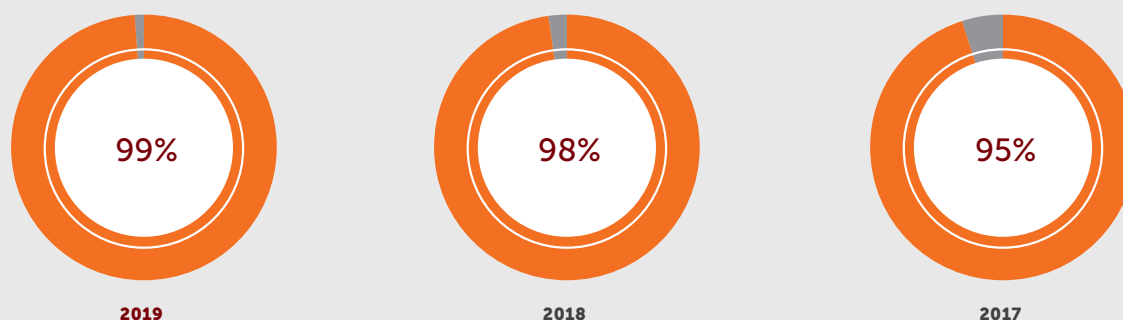
In providing accurate, fast and accurate information to customers, CIMB Niaga has a service number channels through Branch Offices, Digital Lounges, 24/7 Contact Centers at: 14041, website www.cimbniaga.co.id, email 14041@cimbniaga.co.id, Live Chat, as well as social media accounts such as Facebook, Twitter and Instagram CIMB Niaga. The Bank has also implemented value-added projects for providing a positive banking experiences for customers, through the speech analytics and robotic automation technology application at the Contact Center.

CIMB Niaga does receive complaints and grievances related to its products and services. During 2019, there were 64,615 complaints in financial products and/or services, an increase of 4.8% compared to 2018. The increase was mainly due the raise of banking transactions and the implementation of various digital services. The Bank has improved the customer complaint resolution process and system, and the settlement rate has reached 99%. As to reduce the number of complaints, the Bank analyzes the main causes of complaints and quickly tries to deal with them in preventing similar cases happen again.

Number of Complaints and Settlement Percentage

Year	Number of Complaints	Complaints Settled	Settlement Percentage
2019	64,615	64,050	99%
2018	61,628	60,470	98%
2017	95,092	90,431	95%

Settlement Percentage



Type and Number of Complaints and Settlement

Type of Complaint	2019		2018		2017	
	Number of Complaints	Complaints Settled	Number of Complaints	Complaints Settled	Number of Complaints	Complaints Settled
Finance	48,627	48,404	48,790	48,426	78,254	74,552
Non-Financial	15,988	15,646	12,838	12,044	16,838	15,879
Service Quality	458	349	300	168	529	505
Others	15,530	15,297	12,538	11,876	16,309	15,374
Total	64,615	64,050	61,628	60,470	95,092	90,431

For reporting the type and number of complaints, as well as their resolution, CIMB Niaga refers to OJK Regulation No. 18/POJK.07/2018 concerning Consumer Complaint Services in the Financial Services Sector and OJK Circular No. 17/SEOJK.07/2018 concerning Guidelines for Implementing Consumer Complaints Services in the Financial Services Sector.

Complaint Handling in 2019

Type of Financial Transaction	Settled		In Process		Not Settled		Number Of Complaints
	Number	%	Number	%	Number	%	
Bancassurance	95	98.96%	1	1.04%	-	0.00%	96
Time Deposito	24	85.71%	3	10.71%	1	3.57%	28
Direct Debit	-	0.00%	-	0.00%	-	0.00%	-
Electronic Banking	16,580	99.41%	91	0.55%	7	0.04%	16,678
ATM Card/Debit/Machine	35,397	99.65%	107	0.30%	18	0.05%	35,522
Credit Card	1,408	99.65%	4	0.28%	1	0.07%	1,413
Clearing (Transfer)/Remittance	156	97.50%	4	2.50%	-	0.00%	160
Unsecured Loans	33	97.06%	1	2.94%	-	0.00%	34
Motor Vehicle Loans/Financing	70	90.91%	7	9.09%	-	0.00%	77
Working Capital Loans/Financing	-	0.00%	-	0.00%	-	0.00%	-
Home/Apartment Mortgage Loans/Financing	552	87.34%	62	9.81%	18	2.85%	632
Other Funds Raising	2,959	99.60%	10	0.34%	2	0.07%	2,971
Other Funds Disbursements	12	100.00%	-	0.00%	-	0.00%	12
Savings	6,764	96.74%	207	2.96%	21	0.30%	6,992
Trade Finance/Letter of Credit	-	0.00%	-	0.00%	-	0.00%	-
Total	64,050	99.13%	497	0.77%	68	0.11%	64,615

Employment and Employee Equality

CIMB Niaga believes that human resource management determines the Bank's future business sustainability. This is in line with the Bank's key principle for achieving its sustainability vision, mission and business growth, namely maintaining prosperity and harmonious working relationships between the Bank and employees. CIMB Niaga does not look at gender, age, ethnicity, religion, race or other discriminatory backgrounds and provides equal opportunities for all employees. The bank also ensures it does not practice forced labor or employ child labor.

Employee competency development continues to improve the quality of employee performance. All employees receive training and education that useful for their individual career development and performance. Besides that, CIMB Niaga periodically conducts surveys to determine the level of employee satisfaction and attachment to the Bank.

Employee Recruitment

CIMB Niaga has implemented a digital recruitment system to accurately identify competencies. The recruitment process for each prospective employee includes a background check,

education history, employment history, history of financial conditions (through a check of the Debtor Information System (SID) & an anti-money laundering database owned by the Bank), social media and health conditions. Also, the Bank transparently provides recruitment information so that it is easily accessed by job seekers.

CIMB Niaga also provides opportunities for employees, with the requirements and qualifications, to work in other work units. This process helps improving the employee experience and career development. This activity is an internal process recruitment which carried out through an internal employee rotation with '2+3+3 policy', which means the policies which provide opportunities for employees who have a minimum working period of 2 years with a minimum work performance value to meet the target to be able to move to a new place within 3 months of the transition period.

During 2019, CIMB Niaga recruited 2,575 new employees, an increase compared to 2,079 people in 2018. This number included 1,349 male and 1,226 female employees. ^[401-1]

At the end of 2019, the total number of people employed reached 12,372, a slight decrease compared to 12,461 in 2018. This was partly due to an increase in digitalization technology by the Bank.

New Employee Acceptance Path Based on Gender [401-1]

Acceptance Path	2019			2018			2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Staff Development Programs (PPS)	108	236	344	136	223	359	148	263	411
Number of Marketers, & Frontliners	594	600	1194	468	447	915	376	360	736
Others	647	390	1037	558	247	805	527	321	484
Total	1,349	1,226	2,575	1,162	917	2,079	1,051	944	1,995

New Employee Placements by Region [401-1]

Region	2019		2018		2017	
	Male	Female	Male	Female	Male	Female
Jakarta Region	875	739	713	542	631	522
Sumatera Region	133	139	112	81	107	134
West Java Region	77	75	93	62	81	64
Central Java and DIY Region	65	66	71	54	66	90
East Java Region	137	135	115	107	100	90
Eastern Indonesia and Central Indonesia Region	62	72	58	71	66	44
Total	1,349	1,226	1,162	917	1,051	944
		2,575		2,079		1,995

New Employee Composition Based on Age Group [401-1]

Age Group/Years	2019		2018		2017	
	Male	Female	Male	Female	Male	Female
< 31 years	802	892	693	685	689	741
31–40 years	464	286	409	206	319	169
41–50 years	80	43	58	26	42	34
> 50 years	3	5	2	–	1	–
Total	1,349	1,226	1,162	917	1,051	944
	2,575		2,079		1,995	

Funds For Employees' Competency Development

The employee competency development budget in 2019 was Rp203.3 billion, an increase of 34.87% compared to Rp150.9 billion in 2018.

Employee Competency Development Expenses (Rp million)

Type of Development	2019	2018	2017
Education Implementation	135,464	94,067	94,744
Domestic External Seminars & Courses	4,282	4,128	4,697
Overseas Internal Seminars & Courses	573	363	303
Corporate culture	4,605	3,386	927
Training Center	13,459	8,061	16,322
Operational Training	44,942	40,746	51,825
Total	203,325	150,751	168,818

Employee Turnover

In line with the Bank's business plan in an effort to increase productivity through automation, process improvement and digitalization, employee turnover in 2019 is 21.53%. Furthermore, the level of voluntary employee attrition was 10.1%, which is one of the lowest in the banking industry.

Employee Turnover Rate [401-1]

Employee Turnover	2019	2018	2017
Employees Joining	2,575	2,079	1,995
Employees Leaving	2,664*	2,401	2,398
Total Employee at the end of the year	12,372	12,461	12,782
Employee Turnover Ratio	21.53%	19.27%	18.76%

* including 434 employees under Voluntary Retirement Program in 2019

Employee Turnover Rate by Region [401-1]

Region	2019		2018		2017	
	Male	Female	Male	Female	Male	Female
Jabodetabek Region	775	724	666	582	612	541
Sumatra Region	137	164	154	133	204	131
West Java Region	95	106	108	105	120	79
Central Java and DIY Region	122	128	103	117	151	100
East Java & Bali Eastern Indonesia Region	135	135	133	128	194	115
Eastern Indonesia Region	69	74	91	81	96	55
Total	1,333	1,331	1,255	1,146	1,377	1,021
	2,664		2,401		2,398	

During 2019 there were 2,664 employees who resigned. The increase was due to 434 employees participating in the Voluntary Retirement Program (PPKS).

Number and Reason for Employees Resignation [401-1]

Reason	2019		2018		2017	
	Male	Female	Male	Female	Male	Female
Normal Pension	74	58	71	58	81	51
Early Retirement due to Health Reasons	28	25	25	36	23	28
Resigned	567	690	582	650	575	635
Passed Away	8	4	11	3	9	5
Others	656	554	566	399	689	302
Total	1,333	1,331	1,255	1,146	1,377	1,021
	2,664		2,401		2,398	

Guarantee to the Employee Welfare and Decent Work Environment

Employee welfare is a priority that continues to be improved in accordance with the Bank's business strategy and development. Employee remuneration policies are based on the positions, length of service, and performance achievements, without any discriminations. This policy has been adjusted to comply with the regulations, including the provincial minimum wage (UMP) given to employees in all work units in Indonesia. CIMB Niaga has implemented meritocracy and risk based remuneration in refer to the employee performance and OJK regulations. The information regarding remuneration policies and the determination process for the Directors and Board of Commissioners can be seen in the 2019 CIMB Niaga Annual Report. [102-35, 102-36, 102-37]

Besides, CIMB Niaga communicates its wage structure & wage scale in accordance with the rules, and evaluates them regularly, without differentiating gender. The Bank also ensures remuneration and benefits are given to all employees, both permanent and non-permanent, consist of salaries, benefits, leave and insurance. The annual total employee compensation ratio, considering at the highest income and the median income of employees, was 1:39.6, while the growth in total annual compensation in 2019 was -6,5%. The annual total employees compensation ratio, considering at the lowest average employee wage and the provincial average minimum wage was 1: 0.92 (109%). The Bank always provides remuneration in accordance with the Government regulations and other rules. [102-38, 102-39]

Human capital (HC) development has provided benefits to the Bank by undertaking investment to all employees. The value of the Human Capital Return on Investments (HC ROI) in 2019 was 3.11. This figure shows that for every Rp1 paid by the Bank in HC investment, it provides benefits of Rp3.11 for the Bank.

To create and guarantee a decent and safe working environment, CIMB Niaga fulfills the employee rights based on the Republic of Indonesia Manpower Law Number 13/2003. Also, the Bank is committed to maintaining Occupational Health and Safety (OHS) for its employees as stipulated in the Republic of Indonesia Occupational Safety and Health Law Number 1/1970, and the Minister of Manpower Regulation No. 5/1996 regarding Occupational Safety and Health Management System.

CIMB Niaga has established policies to employment, occupational health and safety (OHS) practices to improve employee productivity and life quality. CIMB Niaga provides a decent, safe and comfortable work environment for its employees, including clean toilets, pantry rooms, breastfeeding

rooms, smoke detectors, fire extinguishers, places of worship, and vehicle parking lots. CIMB Niaga will continue to create a healthy and safe work environment and harmonious working relationships between the Bank and all employees.

Building Professional People [F54] [SUSBA-WWF 1.4.2.2]

CIMB Niaga continuously conducts education and training to improve employee competencies so they will be able to respond to the company's future dynamic business challenges. Education and training programs are carried out internally, and externally, as well as arranged to achieve the effectiveness, efficiency, impact and learning objectives. The Bank provides equal opportunities for all employees to get progress and develop based on potential, expertise, and available opportunities.

During 2019, CIMB Niaga organized education and training programs for 375,343 participants. The average number of training hours was 4.17 hours per employee. The education and training are included public courses, in-class learning and e-learning. [404-1]

Total Training Hours and Participants* [404-1]

Description	2019	2018	2017
Total Participant	375,343	183,675	101,403
Total Education/Training Hours	1,564,030	1,314,736	736,321
Average	4.17	7.2	7.3

*includes employees who resigned and where one employee participated in several learning modules

Total Training Participants by Gender* [404-1]

Description	2019	2018	2017
Male Employee	166,819	81,955	47,102
Female Employee	208,524	101,720	54,301
Total	375,343	183,675	101,403

*includes employees who resigned and where one employee participated in several learning modules

Total Training Participants by Position Level and Gender* [404-1]

Description	2019		2018		2017	
	Male	Female	Male	Female	Male	Female
Senior Management	3,587	2,001	1,636	1,103	794	461
Middle Management	26,015	19,671	12,853	9,152	6,381	4,171
Junior Management	104,463	126,344	48,841	59,437	28,140	31,722
Non Management	32,754	60,508	18,625	32,028	11,787	17,947
Total	166,819	208,524	81,955	101,720	47,102	54,301

*includes employees who resigned and where one employee participated in several learning modules

Total Participants Training Hours by Position Level* [404-1]

Position Level	Total Training Hours	Number of individuals	Average training hours
Senior Management	19,787	233	84,92
Middle Management	163,269	1,642	99,43
Junior Management	1,118,020	9,650	115,86
Non Management	262,953	4,092	64,26

*includes employees who resigned

Total Training Hours by Type of Training* [404-1]

Type of Training	2019	2018	2017
Managerial, Leadership & Soft Skills	253,940	27,370	13,248
Development Program & TCB	370,112	496,612	294,520
Risk, Corporate Assurance & Compliance	136,380	434,665	89,502
3D (Include IT Upskill & Reskills)	23,194	15,065	408
Sales	166,057	84,003	73,064
Service	182,418	76,396	78,522
Treasury, Finance & Tax	7,346	2,376	2,392
Loans	28,002	19,456	13,762
Operations & IT	21,048	43,878	62,543
Sharia	147,871	23,138	42,162
Transaction Banking	6,384	4,248	7,552
Culture	174,773	57,174	56,177
Retirement	8,256	3,888	1,952
Sustainable Finance	6,456	360	256
Team Building	30,612	25,604	0
Others	1,182	504	262
Total	1,564,031	1,314,737	736,322

*includes employees who resigned and where one employee participated in several learning modules

Total Participant by Type of Training* [404-1]

Description	2019	2018	2017
Managerial, Leadership & Soft Skills	87,416	1,995	848
Development Program & TCB	666	935	899
Risk, Corporate Assurance & Compliance	79,403	102,833	30,326
3D (Include IT Upskill & Reskills)	3,381	4,221	204
Sales	29,480	11,461	6,351
Service	22,284	12,985	22,312
Treasury, Finance & Tax	702	222	169
Loans	2,011	1,483	1,189
Operations & IT	1,882	13,472	5,576
Sharia	72,741	2,031	15,209
Transaction Banking	608	310	484
Culture	59,486	18,754	17,748
Retirement	324	132	61
Sustainable Finance	444	17	9
Team Building	14,053	12,802	-
Others	462	22	18
Total	375,343	183,675	101,403

*includes employees who resigned and where one employee participated in several learning modules

For local stakeholder engagement, CIMB Niaga employed people from the local communities to help improve the welfare of the surrounding communities. At the end of 2019, 99.99% of CIMB Niaga's employees were local employees who were registered at the point of hire when the employee was hired.

An explanation of sustainable finance competency improvement is provided in the Sustainability Governance section of this Sustainability Report.

Employee Performance Appraisal [404-3]

To help improve performances, CIMB Niaga always shows its appreciation to employees who excel through promotions or career development without differentiating gender, age, ethnicity, religion, race or other discriminatory matters. Performance appraisals are carried out to all (100%) using the Key Performance Indicators (KPI) assessment approach, based on the Bank's performance targets, related unit performance targets, and individual performance targets. [406-1]

Number of Employees Receiving Promotions	
2019	1,227
2018	1,271
2017	1,194

Retirement Program [201-3]

As regulated in the Collective Labor Agreement, CIMB Niaga operates a pension program for all of its permanent employees through employer pension funds or financial institutions pension funds, by-laws and regulations.

CIMB Niaga also includes its employees in the Worker Social Security Program (BPJS Ketenagakerjaan), which is an insurance protection program if an employee experiences an occupational accident, reaches retirement age, and covers old-age insurance, or death. BPJS Ketenagakerjaan premiums are paid by both CIMB Niaga and employees.



ENVIRONMENTAL **PERFORMANCE**



“ The carbon emissions in 2019 amounted 23,779.39 tons of CO₂e and derived from the use of electricity and fuel in almost all Bank office network. We will make this data as a baseline for calculating emissions expenditure in the following years so that the level of efficiency can be monitored. ”

Waskin
Head of SPAPM

Building Green Banking

The green banking concept has been adopted by CIMB Niaga through its environmentally friendly operational activities, and its lending to environmental, social and governance (ESG) debtors. The application is based on the Smart Spending Policy, which includes a green office policy and an environmental friendly lifestyle policy. These policies aim to create an environmental friendly working environment so as to increase work productivity as well as cost efficiencies, and as a form of concern for environmental conservation.

For implementing the green office policy, the Bank carries out three main activities to reduce the use of energy resources and other natural resources, namely the recycle program, the paper efficiency program (less paper officer program), and the energy saving program.

Paper Saving [306-2]

The policy calls for processing used paper waste in collaboration with third parties who process used paper into other useful forms. The efforts to save paper, include:

1. Optimizing multi-function printer facilities for scanning and faxing, thereby reducing printing of large amounts of paper documents.
2. Optimizing the use of e-mail and internal websites, and company news magazines
3. Optimizing the use of recycled paper
4. Optimization of digitalization for the purposes of employee internal communication, meeting material and so on.

Paper Usage Volumes and Procurement Expense

Description	Unit	2019	2018	2017
Volume of Paper Used	Reams	32,545	35,095	33,355
	Kg*	81,363	87,737	83,387
Paper Procurement Expenses	Rp Million	1,263.32	1,361.38	883,12

* conversion of reams of paper into kg, (1 ream = 2.5 kg)

The Bank's paper saving efforts not only involves reducing paper in operational activities but also the use of digital banking services by customers. Based on the number of digital banking service transactions during 2019, it can be assumed that CIMB Niaga support for the reduction of greenhouse gas (GHG) emissions achieved 27,375 - 29,619 tons of CO₂e.

Energy Saving [302-1][302-3]

An energy-saving movement was carried out in line with the green office concept stated in the Smart Spending policy. The efforts made by CIMB Niaga in energy saving includes: [302-4]

1. Switching off power outside working hours, including lights, air conditioning, computers and copiers.
2. Using energy saving features, such as screen savers, or power save mode on computer.
3. Optimizing the use of teleconference/video conferencing facilities for meetings with participants in other locations
4. Conducting preliminary studies for the application of solar panels.

To realize a green office, all employees receive energy savings socialization. The socialization is conducted by distributing energy-saving posters and placing stickers in certain locations, as well as energy-saving movement campaigns.

In 2019, the calculation of total electricity usage reported in almost 90% of the CIMB Niaga office network, amounted 24,346,913 kWh, while in 2018 and 2017 the calculation still covered electricity usage in only +25% of the CIMB Niaga office network. Thus, total electricity usage in 2019 is not comparable with 2018 and 2017 data due to differences in calculation scope. In addition, there is no information on energy consumption outside the Bank because it has not yet had a direct impact on the Bank's business activities.

Energy Consumption by Source [302-1]

Source	Unit	2019	2018	2017
Electricity*	kWh	24,346,913	4,702,403	6,366,355
Water	m ³	192,340	-	-
Fuel	L	1,263,035	-	-

* calculated based on PLN electricity billing rates

CIMB Niaga also calculates energy intensity by comparing the amount of electricity and fuel consumption per total income. In 2019 the amount of energy intensity reached 0.00796GJ / Rp Million.

Energy Intensity [302-4]

Description	Unit	2019
Total Electricity Consumption	GJ	87,648.89
Total Fuel Consumption	GJ	46,288.39
Total Income	Rp Million	16,824,730
Energy Intensity	GJ/Rp Million	0.00796

Emission and Waste Control

In line with CIMB Niaga's support for sustainable development goals (SDGs), the Bank puts efforts to reduce emissions. These efforts include limiting official travel using airplanes, and optimizing the use of teleconferences for coordination between work units. With transportation restrictions, fuel is saved, thus reducing GHG emissions.

Since 2017, CIMB Niaga has also calculated carbon emissions from the electricity used. However, since 2019, the Bank has successfully calculated carbon emissions from electricity and fuel used in operational activities.

The electrical energy emissions was calculated by multiplying the amount of electrical energy consumed by the emission factors (from the Ministry of Energy and Mineral Resources) based on the operational areas. The method used to calculate fuel emissions is through the multiplication of the amount of fuel consumption by conversion of the calorific value (from the Ministry of Environment and Forestry Ministry) and fuel oil emission factors (from the Ministry of Energy and Mineral Resources).

Carbon emissions issued by the Bank in 2018 was 4,108.94 tCO₂e including electricity usage in 90% of the office network in the Jakarta area and 30% of the office network in the regions outside Jakarta. The carbon emissions in 2019 was 23,779.39 tCO₂ eq including the use of electricity and fuel for the entire Bank office network. In addition to carbon emissions, the Bank also applies policies in technology waste management (e-waste). The results of technological waste is managed by working with third parties. The Bank's operations do not have significant waste and spills. [306-2]

Total Emissions Based on Working Region in 2019

Working Region (Province)	Number of tCO ₂ e emissions generated [305-4]
Aceh	99.30
North Sumatera	2,141.63
West Sumatera	303.70
Riau	566.80
Riau Island	536.44
Jambi	178.80
Bengkulu	-
South Sumatera	311.86
Bangka Belitung Islands	48.04
Lampung	297.74

Total Emissions Based on Working Region in 2019

Working Region (Province)	Number of tCO ₂ e emissions generated [305-4]
Banten	792.91
West Java	3,118.66
DKI Jakarta	5,468.48
Central Java	3,195.12
Special Region Yogyakarta	703.08
East Java	3,187.73
Bali	849.36
West Nusa Tenggara	108.69
East Nusa Tenggara	76.84
North Kalimantan	63.73
West Kalimantan	229.77
Central Kalimantan	13.15
South Kalimantan	235.82
East Kalimantan	397.45
Gorontalo	-
North Sulawesi	95.72
West Sulawesi	-
Central Sulawesi	-
South Sulawesi	527.52
South East Sulawesi	59.96
North Maluku	-
Maluku	71.18
West Papua	-
Papua	99.91
Total	23,779.39

GHG Emissions and GHG Emissions Intensity [305-1] [305-2] [305-4]

Emission source	Total Emissions (tCO ₂ e)	GHG Emissions Intensity		Emission Percentage
		tCO ₂ e /employee	tCO ₂ e / income (Rp billion)	(%)
Direct (Scope 1) GHG emissions				
Fuel	3,376.65	0.27	0.20	14.2
Energy indirect (Scope 2) GHG emissions				
Electricity	20,402.71	1.65	1.21	85.8
Total	23,724.06	1.92	1.41	100

CIMB Niaga has established requirements for debtors to comply with waste management rules following Government Regulation No. 27 of 2012 regarding Environmental Permits. Only debtors who have an environmental permit which will be considered for credit.

Complaints on Environment

Until the end of 2019, CIMB Niaga has not received any complaints in regards to the environment. This was mainly due to the Bank's operational areas which not located in biodiversity conservation areas, national parks or cultural parks. Also, the Bank had not received any information related to environmental issues by its debtors.

Sustainability Initiative

On Environmental Conservation



CIMB Niaga's commitment to supporting sustainable development goals (SDG) is realized through environmental conservation initiatives and financing to companies with ESG insights and in line with sustainable finance principles.

Bamboo Conservation

In carrying out its bamboo conservation activities, CIMB Niaga collaborates with the Yayasan Keanekaragaman Hayati (KEHATI). The bamboo conservation program is an environmental conservation and community empowerment activity. CIMB Niaga conducts community empowerment-based Bamboo Conservation in West Nusa Tenggara (NTB) through planting bamboo seeds and increasing the farmers' capacity who are working on land in Special Purpose Forest Areas (KHDTK). The activity starts from the process of developing bamboo seedlings, followed by planting, until the bamboo can become a commodity for processing and providing added values, both economically and ecologically.

In 2019, CIMB Niaga undertook nursery of 4,000 Tabah Bamboo in West Nusa Tenggara and 5,000 Bamboo Betung in East Nusa Tenggara. The bamboo conservation and planting program has been conducted consistently since 2011. A total of 30,200 trees have been planted in various parts of Indonesia.

In terms of ecology, bamboo tree conservation has a positive impact, namely improving the quality of water absorption, holding the soil in the planting areas, and increasing the absorption of CO₂ gas, and the release of O₂ gas.

The result of measurement of potential carbon stock measurement for Tabah Bamboo planted in Bali since 2013 shows that Tabah bamboo can absorb up to 758.99 tCO₂e. Therefore, in one year Tabah bamboo has a carbon absorption potential of 9.44 tCO₂e per hectare (ha). This achievement has encouraged CIMB Niaga to continue undertaking its environmental conservation programs through bamboo conservation.

Distribution of Environmental Friendly Loans [FS8]

As a company engaged in the banking industry, other forms of environmental conservation initiatives include lending to environmentally friendly business activities. CIMB Niaga has a policy related to lending so that businesses not classified as environmentally and socially friendly are not able to receive financing facility, including illegal activities, arms and munitions, casinos and gaming, bribery, breaches of national labour laws and human trafficking laws, illegal logging or uncontrolled fire, activities impacting World Heritage Sites, terrorism and smuggling. CIMB complies with all Government Regulations in providing credit and will support ESG-oriented financing. If there is a finding on unsuitable with the ESG provisions or aspects, the Bank will ask for revisions to be made within a certain period, and put the debtors under high-risk category.

Government regulations for providing environmental friendly loans, including:

- Law No.7 of 1992 concerning Banking, as amended by Law No. 10 of 1998, related to Environmental Impact Analysis (AMDAL) for large-scale companies and/or high-risk companies
- Law No. 23 of 1997 concerning Environmental Management
- Government Regulation No.27 of 1999 concerning Environmental Impact Analysis (AMDAL)

Environmental CSR Expenses

By the end of 2019, CIMB Niaga's environmental conservation CSR expenses was Rp994 million. This was in line with the predetermined budget allocation and was mostly used for bamboo conservation, including carbon emissions cost calculation. CIMB Niaga wishes that the environmental CSR costs will provide positive impacts, especially in reducing GHG emissions.



“ CIMB Niaga performed responsible waste management through Zero Waste to Landfill initiative.

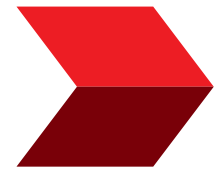
Solihin Hakiekie

Talent Management, OD & Employee Relations Head





RESPONSIBILITIES ON **SUSTAINABLE FINANCE PRODUCTS AND/OR SERVICES**



95% of total Bank's transaction are in digital platform, so it can support the CO₂ reduction in between 27,375 - 29,619 tons of CO₂e.



Bambang Karsono Adi

Digital Banking, Branchless & Partnership Head



Digitalization for Sustainable Finance

Management Approach [103-1][103-2][103-3]

The technological development is increasing and encourages the development of digital-based society. The millennial generation and the urban society lifestyle requires ease, speed, and efficiency. Through increasingly sophisticated technology, customer transaction have also shifted toward a cashless society.

CIMB Niaga continues to implement digital services which indirectly support sustainable finance implementation. Digitalization helps save energy by reducing the transportation and paper usage. Technological developments and innovations are the responsibility of the Director of Operations and Information Technology who evaluates the technology application regularly, and at any times if necessary.



RESPONSIBILITIES OF THE PRODUCT AND/OR SUSTAINABLE FINANCIAL SERVICES

Digital Banking Service

CIMB Niaga has launched various digital-based services, such as CIMB Clicks, Go Mobile, Mobile Accounts, CIMB Niaga Phone Banking 14041, Automated Teller Machines (ATM), Electronic Data Capture (EDC), Cash Deposit Machines (CDM), Cash Recycle Machines (CRM), Digital Lounge, and BizChannel that provide an excellent customer experience. This service is continuously being improved based on innovative developments.

One of 2019 innovations was 'API Banking', a platform to connect CIMB Niaga's banking services with third-party applications, primarily Tech startup and Fintech. Also, CIMB Niaga added features to Go Mobile, including donations, 'know your customer' (KYC) online, data plan billers, transaction schedules, PAM/PDAM billers, realtime QR discounts, QRIS, and many others. In total, there were 60 new features added to Go Mobile. In 2019, the Bank also developed contactless debit cards and affinity debit cards.

CIMB Niaga also continued to optimize its branch office networks by considering its branch office network distribution, and the transfer of banking transactions to branchless banking channels. Optimization involved the addition of alternative networks, such as Digital Lounge, Mobile Cash, and ATMs with a withdrawal and deposit system to facilitate customer transaction needs.

On the other hand, the Bank also pays attention to the negative impacts from digital banking services, such as the rise in cyber crimes. To mitigate this, the Bank established Policy E.04.A.11 regarding Information Security and Data Classification, as the Bank's guideline to maintaining information security, including customer digital data. In 2019, no products were withdrawn and/or terminated marketing for any reasons.

In 2019, no products were withdrawn and/or terminated marketing for various reasons.

Post Implementation Review

In accordance with CIMB Niaga's Policy No. B.04.06 concerning New Products and Activities, one risk management measure by the Bank for new products and activities involves a Post Implementation Review (PIR), which to ensure the implemented operational processes or procedures followed the proposals approved by management. PIR must be carried out by working units that launched new products or activities within 12 months from the launch date.

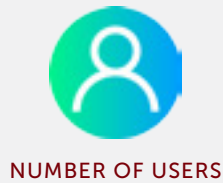
In line with this policy, all new products and activities launched by the Bank have been reviewed, including their safety for customers.

Impact of Sustainable Finance Products and/or Services [302-5]

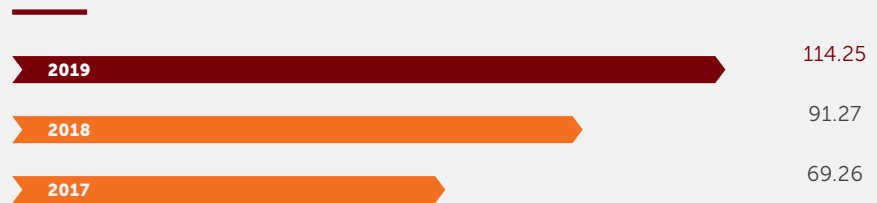
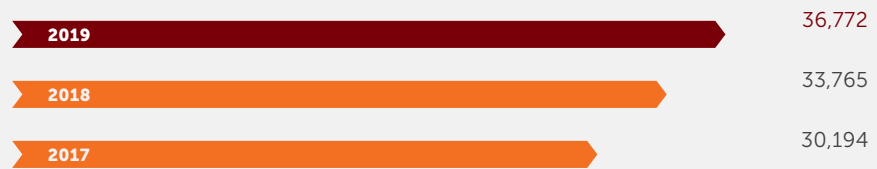
By the end of 2019, there were 232,150,222 transactions using digital platforms. If each transaction is assumed to reduce distances travelled by 1 Km, this can be translated into 232,150,222 Kms. By using the CO₂ reduction calculation, it was assumed that the GHG emission reduction obtained was between 27,375 - 29,619 tCO₂e and energy saved was between 376.112,88 - 406.943,83 GJ. So, indirectly, digital banking services can be seen as providing a positive impact on a positive impact by energy and carbon emissions reduction on transportation.

Total Digital Platform Transactions

	2019	2018	2017
Go Mobile	37,723,944	22,973,205	13,776,771
CIMB Clicks	19,792,885	109,297,245	99,130,366
ATM, MFD, CSD & CRM	166,267,996	143,075,612	120,452,587
Rekening Ponsel	58,719,840	5,603,344	5,942,013
BizChannel@CIMB	115,913,553	91,197,624	69,256,519



DIGITAL BIZCHANNEL PLATFORM PERFORMANCE



Customer Satisfaction for Products

To find out the level of customer satisfaction on products and services provided, CIMB Niaga always listens to the Voice of Customer (VoC) through annual surveys that measures the Net Promoter Score (NPS) for the level of customer loyalty and satisfaction with the products, service channels and service quality. In 2019, the NPS value for CIMB Niaga was 18%, an increase of 2% compared to 2018. The value of customer satisfaction in 2019 was 93%, an increase of 9% compared to 2018.

Net Promoter Score (NPS)

Year	NPS Score Increase
2019	+ 18%
2018	+16%
2017	+5%

Financing Overview [FS3, FS5] [FN-CB-410a.2] [SUSBA 1.3.1.2, 1.3.2.4][FN-CB-550a.2]

CIMB Niaga always reviews its credit facilities provided to debtors following the Bank’s Credit Policy and Commercial Credit Policy. The review process is also applied to the provision of credit by taking into account the debtor’s commitment and background, as well as their compliance with ESG aspects.

Credit reviews consist of:

- Annual review conducted on revolving credit facilities with a maturity of one year
- Term loan review conducted for non-revolving credit facilities with a maturity of more than one year
- Early warning/indicative reviews to determine the debtors’ condition if there is any potential impact on the credit quality. The process is conducted periodically and incidentally based on the debtors’ condition.

Credit review activities are undertaken by the Post Mortem Review Unit and are based on three parameters, namely: Business Prospects, Debtor Performance and Ability to Pay. The credit review results are sent to the credit breaker based on authority limits set by the Bank.



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Independent Assurance Statement

The 2019 Sustainability Report of PT CIMB Niaga Tbk

Number : 004/000-174/III/2020/SR-Asia/Indonesia
Type / Level : 1 / Moderate

PT CIMB Niaga Tbk (“the Reporting Organization” or “the Company”) is a subsidiary of CIMB Group Holdings Berhad (“the Holding”). Headquartered in Kuala Lumpur, Malaysia, the Holding is a universal bank and has been listed on the Main Market of Bursa Malaysia (the stock exchange of Malaysia). Its business networks are located in Asian countries and the United Kingdom. The Reporting Organization is a publicly listed company in the Indonesia Stock Exchange, and operates in the financial service industry sector in Indonesia. The Company has drafted its **2019 Sustainability Report** (“the Report”) and engaged **Social Responsibility Asia** (“SR Asia”) to assure the Report content and come up with an **Independent Assurance Statement** (“the Statement”).

In drafting of the Report content, the Company refers to:

- Sustainability Reporting Standards of the Global Reporting Initiative (“the GRI Standards”) and its Financial Services Sector Supplement (“FSSS”),
- Regulation of Indonesia Financial Services Authority No.51/POJK.03/2017 on the Implementation of Sustainable Finance for the Financial Service Organizations and the Listed and Public Companies (“POJK 51”),
- Sustainability Accounting Standard for Commercial Banks version 2018-10 issued by the Sustainability Accounting Standards Board (SASB), and
- Environment Social and Governance (ESG) Integration Pillars of Sustainable Banking Assessment (SUSBA) developed by World Wildlife Fund (“WWF”).

SR Asia is responsible for evaluating the Report content and come up with recommendations as well as the Statement; while the Management¹ has an exclusive responsibility in presenting the Report content including claims, data, information, and figures. The Statement CANNOT be seen as a basis for interpreting or defining the sustainability or overall performance of the Company, except for the areas covered in the scope of assurance work. SR Asia also does NOT accept or assume any responsibility for any other purpose or to any other person or organization. SR Asia’s responsibility is only to present the assurance work and the Statement to the Management. Therefore, any dependence that a person or an institution has placed on the Report is entirely on its own risk.

Scope and Limitation

- Apply **Type 1** and **Moderate Level** of assurance; where **the risks of information and conclusions of the Report being error is reduced, but not reduced to very low, but not zero.**
- Review, NOT to investigate or audit, the Report content for the reporting period of **1st of January up to 31st of December 2019**, especially on six material topics that have been identified and considered as “very high” priorities by the Management. They are **economic performance, product portfolio**

¹ “The Management” refers to the management of the Reporting Organization or the Company



and loan quality, customer data protection, technology development, indirect economic impact, and reputation of the Company.

3. Evaluation of publicly disclosed information, system and process of the Reporting Organization has in place to ensure adherence to the principles.
4. SR Asia's scope of assurance does not include financial data, information, and figures in the Report content. It is assumed that the Company, or independent parties, or other parties associated with the Company, have verified and/or audited any data and information related to financial statements.

Exclusion

1. Financial performance data and information from the Company's documents other than those mentioned in the Report.
2. Adherence of the Report content against the Sustainability Reporting Guide and the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad.
3. Evaluation based on indicators or principles other than those mentioned in the Statement.
4. Stakeholders' engagement, which may be involved in developing the Report.
5. Topics, data and information outside the reporting period, or in the public domain not covered in the reporting period, or other than those mentioned under the defining materiality section and discussion on defining Report content.
6. Claims and presentations in the Report content describing expression of opinion, belief, expectation, advertisement, and future planning of the Company.

Methodology

1. Engage an official partner and assemble an Assurance Team in Indonesia.
2. Carry out a kick-off meeting and initial assessment on the Report document.
3. Visit the head office of the Company to discuss the Report content with the Management, as well as to review data, information and disclosures as presented in the Report content.
4. Identify supporting documents and trace down the Report content to the evidences.
5. Analyze the Report content by utilizing SR Asia GREAT.
6. Assess the Report content against the standards, principles, and indicators of AA1000AP (2018) AccountAbility, GRI Standards and its FSSS, POJK 51, SASB, and SUSBA.

Adherence to AA1000AP (2018) AccountAbility and GRI Standards

Inclusivity – the Report content has indicated its inclusivity in presenting the key stakeholder groups of the Company. At a practical level, the Company conducts stakeholder engagement through different methodologies and activities across the organizational functions. However, the Company has not yet carried out a comprehensive materiality assessment and not yet developed a written stakeholder engagement strategy as part of stakeholder engagement management practices in the organization.

Materiality – Material topics in the Report content fairly explain the sustainability context of the Company. In order to ensure the accuracy and reliability of the materiality of the Report content, the Company is expected to perform materiality testing to evaluate material topics systematically based on



specific criteria or thresholds. Materiality assessment shall also be linked to risk management, regulation reviews, and analysis of the internal policies and procedures of the Company.

Responsiveness – The Company’s sustainability vision, mission, policy and strategy demonstrate its commitment to respond to sustainability concerns raised by the stakeholders. The Company also has policies and procedures in place to address grievances and solve disputes, especially with the customers. Community development programs of the Company and the engagement with the Indonesia Sustainable Finance Initiative or “IKBI” indicate its commitment to support sustainable development.

Impact – In overall, both metric and narrative information in the Report content can describe the impacts of the Company’s decisions, activities, products, and services on the economy, environment, and society. The disclosures in the Report content are also fairly presented in a balance manner. The Company integrates, but more likely in practical manner rather than using a strategic approach, the identified impacts into its strategy, risk management and operations.

In “Accordance” with Comprehensive Option – The Report content indicates its adherence to the **comprehensive option** of GRI Standards. All disclosures of each material topic are presented and discussed in the Report. In overall, the disclosures of the management approach for each material topic are fairly disclosed. When relevant, FSSS requirements are also presented and discussed. However, the Company is expected to improve the disclosures of management approach, targets and performance in the future in order to increase its reporting quality following the standards and regulations.

GRI Standards Principles – The Assurance Team believes that, as per assurance work is taken, the Principles for Defining Report Content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and the Principles for Defining Report Quality (balance, comparability, accuracy, timeliness, clarity, and reliability) to some extent are fairly applied. The Management is also able to provide supporting documents during the assurance process. Compared to those of other banks in Indonesia, presentation energy and emission data by the Company in the Report content is exceptional; however, it should be followed by the disclosures of Company’s plan to reduce energy consumption and carbon footprints.

Adherence to POJK 51, SASB and SUSBA

In general, the Report content indicates its adherence to POJK 51 as required by the Regulation. The Report also presents sustainable finance topics and the economic, environmental and social topics adequately, especially regarding the sustainability context of the Company. As the stakeholders’ concerns increase, the Company is expected to address and disclose more on labor and human rights issues as specified in ILO Convention and the UN Guiding Principles on Business and Human Rights.

Sustainability Statement

Various sections in the Report, such as the sustainability governance and the disclosures of management approach, present the narrative information of “Sustainability Statement” of the Company’s management of material economic, environmental and social risks and opportunities, as specified in paragraph (29), Part A of Appendix 9C of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad. However, information on risk management may not be comprehensively



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found in the Report content as the topic is commonly discussed in the Annual Report of the Company.

Recommendation

1. Stakeholder engagement management and materiality testing should be well implemented based on AA1000 SES (2015), in order to increase information reliability of material topics and key stakeholder groups of the Company.
2. Maintain and strengthening the information management system, not only covering the energy data but also the data of other material topics in sustainability report.
3. As the stakeholders' concerns increase, the company is expected to highlight and integrate more specific issues, such as human rights, into its policies, procedures, operations, risks management, and business strategy.
4. Strengthening more the alignment of the Company's business strategy with sustainability and SDGs with clear objectives and targets.

Statement of Competency, Independency and Impartiality

SR Asia has engaged Assurance Team members with expertise and experience in writing and reviewing sustainability reports and integrated reports based on GRI Standards, International <IR> Framework, SASB, and others. The experts are also familiar with the principles and standards of AA1000 AccountAbility, and also the reporting regulations of the Country to which the Reporting Organization must comply.

SR Asia ensures that particular mechanism and procedures are adequately applied to ensure the members of Assurance Team have no any conflicted relationship with the Company that can affect the ability to provide an independent and impartial statement. To ensure independency and also free from bias and conflict of interest, SR Asia has put in place a sufficient mechanism and professional codes of practices for the experts.

The assurance provider,

Jakarta, 9th of March 2020




Birendra Raturi
SR Asia International Director



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Social Responsibility Asia (SR Asia)






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MAPPING OF CIMB NIAGA'S SUPPORT FOR SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Bank CIMB Niaga provides support for the Sustainable Development Goals (SDGs) by mapping the Goals, in line with the Bank's strategy. There are seven priority supports (marked with 4 tickmarks) which are carried out by CIMB Niaga, followed by seven other supports (marked with three tickmarks). This support also means to an implementation of sustainable finance which aims to help improving Indonesia community welfare and preserving our earth.

SDGs	CIMB Niaga's Support for SDGs	SDGs Impact to CIMB Niaga's Business	Priority Support from CIMB Niaga to SDGs
	✓✓✓	✓✓	✓✓✓✓
			
	✓✓✓	✓✓✓	✓✓✓✓
	✓✓✓	✓✓✓	✓✓✓✓
	✓✓✓	✓✓✓	✓✓✓✓
	✓✓✓	✓✓✓	✓✓✓✓
	✓✓✓	✓✓✓	✓✓✓✓
	✓✓✓✓	✓✓✓✓	✓✓✓✓✓
	✓✓✓✓	✓✓✓✓	✓✓✓✓✓
	✓✓✓✓	✓✓✓✓	✓✓✓✓✓
	✓✓✓	✓✓✓	✓✓✓✓
	✓✓✓✓	✓✓✓	✓✓✓✓✓

SDGs	CIMB Niaga's Support for SDGs	SDGs Impact to CIMB Niaga's Business	Priority Support from CIMB Niaga to SDGs
	✓✓✓✓	✓✓✓✓	✓✓✓✓
			
	✓✓✓✓	✓✓✓✓	✓✓✓✓
	✓✓✓✓	✓✓✓✓	✓✓✓✓
	✓✓	✓✓	✓

OUR SUPPORT FOR SUSTAINABLE DEVELOPMENT GOALS IN RELATION TO **MATERIAL TOPICS AND ACHIEVEMENT INDICATORS**

GRI Topic Material	SDGs	Indicator
Economic Performance		The proportion of MSME credits to total credits. (8.10.1(b))
Product Portfolio and Loan Quality		Number of bank offices and ATMs per 100,000 adult population. (8.10.1)
		Number of registered environmentally friendly products. (12.7.1(a))
Customer Information Protection		Ensure public access to information and protect fundamental freedoms, in accordance with national regulations and national agreements. (16.10)
Technology Development		Proportion of population served by mobile broadband. (9.c.1)
Indirect Economic Impact		Level of youth and adult participation in formal and non-formal education and training in the last 12 months, by sex. (4.3.1)
Company Reputation		Proportion of population satisfied with recent experience with public services. (16.6.2)
Education and Training		The amount of official assistance from the Government of Indonesia to foreign students receiving scholarships in developing countries. (4.b.1)
Job Diversity and Opportunities		Proportion of women in managerial positions. (5.5.2)
Emissions		Greenhouse gas (GRK) emission reduction reporting document. (13.2.1(a))
Local Communities		Percentage of access to MSMEs (Micro, Small and Medium Enterprises) to financial services. (8.3.1(c))
Anti-Corruption		Anti-Corruption Behavior Index (IPAK). (16.5.1)
Energy		Electricity consumption per capita. (7.1.1(a))
Procurement Practice		Percentage of e-procurement usage against procurement expenditure. (16.6.1(c))
Employment		Percentage of formal labor. (8.3.1.(a))
		The percentage and number of children aged of 5-17 years, who work, and distinguished by sex and age group. (8.7.1) Proportion of wages and social protection subsidies from employers to GDP. (10.4.1)
Waste and Effluent		The amount of waste that is recycled. (12.5.1(a))
		Development assistance and government spending for conservation and sustainable use of biodiversity and ecosystems. (15.a.1)

FEEDBACK RESPONSE

CIMB Niaga's 2018 Sustainability Report received input from several parties with recommendations for future reports. We also received recommendations from a verified independent assessor. The recommendations included disclosure of performance targets and achievements for each material topic, presenting more data and information related to sustainable finance, mapping material disclosure and sustainability initiatives towards the Sustainable Development Goals (SDG), and maintaining data and information continuity for subsequent reporting.

We also received input from WWF Indonesia to better explain the more concrete information for environmental and social aspects, as well as the risks faced. WWF also provided a reference for the Sustainable Banking Assessment (SUSBA).

Responding to this input, in the 2019 Sustainability Report, we have conducted evaluations and improvements, including SDG mapping and the reference of SUSBA. We respond to significant inputs and made improvements based on the Company's strategies and decisions. Our response to this input has been expressed in the improvements to this report.

We appreciate and say thank you to those who have given positive suggestions. We will continue to strive and improve the quality of sustainability performance disclosures aligned with the needs of stakeholders.

FEEDBACK FORM

PT Bank CIMB Niaga Tbk Sustainability Report 2019 an overview of financial and sustainability performance. We are looking forward to receive any inputs , critics and suggestions from you.

1. This report is comprehensible .
 - disagree neutral agree

2. The report has described positive and negative information of the Company.
 - disagree neutral agree

3. Material topic(s) which is(are) the most important to you. (score 1=most important up to 4 = Least important)
 - Economic Performance ()
 - Product Portfolio and Financing Quality ()
 - Customer Information Protection ()
 - Technology Development ()
 - Indirect Economic Impact ()
 - Company Reputation ()
 - Education and Training ()
 - Job Diversity and Opportunities ()
 - Emissions ()
 - Local Communities ()
 - Anti Corruption ()
 - Energy ()
 - Procurement Practices ()
 - Employment ()
 - Waste and Effluent ()

4. Kindly provide your input s/ suggest ions/ com ments about this report .

Your Profile

Full Name :

Occupation :

Institution/Company's Name :

Stakeholder Group:

Investor Customer Employee Local Communities Regulator Others

Please return this feedback form to:
PT BANK CIMB Niaga Tbk
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POJK No.51/OJK.03/2017 References, GRI Standard Content Index 2016, Sustainability Accounting Standard Board (SASB), and Sustainable Banking Assessment (SUSBA)

POJK No.51/OJK.03/2017

No	Disclosure	Page Number
1	Elaboration on Sustainability Strategy	18
2	Summary of Sustainability Aspect Performance	22
	a. Economic aspects: 1) Quantity of products or services offered; 2) Revenue or sales; 3) Net profit or loss; 4) Environmental-friendly products; and 5) Engagement of local stakeholders concerning the Sustainable Finance business process;	22
	b. Environmental Aspects: 1) Energy consumption (including electricity and water); 2) Total emission reductions (in case of FSI, Issuer and Publicly Listed Company whose business process directly relates to environment); 3) Reduction of waste and effluents (waste entering the environment) achieved (in case of FSI, Issuer and Publicly Listed Company whose business process directly relates to environment); or 4) Biodiversity conservation (in case of FSI, Issuer and Publicly Listed Company whose business process directly relates to environment);	27
	c. Social Aspects: A description of the positive and negative impacts out of Sustainable Finance application on community and environment (including people, regions, and funds)	25
3	Brief Company Profile:	
	a. Vision, mission, and values of sustainability	32
	b. Name, address, telephone number, fax number, e-mail adress, and website/web, as well as branch and/or representative offices	35
	c. Enterprise scale: 1) Total assets or asset capitalization, and total liabilities (in millions of rupiah); 2) The number of employees by gender, position, age, education, and employment status; 3) Shareholding percentage (public and government); and 4) Operational area	38
	d. Short description on products, services, and business activities;	35
	e. Membership in association;	42
	f. Significant changes, such as those relating to branch office closure or opening and ownership structure.	35
4	Description on Board of Directors:	6
	a. Policy to respond to challenges in meeting the sustainability strategy, that must cover at least the following: 1) Elaboration the Company's sustainability values 2) Elaboration on the Company's responses towards issues concerning to the implementation of Sustainable Finance; 3) Elaboration on commitment of Company leadership in achieving Sustainable Finance application; 4) Achievement of Sustainable Finance application performance ;and 5) Challenges in Sustainable Finance application performance achievement;	7
	b. Application of Sustainable Finance: 1) Achievement of Sustainable Finance application (economic, social, and environmental) against targets; and 2) Elaboration on achievements and challenges including notable events during the reporting period (in case FSI required to make Sustainable Finance Action Plan);	8
	c. Target achievement strategy: 1) Risk management due to the application of Sustainable Finance related to economic, social and environmental aspects; 2) Utilization of business opportunities and prospects; and 3) Description on economic, social and environmental external situations that have the potential to affect the Company's sustainability	8
5	Sustainability governance includes	44
	a. Description of tasks performed by Board of Directors and Board of Commissioners, employees, officers and/or work units who are responsible for the implementation of Sustainable Finance	47

No	Disclosure	Page Number
	b. Development of Board of Directors' competencies, Board of Commissioners, employees, officers and/or work units responsible for implementing Sustainable Finance.	47
	c. Elaboration on procedure that Company applies in identifying, measuring, monitoring and controlling risks for the implementation of Sustainable Finance related to economic, social and environmental aspects, including the role of the Board of Directors and the Board of Commissioners in managing, conducting periodic reviews, and analyzing the effectiveness of the Company's risk management process.	49
	d. Description on stakeholders that includes: 1) Stakeholder involvement based on management assessment results. 2) The approach used by the Company in involving stakeholders in the application of Sustainable Finance.	51
	e. Problems faced, progress, and influence to the implementation of Sustainable Finance.	50
6	Sustainable performance:	49
	a. Elaboration on sustainable culture development activities in the Company	34
	b. Description of economic performance: 1) Comparison of targets to performance of production, portfolio, financing targets, or investments, revenue as well as profit and loss 2) Comparison of target to performance of portfolio, financing target, or investments in financial instruments or projects in line with the implementation of Sustainable Finance.	57
	c. Social performance: 1) The Company's commitment to provide services for equal products and / or services to consumers. 2) Employment: • Equality of employment opportunities and the presence or absence of forced labor and child labor; • Percentage of permanent employee remuneration at the lowest level of the regional minimum wage; • Decent and safe work environment; and • Training and development of employee skills. 3) Community: • Information on operational activities or area producing positive and negative impacts on local community including financial literacy and inclusion; • Mechanism of community complaints and number of community complaints received and acted upon; and • CSER relateable to sustainable development objectives including community empowerment programme activity achievements.	66
	d. Environmental Performance: 1) Environmental costs that incur; 2) Description on the use of environmentally friendly materials such as material of recyclable type; and 3) Description on the use of energy, at least include: • Amount and intensity of energy consumed; and • Efforts and achievement made for energy efficiency including the use of renewable energy sources;	82
	e. Environmental Performance for Companies whose business processes are directly related to the environment: 1) The performance under point d above; 2) Information on operational activities or areas producing positive and negative impacts on the surrounding environment, especially efforts to increase the carrying capacity of ecosystems; 3) Biodiversity, including at least: • Impacts from operational areas close to or in conservation areas or that contain biodiversity; and • Biodiversity conservation business carried run, including protection of flora or fauna species; 4) Emissions, including at least: • Amount and intensity of emissions produced by type; and • Efforts and achievement of emission reductions; 5) Waste and effluent, including at least: • Amount of waste and effluent produced by type; • Waste and effluent management mechanisms; and • Spillover that occur (if any); and 6) Number and content of environmental complaints received and resolved.	86
	f. Sustainable Finance product and/or service development responsibility at least include: 1) Sustainable Finance product and/or service innovation and development 2) Number and percentage of products and services having undergone safety test for customers; 3) Positive and negative impacts caused by Sustainable Financial products and/or services and the distribution process, as well as mitigation undertaken to mitigate negative impacts; 4) Number of products recalled and the reasons; or 5) Customer satisfaction survey of Sustainable Financial products and/or services.	88
7	Written verification from independent parties (if any)	93

Standard and Framework Reference Global Reporting Initiative (GRI)

GRI Index	Disclosure	Page Numbers	Omission	
GRI 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016	102-1	Name of the organization	35	-
	102-2	Activities, brands, products, & services	35	-
	102-3	Location of headquarters	35	-
	102-4	Location of operations	35, 36	-
	102-5	Ownership and legal form	35	-
	102-6	Markets served	36	-
	102-7	Scale of the organization	38	-
	102-8	Information of employees	40-41	-
	102-9	Supply chain	43	-
	102-10	Significant changes	35	-
	102-11	Precautionary Principle or approach	41	-
	102-12	External initiatives	41	-
	102-13	Membership of associations	42	-
	102-14	Message	6	-
	102-15	Key impacts, risks, and opportunities	6	-
	102-16	Values, principles, standards, and norms of behavior	32	-
	102-17	Mechanism for advice and concerns about ethics	54	-
	102-18	Governance structure	46	-
	102-19	Delegating authority	47	-
	102-20	Executive-level responsibility for economic, environmental, and social topics	47	-
	102-21	Consulting on stakeholders on economic, environmental, and social topics	51	-
	102-22	Composition of the highest governance body its committees	46	Disclosures are in the 2019 annual report
	102-23	Chair of the highest government body	47	-
	102-24	Nominating and selecting the highest governance body	46	-
	102-25	Conflick of interest	46	Disclosures are in the 2019 annual report
	102-26	Role of the highest body in setting purpose, values, and strategy	46	-
	102-27	Collective knowledge of highest governance body	46	-
	102-28	Evaluatin the highest governance body	46	Disclosures are in the 2019 annual report
	102-29	Identifying and managing economic, environmental, and social impacts	47	-
	102-30	Effectiveness of risk management processes	49	-
	102-31	Review of economic, environmental, and social topics	49	-
	102-32	Highest governance body's role in sustainability reporting	29	-
	102-33	Communicating critical concerns	49	-
	102-34	Nature and total number of critical concerns	47, 49	-
	102-35	Remuneration Policies	78	Disclosures are in the 2019 annual report

GRI Index	Disclosure	Page Numbers	Omission	
102-36	Process for determining remuneration	78	Disclosures are in the 2019 annual report	
102-37	Stakeholders' involvement in remuneration	78	Disclosures are in the 2019 annual report	
102-38	Annual total compensation ratio	78	-	
102-39	Percentage increase in annual total compensation ratio	78	-	
102-40	Stakeholder groups	51	-	
102-41	Collective bargaining agreements	40	-	
102-42	Identifying and selecting stakeholders	51	-	
102-43	Approach to stakeholder engagement	29, 51	-	
102-44	Key topics and concerns raised	51	-	
102-45	Entities included in the consolidated financial statements	29	-	
102-46	Defining report content and boundaries	29, 35	-	
102-47	List of material topics	31	-	
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102-49	Changes in reporting	30	-	
102-50	Reporting period	28	-	
102-51	Date of most recent report	28	-	
102-52	Reporting cycle	28	-	
102-53	Contact	28	-	
102-54	In accordance with the GRI Standards	28	-	
102-55	GRI content index	28, 104	-	
102-56	External assurance	28	-	
Material Topics				
Economic Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	58	-
	103-2	The management approach and its components	58	-
	103-3	Evaluation of the management approach	58	-
GRI 201: Economic Performance 2016	201-1	Direct economic, value generated and distributed	58, 59	-
	201-2	Financial implications and other risks and opportunities due to climate change	59	-
	201-3	Defined benefit plan obligations and other retirement plans	81	-
	201-4	Financial assistance received from government	58	-
Indirect Economic Impact				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65	-
	103-2	The management approach and its components	65	-
	103-3	Evaluation of the management approach	65	-

GRI Index		Disclosure	Page Numbers	Omission
GRI 203: Indirect Economic Impact 2016	203-1	Infrastructure investments and services supported	65	-
	203-2	Significant indirect economic impacts	63	-
Anticorruption				
GRI 205: Anticorruption	205-1	Operation assessed for risks related to corruption	53	-
	205-3	Confirmed incidents of corruption and actions taken	-
Energy				
GRI 302: Energy 2016	302-1	Energy consumption within the organization	84	-
	302-2	Energy consumption outside of the organization	83	-
	302-3	Energy intensity	84	-
	302-4	Reduction of energy consumption	83	-
	302-5	Reduction in energy requirements of products and services	90	-
Emissions				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	84, 85	-
	305-2	Energy indirect (Scope 2) GHG emissions	85	-
	305-4	GHG emissions intensity	85	-
Waste				
GRI 306: Effluent and Waste 2016	306-2	Waste by type and disposal method	83, 84	-
Employment				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	76, 77, 78	-
Training and Educations				
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	79, 80, 81	-
	404-3	Percentage of employees receiving regular performance and career development reviews	81	-
Local Communities				
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	69	-
Protection of Customer Information				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	74	-
	103-2	The management approach and its components	74	-
	103-3	Evaluation of the management approach	74	-
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	74	-
Product Portfolio & Loan Quality				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	60	-
	103-2	The management approach and its components	60	-
	103-3	Evaluation of the management approach	60	-
Technology Information				
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	103-2	The management approach and its components	89	-
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GRI - G4 Financial Services Supplement Sector

GRI G4 Financial Services Supplement Sector	Disclosure	Page Numbers
FS1	Policies with specific environmental and social components are applied to business lines	31, 56, 61
FS2	Procedures with specific environmental and social components are applied to business lines	61
FS3	Process to monitor client implementation and compliance with environmental and social requirements	91
FS4	Process to improve staff competence in implementing social environment policies and procedures	31, 48, 79
FS5	Interaction with clients / investors / business partners regarding environmental and social risks and opportunities	49, 91
FS6	Percentage of portfolio for business sectors based on region, size and sector	31, 60
FS7	The reviewed monetary values of products and services to provide social benefits	31, 65
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FS9	Scope and frequency of audits and risk assessment procedures	31, 54, 61
FS10	Partnerships responsible for environmental or social problems	49, 61
FS11	The percentage of assets occurring in a positive and negative or social environment	61, 63
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FS13	Access Points in low populated or economically disadvantaged areas by type	31, 65
FS14	Initiatives to improve access to financial services for disadvantage people	31, 65, 73
FS15	Policy for fair design and sale of financial products and services	74
FS16	Initiative to enhance financial literacy by type of beneficiary	65

GRI - G4 Financial Sustainability Accounting Standard Board (SASB)

Code	Disclosure	Page Number
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FN-CB-230a.2	Description of approach to identifying and addressing data security risks	74
Financial		
FN-CB-240a.1	Number and amount of loans outstanding qualified to programs designed to promote small business and community development	63
FN-CB-240a.2	Number and amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	63
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	61
FN-CB-240a.4	Number of participants in financial literacy	72
Incorporation		
FN-CB-410a.1	Commercial and industrial credit exposure, by industry	60
FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	91
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FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	53, 74
FN-CB-510a.2	Description of whistleblower policies and procedures	55
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FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	42
FN-CB-550a.2	Approach incorporation of environmental, social, and governance (ESG) factors in credit analysis	91

Sustainable Banking Assessment (SUSBA)

Disclosure		Page
1.1. Purpose - Sustainability strategy and stakeholder engagement		
1.1.1.1.	Is there a clear reference to sustainability in the bank's strategy and long-term vision?	18
1.1.1.2.	Does the bank clearly recognise that its ESG footprint extends to its business activities and portfolio?	61
1.1.1.3.	Does the leadership statement make reference to the integration of ESG factors in the bank's business strategy?	8
1.1.1.4.	Is there a clear reference to sustainable development goals (SDGs) in the bank's strategy or vision?	18
1.1.1.5.	Does the bank explicitly acknowledge the societal and economic risks associated with climate change?	59
1.1.1.6.	Does the bank explicitly acknowledge the societal and economic risks associated with environmental degradation?	62
1.1.1.7.	Does the bank disclose the types of stakeholders it engages with on ESG issues?	51
1.1.1.8.	Does the bank engage with civil society and/or non-governmental organisations to understand the ESG impacts of its business activities?	49
1.1.1.9.	Does the bank disclose the frequency and mode of communication with stakeholders?	51
1.1.1.10	Has the bank identified responsible financing/lending and/or other key E&S issues as material?	31
1.2. Purpose - Participation in sustainable finance initiatives		
1.1.2.1.	Does the bank participate in relevant commitment-based sustainable finance initiatives such as RSPO, PRB, EP, SBTi, or SBEFP?	18
1.1.2.2.	Does the bank engage with regulators and policy makers on ESG integration and/or sustainable finance topics?	42,47
2.1. Policies - Public statements on specific ESG issues		
1.2.1.1.	Does the bank have exclusionary principles covering activities the bank will not support, taking into account ESG considerations?	62
1.2.1.4.	Does the bank acknowledge biodiversity loss and/or deforestation risks in its clients' activities?	62
1.2.1.6.	Does the bank recognise negative impacts on the marine environment as risks in client's activities?	62
1.2.1.7.	Does the bank have a commitment not to provide financial products and services to projects or companies located in, or having negative impacts on, UNESCO World Heritage Sites?	62
1.2.1.8.	Does the bank recognize water risks (flooding, scarcity, and pollution) as risks in its clients' activities?	62
1.2.1.10.	Does the bank recognize human rights risks, including those related to local communities, in its clients' activities?	62
1.2.1.14.	Are the bank's E&S requirements applicable to financial products and services beyond lending (i.e. capital markets, advisory)?	49
2.2. Policies – Public statements on specific sectors		
1.2.2.1.	Does the bank have sector policies or sector-specific requirements for environmentally or socially sensitive industries, e.g. agri commodities, energy, oil & gas, mining, seafood, infrastructure?	61, 62
1.2.2.2.	Does the bank disclose its requirements/policies for environmentally or socially sensitive sectors?	61, 62
1.2.2.4.	Does the bank periodically review its E&S policies or stated that last date of review was within the past 2 years?	49
3.1. Processes - Assessing ESG risks in client & transaction approvals		
1.3.1.1.	Does the bank use standardized frameworks for E&S due diligence (e.g. tools, checklists, questionnaires, external data providers) when reviewing clients or transactions subject to its policies?	62
1.3.1.2.	Does the bank assess its clients' capacity, commitment, and track record as part of its E&S due diligence process?	91
1.3.1.4.	Is there an escalation mechanism for more complex or controversial cases?	62
3.2. Processes - Client Monitoring and Engagement		
1.3.2.2.	Does the bank require clients that are not fully compliant with its E&S policies to develop and implement time-bound action plans?	62
1.3.2.4.	Does the bank perform periodic review or state how frequent it reviews its clients' profiles on E&S?	91
1.3.2.5.	Does the bank disclose the process to address non-compliance of existing clients with the bank's policies or with pre-agreed E&S action plans?	61

Disclosure		Page
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14.1.1.	Is senior management responsible for the implementation of the bank's ESG strategy?	47
14.1.3.	Does the bank describe the roles and responsibilities of the various departments, committees or teams involved in developing and implementing its E&S policies?	47
14.1.4.	Has the bank put in place an internal control system with three lines of defence to manage E&S issues?	21
14.1.7.	Do the terms of reference of the Audit committee require sustainability-related matters to be included in internal control and audit processes?	47
14.1.8.	Does the bank implement periodic audits to assess implementation of E&S policies and procedures?	31
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14.2.2.	Does the bank train its staff on E&S policies and implementation processes?	31, 48, 79
14.2.3.	Does the bank provide specific training for its senior management, covering sustainability issues?	48
5.1. Products - ESG integration in products and services		
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1.6.2.5.	Does the bank disclose the percentage of its soft commodities clients that have time-bound plans to achieve full certification of their operations against credible, multi-stakeholder sustainability standards?	62
1.6.2.6.	Does the bank disclose the percentage of clients or total credit exposure covered by its E&S policies on sensitive sectors?	61
1.6.2.9.	Does the bank conduct external assurance of its ESG-related disclosures?	28

LAPORAN KEBERLANJUTAN 2019
PT BANK CIMB NIAGA Tbk



MELANGKAH MAJU
UNTUK INDONESIA YANG LEBIH BAIK