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Maybank Bali Marathon,  
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# CORPORATE GOVERNANCE

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# Implementation Basis of Governance

Maybank Indonesia continuously strives to improve the implementation of Good Corporate Governance (GCG) at all levels of the organisation. The Bank is aware that Good Corporate Governance is one of the necessary components to improve its performance, protect the interests of the Stakeholders, and improve compliance to the prevailing laws and regulations as well as the generally accepted ethics in the banking industry.

The Bank that has been in operations for more than 50 years implements GCG principles in each of its business activities. The principles are Transparency, Accountability, Responsibility, Independency, and Fairness. This is driven by the Bank's commitment to achieve its mission of becoming the leading financial services provider in Indonesia, supported by fully committed and innovative human resources to create values and serving the communities as well as the mission of Humanising Financial Services.

In the implementation of GCG, the Bank always refers to the 3 (three) Governance aspects, namely Governance Structure, Governance Process, and Governance Outcome. The three Governance aspects are the Bank's focus and commitment in realising Good Corporate Governance for all of its Stakeholders.

In line with the Bank's values, namely Teamwork, Integrity, Growth, Excellence and Efficiency, as well as Relationship Building or TIGER, the Bank is committed to continuously accelerate its performance and increase its added value to the Stakeholders and the communities. It also supports the Bank's performance theme in 2017, namely Innovation, which is carried out by creating even more innovations and creativity, particularly in providing the best services for customers.

During 2017, the Bank always strives to realise these through the implementation of Good Corporate Governance in a consistent and continuous manner.

## Objective of Governance Implementation

A consistent and sustainable implementation of governance will have positive impacts on the overall Bank's performance as follows:

- a. As an organisation, good governance also builds the Bank's reputation in the stakeholders' perspective.
- b. As a business entity, the implementation of good corporate governance contributes to performance improvement through clear systems and workflow.
- c. Building reputation and performance in the eyes of the stakeholders, nationally, regionally, and internationally.

The Bank is aware that GCG implementation is not only complying to the regulations, additionally, it also internalise GCG as continuous organisational improvement and enhancement efforts, accompanied by the development and advancement of the Bank's implementation of its values and ethics.

In line with the theme set by the Management for 2017, namely the Year of Creativity, the implementation of good corporate governance is becoming increasingly important. The Bank's commitment to continue to deliver innovative and creative quality services to customers is also driven by the development and improvement of good corporate governance.

In order to address the challenges in 2018, the Management of the Bank emphasises on the importance of the Customer Centric principles and uses it as the DNS for the organisation. Customer Centric is a deep understanding on the behavior and needs of the customers and translates them into products and solutions that match their behavior and needs. The implementation of GCG can support the Bank to implement the Customer Centric principles in order to have synergy with the Bank's mission of Humanising Financial Services, enabling it to provide high quality services according to the needs of the customers.

# Good Corporate Governance Guidelines and Policy

The Bank has established its own Good Corporate Governance Manual which has been referred to the following regulations:

- OJK Regulation of the Financial Services Authority (POJK) no. 55/POJK.03/2016 dated 7 December 2016 on GCG Implementaion for Commercial Banks;
- OJK Circular Letter (SE OJK) No.13/SEOJK.03/2017 dated March 17, 2017 on GCG Implementation for Commercial Banks
- OJK Regulation No.29/POJK.04/2016 dated July 29, 2016 on Annual Report for Issuers or Public Companies;
- Corporate Governance Roadmap towards Better Governance for Issuers and Public Companies Issued by OJK on February 4, 2014
- OJK Regulation No.21/POJK.04/2015 dated November 16, 2015 on GCG Implementation for Issuers;
- OJK Circular Letter (SEOJK) No.32/SEOJK.04/2015 dated November 17, 2015 on GCG Guidelines for Issuers;
- OJK Circular Letter No.30/SEOJK.04/2016 dated 3 August 2016 on Framework and Content of Annual Report for Issuers or Public Companies;
- ASEAN Corporate Governance (CG) Scorecard;
- The Bank's Articles of Association and GMS Decisions;
- Decision of the Board of Commissioners and/or the Board of Directors; and
- The Bank's internal regulations (Board Manual, Code of Ethics and Code of Conduct)

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

The implementation of GCG principles includes Transparency, Accountability, Responsibility, Independence, and Fairness (TARIF), as elaborated below:

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

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

## Roadmap of Governance Implementation

- Published the 3rd version guidelines/manual for Risk Management Implementation
- Issued the user guidelines or manual for Non-Retail Scorecard
- Issued the 3rd version framework for the Internal Capital Adequacy Assessment Process (ICAAP)
- Published the Stress Testing policy
- Adjusted/adapted the Reputation Risk Management Policy
- Policy for improved Assets & Liabilities Management and Assets & Liabilities Management Committee (ALCO)
- Published the Know Your Customer (KYC) policy in order to prevent money laundering and financing terrorism
- Refined the Bank's GCG implementation with ASEAN CG Scorecard
- Conducted self-assessment and produced GCG report
- Alignment of GCG practices to be in accordance with the latest regulations and made GCG as part of the culture in the Bank's daily operations
- Aligned Credit Policy with the applicable Credit Policy Framework and Shariah Governance Framework (Including Shariah Financing Policy)
- Refined Risk Management Implementation Guidelines
- Exercised efforts and support to prevent and eradicate crimes of money laundering and terrorism financing by the Bank through the implementation of the KYC Principle by issuing internal provisions related to the KYC Principles
- Adjusted procedures on Property Ownership Loan and Property-Based Consumer Loan application processing
- Adjusted the Bank's Lending Policy in relation to Credit Approval Authority Establishment
- Updated policies on Assets & Liabilities Management and Assets & Liabilities Management Committee (ALCO)
- Issued assessment policy on outsourcing vendors

**2014** ▶

**2015** ▶

## 2016 ▶

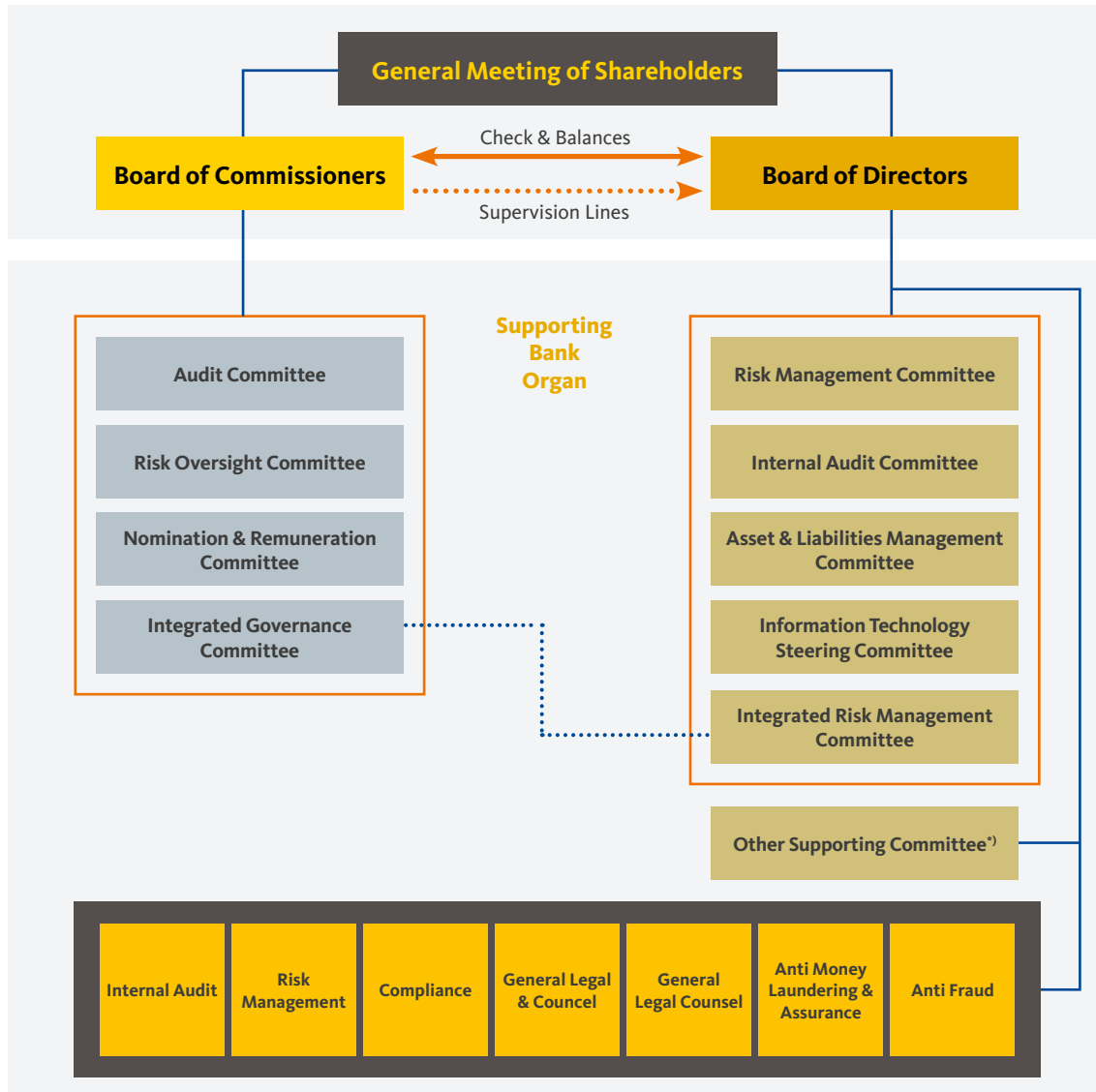
- Refined policy on Micro Banking Credit Processing Guidelines
- Issued Trading Book Limit Policy (TBLP)
- Adjusted policies related to the Framework of the Internal Capital Adequacy Assessment Process (ICAAP)
- Performed adjustments to Reputation Risk Management Policy
- Enhanced the Stress Testing Policy
- Refined the Risk Control and Self-Assessment (RCSA) policy
- Enhanced the Incident Management and Data Collection (IMDC) policy as a component of the Operational Risk Management framework
- Refined Risk Appetite Statement policy
- Refined the Compliance Loan Checklist policy
- Enhanced the Operational Risk Assessment policy to help Business Units and Supporting Units (BU/SU) in managing operational risk quality with effective processing time
- Issued Data Governance Framework and Policy as a reference in the management of data and information
- Issued regulations concerning FATCA Policy
- Refined the Risk Management Committee Policy
- Issued the consumer (customer) protection policy
- Issued the policy on Information Technology System Procurement and Development in order to improve the quality of project management and procurement as well as the development of the existing Information Technology System
- Refined the Operational Risk Policy in order to update operational risk policy annually
- Issued Non-Retail Large Exposures Policy in order to implement prudential banking principles and risk management in providing funds, especially large exposures

## 2017

- Change of organisational structures in several directorates and change of organisational structure in several units
- Update and refinement of policies and procedures related to retail and non-retail credits.
- Updates to the Guidelines for Integrated Governance
- Improvement to the organisation of Integrated Compliance Unit and Integrated Internal Audit Unit at the Bank's Financial Conglomeration.
- Update to the Integrated Risk Management Policy.
- Update to the Standard Operating Procedure of the Fund Repatriation Investment for the Tax Amnesty Framework.
- Establishment of the Standard Operating Procedure (SOP) of Local Currency Settlement (LCS) for Appointed Cross Currency Dealers (AACD).
- Improvement of the Risk Management Review Process in the Implementation of SFAS 50 & 55.
- Update on the Capital Investment Policy
- Update on the Sanction Policy
- Update on the Policies and Procedures for the Implementation of Anti Money Laundering and Counter-Terrorism Financing (APU and PPT) Program.
- Development of Call Report System as part of monitoring process for debtors' performance.
- Separation of Information Technology (IT) and Operations functions and transformation of IT Risk Management into IT Embedded Risk Units (ERU) to support the Bank's aspirations to become the Digital Bank of Choice and to focus more on improving operational performance.

# Bank Corporate Governance Structure

## BANK CORPORATE GOVERNANCE STRUCTURE



\*) Other supporting committees: Credit Committee, Credit Restructuring Committee, Impairment Committee, Human Capital Committee, and Personnel Committee also have reporting and coordination lines with the Board of Directors and the independent working units.

..... Coordination Line

Pursuant to the prevailing rules and regulations, Maybank governance structure is designed to provide clarity in the allocation of duties, responsibilities, mechanisms, and flow of decision making processes, and in reporting among the organs of the Bank.

The Bank's GCG implementation manifested from the synergy amongst all key organs, which are made up of General Meeting of Shareholders (AGMS) as the highest body, the Board of Commissioners, the Board of Directors.

The Board of Commissioner shall supervise the policy of the Directors in managing the Company and provide advice to the Directors. The Board of Commissioners shall fulfill such duty and liability in good faith.

To maximise the function of major organs in the governance structure, so that its implementation is assisted by supporting organs comprising BoC Committees, Corporate Secretary, BoD Committees and Internal Audit Unit.

The practice is consistent with all applicable laws and regulations. Based on this, the BoC Committees have been established to assist the oversight function of the Board of Commissioners, as listed below:

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

Furthermore, the Board of Directors, which has a representative and managerial mandate, shall take the lead in the Bank's daily operations and is responsible for the implementation of both short- and long-term strategies and initiatives. To help discharge its responsibilities in terms of compliance with all applicable laws, the Board of Directors has established the following committees:

1. Risk Management Committee
2. Internal Audit Committee
3. Assets & Liabilities Committee (ALCO)
4. Information Technology Steering Committee
5. Integrated Risk Management Committee

Other than committees required by the prevailing laws and regulations, the Bank has established other committees based on organisational need. The committees have been established under the BoD with a BoD decree: Credit Committee, Credit Restructuring Committee, Value Impairment Committee, Human Capital Committee and the Personnel Committee.

Furthermore, the BoD for the implementation of its duties is assisted by a Corporate Secretary and various work units, namely Internal Audit Unit (SKAI), Risk Management Unit, Compliance Unit, General Legal and Counsel Unit, Anti Money Laundering and Assurance Unit (AMLA), and Anti-Fraud Unit.

The division of responsibilities and authorities of the BoC, that of the BD, and that of each of the committees under the two Boards has been officially outlined in the charters of each of the key functions.

The Bank also applies a check and balance approach to ensure that the key organs and supporting units respectively have a clear line of tasks and responsibilities.



# The General Meeting of Shareholders

(GMS) is the highest organ of a Public Company with authorities that are not conferred to the Board of Commissioners/BOC and Board of Directors/BOD as stipulated by Limited Liability Law and/or Articles of Association of a Public Company. GMS consists of an Annual GMS and other Extraordinary GMS.

Annual GMS must be organised no later than 6 (six) months after the closing of a financial year while the other GMS, or the Extraordinary GMS (EGMS) can be convened at any time depending on the company's needs.

## LEGAL BASIS

The legal basis for the implementation of the Maybank Indonesia GMS has been referred to the following regulations:

1. Law no. 40 Year 2007 regarding Limited Liability Company.
2. OJK Regulation No.32/POJK.04/2014 dated December 8, 2014 on Plan and Implementation of General Meeting of Shareholders for Issuers.
3. The Bank's Articles of Association.

## RIGHTS AND AUTHORITIES OF SHAREHOLDERS IN GMS

The shareholders reserve the rights over the shares they own, ensuring that the rights of shareholders are protected and can be exercised according to laws and regulations and the Bank's Articles of Association. Shareholders have the right to attend a GMS, express opinion, and to cast vote in decision-making process and to obtain information relating to meeting agenda. In GMS, shareholders may request for information about the company from the BOD and/or BOC as long as the information are relevant to the meeting agenda and are not contradictory to the company's interests.

GMS may not take any decisions over other agenda items, unless all shareholders are present and/or present by proxies in the GMS and approve the addition to meeting agenda. Decisions on additional meeting agenda must be unanimous.

Pursuant to Limited Liability Law No. 40 of 2007, the GMS has the following powers:

- a. Decide stock issuance in monetary and/or other forms, e.g. fixed assets.
- b. Decide whether shareholders and other creditors that have outstanding receivables may use their right to bill to compensate their obligation of paying the price of stocks they have acquired.
- c. Approve stock buyback
- d. Approve increase of capital
- e. Decide on reducing capital
- f. Approve work plan proposed by the company's board of directors
- g. Decide on the use of earnings including the amount of provisioning
- h. Stipulate procedures to withdraw dividend allocated into special reserves
- i. Decide on consolidation, merger, acquisition, or divestment; request for bankruptcy; extension of company, and disbandment of the company
- j. Decide the distribution of management roles and authorities of the board of directors in the event that the BOD consists of 2 or more directors
- k. Appoint members of the BOD
- l. Stipulate the amount of salaries and benefits of the BOD
- m. Decide on the BOD's authority to represent the company in the event that the BOD consists of more than 1 director
- n. Approve the transfer of or the pledging of company's assets as collateral that constitute more than 50% of the company's net assets in a single or more transactions that are and are not related
- o. Decide on whether BOD may request for bankruptcy to the Commercial Court
- p. Discharge any member of the BOD at any time and to state the reasons of dismissal
- q. Revoke or confirm the decision of temporary dismissal of a member of the BOD decided by the BOC
- r. Appoint members of the BOC
- s. Stipulate the amount of salaries and honorarium and benefits for members of the BOC

## THE MECHANISM OF THE HOLDING OF ANNUAL GMS

The way AGMS was organised has complied with the Bank's Articles of Association and OJK Regulation No.32/POJK.04/04/2014 on the Plan and Holding of General Meeting of Shareholders for Issuers.

## Phases of Implementation of AGMS on 31 March 2017

AGMS on March 31, 2017		
	Activities	Stipulation
Notification of AGMS to Regulator	Notification Letter of AGMS to OJK and IDX (e-Reporting) dated February 14, 2017	Notification of date and agenda of the AGMS is disclosed in a clear and detailed manner and submitted at least 5 days prior to the AGMS announcement to the public.
Announcement of AGMS	Announced in Investor Daily on February 22, 2017. Evidence of announcement submitted to OJK and IDX (e-Reporting) and uploaded on the Bank's website on February 22, 2016.	Announced in at least 1 (one) national newspaper in Bahasa Indonesia, via the IDX website and corporate website at least 14 (fourteen) days prior to the AGMS invitation date.
Invitation of AGMS along with the description of AGMS agenda	Announced in "Investor Daily" paper on March 9, 2017. Proof of announcement was submitted to OJK and BEI (e-Reporting) and uploaded on website www.maybank.co.id on March 9, 2017.	Announced in at least 1 (one) national newspaper in Bahasa Indonesia, via the IDX website and corporate website at least 21 (twenty-one) days prior to the AGMS.
Holding of AGMS	March 31, 2017	
Summary of AGMS Resolutions	Publication	The major decisions were uploaded on the Bank's website www.maybank.co.id on April 4, 2017. Posted on website www.maybank.co.id on April 4, 2017.
	Report to Regulator	Proof of announcement was submitted to OJK (Capital Market & Supervisor) and BEI (e-Reporting) on April 4, 2017.
AGMS Resolutions	Deed of AGMS Resume from Notary public was submitted to OJK and BEI (e Reporting) on April 28, 2017.	Deed of AGMS summary was submitted to OJK and IDX 30 (thirty) working days after the AGMS.

## AGMS Process

Date & Time	March 31, 2017 from 2.07 pm to 3.19 pm local time
Venue	Function Room, Sentral Senayan III 28 <sup>th</sup> FL, Jl. Asia Afrika No.8, Jakarta 10270
Quorum	AGMS was attended by 53,529,392,917 shares (79.01%) of the total 67,746,840,730 share
Chairman	Mr. Tan Sri Dato' Megat Zaharuddin bin Megat Mohd. Nor
Attendance of BoC including President Commissioner	Mr. Tan Sri Dato' Megat Zaharuddin bin Megat Mohd. Nor as President Commissioner and all members of the BoC were present
Attendance of Audit Committee Chairman	Mr. Achjar Iljas as Chairman of Audit Committee was present
Attendance of Nomination and Remuneration Committee Chairman	Ms. Budhi Dyah Sitawati as Chairman of Nomination and Remuneration Committee was present
Attendance of Risk Oversight Committee Chairman	Mr. Umar Juoro as Risk Oversight Committee Chairman was present
Attendance of BoD including President Director	Mr. Taswin Zakaria and all members of BoD were present
Attendance of Compliance Director	Ms. Dhien Tjahajan as Compliance Director was present
Independent Party to calculate quorum and votes for AGMS resolutions	Public Notary Aryanti Artisari, SH, MKn.
Total number of shareholders making inquiries and/or giving opinions	There were no shareholders and/or their representatives who made inquiries/ submitted responses
Procedures for AGMS resolutions	Most of the meeting agenda were agreed on deliberation to reach consensus by all of shareholders, except on 4 <sup>th</sup> meeting agenda and 7 <sup>th</sup> meeting agenda there were disagreed shareholders. Nevertheless after the voting process had been conducted, those meeting agendas were agreed with the most number of votes.

## The General Meeting of Shareholders

### VOTING PROCESS

Disclosure of voting results and procedures for Maybank Indonesia's Annual GMS can be found in Rules of Conduct of GMS distributed to shareholders and read out by the Corporate Secretary prior to the commencement of the AGMS. Disclosure of voting count and procedures is fully disclosed in the AGMS Rules of Conduct posted on the corporate website together with the AGMS invitation.

### RESOLUTIONS AND REALISATIONS OF AGMS 2017

Bank held AGMS on 31 March 2017 provided agenda and resolutions as follows:

1 <sup>st</sup> Meeting Agenda		Realisation
Annual Report of the Company For the Year Ended December 31, 2016 and the Ratification of Balance Sheets and Profit/Loss Statements for the Year Ended December 31, 2016		
<p>The decision was made via deliberation for consensus, and no shareholder present or represented gave dissenting opinion nor abstain. Thus 100 % of the shares present/represented in the Meeting have decided to:</p> <ol style="list-style-type: none"> <li>1. Accept and approve Report on the Company's Annual Report for the financial year ended December 31, 2016.</li> <li>2. Approve and endorse the Consolidated Balance Sheet and Income Statements for the year ended December 31, 2016 which has been audited by Public Accounting Firm "Purwantono, Sungkoro &amp; Surja" (a member firm of Ernst &amp; Young Global Limited) according to the report No RPC-2947/PSS/2017 dated February 14, without modification.</li> <li>3. Grant acquit et de charge to the Board of Commissioners and the Board of Directors who are on board during financial year 2016 concerning their acts of supervision and management which were conducted during the fiscal year 2016</li> </ol>		Has been realised in 2017
Voting		
Agree	Disagree	Abstain
100%	Nil	Nil
2 <sup>nd</sup> Meeting Agenda		Realisation
Report of tthe Realisation of Proceeds from Public Offering conducted in 2016;		
<ol style="list-style-type: none"> <li>a. Sustainable Subordinated Bonds II (Phase II/2016)</li> <li>b. Sustainable Mudharabah Sukuk I (Phase II/2016)</li> </ol>		
<p>The resolution is made based on deliberation to reach consensus, and no shareholder gave non-affirmative or abstain/blank votes. Thus 100% of the shares present/represented in the Meeting has approved: The Report of the Board of Directors of the Bank regarding the realisation of the proceeds from Public Offering of Maybank's Subordinated Bond II of 2016 phase II and Maybank's Sustainable Sukuk Mudharabah phase II as stated in the Report of the Board of Directors of the Bank to the Financial Services Authorities submitted.</p>		Has been realised in 2017
Voting		
Agree	Disagree	Abstain
100%	Nil	Nil

3 <sup>rd</sup> Meeting Agenda The determination of the Bank's Net Profit for the Year Ended December 31, 2016		Realisation
<p>The resolution is made based on verbal voting, where there was no share that gave dissenting votes nor was there any with abstain votes. Thus 100% of the shares attending/represented in the Meeting have approved:</p> <ol style="list-style-type: none"> <li>1. The allocation of the Bank's net income to the amount of Rp1,948,311,405,887, - as follows:               <ol style="list-style-type: none"> <li>a. 1% or Rp19.483.114.059, - for general reserves.</li> <li>b. Rp5.75, - (five rupiah seventy five cents) per share or less than 20% of the Bank's net income shall be distributed as dividend to the shareholders with a maximum amount of Rp389,662,281,177,</li> <li>c. 79% or Rp1,539,166,010,651, - shall be posted as retained earnings.</li> </ol> </li> <li>2. The distribution of cash dividends for the fiscal year 2016 with the mechanism described below:               <ol style="list-style-type: none"> <li>a. Shareholders entitled to receive cash dividends for the fiscal year 2016 are shareholders whose names are registered in the Bank's Shareholder Register as of April 12, 2017.</li> <li>b. Cash dividend shall be paid on April 26, 2017.</li> <li>c. The Board of Directors is given the power and authority to determine all matters pertaining to the implementation of the payment of cash dividends, including but not limited to the procedure of distributing cash dividends and announcing such payment in compliance with Stock Exchange regulations.</li> </ol> </li> </ol>		Realised in 2017.
Voting		
Agree	Disagree	Abstain
100%	Nil	Nil
4 <sup>th</sup> Meeting Agenda The appointment of Public Accounting Firm to audit the Bank's Financial Report for fiscal 2017 and of the fee for the audit work and other relevant matters.		Realisation
<p>Decision was made via open voting, where there were some shareholders who disagreed, no share holder was abstain and with the reaming shareholders have approved:</p> <ol style="list-style-type: none"> <li>1. The delegation of authority to the Bank's Board of Commissioners to:               <ol style="list-style-type: none"> <li>a. Appoint a Public Accounting Firm that has been registered in the Financial Services Authority and affiliated officially with one of the world's largest public Accounting Firms to audit the Bank's financial statements for fiscal 2017; and</li> <li>b. Determine the audit fee for the selected Public Accounting Firm and other requirements pertaining to the appointment.</li> </ol> </li> <li>2. Delegate the power and authority to the Board of Commissioners and Board of Directors of the Bank to do whatever deemed necessary pertaining to the appointment of the Public Accounting Firm in compliance with all applicable regulations.</li> </ol>		Has been realised in 2017
Voting		
Agree	Disagree	Abstain
53,528,559,417 shares or 99,998%	833,500 shares or 0,002%	Nil

## The General Meeting of Shareholders

5 <sup>th</sup> Meeting Agenda The determination and/or other allowances for the Bank's BoC		Realisation
<p>The decision was made through consensus, where no shareholders declared disagreement or abstention. Thus, 100% of the shares present have agreed to: Approve the delegation of authority to the Bank's Board of Commissioners to determine the honorarium and/or other allowances for the Board of Commissioners for fiscal 2017 with due regard to all recommendations and inputs suggested by the Bank's Nomination and Remuneration Committee. The amount of honoraria and/or other allowances shall be disclosed in the Bank's Annual Report for fiscal 2017.</p>		Has been realised in 2017
Voting		
Agree	Disagree	Abstain
100%	Nil	Nil
6 <sup>th</sup> Meeting Agenda Delegation of Authority to the Board of Commissioners to determine: a. Salary and/or other allowances for the Bank's Board of Directors b. Honorarium and/or other allowances for the Bank's Shariah Supervisory Board		Realisation
<p>The decision was made via consensus, where no shareholders declared disagreement or abstention. Thus, 100% of the shares present have agreed to:</p> <ol style="list-style-type: none"> <li>Determine the amount of bonus/tantiem for the Bank's Board of Directors for fiscal 2016 to the amount of Rp24,458,390,000, - where the division of bonus including the determination of bonus/tantiem for each member of the Board of Directors shall be conducted after taking into account the recommendations made by the Bank's Nomination and Remuneration Committee.</li> <li>Delegate the authority to the Board of Commissioners to determine the amount of salary and/or other allowances for members of the Board of Directors for Fiscal 2017 with due regards to the recommendations and suggestions from the Bank's Nomination and Remuneration Committee. The amount of salary and/or other allowances shall be disclosed in the Company's Annual Report for fiscal 2017.</li> <li>Approve the delegation of authority to the Board of Commissioners to determine honorarium and/or other allowances for members of the Shariah Supervisory Board for fiscal 2017 with due regard to the recommendations and suggestions from the Bank's Nomination and Remuneration Committee. The amount of honorarium and/or other allowances shall be disclosed in the Company's Annual Report for fiscal 2017.</li> </ol>		Has been realised in 2017
Voting		
Agree	Disagree	Abstain
100%	Nil	Nil

7 <sup>th</sup> Meeting Agenda Changes in the composition of BoC and BoD	Realisation	
<p>The decision was made via open voting, where there were shareholders who declared disagreement, no shareholder was abstain while the remaining have agreed to:</p> <ol style="list-style-type: none"> <li>Dismiss with honor members of the Board of Directors whose Term of Services have come to an end at the closing of the Meeting; Ghazali Bin Mohd Rasad and Dhien Tjahajani.</li> <li>Accept and approve the resignation of Tan Sri Dato 'Megat Zaharuddin bin Megat Mohd Nor as President Commissioner effective the closing of the Meeting.</li> <li>Appoint Datuk Abdul Farid bin Alias who currently served as Commissioner as President Commissioner, replacing Tan Sri Dato 'Megat Zaharuddin bin Megat Mohd Nor, with Term of Services until the Annual General Meeting of Shareholders to be held in 2020.</li> <li>Appoint Edwin Gerungan as Commissioner with Term of Services ending at the closing of the Annual General Meeting of Shareholders to be held in 2020.</li> <li>Re-appoint Dhien Tjahajani as Independent Director and Director to meet the Indonesia Stock Exchange Regulation No.1-A Year 2014, whose Term of Services will end at the closing of the Annual General Meeting of Shareholders to be held in 2020.</li> <li>Appoint Restiana le Tjoe Linggadjaya as Director with Term of Services ending at the closing of the Annual General Meeting of Shareholders to be held in 2020.</li> <li>Appoint Effendi as Director with Term of Services ending at the closing of Annual GMS to be held in 2020.</li> <li>Decide that since the closing of the Meeting, the composition of the Board of Commissioners and Board of Directors of the Bank shall be as follows:</li> </ol> <p><b>Board of Commissioners:</b></p> <ol style="list-style-type: none"> <li>Datuk Abdul Farid Bin Alias as President Commissioner</li> <li>Spencer Lee Tien Chye as Commissioner</li> <li>Umar Juoro as Independent Commissioner</li> <li>Budhi Dyah Sitawati as Independent Commissioner</li> <li>Achjar Iljas as Independent Commissioner</li> <li>Edwin Gerungan as Commissioner</li> </ol> <p><b>Board of Directors:</b></p> <ol style="list-style-type: none"> <li>Taswin Zakaria as President Director</li> <li>Thilagavathy Nadason as Director</li> <li>Jenny Wiriyanto as Director</li> <li>Dhien Tjahajani as Director in charge of Compliance Function, Corporate Secretary and Independent Director</li> <li>Eri Budiono as Director</li> <li>Irvandi Ferizal as Director</li> <li>Restiana le Tjoe Linggadjaya as Director</li> <li>Effendi as Director</li> </ol> <p>Provided that:</p> <ol style="list-style-type: none"> <li>The appointment of Datuk Abdul Farid bin Alias as President Commissioner, Edwin Gerungan as Commissioner, Restiana le Tjoe Linggadjaya as Director and Effendi as Director shall be effective OJK approval is issued. Thus, the valid appointment for the new commissioners shall be OJK's decision.</li> <li>If approval from OJK has not been issued Datuk Abdul Farid bin Alias shall retain his position as Commissioner of the Bank, and if his appointment as President Commissioner is not approved by OJK, Datuk Abdul Farid bin Alias shall retain his position as the Bank's Commissioner until the closing of the Annual General Meeting of Shareholders of Bank to held in 2020.</li> <li>Delegate the authority and power to the Bank's Board of Directors to restate and/or reaffirm in a notarial deed (including to amend and/or supplement), to file registration, obtain acceptance of approval from authorised bodies, and hence shall also be entitled to apply for letters and other documents; in short, the BoD shall do all other actions necessary that are in compliance with the Company's articles of association and all applicable laws.</li> </ol>	<p>Has been realised in 2017</p>	
<b>Voting</b>		
<b>Agree</b>	<b>Disagree</b>	<b>Abstain</b>
53,528,690,217 share (99,999%)	702,700 share (0,001%)	Nihil

## The General Meeting of Shareholders

8 <sup>th</sup> Meeting Agenda Changes in Shariah Supervisory Board	Realisation	
<p>The decision was made via deliberation for consensus, where no shareholders declared dissenting vote nor abstain. Thus, 100% of the shares present have decided to:</p> <ol style="list-style-type: none"> <li>Dismiss with honor Prof.Drs.H.Muh.Nahar Nahrawi, SH. MM as member of Shariah Supervisory Board due to his health condition;</li> <li>Approve and appoint Dr.Oni Sahroni MA as member of Shariah Supervisory Board to replace Prof. Drs. H. Muh. Nahar Nahrawi, SH. MM, with Term of Services ending at the closing of the Annual General Meeting of Shareholders to be held in 2020;</li> <li>Determine that since the closing of the Meeting, the composition of the Shariah Supervisory Board of the Bank shall be as follows: Shariah Supervisory Board: <ol style="list-style-type: none"> <li>Dr.H.M Anwar Ibrahim as Chairman</li> <li>Dr.H.Abdul Jabar Majid, MA as Member</li> <li>Dr.H.Oni Sahroni, MA as Member</li> </ol> </li> </ol> <p>Provided that the appointment of Dr.Oni Sahroni MA as member of the Shariah Supervisory Board, will be effective after obtaining approval from OJK. Thus the appointment that will apply to him is the one decided by OJK.</p>	Has been realised in 2017	
Voting		
Agree	Disagree	Abstain
100%	Nil	Nil

9 <sup>th</sup> Meeting Agenda Pembagian Tugas dan Wewenang di antara Anggota Direksi Bank	Realisation	
<p>The decision was made via deliberation for consensus, and no was shareholders who declared disagreement nor abstain. Thus, 100% of the total shares present decided to: Allow the BoD to assign the tasks of its members for fiscal 2017 through a decree.</p>	Has been realised in 2017	
Voting		
Agree	Disagree	Abstain
100%	Nil	Nil

### EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS IN 2017

On October 16, 2017, the Bank held an Extraordinary General Meeting of Shareholders (EGMS) with the following phases and implementation process:

#### Phases of EGMS in 2017

EGMS Held on October 16, 2017		
	Active	Corresponding Stipulation
Notification of EGMS to Regulator	Notification Letter of AGMS to OJK and IDX (e-Reporting) on August 28, 2017	Notification of date and agenda of the EGMS is disclosed in a clear and detailed manner and submitted at least 5 days prior to the AGMS announcement to the public.
Announcement of EGMS	Announced in Nera Daily on September 7, 2017. - Evidence of announcement submitted to OJK and IDX (e-Reporting) and uploaded on the Bank's website on September 7, 2016.	Announced in at least 1 (one) national newspaper in Bahasa Indonesia, via the IDX website and corporate website at least 14 (fourteen) days prior to the EGMS invitation date.

## EGMS Held on October 16, 2017

	Active	Corresponding Stipulation
Invitation of AGMS along with the description of EGMS agenda	Announced in Neraca Daily paper on September 22, 2017. Proof of announcement was submitted to OJK and BEI (e-Reporting) and uploaded on website www.maybank.co.id on September 22, 2017.	Announced in at least 1 (one) national newspaper in Bahasa Indonesia, via the IDX website and corporate website at least 21 (twenty-one) days prior to the EGMS.
EGMS Holding	October 16, 2017	
Summary of EGMS Resolutions	Publication	The major decisions were uploaded on the Bank's website www.maybank.co.id on October 18, 2017. Posted on website www.maybank.co.id on October 18, 2017.
	Report to regulator	Proof of announcement was submitted to OJK (Capital Market & Supervisor) and BEI (e-Reporting) on October 18, 2017.
EGMS Resolutions	Deed of AGMS Summary submitted to OJK and IDX (e-Reporting) on 30 November 2017	Deed of AGMS summary was submitted to OJK and IDX 30 (thirty) working days after the EGMS.

## The process of EGMS Holding

Date and Time	October 16, 2017 from 2.06 pm tp 2.27 pm local time
Venue	Function Room, Sentral Senayan III 28 <sup>th</sup> , Jl. Asia Afrika No.8, Jakarta 10270
Quorum	EGMS was attended by 53,532,426,975 shares (79,02%) of the total 67,746,840,730 shares
Chairwoman	Ms. Budhi Dyah Sitawati, an Independent Commissioner appointed based on BoC Meeting on September 25, 2017
Attendance of Members of BoC including President Commissioner	Datuk Abdul Farid Bin Alias was not able to attend the Meeting because he was engaged in a training held by Maybank Group. Mr. Spencer Lee Tien Chye, Mr. Edwin Gerungan, and Mr. Hendar were not able to attend the Meeting. Other Board of Commissioner members were present.
Attendance of Chairman of the Audit Committee	Mr. Achjar Iljas as Chairman of Audit Committee was present
Attendance of Chairman of the Nomination and Remuneration Committee	Ms. Budhi Dyah Sitawati as Chairwoman of the Nomination and Remuneration Committee was present
Attendance of Chairman of the Risk Oversight Committee	Bapak Umar Juoro selaku Ketua Komite Pemantau Risiko hadir.
Attendance of Members of BoD including President Director	Members of BoD except Mr. Tazwin Zakaria were present. Mr. Zakaria was following a training program by Maybank Group.
Attendance of Compliance Director	Ms. Dhien Tjahajani as Compliance Director was present
Independent Party to calculate quorum and votes for EGMS resolutions	Notary Public Aryanti Artisari, SH, Mkn
Total number of shareholders making inquiries and/or giving opinions	No shareholders nor their proxies asked questions
Procedures for EGMS resolutions	Decisions were made via open voting



## The General Meeting of Shareholders

### DECISION AND REALISATION 2017 AGMS

Extraordinary GMS held by Bank on 16 October 2017 has realised the following agenda and decision:

Meeting Agenda	Realisation	
<p>Decision making was conducted through verbal voting, when there was shareholders with 25,257,200 shares (0.047%) which states to disagree, nobody declares abstain or blank vote and the rest agrees. Thus, 53,507,169,775 atau 99.953% of the shares agree to followinG:</p> <ol style="list-style-type: none"> <li>To accepting and authorising the resignation of Umar Juoro effective since October 27, 2017.</li> <li>To agree to appoint Hendar as an Independent Commissioner of the Company, with Term of Services since the closing of this meeting and shall be determined effective after obtaining approval from the Financial Service Authority or OJK until the closing of the Annual General Meeting Shareholders in 2020</li> <li>To approve to annul one of the decisions of the Annual General Meeting Shareholders dated March 31, 2017 which is specifically related to the appointment of Restiana le Tjoe Linggadjaya as a Director of the Company, while other decisions of the Annual General Meeting of Shareholders of the Company dated March 31, 2017, shall remain valid</li> <li>To determine the composition or the Company's Board of Commissioners dn Board of Directors as of the closing of the Meeting Hall shall become as follows:</li> </ol> <p><b>Board of Commissioners</b></p> <ol style="list-style-type: none"> <li>Datuk Abdul Farid Bin Alias as President Commissioner</li> <li>Spencer Lee Tien Chye as Commissioner</li> <li>Edwin Gerungan as Commissioner</li> <li>Budhi Dyah Sitawati as Independent Commissioner</li> <li>Achjar Iljas sebagai Independent Commissioner</li> <li>Hendar sebagai Independent Commissioner</li> <li>Umar Juoro Independent Commissioner</li> </ol> <p><b>Board of Directors:</b></p> <ol style="list-style-type: none"> <li>Taswin Zakaria sebagai Presiden Direktur</li> <li>Thilagavathy Nadason sebagai Direktur</li> <li>Jenny Wiriyanto sebagai Direktur</li> <li>Dhien Tjahajani sebagai Direktur yang Membawahkan Fungsi Kepatuhan, Corporate Secretary dan Direktur Independen guna memenuhi Peraturan Bursa Efek Indonesia Nomor 1-A Tahun 2004</li> <li>Eri Budiono sebagai Direktur</li> <li>Irvandi Ferizal sebagai Direktur</li> <li>Effendi sebagai Direktur</li> </ol> <p><b>Shariah Supervisory Board (DPS)</b></p> <ol style="list-style-type: none"> <li>Dr.H.M Anwar Ibrahim sebagai Pimpinan</li> <li>Dr.H.Abdul Jabar Majid, MA sebagai Anggota</li> <li>Dr.H.Oni Sahroni, MA sebagai Anggota</li> </ol> <p>Provided that:</p> <ol style="list-style-type: none"> <li>The resignation of Umar Juoro as Independent Commissioner effectively as of 27 October 2017.</li> <li>The appointment of Datuk Abdul Farid Bin Alias as President Commissioner, Edwin Gerungan as Commissioner, Hendar as Independent Commissioner, will be effective after obtaining approval from the Financial Service Authority ("OJK"). Thus, the appointment that will apply to them is in accordance with the decision of OJK.</li> <li>As long as the approval of OJK has not been obtained, Datuk Abdul Farid Bin Alias will remain as a Commissioner of the Bank, and if his appointment as President Commissioner is not approved by OJK, Datuk Abdul Farid Bin Alias will remain as Commissioner until the Bank's Annual General Meeting of Shareholders 2020.</li> </ol> <ol style="list-style-type: none"> <li>To empower and authorise the Board of Directors of the Bank with the substitution right to state in the separate deed before the Public Notary and to notify/register to the relevant authorities the said changes in the composition of the Bank's Board of Directors and Board of Commissioners and to affirm if necessary, from and therefore are entitled to propose application, to sign all papers and necessary documents, and to perform other actions necessary including in the event the Bank has received approval from the Authority regarding composition change in the Board of Directors and Board of Commissioners of the Bank.</li> </ol>	Realised in 2017.	
Voting		
Agree	Disagree	Abstain
100%	Nil	Nil

## DECISION AND REALISATION A AGMS AND EGMS IN THE PRIOR YEAR

All decisions from last year AGMS on 22 April 2016 and EGMS on 23 December 2016 have been realised in 2016. those information regarding the decisions and realisations are as follows:

### Decisions and realisations AGMS 2016

2016 AGMS Decisions	Realisation
<p><b>Resolution of the First Agenda:</b> The resolution is made based on deliberation to reach consensus, and no shareholder gave non-affirmative or abstain/blank votes. Thus 100 % of the shares attending/represented in the Meeting have decided:</p> <ol style="list-style-type: none"> <li>To accept and approve Report on the Company's Annual Report for the financial year ended December 31, 2015.</li> <li>To approve and endorse the Consolidated Balance Sheet and Income Statements for the year ended December 31, 2015 which has been audited by Public Accounting Firm "Purwantono, Sungkoro &amp; Surja" (a member firm of Ernst &amp; Young Global Limited) according to the report No.RPC294/PSS/2016 dated February 23, 2016 with audit opinion that the consolidated financial statements are presented fairly, in all material respects, the consolidated financial position of PT Bank Maybank Indonesia Tbk and its subsidiaries as of December 31 2015, and financial performance and its consolidated cash flows for the years then ended, in accordance with financial Accounting Standards in Indonesia.</li> <li>To grant acquit et de charge to the Board of Commissioners and the Board of Directors who are on board during financial year 2015 concerning their acts of supervision and management which were conducted during the fiscal year 2015; as long as such acts are reflected in the books and records of the Company for the year 2015, and do not violate prudential banking practice and are not included in criminal acts category.</li> </ol>	Realised in 2016
<p><b>Resolution of the Second Agenda:</b> The resolution is made based on verbal voting, and there was 1 (one) shareholder who owns 565,883 shares gave non-affirmative votes, there was no blank or abstain votes while the remaining approved the proposal. Thus there are 53,506,576,364 share or 99.99 % of the shares attending/represented in the Meeting have approved:</p> <ol style="list-style-type: none"> <li>The utilisation of the Company's Net Profit in the amount of Rp1,139,070,235,158 (one trillion one hundred thirty nine billion seventy million two hundred thirty five thousand and one hundred fifty eight rupiah), with details as follows: <ol style="list-style-type: none"> <li>5% or in the amount of Rp56,953,511,758 (fifty six billion nine hundred fifty three million five hundred eleven thousand and seven hundred fifty eight rupiah) proposes to be used as "General Reserve Fund" to comply with the requirement as stated in the Article 70 paragraph 1 of the Company Law and Article 25 of the Company's Articles of Association;</li> <li>The remaining 95% or in the amount of Rp1,082,116,723,400 (One trillion eighty two billion one hundred sixteen million seven hundred twenty three and four hundred rupiah) will be booked as the Company's "Retained Earnings".</li> </ol> </li> <li>In order to support future business growth, the Company does not distribute dividend to the shareholders from the said Net Profit.</li> </ol>	Realised in 2016
<p><b>Resolution of the Third Agenda:</b> The resolution is made based on deliberation to reach consensus, and no shareholder gave non-affirmative or abstain/blank votes. Thus 100% of the shares attending/represented in the Meeting have approved:</p> <ol style="list-style-type: none"> <li>the appointment of Public Accounting Firms "Purwantono, Sungkoro &amp; Surja" (a member firm of Ernst &amp; Young Global Limited) to audit the Company's Financial Report for the year 2016;</li> <li>the granting of authority to Board of Commissioners to determine the honorarium for the Public Accounting Firm as well as other requirements in connection the intended appointment of Public Accounting Firm;</li> <li>the granting of power and to authorise the Board of Commissioners and Board of Directors to conduct any necessary action related to the appointment of the Public Accounting Firm in accordance to prevailing regulations.</li> </ol>	Realised in 2016
<p><b>Resolution of the Fourth Agenda:</b> The resolution is made based on verbal voting, and there was 1 (one) shareholder who own 565,883 shares gave the non-affirmative votes, there was no blank or abstain votes while the remaining approved the proposal. Thus there are 53,506,576,364 shares or 99.99 % of he shares attending/represented in the Meeting have approved:</p> <ul style="list-style-type: none"> <li>The granting of power and authority to the Board of Commissioners with prior approval from the Controlling Shareholders of the Company to determine the honorarium and/or other allowances for the Board of Commissioners for the year 2016, with due observance to the proposal and recommendation of the Remuneration and Nomination Committee of the Company. The amount of such honorarium and/or allowances shall be disclosed in the Annual Report year 2016.</li> </ul>	Realised in 2016

## The General Meeting of Shareholders

2016 AGMS Decisions	Realisation
<p><b>Resolution of the Fifth Agenda:</b> The resolution is made based on deliberation to reach consensus, and no shareholder gave non-affirmative or abstain/blank votes. Thus 100% of the shares attending/represented in the Meeting has approved:</p> <ol style="list-style-type: none"> <li>1. An amount of tantieme for financial year 2015 for the Board of Directors in the amount of Rp.22,587,685,000 (twenty two billion five hundred eighty seven million six hundred eighty five thousand rupiah), where the distribution and the determination of the amount of tantieme for each member of the Board of Directors, shall be conducted by taking into account the recommendations of the Company's Remuneration and Nomination Committee;</li> <li>2. The granting of authority to the Board of Commissioners to determine the amount of salaries and/or other allowances for the members of the Board of Directors for the year 2016, with due observance to the proposals and recommendations of Remuneration and Nomination Committee of the Company. The amount of such honorarium and/or allowances shall be disclosed in the Annual Report year 2016;</li> <li>3. The granting authority to the Board of Commissioners to determine the amount of honorarium and/or allowances for the members of the Syariah Supervisory Board for the year 2016, with due observance to the proposals and recommendations of the Company's Remuneration and Nomination Committee. The amount of such honorarium and/or allowances shall be disclosed in the Annual Report year 2016.</li> </ol>	Realised in 2016
<p><b>Resolution of the Sixth Agenda:</b> The resolution is made based on deliberation to reach consensus, and no shareholder gave non-affirmative or abstain/blank votes. Thus 100 % of the shares attending/represented in the Meeting have approved:</p> <ol style="list-style-type: none"> <li>1. The dismissal with honor the members of the Board of Directors due to the ending of his Term of Services as of the closing of this Meeting, Ghazali Bin Mohd Rasad;</li> <li>2. The dismissal with honor the members of the Board of Commissioners due to the ending of their Term of Services, as of the closing of this Meeting, namely Datuk Abdul Farid Bin Alias as Commissioners and Mr. Achjar Iljas as Independent Commissioner;</li> <li>3. The re-appointment of Datuk Abdul Farid bin Alias as Commissioner; for the Term of Services commencing as from the closing of this Meeting until the closing of the Annual General Meeting of Shareholders in 2019;</li> <li>4. the re-appointment of Mr. Achjar Iljas as Independent Commissioner for the Term of Services commencing as from the closing of this Meeting until the closing of the Annual General Meeting of Shareholders in 2019. Mr. Achjar Iljas has given a statement that he will be independent as defined in the requirements to become an Independent Commissioner on Article 25 of the Financial Services Authority Regulation No. 33/POJK.04/2014 dated December 8, 2014;</li> <li>5. The re-appointment of Mr. Ghazali Bin Mohd Rasad as Director; for the Term of Services commencing as from the closing of this Meeting until the closing of the Annual General Meeting of Shareholders in 2017;</li> <li>6. The composition of the members of the Board of Commissioners and the Board of Directors of the Company as of the closing of this Meeting shall be as follows:</li> </ol> <p><b>Board of Commissioners:</b></p> <ol style="list-style-type: none"> <li>1. Tan Sri Dato' Megat Zaharuddin bin Megat Mohd. Nor as President Commissioner</li> <li>2. Datuk Abdul Farid Bin Alias as Commissioner</li> <li>3. Spencer Lee Tien Chye as Commissioner</li> <li>4. Umar Juoro as Independent Commissioner</li> <li>5. Budhi Dyah Sitawati as Independent Commissioner</li> <li>6. Achjar Iljas as Independent Commissioner</li> </ol> <p><b>Board of Directors:</b></p> <ol style="list-style-type: none"> <li>1. Taswin Zakaria as President Director</li> <li>2. Thilagavathy Nadason as Director</li> <li>3. Ghazali Bin Mohd. Rasad as Director</li> <li>4. Jenny Wiriyanto as Director</li> <li>5. Dhien Tjahajani as Director in Charge of Compliance Function, Corporate Secretary and Independent Director</li> <li>6. Henky Sulistyio as Director</li> <li>7. Eri Budiono as Director</li> <li>8. Irvandi Ferizal as Director</li> </ol> <ol style="list-style-type: none"> <li>7. The delegation of the authority and power to the Board of Directors to restate and/or to reemphasise in a Notary deed (including to revise and/or to add) the said change of the members of the Board of Commissioners and the Board of Directors, and to delegate the authority and power to the Board of Directors with a substitution right to the Notary to submit the registration to obtain notification receipt/to request approval from the authorised institutions, and therefore also have a right to submit request for letters and other documents; in short, to take every necessary actions as stipulated in the Articles of Association and the prevailing regulations.</li> </ol>	Realised in 2016
<p><b>Resolution of the Seventh Agenda:</b> The resolution is made based on deliberation to reach consensus, and no shareholder gave non-affirmative or abstain/blank votes. Thus 100 % of the shares attending/represented in the Meeting has approved: "That the distribution of duties and authorities among the members of the Board of Directors for the financial year 2016 will be determined by the Board of Directors themselves through Board of Director's Resolution".</p>	Realised in 2016

## EGMS Decisions And Realisation Of The Decisions In 2016

Decisions Made in EGMS 2016	Realisation
1. To accept and approve the resignation of Mr. Henky Sulisty as the Company's Director effective at December 31, 2016. The Company hereby conveyed gratitude on his contributions, hard work and services to the improvement of the Company. Whereas the granting of acquit et de charge to Mr. Henky Sulisty's services will be determined in the Annual General Meeting of Shareholders related to his tenure.	Realised in 2016
2. To determine the composition of the Company's Board of Commissioners, Board of Directors, and the Shariah Supervisory Board for December 31, 2016 as follows:  <b>Board of Commissioners:</b> <ol style="list-style-type: none"> <li>1. Tan Sri Dato' Megat Zaharuddin Bin Megat Mohd. Nor as President Commissioner</li> <li>2. Datuk Abdul Farid Bin Alias as Commissioner</li> <li>3. Spencer Lee Tien Chye as Commissioner</li> <li>4. Umar Juoro as Independent Commissioner</li> <li>5. Budhi Dyah Sitawati as Independent Commissioner</li> <li>6. Achjar Iljas as Independent Commissioner</li> </ol> <b>Board of Directors:</b> <ol style="list-style-type: none"> <li>1. Taswin Zakaria as President Director</li> <li>2. Thilagavathy Nadason as Director</li> <li>3. Ghazali Bin Mohd Rasad as Director</li> <li>4. Jenny Wiriyanto as Director</li> <li>5. Dhien Tjahajani as Direktur Yang Membawahkan Fungsi Kepatuhan, Corporate Secretary dan Direktur Independen</li> <li>6. Eri Budiono as Director</li> <li>7. Irvandi Ferizal as Director</li> </ol> <b>Shariah Supervisory Board:</b> <ol style="list-style-type: none"> <li>1. Dr. M. Anwar Ibrahim MA, as Chairman</li> <li>2. Prof. Drs. H. Muh. Nahar Nahrawi, SH, MM as Member</li> <li>3. Dr. Abdul Jabar Majid, MA as Member</li> </ol>	Realised in 2016
3. To grant power and authority to the Board of Directors of the Company with substitution right to state in the separate Deed before Public Notary (if necessary) and to notify/register to the relevant authorities with regard to the aforesaid changes of the composition of the Company's Board of Directors, including, its reaffirmation if necessary. In short, it has all the authority to perform any necessary actions with regard to the changes of the composition of the Company's Board of Directors.	Realised in 2016

# Board of Commissioners

The Board of Commissioners (BOC) is the Bank's governance organ with general and/or specific oversight responsibilities pursuant to the Articles of Association. It also provides advice to the Board of Directors concerning the Board of Directors' performance of duties and responsibilities and is involved in overseeing corporate governance activities across the Bank's business endeavors and levels.

The Board of Commissioners works independently in performing its responsibilities. In terms of oversight, the Board of Commissioners is assisted by 4 (four) committees, namely: Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee, and Integrated Good Corporate Governance Committee. Members of the Board of Commissioners are appointed by the GMS based on the recommendations from the Nomination and Remuneration Committee. The Board of Commissioners consists of experienced banking professionals.

The Board of Commissioners is committed to the practices of good corporate governance and transparency and upholds good ethics and moral principles.

## LEGAL BASIS

The Company established the Board of Commissioners based on the following provisions:

1. Law No. 40 of 2007 on Limited Liability Companies.
2. OJK Regulation No. 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of Issuers or Public Companies.
3. Financial Services Authority Regulation (POJK) No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
4. The Bank's Articles of Association.

## COMPOSITION AND MEMBER

Based on the Financial Services Authority Regulation (POJK) No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks, a Bank is required to have at least 3 (three) Commissioners and that the number of commissioners may not exceed the number of its members of Board of Directors. At least 1 (one) commissioner is domiciled in Indonesia. All members of the Board of Commissioners have met the criteria of having sound integrity, competence, and financial reputation. Replacement and/or appointment of members of the Board of Commissioners observe the recommendations of the Nomination and Remuneration Committee.

In 2017, the Company has met all applicable regulations in which the number of the Board of Commissioners is more than 3 (three) members, namely 6 (six) and not exceeding the number of the Board of Directors, 4 (four) members of the Board of Commissioners are domiciled in Indonesia, and 3 (three) are Independent Commissioners, and more than 50% of members of the Board of Commissioners are Indonesian Citizen, chaired by the President Commissioner.

The replacement and/or appointment of members of the Board of Commissioners has observed the recommendations of the Remuneration and Nomination Committee and obtained approval from the GMS and OJK. There are 1 (one) Commissioner and 1 (one) Independent Commissioner still waiting for the result of OJK Fit and Proper Assessment results.

In line with principles of ASEAN Corporate Governance Scorecard, the composition of the Board of Commissioners also includes:

1. 1 (satu) female Board of Commissioner member who is an Independent Commissioner (minimum of 1 (one) female Independent Commissioner).
2. 6 (six) members of the Board of Commissioners (a minimum of 5 (five) and a maximum of 12 (twelve)).
3. In terms of expertise, majority of members of the Board of Commissioners have working experience in banking.

The following is the membership composition of the Board of Commissioners in 2017:

Name of Commissioner	Position
Datuk Abdul Farid Bin Alias	President Commissioner*
Edwin Gerungan	Commissioner
Spencer Lee Tien Chye	Commissioner
Budhi Dyah Sitawati	Independent Commissioner
Achjar Iljas	Independent Commissioner
Hendar	Independent Commissioner

### Description:

- \*) Serves as the President Commissioner based on the appointment of the Annual GMS on 31 March 2017

## TERM OF SERVICES OF THE BOARD OF COMMISSIONERS

No.	BOC of Maybank Indonesia	Position	Date of Approval		Term of Services up to AGM
			GMS Approval	Effective Date (BI/OJK Approval)	
1	Datuk Abdul Farid Bin Alias	President Commissioner *	31 March 2017	12 December 2017	2020
2	Spencer Lee Tien Chye	Commissioner	1 December 2008	20 February 2009	2018
3	Budhi Dyah Sitawati	Independent Commissioner	27 August 2010	1 April 2011	2018
4	Achjar Iljas	Independent Commissioner	22 April 2013	20 February 2014	2019
5	Edwin Gerungan	Commissioner	31 March 2017	4 January 2018	2020
6	Hendar	Independent Commissioner	16 October 2017	22 January 2018	2020

**Note:**

\*) Serves as the President Commissioner based on the appointment of the AGM dated 31 March 2017

## DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

The duties and responsibilities of the Board of Commissioners are set in article 19 of the Articles of Association and in Chapter 3 of the Board of Commissioners Manual. The Board of Commissioners has the following duties and responsibilities:

1. The Board of Commissioners supervises management's policies, management practices in general, with regards to the Bank and its business activities, and provides advices to the Board of Directors. Oversight and advisory function is performed in the interest of the Company and in consistency with the Company's purpose and objectives.
2. Members of the Board of Commissioners shall perform their duties and responsibilities in good faith, responsibly, and with prudence.
3. Oversight by the Board of Commissioners is performed among others through regular joint Board of Commissioners and Directors meetings or reports from Internal Audit Unit (SKAI), Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee, and Compliance Director; or through other means of written communication.
4. Under certain circumstances, the Board of Commissioners shall hold the Annual GMS and other GMS in accordance with its authority under the legislation and Bank's Articles and Association.
5. To ensure an effective performance of duties and responsibilities by the Board of Commissioners, the Board of Commissioners establishes committees that report to the Board of Commissioners. The BOC ensures that the committees carry out their responsibilities effectively and evaluates the committees' performance at the end of each fiscal year. The committees are:

- Audit Committee
- Risk Oversight Committee
- Nomination and Remuneration Committee

The following committee has also been established to comprehensively and effectively oversee integrated governance implementation according to regulatory requirements:

- Integrated Governance Committee.
- Detailed information on these committees is presented under the BOC Committee section of this report.
6. The committees enable the Board of Commissioners to assess internal and external audit reports; direct and ensure that the Board of Directors has followed-up on audit findings and recommendations from the Internal Audit Unit, external auditors, and Bank Indonesia and/or Financial Services Authority, as well as other authorities, provide opinion and counsel on human resource management system as well as risk control system in the Bank.
  7. Members of BOC are jointly responsible for the Bank's losses caused by erroneous performance or negligence of the Board of Commissioners in carrying out its responsibilities unless it can be proven that the Board of Commissioners has:
    - Carried out its oversight function in good faith and with prudence in the interest of the Bank and for the Bank's purpose and objectives.
    - Carries no direct or indirect personal interests in the management of the Board of Directors that leads to the loss.
    - Counseled the Board of Directors to prevent or to stop such losses from continuing.

## Board of Commissioners

8. In performing its responsibilities, the Board of Commissioners actively ensures that GCG principles are embedded in all business activities across all levels of the Bank.
9. With respect to its oversight function the Board of Commissioners is responsible to guide, monitor, and evaluate the implementation of the bank's business strategy in a comprehensive manner to ensure its conformity with the relevant laws and regulations, Articles of Association, and GMS resolutions as well as to avoid any conflict of interests.
10. The Board of Commissioners shall provide its opinion and counsel to the Board of Directors in defining the Bank's vision, mission, work culture, and values.
11. With regards to its oversight function the Board of Commissioners may not be involved in decision-making process related to the Bank's operational matters unless in a matter of fund provisioning to related parties or other matters specified in the Articles of Association and/or prevailing laws and regulations.
12. The Board of Commissioners is responsible to ensure that the senior management maintains and updates its internal control system to preserve effectiveness and efficiency of operational, financial, and internal control and to comply with the rules and legislations.
13. In the event of financial and banking regulations violation or circumstances that potentially jeopardise the Bank's continuity, the Board of Commissioners must notify the Regulators no later than 7 (seven) days since the discovery of violation or since the circumstances occur.
14. The Board of Commissioners shall provide sufficient time to optimally perform its responsibilities and to participate in competency and skills enhancement programs.
15. The Board of Commissioners reports the result of its oversight responsibility during a fiscal year in the annual report submitted by the Board of Director to the GMS.
16. The BOC approves the AML and CFT program policies.
17. The Board of Commissioners oversees the implementation of the Board of Directors' responsibility in applying the AML and CFT programs, including the Bank's commitments to regulators.

### DUTIES AND RESPONSIBILITIES OF THE PRESIDENT COMMISSIONER

The duties and responsibilities of the President Commissioner are set forth in Article 3 of the Board of Commissioners Manual. The President Commissioner has the following duties and responsibilities:

- a. The President Commissioner conduct the oversight function as tasked to other members of the Board of Commissioners;
- b. With other members of the Board of Commissioners collectively responsible to set out policy framework, ensure that the Board of Commissioners endorses the strategy defined by the Bank, and monitor its implementation;
- c. President Commissioner ensures rules and work procedures are adopted. The President Commissioner also encourages healthy debate on current issues relevant to the Bank to reflect the scepticism and independency level of the Board of Commissioners;
- d. President Commissioner ensures that when deemed necessary, the Board of Commissioners shall reach its resolutions by voting, assuring that decisions are collectively made and reflect majority vote;
- e. President Commissioner leads the evaluation process on the conformity and effectiveness of succession plan for the Board of Commissioners and Directors;
- f. The President Commissioner fosters health work relations with the President Director, providing necessary support and appropriate suggestions;
- g. President Commissioner demonstrates the highest standard of governance practices and ensures that these practices are consistently communicated to all stakeholders;
- h. President Commissioner chairs the Company's General Meeting of Shareholders;
- i. President Commissioner may convene/hold Board of Commissioners meeting or joint Board of Commissioners-Board of Directors meeting at any time the President Commissioner deems necessary. The President Commissioner is also entitled to schedule and determine other ways to convene for Board of Commissioners or joint Board of Commissioners-Board of Directors meetings.
- j. President Commissioner chairs in the Board of Commissioners meetings or meetings with the Board of Directors.

## AUTHORITIES OF THE BOARD OF COMMISSIONERS

The Board of Commissioners has the following authorities:

1. As stipulated in the Articles of Associations or GMS resolutions, the Board of Commissioners may perform the management of the Bank in exceptional circumstances for a certain period of time.
2. With respect to performing their responsibilities, members of the Board of Commissioners, individually and jointly, may enter the Bank's buildings, offices, and other premises at any time within the Bank's operational hours and are entitled to inspect records and documents as well as the Bank's assets.
3. With regards to performing its responsibilities, the Board of Commissioners has the authority to communicate directly with employees, Board of Directors, and other parties.
4. The Board of Commissioners has the authority to suspend a member of the Board of Directors in the event that the member concerned undertakes actions that conflict with the Articles of Association and prevailing laws and regulations. The suspension and reason for it shall be

notified in written to the member concerned. Following this suspension and no later than 90 (ninety) calendar days from the date thereof the Board of Commissioners shall convene a GMS to determine the dismissal or reinstatement of the said member. The said member of Board of Directors has the opportunity to be present at the meeting and contest its position.

## BOARD OF COMMISSIONERS' ORIENTATION PROGRAM

The orientation program for new members of the Board of Commissioners is regulated in the Board of Commissioners Manual. The orientation program aims to provide input to the new Commissioner to obtain knowledge of the Company in a short period of time, enabling it to implement its duties effectively and efficiently.

## BOARD OF COMMISSIONERS' TRAINING PROGRAM

Throughout 2017, the Board of Commissioners has attended the following trainings in order to improve competence in accordance with the development in the banking industry:

Name	Position	Name of Training/ Seminar/Workshop/ Knowledge Sharing	Start Date	End Date	Organiser	Location
Datuk Abdul Farid Bin Alias	President Commissioner	Sales Service Summit and Awards Night 2017	16 February 2017	17 February 2017	Maybank Sales Service Summit	Grand Mercure Ancol
		2017 Maybank Bali Marathon CSR Program	26 August 2017	26 August 2017	Maybank Indonesia	Taman Bhagawan, Tanjung Benoa -Bali
		MBI's RiskMasterclass Seminar: Frontiers of Risk Management	9 March 2017	9 March 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Town Hall Meeting	16 November 2017	16 November 2017	Maybank Indonesia	Banking Hall KC Padang
		Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
Edwin Gerungan	Commissioner	MBI's RiskMasterclass Seminar: Frontiers of Risk Management	9 March 2017	9 March 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Town Hall Meeting	16 November 2017	16 November 2017	Maybank Indonesia	Banking Hall Padang Branch Office
		Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia



## Board of Commissioners

Name	Position	Name of Training/ Seminar/Workshop/ Knowledge Sharing	Start Date	End Date	Organiser	Location
Spencer Lee Tien Chye	Commissioner	Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
Budhi Dyah Sitawati	Independent Commissioner	MBI's RiskMasterclass Seminar: Frontiers of Risk Management	9 March 2017	9 March 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
Achjar Iljas	Independent Commissioner	BARA Risk Management Refresher Program , Re: Refocusing on Credit Risk Management, Credit Risk Model, Pricing and Being Prepared for Upcoming Regulation	23 March 2017	24 March 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
Hendar	Independent Commissioner	There is no training in 2017				

### BOARD OF COMMISSIONERS MANUAL

The Board of Commissioners has a Board Manual that is continuously being updated with enhancements and adjustments that refer to the applicable laws and regulations in Indonesia. This charter is the binding work guidelines and procedures for every member of the Board of Commissioners. The Board of Commissioners' Charter was last updated on 3 December 2012.

### INDEPENDENCE OF THE BOARD OF COMMISSIONERS

The Board of Commissioners upholds the independence principle in performing its duties and responsibilities. The Board of Commissioners always prioritises the interest of the Bank above its own. It also ensures that the implementation of its duties cannot be influenced by any other parties.

## DISCLOSURE OF CONCURRENT POSITION

Information on concurrent positions of members of the Board of Commissioners is as follows:

Name of Commissioner	Position in the Bank	Position	Company/Organisational Entity
Datuk Abdul Farid Bin Alias	President Commissioner*	Member	Asian Banker Association (ABA) Policy Advocacy Committee
		Chairman	ASEAN Inter-Regionals Relations, ASEAN Banking Council (ABC)
		Director	Maybank Investment Bank Berhad
		President & Chief Executive Officer	Malayan Banking Berhad
		Chairman	The Association of Banks in Malaysia
		Member	Visa Senior Client Council Program
		Member	Investment Panel of Kumpulan Wang Persaraan (Diperbadanan) (KWAP)
		Director	Maybank Ageas Holdings Berhad
		Chairman	Malaysian Economic Payment System Sdn Bhd (MEPS)
		Vice Chairman	Asian Institute of Chartered Banks
		Director	Cagamas Holdings Berhad
Edwin Gerungan	Commissioner	Non Executive Director	Malayan Banking Berhad
		Commissioner	PT Indonesia Infrastructure Finance
Spencer Lee Tien Chye	Commissioner	Non Executive Director	Boardroom Limited, Singapore
		Non Executive Director	Maybank (Cambodia) Plc
Budhi Dyah Sitawati	Independent Commissioner	Deputy Representative	Taxometry International
Achjar Ilijas	Independent Commissioner	Advisor	MEK – PP Muhammadiyah
		Advisor	IAEI
		Advisor	ABISINDO
Hendar	Independent Commissioner	Non-Permanent Lecturer	STIE Indonesia Banking School (IBS)
		President Commissioner	PT Kebon Agung

**Note:**

\*) Serves as the President Commissioner based on the appointment of the AGM dated 31 March 2017

## FOCUS OF OVERSIGHT OF THE BOARD OF COMMISSIONERS IN 2017

Throughout 2017, the Board of Commissioners supervised the management of the Company by the Board of Directors to ensure the implementation of strategic policies and GCG in all activities of the Company have been executed well. The main concern is the achievement of the business targets with due regards to risk management with the prudence principles and compliance to the applicable regulations. Assisted by the committees, the Board of Commissioners has provided recommendations and input on various aspects of the Bank's business and business support. In addition, the Board of Commissioners also conducts face-to-face meetings with employees in the regions in regular events held by the Company.

The focus of oversight of the Board of Commissioners in 2017 includes the following crucial aspects:

1. Analyzing, provide input, and with the Board of Directors approves the 2018 - 2020 Bank's Business Plan Bank (RBB), which was submitted to OJK in November 2017, including the realisation of RBB in the previous period.
2. Ensuring that the Board of Directors has followed up on audit findings and recommendations of the Internal Audit Unit, including improvements to the findings of external auditors and regulators.

## Board of Commissioners

3. Conduct active supervision on the Bank's risk management processes, including conducting a self-assessment on the Bank's soundness level by using the Risk Based-Bank Rating (RBBR). During 2017, also monitored the bank-wide risk management, quality of assets, governance, as well as the profitability of the Bank through the Risk Oversight Committee. In addition, also conducted reviews the Risk Management policies, particularly mandatory policies as well as evaluating the conformity of the policies with the implementation.
4. Periodically review the Bank's financial performance.
5. In order to support the effectiveness of the implementation of duties and responsibilities of the Board of Commissioners, in each Board of Commissioners meetings, received reports from each Committee, namely: the Audit Committee, the Risk Oversight Committee, the Nomination and Remuneration Committee, and the Integrated Governance Committee.

### ASSESSMENT ON THE PERFORMANCE OF COMMITTEES

#### Assessment Procedure

The Board of Commissioners annually assesses the performance of committees under the Board of Commissioners through the self-assessment method. The committee assessment is conducted by each member of the committee and discusses in the Remuneration and Nomination Committee, for the approval of the President Commissioner. Based on the recommendations of the Nomination and Remuneration Committee, the final assessment evaluation will be conducted by the President Commissioner.

#### Assessment Criteria

The following are the criteria for assessing the performance of committees under the BOC:

- **Collective Assessment**  
Assessment conducted by each member of the committee on every member of the committee to the overall committee's performance. This assessment includes the committee's structure, strategic thinking, oversight and governance, as well as the effectiveness of the committee in discussing the Company's issues and providing recommendations to the Company.
- **Individual Assessment**  
The assessment performed by each member through self-assessment, including strategic thinking, knowledge on the banking industry, and individual contributions in performing its function as a committee member.

### Assessment Results

The Bank has established committees that support the implementation of duties of the Bank's Board of Commissioners, namely: the Audit Committee, the Risk Oversight Committee, the Nomination and Remuneration Committee and the Integrated Good Corporate Governance Committee. The Board of Commissioners considers that each of these committees has performed its duties and responsibilities in accordance with the regulations of the regulator and the prevailing internal Bank regulations. The results of the performance assessments on those committees in 2017 are based on the following assessment:

- The Audit Committee has monitored and evaluated the planning and implementation of the audit and the monitoring of follow-up of audit results in order to assess the adequacy of internal control, including the adequacy of the financial reporting process.
- The Risk Oversight Committee has reviewed the framework, policies, and strategies made by management, as well as implemented and revised the effectiveness of the stress testing program.
- The Nomination and Remuneration Committee has performed the nomination and remuneration functions, among others by providing recommendations to the Board of Commissioners regarding the composition of members of the Board of Directors and/or members of the Board of Commissioners' positions, as well as evaluating and providing recommendations to the Board of Commissioners on remuneration policies.
- The Integrated Governance Committee has performed its duties and responsibilities, among others by assessing the adequacy of internal control, implemented the compliance function and internal audit in an integrated manner, as well as implementing the Integrated Governance Guidelines.

### RECOMMENDATION OF THE BOARD OF COMMISSIONERS

The Board of Commissioners continuously monitors and provides inputs that are conveyed through the Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee, as well as the Integrated Governance Committee. Some of the important recommendations in 2017 were, among others:

- 1) Based on input from the Risk Oversight Committee, the Board of Commissioners provided recommendations to the Board of Directors, among others:
  - a. Related to risk management, assets quality, and Bank's soundness level
  - b. Related to risk management policies such as renewal of Operational Risk Policy, Integrated Risk Management Implementation Policy for the Bank's Financial Conglomerate, and Risk Management Review Process in the Implementation of SFAS 50 and 55.

- 2) Based on input from the Audit Committee, the Board of Commissioners provided recommendations to the Board of Directors, among others:
  - a. Related to the Bank's Financial Statements and Consolidated Financial Statement that cover accounting treatment and its conformity with the generally accepted accounting principles, including the adequacy of the published financial statements as well as the reporting to the competent authority.
  - b. Related to the audit conducted by internal auditors and overseeing the implementation of the follow-up by the Board of Directors on the findings.
  - c. Related to the implementation of status and follow up of audit result by the regulators and Bank Negara Malaysia.
- 3) Based on input from the Nomination and Remuneration Committee, the Board of Commissioners provided recommendations to the Board of Directors, among others:
  - a. Related to the update of the Integrated Governance Guidelines
  - b. Related to the establishment of the Integrated Compliance Guidelines
  - c. Related to the appointment of the Director who performs the oversight function on the Bank's Financial Conglomeration
- 4) Providing input in the appointment of the Public Accounting Office (KAP) registered in OJK and officially affiliated with one of the world's largest Public Accounting Office to audit the Bank's financial statements for the 2017 fiscal year and the determination of honorarium for the KAP as well as other requirements related to the appointment of concerned KAP.
- 5) Provide input and stipulate changes to the membership of the Risk Oversight Committee, Audit Committee, and the Nomination and Remuneration Committee in respect of the resignation of one of its members.

## Independent Commissioner

### CRITERIA OF INDEPENDENT COMMISSIONER

Criteria of the Bank's Independent Commissioner has been aligned with SE OJK No.13/SEOJK.03/2017 on the Implementation of Governance for Commercial Banks and POJK No. 33/POJK.04/2014 dated 8 December 2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies Article 21 paragraph 2, as follows:

1. Not a person working or has authority over or responsible for planning, leading, controlling, or monitoring the Bank's activities in the last 6 (six) months.
2. No ownership of shares of the Bank, both directly and indirectly.
3. Has no affiliation with the Bank, members of the Board of Commissioners, members of the Board of Directors, or Main Shareholders of the Bank.
4. Has no business relation both directly and indirectly that is related to the Bank's business activities.

The total number of the Company's Independent Commissioner in 2017 was 3 (three), or 50% of the total members of the Board of Commissioners of 6 (six).

### STATEMENT OF INDEPENDENCE OF EACH INDEPENDENT COMMISSIONER

Independence Aspect	Budhi Dyah Sitawati	Achjar Iljas	Dr. Hendar, SE, MA	Umar Juoro
Not a person working or has authority over or responsible for planning, leading, controlling, or monitoring the Bank's activities in the last 6 (six) months	√	√	√	√
No ownership of shares of the Bank, both directly and indirectly	√	√	√	√
Has no affiliation with the Bank, members of the Board of Commissioners, members of the Board of Directors, or Main Shareholders of the Bank	√	√	√	√
Has no business relation both directly and indirectly that is related to the Bank's business activities	√	√	√	√

# Board of Directors

The Board of Directors is a governance organ that is fully authorised and accountable for the management of the Bank for the interests of the Bank, pursuant to the purposes and objectives of the Bank, as well as to represent the Bank, both inside and outside the court, pursuant to the provisions of the articles of association and prevailing laws and regulations.

## LEGAL BASIS

Legal basis for the appointment of the Board of Directors:

1. Law No. 40 of 2007 on Limited Liabilities Companies
2. Law No. 7 of 1992 on Banking as amended by Law No. 10 of 1998
3. POJK No.46/POJK.03/2017 on the Implementation of the Compliance Function of Commercial Banks
4. POJK No. 27/POJK.03/2016 on Fit and Proper Test for the Main Party of Financial Services Institutions
5. PBI 12/23/PBI/2010 on Fit and Proper Test
6. POJK No.55/POJK.03/2016 on the Implementation of Governance for Commercial Banks
7. SEOJK No.13/SEOJK.03/2017 on the Implementation of Governance for Commercial Banks
8. POJK No. 18/POJK.03/2016 dated 16 March 2016 on the Implementation of Risk Management for Commercial Banks
9. POJK Nomor 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of Issuers of Public Companies.

## STRUCTURE AND COMPOSITION OF THE BOARD OF DIRECTORS

In 2017, the structure of the Board of Directors of Maybank Indonesia experienced a change since the closing of the AGM on 31 March 2017, in which 1 (one) Director resigned.

The composition of the Board of Directors of Bank in 2017 is as follows:

No	Name	Position
1	Taswin Zakaria	President Director
2	Thilagavathy Nadason	Director
3	Jenny Wiriyanto	Director
4	Dhien Tjahajani	Director
5	Eri Budiono	Director
6	Irvandi Ferizal	Director
7	Effendi	Director

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

The scope of work and responsibilities of each member of the Board of Directors are contained in the Bank's Articles of Association and the Board of Directors Manual as follows:

### Taswin Zakaria – President Director

Formulate the Bank's operational growth strategy to support the vision and mission of the Maybank Group and to be consistent with the international business objectives, facilitate innovation and competitive strategy for the Bank's operations related to the banking environment in Indonesia, identifying, developing, and realising the full potential of employees and ensuring a solid talented employee networks (talent pipeline), as well as positioning the Bank's operations as a competitive business in each market.

### Thilagavathy Nadason – Director of Finance

Ensuring that the Financial strategy is in line with the Bank's vision and mission, establishing and maintaining positive relationships with banks, investment analysts and other financial institutions, preparing accurate financial statements, including income statement, balance sheet, management financial report, and report to the regulator, contributing to strategic planning and decision making at the top executive level to develop and implement bank-wide financial strategies that are in line with the Bank's vision and long-term objectives.

### Jenny Wiriyanto – Director of CFS

Planning, organising, directing and controlling CFS activities, ensuring the Bank's strategy of developing CFSs to provide better services to the customers, ensuring market penetration, business growth, and business targets can be accomplished and managed including overseeing the Bank's subsidiaries by reaching the levels, collaborate with new market targets or clients as well as external agencies in an effort to enhance the Bank's role in developing new products optimally and as well as expanding its loan disbursement targets through the achievement of an effective and efficient productivity level.

### **Dhien Tjahajani – Legal and Compliance Director, Concurrently Corporate Secretary**

Contribute to strategic planning and decision-making at the executive level to develop and implement bank-wide business and operational strategies that conform to internal policies and external provisions, such as regulatory and government provisions, assess and evaluate corporate assets' security measures, manage and develop reliable processes to ensure that the Bank has sufficient capability to prevent money laundering, and handle suspicious transactions as required by the applicable provisions.

### **Eri Budiono – Global Banking Director**

Developing new products for the Corporate, Transaction Banking, and Global Market or Treasury divisions, developing strategic plans to establish relationships with new target markets or clients as well as identifying products that must be optimally driven to the market, building networks and partnerships with global the financial institutions, among others correspondent banks, cooperating with external agencies in an effort to increase the Bank's role in developing the banking sector, as well as extending its lending target to Corporate, Transaction Banking and Global Market or Treasury products.

### **Irvandi Ferizal – Directors of Human Capital**

As a strategic adviser to the business from the Human Resources Management perspective, ensuring that all of Human Resources' s major systems, policies, and programs are running efficiently, effectively and in accordance with the Bank's strategic business needs, as well as administering all activities where the Human Capital Director needs to interact directly or indirectly with the Board of Commissioners in discussions related to salary, nomination, and executive development.

### **Effendi – Risk Management Director**

To contribute to strategic planning and decision-making at top executive levels to develop and implement operational and business strategies with sound risk levels that are in accordance with internal policies and external/government regulations, recognise the latest development in credit risk management methodologies and tools, provide advice and recommendations to the management on risk-related issues and findings, and provide recommendations on appropriate improvement measures, as well as establish relationships with the Legal, Compliance, and Internal Audit divisions regarding changes in the regulatory requirements that affect banking risk as required.

### **BOARD OF DIRECTORS COMPETENCY DEVELOPMENT PROGRAM**

The Bank continuously encourages development activities of the Board of Directors through the orientation program intended for the new Board of Directors as well as training programs for the Board of Directors to support the implementation of duties in achieving sustainable growth as well as effective management.

### **Orientation Program for New Members of the Board of Directors**

The orientation program for new members of the Board of Directors is stipulated in the Board of Directors Manual. The orientation program aims to provide input to the new Director in order to gain an understanding of the Bank in a relatively short time so as to carry out the duties and responsibilities effectively and efficiently. In 2017, an orientation program has been implemented for Mr. Effendi.

### **Training Program of the Board of Directors**

The Bank provides key training for members of the Board of Directors in order to improve competencies, such as the Advance Management Program, the Executive Program in Strategy, and the Risk Masterclass. In 2017, the Board of Directors has attended various trainings as follows:

## Board of Directors

Name	Position	Name of Training/ Seminar/Workshop/ Knowledge Sharing	Start Date	End Date	Organiser	Location
Taswin Zakaria	President Director	Sales Service Summit and Awards Night 2017	16 February 2017	17 February 2017	Maybank Sales Service Summit	Grand Mercure Ancol
		Risk Masterclass 2017	9 March 2017	9 March 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Scale-Up Asia Conference	15 March 2017	15 March 2017	Endeavour Indonesia	Hotel Shangri-La
		Capital & Credit Risk Distribution Workshop	4 April 2017	4 April 2017	Maybank Indonesia bersama TinHill Capital	Head Office of Maybank Indonesia
		Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Open House Maybank Indonesia	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Town Hall Meeting Maybank Indonesia	2 August 2017	2 August 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Human Capital Open House	2 August 2017	3 August 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Press Conference Maybank Bali Marathon 2017	9 August 2017	9 August 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Advanced Management Program HARVARD	10 September 2017	26 October 2017	Harvard	Harvard, USA
		Launching kampanye HeForShe	30 November 2017	30 November 2017	ASEAN	Gedung ASEAN
		RISE & Eco Weaver Program	11-08=2017	7-Dec-2017	Maybank Foundation	Gedung ASEAN
Thilagavathy Nadason	Director	Sales Service Summit and Awards Night 2017	16 February 2017	17 February 2017	Maybank Sales Service Summit	Grand Mercure Ancol
		Scale-Up Asia Conference	15 March 2017	15 March 2017	Endeavour Indonesia	Hotel Shangri-La
		Scale-Up Business Capacity	26 April 2017	26 April 2017	Endeavour Indonesia	Jakarta, Indonesia
		Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Executive Program in Strategy (STANFORD)	6 August 2017	18 August 2017	STANFORD	Stanford, USA
		Customer Experience Champion Workshop 2017	14 September 2017	16 September 2017	Maybank Indonesia	Hotel Millenium Jakarta
		Indonesia Banking Expo	19 September 2017	20 September 2017	Maybank Indonesia	Jakarta Convention Center

Name	Position	Name of Training/ Seminar/Workshop/ Knowledge Sharing	Start Date	End Date	Organiser	Location
Dhien Tjahajani	Director	Capability and Compliance Assessment Workshop	23 February 2017	23 February 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Risk Masterclass 2017	9 March 2017	9 March 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Bancassurance Grand Kick-Off & Awards Night 2017 "Soar Higher"	10 March 2017	10 March 2017	Maybank Indonesia	Ballroom 1 & 2, Hotel Fairmont Jakarta
		AKSI Pangan	24 March 2017	24 March 2017	Financial Service Authority (OJK)	Lembah Harau, Sumatera Barat
		ICCA Membership	1 May 2017	1 May 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Changing Consumer International Seminar	4 May 2017	5 May 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Refreshment Lvl V for Deeper Understanding	18 May 2017	19 May 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		APG Mutual Evaluation Review Assessment	6 September 2017	6 September 2017	Asia Pacific Group	Le Meridien Hotel
		Leadership in a Transformational Digital	11 September 2017	15 September 2017	Cambridge University	Cambridge, UK
		Maximum Impact Public Speaking	26 October 2017	26 October 2017	NBO Indonesia	Jakarta, Indonesia
		Leaders Teaching Leaders	16 November 2017	16 November 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Speaker at the 2017 CTF Summit event	21 November 2017	21 November 2017	Counter Terrorism Financing Summit	Kuala Lumpur
		The 9th IICD Awards 2017	27 November 2017	27 November 2017	Indonesian Institute for Corporate Directorship	Pullman Hotel Thamrin
Jenny Wiriyanto	Director	Sales Service Summit and Awards Night 2017	16 February 2017	17 February 2017	Maybank Sales Service Summit	Grand Mercure Ancol
		1.000 Women with Kebaya	3 March 2017	3 March 2017	Indonesia Education and Culture Ministry	Indonesia Education and Culture Ministry Hall
		Risk Masterclass 2017	9 March 2017	9 March 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Scale-Up Asia Conference	15 March 2017	15 March 2017	Endeavour Indonesia	Hotel Shangri-La
		Food Action	24 March 2017	24 March 2017	Financial Service Authority (OJK)	Lembah Harau, Sumatera Barat
		TIGER Camp Dir CFS	7 April 2017	9 April 2017	Maybank Indonesia	Bali
		Cooperation of PT. Railink and Maybank Indonesia	11 April 2017	11 April 2017	Maybank Indonesia	Gedung Jakarta Railway Center
		Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Leaders Teaching Leaders	16 November 2017	16 November 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Workshop AOP	21 November 2017	22 November 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Indonesia – Japan Desk Economic Seminar	22 November 2017	22 November 2017	Maybank Indonesia, Bank of Yokohama, Ogaki Kyuritsu Bank	Head Office of Maybank Indonesia



## Board of Directors

Name	Position	Name of Training/ Seminar/Workshop/ Knowledge Sharing	Start Date	End Date	Organiser	Location
Eri Budiono	Director	Trail Run with Media	8 April 2017	8 April 2017	Maybank Indonesia Running Club (MIRC)	Jakarta
		ASEAN Global Leadership Program	8 May 2017	12 May 2017	SRW & Berkeley University	Berkeley University, California, USA
		Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Leaders Teaching Leaders	16 November 2017	16 November 2017	Maybank Indonesia	Head Office of Maybank Indonesia
Irvandi Ferizal	Director	HC Kickoff Meeting	10 February 2017	10 February 2017	Maybank Indonesia	Solo
		TIGER Camp dir HC	11 February 2017	12 February 2017	Maybank Indonesia	Solo
		Sales Service Summit and Awards Night 2017	16 February 2017	17 February 2017	Maybank Sales Service Summit	Grand Mercure Ancol
		Indonesia Employee Engagement Award 2017	1 March 2017	1 March 2017	Lembaga Pengembangan Perbankan Indonesia (LPPI) dan majalah Stabilitas	Mercure Sabang
		International Women's Day 2017	8 March 2017	8 March 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Sharing Session Performance Bonus & Salary	21 March 2017	22 March 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Martabak for Maybankers	27 April 2017	27 April 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Indonesia Human Capital Award (IHCA) 2017	28 April 2017	28 April 2017	Kementerian Ketenagakerjaan Republik Indonesia	Kantor Kementerian Ketenagakerjaan Republik Indonesia
		Culture Transformation & Corp Branding	17 May 2017	18 May 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		HR Asia's Best Companies 2017	19 May 2017	19 May 2017	HR Asia	JW Marriot, Jakarta
		Workshop AMLA Batch 1: Insight into Financial Crime and Sanction Compliance Program	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Open House Maybank Indonesia	21 July 2017	21 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Bank Riau Comparative Study	27 July 2017	27 July 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Human Capital Open House	2 August 2017	3 August 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Global CR Day	19 August 2017	19 August 2017	Maybank Indonesia	SLB (Sekolah Luar Biasa) Amal Mulia
		Customer Experience Champion Workshop 2017	14 September 2017	16 September 2017	Maybank Indonesia	Hotel Millenium Jakarta
		Seminar Indonesia Banking Expo 2017	19 September 2017	20 September 2017	IBEX	Jakarta Convention Center
		TTT for EES Action Plan 2017	20 September 2017	20 September 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		The Guru Series – Mega Seminar GO ALL OUT	22 September 2017	23 September 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Stellar Workplace Awards 2017	31 October 2017	31 October 2017	Maybank Indonesia	Hotel Santika Premiere
HC Sharing Session Q3	2 November 2017	2 November 2017	Maybank Indonesia	Head Office of Maybank Indonesia		
Leaders Teaching Leaders	16 November 2017	16 November 2017	Maybank Indonesia	Head Office of Maybank Indonesia		

Name	Position	Name of Training/ Seminar/Workshop/ Knowledge Sharing	Start Date	End Date	Organiser	Location
Effendi	Director	Industry Capacity Building Workshop on Hospital	31 August 2017	31 August 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Industry Capacity Building Workshop	27 September 2017	27 September 2017	Maybank Indonesia	Head Office of Maybank Indonesia
		Leaders Teaching Leaders	16 November 2017	16 November 2017	Maybank Indonesia	Head Office of Maybank Indonesia

## PERFORMANCE ASSESSMENT OF COMMITTEES UNDER THE BOARD OF DIRECTORS

### Procedure of Assessment Implementation

The performance assessment of committees under the Board of Directors is conducted at the end of the year. Evaluation on the effectiveness of performance is performed by each member of the committee through the self-assessment method.

### Assessment Results

The Bank has established committees that support the implementation of the Board of Directors' duties in conducting banking operations, which emphasises on the prudential principles. The committees include the Risk Management Committee, the Asset & Liability Management Committee (ALCO), the Internal Audit Committee, the Information Technology Steering Committee, the Integrated Risk Management Committee, the Credit Committee, the Credit Restructuring Committee, the Impairment Committee, the Human Capital Committee, as well as the Personnel Committee.

Committees under the Board of Directors always provide a second opinion or feasible suggestions, prior to a tactical or strategic decision is taken for later implementation. Throughout 2017, the Board of Directors assessed that the committees had performed their duties and responsibilities very well in accordance with the provisions of the regulators and the prevailing internal regulations of the Bank.

The assessment was based on several matters, including the following:

- The Risk Management Committee has provided recommendations and/or approval on policies, strategies, and guidelines on the risk management implementation of the Bank and subsidiaries.
- The Asset & Liability Management Committee (ALCO) has provided strategic directions and ensures tactical follow-ups to create a continuously growing balance sheet structure. The Committee also continues to maximise the Bank's profitability to achieve the performance objectives within the established risk parameters through the management of assets and liabilities.

- The Internal Audit Committee has undertaken the duties of ensuring that the Management has responded to all audit findings and recommendations provided by the internal audit, external audits and the regulators.
- The Information Technology Steering Committee has established and implemented the Information Technology Strategic Plan (IT) that is in accordance with the Bank's strategic business plan.
- The Integrated Risk Management Committee has reviewed, refined and assessed the adequacy of the Integrated Risk Management framework/policy in the identification, measurement, monitoring, and reporting process of risks as well as the extent to which the Bank operates effectively.
- The Credit Committee has ensured that the Bank follows and adheres to all Bank Credit Policy (KPB), Level 2 Credit Policy (2a and 2b), both Global Banking and Business Banking, Level 3 Credit Policy, both Global Banking and Business Banking, as well as the prevailing Circular (SE) and regulations of Bank Indonesia (BI)/OJK as well as the relevant laws and regulations of the government.
- The Credit Restructuring Committee has ensured that the Bank follows and adheres to all Bank Credit Policy (KPB) policies, Level 2 Credit Policy, both Global Banking and Business Banking, Level 3 Credit Policy, both Global Banking and Business Banking Policy, as well as the prevailing Circular (SE) and Regulations of Bank Indonesia (BI)/OJK as well as the relevant laws and regulations of the government.
- The Impairment Committee has performed its duties in monitoring the loan and securities portfolios that is encountering impairment and its impact on the Bank's income statement for each period.
- The Human Capital Committee has established strategies and directives by considering Human Capital policies to have an impact on the Bank's organisational activities and its human resources.
- The Personnel Committee has performed an analysis/review on the sanctioning plan of employee committing a violation or Fraud, such as based on the results of the Investigation report by the Anti Fraud Unit or the Internal Audit Unit.

## Board of Directors

### BOARD OF DIRECTORS MANUAL

The Board of Directors of the Bank has guidelines and working procedures of the Board of Directors, referred to as the Board of Directors Manual, as the guidelines and reference in performing its duties as the Board of Directors.

The composition, criteria, and independence of the Bank's Board of Directors are in accordance with the prevailing provisions, among others, as follows:

1. Number of the Board of Directors member is more than 3 (three) persons, the number of member is 7 (seven).
2. All members of the Board of Directors are domiciled in Indonesia.
3. The majority of members of the Board of Directors have experience of at least 5 (five) years in the operational field and the lowest as Executive Officer of the Bank.
4. There are no concurrent positions of the Bank's Board of Directors that is in violation of the prevailing regulatory provisions, namely POJK No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, one of which excludes performing functional duties to become a member of the Board of Commissioners in non-bank subsidiary company controlled by the Bank in the prohibition of concurrent positions.

### INDEPENDENCY OF THE BOARD OF DIRECTORS

Between members of the Board of Directors and members of the Board of Commissioners and the Controlling Shareholders of the Bank, have no financial, management, share ownership, and family relationships. Therefore, all members of the Board of Directors are independent.

### CONCURRENT POSITIONS OF THE BOARD OF DIRECTORS

No	Name of Director	Position at the Bank	Position in Other Company	Company/Agency/Organisation
1	Taswin Zakaria	President Director	-	-
2	Thilagavathy Nadason	Director	Commissioner	PT WOM Finance Tbk (subsidiary non bank, controlled by the Bank)
3	Jenny Wiriyanto	Director	Commissioner	PT Maybank Indonesia Finance (subsidiary non bank, controlled by the Bank)
4	Dhien Tjahajani	Director	-	-
5	Eri Budiono	Director	-	-
6	Irvandi Ferizal	Director	-	-
7	Effendi	Director	-	-

### TERM OF SERVICES OF THE BOARD OF DIRECTORS

No	BOD of Maybank Indonesia	Position	Date of Approval		Term of Services up to the AGM	Description
			GMS Approval	Effective Date (BI/OJK Approval)		
	Ghazali bin Mohd Rasad	Direktur	20 March 2009	18 May 2009		Mengundurkan diri, efektif pada RUPST 31 Maret 2017
1	Taswin Zakaria	President Director	11 November 2013	12 March 2014	2018	
2	Thilagavathy Nadason	Director	20 March 2009	4 August 2009	2018	
3	Jenny Wiriyanto	Director	29 May 2009	20 October 2009	2018	
4	Dhien Tjahajani	Director, concurrently Corporate Secretary	12 March 2014	20 June 2014	2020	
5	Eri Budiono	Director	24 April 2015	5 May 2015	2018	
6	Irvandi Ferizal	Director	1 December 15	21 January 2016	2018	
7	Effendi	Director	31 March 17	21 July 2017	2020	

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

## AGENDA OF BOC MEETINGS AND JOINT MEETINGS OF BOC AND BOD

1. The BoC shall convene at least 1 (one) meeting in 2 (two) months, or at any time when deemed necessary.
2. The BoC shall convene at least 1 (one) joint meeting with the BoD in 4 (four) months or at any time when deemed necessary.
3. There should be at least 2 meetings of BoC that are attended in person by all members of BoC.
4. A BoC meeting is valid and is entitled to take binding decisions if it is attended by more than ½ (one half) of the total members of the BoC.
5. Members of the Board of Commissioners may participate in a BoC Meeting through teleconference, electronic means or other means of communication which enable every participant to communicate with each other simultaneously and immediately.
6. BoC meetings for the next fiscal year are to be scheduled before the end of the fiscal year especially before the end of the calendar year.
7. Minutes of each BoC Meeting shall be submitted to all members of the BoC, and if the Meeting engages the BoD, then the minutes shall also be communicated to all members of the Board of Directors.

## BoC Meeting Frequency and Attendance Level in 2017

No	Name	Meeting			
		Board of Commissioners (15 times)	Attendance Level	Board of Commissioners Invites Directors (15 times)	Attendance Level
1	Tan Sri Dato'Megat Zaharuddin*	4	100%	4	100%
2	Datuk Abdul Farid bin Alias	15	100%	15	100%
3	Spencer Lee Tien Chye	13	87%	13	87%
4	Umar Juoro **	12	100%	12	100%
5	Budhi Dyah Sitawati	15	100%	15	100%
6	Achjar Iljas	15	100%	15	100%
7	Hendar ***	3	100%	3	100%
8	Edwin Gerungan	15	100%	15	100%

Note : Most of Board of Commissioners attended meetings physically at least 6 (six) times in a year.

\*) serving period as President Board of Commissioner ended as of AGMS closing ON 31 March 2017

\*\*) Serving Period as Board of Commissioner Member Ended Effectively Since 27 October 2017

\*\*\*) Start Attending Board of Commissioner Meeting After Appointed at EGMS on 16 OCTOBER 2017.

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

### Frequency of Meetings and Attendance of BoC in 2017 (Including Joint Meetings with BoD)

Nama	Attendance In Meeting	
	Number of Attendance	Attendance Level
Taswin Zakaria	12/15	80%
Thilagavathy Nadason	15/15	100%
Jenny Wiriyanto	10/12	83%
Dhien Tjahajani	13/15	87%
Eri Budiono	11/12	92%
Irvandi Ferizal	12/12	100%
Effendi	12/12	100%

Note: In some of the joint meetings convened in 2017, some Directors were not invited.

### Agenda of BoC Meeting in 2017 (including Joint Meetings of BoC and BoD)

Meeting Date	Agenda of the Meeting of the Board of Commissioners
20 January 2017	<p>No. 01/KOM/01.2017, 20 January 2017 JOINT BOARD OF COMMISSIONERS ("BOC") AND BOARD OF DIRECTORS ("BOD") MEETING</p> <ol style="list-style-type: none"> <li>Minutes of the Joint BOC and BOD Meeting Held on November 25, 2016.</li> <li>CEO Update &amp; Review of Group Financial Performance for December 2016.</li> </ol> <p>No. 02/KOM/01.2017, 20 January 2017 BOARD OF COMMISSIONERS ("BOC") MEETING</p> <ol style="list-style-type: none"> <li>Minutes of the BOC Meeting Held on 25 November 2016.</li> <li>Matters Arising from the Minutes of the BOC Meeting Held on 25 November 2016.</li> <li>Proposed Set Up and Issuance of Penawaran Umum Berkelanjutan (PUB) II Obligasi Senior &amp; Sukuk Mudharabah.</li> <li>Project Casablanca.</li> <li>2016 BNM Audit Finding.</li> <li>OJK Audit Report.</li> <li>Audit Committee Report.</li> <li>Risk Oversight Committee Report.</li> <li>Integrated Good Corporate Governance Committee Report.</li> <li>Nomination &amp; Remuneration Committee Report.</li> <li>Annual Outline Agenda 2017.</li> </ol>
14 February 2017 Special BOC Meeting	<p>No. 03/KOM/02.2017, 14 February 2017 BOARD OF COMMISSIONERS ("BOC") MEETING</p> <ol style="list-style-type: none"> <li>Consolidated Financial Statements 31 December 2016.</li> </ol>
17 February 2017	<p>No. 04/KOM/02.2017, 17 February 2017 JOINT BOARD OF COMMISSIONERS ("BOC") AND BOARD OF DIRECTORS ("BOD") MEETING</p> <ol style="list-style-type: none"> <li>Minutes of the Joint BOC and BOD Meeting Held on January 20, 2017.</li> <li>CEO Update &amp; Review of Group Financial Performance for January 2017.</li> </ol> <p>No. 05/KOM/02.2017, 17 February 2017 BOARD OF COMMISSIONERS ("BOC") MEETING</p> <ol style="list-style-type: none"> <li>Minutes of the BOC Meeting Held on January 20, 2017.</li> <li>Matters Arising from the Minutes of the BOC Meeting Held on January 20, 2017.</li> <li>Shariah Update and Shariah Supervisory Board Review</li> <li>Compliance, Important Legislation/Policies, GCG Updates</li> <li>Dividend Payout &amp; Utilisation of Net Profit</li> <li>2017 AGMS</li> <li>FY 2016 Annual Report (AR)</li> <li>Audit Committee Report.</li> <li>Risk Oversight Committee Report.</li> <li>Integrated Good Corporate Governance Committee Report.</li> <li>Nomination &amp; Remuneration Committee Report.</li> <li>Annual Outline Agenda 2017.</li> </ol>

Meeting Date	Agenda of the Meeting of the Board of Commissioners
31 March 2017	<p>No. 06/KOM/03.2017, 31 March 2017 JOINT BOARD OF COMMISSIONERS (“BOC”) AND BOARD OF DIRECTORS (“BOD”) MEETING</p> <ol style="list-style-type: none"> <li>Confirmation of minutes of the Joint BOC and BOD Meeting Held on February 17, 2017.</li> <li>CEO Update &amp; Review of Group Financial Performance for February 2017.</li> </ol> <p>No. 07/KOM/03.2017, 31 March 2017</p> <ol style="list-style-type: none"> <li>Minutes of the BOC Meeting held on February 17, 2017.</li> <li>Matters Arising from the Minutes of the BOC Meeting held on January 17, 2017.</li> <li>MBI Productivity Update.</li> <li>Global Banking Strategy Update.</li> <li>Operation Directorate Performance Update.</li> <li>Audit Committee Report.</li> <li>Risk Oversight Committee Report.</li> <li>Integrated Good Corporate Governance Committee Report.</li> <li>Nomination &amp; Remuneration Committee Report.</li> <li>Annual Outline Agenda 2017.</li> </ol>
21 April 2017	<p>No. 08/KOM/04.2017, 21 April 2017 JOINT BOARD OF COMMISSIONERS (“BOC”) AND BOARD OF DIRECTORS (“BOD”) MEETING</p> <ol style="list-style-type: none"> <li>Confirmation of minutes of the Joint BOC and BOD Meeting Held on March 31, 2017.</li> <li>CEO Update &amp; Review of Group Financial Performance for March 2017.</li> </ol> <p>No. 09/KOM/04.2017, 21 April 2017 BOARD OF COMMISSIONERS (“BOC”) MEETING</p> <ol style="list-style-type: none"> <li>Confirmation of Minutes of the BOC Meeting held on March 31, 2017.</li> <li>Matters Arising from the Minutes of the BOC Meeting held on March 31, 2017.</li> <li>BNM CRR Update &amp; Compliance Update.</li> <li>Audit Committee Report.</li> <li>Risk Oversight Committee Report.</li> <li>Nomination &amp; Remuneration Committee Report.</li> <li>Annual Outline Agenda 2017.</li> </ol>
27 April 2017 Special BOC Meeting	No. 10/KOM/04.2017, 27 April 2017 BOARD OF COMMISSIONERS (“BOC”) MEETING Approval of the Consolidated Financial Statements 31 March 2017
26 May 2017	<p>No. 11/KOM/05.2017, 26 May 2017 JOINT BOARD OF COMMISSIONERS (“BOC”) AND BOARD OF DIRECTORS (“BOD”) MEETING</p> <ol style="list-style-type: none"> <li>Confirmation of minutes of the Joint BOC and BOD Meeting Held on April 21, 2017.</li> <li>CEO Update &amp; Review of Group Financial Performance for April 2017.</li> </ol> <p>No. 12/KOM/05.2017, 26 May 2017 BOARD OF COMMISSIONERS (“BOC”) MEETING</p> <ol style="list-style-type: none"> <li>Confirmation of Minutes of the BOC Meeting held on April 21, 2017</li> <li>Matters Arising from the Minutes of the BOC Meeting held on April 21, 2017.</li> <li>Project Matrix Update.</li> <li>CFS Update.</li> <li>Digital Banking.</li> <li>Audit Committee Report.</li> <li>Risk Oversight Committee Report.</li> <li>Integrated Good Corporate Governance Committee Report.</li> <li>Nomination &amp; Remuneration Committee Report.</li> <li>Annual Outline Agenda 2017.</li> </ol>
20 June 2017 Special BOC meeting	No. 13/KOM/06.2017, 20 June 2017 SPECIAL BOARD OF COMMISSIONERS (“BOC”) MEETING
21 July 2017	<p>No. 14/KOM/07.2017, 21 July 2017, JOINT BOARD OF COMMISSIONERS (“BOC”) AND BOARD OF DIRECTORS (“BOD”) MEETING</p> <ol style="list-style-type: none"> <li>Confirmation of minutes of the Joint BOC and BOD Meeting Held on May 26, 2017.</li> <li>CEO Update &amp; Review of Group Financial Performance for May and June 2017.</li> </ol> <p>No. 15/KOM/07.2017, 21 July 2017 BOARD OF COMMISSIONERS (“BOC”) MEETING</p> <ol style="list-style-type: none"> <li>Confirmation of Minutes of the BOC Meeting held on May 26, 2017.</li> <li>Confirmation of Minutes of the Special BOC Meeting held on June 20, 2017.</li> <li>Matters Arising from the Minutes of the BOC Meeting held on May 26, 2017</li> <li>Liquidity Management Update.</li> <li>IT Update.</li> <li>Branding Initiatives Update.</li> <li>BNM CRR &amp; Compliance, Important Legislation/Policies Updates</li> <li>Audit Committee Report.</li> <li>Risk Oversight Committee Report.</li> <li>Integrated Good Corporate Governance Committee Report.</li> <li>Annual Outline Agenda 2017.</li> </ol>

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

Meeting Date	Agenda of the Meeting of the Board of Commissioners
27 July 2017 Special BOC Meeting	No. 16/KOM/07.2017, 27 July 2017 SPECIAL BOARD OF COMMISSIONERS ("BOC") MEETING Approval of Consolidated Financial Statements 30 June 2017
25 August 2017	No. 17/KOM/08.2017, 25 August 2017, JOINT BOARD OF COMMISSIONERS ("BOC") AND BOARD OF DIRECTORS ("BOD") MEETING 1. Confirmation of minutes of the Joint BOC and BOD Meeting Held on July 21, 2017. 2. CEO Update & Review of Group Financial Performance for July 2017.  No. 18/KOM/08.2017, 25 August 2017 1. Confirmation of Minutes of the BOC Meeting held on July 21, 2017 and Minutes of the Special BOC Meeting held on July 27, 2017. 2. Matters Arising from the Minutes of the BOC Meeting held on July 21, 2017. 3. MBI Productivity Update. 4. Shariah Review Report. 5. Audit Performance and Productivity. 6. Global Banking & Global Market Updates. 7. CFS Update. 8. Audit Committee Report. 9. Risk Oversight Committee Report. 10. Remuneration & Nomination Committee Report. 11. Annual Outline Agenda 2017.
25 September 2017	No. 19/KOM/09.2017, 25 September 2017 JOINT BOARD OF COMMISSIONERS ("BOC") AND BOARD OF DIRECTORS ("BOD") MEETING 1. Confirmation of minutes of the Joint BOC and BOD Meeting Held on August 25, 2017. 2. CEO Update & Review of Group Financial Performance for August 2017.  No. 20/KOM/09.2017, 25 September 2017 1. Confirmation of Minutes of the BOC meeting held on August 25, 2017 2. Matters arising from the minutes of BOC meeting held on August 25, 2017. 3. M2020. 4. Preliminary Review of AOP 2018. 5. Retail Banking Strategy Assignment. 6. Audit Committee Report. 7. Risk Oversight Committee Report. 8. Integrated Good Corporate Governance Committee Report 9. Remuneration & Nomination Committee Report. 10. Annual Outline Agenda 2017.
27 October 2017	No. 21/KOM/10.2017, 26r 2017 Special BOC Meeting 1. Approval of MBI FY18 Business Plan (AOP) & Budget 2. Consolidated Financial Statements 30 September 2017 and Press Release  No. 22/KOM/10.2017 OF THE FINANCIAL YEAR 2017 OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF PT MAYBANK INDONESIA Tbk. ("MBI") 1. Minutes of the Meeting of the Joint BOC and BOD held on 27 October 2017 2. CEO Report for September 2017 3. MBI Group Performance Report for September 2017  No. 23/KOM/10.2017 OF THE FINANCIAL YEAR 2017 OF THE BOARD OF COMMISSIONERS OF PT MAYBANK INDONESIA Tbk. ("MBI") 1. MBI Shariah Banking Spin-off Plan 2. Minutes of the Meeting of the BOC held on 27 October 2017 3. Matters arising from the minutes of the meetings of the BOC held on 27 October 2017 4. Attrition 5. Data Analysis 6. Compliance Updates Q3-2017 7. Project Matrix 2 Update 8. Report by Chairman of the Audit Committee ("AC") 9. Report by Chairman of the Risk Oversight Committee ("ROC") 10. Minutes of Meetings of the BOC Committees

Meeting Date	Agenda of the Meeting of the Board of Commissioners
27 November 2017	No. 24/KOM/10.2017 OF THE FINANCIAL YEAR 2017 OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF PT MAYBANK INDONESIA Tbk. ("MBI") 1. Minutes of the Meeting of the Joint BOC and BOD held on 27 October 2017 2. CEO Report for October 2017 3. MBI Group Performance Report for October 2017
	No. 25/KOM/10.2017 OF THE FINANCIAL YEAR 2017 OF THE BOARD OF COMMISSIONERS OF PT MAYBANK INDONESIA Tbk. ("MBI") 1. Minutes of the Special Meeting of the BOC held on 27 October 2017 2. Minutes of the Meeting of the BOC held on 27 October 2017 3. Matters arising from the minutes of the meetings of the BOC and the Joint BOC and BOD held on 27 November 2017 4. Proposed Maybank Indonesia RBB 2018-2020 ("Business Plan") 5. Improving Leadership Across GB and CFS 6. Compliance & FCC Strategic Priorities 2018 7. Report by Chairman of the Audit Committee ("AC") 8. Report by Chairman of the Risk Oversight Committee ("ROC") 9. Report by Chairman of the Integrated Good Corporate Governance Committee 10. Minutes of Meetings of the Audit Committee and the Risk Oversight Committee

### BOD MEETING

1. Meetings of the BoD shall be held at least 1 (one) time in a month, or at any time deemed necessary.
2. Joint Meetings of the BoD and the BoC shall be held at least 1 (one) time in 4 (four) months or at any time deemed necessary.
3. BoD must make schedules for both BoD meetings and joint meetings with the BoC for the next fiscal year before the end of the current year.
4. Minutes of BoD meetings shall mention the medium of how its members attend the meeting: in person or via teleconference/ telepresence.

### Meeting Frequency and Level of Attendance in 2017

Name	Attendance in BoD meetings	
	Number of Meetings Attended	Attendance Level
Taswin Zakaria	30/40	75%
Thilagavathy Nadason	35/40	88%
Ghazali Bin Mohd Rasad*	5/40	13%
Jenny Wiriyanto	35/40	88%
Dhien Tjahajani	28/40	70%
Eri Budiono	35/40	88%
Irvandi Ferizal	37/40	93%
Effendi	29/40	73%

Note:

\*) The Term of Services as Director ended at the close of the AGMS on March, 31 2017



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

### Agenda BOD Meeting 2017

No	Meeting Date	Meeting Agenda
1	9 January 2017	Discussion on Minutes of Board of Directors Meeting held on December 5, 2016, CASA and Liquidity, Response to BNM Letter, Project Avengers, and discussions on Sales, Service Summit & Awards Night 2017
2	16 January 2017	Discussion on Minutes of Board of Directors Meeting held on January/December 2017, CASA and Liquidity, Spiderman Project: Proposed Preparation & Issuance of Sustainable Public Offering (PUB) of Senior Bonds and Sukuk, Audit Adjustment for 31 December 2016, IAC Reference Revocation (TOR), Risk Exclusion - Incorrect Side of FX Transaction Rate Used in Credit Restructuring Transactions, Quarterly Risk Profile Reporting to OJK,
3	23 January 2017	Casablanca Project II, and Investigation on Building Foundation of Batam Branch
4	6 February 2017	Discussion on Minutes of BoD Meeting held on 23 January 2017, CASA and Liquidity, the holding of 2017 Annual General Meeting of Shareholders (RUPST 2017), Capital Monitoring Report 2016, Discussion on Strategic Cost Management Program Result in 2016, the establishment of Maybank Mumbai Branch Office & -the closing of MBI Mumbai, industry limit in 2017 as Management Action Trigger (MAT), and BOD Reach Out – BRO
5	13 February 2017	Discussion on Minutes of BoD Meeting held on February 6, 2017, end of audit year as of December 31, 2016, dividend payment for fiscal 2016, use of net profit, CASA and Liquidity, Maybank Indonesia Shariah Banking; review of 2016 and 2017 plans, report of Shariah Supervisory Board for Second Semester of 2016, and discussion on Employee Award
6	27 February 2017	Discussion on Minutes of BoD Meeting held on 13 February 2017, Low Cost Fund and Liquidity, DPLK - AIA: Investment Option, Bonus for 2017, and latest Information on compliance
7	6 March 2017	Discussion on BoD Meeting held on Low Cost Fund and Liquidity, BoD Approval for MIF 2017 Annual General Meeting of Shareholders, Draft Management Letter, Sustainable Public Offering ("PUB") Second Bond II Phase 2 Year 2017, WOM Finance, Maybank Group Best Employee Award Non-Executive & Young Maybank Group Best Employee Award Non-Executive & Young Maybanker Nominees, Half Height Sensor Barrier – SS III, -Sales Sector Priority
8	13 March 2017	Discussion on Minutes of BoD Meeting held on March 06, 2017, Low Cost Fund and Liquidity, important risk issues on securities services, and Investing through Top-up DPLK
9	3 April 2017	Discussion on Minutes of BoD Meeting held on March 13, 2017, Low Cost Fund and Liquidity - NII Simulation, PSAK 71 (IFRS 9), and nomination for Best Business Unit
10	10 April 2017	Discussion on Minutes of BoD Meeting held on April 3, 2017, Low Cost Fund and Liquidity - Funding Structure and Liquidity Cost Margin, external quality assurance review for Internal Audit Function, development of Prudential Case Handling at BANI, Maybank Financial Update, Capital Plan Simulation 2017 - Incorporating Impact from Implementation of IFRS 9, Update of Capital Allocation in 2017 based on actual figures of December 2016, and Maybank Bali Marathon 2017
11	20 April 2017	Discussion on Minutes of BoD Meeting held on April 10, 2017, Low Cost Fund and Liquidity - Cross Selling Maybank Finance 2017, and Review of GSC Presentation
12	25 April 2017	Discussion on Minutes of BoD Meeting held on April 20, 2017, Low Cost Fund and Liquidity - FTP Cross currency back to back loan, update on WOM Finance Performance, Fraud Case at Allianz -Disbursement of customer voucher, Customer's complaint proposal
13	3 May 2017	Discussion on Minutes of BoD Meeting held on April 25, 2017, Low Cost Fund and Liquidity - NII Simulation by Segment, Launching of STP Online Concept, Campaign of 500,000 E-Channel users, Extension of SHGB AYDA, Maybank Bali Marathon, and Progress of Padang Branch Development
14	8 May 2017	Discussion on Minutes of BoD Meeting held on April 20, 2017 & May 3, 2017, Low Cost Fund and Liquidity, Contestation and Most Current Issues in Taxes, Communication Strategy for Online Account Opening, and Study on Brand Performance and Market Segment
15	15 May 2017	<ol style="list-style-type: none"> <li>1. Discussion on Minutes of BoD Meeting held on May 8, 2017</li> <li>2. Discussions related to Low Cost Funds and Liquidity that included: <ul style="list-style-type: none"> <li>• Medium Term Funding (MTF) 2017</li> <li>• Negotiable Certificate of Deposit (NCD) of Maybank Indonesia in 2017</li> </ul> </li> </ol> <p>Updates in Spiderman Project: Sustainable Public Offering (PUB) II Senior Bond &amp; Mudharabah Sukuk 2017</p> <ul style="list-style-type: none"> <li>• Procurement of Leased Office Equipment</li> <li>• Discussion on SHGB AYDA</li> <li>• WannaCry Ransomware Handling</li> </ul>

No	Meeting Date	Meeting Agenda
16	22 May 2017	Discussion of Minutes of BoD Meeting held on May 22, 2017, SKAI Centralisation Budget, Online STP, availability of e-ID card Reader at Branches, Plan for Cash Incentive and Payment of Cash Reward Service in Q1 - 2017, Capital Monitoring Report 1Q17, Securities Services Operations, Status of Updates of SCMP for Q1 2017 & Mass-Fortune 1-2 by FPM, and Negotiable Certificate of Deposit (NCD) of May Bank Indonesia Bank in 2017
17	29 May 2017	Approval for Minutes of BoD Meeting held on May 22, 2017, discussion on Low Cost Funds and Liquidity including the issuance of NCD, Medium Term Funding in 2017, FX Structural Position. Also discussed was Recovery & Resolution Plan (RRP), Legal Cases faced, Transaction Monitoring Scenarios, Parameters & Thresholds, IT Key Updates, and the closing of Mauritius Branch.
18	12 June 2017	Approval for BoD Meeting held on May 29, 2017, discussion of Sales Proposal of MBI Visa & MasterCard Shares, White Card Business Strategy, Updates on Prudential, Report of Incident for Cyber 3 New DC by NTT, Revised RBB 2017-2019, Compliance Updates: PERPPU No. 1 of 2017 concerning Access to Financial Information for Tax Material and Decree of the Minister of Finance No. 70 PMK.03/2017 on Technical Guide to Getting Access to Financial Information for Taxation Purpose.
19	19 June 2017	Approval for Minutes of BoD Meeting held on June 12, 2017, Discussion on Elow Cost Fund and Liquidity, Issuance of NCD Updates, Medium Term Funding for 2017, Sustainable Public Offering ("PUB") II Phase 2 Year 2017 of PT Wahana Ottomitra Multiartha Tbk ("WOM"), Vendor selection results: DDOS Protection using Akamai, Tax Update-PMK 70, Maybank internship program, Superkidz Banker Program, Bancassurance Partnership for General Insurance, Compliance updates, and Development Plan for Gajah Mada Branch & Pylon Design for Lollypop Replacement in Jakarta Area
20	10 July 2017	Approval for Minutes of BoD Meeting held on June 19, 2017, discussion on several emerging issues, Funding and Liquidity, EY Findings, and BNM 2016 Audit Findings
21	24 July 2017	Approval for Minutes of BoD Meeting held on July 10, 2017, discussion of several emerging issues, Funding and Liquidity, Most Updated results of Strategic Management Programme in June 2017, complaints at branches, reactivation of mortgage Center, and most recent Updates on Bali Marathon.
22	31 July 2017	Approval for Minutes of BoD Meeting on July 24, 2017, discussion of several emerging issues, Funding and Liquidity, summary of predictions for fiscal 2017 and preparation for AOP Budget for 2018, and most recent updates on Bali Marathon
23	14 August 2017	Approval for Minutes of BoD Meeting held on July 31 2017, discussion on some emerging issues, Funding and Liquidity, non-card cash withdrawal, ATM strategy, fraud case - CNY, and errors in system index code
24	29 August 2017	Approval for Minutes of BoD Meeting held on August 14, 2017, discussions on emerging issues, Funding and Liquidity, Special Audit Result of Transactions of Changes in Balance Sheet Accounts and Closing of Customer's Account
25	4 September 2017	Approval for BoD Meeting held on August 29, 2017, discussion on emerging issues, Funding and Liquidity, Action Plan (RCP), Renovation of Kalibesar branch, Spin-off plan for Maybank Syariah business unit, Lawsuit against BANI ruling and approval for the Appointment of Expert Witness, and approval for Corporate Online Service Integration (COIN) - Porting CP (Phase 1)
26	11 September 2017	Approval for Minutes of BoD Meeting on September 4, 2017, discussion on emerging issues, Funding and Liquidity, FTP Strategy based on B17-day RR and a decrease in deposit interest rate in August 2017, Dormant Activation Program. The meeting also discussed the adjustment of Policy and Procedures of APU/PPT of MBI with OJK Regulation No.12/POJK.01/2017, Appointment of Lawyers for KCP Employee, and Completion of 2015 GTR (Golden Tiger) reward program.
27	18 September 2017	Approval for Minutes of BoD Meeting on September 11, 2017, discussion on emerging issues, Funding and Liquidity, Partnership with the Ministry of Finance, special cost of funds for Maybank Finance 2017, Business Banking (BB) & Utilisation of SME Program, Strategic Planning of Government Retail Bond Series - ORI014, and Issues in Region II Jakarta - Retail SMEs.
28	26 September 2017	Approval for Minutes of BoD Meeting held on on September 18, 2017, discussions on emerging issues, Funding and Liquidity, FTP Strategy based on B17-day RR and a decline in deposit interest rate in September 2017, Updates on FX Structural Position, Culture Transformation Phase II, Work From Home (WFH), Sales Performance Initiatives, and Program of Improvement in Process & Performance
29	2 October 2017	Approval for Minutes of BoD Meeting on September 26 2017, discussion of emerging issues, Funding and Liquidity, FTP CASA Rupiah, Maybank Finance Bonds (PUB I 4th Tranche), and Updates on Post Mortem MBM 2017

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

No	Meeting Date	Meeting Agenda
30	16 October 2017	Approval for Minutes of BoD Meeting held on October 2, 2017, discussion on emerging issues, Funding and Liquidity, Risk Profile of Bank Maybank Indonesia & Consolidation until 2017, Shareholder Agreement of PT Maybank Indonesia Finance, Bank Indonesia Policy - National Payment Gateway (NPG), and updates on Operational Governance
31	23 October 2017	Approval for Minutes of BoD Meeting on 16 October 2017, discussion on emerging issues, Funding and Liquidity, Issuance of NCD VI Maybank Indonesia Bank 2017, FTP USD Strategy and Recommendations, Kick off meeting for the audit of financial statements for the year ended December 31, 2017, Proposal for Prepaid Business Card, Updates on Fraud Case, Sales, Service Summit & Awarding Night 2018, and Cost Review of Proposal for Cost Allocation for 2018
32	31 October 2017	Approval for Minutes of BoD Meeting on Oc23 October 2017, discussion of several issues arising, Funding and Liquidity, MTF Status Update 2017, FTP for Term Loan Floating Rate State Electricity Company (PLN), Automatic Reporting of Tax Regulations for Domestic Use, Recovery Plan for CNY Case, Sales Proposal, Service Summit & Award Night 2018, SLIK OJK, Equity Participation Maybank Indonesia Finance, and Prudential case update
33	6 November 2017	Approval for Minutes of BoD Meeting on October 31, 2017, discussion on emerging issues, Insurance Renewal for 2017-2018 (Property all risks, electronic equipment, money, public liability & motor vehicles), and updates on Prudential case
34	13 November 2017	Approval for Minutes of BoD on November 6, 2017, discussion on emerging issues, updates on Easy Fund and Liquidity Funds, Self Assessment of BPS BPIH and 2018 RBB
35	20 November 2017	Approval doe Minutes of BoD Meeting on November 13 2017, discussion updates of PSAK 71, cost allocation for 2018, Updates on SLIK Project, discussion on emerging issues, optimisation of branch offices, and preparation of GTSC
36	28 November 2017	Approval for Minutes of BoD Meeting on November 13 2017, Discussions on emerging issues, Fresh Funds and Liquidity, MYR/IDR Local Settlement System, and updates on Prudential Case
37	4 December 2017	Approval for Minutes of BoD Meeting on November 28, 2017, Discussion on emerging issues, Updates on Low Cost Funds and Liquidity, updates on NCD VI Book Building, cases in Prepaid business card, Timeline of year-end performance, Capital Monitoring Report 3Q17, planning and capital allocation, proposal for 2017 annual report, and work plan for Operational & Business Continuity (ORCO) 2018
38	11 December 2017	Approval for Minutes of BoD Meeting on December 4, 2017, Discussion on emerging issues, Annual Agenda of BoC meeting in 2018, updates on low cost fund and liquidity, FTP MYR, Wifi Installation at Maybank Branch Office, closing process at end of 2017, and strengthening ATM security
39	18 December 2017	Approval for Minutes of BoD Meeting held on December 11, 2017, discussion on emerging issues, updates on Low cost Find and Liquidity, Spiderman Project II: Proposed Issuance of Tranche Second Bonds, FTP CASA, Approval for Rental Fees and Service Charges for 2018, M2U App UI/UX Revamp (Digital V1.0), Bank Operations at year end 2017, Compliance League Table, Approval for Reporting Fraud Cases to OJK In accordance with SEBI 13/28/DPNP, new system of ATM and CDM surveillance, Security Information and Event Management (SIEM), Review of performance of Kalimantan region up to November 2017
40	27 December 2017	Approval for Minutes of BoD Meeting held on December 18, 2017, discussion on emerging issues, updates on low cost fund and liquidity, updates on SLIK Project, revision on Sanction Policy, Updates on Tax Audit 2013, and Strict Adjustment between Bank and Subsidiaries

# Affiliated Relationship between the Board of Commissioners, Directors, and Controlling Shareholder

Majority members of both the Board of Commissioners and the Board of Directors do not have both family relationship and financial relationship with each other as well as with the controlling shareholders. Members of both the Board of Commissioners and Directors always keep their independence and do not have conflict of interest that may jeopardise their capacity to perform their duties professionally and objectively.

## BOARD OF COMMISSIONERS

Name	Family Relationship with						Financial Relationship with					
	The Board of Commissioners		The Board of Directors		The Controlling Shareholder		The Board of Commissioners		The Board of Directors		The Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>MEMBERS OF THE BOARD OF COMMISSIONERS</b>												
Datuk Abdul Farid Bin Alias*	-	√	-	√	-	√	-	√	-	√	√	-
Edwin Gerungan**	-	√	-	√	-	√	-	√	-	√	√	-
Spencer Lee Tien Chye	-	√	-	√	-	√	-	√	-	√	√	-
Budhi Dyah Sitawati	-	√	-	√	-	√	-	√	-	√	-	√
Achjar Ilijas	-	√	-	√	-	√	-	√	-	√	-	√
Dr. Hendar, SE, MA	-	√	-	√	-	√	-	√	-	√	-	√

\* ) Appointed as the President Commissioner in the Annual Shareholders Meeting on March 31<sup>st</sup>, 2017

\*\* ) Appointed as Commissioner in the Annual Shareholders Meeting on March 31<sup>st</sup>, 2017; awaits for the process to become effective (OJK approval was obtained by January 4<sup>th</sup>, 2018)

## THE BOARD OF DIRECTORS

Name	Family Relationship with						Financial Relationship with					
	The Board of Commissioners		The Board of Directors		The Controlling Shareholder		The Board of Commissioners		The Board of Directors		The Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>MEMBERS OF THE BOARD OF DIRECTORS</b>												
Taswin Zakaria	-	√	-	√	-	√	-	√	-	√	-	√
Thilagavathy Nadason	-	√	-	√	-	√	-	√	-	√	-	√
Jenny Wiriyanto	-	√	-	√	-	√	-	√	-	√	-	√
Dhien Tjahajani	-	√	-	√	-	√	-	√	-	√	-	√
Eri Budiono	-	√	-	√	-	√	-	√	-	√	-	√
Irvandi Ferizal	-	√	-	√	-	√	-	√	-	√	-	√
Effendi	-	√	-	√	-	√	-	√	-	√	-	√

# GCG Implementation

## Self Assessment Result in 2017

### Assessment Procedures and Criteria

Bank conducted self assessment on GCG implementation within Bank environment based on POJK Circular Letter No.13/SEOJK.03/2017 concerning Implementation of GCG for Commercial Banks.

Bank always implement corporate governance based on GCG principles consisting of Transparency, Accountability, Responsibility, Independency, and Fairness in order to deliver governance rating which become substantial factor in determining the Risk Based Bank Rating pursuant to OJK Regulation No.4/POJK.03/2016. This assessment conducted towards 3 (three) aspects in governance system which are Structure, Process, and Result of GCG for 11 (eleven) GCG implementation assessment factors as follows:

1. Performance of duties and responsibilities of the Board of Directors
2. Performance of duties and responsibilities of the Board of Commissioners
3. Performance and fulfillment of duties and responsibilities of the Committees
4. Management of conflict of interest
5. Implementation of Compliance function
6. Implementation of Internal Audit function
7. Implementation of External Audit function
8. Implementation of Risk Management including Internal Control System
9. Provision of Funds to Related Parties with Large Exposures
10. Financial and Non Financial Transparency, Corporate Governance Report and Internal Reporting
11. Bank Strategic Planning

### Methods and Party Conducting the Assessment

The assessment of GCG implementation conducted using self assessment method. This assessment involves Board of Commissioners, Board of Directors, Independent Parties, Executive Officers and independent working units in order to deliver comprehensive and structured assessment result on effectiveness and result quality of the GCG system. This assessment includes GCG implementation on the Bank's subsidiaries as well, according to the applied regulations.

### Assessment Scoring

Self Assessment result of the Bank's GCG implementation as consolidated in December 2017 as follow:

Assessment Factors	Rating			
	Bank (Individual)	PT. Maybank Indonesia Finance (MIF)	PT. Wahana Ottomitra Multiartha Finance Tbk. (WOMF)	Consolidated
	Weight 91.6%	Weight 4.0%	Weight 4.4%	
GCG	2	1	2	2

### Recommendation and Follow Up Towards GCG Assessment in 2017

GCG Self Assessment result in Bank and WOMF resulted in rating 2, respectively, with assessment of "Good". The consolidated rating which is 2 (two), reflecting that Management of the Bank and the subsidiaries have conducted implementation of GCG in good manner. It is indicated from the sufficient fulfillment of the GCG principles. In general, there is not any significant issue. This can be achieved through the fulfillment of the several fundamental regulations. At the same time, GCG self assessment result in MIF resulted in 1 (one) with assessment of "Very Good".

This accomplishment is afforded by the Bank and its subsidiaries by fulfilling the GCG principles appropriately. Bank continuously commits and attempts to perform required improvements to support Bank's business sustainability.

# Board of Commissioners and Board of Directors Performance Assessment

## BOARD OF COMMISSIONERS

### Procedure of Assessment of BoC Performance

The performance of BoC is assessed every year. The assessment is made using 3 (three) different points of view, namely self-assessment, self & peer assessment and third party assessment made by the President Director (representing the Board of Directors). The assessment process involves evaluating the competency and expertise/experience, the performance of committees under the Board, the effectiveness of the implementation of duties and responsibilities, and self-assessment and peer assessment of the implementation of supervisory functions by each member of the BoC. The results of the assessment will be summarised in a report and submitted to the Nomination and Remuneration Committee for consideration and later submitted for final approval from the BoC.

### Criteria of Assessment of the BoC

The performance of the BoC is assessed on the following criteria:

1. Self Evaluation
2. Competency Evaluation
3. The performance of BoC Committees and the necessary corrective recommendations (if any)
4. The effectiveness of the Implementation of BoC's responsibilities and Work Process
5. The Effectiveness of BoC Meetings.
6. Self- and peer evaluations.
7. Evaluation by the President Director (representing the Board of Directors).

With the stipulation of the 80% reference value for the overall performance of each member of the Board of Commissioners based on the assessments made by his colleagues, the Chair of the Nomination and Remuneration Committee will discuss with members who achieve less than 80% score on matters that need improvement.

## Performance Assessors

The performance of the BoC is assessed through 3 (three) perspectives, namely self-assessment, self & peer assessment and third party assessment by the President Director (representing the Board of Directors).

## Recommended Assessment Results

The results of the assessment will be used as a reference in determining corrective actions that the BoC must make to improve itself.

## BOARD OF DIRECTORS

### Procedures of Assessment of BoD Performance

The Nomination and Remuneration Committee evaluates and recommends the Balance Scorecard and the BoD and Executive Management to the BoC based on the agreed Balanced Scorecards respectively for BoC, BoD and Executive Management. This is in line with the Bank's policy that has adopted a performance-based assessment method to give rewards and appreciation. Strategic objectives are converted into Key Performance Indicators (KPIs) need to be agreed by the BoD and handed down to all levels to create and implement a work plan that aligns with the strategies with mutual support to achieve the Bank's stated targets in terms of performance. The KPIs, after they are discussed by the BoD are then submitted to the Nomination and Remuneration Committee to be evaluated and discussed before they are submitted to the BoC for further discussion and approval. The KPIs of the BoD for fiscal 2017 has been approved in the BoC in its meetings and the performance of the Bank was monitored periodically through financial and business performance reports presented by the President Commissioner, Director of Finance and Business Director in a BoC Meeting.

## Board of Commissioners and Board of Directors Performance Assessment

### Criteria for BoD Performance Assessment

The KPI used to assess the performance of BoD for fiscal 2017 are:

Aspect	Indicator
Financial Performance	Measurement of the Bank's financial performance and business portfolio growth, including profit and income growth, credit, CASA growth, productivity ratio and cost management to improve the Bank's efficiency.
Customers Satisfaction	Measurement of customer satisfaction, including promoter score for Bank's product, customer engagement index, customer acquisition and transaction growth, and fulfillment of Service Level Agreement (SLA).
Corporate Governance and Compliance	The Bank's commitment in Good Corporate Governance and compliance to Regulators measured through audit rating and findings, Corporate Governance's score, LDR, and asset quality.
Proses Improvement	Continuous process improvement to boost financial performance, Bank's productivity, and customer satisfaction, including the Bank's transformation projects.
Human Resource Management	Measurement of successful people management initiatives through employee engagement index, succession plan, and talent retention.

### Pihak yang melakukan penilaian

The assessors of BoD performance are President Director, the Nomination and Remuneration Committee, and the Board of Commissioners.

# Remuneration Policy

The Bank has in place a remuneration policy for members of its BoC and BoD in an effort to allow for sound GCG practices by formulating and executing strategic policies for employee remuneration, compensation and allowances that are applicable bank-wide.

This has a lot to do with the Bank's spirit to have a competitive, fair and balanced remuneration system and ensure that no employee receives a compensation package that does not meet the standards set by the government.

The Bank has also established a talent management and retention plan that covers but is not limited to talent identification, succession planning, retention, and talent development programs.

The Bank's Remuneration Policy was last updated in April 2017 based on document No.POL/BBC-RMR/01.03. The scope of the remuneration policy has been adjusted to OJK Regulation No.45/POJK.03/2015 dated December 23, 2015 and OJK Circular Letter No.40/SEOJK.03/2016 on Remuneration Governance for Commercial Banks, that specify:

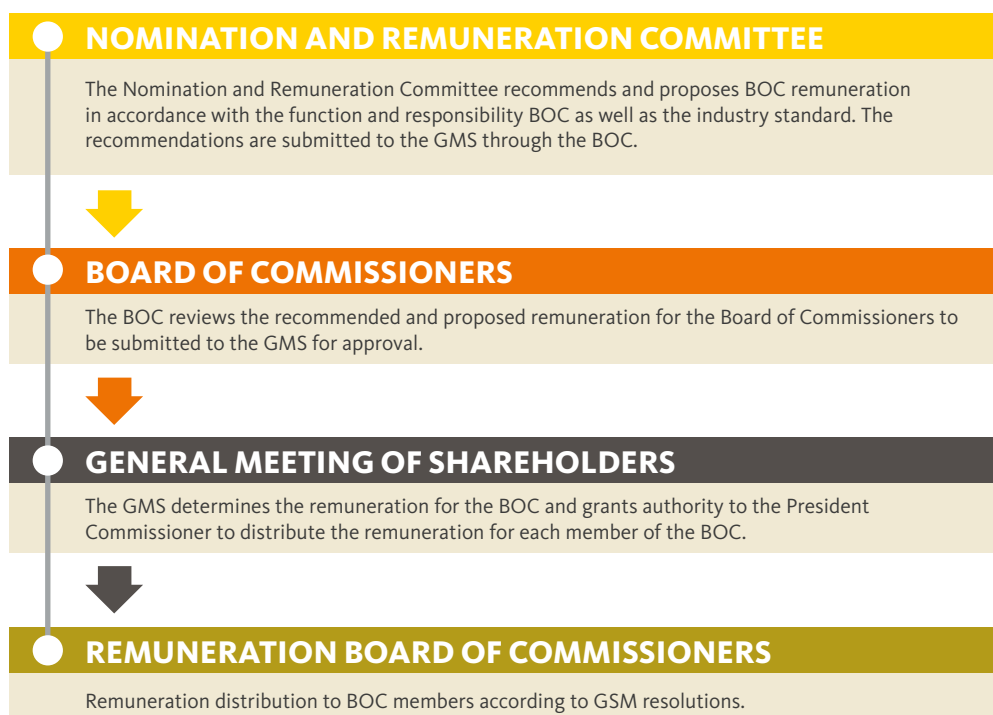
- The principle of prudence in providing remuneration based on performance and risk.
- Method of Material Risk Taker (MRT).
- The implementation of variable remuneration that has been in accordance with the regulatory provisions related to the application of remuneration for commercial banks.

The Bank regularly reviews its remuneration policy to stay current with the industry and in line with the Bank's strategy while remaining in compliance with regulatory provisions.

## REMUNERATION POLICY FOR BOARD OF COMMISSIONERS AND DIRECTORS

The remuneration policy for both the BoC and the BoD has been referred to the recommendations made by the Nomination and Remuneration Committee for the BoC pertaining to procedures for reviewing the structure, policies and remuneration plans and the terms and conditions for the BoC and the BoD that shall later be submitted to General Meeting of Shareholders. In this regard, the Nomination and Remuneration Committee ensures that each decision on remuneration is always made after due consideration on risk and performance, financial performance, and the fulfillment of reserve as stipulated in all applicable laws and after taking into account the Bank's projected earnings, performance appraisal results, industry benchmarks, and the Bank's long-term goals and strategy.

## PROCEDURE FOR DETERMINING REMUNERATION FOR BOC





## Remuneration Policy

### STRUCTURE OF BOC REMUNERATION

As a reward for discharging its duties and responsibilities, each member of the BoC receive a time-limited remuneration package, including salaries and other fixed income, including allowances based on the Bank's provisions and other forms of remuneration, and is given other time-limited and non time-limited facilities including housing, transportation and other facilities whose ownership either transferable or non-transferable to them.

The Remuneration Package and facilities received by members of BoC include a full remuneration structure and details of nominal amount, as described in the table below:

Type of Remuneration and Facilities	Total received in 1 (One) year	
	Board of Commissioners	
	Members	In million Rupiah
Salary, bonus, routine allowance, tantiem, and other facilities in cash	8	12,319
Other non-money facilities (housing, health insurance, etc.): a. With transferable ownership; b. With non-transferable ownership	8	974
<b>Total</b>	<b>8</b>	<b>13,294</b>

Remuneration Packages that are grouped into income levels received by members of the BoC within 1 (one) year, as described in the table below:

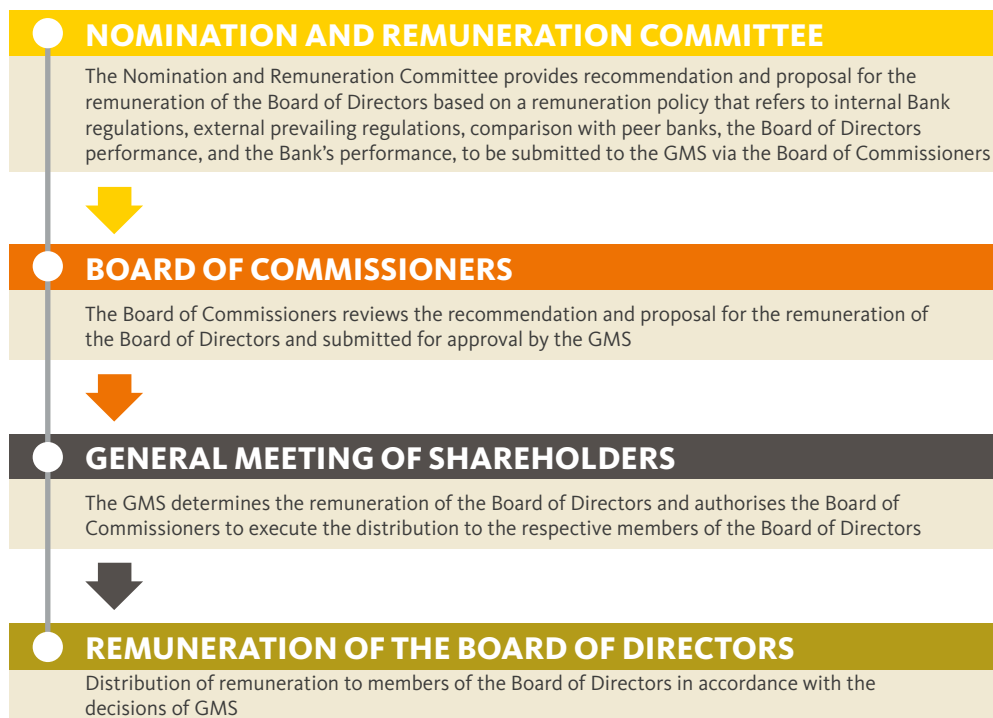
Total Remuneration for each member in 1 (One) year	Number of Members of BoC
Above Rp 5 billion	0
Above Rp2billion up to Rp5 billion	1
Above Rp1 billion to Rp2 billion	5
Above Rp500 million to Rp1 billion	1
Below Rp500 millio	1

Note: \*) received in cash

Number of Members of BoC and total amount of variable remuneration in 1 (one) year are as follow:

Variable Remuneration	Total Received in 1 (One) year	
	Board of Commissioners	
	Members	In Million Rupiah
<b>Total</b>	<b>0</b>	<b>0</b>

## PROCEDURES FOR THE DETERMINATION OF BOARD OF DIRECTORS' REMUNERATION



## STRUCTURE OF BOD REMUNERATION

In performing their duties and responsibilities, the BoD receives a remuneration package that includes a sum of money such as salary and other fixed income such as allowance in accordance with the Bank's provisions and other forms of remuneration as well as other facilities in kind/in cash, namely other non-fixed income including housing, transportation and other facilities, whose ownership may or may not be transferred to members of BoD.

The remuneration package and facilities received by the BoD includes the Remuneration structure and details of nominal value, as described below:

Type of Remuneration and Facilities	Total received in 1 (One) year	
	BoD	
	Members	In million Rupiah
Salary, bonus, routine allowance, tantiem, and other facilities in cash	9	57,496
Other non-money facilities (housing, health insurance, etc.):	9	6,309
a. With transferable ownership;		
b. With non-transferable ownership		
<b>Total</b>	<b>9</b>	<b>63,805</b>

## Remuneration Policy

Remuneration package is grouped based on the level of income received by the Board of Directors in 1 (one) year, as described below:

Total Remuneration for each member in 1 (One) year	Number of Members of BoD
Above Rp 5 billion	4
Above Rp2billion up to Rp5 billion	5
Above Rp1 billion to Rp2 billion	0
Above Rp500 million to Rp1 billion	0
Below Rp500 millio	0

Note: \*) received in cash

Number of Board of Directors and total amount of variable remuneration in 1 (one) year are as follow:

Variable Remuneration	Total Reveived in 1 (One) year	
	BoD	
	No of Members	In Million Rupiah
Total	7	24,458

## BOD PERFORMANCE INDICATORS FOR REMUNERATION ESTABLISHMENT

Aspect	Indicator
Financial Performance	Measurement of the Bank's financial performance and business portfolio growth, including profit and income growth, credit, CASA growth, productivity ratio and cost management to improve the Bank's efficiency.
Customers Satisfaction	Measurement of customer satisfaction, including promoter score for Bank's product, customer engagement index, customer acquisition and transaction growth, and fulfillment of Service Level Agreement (SLA).
Corporate Governance and Compliance	The Bank's commitment in Good Corporate Governance and compliance to Regulators measured through audit rating and findings, Corporate Governance's score, LDR, and asset quality.
Process Improvement	Continuous process improvement to boost financial performance, Bank's productivity, and customer satisfaction, including the Bank's transformation projects.
Human Resource Management	Measurement of successful people management initiatives through employee engagement index, succession plan, and talent retention.

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

In order to maintain and improve performance, the majority members of the Bank's Board of Commissioners and Board of Directors have a banking background, with diverse composition, including in terms of competency, experience, and educational background.

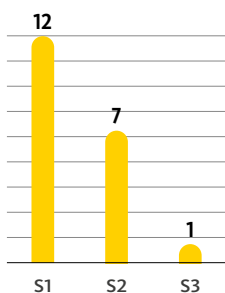
The Bank considers this as a factor of excellence that is expected to improve performance to become even more superior and able to provide satisfaction to the stakeholders.

The policy on diversity in the composition of the Bank's Board of Commissioners and Directors are:

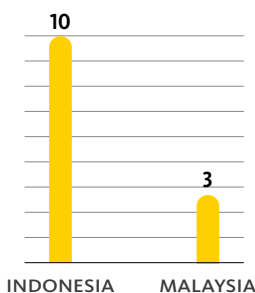
1. Having the relevant objectivity, integrity, expertise, experience, mindset and abilities.
2. Special attention to the composition and balance of the Board of Commissioners and the Board of Directors.
3. Composition and number of the Board of Commissioners and Board of Directors shall comply with the applicable regulations of the regulators.
4. Management of concurrent positions that must comply with the applicable regulations of the regulators.

The diversity of composition is reflected in the following graphs:

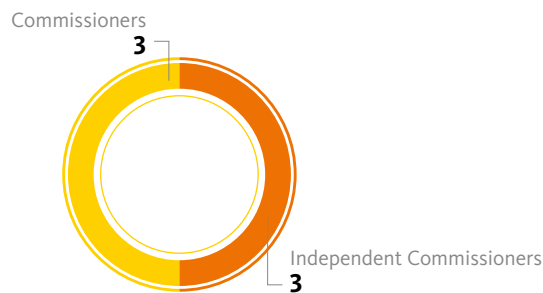
**Educational Background of the Board of Commissioners and Board of Directors**



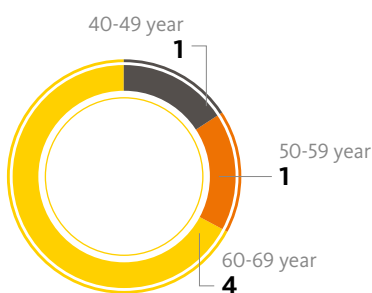
**Nationality of the Board of Commissioners and the Board of Directors**



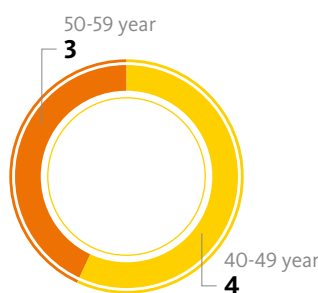
**Independent Composition of the Board of Commissioners**



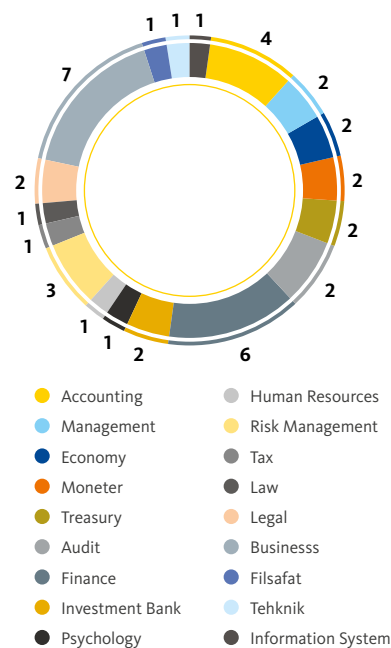
**Age of the Board of Commissioners**



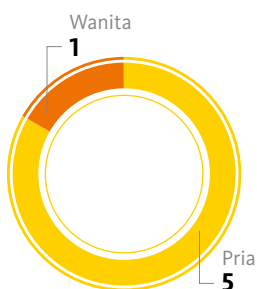
**Age of the Board of Directors**



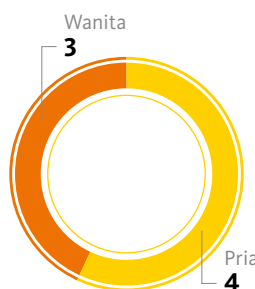
**Expertise of the Board of Commissioners and the Board of Directors**



**Gender of the Board of Commissioners**



**Gender of the Board of Directors**



# Committees

## of the Board of Commissioners

### AUDIT COMMITTEE

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

### Legal References

- POJK No. 55/POJK.04/2015 on the Establishment and Work Guidelines of the Audit Committee.
- POJK No. 33/POJK.04/2014 on the Boards of Commissioners and Directors of Issuer or Public Company.
- POJK No. 55/POJK.03/2016 on Implementation of Corporate Governance for Commercial Banks.
- SEOJK No.13/SEOJK.03/2017 on the Implementation of Corporate Governance for Commercial Banks.
- Articles of Association on the duties and authorities of the Board of Commissioners

### Audit Committee Charter

The Bank's Audit Committee already has a Audit Committee Charter that offers guidelines to the committee about its duties and responsibilities, meetings, standard operating procedures.

The Audit Committee charter was last updated on April 22, 2016 and uploaded to the Bank's website. Furthermore, the Audit Committee Charter is periodically reviewed in order to ensure compliance with the latest applicable regulations.

### Structure and Membership


The membership, composition, and independence of members of the Audit Committee have complied with regulator provisions. The Committee consists of 1 (one) Independent Commissioner as the chairman, and 2 (two) Independent Parties with requisite competence and qualifications in banking accounting and finance.

Based on BoD Decree No.SK.2017.003/PRES DIR dated October 27, 2017, the composition of the Bank's Audit Committee is as follows:

No	Member	Position in the Committee	Position at the Company	Term of Services
1	Achjar Iljas	Chairman and Member	Independent Commissioner	2015 - 2018
2	Agus Kretarto	Member	Independent Party	2015 - 2018
3	Nina Diyanti Anwar	Executive Secretary and Member	Independent Party	2015 - 2018

### Profile and Qualification of Audit Committee Members

Profile	Career Background	Education
<p><b>Achjar Iljas</b></p> 	<p>Appointed as Chairman of Audit Committee.</p> <p>Details of experiences and qualifications can be observed on the profile of the Board of Commissioners in the Company's Profile.</p>	<p>Listed on the Board of Commissioners' Profile.</p>
<p><b>Agus Kretarto</b></p> 	<p>Member of Audit Committee.</p> <p>Indonesian Citizen. A Chartered Accountant. He is Member of Audit Committee and Risk Oversight Committee in PT Bank Maybank Indonesia Tbk since 19 April 2012. Prior to his current position, he was a member of Risk Oversight Committee in BII since 2008. He also once served as member of Audit Committee and Risk Oversight Committee at Bank Barclays Indonesia. Previously, his career in banking was as Compliance Director at Bank Harmoni Internasional (2002-2003), Head of Planning and Development Division and Corporate Secretary at PT Bank Rama Tbk (1995-2000), and Head of Internal Audit (1993-1994). He started his career as Auditor at The Audit and Development Board since 1981, and was assigned as Head of Audit Team at Bank Ekspor Impor Indonesia (1987-1992). He also served as board member of DKI Jakarta Drinking Water Regulator Board (2005-2011). He graduated from Indonesia State College of Accountancy (STAN) and earned his Master (Master of Management) from University of Indonesia in 1991.</p>	

Profile	Career Background	Education
<p><b>Nina Diyanti Anwar</b></p> 	<p>Member of Audit Committee and Executive Secretary.</p> <p>Indonesian citizen. Appointed as a member of Audit Committee of PT Bank Maybank Indonesia Tbk since 19 April 2012. Her career began as an Auditor at PriceWaterhouse (1985-1988) and she became a Financial Analyst at USAID, Jakarta (1988-1989). Then she entered banking industry and served positions including Account Manager at Bank Indovest (1989-1994); Senior Credit Analyst (1994-1995) and Account Manager/AVP (1995-1999) at Rabobank; Account Officer/AVP at ABN Amro Bank (1999-2000); Group Head/VP Investor Relations Division/Treasury Group/ Assets Management Division at Indonesian Banking Restructuring Agency/BPPN (2000-2004). Later, she was a member of PT Semen Gresik Audit Committee (2004-2011) and PT GMF Aerosia (2006-present). She earned a degree in Economics from the University of Indonesia in 1985</p>	

### Term of Services

The Term of Services of Audit Committee members shall not be longer than the BoC as specified in the Bank's Articles of Association, and may be reappointed for one more term. Any change in the composition of the Audit Committee shall be approved by the BoC.

### Audit Committee Independence

All members of the Audit Committee have met all the criteria of independency and are capable of conducting their duties independently, willing to protect the interests of the Bank without any interference. This can be seen from the Committee's membership, which consists of 1 (one) Independent Commissioner as Chairman, and 2 (two) Members who are Independent Parties.

### Duty and Responsibilities

#### Internal Control and Risk Management

The Audit Committee shall:

- Evaluate whether the Management implements adequate and effective internal control system, based on internal reports such as from internal audit and external auditor including OJK.
- Evaluate whether the auditor's recommendations have been followed-up by the Management.
- The Audit Committee may coordinate with the Risk Oversight Committee, if deem necessary.

#### Financial Information

The Audit Committee strikes to enhance the financial information disclosure. The Committee shall:

- Review the financial information, including financial projections which will be submitted to the public and/or authority.
- Ensure that financial statements have been prepared in accordance with the accounting standard and other regulations.
- Review and report to the BoC of any complaints related to the process of accounting and financial reporting.

#### Internal Auditor

The Audit Committee shall:

- Evaluate the Internal Audit Charter before being approved by the BoC
- Evaluate Internal Audit's annual plan and provide suggestions for improvement when necessary.
- Ensure that there is no limitation imposed upon Internal Auditors.
- Ensure that significant Internal Audit findings have been reported to the Audit Committee of which then would be submitted to the BoC.
- Recommend the BoC to request the Internal Auditors to conduct special audit to investigate any suspected fraud cases, or any violation of law and regulation.
- Review Internal Audit Report of Implementation and Summary of Audit Report prior to submission to OJK.
- Evaluate the Internal Audit function effectiveness, by ensuring that Management has properly followed-up Internal Auditor's recommendations.
- Evaluate and give recommendation to the BoC with regard to the Head of Internal Audit appointment and removal.

#### Public Accountant

The Audit Committee shall:

- Evaluate Public Accountant's independence, performance, fee, and other criteria to give recommendation to the BoC on the Public Accountant appointment by the General Meeting of Shareholders.
- Evaluate the adequacy of Public Accountant's scope of work to ensure that all significant risks have been considered, and to review the terms of engagement.
- To ensure that significant findings have been reported to and discussed with the Audit Committee for the BoC's attention.
- Ensure that Management has properly followed-up on Public Accountant's findings.
- To provide independent opinion for any disagreement between the Management and Public Accountant on the service rendered.

## Committees of the Board of Commissioners

### About Compliance with Regulations

The Audit Committee shall ensure that the Bank is complying with capital market and banking law and regulations.

### Bank's Code of Ethics

The Audit Committee shall:

- Ensure that the Bank has set up a Code of Ethics.
- Ensure that Management has established a conducive work environment to comply with the Code of Ethics.
- Review and report to the BoC with regard to any potential conflicts of interest.

### Other Duties

The above duty and responsibilities does not restrict the Audit Committee to perform other duties.

### Meetings and Attendance Level of Audit Committee

During 2017, the Audit Committee has held 15 meetings of each meeting attended by more than half of its members, meeting the quorum.

## Audit Committee Meeting Agenda

Main Agenda of Audit Committee Meetings in 2017:

No	Date of Audit Committee Meeting	Main Agenda of Audit Committee Meetings
1	10 January 2017	Discussion on audit result of Financial Statement as of 31 December 2016.
2	17 January 2017	Discussion on significant audit findings in the following areas: Credit & Treasury Audit (Global Market Rates & Shariah Banking Treasury; Micro Business Asset Quality Management; Business Banking Asset Quality Management; Secured Finance Asset Quality Management), Head Office & Support Function Audit, Retail & Shariah Audit.
3	13 February 2017	Discussion and review of Financial Statement as of 31 December 2016.
4	14 February 2017	Discussion on significant audit findings in the following areas: Corporate Banking, Bank Core Debtors, Implementation of Integrated Risk Management for Financial Conglomeration, Information Technology Audit on Implementation of Payment Tools Using Cards, Security Audit on SKNBI Conventional and Sharia.
5	27 March 2017	Guest Auditor Program, significant audit findings in Mumbai and Mauritius branches, Special Audit on Operational Incident occurred In Branch.
6	18 April 2017	Presentation by PricewaterhouseCoopers (PwC) on external quality assurance review, revision on annual operation plan as of 31 March 2017, presentation of internal quality assurance result, significant audit findings in the following areas: Credit Administration & Control, Business Continuity Planning/Disaster Recovery Plan, Cash Management Process.
7	26 April 2017	Discussion and review of Financial Statement as of 31 March 2017.
8	23 May 2017	Significant audit findings in the following areas: Credit & Treasury Audit (Commercial Banking Region I, Audit of Financial Institution of Sales, Policy & Loan Origination), Audit of Tax Management and Expense Control in Finance and Accounting Division.
9	18 July 2017	Significant audit findings in Thematic audit of impaired loan, Audit of loan system, Thematic audit of dormant account debit transaction, Audit of management and implementation of operational policy and procedures in accordance with Shariah principles,, Audit of Banking Operational.
10	26 July 2017	Discussion and analysis of Financial Statement as of 30 June 2017.
11	21 August 2017	Discussion on significant audit findings on the following areas: Audit of Credit Card Product, Personal Loan And Merchant Acquiring Operational Processes, Audit of Stress Testing Governance.
12	19 September 2017	Revision on Annual Operation Audit Plan as of 31 August 2017, Audit Execution Cycle, significant audit findings in the following areas: Audit of Retail SME West Java Region, Audit of Corporate Security Management, Audit of Human Capital, Audit of SWIFT Security Framework Implementation.
13	25 October 2017	Significant audit findings in the following areas: Credit & Treasury Audit (Audit of ATM), Functional Review of IT Process, System Development & Acquisition, Audit of Community Financial Services Risk Management, Audit of Global Market (FX Trading, Bond, Traded and Non-traded risk).
14	25 October 2017	Discussion and review of Financial Statement as of 30 September 2017.
15	22 November 2017	Discussion on significant audit findings on the following areas: Audit of Local Corporate & Multinational, Audit of Internal Rating Based Governance, Origination, Documentation and Risk Management System, Audit of Wealth management Business, Audit of Integrated Risk Management Implementation.

Name	Position	Attendance in Audit Committee Meeting	Percentage of Attendance (%)
Achjar Ilijas	Chairman and Member	15	100%
Umar Juoro*	Member	12	86%
Agus Kretarto	Member	15	100%
Nina Diyanti Anwar	Executive Secretary and Member	15	100%

\*) Resigned as of 27 October 2017

### Implementation of Audit Committee Activities during 2017

For financial year 2017, the Audit Committee has discharged its functions to assist the BoC under the guidance of the Audit Committee Charter, with the following actions:

- Reviewed all financial information to be issued by the Bank to the public and/or the authority, in the form of financial projection draft in the Bank's Business Plan (including revisions) to be submitted to OJK, as well as the quarterly and annual financial statements for publication as well as longform report.
- Reviewed the Bank's compliance with all applicable laws and regulations pertaining to its activities, in particular by submitting compliance reports to OJK semi-annually and audit reports to OJK and tax authorities.
- Provided recommendation to the BoC to be approved through annual GMS pertaining to the appointment of a Public Accountant based on independency, scope of audit work, and audit fee. The recommendations are also based on the evaluation made on the Audit work provided in the previous year of the Bank's Financial Information. The evaluation report has been submitted to OJK.
- Monitored and evaluated the plan and realisation of audits and monitored all follow-up actions on audits done by the Internal Audit Unit (SKAI) or by external auditors and regulators, to assess the adequacy of internal controls.
- Assisted the BoC in preparing the Business Plan Monitoring Report in every semester to be submitted to OJK.

In performing review of financial reporting process, Audit Committee also provides recommendation that financial statement has been prepared based on generally accepted accounting standards and other regulation and to ensure that audit assignment has been conducted by a Public Accounting Firm in accordance with audit standards applied in Indonesia.

Audit Committee duties are executed through written communication (reports) and periodic meetings, with SKAI, Internal Audit Committee, Compliance Unit, Finance and Accounting Division, related business units as well as with Public Accounting Firm.

In regards to review of risk management activities conducted by Board of Directors, the Bank has established Risk Oversight Committee under the Board of Commissioners.

### Audit Committee Working Programs

During year 2017, Audit Committee has conducted number of activities according to their duties and responsibilities. It can be observed through working programs and the realisation (in general) as follows:

No	Working Programs	Realisations
1	Conduct review and discussion on quarterly, semi-annually, and annually published financial statements.	Conducted discussion and review of 1 <sup>st</sup> quarter, 2 <sup>nd</sup> quarter, 3 <sup>rd</sup> quarter, and 4 <sup>th</sup> quarter (annually) of financial statements to be published, through meetings with Finance Director, Accounting and Finance Division and/or Public Accounting Firm (Independent Auditor).
2	Involve in appointment process of Independent Auditor for financial year 2017.	Audit Committee has conducted evaluation and provides recommendation to the Board of Commissioners in order to appoint Public Accounting Firm Purwanto, Sungkoro & Surja (affiliated with the Ernst & Young Global) to conduct audit of 2017 Financial Statement including the honorarium for the Public Accounting Firm.
3	Conduct review on Bank Business Plan and assist the Board of Commissioners in preparing the Bank's Business Plan and the Oversight report.	Conducted review on Bank Business Plan and assisted the Board of Commissioners in preparing the Bank's Business Plan and the Oversight report for 1 <sup>st</sup> semester and 2 <sup>nd</sup> semester in 2017 to be submitted to the Financial Service Authority ("OJK").



## Committees of the Board of Commissioners

No	Working Programs	Realisations
4	Evaluate the annual audit plan, effectiveness of internal audit function and review and discuss the Internal Audit report.	Conduct evaluation of 2017 audit plan prior to the Board of Commissioners acknowledgement; performed review and discussion with Internal Audit Unit on the audit results.
5	Monitor the follow up actions by Management on recommendation and audit results performed by Financial Service Authority, external auditor, and Internal Audit Unit.	Monitored the follow up actions by Management on recommendation and audit results performed by the Financial Service Authority, external auditor, and Internal Audit Unit.

## Trainings for Members of Audit Committee in 2017

Name	Position	Title of Training/Seminar/Workshop/Sharing Knowledge	Start Date	End Date	Organiser	Venue
Achjar Iljas	Independent Commissioner	Referring to the Board of Commissioners training data				
Agus Kretarto	Independent Party	MBI's RiskMasterclass Seminar: Frontiers of Risk Management	9 March 2017	9 March 2017	Maybank Indonesia	Maybank Indonesia Head Office
		Workshop on Current Financial Accounting Standards According to IFRS Convergence	8 August 2017	11 August 2017	IAI	Bali
		Update PSAK 71	23 October 2017	23 October 2017	Public Accounting Firm Purwantono, Sungkoro & Surja/EY	Maybank Indonesia Head Office
		Update PSAK others	24 October 2017	24 October 2017	Public Accounting Firm Purwantono, Sungkoro & Surja/EY	Maybank Indonesia Head Office
Nina Diyanti Anwar	Independent Party	Workshop on Current Financial Accounting Standards According to IFRS Convergence	8 August 2017	11 August 2017	IAI	Bali
		Update PSAK 71	23 October 2017	23 October 2017	Public Accounting Firm Purwantono, Sungkoro & Surja/EY	Maybank Indonesia Head Office
		Update PSAK others	24 October 2017	24 October 2017	Public Accounting Firm Purwantono, Sungkoro & Surja/EY	Maybank Indonesia Head Office

## NOMINATION AND REMUNERATION COMMITTEE

The Board of Commissioners has established the Nomination and Remuneration Committee to assist the Board of Commissioners in performing supervisory responsibilities for the implementation of the nomination and remuneration policies of the Board of Commissioners, the Board of Directors, the Shariah Supervisory Board, the Independent members of the Board of Commissioners Committees and the Executive Vice President.

### Legal Basis

The establishment of the Nomination and Remuneration Committee is based on the following rules:

- 1) PFSA No. 55/POJK.03/2016 dated 7 December 2016 concerning the Implementation of Good Corporate Governance for Commercial Banks.
- 2) POJK No. 34/POJK.04/2014 dated December 8, 2014 regarding the Nomination and Remuneration Committee of Issuers or Public Companies.
- 3) SEBI No. 13/SEOJK.03/2017 dated March 17, 2017 regarding the Implementation of Good Corporate Governance for Commercial Banks.
- 4) PBI no. 11/33/PBI/2009 dated 7 December 2009 on the Implementation of Good Corporate Governance for Shariah Commercial Banks and Shariah Business Units.

### Charter of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has already the Charter of the Nomination and Remuneration Committee which has been adjusted to POJK No.34/POJK.04/2014 regarding the Nomination and Remuneration Committee of Issuers or Public Companies. The most recent Charter of the Nomination and Remuneration Committee was updated on January 20, 2017. Furthermore, the Charter of the Nomination and Remuneration Committee is constantly reviewed periodically to conform with the applicable regulations. The Charter of the Nomination and Remuneration Committee has been uploaded on the Bank's website.

### Members of the Nomination and Remuneration Committee

Membership, composition, and independency of members of the Nomination and Remuneration Committee have complied with the applicable regulations, consisting of 1 (one) Independent Commissioner, 1 (one) Commissioner, and 1 (one) person holding managerial positions under the Board of Directors in charge of the human resources. Members of the Nomination and Remuneration Committee are appointed by the Board of Commissioners by virtue of Decision Letter No.SK.2017.002/DIR HC dated October 27, 2017. The members of the Nomination and Remuneration Committee are effective from 27 October 2017 until the closing of the Annual General Meeting of Shareholders in the year 2018.




Members of the Nomination and Remuneration Committee 2017:

No	Name	Position	Role in the Committee	Term
1	Budhi Dyah Sitawati	Independent Commissioner	Chairman	2015 - 2018
2	Datuk Abdul Farid Bin Alias	Commissioners	Member	2015 - 2018
3	Hendar	Independent Commissioner	Member	2015 - 2018
4	Edwin Gerungan	Commissioners	Member	2015 - 2018
5	Aries Nur Prasetyo Sunu	Executive Officer	Member and Executive Secretary	2015 - 2018

### Qualifications and Profile of Members of the Nomination and Remuneration Committee

Member Profile	Career Background	Education
<p><b>Budhi Dyah Sitawati</b></p> 	<p>Appointed as Chairman of the Nomination and Remuneration Committee since 2015 and reappointed as Chairman of Nomination and Remuneration Committee since 27 October 2017. She is also an Independent Commissioner.</p> <p>Complete profile is included in the Board of Commissioners Profile.</p>	<p>Listed in the Board of Commissioners' Profile.</p>
<p><b>Datuk Abdul Farid Bin Alias</b></p> 	<p>Appointed as Member of the Nomination and Remuneration Committee since 2015 and re-confirmed as Member of the Nomination and Remuneration Committee since 27 October 2017. He is also a Commissioner.</p> <p>The full profile is listed in the Board of Commissioners' Profile.</p>	<p>Listed in the Board of Commissioners' Profile.</p>

## Committees of the Board of Commissioners

Member Profile	Career Background	Education
<p>Hendar</p> 	<p>Member of the Nomination and Remuneration Committee.</p> <p>Details of experiences and qualifications can be observed on the profile of the Board of Commissioners in the Company's Profile.</p>	<p>Listed on the Board of Commissioners' Profile.</p>
<p>Edwin Gerungan</p> 	<p>Member of the Nomination and Remuneration Committee.</p> <p>Details of experiences and qualifications can be observed on the profile of the Board of Commissioners in the Company's Profile.</p>	<p>Listed on the Board of Commissioners' Profile.</p>
<p>Aries Nur Prasetyo Sunu</p> 	<p>Appointed Member and Executive Secretary of the Nomination and Remuneration Committee since 1 September 2017 and reaffirmed 27 October 2017. He joined Maybank Indonesia since 1 March 2017 as an Executive Officer under the Board of Directors in charge of Human Resources, particularly as that of Reward OD &amp; Strategy.</p> <p>The full profile is listed in the Executive Officer's Profile.</p>	<p>Listed in the Executive Officer's Profile.</p>

## Trainings for Members of Nomination and Remuneration Committee

Name	Position	Title of Training/ Seminar/Workshop/ Sharing Knowledge	Start Date	End Date	Organiser	Location
Budhi Dyah Sitawati	Chairman	Referring to Board of Commissioner's Training Data				
Datuk Abdul Farid Bin Alias	Member					
Hendar	Member					
Edwin Gerungan	Member					

Name	Position	Title of Training/ Seminar/Workshop/ Sharing Knowledge	Start Date	End Date	Organiser	Location
Aries Nur Prasetyo Sunu	Member/Executive Secretary	Maybank Group Induction Program	13 March 2017	15 March 2017	Maybank Group	Kuala Lumpur
		Sharing Session Performance Bonus&Salary	21 March 2017	22 March 2017	Maybank Indonesia	Maybank Indonesia Head Office
		Policy Series Batch 2	19 July 2017	19 July 2017	Maybank Indonesia	Maybank Indonesia Head Office
		HC Quarterly Sharing Session Q2	4 August 2017	4 August 2017	Maybank Indonesia	Maybank Indonesia Head Office
		Training PSAK 24	11 August 2017	11 August 2017	Maybank Indonesia	Maybank Indonesia Head Office
		Seminar Indonesia Banking Expo 2017	19 September 2017	20 September 2017	Maybank Indonesia	Maybank Indonesia Head Office
		Job Evaluation	5 October 2017	5 October 2017	Maybank Indonesia	Maybank Indonesia Head Office
		HC Sharing Session Q3	2 November 2017	2 November 2017	Maybank Indonesia	Maybank Indonesia Head Office
		Leaders Teaching Leaders	16 November 2017	16 November 2017	Maybank Indonesia	Maybank Indonesia Head Office
		Understanding Indonesian Milenials	12 December 2017	12 December 2017	Maybank Indonesia	Maybank Indonesia Head Office

### Length of service

The Term of Services of the Chairman and Member of the Committee depends on the Term of Services of the Commissioner and the Executive Officer. However, the BoC has the right, from time to time, to replace them.

### Independence of Members of the Nomination and Remuneration Committee

All members of the Nomination and Remuneration Committee have met all independence criteria and are able to perform their duties independently, upholding the interests of the Bank and can not be influenced by any parties.

### Duties and responsibilities

The Nomination and Remuneration Committee has the duty and responsibility to provide recommendations to the Board of Commissioners as follows:

#### A. Nomination

1. Provide recommendations to the Board of Commissioners on the composition of the positions of members of the Board of Directors and/or members of the Board of Commissioners (number, competence, ability and balance of independent and non-independent status).

2. Determine the procedures, policies and criteria required in the nomination process for the appointment and/or replacement of the Board of Commissioners, the Board of Directors, the Shariah Supervisory Board, independent members of the Board of Commissioners Committees, and the Executive Vice President.
3. Provide recommendations on candidates for membership of the Board of Commissioners, Board of Directors, and Shariah Supervisory Board, based on the competence, ability and experience of each individual to be nominated to the Board of Commissioners, and then submitted to the General Meeting of Shareholders.
4. Provide recommendations to the Board of Commissioners regarding candidates to become independent members of the Board of Commissioners Committees based on the competencies, abilities and experiences of nominated individuals.
5. Review and approve appropriate candidates to serve as Executive Vice President based on the support of the Board of Directors.

## Committees of the Board of Commissioners

6. Assist and/or recommend to the Board of Commissioners regarding promotion, confirmation and termination of duties of members of the Board of Directors.
7. Assist and/or provide recommendations to the Board of Commissioners regarding the terms and conditions of appointment or dismissal of members of the Board of Commissioners.
8. Evaluate and provide recommendations to the Board of Commissioners, on potential candidates for the nomination of the Board of Commissioners and the President Director for the Bank's subsidiaries.

### B. Remuneration

1. Provide recommendations to the Board of Commissioners regarding the procedures for reviewing the remuneration structure, policies and plans as well as terms and conditions for the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders.
2. Evaluate and recommend to the Board of Commissioners concerning the remuneration policies and/or plans, terms and conditions of length of service for the independent members of the Board of Commissioners and Shariah Supervisory Committees.
3. Provide recommendations to the Board of Commissioners in relation to the remuneration policy for employees in general, including and not limited to the determination of Material Risk Taker officers each year.
4. Ensure that remuneration decisions are based on consideration of risks and performance, alignment with financial performance as well as reserve fulfillment as applicable and future earnings of the Bank, performance appraisal results, parity with other equivalent Banks, as well as the Bank's long term goals and strategy.
5. Submit and recommend to the Board of Commissioners regarding the appointment of members of the Board of Directors.
1. Prepare system, as well as procedure for the selection and/or replacement of members of the Board of Directors and members of the Board of Commissioners to be submitted to the GMS.
2. Provide recommendation for candidates for members of the Board of Directors, candidates for members of the Board of Commissioners, candidates for Independent Party, and candidate for Shariah Supervisory Board to be submitted to the GMS.
3. Evaluate and update the Bank's remuneration policy, which in its application also takes into account the principles of good governance in remuneration for Commercial Banks.
4. Conduct assessment and approval of appropriate Executive Officers based on the support of the Board of Directors.
5. Provide recommendations and ensure members of the Board of Commissioners, Directors, independent members of the Board of Commissioners and Shariah Supervisory Committees obtain appropriate and continuous development in order to keep up with the latest developments in the industry.
6. Assess and evaluate the overall performance, development, and effectiveness of members of the Board of Directors and Board of Commissioners, as well as their assessment procedures.

### Meetings and Attendance Level of the Nomination and Remuneration Committee

In accordance with the regulation on the Charter, the Nomination and Remuneration Committee is required to hold a minimum of 1 (one) time every 4 (four) months which may be held in the form of physical meetings or through telepresence or teleconference. The meeting shall also be attended by minimum of 51% of the total members, including 1 (one) Independent Commissioner and Executive Officer, and attended by the Chairman of the Committee.

### Report on the Implementation of Duties of 2017

During 2017, the Nomination and Remuneration Committee has conducted activities and provided some recommendations including the following:

During 2017, the Nomination and Remuneration Committee held 10 (ten) meetings with attendance levels in accordance with the Charter of the Nomination and Remuneration Committee.

Name	Position	Attendance in Risk Monitoring Committee Meeting
Budhi Dyah Sitawati	Chairman	100%
Datuk Abdul Farid Bin Alias	Member	90%
Aries Nur Prasetyo Sunu*	Member and Executive Secretary	30%
Setyorini Rahayu**	Member and Executive Secretary	70%

\*) Serve as member of Nomination and Remuneration Committee as of 1 September 2017, replacing Setyorini Rahayu

\*\*) Served as member of Nomination and Remuneration Committee as of 1 July 2016

### Succession Plan of the Board of Directors

The Nomination and Remuneration Committee reviews and makes recommendations to the Board of Commissioners on the Bank's nomination and succession plan to ensure the Bank's growth and sustainability. The Committee will review the Board of Directors and Bank executives from various aspects such as resources, succession nomination plans, development activities as well as their regular performance. The Committee is responsible to monitor the Bank in order to achieve its objectives in terms of maintaining employee diversity. The succession policies of the Board of Directors are also conducted in accordance with the provisions stipulated in the Charter of the Nomination and Remuneration Committee. Meanwhile, the Bank's succession policy consists of the following:

- Reviewing Talent's management processes, including building succession and development plan for members of the Board of Directors as well as other major projects related to Human Capital and/or initiatives to support the implementation of GCG principles.
- Monitor and advise the Board of Directors in connection with the Leadership Development Framework, succession and development plan for the Board of Directors to ensure continuation of the succession plan.
- Provide recommendations and ensure members of the Board of Commissioners, Directors, independent members of the Board of Commissioners Committees, Shariah Supervisory Board obtain appropriate and continuous development in order to understand the latest developments in the industry.
- Oversee the company's development policy to ensure its alignment with Human Capital's overall goals and strategy.

### Selection Criteria for Board of Directors and Board of Commissioners

There are several requirements to select the Board of Directors and Commissioners as follows:

- a. Meet the relevant core skills and competency requirements and is deemed to be capable and appropriate to be appointed as a Board of Commissioners and Board of Directors in accordance with the FSA Regulation regarding the Fit and Proper Test.
- b. Integrity requirements include:
  1. Having a moral character
  2. Having a commitment to comply with applicable laws and regulations
  3. Having strong commitment to the Bank's operational development
  4. Not included in List of Failure Persons in FSA's Fit and Proper Test
- c. Competency requirements include:
  1. Adequate and relevant knowledge of banking for their position
  2. Having experience and expertise in banking and/or finance, and
  3. Having ability to undertake strategic management in the framework of development of a sound Bank

- d. Financial Reputation Requirements include:
  1. Not having bad credit; and
  2. Has never been declared bankrupt or become a Board of Directors or a Company convicted of causing a company to declare bankruptcy in the last 5 (five) years before being nominated
- e. Majority of members of the Board of Commissioners and Board of Directors are prohibited from having family relations up to the second degree with other members of the Board of Commissioners and/or members of the Board of Directors.
- f. Majority members of the Board of Directors shall have at least 5 (five) years experience as Executive Officers at the Bank.

### Selection Process of Directors and Board of Commissioners

In accordance with the Manual of the Board of Directors and Board of Commissioners, any recommendation to replace members of the Board of Directors and/or Board of Commissioners at the General Meeting of Shareholders should consider the recommendations of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee recommends suitable candidates for the positions of the Board of Commissioners, the Board of Directors, as well as the Senior Officers of the Bank. The Committee also ensures that these candidates meet the relevant core skills and competency requirements and are deemed capable and appropriate to be appointed as Board of Commissioners, Directors and Senior Bank Officials with OJK Regulations on Fit & Proper Test.

Upon approval by the Board of Commissioners, the application for the appointment of the candidate will be subsequently submitted to the OJK to obtain the necessary approvals in accordance with the regulations on the Fit & Proper Test and proposed to the General Meeting of Shareholders for approval. Based on the OJK Regulation on Fit & Proper Test, the effective date of appointment of members of the Board of Directors and Board of Commissioners is the date of OJK approval, even though the Bank may convene a General Meeting of Shareholders before obtaining approval from OJK. The appointment of new members of the Board of Directors and Board of Commissioners shall be reported to OJK within 10 (ten) days after the date of its appointment to be effective.

A candidate member of the Board of Directors and/or Board of Commissioners who is awaiting approval from OJK is prohibited from performing duties as Board of Directors and/or Board of Commissioners in the operations of the company and/or other activities that significantly affect the Bank's financial policy and condition, even though the relevant party has been approved and appointed by the General Meeting of Shareholders.

## Committees of the Board of Commissioners

### RISK OVERSIGHT COMMITTEE

The Risk Oversight Committee is established by the Board of Commissioners in order to support the effectiveness of the implementation of duties and responsibilities related to the supervision of risk management, the establishment of a risk management culture and the identification of significant risks requiring the attention of the Board of Commissioners.

#### Legal Basis

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

- Financial Service Authority (POJK) Regulation no.55/POJK.03/2016 dated 7 December 2016 concerning the Implementation of Good Corporate Governance for Commercial Banks.
- Circular Letter of the Financial Services Authority (SEOJK) No.13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.
- The Bank's Articles of Association concerning the duties and authorities of the Board of Commissioners.

### Charter of the Risk Oversight Committee

The Risk Oversight Committee of the Bank already has a Charter or Guidelines governing the membership, structure, authority, duties and responsibilities, meetings, activities and working procedures of the Risk Oversight Committee in performing its functions. The Charter of the Risk Oversight Committee was last updated on November 27, 2017 and has been uploaded on the Bank's website. Furthermore, the Charter of the Risk Oversight Committee shall be reviewed periodically to comply with applicable regulations.

### Members of the Risk Oversight Committee


Membership and composition, as well as the independence of members of the Risk Oversight Committee have complied with BI and FSA requirements. The Bank's Risk Oversight Committee for the period of 2017 consists of 1 (one) Chairman who is an Independent Commissioner, 1 (one) member who is a Independent Commissioner, 1 (one) member who is an Commissioner and 2 (two) Independent Parties with competence and qualifications in economics, banking, finance and risk management.





Based on the Decree of the Board of Directors of the Company. SK.2017.004/PRES DIR dated October 27, 2017, the composition of the Maybank Indonesia Risk Oversight Committee is as follows:

No	Name	Position	Role in the Committee	Term
1	Achjar Iljas	Independent Commissioner	Chairman	2015 - 2018
2	Budhi Dyah Sitawati	Independent Commissioner	Member	2015 - 2018
3	Hendar	Independent Commissioner	Member	2015 - 2018
4	Spencer Lee Tien Chye	Commissioner	Member	2015 - 2018
5	Edwin Gerungan	Commissioner	Member	2015 - 2018
6	Farid Haryanto	Independent Party	Member	2015 - 2018
7	Agus Kretarto	Independent Party	Member and Executive Secretary	2015 - 2018

### Qualifications and Profile of Member of Risk Oversight Committee

The following are profiles and qualifications of Members of the Risk Oversight Committee

Members Profile	Career Background	Education
<p>Achjar Iljas</p> 	<p>Chairman of the Bank's Risk Oversight Committee.</p> <p>Details of experiences and qualifications can be observed on the profile of the Board of Commissioners in the Company's Profile.</p>	<p>Listed on the Board of Commissioners' Profile.</p>

Members Profile	Career Background	Education
<p><b>Budhi Dyah Sitawati</b></p> 	<p>Member of the Risk Oversight Committee</p> <p>Details of experiences and qualifications can be observed on the profile of the Board of Commissioners in the Company's Profile.</p>	<p>Listed on the Board of Commissioners' Profile.</p>
<p><b>Hendar</b></p> 	<p>Member of the Risk Oversight Committee.</p> <p>Details of experiences and qualifications can be observed on the profile of the Board of Commissioners in the Company's Profile.</p>	<p>Listed on the Board of Commissioners' Profile.</p>
<p><b>Spencer Lee Tien Chye</b></p> 	<p>Member of the Risk Oversight Committee</p> <p>Details of experiences and qualifications can be observed on the profile of the Board of Commissioners in the Company's Profile.</p>	<p>Listed on the Board of Commissioners' Profile.</p>
<p><b>Edwin Gerungan</b></p> 	<p>Member of the Risk Oversight Committee.</p> <p>Details of experiences and qualifications can be observed on the profile of the Board of Commissioners in the Company's Profile.</p>	<p>Listed on the Board of Commissioners' Profile.</p>



## Committees of the Board of Commissioners

Members Profile	Career Background	Education
<p>Farid Harianto</p> 	<p>Member of the Risk Oversight Committee.</p> <p>Indonesian Citizen, 60 years old. Appointed as member of Risk Oversight Committee of PT Bank Internasional Indonesia Tbk since 28 May 2007. Dr.Farid Harianto is an economist with expertise in the field of finance. Currently, he was as special staff to the Vice President Republic of Indonesia, and also an advisor of Governor of Bank Indonesia and Head of BI Resolution Team for Bank Indover. He also serves as member of the Board of Commissioners PT Unggul Indah Cahya Tbk, PT Lippo Karawaci Tbk, and PT Toba Bara Sejahtera Tbk, and as a contributing editor at Globe Asia magazine. He is a member of the Asian Executive Board of the Wharton School, University of Pennsylvania, and a member of the Presidential Advisory Committee of the National University of Singapore. Over the last twenty five years, his professional career has crossed academics, public and private sectors. He was the CEO of Credit Rating Indonesia (1995-1998) and later appointed as Vice Chairman of the Indonesian Bank Restructuring Agency (IBRA: 1998-2000). During his service at IBRA, he led the consolidation process (closing, merger and recapitalisation) of the banking sector as well as the negotiation and settlement process with the controlling shareholder of the bank, which resulted in billions of dollars assets transferred to IBRA. He is Director of Graduate Program at Institut Manajemen Pendidikan dan Pengembangan, and Head of Research of Microeconomics at the interuniversity (PAU), University of Indonesia. He was the visiting lecturer and Chairman of the ASEAN and international studies at the Center of International Studies (CIS), University of Toronto (1993-1995), and served as advisor at many private companies in Indonesia and various international organisation includes FIAS/World Bank, Asian Development Bank, CIDA and IDRC. His column published monthly at GlobeAsia, and his research papers have been published in leading scientific journals such as Policy Research, Transnational Company, Strategic Management Journal, Academy of Management Journal, Organisation Studies, and books of various edition. He earned his bachelor degree in electrical engineering at Institut Teknologi Bandung (ITB, 1975), his Master Degree (1988) and Ph.D. (with distinction) from University of Pennsylvania/Wharton School (1989).</p>	
<p>Agus Kretarto</p> 	<p>Member of the Risk Oversight Committee and Executive Secretary.</p> <p>Details of experiences and qualifications can be observed on the profile of the Audit Committee in the Company's Profile.</p>	Listed on the Profile of Audit Committee

## Trainings for Members of the Risk Oversight Committee

Name	Position	Title of Training/ Seminar/Workshop/ Sharing Knowledge	Start Date	End Date	Organisers	Location
Achjar Ilijas	Independent Commissioner	Refers to Commissioners' Training data				
Budhi Dyah Sitawati	Independent Commissioner					
Hendar	Independent Commissioner					
Spencer Lee Tien Chye	Commissioner					
Edwin Gerungan	Commissioner					
Farid Haryanto	Independent Party	No Training/Seminar/Workshop/Sharing Knowledge throughout 2017				
Agus Kretarto	Independent Party	MBI's RiskMasterclass Seminar: Frontiers of Risk Management	9 March 2017	9 March 2017	Maybank Indonesia	Maybank Indonesia Head Office
		Workshop on Current Financial Accounting Standards According to IFRS Convergence	8 August 2017	11 August 2017	IAI	Bali
		Update PSAK 71	23 October 2017	23 October 2017	Maybank Indonesia Head Office	
		Update PSAK others	24 October 2017	24 October 2017	Maybank Indonesia Head Office	

### Length of service

The term of service of the Risk Oversight Committee shall not be longer than the term of the Board of Commissioners as stipulated in the Charter of the Risk Oversight Committee and may be re-elected only for one subsequent period. The term of service of members of the Committee appointed in the middle of the Term of Services of the Board of Commissioners shall end with the termination of the term of the Board of Commissioners.

### Independence of Risk Oversight Committee Members

All members of the Risk Oversight Committee have met all independence criteria and are able to perform their duties independently, upholding the interests of the Bank and cannot be influenced by any party.

### Duties and Responsibilities

The Risk Oversight Committee has duties and responsibilities as follows:

- Evaluate and review the risk management frameworks, policies and strategies developed by the Bank's management for presentations and obtain approval from BoC on:
  - Bank Risk Management Framework and Policy
  - Treasury & FI Limit Policy
  - Credit Limit and Policy

- Operational Risk Management Policy
  - Liquidity Risk Management Policy
  - Market Risk Management Policy
- Review bank policies that govern stress-test programs, and their effectiveness
  - Evaluate the alignment between risk management policies and the implementation of bank policies.
  - Review of incompliance related to prudential principles and with the policy and control framework established by relevant relevant units.
  - Monitor and evaluate the performance of the Risk Management Committee and Risk Management Working Unit.
  - Provide advice to BoC regarding relevant information arising from the monitoring of risks and responsibilities.

### Report on the Implementation of Duties of 2017

- Conduct periodic review, among others, on:
  - Quarterly Risk Profile for monitoring.
  - Semi-annually RBBR for approval/ratification of BOC.
  - Monthly Enterprise Risk Dashboard (ERD) for internal monitoring.
  - Review of credit concentration/industry limit for approval of BOC.
  - Monitoring the Legal Lending Limit and Counterparty Limit.
  - Periodic monitoring of the 25 largest debtors.

## Committees of the Board of Commissioners

- g. Review Monthly Watch List Accounts
  - h. Review Monthly portfolio versus target, including but not limited to significant mutation, delinquent, NPLs, impairment, write-off and provision.
  - i. Periodic monitoring of operational risk dashboard that include risk incidents of actual losses, potential losses, and near miss.
2. Evaluation of risk management policies undertaken during 2017 by the Risk Oversight Committee are among others on:
- Capital Management Framework
  - Bank Credit Policy (KPB)
  - Non Trading Book Policy Statement (NTPS)
  - Internal Industry Limit 2017
  - Risk Appetite Statements (RAS) 2017
  - Limit of Authority for Restructuring and Settlement of Credit
  - Business Continuity Management Policy
  - Synchronisation of AML/CFT Policies and Procedures with Current Regulations
  - TOR of the Risk Management Committee
  - Equity Participation Policy
  - Recovery Plan

### Meetings and Attendance Level of the

#### Committee

The Charter of the Risk Oversight Committee regulates that regular meetings of the Risk Oversight Committee will be held prior to the regular Board of Commissioners meetings. Any ad hoc meeting may be held on special request. Notices of time, place, agenda and material of the meeting shall be given to each member not less than 48 hours before the meeting can be held.

With respect to the quorum, the meeting of the Risk Oversight Committee shall be attended by at least 51% of the total Committee Members, including at least one Independent Commissioner and an Independent Party. Based on the meeting, the Risk Oversight Committee will report to the Board of Commissioners. This report may consist of any subjects for approval and/or ratification and/or providing information to the Board of Commissioners.

During 2017, the Risk Oversight Committee has held 10 (ten) meetings.

Name	Position	Attendance in Risk Oversight Committee Meetings
Umar Juoro (UJ)*	Chairman and Member	8
Achjar Iljas (AI)**	Chairman and Member	10
Spencer Lee Tien Chye (SL)	Member	9
Budhi Dyah Sitawati (BD)	Member	10
Farid Harianto (FH)	Member	9
Agus Kretarto (AK)	Executive Secretary and Member	10

\*) Resigned as of 27 October 2017

\*\*) Replaced Umar Juoro, his prior position was as member

### INTEGRATED GOVERNANCE COMMITTEE

The implementation of good corporate governance can enhance the company's value and sustainable growth with a work culture that upholds integrity, professionalism, integrity, and prudence. Maybank Indonesia provides its best commitment to implementing Good Corporate Governance as a key pillar in carrying out its business activities the existence of the Bank in order to welcome the challenges and business competition in the financial industry sector.

Maybank Indonesia has implemented integrated corporate governance in conjunction with LJK Maybank Indonesia Financial Conglomeration Member in a comprehensive and effective manner.

2017 is the third year of Maybank Indonesia implementing Integrated Governance. Main Entities and LJK Members of the Maybank Indonesia Financial Conglomerate continuously improve the Governance structure and process so that it will result in a good Integrated Manageability. The Primary Entity has the duty to ensure the application of the governance framework as set forth in the Integrated Governance Guidelines that have been issued by the Primary Entity.

Integrated Governance Committee was established in order to assist Board of Commissioners which required to conduct monitoring on Integrated Governance implementation in Bank Financial Conglomeration to be in accordance with the applicable laws and regulations.

### Legal Basis

The Company established an Integrated Governance Committee based on the following rules:

1. Regulation of the Financial Services Authority (POJK) No. 18/POJK.03/2014 dated November 18, 2014 on the Implementation of Integrated Governance for Financial Conglomeration.
2. Circular Letter of the Financial Services Authority (SEOJK) No. 15/SEOJK.03/2015 dated May 25, 2015 concerning the Implementation of Integrated Governance for Financial Conglomeration.
3. Guidelines for Integrated Governance.
4. The Charter of the Integrated Governance Committee.
5. The Bank's Articles of Association concerning the duties and authorities of the Board of Commissioners

### Charter of the Integrated Governance Committee

In order to support Integrated Governance implementation, Bank has stipulated Integrated Governance Committee Charter, which regulates membership, structure, authority, duties and responsibilities, meetings, activities and working procedures of the Integrated Governance Committee in carrying out its day-to-day functions.

The Integrated Governance Committee Charter is approved by the Board of Commissioners of Maybank Indonesia and determined by the Board of Directors on December 7, 2017 and has been uploaded on the Bank's website.

### Guidelines of the Integrated Governance Committee

The Integrated Governance Committee has Guidelines governing the membership, structure, authority, duties and responsibilities, meetings, activities and working procedures of the Integrated Governance Committee in carrying out its day-to-day functions. The Guidelines of the Integrated

Governance Committee are reviewed periodically to comply with the prevailing provisions and have been updated since December 7, 2017.

### Composition of Members of the Integrated Governance Committee

In order to carry out its duties in relation to Integrated Governance in the Bank Financial Conglomeration, the Bank's Board of Commissioners has established an Integrated Governance Committee. In accordance with POJK No.18/2014, membership of the Integrated Governance Committee shall consist of at least the following:

- a. an Independent Commissioner who is Chairman of one of the committees of the Primary Entity, as chairman concurrently member;
- b. Independent Commissioners representing and appointed from LJK in the Financial Conglomeration, as members;
- c. an independent party, as a member; and
- d. member of the Shariah Supervisory Board of LJK in the Financial Conglomeration, as a member.

The number and composition of the Independent Commissioners who are members of the Integrated Governance Committee are tailored to the needs of the Financial Conglomeration as well as the efficiency and effectiveness of the duties of the Integrated Governance Committee by paying attention to at least representation of each sector of financial services.

Members of the Maybank Indonesia Financial Conglomerate Integrated Governance Committee were most recently appointed on the basis of the Board of Commissioners' Meeting dated November 27, 2017 and determined by the Board of Directors through Directors Decision Letter No.SK.2017.005/PRESDIR dated 27 November 2017, with the following structure:

Name	Position in the Committee	LJK	Position in LJK
Budhi Dyah Sitawati	Chairman concurrently Member	MBI	Independent Commissioner
Nina Diyanti Anwar	Member	MBI	Independent Party
Fransisca Ekawati	Member	MSI	Independent Commissioner
Deswandhy Agusman	Member	MIF	Independent Commissioner
Myrnie Zachraini Tamin	Member	WOM	Independent Commissioner
M Noor Rachman	Member	MAM	Shariah Supervisory Board
Abdul Jabar Majid	Member	MBI	Shariah Supervisory Board
Asrorun Ni'am	Member	MSI	Shariah Supervisory Board

## Committees of the Board of Commissioners

### Qualifications and Profile of Members of the Integrated Governance Committee

Name	Career Background
Umar Juoro	Appointed as a member of the Integrated Governance Committee from May 22, 2015 and resigned from Maybank Indonesia effective from October 27, 2017.
Budhi Dyah Sitawati	Appointed as chairman of the Integrated Governance Committee based on Board of Commissioners' resolutions dated October 27, 2017. The full profile is listed in the Board of Commissioners' Profile.
Nina Diyanti	Appointed as a member of the Integrated Governance Committee since May 22, 2015. The full profile is listed in the Audit Committee's Profile.
Fransisca Ekawati	Appointed as a member of the Integrated Governance Committee since May 22, 2015.
Deswandhy Agusman	Appointed as a member of the Integrated Governance Committee since May 22, 2015.
Myrnie Zachraini Tamin	Appointed as a member of the Integrated Governance Committee since May 22, 2015.
M Noor Rachman	Appointed as a member of the Integrated Governance Committee since the Board of Commissioners meeting on 27 November 2017.
Abdul Jabar Majid	Appointed as a member of the Integrated Governance Committee since Board of Commissioners meeting on May 26, 2017.
Asrorun Ni'am	Appointed as a member of the Integrated Governance Committee since May 22, 2015.

#### Term of Services

The Term of Services of a member of the Integrated Governance Committee shall not exceed the Term of Services held by each member as provided for in the Articles of Association unless the member concerned withdraws from the membership of the committee, or ceases to work for the Financial Service Institution (FSI) member of the Bank Financial Conglomeration.

#### Independency of the Integrated Governance Committee

All members of the Integrated Governance Committee have met all criteria of independence and are able to perform their duties independently, uphold the interests of the company and can not be influenced by any party.

#### Responsibility and Authority of the Integrated Governance Committee

The duties and responsibilities of the Integrated Governance Committee include evaluating the implementation of the Integrated Governance Committee's tasks and responsibilities which include:

- a. Evaluate the implementation of the Integrated Governance Committee by LJK Members and Principal Entities, through:
  - assessment of the adequacy of internal control, and
  - Implementation of internal compliance and internal audit functions, and
  - Implementation of the Integrated Governance Guidelines.
- b. Provide recommendations to the Board of Commissioners of the Main Entity for the evaluation of the implementation of the Integrated Governance Committee;
- c. Provide recommendations to the Board of Commissioners of the Main Entity for the refinement of the Guidelines of the Integrated Governance Committee;
- d. Hold regular meetings of the Integrated Governance Committee.

In the event of an evaluation, the Integrated Governance Committee is authorised to request information from the following Work Units, which are the results of an evaluation of the implementation:

- a. integrated compliance function of Integrated Compliance Work Unit ("SKKT");
- b. integrated internal audit function of Integrated Audit Intern Work Unit ("SKAIT");
- c. application of integrated risk management of Integrated Risk Management Work Unit ("SKMRT");
- d. integrated minimum capital application obligation;
- e. and other matters related to the implementation of integrated governance in Bank Financial Conglomeration.

The Chairman of the Integrated Governance Committee shall make and submit reports to the Board of Commissioners of the Bank for each performance of its duties accompanied by a recommendation (if necessary for approval).

### Integrated Governance Committee Meeting 2017

Implementation Policy of the Integrated Governance Committee Meeting as follows:

- a. The meeting of the Integrated Governance Committee is held in accordance with the needs of the Bank Financial Conglomeration, at least 1 (one) time in 1 (one) semester;
- b. Meetings may be held in the presence of more than 50% of the total number of members of the Integrated Governance Committee;
- c. The decision of the meeting is based on the principle of consensus deliberation. In the case of unanimous deliberation, the decision shall be taken by vote by vote agreeing to more than 50% of the Members of the Committee present.
- d. The dissenting opinions that occur in the meeting and the reasons for the difference shall be clearly stated in the minutes of the meeting.
- e. Minutes of Meetings are made by the Secretariat of the Committee or by a person present at the Meeting appointed by the Chairman of the Meeting and must be signed by all Members of the Integrated Governance Committee present at the Meeting.

Name	Number of Meetings	Meeting Attendance	Attendance Level
Umar Juoro*	5	5	100%
Budhi Dyah Sitawati**	1	1	
Nina Diyanti	6	6	100%
Fransisca Ekawati	6	5	83,4%
Deswandhy Agusman	6	5	83,4%
Myrnie Zachraini Tamin	6	5	83,4%
Nahar Nahrawj***	-	-	-
Asrorun Ni'am	6	1	16,67%
Abdul Jabar Majid****	3	2	66,67%
M Noor Rachman*****	-	-	-

\*) Resigned from the Bank on 27 October 2017.

\*\*) Appointed as chairman and concurrent member of the Committee since October 27, 2017.

\*\*\*) Dismissed with honor from March 31, 2017.

\*\*\*\*) Appointed as a member of the Committee on May 26, 2017.

\*\*\*\*\*) Appointed as a member of the Committee from November 27, 2017.

## Committees of the Board of Commissioners

### 2017 Main Meeting Agenda of Integrated Governance: Committee

No.	Date	Main Agendas
1.	1 February 2017	<ul style="list-style-type: none"> <li>Approval of the Minutes of the previous Meeting</li> <li>Plan for submission of 2<sup>nd</sup> Integrated Governance 2H Preparation Report 2016</li> <li>Plan of delivery of Implementation Report on Minimum Capital Adequacy Requirement ("KPMM") Semester 2 of 2016</li> <li>Plan of delivery of Integrated Risk Profile Report Semester 2 year 2016</li> <li>Integrated Compliance Working Unit Report</li> </ul>
2.	23 March 2017	<ul style="list-style-type: none"> <li>Approval of the Minutes of the previous Meeting</li> <li>Guidelines of Integrated Internal Audit Unit for Maybank Indonesia Financial Conglomeration</li> </ul>
3.	22 May 2017	<ul style="list-style-type: none"> <li>Approval of the Minutes of the previous Meeting</li> <li>Plan for Delivery of 2016 Integrated Governance Annual Report</li> <li>Composition of Members of the Integrated Governance Committee</li> <li>Report of the Integrated Audit Working Unit of 1st quarter 2017</li> <li>Integrated Compliance Working Group report of 1st quarter 2017</li> </ul>
4.	19 July 2017	<ul style="list-style-type: none"> <li>Approval of the Minutes of the previous Meeting</li> <li>Submission plan for Integrated Governance Implementation Report, Semester 1 2017</li> <li>Delivery plan for Implementation Report on Minimum Capital Adequacy Requirement ("KPMM"), Semester 1 2017</li> <li>Submission plan for Integrated Risk Profile Report, Semester 1 2017</li> <li>Report of the Integrated Internal Audit Unit, 2<sup>nd</sup> Quarter 2017</li> </ul>
5.	22 September 2017	<ul style="list-style-type: none"> <li>Approval of the Minutes of the previous Meeting</li> <li>On Site Visit Review OJK Result and Follow Up</li> <li>Integrated Governance Guidelines</li> <li>Report on the implementation of SKAIT</li> <li>Report on the implementation of SKKT</li> <li>Report on the implementation of SKMRT</li> </ul>
6.	22 November 2017	<ul style="list-style-type: none"> <li>Approval of the Minutes of the previous Meeting</li> <li>Request a recommendation for the Integrated Governance Guidelines and Charter</li> <li>Request for recommendation for the issuance of Guidelines and Decree ("SK") of the Directors forming SKKT</li> <li>Request recommendation for the issuance of SK Direksi for establishment of SKAIT and Report, 3<sup>rd</sup> Quarter 2017.</li> </ul>

### Implementation of Integrated Governance Tasks Duties 2017

During 2017, Integrated Governance Committee has focused to perform activities for evaluating among others as follow:

1. Renewal of Integrated Governance Guidelines and issuance of the Integrated Governance Charter;
2. Submission of the Annual and Annual Governance Management Report to OJK;
3. Submission of the Risk Profile Report and the Report of Capital Adequacy Requirement for the semester to OJK;
4. Follow-up on the results of the OJK study of the Department of Arrangement, Licensing and Integrated Supervision;
5. OJK Recommendation regarding the improvement of integrated governance process in Bank Finance Conglomeration
6. Implementation of integrated work units that have been established in order to support the implementation of supervision by the Integrated Governance Committee include the Internal Audit Intern Work Unit, Integrated Compliance Work Unit and Integrated Risk Management Work Unit. The report on the implementation of the functions of each work unit is reported periodically to the Integrated Governance Committee.
7. Periodic evaluation of the framework of Integrated Risk Management Unit and Integrated Capital Management Procedures.

# Board of Directors Committees

## RISK MANAGEMENT COMMITTEE

In line with the rapid development of the financial services industry, particularly banking and in order to effectively manage the increasingly complex risks, the Board of Directors established the Risk Management Committee (RMC) to establish, review the implementation and continue to improve the policies and methodologies used to manage risks.

### Objectives

The objectives of the Risk Management Committee are to support the Board of Directors in the implementation of responsibilities related to supervision of the risk management framework including policies, processes, management, risk profiles and adequacy of risk management functions.

### Structure and Membership

Members	
Chairman	President Director
Vice Chairman/Member	Risk Management Director
Member	Finance Director
Member	Global Banking Director/Alternate <sup>*1)</sup>
Member	Community Financial Services (CFS) Director/Alternate <sup>*2)</sup>
Member	Legal & Compliance, Corporate Secretary Director/Alternate <sup>*3)</sup>
Member	Operations Director/Alternate <sup>*4)</sup>
Member	Human Capital Director/Alternate <sup>*5)</sup>

Permanent Invitees	
Permanent Invitee	Head, Internal Audit (SKAI)
Permanent Invitee	Head, Information Technology (IT)
Permanent Invitee	Head, Enterprise, Risk Capital & Risk Infrastructure
Permanent Invitee	Country Credit Officer
Permanent Invitee	Head, Non Retail Credit Risk Policy, Portfolio & PACR
Permanent Invitee	Head, Retail Credit Risk Policy & Portfolio
Permanent Invitee	Head, Operational Risk & Business Continuity
Permanent Invitee	Head, Market, Liquidity & Treasury Credit Risk Management

Non-Permanent Invitees	
Invitee	Internal party of Maybank Indonesia Group

Secretariat	
Secretariat	Enterprise Risk Capital and Risk Infrastructure

#### Information:

- 1) Head, Credit Underwriting Team/Head, Business Planning & Performance Management
- 2) Head, CFS Business Process & Approval
- 3) Head, Compliance Regulatory Affair (CRA)/Head, Compliance Monitoring & Training (CMT)/Head, AMLA/Head, Legal/Litigation
- 4) Head, CPC & Credit Operations/Head, Delivery Channel, Cash Monitoring & Operation Procedure & Branch Control/Head, Operation Processing Center
- 5) Head, BHC Global Banking & Corporate Functions



## Board of Directors Committees

### Duties and Authorities

- a. Provide recommendations and/or approval of policies, strategies and guidelines for risk management of the Bank and its subsidiaries, including framework strategy, methodology, system and risk management tools including contingency plans and ensuring their implementation which includes credit risk, operational risk, market risk, liquidity risk, legal risk, reputation risk, strategic risk and compliance risk.
- b. Provide recommendations on the improvement or refinement of risk management implementation based on the evaluation results of risk management implementation.
- c. Provide recommendations on the determination of matters related to business decisions that deviate from the procedural.
- d. Conduct a thorough review of the Bank's and subsidiaries' portfolio on a regular basis and ensure that risk exposure is well managed.
- e. Assess stress testing scenarios and their risk impacts on capital adequacy, profitability and asset quality and recommend necessary corrective actions.
- f. Approving the strategic actions arising from external regulations affecting its risk management practices.
- g. Approving remedial measures to address the risk issues of concern to Bank Indonesia (BI) and/or the Financial Services Authority (OJK).
- h. Approving new products and activities that refer to the terms of product and activity launch.
- i. Overseeing and providing strategic direction for key business and business initiatives and ensuring it obtains the necessary support from all related Units in Bank Maybank Indonesia to align with corporate objectives.
- j. Approving materials requiring ROC recommendations for BOC approval.
- k. Carrying out other responsibilities delegated by BOD and BOC.

### Implementation of Duties of the Risk Management Committee by 2017

The risk management committee periodically reviews and provides recommendations on various matters including:

1. Enterprise Risk Dashboard
2. Risk Profile
3. Risk Appetite Statement
4. Compliance Update
5. Embedded Risk Units (ERU) Update
6. Report of the Shariah Supervisory Board
7. Bank Negara Malaysia (BNM) Update
8. Bank Health Level and Minimum Capital Adequacy Ratio (KPMM) and reporting to regulators
9. Stress Test (whether related to Maybank Group or Bank)
10. Credit policy and its implementation.

## ASSET & LIABILITIES MANAGEMENT (ALM) DAN ASSET & LIABILITIES MANAGEMENT COMMITTEE (ALCO)

### Assets & Liabilities Management (ALM)

One of the key components in Bank management is Assets & Liabilities Management. ALM is a very important discipline of financial and risk management applied to the on and off balance sheet position of the Bank to maintain a risk-reward profile that will generate the best value-added for shareholders. ALM is a process conducted to manage and control the on and off balance sheet of the Bank by identifying, measuring, and managing the risks contained in the on and off balance sheet and income statement.

ALM has focuses on the following areas:

Interest Rate Risk Management	Ensure an optimum and stable flow of net interest income while at the same time controlling interest rate risk in on and off balance sheets.
Liquidity Risk Management	Ensure adequate liquidity is available under normal conditions, crisis conditions, and its cost-effectiveness.
Capital Management	Ensure that the capital ratio must be complied with the lowest possible cost and adequate capital to support the Bank's business plans.
Exchange Rate Risk Management	Protects the equity value of investments in foreign currency (including retained earning) against high exchange rate fluctuations.

There are two aspects of the ALM function:

1. Decision making function: Assets & Liabilities Management Committee (ALCO)
2. ALM support function: ALM Working Units

### Assets & Liabilities Management Committee (ALCO)

ALCO is a committee established by the Board of Directors. ALCO is the primary platform for achieving the objectives of ALM and is responsible for the development, implementation, monitoring and evaluation of ALM Bank's strategy.

### Structure and Membership of ALCO

In order to ensure the effective implementation of ALCO's duties and responsibilities goes well, every interested party should be a member of ALCO. When needed, other Senior Management may be invited as an invite. The following are members of ALCO:

Members	
Chairman	President Director
Vice Chairman	Head, Global Markets & Corporate Treasury
Member	Director, Risk Management
Member	Director Global Banking
Member	Direktur, Community Financial Services
Member	Director, Finance

Permanent Invitees	
Permanent Invitee	Director, Operational
Permanent Invitee	Director, Legal & Compliance, Corporate Secretary
Permanent Invitee	Director, Human Capital
Permanent Invitee	Head, Community Distribution
Permanent Invitee	Head, Economic Research
Permanent Invitee	Head, GM Cross Market Trading
Permanent Invitee	Head, Corporate Treasury Liquidity Management
Permanent Invitee	Head, Global Market Rates
Permanent Invitee	Head, Market, Liquidity, & Treasury Credit Risk Management
Permanent Invitee	Head, Business Units (Global Banking, Community Financial Services)
Permanent Invitee	Head, Syariah Banking
Permanent Invitee	Head, Liabilities & Sales
Permanent Invitee	Head, Financial Planning, Performance Management and Reporting
Permanent Invitee	Subsidiary

Non-Permanent Invitees	
Non-Permanent Invitees	Work units other than those mentioned above to discuss specific topics (if required)

Secretary	
Secretary	Head, Corporate Finance & Capital Management

## Board of Directors Committees

### Duties and Responsibilities of ALCO

The duties and responsibilities of ALCO are as follows:

- a. Provide strategic direction of ALM and ensure tactical follow-up to create an ever-expanding balance sheet structure to achieve performance goals within specified risk parameters.
- b. Review measurement methodologies on the Bank's overall scale in terms of market risk (exchange rate, interest rate and value of securities) and liquidity risk. Agree on strategies related to interest rate risk management, funding and liquidity, and appropriate asset management and liabilities strategies.
- c. Approve market risk and liquidity risk limits and monitoring and approving limits in accordance with applicable risk management policies - refer to (i) Non-Trading Book Policy Statement ("NTPS").
- d. Review and approve the framework, policies and guidelines for internal transfer pricing.
- e. Conduct supervision and management on a consolidated basis of liquidity and interest rate risk of the bank as a whole.
- f. Determine the interest rate of earning assets and liabilities to ensure that interest rates can promote the optimum use of funds and funding costs as well as the fulfillment of liquidity management objectives, and to obtain a balance sheet structure consistent with the ALM strategy.
- g. Determine the policy of fees charged in various products and types of services.
- h. Managing the bank's capital structure and capital use among the various business units.
- i. Managing the bank's investment portfolio.
- j. Approved the hedging strategy/hedging against the capital invested and profits in foreign currencies to mitigate market risk exposures.
- k. Monitor bank compliance with relevant regulations and guidelines from regulators.
- l. Approve new products in terms of interest rate determination and matters relating to exposure to market risk and liquidity.
- m. Formulate and review strategies for managing market risk and liquidity risk related to the Bank's balance sheet profile, capital and funding structure.
- n. Manage the consolidated assets and liabilities of subsidiaries to achieve the Bank's overall objectives.
- o. Review and monitor branch operations abroad to ensure compliance with regulatory activities (both local and head office).
- p. Enable the Liquidity Contingency Plan (LCP) in the event of a liquidity crisis; evaluate the effectiveness of the Bank's LCP post crisis and assessing the Bank's new position and determining the Bank's balance sheet restructuring strategy.
- q. Coordinate with Credit Committee in credit or financing aspect.

In carrying out its duties and responsibilities, ALCO has the authority to review, analyze and decide when necessary items and ratios of on and off balance sheets, market risk and liquidity positions, and market indicators such as:

- a. Market and economic conditions for current and forecasts.
- b. The size, structure and behavior of balance sheets in various currencies
- c. Results of net interest income.
- d. Interest rate risk exposure. Includes the limit inside.
- e. Exposure to the bank's overall foreign exchange rate (Net Open Position structurally and non-structurally) includes the limit therein.
- f. The position of liquidity risk and risk of concentration includes the limit therein.
- g. Exposure to treasury portfolios and risks.
- h. The ratios and limits are in accordance with the relevant regulations, including the Risk Based Bank Rating (RBBR) report from OJK - Bank Indonesia.
- i. Asset based on risk/return on asset/capital adequacy ratio, etc.
- j. Determination of interest rate of assets and liabilities (including interest rate proposed and reference).

## INTERNAL AUDIT COMMITTEE

The Bank shall establish an Internal Audit Committee (IAC) in order to ensure that the Management has followed up on all audit findings and implemented the recommendations provided by the Internal Audit.

### Internal Audit Committee's Guidelines and Rules

The Internal Audit Committee's Guidelines and Code of Conduct are governed by the Term of Reference (ToR) which was last updated on March 7, 2016.

### Structure and Membership

Structure	Position
Chairman	Director, Finance
Member	Director, Risk Management
Member	Director, Community Financial Services
Member	Director, Legal & Compliance, Corporate Secretary
Member	Director, Human Capital
Member	Chief Operations Officer
Member	Head, Community Distribution
Member	Head, Local Corporate & Multinational
Permanent Invitee	Head, Internal Audit
Secretary	Internal Audit Strategy & Planning, Head

### Duties and Responsibilities

- Ensure that Management has responded to all audit findings and recommendations provided by Internal Audit.
- Ensure that audit findings and recommendations are acted upon in a timely and effective manner.
- Ensure the effectiveness of follow-up by the work unit on recommendations provided by internal audits.
- Perform other tasks assigned by the Audit Committee.

### Meeting Policy

- Internal Audit Committee arrange meetings periodically which is adjusted to the meeting agenda of the Audit Committee.
- In the case the Chairman is absent, therefore Director, Risk Management will lead the meeting.

### Meeting Quorum

The provisions concerning the quorum in the meetings of the Internal Audit Committee are as follows:

- To fulfill the quorum, each meeting of the Internal Audit Committee shall be attended by at least 5 (five) members where 2 (two) out of 5 (five) members are directors.
- Membership automatically applies to Acting Heads.

### 2017 Internal Audit Committee Meetings

In 2017, the Internal Audit Committee conducted 11 meetings, where all meetings met the quorum as determined in the ToR of the Internal Audit Committee, with the following agendas:

1. Discussion of internal audit results issued during the period November 2016 to October 2017.
2. Presentation of the work unit on the status of follow-up on internal audit recommendations.
3. Monitored the follow-up status of internal audit findings.
4. Discussion of the request for changes to the deadline for fulfilling commitments to internal audit recommendations submitted by the work unit.

## Board of Directors Committees

### Implementation of Duties and Realisation of Work Program 2017

No	Work Program	Actual
1	Monthly Meetings	11 MEETINGS
2	Discussed audit reports from internal auditors	During every meeting of the Internal Audit Committee
3	Followed up and monitored follow-up status on recommendations made by internal auditors, external auditors, and regulators	Any update of follow-up status
4	Attended the Audit Committee meeting as Management representative	In accordance with Audit Committee meetings conducted throughout 2017

### INFORMATION TECHNOLOGY STEERING COMMITTEE

Under the Regulation of the Financial Services Authority No.38/POJK.03/2016 and SEOJK No.21/SEOJK.03/2017 on the Implementation of Risk Management in the Use of Information Technology by Commercial Banks, Banks are required to have IT Information Steering Committee and the committee must have an Information Technology (IT) Steering Committee Charter.

#### Structure and Membership

Member of the IT Steering Committee having voting rights:

1. Presiden Director –Chairman
2. Operation & IT Director – CoChairman
3. Risk Management Director
4. Finance Director
5. Global Banking Director
6. Community Financial Services Director
7. Information Technology Head

IT Steering Committee Permanent Invitees

1. Legal & Compliance, Corporate Secretary Director
2. Human Capital Director
3. Chief of SKAI
4. IT Development Head
5. IT Project Management Head
6. Infrastructure & Operations Head
7. Information Security & Governance Head
8. IT Risk Management Head

In addition to a permanent invitees, the IT Steering Committee may invite officials related to the subject matter to be presented at the meeting.

In order to fulfill the quorum, any execution of the IT Steering Committee meeting shall be attended by at least 5 (five) members of the IT Steering Committee members and in condition of non-attendance member may be delegated to the successor's official.

### Authority and Responsibilities of IT Steering Committee

The authority and responsibility of the IT Steering Committee is to provide recommendations to the Board of Directors covering:

- a. Information Technology Strategic Plan in accordance with the Bank's strategic business plan. In giving recommendations, the IT Steering Committee takes into account the efficiency, effectiveness and the following factors:
  - Roadmap to achieve IT requirements that support the Bank's business strategy. Road map consists of the current condition (current state), the condition to be achieved (future state) and the steps to be taken to achieve the future state.
  - Resources needed.
  - The advantage/benefits to be gained when the plan is implemented
- b. Formulation of major IT policies and procedures such as IT security policies and risk management related to IT usage at Bank.
- c. Appropriateness of IT projects approved with IT Strategic Plan. The IT Steering Committee also establishes the priority status of critical IT projects (significantly impacting the Bank's operational activities) such as replacement of core banking applications, server production and network topology.
- d. The suitability of the implementation of IT projects with the project plan agreed upon in the Service Level Agreement. The IT Steering Committee complements the recommendations with the analysis results of major IT projects to enable the Board to make decisions efficiently.
- e. IT compliance with the needs of management information systems that support the management of the Bank's business activities.
- f. The effectiveness of risk mitigation measures on the Bank's investment in the IT sector and investments contributes to the achievement of the Bank's business objectives.

- g. Monitoring IT performance, and improving efforts such as detecting IT obsolescence and measuring the effectiveness & efficiency of IT security policy implementation.
- h. Efforts to resolve various IT-related problems, which can not be resolved by the working unit users and IT work units. The Committee can facilitate the relationship between the two work units.
- i. Adequacy and allocation of resources owned by the Bank. If the resources are insufficient and the Bank intends to use third party services, the IT Steering Committee shall ensure that the Bank has relevant policies and procedures.
- j. Conduct evaluation and approval for the implementation of IT projects that require an investment greater than 1 Billion rupiah.
- k. For any IT project approved in the IT Steering Committee meeting, it is an agreement for its business case as stated in the Bank's internal provisions on the Expenditure Agreement, so that the signing of the business case document is only up to the director concerned with attaching the minutes of the IT Steering Committee meetings.

### Implementation of Duties 2017

Throughout 2017, the IT Steering Committee has carried out the following tasks:

- Provided recommendations to Management in the determination of the IT-related strategic plan that is in line with the Bank's business plan including determining the road map, and the adequacy of the required resources.
- Provided recommendations to Management in formulating key IT policies and procedures
- Monitored the conformity of IT projects implementation with either the planned project or the established SLA.
- Provided advice/views to the Management related steps to minimise the risk of IT investments conducted by the Bank.

### INTEGRATED RISK MANAGEMENT COMMITTEE

The Integrated Risk Management Committee is established with the objective of recommending an integrated framework or policy to identify, measure, monitor, manage and control all significant risk factors to the Board of Commissioners of the Bank as a Principal Entity for evaluation and approval.

### Structure and Membership

Chairman	Main Entity (Bank) Risk Management Director
Chairman Substitute	Director of Substitute/Acting Risk Management Director of Bank refers to the provision of on the Composition of the Board of Directors Members Transfer of Duties.
Member (Membership Structure according with POJK)	<p>Director Level</p> <ol style="list-style-type: none"> <li>1. Bank: President Director (alternate: Global Banking Director)</li> <li>2. Maybank Syariah Indonesia: President Director (alternate: Compliance Director)</li> <li>3. Maybank Kim Eng Securities: President Director (alternate: Chief Financial Officer)</li> <li>4. Maybank Asset Management: President Director (Alternate: Operation Director)</li> <li>5. Maybank Indonesia Finance: President Director (Alternate: Operation Director)</li> <li>6. Wahana Ottomitra Multiartha: President Director (Alternate: Risk Management Director)</li> </ol> <p>Executive Officer Level:</p> <ol style="list-style-type: none"> <li>7. Maybank Syariah Indonesia: Head, Risk Management (Alternate: Head, Compliance)</li> <li>8. Maybank Kim Eng Securities: Head, Risk Management (Alternate: Head, Compliance)</li> <li>9. Maybank Asset Management (Head, Risk Management)</li> <li>10. Maybank Indonesia Finance: Head, Risk Management (Alternate: Head, Legal &amp; Compliance)</li> <li>11. Wahomani Ottomitra Multiartha: Head, Risk Management (Alternate: Head, Enterprise Risk Management)</li> <li>12. Bank: Head, Enterprise, Risk Capital &amp; Risk Infrastructure.</li> </ol>
Permanent Invitees	<ol style="list-style-type: none"> <li>1. Head, Traded &amp; Non Traded Risk Management MBI ("Bank")</li> <li>2. Head, Operational Risk Management Bank</li> <li>3. Head, Credit Review Management Bank</li> <li>4. Head, Non Retail Credit Risk Review, Policy &amp; Portfolio Bank</li> <li>5. Head, Retail &amp; Credit Policy &amp; Portofolio Management Bank</li> <li>6. Head, Compliance Bank</li> </ol>
Invitees	Internal parties in the Bank Finance Conglomeration are requested to attend the Integrated Risk Management Committee meeting
Quorum	<p>Meetings of this Committee may only be held when attended by:</p> <ol style="list-style-type: none"> <li>1. Chairman; and</li> <li>2. At least 7 members/more than 50% of the total members.</li> </ol>
Meeting Frequency	Quarterly
Secretary	Head, Enterprise, Risk Capital & Risk Infrastructure Bank

## Board of Directors Committees

### Duties and Responsibilities

#### Roles and responsibilities:

1. Review and recommend strategies, frameworks/policies, risk tolerance, and risk appetite related to Integrated Risk Management for approval by Main Entity's BOD.
2. Review, revise, and assess the adequacy of the Integrated Risk Management framework/policy in identifying, measuring, monitoring, and controlling risks and their effectiveness.

#### Special task:

1. Review periodical reports on risk exposure, risk portfolio composition, and risk management of each entity (Enterprise Risk Dashboard - ERD).
2. Assess the impact of risks on capital adequacy, profitability, and asset quality under conditions of stress scenarios, and recommend further action to the Main Entity's Board of Commissioners.
3. Review and recommend to the Board of Commissioners of the Main Entity on strategic measures arising from regulatory rules that impact the application of Integrated Risk Management.
4. Review and recommend corrective measures to address the risk issues as presented by regulators.
5. Review and assess the adequacy of the Integrated Risk Management and mitigation measures.
6. Provide strategic oversight and direction for significant risk issues (including but not limited to significant risks due to new products) and initiatives and ensure those tasks receive the necessary support and priorities throughout Maybank Indonesia Financial Conglomeration as well as alignment with the direction and objectives of Maybank Group.
7. Carry out other responsibilities such as improving the implementation of Integrated Risk Management as may be delegated to the Integrated Risk Management Committee by the BOD of the Primary Entity from time to time.

### Implementation of Duties Year 2017

Some of the tasks of the Integrated Risk Management Committee throughout 2017 are as follows:

- Ratification of Minutes of Meeting of IRMC and Matters Arising from previous meetings
- Integrated Capital Contingency Plan (For Ratification)
- Annual Review Terms of Reference IRMC
- Annual Review FY2017 Integrated Risk Appetite Statement (RAS)
- Intragroup Transaction Policy
- OJK's New Consultative Paper
- Update Response Letter IGCG Meeting
- New Regulation – AML/CFT Implementation
- Integrated Enterprise Risk Dashboard (ERD)
- Maybank Syariah Indonesia (MSI) Risk Profile Update
- Q2-2017 Monitoring on Integrated Risk Appetite Statement (RAS)
- Integrated Risk Profile of Maybank Indonesia Financial Conglomeration periodically
- Integrated Capital Ratio Maybank Indonesia Financial Conglomeration periodically
- High Level Plan Integrated Information System
- Monitoring on Integrated Risk Appetite Statement (RAS)
- Timeline Update and Integrated RiskPro System Development Plan
- Update On-Site Review OJK and Action Plan Results on Integrated Risk Management Implementation
- Cross Border Rating

## CREDIT COMMITTEE

Credit Committees are established in order to support the provision of credit and program products with due observance of prudential principles that must apply four-eyes principles. The objectives of the establishment of the Credit Committee are as follows:

- Loan Proposal (either new, additions, or renewals).
- Purchase/Sale Marketable Securities (KK1 and KK2 only)
- Other approval memos (changes to loan structure, loan amount, term, condition, collateral/pricing, etc.).
- Interbank Limit (specifically KK 1 and KK 2).
- Adjustment of internal rating results.
- Post Approval Monitoring.
- Other matters requested by the Credit Committee.

## Duties and Responsibilities

- The Committee approves or rejects the Non-Retail loan and mortgage loan application (as per the applicable mortgage terms).
- Obey and follow all provisions of Bank Credit Policy (KPB), Credit Policy Level 2 (2a and 2b), both Global Banking and Business Banking, SOP Credits (Level 3) of Global Banking and Business Banking, as well as Circular (SE) and Bank Indonesia (BI)/OJK applicable and relevant government laws and regulations.
- Coordinate with the Asset & Liability Committee on credit funding.

## Membership and Status of Voting Rights

Structure	Credit Committee (KK) 1	Credit Committee (KK) 2	Credit Committee (KK) 3
Chairman	President Director <sup>1</sup>	Risk Management Director	Country Credit Officer
Alternate Chairman	Direktur Risk Management	Country Credit Officer	Head, Credit Evaluation
Member	<ul style="list-style-type: none"> <li>- Presiden Direktur<sup>1</sup></li> <li>- Direktur Global Banking<sup>1</sup></li> <li>- Direktur CFS<sup>1</sup></li> <li>- Direktur Risk Management</li> <li>- Country Credit Officer</li> <li>- Head Shariah Banking<sup>2</sup></li> <li>- Head, related LOB</li> </ul>	<ul style="list-style-type: none"> <li>- Direktur Global Banking<sup>1</sup></li> <li>- Direktur CFS<sup>1</sup></li> <li>- Direktur Risk Management</li> <li>- Country Credit Officer</li> <li>- Head Shariah Banking<sup>2</sup></li> <li>- Head, related LOB</li> </ul>	<ul style="list-style-type: none"> <li>- Direktur CFS</li> <li>- Head, related LOB</li> <li>- Country Credit Officer</li> <li>- Head, Credit Evaluation</li> <li>- Head, CFS Business Process &amp; Approval atau Head, Business Approval</li> <li>- Head Shariah Banking<sup>2</sup></li> </ul>
Meeting Quorum	Chairman + 2 Business Directors	Chairman + 2 Business Directors	Chairman + Head, CFS Business Process & Approval or Head, Business Approval + Head, Commercial Banking or Head, SME Banking Especially for new proposals or additions with a limit of Rp> 50-100 billion: Chairman
Permanent Invitees	The representative of the business unit is 1 level below the Director		Director of CFS + Head, CFS Business Process & Approval or Head, Business Approval
Non-Permanent Invitees	As per the committee's requirements		

<sup>1</sup> Has individual Authority limit in credit committee

<sup>2</sup> Alternate Head, Shariah Banking are Head, GB Shariah/Head, CFS Shariah

## Implementation of Duties 2017

Throughout 2017, the Credit Committee has performed the following tasks:

- Approved and rejected loan applications in Non-Retail and mortgage segments conducted under applicable provisions.
- Ensured that the Bank always obeyed and followed all provisions of the Bank Credit Policy (KPB), Credit Policy Level 2 (2a and 2b), both Global Banking and Business Banking, SOP Credits (Level 3) of Global Banking and Business Banking, Circular (SE) as well as applicable Bank Indonesia (BI)/OJK regulations and other relevant government laws and regulations.
- Coordinated with the Asset & Liability Committee in terms of credit funding.



## Board of Directors Committees

### CREDIT RESTRUCTURING COMMITTEE

Credit Restructuring Committee is established in order to support the process of credit recovery and settlement with due observance to the four-eyes principles.

#### Structure and Membership

Structure	Credit Restructuring Committee (KRK) 1	Credit Restructuring Committee (KRK) 2	Credit Restructuring Committee (KRK) 3
Chairman	President Director	Director of Risk Management	Country Credit Officer
Alternate Chairman	Director of Risk Management	Country Credit Officer	Head, Credit Evaluation
Member	<ul style="list-style-type: none"> <li>- President Director</li> <li>- Director of Risk Management</li> <li>- Director of Global Banking</li> <li>- Director of CFS</li> <li>- Director of Finance (CFO)</li> <li>- Country Credit Officer</li> <li>- Head, related LOB or Head, CFS Asset Quality Management or Head, GB Remedial</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Risk Management</li> <li>- Director of Global Banking</li> <li>- Director of CFS</li> <li>- Director of Finance (CFO)</li> <li>- Country Credit Officer</li> <li>- Head, related LOB or Head, CFS Asset Quality Management or Head, GB Remedial</li> </ul>	<ul style="list-style-type: none"> <li>- Head, related LOB</li> <li>- Country Credit Officer</li> <li>- Head, Credit Evaluation</li> <li>- Head, CFS Business Process &amp; Approval or Head, CFS Business Approval</li> </ul>
Meeting Quorum	Chairman + 2 Business Directors	Chairman + 2 Business Directors	Chairman + Head, CFS Business Process & Approval or Head, CFS Business Approval + Head, Commercial Banking or Head, SME Banking
Permanent Invitees	Representatives of the business unit one level below Director		
Non-Permanent Invitees	As per the committee's requirements		

#### Duties and Responsibilities

- a. The Committee approves or rejects the solicitation and rescue request for credit/securities issues.
- b. Obey and follow all provisions of Bank Credit Policy (KPB), Credit Policy Level 2 both Global Banking and Business Banking, SOP Credits (Level 3) of Global Banking and Business Banking, as well as Circular (SE) and Bank Indonesia (BI)/OJK applicable and relevant government laws and regulations.

#### Implementation of Duties 2017

Throughout 2017, the Credit Restructuring Committee has performed its duties including approval and/or rejection of the settlement application and rescue of bad credit/securities. The Credit Restructuring Committee also ensured that the Bank continued to adhere to and comply with all provisions of the Bank Credit Policy (KPB), Level 2 Global Banking and Business Banking Credit Policy, SOP Credits (Level 3) of Global Banking and Business Banking, as well as Circular (SE) applicable Bank Indonesia (BI)/OJK regulations and other relevant government laws and regulations.

In addition, the Credit Restructuring Committee evaluated and provided decisions on the following agendas:

- a. Restructured loans to rescue credit (starting collectibility 2).
- b. Takeover or surrender of Assets/Assets (AYDA).
- c. Sales/Transfer of Credit, Securities and OREO (asset disposal).
- d. Write-offs.
- e. Update on debtors handled by the Remedial team or debtors under the credit restructuring program.
- f. Other approval memos (changes to loan structure, loan amount, term, terms & conditions, collateral/pricing, etc.).

## IMPAIRMENT COMMITTEE

In order to improve of loan portfolio monitoring and its impaired securities and its impact on the Bank's income statement each period, the Bank find it necessary to establish a separate committee to discuss in detail the financial implications of such accounts. The definition and criteria of impaired credit and securities refers to the definitions and criteria set forth in the Accounting Policies and Manuals SFAS 50 & 55 (Revised 2006) - Loans Given Non-Shariah Commercial Banks and Accounting Policies and Manuals SFAS 50 & 55 (Revised 2006) - Letters Valuable Non-Shariah Commercial Bank or its replacement policy. The establishment of this Impairment Committee has been approved by the Board of Directors through a Board of Directors Meeting dated January 21, 2015.

### Objectives

To determine the financial implications of impairment on loans and significant securities.

### Structure and Membership of the Committee

Members	
Chairman	Director of Finance/Alternate <sup>1)</sup>
Member - Business Unit	<b>Global Banking</b> Direktur Global Banking/Alternate <sup>2)</sup> Head Business Planing & Performance Management/Alternate <sup>3)</sup>  <b>Community Financial Services</b> Direktur Community Financial Services/Alternate <sup>3)</sup> Head Business Process & Approval/Alternate <sup>6)</sup> Head Business Planning & Analytics/Alternate <sup>5)</sup>
Member – Risk Management	Direktur Risk Management/Alternate <sup>4)</sup> Head Retail Credit Policy and Portfolio Management/Alternate <sup>5)</sup> Head Global Banking Remedial/Alternate <sup>5)</sup>
Member - Finance	Head Finance and Accounting/Alternate <sup>5)</sup> Head Financial Planning, Performance Management and Reporting/Alternate <sup>5)</sup>

### Permanent Member Per Three Months

Anggota Bisnis Unit	Head Global Market/Alternate <sup>5)</sup>
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### Secretariat

Sekretariat	Finance Operation Head
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#### Notes:

1. Head Finance & Accounting
2. Head Local Corporate & Multinational atau Head Public Sector & Energy
3. Head Consumer Finance, Head RSME Banking, Head Business Banking
4. Country Credit Officer
5. Head atau Manager dibawah divisi yang sama yang ditunjuk oleh anggota yang bersangkutan
6. Head Asset Quality Management

## Duties and Responsibilities

1. Any debtor's account submitted for impairment will be discussed in detail between the Risk and Business Unit, and any disagreements that will be discussed together in this committee meeting.
2. Review current NPL, SMA and watchlist accounts, especially those with credit limits above Rp10 billion along with action steps to resolve them.
3. Review and assess the fairness and adequacy of impairment allowance for loan accounts granted and securities in accordance with the provisions of PSAK 55, in particular to:
  - a. Loan accounts are provided and significant new securities classified as impaired accounts for the current period.
  - b. Loan accounts are provided and significant amount of classified impairment classified as non-impaired account in the current period.
  - c. Formation of Significant Impairment Reserve in the current period.
4. To authorise the amount of allowance for impairment deposited on the loan and the impairment of securities.
5. Review other changes related to impairment reserves that have significant impact on financial statements, such as changes from LGD and PD methods and LGD to be approved by the Board of Commissioners.
6. Any decisions made in committee meetings shall be summarised and signed by the chair of the committee.
7. Any decisions included in the minutes of the meeting shall be followed up by each relevant work unit.
8. Based on the results of the discussion, the Chairman of the Committee shall ensure that the impairment reserves are established in accordance with PSAK 55.

## Board of Directors Committees

### HUMAN CAPITAL COMMITTEE

The Bank has made a continuous change in Human Resource policy. The amendment is an integral set of policies to support the Bank's transformation to achieve its aspirations by 2020. Furthermore, in an effort to encourage the implementation of good corporate governance through a mechanism of control and implementation of strategic policies in the areas of organisation, compensation and benefits, and Talent Management, The Bank optimises the function of supervisory/ advisory to provide strategic direction and important decision-making as well as new policies towards human resource empowerment as well as the completion of key issues in the field of human resources that have implications of financial risk and/or reputation of the organisation.

Based on the consideration of these matters, through the SK Board of Directors SK.2015.001/PRES DIR dated February 5, 2015, the Bank established Human Capital Committee.

#### Purpose of Establishment

1. Establish a Human Capital Committee which aims to assist the Board of Directors in providing strategic direction for human resources in MBI as well as its subsidiaries, including:
  - a) General policy on employment
  - b) Employee benefits & compensation (salary increases, bonuses, retention programs, benefits, etc.)
  - c) Performance Appraisal Management
  - d) Talent Management (Talent identification, succession planning, talent development program)
  - e) Framework and plan of employee training and development programs
  - f) Organisational structure and rank level
  - g) Creation of a favorable working climate
  - h) Creation of corporate culture
  - i) Development of employee & company relationship
  - j) The appointment and dismissal of the Executive Officer including the actions to be taken in respect of any disciplinary action and offenses committed by the Executive Officer
  - k) Harmonisation of human resources policies and synergies with subsidiaries
2. Members of the Human Capital Committee are all members of the Board of Directors.

### Composition of Human Capital Committee

- President Director as Chairman concurrently Member
- Director of Human Capital as a Member
- Director of Retail Banking as a Member
- Director of Global Banking as a Member
- Director of Business Banking as a Member
- Director of Finance as a Member
- Director of Operations & IT as a Member
- Director of Risk Management as a Member
- Director of Legal, Compliance & Corporate Secretary as a Member
- MBI's Human Capital Executive as Secretary/Notary

### The duties and responsibilities of the Human Capital Committee

- a) Provide high level directives with consideration of strategic Human Capital policies and directives to influence the activities of the Bank and HR organisations in them.
- b) Formulate decisions for Executive Officers and organise development programs for Executive Officers and Talent Officers.
- c) Provide direction and make strategic decisions on policies relating to Human Capital.

### PERSONNEL COMMITTEE

The Personnel Committee is a committee established to conduct reviews and provide recommendations regarding the provision of sanctions, which relate to violations/errors as stipulated in the provisions regulating the imposition of sanctions and/or fraud and/or other offenses/violations that have not been regulated or require expert opinions (resource) to employees at all levels and/or positions.

The recommendations of the Committee of Personnel are collective collegial, which are binding and must be carried out in a truthful manner by the relevant work unit.

### Structure and Membership

- Chairman: Director of Human Capital
- Secretary: Head of Employee Relations & Health Safety
- Permanent members:
  - Employee Relations, Head
  - Head of Business Human Capital
  - Related Business Human Capital, where employee case occurred.
  - Head of the relevant Working Unit, where the employee case occurred.

- Resource and/or invitation:
- Anti Fraud Work Unit;
- Unit Operation Risk & Business Continuity;
- The General Legal Counsel Unit;
- Compliance Monitoring & Training Unit;
- Anti Money Laundering & Assurance Unit;
- Internal Audit Unit Work Unit (SKAI).

### Duties and Responsibilities of Personnel Committee

- Provide direction and encourages the discussion of ideas through brainstorming to members and invited speakers before making any recommendation.
- Prompt and direct the collective collegial decision and/or recommendation in determining the types of sanctions to be recommended by emphasising the importance and impact of the violations.
- Present recommendations issued by the Human Resources Committee to the Human Capital Working Unit - Employee Relations & Health Safety with a copy of the Board of Directors.
- Reprimand both the relevant work units and Human Capital - Employee Relations & Health Safety who do not follow up on the recommendations, and include the reprimand in the monitoring and evaluation reports to be submitted to the Board of Directors.
- Monitor and evaluate the follow-up to the implementation of the decisions that have been submitted to the Board of Directors.
- Sign and submit monitoring and evaluation reports to Board of Directors.
- Organise committee meetings if there are urgent issues to be discussed and decided by the committee.
- Provide relevant exposure, facts, opinions, references and insights into cases discussed and asked for opinions.
- Analyze and provide opinions by emphasising the importance and impact of the violations, and recommending the form of penalty/sanction to be delivered.
- Permissible to hold meetings through the Chairman or Secretary if there is an urgent matter to be discussed and decided by the committee.
- Control the execution of decisions made by the Committee of Personnel.

### Authority

In presenting recommendations on the form of sanctions, the Personnel Committee shall refer to:

- 1) Law no. 10 of 1998 concerning Banking
- 2) Law no. 13 of 2003 on Manpower;
- 3) POJK No.12/POJK.01/2017 concerning Implementation of Anti Money Laundering and Prevention of Terrorism Financing in Financial Services Sector and SE OJK No.32/SEOJK.03/2017 on Implementation of Anti Money Laundering and Terrorism Prevention in Banking Sector;
- 4) BI Circular No.13/28/DPNP dated December 9, 2011 concerning Implementation of Anti Fraud Strategy for Commercial Banks;
- 5) Employment Agreement with PT Bank Maybank Indonesia, Tbk;
- 6) Code of Ethics and Code of Conduct PT Bank Maybank Indonesia, Tbk;
- 7) Circular Letter of the Board of Directors No.SE.2007.002/DIR6 dated February 1, 2007 concerning SOP for Sanctions;
- 8) Circular Letter of the Board of Directors No.SE.2016.006/DIR dated March 28, 2016 regarding Policy and Procedure for Implementing Anti Fraud Strategy;
- 9) Provisions/laws and applicable regulations.

The Personnel Committee may provide a warning to either the Human Capital - Employee Relations & Health Safety that do not follow up on the recommendations, and include such reprimands in the monitoring and evaluation reports to be submitted to the Board of Directors.

### Implementation of Sanctions

- Implementation of sanctions or other actions decided on the Committee of Personnel, no later than 7 (seven) working days after the decision of the Committee of Personnel as outlined in the MoM shall be signed.
- Related Business Human Capital shall immediately coordinate with the Head of the Working Unit to implement sanctions based on the decision of the Personnel Committee against the employee who commits the offense by dismissing the employee (PHK). Business Human Capital must immediately coordinate with Human Capital - Employee Relation & Health Safety to its implementation.

### Personnel Committee Meeting 2017

During 2017, the Personnel Committee has held 10 (ten) meetings.

# Corporate Secretary

Bank continues to build and maintain good communication with regulators, investors, the capital markets, and public. In this regard, the Bank has the Corporate Secretary to play important role in ensuring the smooth communication between the Bank and its stakeholders and to ensure the timely and accurate delivery of information to all stakeholders. Any information submitted by the Corporate Secretary is the official information of the Company as an Issuer or Public Company.

## PROFILE OF CORPORATE SECRETARY



**Dhen Tjahajani**

Profil lengkap tercantum dalam Profil Direksi.

## THE LEGAL BASE FOR THE APPOINTMENT OF CORPORATE SECRETARY

Dhen Tjahajani, the Director of Compliance, is appointed as Corporate Secretary through the Directors Decree No. BoD. SK.2014.004/PRES DIR dated July 18, 2014 regarding the Appointment of Corporate Secretary. The appointment of the Corporate Secretary has been reported to FSA and IDX by letter No.2014.440/DIR COMPLIANCE dated July 18, 2014, and was published in the Indonesian daily newspaper, namely the Investor Daily, on July 18, 2014.

## TERMS OF OFFICE OF CORPORATE SECRETARY

Based on the above appointment, Dhen Tjahajani serves as Corporate Secretary based on the letter of appointment.

## EDUCATION AND TRAINING FOR CORPORATE SECRETARY IN 2017

Referring to Directors training data.

## DUTIES AND RESPONSIBILITIES OF CORPORATE SECRETARY

In general, the Corporate Secretary has the following duties and responsibilities:

1. Stay up-to-date with Capital Market developments especially Capital Market regulations.
2. Provide input to the BOD and BOC concerning the compliance with capital market regulations.
3. Assist the BOD and BOC in implementing corporate governance, including:
  - Information disclosure to the public, including the availability of information on the Bank's Website
  - Timely submission of reports to the Financial Services Authority.
  - Organisation and documentation of the GMS.
  - Organisation and documentation of Boards of Directors and Commissioners meetings.
  - Implementation of the Bank's orientation program for BOD and BOC.
4. As the Bank's liaison in communicating with the shareholders, Financial Services Authority, and other stakeholders.

## OBJECTIVES OF CORPORATE SECRETARY UNIT

The Bank established the Corporate Secretary Working Unit to support the roles and responsibilities of the Corporate Secretary. Corporate Secretary Working Unit has the obligation to provide technical and administrative support and analysis to the BOD/BOC/Shareholders, so that it can be properly implemented in accordance with the Bank's governance guidelines.

The objectives of the Corporate Secretary Unit are as follow:

1. As the Bank's liaison in interacting with stakeholders including the regulators, regarding the Bank's status as Listed Banking Company.
2. To take efforts to make sure that the Bank's business activities, including information disclosure to authorities and public are in compliance with prevailing laws and regulations, relevant to the Bank's status as Public Banking Company.
3. To ensure an orderly administration, completeness and security of the Bank's important documents.

4. To fulfil the rights of shareholders and the Bank's obligations to shareholders by ensuring the Bank's compliance to regulations applicable to a public banking company.
  5. Availability of adequate information for the BOD and the BOC as basis of the boards' decision-making; ensuring that the decision-making procedure is in line with prevailing regulations so that decisions are legitimate and accountable.
  6. To organise BOD and/or BOC meeting, including its documentation, and to manage BOD and/or BOC minutes of meeting.
  7. To properly organise General Meeting of Shareholders, the BOD and BOC meetings, and other events involving the BOD and BOC.
  8. To ensure proper document management pertaining the registration of shareholders in the Shareholder Register and Special List as intended under Article 50 of Limited Liability Company Law and documents on corporate actions.
  9. Stay updated on recent developments of capital markets and provide input and feedback to the Board of Directors and Board of Commissioners concerning capital market regulations, especially information disclosure and reporting of the Bank's corporate actions
- No. 36/POJK.03/2017 on Prudential Principles in Capital Participation Activities.
  - No. 22/POJK.04/2017 on Securities Transaction Reporting
  - No. 10/POJK.04/2017 on the Amendment to the Rules of the Financial Services Authority Number 32/POJK.04/2014 concerning the Plan and Execution of the Open Company General Meeting of Shareholders.
  - No. 8/POJK.04/2017 on the Form and Content of Prospectus and Prospectus Brief for the Public Offering of Equity Securities.
  - No. 7/POJK.04/2017 On the Document of Registration Statement In the Framework of Public Offering of Equity Securities, Debt Securities, and/or Sukuk

#### **BRIEF REPORT ON THE IMPLEMENTATION OF FUNCTIONS OF CORPORATE SECRETARY IN 2017**

1. Followed regulation developments in the Capital Market and provided input to the BOD and BOC especially concerning new regulations from Capital Market authority and OJK. In among others were:
  - No. 59/POJK.03/2017 on the Implementation of Good Corporate Governance in Remuneration for Shariah Commercial Banks and Shariah Business Units.
  - No. 53/POJK.04/2017 on Registration Statements in the Framework of Public Offering and Capital Addition by Granting Pre-emptive Rights by Issuers with Small Scale Assets or Issuers with Medium Scale Assets.
  - No. 54/POJK.04/2017 on the Form And Content of Prospectus in The Framework of Public Offering And Capital Addition by Granting Pre-emptive Rights by Issuers with Small Scale Assets or Issuers with Medium Scale Assets.
2. Organised Annual GMS on March 31, 2017 and Extraordinary GMS on October 16, 2017; and documented the minutes of meetings, deeds of GMS, and other matters relating to GMS.
3. Organised and attended BOC and the BOD meetings.
4. Prepared Minutes of BOD and BOC Meetings as well as keeping the Minutes of the Meetings.
5. Organised and attended committee meetings at the level of the BOC.
6. Conducted GCG self-assessment in the first and second semester of 2017.
7. Compiled the 2017 GCG Implementation Report and prepared the 2017 GCG implementation report and Integrated GCG implementation report.
8. Prepared recommendations for adjustments to the Board of Commissioners and Board of Directors Charters as well as Committees at the level of the Board of Commissioners and Board of Directors in accordance with current regulations.
9. Reviewed Banks' website and provided input on information to be disclosed.
10. Organised a Public Exposé on November 9, 2017 to meet the obligation of information presentation to the public pursuant to Indonesian Stock Exchange Decision No. Kep-306/BEJ/07-2004 on Rule Number I-E.
11. Fulfilled public information disclosure obligation by providing information via website and by reporting all material information to the Indonesia Stock Exchange and the Financial Services Authority that may impact investors or stock prices.

# Internal Audit Unit

The internal audit function of the Bank is carried out by the Internal Audit Unit (SKAI). SKAI plays an active role in shaping and improving the company's control environment as well as sustaining business growth quality. The Internal Audit Unit is also responsible for ensuring that the Bank's internal controls are in place and appropriate.

## INTERNAL AUDIT CHARTER

The Bank has an Internal Audit Charter reviewed and updated on a regular basis. The Charter is a formal statement affirming the mission and scope, position and independence, accountability, authority, responsibility, qualifications and code of conduct of the Bank SKAI's internal auditors.

The Charter is also a form of compliance with OJK Regulation No.56/POJK.04/2015 on the Establishment and Guidelines for the Formation of the Charter of the Internal Audit Unit, OJK Regulation no. 18/POJK.03/2014 dated November 18, 2014 on the Implementation of Integrated Governance for Financial Conglomeration, Bank Indonesia Regulation No.1/6/PBI/1999 dated September 20, 1999, concerning the Assignment of Compliance Director and Implementation of Standards for the Implementation of Audit Function Internal Commercial Banks, and POJK No. 55/POJK.03/2016 on Implementation of Good Corporate Governance for Commercial Banks.

The Internal Audit Charter was updated on April 12, 2016 and has been approved by the President Director and the Audit Committee. The Internal Audit Charter regulates the conduct of audits and guidelines to ensure:

1. Risks have been identified and managed appropriately
2. Truth and integrity of financial information and operational activities and internal control has been recommended and implemented to prevent fraud, embezzlement, and misuse of assets.
3. Resources are obtained economically and used efficiently and adequately protected.
4. Employee actions in accordance with applicable policies, procedures, laws and regulations.
5. Programs, plans, and objectives can be achieved effectively and efficiently.
6. Regulations that significantly affect the Bank are identified and dealt with appropriately.
7. Control adequacy and effectiveness of outsourcing activities undertaken by outsourcing providers in carrying out their activities.

## APPOINTMENT AND TERMINATION OF THE HEAD OF THE SKAI

Head of SKAI is appointed and dismissed by the President Director with the approval of the Board of Commissioners and reported to Bank Indonesia and the Financial Services Authority. SKAI is directly responsible to the President Director and indirectly to the Board of Commissioners through the Audit Committee.

## HEAD PROFILE SKAI (CHIEF AUDIT EXECUTIVE)

### INTERNAL AUDIT UNIT (SKAI) CHAIRPERSON'S NAME

Novalita Imanuddin

### OCCUPATION BACKGROUND

#### Legal Base of Appointment:

Appointed since February 24, 2014 in accordance with Decision Letter No.SK.PERS.2014.0284/DIR HC regarding Appointment of Officials Head of Internal Audit Unit (SKAI) and has been reported to the Financial Services Authority (OJK).

#### Work Experience and Date:

Joined Maybank Indonesia since February 2014 with more than 23 years of experience in the banking and non-banking industry. Previously she served as Head of Compliance & Money Laundering Reporting Officer at ANZ Bank, Chief Audit Executive at Commonwealth Bank, Assistance Vice President of Quality Assurance at Citibank, and Financial Management Consultant at Pricewaterhouse Indonesia Consultant.

## HEAD OF SKAI'S EDUCATION AND TRAININGS 2017

Education and/or trainingS attended by Head of SKAI in 2017 are as follows:

No	Subject of Training
1	Certified Internal Auditor (CIA) Training
2	Tiger Camp
3	Risk Masterclass 2017
4	Executive Development Program 2017
5	Sosialisasi Perppu No. 1 tahun 2017

## NUMBER OF PERSONNEL AND SKAI AUDITOR PROFESSIONAL CERTIFICATION

As of December 31, 2017, the number of Internal Auditor staff in SKAI is 73 persons (excluding Chief Audit Executive). To improve competence on an ongoing basis, internal auditors are required to obtain Internal Audit professional certification such as Qualified Internal Auditor (QIA). Other certification programs that have been attended include Certified Bank Internal Audit (CBIA), Certified Information System Auditor (CISA), and Certified in Risk Management Assurance (CRMA) with the following certifications:

No	Certificaion	Number of Personnel
1	Risk Management Certification Board (BSMR) 1	43
2	BSMR 2	17
3	BSMR 3	8
4	BSMR 4	1
5	Certified Bank Internal Audit (CBIA)	2
6	Qualified Internal Auditor (QIA)	17
7	Certified Information System Auditor (CISA)	3
8	OMEGA	11
9	CCSA	1
10	Certified in Risk Management Assurance (CRMA)	2

Internal auditor education qualification in SKAI, the information is as follows:

No	Educational Background	Number of Personnel
1	Undergraduate Degree	9
2	Post Graduate Degree	59
3	Diploma	4

In addition, the Bank also constantly improves SKAI's internal skills and competencies by engaging in various training programs, seminars and workshops both domestically and abroad. Throughout 2017, SKAI pesonil has attended 9 training programs with a total of 3,304 hours of training. Some of the trainings that are audited by internal auditors of SKAI are as follows:

No	Subject of Training	Participants	Total Hours/ Participants	Total
1	Certified Internal Auditor (CIA) Training	10	48	480
2	Tiger Camp	63	16	1008
3	IPPF 2017 – IIA	1	16	16
4	Quality Assurance dan Improvement Program (QAIP) – IIA	1	16	16
5	Cyber Security Fundamental – Maybank Audit Group	1	16	16
6	Interviewing Skill Training	1	16	16
7	Audit Methodology	53	16	848
8	Impactful Presentation Training	24	16	384
9	Refresher TeamMate	65	8	520
				3,304

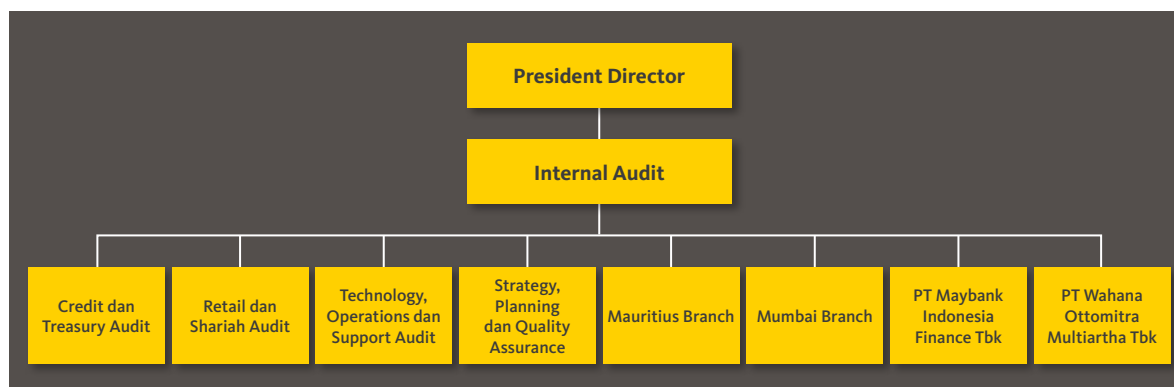
## STRUCTURE AND POSITION OF SKAI

Based on Circular Letter No.SE.2017.003/PRES DIR on Internal Audit Working Unit Structure (Internal Audit Working Unit/ SKAI), SKAI organisational structure has been merged the Head Office & Support Function Audit Unit with Technology Audit & CAAT to form one Work Unit Technology, Operations & Audit Support. Thus, the organisational structure of the Internal Audit Unit consists of 4 work units, such as:

1. Retail dan Syariah Audit
2. Credit dan Treasury Audit
3. Technology, Operations dan Support Audit
4. Strategy, Planning dan Quality Assurance



## Internal Audit Unit



### SKAI DUTIES AND RESPONSIBILITIES

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

- 1) Establish annual audit planning based on a risk based approach, including risks and controls that are of concern to Management and regulators. The annual audit plan must be approved by the President Director and reported to the Board of Commissioners through the Audit Committee.
- 2) Implement approved annual audits plan, including carrying out special assignments at the request of the President Director and Board of Commissioners through the Audit Committee.
- 3) Examine and evaluate the implementation of internal control and risk management system in accordance with Bank policy.
- 4) Evaluate and assess the efficiency and effectiveness in finance, accounting, operations, human resources, marketing, information technology, and other activities.
- 5) Provide suggestions for improvements and objective information on activities examined at all levels of Management.
- 6) Produce audit report and convey to the President Director and Board of Commissioners with copies to the Compliance Director, Risk Management Director, relevant Director, and Head of related Unit.
- 7) Monitor and analyze the adequacy of follow-up audit results including reporting to the President Director and Board of Commissioners through the Audit Committee in case the auditee does not follow up on the audit results.
- 8) Prepare a report to be submitted by the President Director and the Board of Commissioners to the Financial Services Authority.
- 9) Serves as a consultant to the Bank's internal functions such as by providing recommendations on proposed policies, systems and procedures to ensure adequate internal controls.
- 10) Maintain the professionalism of internal auditors with adequate knowledge, skills, experience, and certification programs through continuing education programs.

- 11) Establish a quality assurance program to evaluate and ensure the quality of internal audit operations.
- 12) Establish SKAI audit methodology development program for continuous efficient and effective performance improvement.

### SKAI ACTIVITIES IMPLEMENTATION REPORT 2017

During 2017, SKAI has completed 335 units eligible for auditing from a total of 334 audit assignment plans in 2017 due to an additional 1 special audit. All audit assignments have been completed and audit reports have been published.

### AUDIT PLAN AND IN FOCUS 2018

The following are SKAI focus areas for audit in 2018:

- Audit of operational and credit (Small Medium Enterprise (SME) and commercial segments on main branch offices which consist of 9 regional offices.
- Audit of high risk categorized audit objects, among others anti money laundering & assurance, treasury, corporation credit, wealth management, and system also Information Technology (IT) applications.
- Audit of compliance assessment on BI-RTGS, SKNBI, KPDHN, BI-SSSS dan BI\_ETP running processes, both for Conventional and Sharia, including system security assessment.
- Audit of Risk Management function.
- Audit of operational and service on 10 Sharia branch offices.
- Audit of Bank's subsidiaries which is PT Wahana Ottomitra Multiartha, Tbk. and PT Maybank Indonesia Finance.
- Audit of integrated good corporate governance, including review on integrated risk management and integrated capital management.

SKAI also conducts review on several IT application development projects which considered critical, also as observer in IT project vendor selection. Besides, SKAI also has role as observer in Business Continuity Plan (BCP) and Disaster Recovery (DR) testing processes. Periodically, SKAI also conduct review on risk profile and Bank financial reports.

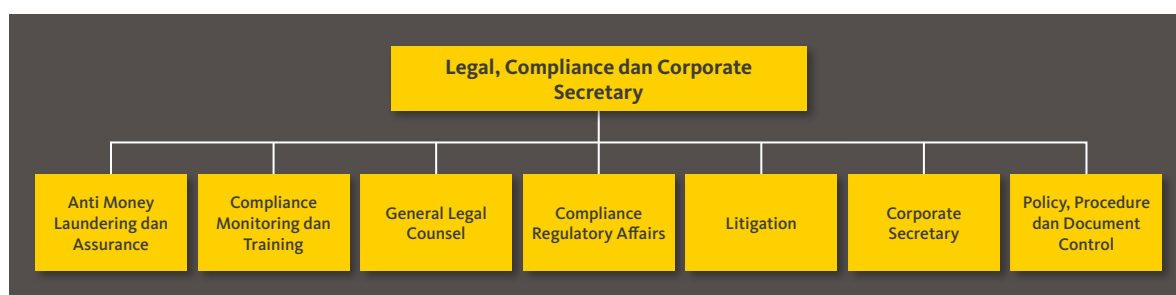
# Compliance Working Unit

## HEAD OF COMPLIANCE WORK PROFILE

Tenang Sitepu dan Reinard Y.S. Setiaji

His profile has been included in the discussion of the Executive Officer's Profile

## COMPLIANCE UNIT ORGANISATIONAL STRUCTURE



## POJK BASED COMPLIANCE PRINCIPLES

Pursuant the POJK No.46/POJK.03/2017 on the Implementation of the Compliance Function of Commercial Banks, Maybank Indonesia undertakes compliance risk management and ensures the compliance culture in the Bank's activities. This compliance risk management is important due to the ever increasing Bank's business complexity along with the rapid information technology development, globalisation and financial market integration. In addition, the compliance function is one of the indicators in the implementation of Good Corporate Governance (GCG) and is also one of important factors in the Bank's health assessment. The Bank is well committed to implement compliance risk management on an ongoing basis based on the following compliance principles:

starts from the top (Tone from the Top)

- b. Compliance is the responsibility of all parties
- c. Compliance is carried out to comply with the applicable laws and regulations
- d. Implementation of compliance to carried out with competence, integrity and responsibility
- e. stakeholders-oriented
- f. Dedication to the Bank, and
- g. Problem solving-oriented.

## FUNCTION OF COMPLIANCE

The Compliance Work Unit (SKK) is established separately, independent of the operational work unit and free from the influence of other work units, and has direct access to the Director in charge of the Compliance Function.

The Compliance Work Unit is established at the Bank's head office, but its coverage encompasses the entire branch office network and work units owned by the Bank.

The updated organisational structure of the Compliance Working Units is effective as of October 27, 2014, comprising the Compliance Regulatory Affairs (CRA) Work Unit and the Compliance Monitoring & Training (CMT) Work Unit. The two Work Units serve to realise the Compliance Culture at all levels of the organisation and Bank business activities and manage the Compliance Risk confronted by the Bank.

## DUTIES AND RESPONSIBILITIES

SKK serves to assist the Compliance Director in managing the compliance risks faced by the Bank effectively, actualising the Compliance Culture at all levels of the organisation and Bank business activities and monitoring the fulfillment of commitments made to the competent authorities. Broadly speaking, the tasks and responsibilities of SKK are as follows:

## Compliance Working Unit

### 1. Compliance Regulatory Affairs

Main Accountability	Main Activity	Output
<ul style="list-style-type: none"> <li>Establish measures that support the creation of a Compliance Culture in all Bank business activities at all levels of the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>Creation of a system, program, compliance framework, compliance chart, compliance code of conduct, or compliance policy.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance awareness of all employees and management of the Bank.</li> </ul>
<ul style="list-style-type: none"> <li>Identify, measure, monitor and control the Compliance Risk.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate governance self-assessment carried out by all work units.</li> </ul>	<ul style="list-style-type: none"> <li>Creation of good corporate governance.</li> </ul>
<ul style="list-style-type: none"> <li>Review and/or evaluate the adequacy and suitability of policies, regulations, systems and procedures held by Banks against BI and/or OJK regulations, prevailing laws and regulations and recommend updating and improving policies, rules, systems and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct socialisation and training on legislation legislation issued by BI and/or OJK or other authorised authorities to all relevant work units to improve employee compliance awareness and comprehension.</li> <li>Provide an opinion/advice to work units/branches on compliance problems faced.</li> </ul>	<ul style="list-style-type: none"> <li>Raise the understanding on applicable regulations.</li> <li>Policies and Procedures are in accordance with applicable laws and regulations including Shariah principles.</li> </ul>
<ul style="list-style-type: none"> <li>Acting as contact person for Bank compliance issues for internal or external parties and fulfilling commitments to BI and/or OJK.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously evaluate internal Bank procedures and policies to comply with applicable laws and regulations.</li> <li>Follow up any BI and OJK requests in providing information/data for bank supervision.</li> <li>Follow up any BI audit and/or OJK audit findings and resolve them in accordance with agreed commitments.</li> </ul>	<ul style="list-style-type: none"> <li>Fulfillment of commitments to follow-up audits and BI and/or OJK data requests.</li> </ul>

### 2. Compliance Monitoring dan Training

Main Accountability	Main Activity	Output
<ul style="list-style-type: none"> <li>Implement compliance methodologies and robust processes for monitoring and reporting risk and compliance issues.</li> </ul>	<ul style="list-style-type: none"> <li>Develop compliance review and compliance plans based on a risk-based approach as part of the annual Compliance Unit plan and business/support unit.</li> <li>Conduct annual compliance reviews and tests, where circumstances require compliance assessment and testing of the area.</li> <li>Conduct ad hoc compliance assessment and test (based on Compliance Director's approval).</li> </ul>	<ul style="list-style-type: none"> <li>Compliance awareness of all employees and bank management.</li> <li>Creation of good corporate governance.</li> </ul>
<ul style="list-style-type: none"> <li>Implement, conform and embed compliance principles and methodologies across all Bank business lines and monitor Bank compliance with applicable regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Implement compliance visit/review and provide necessary training to the work unit/branch to gain confidence that the implementation of the regulations has been well implemented.</li> <li>Compile, review and update the Compliance Plan Self Assessment (CPSA) to enable the work unit to detect potential compliance risks and should be acted upon promptly.</li> <li>Conduct follow-up monitoring of the findings of Regulator (BI and/or OJK and other authority)</li> </ul>	<ul style="list-style-type: none"> <li>Compliance Problems can be identified early to avoid the potential for greater risks.</li> <li>The CPSA results of the work unit/branch will be used as one of the criteria for compliance visit.</li> <li>Cooperation and coordination of follow-up findings with Regulators.</li> </ul>

## COMPLIANCE ACTIVITY IMPLEMENTATIONS 2017

Bank SKK throughout 2017 has implemented a number of activities to support and enhance Bankwide Compliance Culture at all levels of the organisation, including the following:

1. The CRA and CMT Work Unit establishes compliance strategies and programs to improve compliance awareness and further strengthen compliance culture through bankwide socialisation, training and monitoring.
2. Identify, measure, monitor and control the Compliance Risk through:
  - a. Compliance risk profile self-assessment for the purpose of establishing Bank's risk profile.
  - b. GCG implementation self-assessment either individually or consolidatively with the subsidiaries.
  - c. Monitor follow-up on compliance risks that occur for the compliance status report
3. Conduct ongoing communication with the Shariah Supervisory Board (DPS) in the implementation of the Bank's Shariah Business Unit compliance function.
4. Monitor the fulfillment of prudential banking ratios as part of the implementation of the regulatory compliance function.
5. Review the submission and reporting of new products and activities to obtain approval from regulators and to ensure that the new products and activities comply with regulatory regulations and cooperate with work units in monitoring the submission of new products and activities until their realisation.
6. Review and/or recommend updating and refining the Bank's policies, regulations, systems and procedures to comply with applicable regulatory requirements including Shariah principles, including:
  - a. To socialise changes in regulatory provisions as well as new regulatory provisions to relevant work units, including making a gap analysis of the current condition of the Bank.
  - b. Updating the Bank's internal provisions.
7. Carry out assessment and evaluation on the effectiveness, adequacy, and conformity of Bank policies/procedures and making efforts to ensure its policies, rules, systems, procedures and implementation in compliance with prevailing regulatory provisions, including through:
  - a. Compliance test on the Bank's internal policies/procedures as well as the Bank's business operations
  - b. Provide recommendations and opinions on the application of compliance to the Bank.

8. Deliver periodic reports on regulatory compliance functions to the regulators in accordance with applicable or ad hoc terms based on request.
9. Coordinate audit activities and supervision by the regulator against the Bank.
10. Adequately monitor Bank's commitment fulfillment to the regulator including the follow-up and settlement of the regulator's findings/results on the Bank.
11. Conduct ongoing coordination and communication with relevant working units and members of the Bank Finance Conglomeration in the case of implementation of integrated compliance functions and related reports.
12. Participate actively in Director of Banking Compliance Communication Forum (FKDKP).

No	Compliance Activities	2017
1	Compliance Review	298
2	Update and Enhancement of Internal Provisions	6
3	Uji Kepatuhan	12
4	Coordinate with related working units and members of the Bank Finance Conglomeration in order to carry out integrated compliance functions	

## 2017 COMPLIANCE INDICATORS

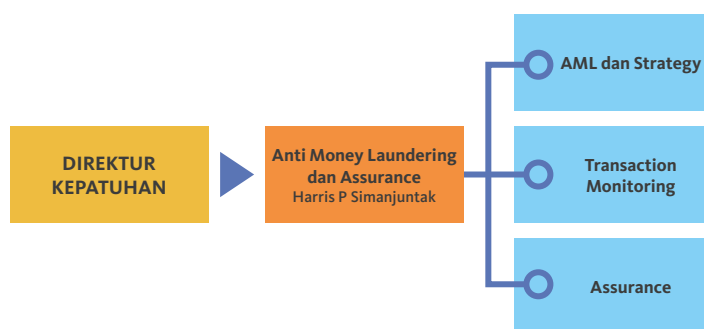
1. Capital Adequacy Ratio (CAR) ratio - credit risk, market and operational risk) is 17.88%, above the minimum requirement stipulated by the regulator.
2. There is no exceedance or violation of the provisions of the Legal Lending Limit (BMPK) during 2017.
3. Net Non Performing Loan (NPL) is 3%, fulfilled the Regulator's provision set at the maximum of 5% limit.
4. Minimum Reserve Requirement (GWM) fulfilling minimum 6.5% provisions.
5. Statutory Reserve Requirement (GWM) fulfilling the provisions of the minimum limit of 8%.
6. Net Open Position (on and off balance sheet) fulfilling the maximum limit of 20%.
7. Commitments made to external parties in general were well met.

# Anti Money Laundering and Terrorism Financing Prevention

## HEAD OF ANTI MONEY LAUNDERING AND TERRORISM FINANCING PREVENTION (APU AND PPT) PROFILE

Refer to the Profile of Executive Officer - Harris P Simanjuntak

## ORGANISATIONAL STRUCTURE OF ANTI MONEY LAUNDERING AND TERRORISM FINANCING PREVENTION (APU AND PPT) PROFILE



Pursuant to the Law on the Prevention and Eradication of Money Laundering Crime No.8 of 2010, Law on the Prevention and Eradication of Criminal Act of Terrorism Funding No.9 year 2013, POJK No.12/POJK.01/2017 on Implementation of Anti Money Laundering and Prevention of Terrorism Financing in the Financial Services Sector and SE OJK No.32/SEOJK.03/2017 on the Implementation of Anti Money Laundering and Terrorism Prevention in the Banking Sector as well as related regulations issued by regulators and the government, the Bank already has an Anti Money Laundering and Assurance Unit (AMLA) which runs APU and PPT programs on a bankwide basis.

## 5 (five) Implementation Anti Money Laundering (AML) and Prevention of Terrorism Financing (PTF) Programs

<b>ACTIVE MONITORING BY BOD AND BOC</b>	BOD and BOC conduct active monitoring based on routine reports related to Implementation of AML and PTF as delivered, including granting approval related to AML and PTF policies and procedures.
<b>POLICIES AND PROCEDURES</b>	Bank conducts update on related Policies and Procedures to be in accordance with the latest regulations.
<b>INTERNAL CONTROL</b>	Monitoring of independent party periodically by Internal Audit and External Audit to verify the effectiveness of AML and PTF programs executions to be in accordance with applicable regulations.
<b>MANAGEMENT INFORMATION SYSTEM</b>	Enhancement of information system to monitor, identify, analyze and provide reports with risk-based characteristic transactions conducted by customers to support monitoring of customer's profile and transaction to be running effectively.
<b>HUMAN RESOURCES AND TRAININGS</b>	Training programs for all employess in AMLA and PTF areas to develop human resources with sufficient skill and knowledge level in performing their duties.

APU and PPT Bank programs based on 5 (five) pillars to include the following:

1. To implement the active role and function of monitoring of the Board of Directors and Board of Commissioners, AMLA's Work Unit initiates the following:
  - a. Regular discussion on the application of the APU and PPT Program provisions in several forums such as board of directors meeting, board of commissioner meeting, Risk Management Committee and Risk Monitoring Committee.
  - b. Propose the amendment and development of APU and PPT Policy to the Board of Directors and Board of Commissioners in accordance with applicable regulations and best practices.
  - c. Provide reports on the application of APU and PPT Branch and Head Office Assessment to the Compliance Director in order to ensure that the Bank's regulation has been implemented in accordance with prevailing regulations.
  - d. Propose system development initiatives to support the implementation of APU and PPT Programs to Directors.
  - e. Propose parameters/thresholds updating and monitoring scenarios in the AML system to the Compliance Director to ensure compliance with money laundering and terrorism financing modes.
  - f. Submit a draft of Suspicious Transaction Report approval to the Compliance Director before being sent to PPATK, including request approval of instruction letter from Law Enforcement Official and PPATK in the framework of APU and PPT Program implementation.
2. Develop policies and procedures on an ongoing basis in accordance with current regulation of OJK Regulator and Center for Financial Transaction Reporting and Analysis/ PPATK and best practice, among others:
  - a. Issue several internal provisions supporting APU and PPT Program implementation.
  - b. Review and provide policy recommendations and other work unit procedures so that it is in line with the implementation of APU and PPT Program Policies.
  - c. Provide recommendations and suggestions as follow up on group discussions or questions from branch offices/work units, both on the application of APU and PPT procedures as well as the handling of cases of money laundering and terrorism financing.
3. Carry out monitoring and evaluation on the implementation of APU and PPT policies, through the following measures:
  - a. Domestic
    - Branches and Work Units
      - Assess branches and other work units at the Head Office.
      - Continue the AML Rating program as one of the monitoring methods of policy implementation of APU and PPT Program by the branch, including monitoring of customer acceptance procedures, monitoring of transactions, updating of customer data and employee training obligations.
      - Coordinate with business branches and business units that become auditees to prepare aspects of the audit index and determine follow up plans for audit findings related to APU and PPT Programs.
    - Supervise and monitor the implementation of APU and PPT Program activities in conglomeration groups.
  - b. Overseas
    - Monitor APU and PPT implementation in monthly routine reports provided by overseas branches.
4. Monitor customers for unreasonable transactions by methods including:
  - a. Monitor centralised transactions AMLA Work Unit through Anti Money Laundering (AML) application automation system.
  - b. Implementing APU and PPT Programs related to Correspondent Banking activities as follows:
    - Update of Correspondent Bank data,
    - Responding to requests for filling in an AML questionnaire by the Correspondent Bank
    - Respond to clarification requests by correspondent Bank regarding customer funds transfer activities.

## Anti Money Laundering and Terrorism Financing Prevention

5. Conduct initiation and assessment of system development and management of data/information supporting APU and PPT programs such as:
  - Development of Application system, such as on screening feature Safewatch Inward Screening Application, MIS Application on Single screen GCIF monitoring, DCIF Application on Blacklist menu feature, DBDS Application on physical cash identification feature and AML system.
  - Maintain a database of APU and PPT Programs, between the PEP database, the OFAC list, the UN Terrorist list, the Alleged Terrorist List and the Terrorist Organisation (DTTOT), the Proliferation List, and other APU and PPT Program lists.
6. Prepare compulsory Bank report to PPATK. During 2017, the Bank made several reportings to PPATK as follows:
7. Follow up correspondence with PPATK and other law enforcement institutions such as the Corruption Eradication Commission, National Police and Narcotics Agency (BNN).
8. Organise campaign/dissemination of information or trainings on APU and PPT through the following methods:
  - a. Training/dissemination of information through face to face discussion or conference call,
    - Focus Group Discussion (FGD) to several branches and work units
    - Regular class Program APU and PPT organised by HC Work Unit for frontliner.
  - b. Modul E-learning.
  - c. Pointers awareness of general application of APU and PPT Program.
9. Continuously provides debriefing to AMLA employees to attend trainings and certifications both internally and externally. By 2017, 7,139 employees have attended the mandatory APU and PPT training modules with graduation rate of 99.46%.

Type of Reports	Number of Reports
Suspicious financial transaction report (LTKM/STR)	1,026
Certain amount of cash transaction deals (LIntegrated Governance/CTR)	36,125
Report on transfers of funds transfer from/to overseas	288,307
Customer data through SIPESAT application	4

# External Audit

The Company appoints an Independent Public Accountant pursuant to OJK provisions. Through the GMS, the Audit Committee proposes the appointment of a public accountant and fee determination. More information can be found in the GMS section of this Annual Report.

## NAME OF PUBLIC ACCOUNTANT

Name of Public Accountant: Yasir

## NAME OF PUBLIC ACCOUNTING FIRM (KAP)

KAP Purwantono, Sungkoro & Surja

## SUPERVISION ON THE EXTERNAL AUDITOR

For 2016, the Public Accounting Firm that audited the Bank's consolidated financial statements was KAP Purwantono, Sungkoro & Surja, affiliated with Ernst & Young Global. The appointment of KAP Purwantono, Sungkoro & Surja through a process that is in accordance with the prevailing provisions. The appointment has been reviewed and supervised by the Audit Committee, including in determining the audit fee on the basis of fairness. The supervision by the Audit Committee was conducted through regular meetings with the KAP to discuss findings and development during the audit, assisting

and ensuring that there are no obstacles in the audit implementation as well as evaluating the quality of the audit process, and ensuring that the audit process has complied with the prevailing provisions and standards.

## PERIODS THE ACCOUNTANT AND PUBLIC ACCOUNTING FIRM (KAP) HAVE AUDITED THE COMPANY'S FINANCIAL STATEMENTS

Pursuant to SEBI NO.3/32/DPNP on Relationships between Bank, Public Accountants, and Bank Indonesia, appointment of the same KAP can only be done for 5 (five) consecutive fiscal years unless meeting certain conditions and with the approval of authorised authorities. In 2016, KAP Purwantono, Sungkoro & Surja, which is affiliated with Ernst & Young Global is the KAP conducting the Bank's audit for the third period.

In order to keep independency during general audit in 2017, the Public Accountant acting as Partner in Charge has signed Independency Statement Letter o.0507/PSS-AS/2017 dated on 23 August 2017 stated as independent as defined in ojk regulation no.13/pojk.03/2017 and audit standard 260 defined by iapi.

The following is information on KAP conducting the audit on the Bank for the last 5 (five) years:

Audit Year	KAP	Person in Charge
2017	KAP Purwantono, Sungkoro & Surja	Yasir
2016	KAP Purwantono, Sungkoro & Surja	Danil Setiadi Handaja, CPA
2015	KAP Purwantono, Sungkoro & Surja	Danil Setiadi Handaja, CPA
2014	KAP Purwantono, Suherman & Surja	Benyanto Suherman
2013	KAP Purwantono, Suherman & Surja	Benyanto Suherman

## 2017 AUDIT FEE

The General Audit Fee of the Financial Statements for the year ended 31 December 2017 was Rp3,377,745,000.

## OTHER SERVICES BY THE KAP IN ADDITION TO AUDIT SERVICES

Other services provided by KAP Purwantono, Sungkoro & Surja, affiliated with EY Global was Review of Financial Statements for the period ended 30 June 2017 with the service fee of Rp1,029,000,000. In addition, there were other services provided by KAP Purwantono, Sungkoro & Surja, namely the issuance of Comfort Letter and the preparation of prospectus on the issuance of shelf bond and shelf sukuk mudharabah with a fee of Rp835,000,000.



# Risk Management

## RISK MANAGEMENT SYSTEM IMPLEMENTED BY BANK

The Bank has implemented risk management consisting of 5 (five) main stages that constitute a sustainable cycle as follows:



The 5 main stages have been implemented by the Bank as described below:

- Sufficient organisational structure of Bank organisation: Audit Committee, Risk Monitoring Committee, Nomination and Remuneration Committee, Integrated Governance Committee, Risk Management Committee, Assets & Liabilities Management Committee, Internal Audit Committee, Information Technology Steering Committee, Integrated Risk Management Committee, Internal Audit Work Unit, Compliance Work Unit, Risk Management Work Unit and Integrated Risk Management Unit.

In addition, the implementation of Integrated Governance is also sustained by the integrated work units performance such as the Integrated Compliance Unit and the Internal Audit Work Unit. The Bank's own organisational structure is constantly updated to keep up with the needs of organisations and businesses.

- Implementation of the principle of three lines of defense and four-eye principle as part of the Bank's commitment to systematically identify, control, monitor and mitigate risks sustainably.
- Risk Management infrastructure and governance in accordance with the complexity of business activities, risk profiles, risk levels to be taken, as well as regulations set by the Regulator.
- Develop a comprehensive Business Continuity Management (BCM) that serves as a guide for the Company to continue operating in the event of an emergency.
- Raise awareness of Risk Management through risk awareness campaigns, posters and other internal publication media, as well as training conducted at head office, branch office and Subsidiaries.

## RISK MANAGEMENT

In managing such risks as well as other potential risks, the Bank shall exercise appropriate control and mitigation of those risks identified and measured.

### Risk Control

Compliance and effectiveness of controls shall be established to regulate risk exposure and ensure alignment with predetermined risk appetite.

Qualitative and quantitative risk controls include risk limits and triggers/thresholds set to monitor and manage identified risk exposures.

Risk control also provides the means to manage risk identification, initiate discussions, take appropriate precautions and consider actions that need to be carried out in accordance with policies and procedures. Caution should be exercised to the conformity of approval, follow-up plan, and exposure review to ensure the effectiveness of risk management. The controls executed by the Bank will be reviewed periodically to ensure the effective control over the risk appetite and risk limits of the Bank.

### Risk Mitigation

Risk mitigation techniques aim to minimise the impact of existing risks or avoid the occurrence of new risks (emerging risks). The techniques include the establishment of specific hedging, funding strategies, and insurance. In addition, the Bank also implemented Disaster Recovery Plan and Business Continuity Plan (BCP) as part of Business Continuity Management. The BCP is developed and implemented to help strengthen the Bank's resilience against risks that may possess a significant impact on the Bank's business continuity, including plans to ensure the sustainability of critical business functions over a period of time during the recovery. Recovery Plan provides a complete recovery options along with expected analysis that can be considered to ensure the sustainability of the Bank's business and operations in the most extreme financial/financial stress conditions.

### RISKS CONFRONTED BY THE BANK

Currently, the risks faced by the Bank are categorised based on several grounds:

- a. POJK No.18/POJK.03/2016 concerning Application of Risk Management for Commercial Banks:
  1. Credit Risk
  2. Market Risk
  3. Liquidity Risk
  4. Operational Risk
  5. Compliance Risk
  6. Legal Risk
  7. Reputation Risk
  8. Strategic Risk

There are 2 (two) additional risks related to the Shariah Bank Business Unit according to POJK No.8/POJK.03/2014 namely:

1. Profit Sharing Risk
2. Investment Risk

- b. POJK No.17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomeration

There are 2 (two) types of additional risks related to the implementation of integrated risk management for the Bank Finance Conglomeration under these provisions:

11. Risk of Intra-Group Transactions
12. Insurance Risk

In addition to the risks mapped out under these regulatory regulations, due to the technological developments and various factors including business competition, market growth, and increased demands from regulators, the Bank also faces other risks such as data risk and information technology risks and non-financial risks such as money laundering and outsourcing.

Therefore, to identify and measure these risks, the Bank should consider a forward-looking approach. This is to ensure adequate measures to minimise risks exposure of faced by the Bank.

### REVIEW RESULTS/EVALUATION TO THE EFFECTIVENESS OF RISK MANAGEMENT SYSTEM IN 2017

There are several achievements in Risk Management during 2017 as follows:

1. Preparation of Directorate Capability Statement (DCS) and initiatives from Risk Management for Maybank 2020
2. Renewal of the Credit Review Management Unit by establishing a separate Credit Evaluation function for the Global Banking and Community Financial Service segments.
3. Organised Industry Capacity Building Workshop for construction industry, hospital, and sharing session for infrastructure industry
4. Implementation of the Financial Covenant Monitoring System
5. Simplified RSME segment using Behavior Scorecard for credit extension process
6. Expected Shortfall measurement automation
7. Completion of collectability flagging sync project in Commercial Loan System (CLS) and Kondor Plus.
8. Implementation of OPS-EYE (Operation Early Alert Tool) to detect anomalies in data in Core Banking system.
9. Established 4 (four) Non Retail Scorecards: Project Finance, BPR, Stock Broking and Fund Manager.
10. Implementation of Group Stress Test #22 under the scenario "Global Economic Turmoil"

# Internal Control System

The Bank implements an internal control system to ensure compliance with applicable laws and regulations including the Bank's internal provisions, the availability of complete and accurate, timely and timely financial and management information, effectiveness and efficiency in operational activities, and the effectiveness of the risk culture on Bank's organisation as a whole. Internal control system is established so that the Bank operational activities can operate in a healthy, safe and controlled. The implementation of the Bank's reliable and effective internal control system is the responsibility of the Bank's management. In addition, the Bank's management is also obliged to enhance the effective risk culture of the Bank's organisation and ensure it is embedded at every level of the organisation. Maybank Indonesia has implemented internal control functions in its operational activities including through task separation, dual control, reconciliation as well as standard work procedures and implementation guidelines.

## THE BASIS OF STIPULATION

The Bank implements the internal control system stipulated in accordance with the applicable regulations, among others, as follows:

1. Regulation of the Financial Services Authority (POJK) No. 18/POJK.03/2016 dated March 16, 2016 concerning Application of Risk Management for Commercial Banks.
2. Circular Letter of the Financial Services Authority (SEOJK) No. 34/SEOJK.03/2016 dated September 1, 2016 concerning Application of Risk Management for Commercial Banks.
3. Circular Letter of Bank Indonesia (SEBI) No 5/22/DPNP dated September 29, 2003 regarding Guidelines on Standards of Internal Control System for Commercial Banks.

## APPLICATION OF INTERNAL CONTROL SYSTEM AND COMPLIANCE WITH COSO - INTERNAL CONTROL FRAMEWORK

The Bank implements an internal control system consisting of two important aspects: operational control and financial control. Internal control over the Bank's operational and Financial Reporting is conducted with reference to the international COSO-Internal Control Integrated Framework. COSO - Internal Control Framework, covering 5 (five) controlling components:

Component COSO	Prinsip-Prinsip COSO
Control Environment	<ol style="list-style-type: none"> <li>1. Demonstrate Commitment to Value of Integrity and Ethics.</li> <li>2. Responsibility for Supervision.</li> <li>3. Establish Structure, Authority, and Responsibility</li> <li>4. Commitment to Competence.</li> <li>5. Uphold Accountability.</li> </ol>
Risk Assessment	<ol style="list-style-type: none"> <li>6. Determine Matched Objectives.</li> <li>7. Identify and analyze risks.</li> <li>8. Assess the Risk of Fraud.</li> <li>9. Identify and Analyze Significant Change.</li> </ol>
Control Activities	<ol style="list-style-type: none"> <li>10. Choosing and Developing Control Activities.</li> <li>11. Choosing and Developing General Controls on Technology</li> <li>12. Disseminate through Policies and Procedures.</li> </ol>
Information and Communication	<ol style="list-style-type: none"> <li>13. Use Relevant Information.</li> <li>14. Communicate internally.</li> <li>15. Communicate externally.</li> </ol>
Monitoring	<ol style="list-style-type: none"> <li>16. Conducting ongoing and/or Separate Evaluations.</li> <li>17. Evaluating and Communicating Disadvantages.</li> </ol>

The main elements in the application of internal control systems in the Bank environment adapted to the COSO framework cover the following aspects:

**a. Supervision by Management and Control Culture**

Internal control system is operated effectively and efficiently, there are no exceptions in the implementation of supervisory procedures and always maintain an environment that supports internal control efforts. Overall quality of internal control system has been running well. Issues arising from the weakness of internal control are reported to the Board of Directors and followed up consistently to minimise risks in accordance with applicable regulations. The Board of Commissioners, through established committees conducts an assessment of the control environment and conducts independent assessments communicated to the Board of Directors for follow-up.

**b. Identification, Assessment and Risk Management**

Risk assessment is a series of actions undertaken by the Board of Directors in the context of identifying, analyzing and assessing the risks faced by the Bank to achieve its business objectives. Risks that may affect the achievement of the Bank's objectives are identified, assessed, monitored and controlled on an ongoing basis. In its application there are already available procedures for anticipating, identifying and responding to events and constraints that may affect achievement of targets. The Board of Commissioners and the Board of Directors, through the Risk Oversight Committee and the Risk Management Committee, ensure that risk management is well implemented.

**c. Activity Control and Separation of Functions**

The control activities involve all Bank employees, including the Board of Directors. Control activities are planned and implemented to control the risks identified. Control activities include the establishment of control policies and procedures and an earlier verification process to ensure that policies and procedures are consistently adhered to, and are inseparable from, every everyday function or activity of the Bank.

Risk control activities and procedures are implemented by support units established by the Bank such as the Risk Management Committee and the Audit Committee. The Compliance Work Unit is responsible for socialising the prevailing banking regulations, conducting compliance tests on new internal policies and reviewing new product/ activity proposals, implementing Anti Money Laundering (APU) programs, Terrorism Financing Prevention (PPT) and monitoring compliance implementation through Compliance Plan Self Assessment.

The relevant Work Unit undertakes periodic review of data for the existence and effectiveness of controls, adequate assignment of tasks, and routine verification of accuracy. The relevant work unit activities, tasks and responsibilities are described elsewhere in this GCG report.

**d. Accounting, Information, and Communications Systems**

Adequate accounting, information and communication systems are in place to identify problems that may arise and be used as a means of exchanging information in the context of the execution of tasks in accordance with their respective responsibilities. Data collection and information technology procedures are available that may generate reports on business activities, financial conditions, implementation of risk management and compliance with provisions that support the fulfillment of the duties of the Board of Directors and Board of Commissioners. The Board of Directors identifies the Company's critical information, summarises, and communicates it in the appropriate form and time so that employees can perform their obligations and outside parties concerned may know the condition of the Bank.

## Internal Control System

### e. Monitoring Activities and Corrective Action Measures

The Board of Directors, the relevant Working Units, and Internal Audit conduct ongoing monitoring of the overall effectiveness of the implementation of internal control. Major risk monitoring has been prioritised and a part of daily activities, including periodic evaluations. Internal Audit is supported by resources with sufficient competence and amount to evaluate the overall internal control system over the strategy, operational activities and methods of processing financial information. Internal Audit always delivers audit findings to the Audit Committee and the Board of Directors in order that the existing weaknesses or weaknesses can be corrected immediately. The Board of Directors and Officers of the Bank are committed and have followed up the results of the monitoring that has been conducted as well as the recommendations of internal audit.

### STATEMENT OF ADEQUATE INTERNAL CONTROL SYSTEMS

The commitment to implement an overall internal control system in every business activity is realised by ensuring that the Bank's control system is adequately implemented. The Board of Directors is responsible for implementing a good internal control system to achieve the Bank's objectives. Internal control system is a process run by the Board of Directors and all Bank Officials, Committees under the Board of Directors, SKAI, all employees, and external parties.

The Board of Commissioners, assisted by the Audit Committee, is responsible for supervision in order to ensure the implementation of internal controls in general, including the policies of the Board of Directors establishing such internal controls.

### REVIEW OF IMPLEMENTATION OF INTERNAL CONTROL SYSTEM RESULTS 2017

Along with the Internal Control System Standard for Conventional Banks as stipulated by Bank Indonesia through SE BI No.5/22/DPNP dated on 29 September 2003, SKAI has enhanced audit result assessment by evaluating the adequacy and internal control design effectiveness and implementation for the Bank with approach of internal control framework defined by Committee of Sponsoring Organizations of Treadway (COSO). COSO has established a general definition for control standards and intern criteria which can be used by the entity to assess a control system.

In 2017, Maybank Indonesia has operated an internal control system in accordance with the principles of control and internal control system quality has been running well. Problems related to the adequacy of internal control have been reported to the Board of Directors and follow-up measures have been taken to minimise risks. Reports were also submitted to the Board of Commissioners through the Committees at the Board of Commissioners level.

# Legal/ Litigation Issues 2017

In 2017, Maybank Indonesia faced legal and litigation issues both civil and criminal at all levels of the court. Maybank analyzed legal risks faced, legal analysis was based on various parameters, monthly legal risk evaluation results as part of legal risk management as part of risk management.

## Bank as Defendant

Legal Matters	Total	
	Civil	Criminal
Resolved (have received legally binding decisions)	28	-
In settlement process	81	4
<b>Total</b>	<b>109</b>	<b>4</b>

### Notes

- for civil cases :
  - There were 19 new cases until December 2017
  - There were 19 new cases until December 2017
- for criminal cases:
  - There were 12 new cases until December 2017
  - 6 cases were still ongoing in 2017

## Bank as Plaintiff/Claimant/Complainant

No	Legal Matters	Total	
		Civil	Criminal
1	Claims related to the mortgage loans		
	Resolved (have received legally binding decisions)	-	-
	In settlement process	-	1
	<b>Total</b>	<b>-</b>	<b>1</b>
2	Claims related to other loans		
	Resolved (have received legally binding decisions)	1	-
	In settlement process	17	7
	<b>Total</b>	<b>18</b>	<b>7</b>
3	Insolvency and Suspension of Debt Payment Obligations (PKPU)		
	Resolved (have received legally binding decisions)	-	-
	In settlement process	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
4	Other claims		
	Resolved (have received legally binding decisions)	2	-
	In settlement process	2	19
	<b>Total</b>	<b>4</b>	<b>19</b>

## Legal/Litigation Issues 2017

### PT Maybank Indonesia Finance

#### A. Subsidiary as Defendant

Legal Matters	Total	
	Civil	Criminal
Resolved (have received legally binding decisions)	13	6
In settlement process	6	6
<b>Total</b>	<b>19</b>	<b>12</b>

Notes

- for civil cases :
  - There were 19 new cases until December 2017
  - There were 19 new cases until December 2017
- for criminal cases:
  - There were 12 new cases until December 2017
  - 6 cases were still ongoing in 2017

#### B. Subsidiary as Plaintiff/Claimant/Complainant

Legal Matters	Total	
	Civil	Criminal
Resolved (have received legally binding decisions)	3	3
In settlement process	2	2
<b>Total</b>	<b>5</b>	<b>5</b>

### PT WOM, Tbk.

#### A. WOM Finance as Defendant

Legal Matters	Total	
	Civil	Criminal
Resolved (have received legally binding decisions)	4	0
In settlement process	6	0
<b>Total</b>	<b>10</b>	<b>0</b>

Notes :

- For Civil/IRC Case :
- 3 cases in 2016 and completed in 2017
  - 1 case in 2017 and completed in 2017
  - 6 cases in 2017 are still in process.

#### B. WOM as Plaintiff/Claimant/Complainant

Legal Matters	Total	
	Civil	Criminal
Resolved (have received legally binding decisions)	0	21
In settlement process	0	3
<b>Total</b>	<b>0</b>	<b>24</b>

Notes :

- For Criminal Cases:
- 7 cases in 2016 and completed in 2017
  - 14 cases in 2017 and completed in 2017
  - 3 cases in 2017 are still in process.

For criminal cases, cases handled by the Bank were due to:

- Reports from customers or third parties due to allegations of banking crime.
- Reports from customers or third parties due to alleged falsification of letters or false information, and inclusion of customer names in the reporting of Debtor Information System at Bank Indonesia.

## LEGAL ISSUES/LITIGATION 2017

Information on details of legal/litigation issues in 2017 with a value of more than Rp10 billion as follows:

No	Important Cases Facing the Company/ subsidiary/ member of the BoD/members of the BoC in office (period 2017); Case Value > Rp 10 Billion	Parties Involved		Case Principal/ Claim	Settlement Status	Impact to the Company	Risks faced by the Company	The nominal value of the claim/suit
		Plaintiff	Defendant					
1	Petition for Arbitration filed by PT Prudential Life Assurance (PLA) to BANI	PT Prudential Life Assurance (PLA)	Maybank	The Applicant (Prudential) objected to the actions of the Respondent (Maybank) which terminated the Bancassurance Agreement (SAA) prior to the expiration of the SAA.	BANI has issued Decision No.823/III/ARB-BANI/2016 dated. May 26, 2017 which in essence states Maybank has unilaterally terminated the Cooperation Agreement and demanded Maybank to pay compensation to Prudential amounting to Rp351.513.640.000.-  Maybank has fully reserved (100%) of the compensation fee in accordance with BANI Decision. Currently still awaiting the determination of execution from the Central Jakarta District Court to carry out BANI's Decision.  All Parties attempt to reconcile the issue with mediation assistance by related regulator.	Significant	Financial Loss	Demand Value : Pay the indemnity of Rp660,119,000,000.-  Note : The value of the penalty granted was Rp351,513,640,000.-



## Legal/Litigation Issues 2017

No	Important Cases Facing the Company/ subsidiary/ member of the BoD/members of the BoC in office (period 2017); Case Value > Rp 10 Billion	Parties Involved		Case Principal/ Claim	Settlement Status	Impact to the Company	Risks faced by the Company	The nominal value of the claim/suit
		Plaintiff	Defendant					
2	Claim Against Lawsuit filed by PT Swakarya Adisejahtera et al	<ul style="list-style-type: none"> <li>- Swakarya Adisejahtera PT (P1)</li> <li>- PT Swakarya Permai Jaya (P2)</li> <li>- PT Bumi Upaya Griya (P3)</li> <li>- PT Suryacipta Bumipermai (P4)</li> <li>- PT Swadaya Prada Pratama (P5)</li> </ul>	<ul style="list-style-type: none"> <li>Maybank (T1)</li> <li>- Bank CIMB Niaga (T2)</li> <li>- PT Karabha Digdaya (T3)</li> <li>- Kemenkeu (T4)</li> <li>- Edino Girsang, SH (TT1)</li> <li>- Marjan Pane, SH (TT2)</li> </ul>	<p>The Plaintiffs (the Debtor Shareholder) filed the lawsuit by reason of having the option to repurchase its shares within 6 months of the acceptance of the peace plan, nevertheless the request for the exercise of the option right was never implemented, since Maybank has transferred the assets of non-performing loans, including PT Karabha to IBRA (now MoF) in accordance with Ministry of Finance Decree, BI Governor, and Chairman of IBRA.</p>	<p>The Plaintiffs once filed the same suit and the previous lawsuit was won by Maybank, so the legal position of Maybank in this lawsuit is strong enough (ne bis in idem).</p> <p>Currently still a trial process in the Depok District Court (agenda of Proof).</p>	Significant	Financial Loss	<p>Demand Value: (Material) T I s.d T IV (including Maybank) is liable to pay damages of Rp 2,100,000,000,000.- (or Rp525.000.000.000.- each)</p> <p>(Immateril) T I s.d T IV (including Maybank) is liable to pay damages of Rp2,200,000,000,000.- (or Rp 550,000,000,000.- each)</p>
3	Lawsuit for unlawful act filed by Nugroho Samudra Sujatmiko etc.	<ul style="list-style-type: none"> <li>- Nugroho Samudra Sujatmiko (P1)</li> <li>- Starry Kusuma Sujatmiko (P2)</li> <li>- Yuliana Ko (P3)</li> <li>- Sri Kusuma Sujatmiko (P4)</li> </ul>	<ul style="list-style-type: none"> <li>- Maybank (T1 and T2)</li> </ul>	<p>Nugroho Samudra Sujatmiko, Cs (The Plaintiff/ heirs of Maybank Customers) based on the depositor's evidence dated July 29, 1989 filed a lawsuit to Maybank because Maybank was unwilling to withdraw Ajie Samudra Sujatmiko (Late) deposits and demanded compensation of Rp 100,000,000, - and interest of Rp 31,916,322,689, -</p>	<p>Verdict of Surabaya District Court: Refused the compensation request.</p> <p>Surabaya High Court Decision: Punish Maybank to pay compensation Rp 100,000,000, - and interest according to bank interest since July 29, 1989.</p> <p>Verdict Has a permanent legal force because the Declaration of Decision of PT Surabaya dated May 23, 2016 submitted by the Central Jakarta District Court (delegate) to the local urban village office by reason of lawyer's office Maybank closed.</p> <p>*) Currently looking for/considering/ obtaining new evidence to file an SR legal remedy.</p>	Not significant	*) Note: The High Court did not grant the appropriate interest demands. Interest granted in accordance with the provisions of the bank.	<p>Demand Value: Refund deposit Rp100,000,000, -</p> <p>Interest of 2% per month calculated from July 29, 1989 up to the date of the lawsuit is terminated and the permanent legal force (or with the calculation from 29 July 1989 to 29 October 2013 amounting to Rp 31,916,322,689, -</p> <p>Note: The High Court did not grant the appropriate interest demands. Interest granted in accordance with the bank's policy.</p>

No	Important Cases Facing the Company/ subsidiary/ member of the BoD/members of the BoC in office (period 2017); Case Value > Rp 10 Billion	Parties Involved		Case Principal/ Claim	Settlement Status	Impact to the Company	Risks faced by the Company	The nominal value of the claim/suit
		Plaintiff	Defendant					
4	Lawsuit for unlawful act filed by Tan Jeanny Saputra	Tan Jeanny Saputra and Wishing Krisnahadi	<ul style="list-style-type: none"> <li>- Maybank (T1)</li> <li>- Jesya Marriane dan Hidayat (Karyawan Maybank) (T2)</li> <li>- BI Bandung (T3)</li> <li>- M. Asad Haji Muhammad (TT1)</li> <li>- KPKNL Bandung (TT2)</li> <li>- BPN Kota Bandung (TT3)</li> <li>- BPN Kab. Bandung (TT4)</li> </ul>	Plaintiff suffered losses because Maybank lowered collectibility 2 (DPK) so that Plaintiff can not obtain credit facility from CIMB Niaga.	<p>The Bandung District Court has declared an unacceptable lawsuit (NO).</p> <p>Until the specified time limit and checking in The Bandung District Court, The plaintiffs did not appeal.</p> <p>Note: Case Closed</p>	Not Significant		<p>Demand Value: (Material): Rp30,000,000,000.-</p> <p>Note: The demand was not granted by the Court</p>
5	Lawsuit for unlawful act filed by PT Integra Lestari (in bankruptcy)	Integra Lestasi PT (in bankruptcy)	<ul style="list-style-type: none"> <li>- Swandi, SH, Mardiansyah, SH, dan Sumarso, SH, MH, pada Mardiansyah dan Associates Law Office (T1)</li> <li>- Bank BNI (T2)</li> <li>- Maybank (T3)</li> <li>- Bank Niaga (T4)</li> <li>- KPKNL Sidoarjo (TT1)</li> <li>- BPN Mojokerto (TT2)</li> </ul>	PT Integra Lestari (In Bankruptcy)/Debtor filed a lawsuit by reason of objection to the selling value of the auction of execution by the Curator which value is below the peace offer ever submitted by the Debtor in the PKPU process	<p>The Surabaya District Court declared that The Surabaya District Court has no authority to prosecute this case.</p> <p>On the October 10, 2017, Agreement Deed no. 8 established by and before Dewi Ramasari, S.H, notarial in Tangerang subdistrict, between collateral owner (as debt guarantor of PT Integra Lestari) and creditor bank Club Deal (Maybank, CIMB Niaga, BNI).</p> <p>With the signed of the Peace Agreement, the 5 (five) claims against PT Integra Lestari was declared closed.</p> <p>Case Status: Closed</p>	Not Significant		<p>Demand Value: (Material): Sentencing Defendants I to IV (including Maybank) to pay compensation: Rp25,00,0000,0000.-</p> <p>(Immaterialil): Sentencing Defendant I to IV (including Maybank) to pay compensation: Rp100,000,000,000</p> <p>Note: The value of the claim is not met in the Peace Agreement</p>

## Legal/Litigation Issues 2017

No	Important Cases Facing the Company/ subsidiary/ member of the BoD/members of the BoC in office (period 2017); Case Value > Rp 10 Billion	Parties Involved		Case Principal/ Claim	Settlement Status	Impact to the Company	Risks faced by the Company	The nominal value of the claim/suit
		Plaintiff	Defendant					
6	Lawsuit Against Unlawful Act filed by PT Perindustrian Karung Nasional (PT Karuna);	PT Perindustrian Karung Nasional (PT Karuna)	- Maybank (T1) - KPKNL Bekasi (T2) - BPN Kab, Bekasi (TT)	The Plaintiff considered the Maybank's action to carry out the execution of the factory collateral through KPKNL Bekasi without the SKPT (Certificate of Land Registration) as an unlawful act	Currently still in court process in The Bekasi District Court.	Not Significant		Demand Value: (Material): Maybank and T II liabilities Rp13,100,000,000.-  (Immaterial): Maybank and T II are willing to pay Rp1,000,000,000.-
7	Lawsuit Against Unlawful Act filed by Budiyono cs (Representative of Karuna Independent Trade Unions)	Budiyono cs as Representative of Karuna Independent Trade Unions	- PT Karuna (T1) - Maybank (T2) - KPKNL Bekasi (T3)	The Plaintiff objected to the execution made by Maybank because it would have an adverse impact on the Plaintiff as employee of PT Karuna.	The Bekasi District Court has declared the Plaintiff's Lawsuit unacceptable (NO).  Until the specified time limit, the Plaintiffs have not filed an appeal.  Case Status: Closed	Not Significant		Demand Value: T 1, Maybank, and T 3 together pay Rp 11,073,163,999 jointly  Note: Claims are not granted by the Court
8	Lawsuit Against Unlawful Act filed by Agus Hariyanto	Agus Hariyanto	- Maybank (T) - KPKNL Jakarta I (TT 1) - PT Balai Lelang Cahaya Sakti (TT 2) - Amina (TT 3) - Kantor Pertanahan Jakarta Utara (TT 4)	Maybank was deemed to have committed an unlawful act because it had auctioned the collateral at a low price of Rp7,663,000,000.- and without notifying the Plaintiff.	North Jakarta District Court has dismissed the Plaintiff's claim in its entirety.  Awaiting Appeal of Plaintiff's legal action.	Not Significant		Demand Value: (Material): Maybank together with TT I s.d TT 3 paid compensation Rp13,000,000,000.-  (Immaterial): Maybank together with TT I s.d TT 3 paid compensation Rp2,000,000,000.-  Note: Claims was not granted by the District Court
9	Lawsuit Against Unlawful Act filed by Suwardi, SE	Suwardi, SE	- Maybank (T1) - Linda (T2)	Plaintiff (Maybank branch Medan debtor) filed a lawsuit over the debit done on his account considering that the takeover of credit from CIMB Niaga to Maybank is void	Medan District Court has declared the Plaintiff's claim can not be accepted and the North Sumatra High Court has dismissed the Plaintiff's claim.  *) Based on checking to the Medan District Court on the date. September 25, 2017, no Appeal filed by the Plaintiff.  Case Status: Closed	Not Significant		Demand Value: (Material) : Rp 12.113.000.000.- (Immaterial) : Rp50.000.000.-  Note: Demands are not granted by the Court of Appeal

No	Important Cases Facing the Company/ subsidiary/ member of the BoD/members of the BoC in office (period 2017); Case Value > Rp 10 Billion	Parties Involved		Case Principal/ Claim	Settlement Status	Impact to the Company	Risks faced by the Company	The nominal value of the claim/suit
		Plaintiff	Defendant					
10	Lawsuit Against Unlawful Act filed by Ivan Robert Jon Schulz	Ivan Robert Jon Schulz	<ul style="list-style-type: none"> <li>- Maybank (T1)</li> <li>- PT SAC Nusantara (T2)</li> <li>- Ir Iskandar Ardiwinata (T3)</li> <li>- BHP Jakarta (TT4)</li> <li>- Herman Charles Alexander Schulz (TT5)</li> <li>- Rudolf Armand Christian Schulz (TT6)</li> <li>- Ny. Lita Aurelia Dewi Schulz (TT7)</li> <li>- Ny. Carolina Nusantari Schulz (TT8)</li> <li>- Ny. Vidia Vicia Schulz (TT9)</li> <li>- Ny. Mauli Regina Siahaan (TT10)</li> <li>- Bonar Paulus Salamo Schulz (TT11)</li> </ul>	This lawsuit was filed by the Plaintiff because Maybank withdraws the Deposit of the late Rudy Schulz on the date. 4 and 30 October 1997 to settle the debts of PT Sac Nusantara (T2), and demand compensation to the Defendants I, II and III jointly to pay compensation amounting to Rp39,783,503,050.13 and USD 9,079,646.50	The Central Jakarta District Court has declared the Plaintiff's claim unacceptable (NO) and has been upheld by the Jakarta High Court.  Awaiting the Cassation legal action.	Not Significant  Note: Claims were not granted by the High Court.		Demand Value: Maybank/T I s.d T III pays compensation in joint liability of Rp39,783,503,050.13 and USD 9,079,646.50  Note: Claims were not granted by the High Court.

## Legal/Litigation Issues 2017

No	Important Cases Facing the Company/ subsidiary/ member of the BoD/members of the BoC in office (period 2017); Case Value > Rp 10 Billion	Parties Involved		Case Principal/ Claim	Settlement Status	Impact to the Company	Risks faced by the Company	The nominal value of the claim/suit
		Plaintiff	Defendant					
11	Lawsuit Against Unlawful Act filed by PT Nusuno Karya	PT Nusuno Karya	Maybank	The Plaintiff (Debitur) stated that Maybank has committed an unlawful act because it did not follow up the Rp70 billion indicative term sheet for the Grand Airport project and Rp50 billion for the Yellow Garden project, thus impacting the Debtor's ability to pay off its debt to Maybank for the Violet Garden project. On the other hand, Maybank was also unwilling to make gradual redemption of the guarantee certificate, so residents of Violet Garden reported the Debtors with suspected criminal fraud as unable to submit Violet Garden certificates,	The Central Jakarta District Court has declared the Plaintiff's claim unacceptable (NO) and has been upheld by the Jakarta High Court.  Furthermore, awaiting the Cassation legal action.  Note: PT Nusuno Karya has made the first deposit to Maybank amounting to Rp8,250,000,000.  In relation to the first phase of payment, on 4 December 2017, Maybank has submitted 6 (six) Certificates to Mr. Cipto Sulisty.	Not Significant		Demand Value: (Material): Rp100,000,000,000.-  (Immaterial): Rp500,000,000,000.-  Note: The demand was not granted by the High Court

### SIGNIFICANT LEGAL CASES FACED BY MEMBERS OF THE BOARD OF COMMISSIONERS AND DIRECTORS HOLDING OFFICE

Throughout 2017, all members of the Board of Commissioners and the Board of Directors has never been involved or engaged in any civil and/or criminal case.

### SIGNIFICANT LEGAL CASES FACED BY THE SUBSIDIARIES OF MAYBANK

Throughout 2017, there were no important/material and/or affects Maybank performance faced by PT Wahana Ottomitra Multiartha, Tbk (WOM Finance) and PT Maybank Indonesia Finance.

### SIGNIFICANT LEGAL CASES FACED BY MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS HOLDING OFFICE OF SUBSIDIARY COMPANY

Throughout 2017, all members of the Board of Directors and Board of Commissioners of a subsidiary of Maybank Indonesia have never been involve or engaged in any civil and/or civil disputes and/or disputes.

### IMPACT OF LEGAL ISSUES FOR BANKS AND SUBSIDIARIES

All legal issues faced by the Bank in 2017 did not materially affect the status, position and sustainability of the Bank and Subsidiaries' business activities.

# Administrative Sanctions

Throughout 2017, there were no material administrative sanctions from the relevant authorities affecting the viability of Maybank Indonesia's business or administrative sanctions imposed on members of the Board of Directors and members of the Board of Commissioners.

## Access of Information and Company Data

The Bank continues to provide ease of information to all stakeholders to access information regarding the Company's financial and non-financial performance through communication channels such as press releases and public exposure. Moreover, Banks actively disseminate information to print and electronic media. For further information, the customer or prospective customer may contact access as follows:

- Call Center service via mobile phone: 69811 and also by phone: 021 - 1500611
- E-mail service: [customercare@maybank.co.id](mailto:customercare@maybank.co.id).
- Contact Bank's customer service at the nearest branch.

Investors can directly contact the Company's Investor Relations Service by e-mail: [InvestorRelations@maybank.co.id](mailto:InvestorRelations@maybank.co.id)

### INTERNAL COMMUNICATION

Internal communication to all employees is done through the internal media communication channels as follows:

- Internal Magazine (Maybank News) Published every month (12 editions).
- Email blast, delivering information to all employees via email of Maybank's President Director and Corporate Communication.
- Townhall Meetings, a communication forum attended by management, senior management, regional leaders and branch leaders to inform company performance of specific periods as well as ongoing and future initiatives.
- Maybank Corporate University, communicating to all employees concerning management messages, corporate activities, and others through the Maybank Corporate University portal.

## Access of Information and Company Data

### PRESS RELEASE 2017

No	Date	Press Release Description
1	January 12, 2017	Maybank Indonesia Plans To Sell Share Ownership in WOM Finance
2	January 13, 2017	Maybank Indonesia Extends Partnership with Unika Soegijapranata
3	January 14, 2017	Maybank Indonesia Net Profit in 2016 Soared 71% Reached Rp1,95 Trillion
4	January 15, 2017	Maybank Indonesia Announces Winners of MyPlan iB Tabungan Umroh Program
5	January 16, 2017	Maybank Indonesia Announces To Hold Maybank Bali Marathon 2017
6	January 17, 2017	Inauguration of New Maybank Indonesia Syariah Branch In Palembang
7	January 18, 2017	Maybank Indonesia Opens Syariah Branch Office In Denpasar
8	January 19, 2017	AGMS Maybank Indonesia Approves To Pay Dividends and Change of Board of Commissioners and Board of Directors
9	January 20, 2017	Registration of Maybank Bali Marathon Officially Opened
10	January 21, 2017	Maybank Indonesia Supports the Women Empowerment Program
11	January 22, 2017	Maybank Indonesia Registered Net Profit Increase of 10.4% in the First Quarter 2017
12	January 23, 2017	Maybank Indonesia Holds "Tiger Cubs Daycare"
13	January 24, 2017	Maybank Indonesia Announces The Launching of NCD-Electronics Service And Operational Ready to Anticipate the Idul Fitri holiday
14	January 25, 2017	Maybank Indonesia Proactively Reaching Out to Communities in Samarinda via Mobile Cash Car
15	January 26, 2017	Maybank Indonesia Registered a Net Income Increase of 16.3% During First Half 2017
16	January 27, 2017	Maybank Indonesia To Draw "Co-Branding Maybank Finance" Program For the July Period
17	January 28, 2017	Maybank Indonesia & Maybank Foundation Develop Economic Empowerment for Disabled Communities in Bali
18	January 29, 2017	Maybank Indonesia Opens a Syariah Branch Office in Banjarmasin
19	January 30, 2017	Maybank Bali Marathon 2017 Introduces New Concept
20	January 31, 2017	CR Bali Marathon - Maybank Implements Sustainable Corporate Responsibility Program for People of Bali
21	February 01, 2017	Announcement of Maybank Bali Marathon 2017 Winner
22	February 02, 2017	Maybank Press Release - Maybank to Continue Economic Empowerment Program for the Disabled in Tangerang
23	February 03, 2017	Outcome of the Extraordinary General Meeting of Shareholders of Maybank Indonesia
24	February 04, 2017	Maybank Indonesia Enhances Maybank White Card Features for Traveling Youth
25	February 05, 2017	Maybank Indonesia Introduces Exclusive Credit Card Program at Malaysia Airlines Travel Fair 2017
26	February 06, 2017	Maybank Indonesia Booked a Net Profit increase of 12.0% in the First Nine Months 2017
27	February 07, 2017	Maybank Indonesia Support for Indonesia's Education Progress - Maybank Indonesia Embarks on CSR Education Programs in Multiple Regions Across Indonesia
28	February 08, 2017	Maybank Indonesia's Commitment to Community Empowerment in Indonesia - Maybank Indonesia to Continue Community Empowerment Program for the Disabled and Communités in the Valley of Mount Merapi
29	February 09, 2017	Maybank Indonesia is Back in Jalan Sudirman, Padang
30	February 10, 2017	Maybank Indonesia Proactively Reaching Out to Communities in Jambi via Mobile Cash Car
31	February 11, 2017	Maybank Indonesia and JETRO Organise Business Seminar Again
32	February 12, 2017	Maybank Indonesia earned the title "The Safest Banks in Indonesia" From Global Finance

# Code of Ethics and Code of Conduct

Maybank Indonesia always highly regards integrity. For that purpose, the Bank has and implements standard guidelines on behavior, which is the Code of Ethics and Code of Conduct that regulates the business standards and behaviors, as well as ethical personal behaviors that are integrated as a part of the Bank's culture in its management of good corporate governance.

The Bank has committed to apply high standards on Code of Ethics and Code of Conduct that can represent healthy business practices and implementation of GCG principles. The Code of Ethics and Code of Conduct are to be used as guidelines by employees and all other stakeholders to behave in the work environment.

## CODES OF ETHIC AND BEHAVIORAL GUIDELINES

Policies pertaining to the Code of Ethics and the Code of Conduct of the Bank are as follows:

1. Circular Letter No.SE.2016.002/PRES DIR on Code of Ethic and Code of Conduct of Maybank Indonesia
2. Circular Letter No. SE.2007.002/Director6 on SOP for Giving Sanction
3. Joint Working Agreement Period 2017 - 2019 of PT Bank Maybank Indonesia, Tbk

## STATEMENT OF THE CODE OF CONDUCT

The Bank requires its employees, officers, BOC, BOD, and all business partners to read and understand the Code of Ethics and Code of Conduct and apply them in their respective roles and responsibilities. Updates on Code of Ethics and Code of Conduct have also been conducted to comply with the condition of the business environment.

## CODE OF CONDUCT DISSEMINATION AND ENFORCEMENT

All employees, either permanent or non-permanent employees, employees in training (trainee), and employees with working agreement through third party, are obliged to attend the Bank's Code of Ethics and Code of Conduct socialisation. Their attendance is certified by the attendance list. Regional unit leaders and high-ranking officials are responsible for the communicating these policies in their work environment. Random checking will be done by Human Capital Directorate on implementation of the socialisation of Code of Ethics and Code of Conduct, and the reports will be directly sent to President Director and Director of Compliance.

Types of Code Violation Sanctions and Code of Conduct  
Maybank Indonesia enforces sanctions for violating the Code of Ethics and Code of Conduct in accordance with applicable regulations. The types of sanctions include:

1. Reprimand Letter
2. Reprimand Letter 1
3. Reprimand Letter 2
4. Reprimand Letter 3
5. Termination

## NUMBER OF VIOLATIONS OF CODE OF ETHICS AND BEHAVIORAL GUIDELINES AND SANCTIONS GIVEN IN 2017

During 2017, there were 294 employees subject to sanctions with a total of 273 letter sanctions issued covering 273 Reprimand Letters, Warning Letter 1, Warning Letter 2, Warning Letter 3 to Termination.

No	Sanction	Sanctions given in 2017	Number of Employees
1	Reprimand Letter	125	125
2	Warning Letter 1	109	109
3	Warning Letter 2	23	23
4	Warning Letter 3	16	16
5	Termination due to absences	8	8
6	Termination due to violation	13	13



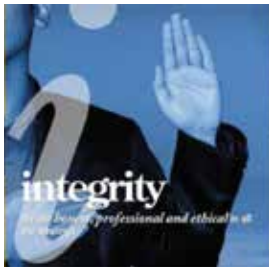
# Corporate Culture

Maybank Indonesia's action in executing the Bank Business Plan always align with the culture or value of the Bank. Maybank Indonesia's Corporate Culture focuses on nurturing its human resources to provide better services to customers as well as improving the Bank's performance effectiveness. The Corporate Culture is as follows:



## TEAMWORK

We work together as a team based on mutual respect and dignity.



## INTEGRITY

We are honest, professional and ethical in all our dealings.



## GROWTH

We are passionate about constant improvement and innovation.



## EXCELLENCE & EFFICIENCY

We are committed to deliver outstanding performance and superior services.



## RELATIONSHIP BUILDING

We continuously build long-term and mutually beneficial partnership.

# Whistleblowing System & Anti-Fraud

Maybank Indonesia is committed to carrying out GCG principles in the Bank's operations in support of the transformation process in accordance with the vision and mission that has been established. The existence of the fraud practice is contrary to the principle of GCG. The Bank feels the need to take steps to prevent the occurrence of fraud and other violations.

In the event that an employee identifies or finds any indication of infringement or fraud that is detrimental or potentially harmful to the Bank, the employee shall submit the report through the whistleblowing system. The whistleblowing system implementation policy is a key element in maintaining the integrity of the Bank in order to improve the Bank's transparency and combat practices that could undermine the Bank's activities and reputation.

## MECHANISMS OF SUBMISSION OF REPORTS OF NON-INFRINGEMENT

Employees who witnessed or acknowledge infringement and fraud may submit a violation report through the following media:

Reporting Medium	Whistle Blowing Medium
E-mail	WhistleBlowing@maybank.co.id
Whistleblowing Box	Addressed to: Sentral Senayan 3 Building 25 <sup>th</sup> FL, Asia Afrika Street No. 8, Gelora Bung Karno Senayan, Jakarta - 10270
Text/SMS	087899000100
WhatsApp	087899000100

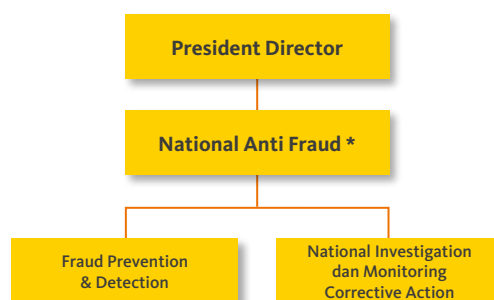
## PROTECTION TO THE WHISTLEBLOWER

This whistleblowing application policy applies to all employees and other parties providing services to the Bank, including consultants, vendors, contractors and other service providers. Any report submitted through the whistleblowing reporting media will be documented for follow up and the Bank will provide a guarantee of secrecy and security of the reporter (Whistleblower). If the complainant clearly identifies his/her identity, then the complainant is also guaranteed the right to obtain information on the follow-up to his report. This is also the Bank's commitment to protecting the complainant.

## PARTIES MANAGING COMPLAINTS

In carrying out its functions and monitoring duty, the BoC and BoD have appointed the party managing, administering and evaluating each whistleblowing report to Head of National Anti Fraud, Head of Industrial Relation and Head Compliance Regulatory Affairs to determine the required follow-up and direct responsibility to the President Director . The results of the evaluation will be followed up with a process of examination and investigation. All investigations from the report will be administered by the National Anti Fraud Work Unit.

## Organisational Structure of the National Anti Fraud Working Unit



\* Engage coordination relation with Director, Legal Compliance & Corporate Secretary

## Whistleblowing System & Anti-Fraud

### THE NUMBER OF COMPLAINTS OF COMPLAINTS RECEIVED AND PROCESSED IN 2017

In 2017, there were 13 whistleblowing statements received and followed-up with detailed information as follows:

About	Tools of Submission
	Email/WA/SMS/ Others
Whistle blowing type	
a. Etic Code	3
b. Law and Regulation Breach	-
c. Fraud	7
d. Others	3
<b>Number of Whistle blowing</b>	<b>13</b>

### SANCTION AND FOLLOW UP TO COMPLAINTS IN 2017

Throughout the year 2017, the Bank has sanctioned the party/ perpetrator proven to have committed violation as regulated in Circular Letter and SOP of Sanction and PKB which refers to the prevailing laws and regulations. The sanctions given are as follows.

### IMPLEMENTATION OF FRAUD PREVENTION IN 2017

During 2017, the Bank conducted a process of monitoring, evaluation and follow-up on reports received by implementing the antifraud strategy submitted in the Board of Directors and Audit Committee; as well as to anticipate the risk of fraud incidents from both internal and external Banks. Management followed up and improved the existing weaknesses and strengthened the internal control system.

On the other hand, in order to control the risk of fraud, the National Anti Fraud Work Unit has taken preventive measures to foster awareness of the importance of fraud prevention by all parties concerned through Anti fraud statement & awareness, vulnerability identification and analysis, and implement Know Your Customer (KYC) and Know Your Employee (KYE). This strategy has been conducted to develop anti Fraud culture in the Bank which will give impact on prevention of fraud, procedures and ethic code violation.

# Transparency of The Bank Financial and Non Financial Conditions

Maybank Indonesia memiliki kebijakan dan prosedur mengenai tata cara pelaksanaan transparansi kondisi keuangan dan non keuangan Bank. Informasi kondisi keuangan Bank telah dituangkan secara jelas dan transparan dalam beberapa laporan, diantaranya sebagai berikut:

## TRANSPARENCY OF FINANCIAL CONDITIONS

### Annual Publication Report

The Annual Publication Report is a financial report that describes the performance of the bank within 1 (one) year and other information announced to the public and submitted to the Financial Services Authority on an annual basis. The Annual Report of Publication is known as the Bank's Annual Report.

The Annual Report is a report for end-December positions, including among others:

- a. General information.
- b. Financial Reports.
- c. Financial performance information.
- d. Disclosure of capital and risk management practices applied by the Bank.
- e. Other disclosures as set out in the financial accounting standards.
- f. Other information as determined by the Financial Services Authority.

The Bank shall announce the Annual Report on the Bank website no later than 4 (four) months after the end of the financial year and shall keep the announcement of the report at least for the last 5 (five) fiscal years. The Bank is required to submit an Annual Report to the Financial Services Authority no later than 4 (four) months after the end of the financial year.

Public Accountants' Opinion on the financial statements shall be disclosed in the Annual Report. The financial statements in the Annual Report shall be prepared for 1 (one) financial year and shall be presented at least in comparison with the Reports of the comparison period in accordance with the financial accounting standards.

### Quarterly Publication Report

Quarterly Publication Report is interim reports for the positions as at the end of March, June, September, and December.

The quarterly publication includes:

- a. Financial statements.
- b. Financial performance information.
- c. Information on shareholding composition and compositions of the BOD, BOC, and SSB for Shariah Commercial Bank.
- d. Other information required by the Financial Service Authority (OJK).

Financial statements in Quarterly Publication Reports are presented as:

- a. Bank only (individual) financial statements; and
- b. Consolidated financial statements

Financial statements in Quarterly Publication Reports must be presented at least in comparison with the previous period according to financial accounting standards.

A bank that is part of a business group must complement its Quarterly Publication Reports with:

- a. Consolidated financial statements of Parent Entity that cover the financial statements of all financial business entities under the group; or
- b. Consolidated financial statements of Parent Entity that cover the financial statements of all financial and non-financial business entities under the group.

To comply with the publication regulations, the interim Financial Statements position at the end of March, June and September 2017 have been published in Media Indonesia and for position at end of December 2017 has been published in Bisnis Indonesia. In addition, the Quarterly Financial Reports and the Consolidated Financial Statements have also been submitted to:

- a. Bank Indonesia
- b. Financial Services Authority (OJK)
- c. Indonesia Stock Exchange

## Transparency of The Bank Financial and Non Financial Conditions

In addition, the Bank has also published the Quarterly Publication Reports and Consolidated Financial Statements for December 2016 position to Depository Securities Agency. The Bank has announced Quarterly Publication Reports in accordance with the applicable regulations. The Quarterly Publication Reports has also been published through the Company's website and are signed by at least the President Director and 1 (one) member of the Board of Directors of the Bank.

### Monthly Publication Report

The Monthly Publication Report covers the monthly financial statements which include:

- Statement of Financial Position (Balance Sheet).
- Income Statement and Other Comprehensive Income.
- Commitment and Contingency Report.

The Monthly Publication Report that includes the monthly financial statements is presented individually. The Bank publishes the Monthly Publication Report on the Bank's website. The publication of the Monthly Publication Report on the Bank's website is carried out no later than at the end of the following month, following the end of the month's report. The Bank is required to maintain the publication of the Monthly Publication Reports on the Bank's Website for at least the last 2 (two) Financial Years.

The Bank submits reports online through the reporting system of the Financial Services Authority. In the event the report cannot be submitted, the Bank submits the Monthly Publication Report online through the system of Commercial Bank Head Office Report (LKPBU). Submission of online Monthly Publication Report through the LKPBU system is conducted in accordance with the procedure, format, and time period in the provisions of LKPBU's system. The Bank publishes the Monthly Publication Reports in the Monthly Report format each month in a format that is in accordance with regulation of the Financial Services Authority.

### NUMBER OF EMPLOYEES TERMINATED AND TOTAL OF SEVERANCE PAYMENT

Number of employees terminated and total of severance payment given is shown on the table below:

Amount of Severance Payment of Each Person in 1 (one) Year	Number of Employees
Above Rp1 billion	0
Above Rp500 million Up to 1 billion	4
Rp500 million and below	21

# Provision of Funds to Related Parties and Large Exposures

Provision of funds to related parties and core debtors/group as of 31 December 2017, are as follows:

No	Provision of Funds	Debtors	Nominal (Million Rupiah)
1	To Related Party*)	178	1.408.666
2	To Core Debtor		
	- Individual	16	18.882.991
	- Group	9	10.082.875

\*) All of Bank's related party

Provision of funds to the Bank's related parties and to core debtors/group complies with Regulation of Bank Indonesia on Legal Lending Limit (LLL) and without any breaches or excess of LLL throughout 2017.

The Bank periodically submits reports to Regulator which include:

- Monthly Report on Related Party to the Bank for Individual
- Quarterly Report on Related Parties to the Bank for consolidation with Subsidiaries
- Six-month Report on Details of Related Parties to the Bank
- Monthly Report on the Bank's Core Debtors

For the respective reports, the Bank has automated reporting system for Provision of Funds to the Bank's Related Parties, for Bank's Individuals and for Consolidation with Subsidiaries and Fund provision to Core Debtors.

The Bank has internal policy on funds provision monitoring mechanism by observing the distribution/diversification funds provision portfolio provided and the Bank has established internal policy of lending limit, such as large exposure internal limit for debtors.

Below is a report of Provision of funds to Related Parties with the Bank for the position as per 31 December 2017:

No	Name of Company	Total Balance/Related Party (million Rupiah)	Note
1	UBS AG	-	-
2	Malayan Banking Berhad	140.858	-
3	Maybank Kim Eng Securities	25	-
4	PT Bank Maybank Syariah Indonesia	64	-
5	MOCS, SDN, BHD		-
6	Sorak Financial Holdings. Pte, Ltd		-
7	Malayan Islamic Berhad		-
8	Maybank Asset Management		-
9	Maybank Asset Management Group Berhad		-
10	Commissioners, Directors, Executive Officers & family relationship	34.417	-
11	Investment in Subsidiaries :		
	- PT Maybank Indonesia Finance	34.537	-
	- PT Wahana Ottomitra Multiartha	752.464	-
12	Indonesia Infrastructure Finance		-

## Provision of Funds to Related Parties and Large Exposures

Information of Large exposures to 10 largest debtors are as follow:

No	Name of Debtor	Collectability	Balance (Million Rupiah)
1	A	1	4,282,185
2	B	1	2,120,110
3	C	1	2,000,000
4	D	1	1,978,396
5	E	1	1,650,760
6	F	1	1,483,813
7	G	1	1,366,103
8	H	1	1,254,994
9	I	1	1,195,240
10	J	1	1,050,000

# Provision of Funds for Social and Political Activities

The Bank's internal policy prohibits employees or the Bank's involvement in political activities, including provision of funds for political interests. In 2017, the Bank did not provide funding for political activities. This policy is implemented to maintain the independence and professionalism of the Bank and its employees.

In terms of social activities, Maybank Indonesia has implemented several CSR programs that have a positive impact on a wider audience for the long term. Implementation of social activities will be reported in a special section on Corporate Social Responsibility in this Annual Report.

# Procurement of Goods and Services

## POLICY

Maybank Indonesia established the policy to purchase goods/ services based on the price, quality, availability, terms/criteria, and services in a reasonable manner. Maybank Indonesia is committed to treating partners in a fair and objective manner, and no one shall take advantage in a dishonest manner through manipulations, concealment, abuse of confidential information, misrepresenting key facts, or other fraudulent practices. This was conveyed in each Vendor Registration and Bidding process in 2017.

This policy is also one of the realisation of GCG processes namely transparency in Procurement, where the procurement process is done through tender process by considering several aspects, among others:

- Implementation of the principle of openness and avoidance of conflicts of interest;
- Focus on the goal of obtaining the best quality of goods or services and optimal purchasing efficiency through quality and price comparison offered by Partner

## RELATED ACTIVITY CRITERIA AND SELECTION PARTNER (SUPPLIER)

During 2017, the selection process and criteria for prospective business partners were conducted with due regard to the requirements of legality, quality, feasibility, as well as reputation of the prospective partner in providing goods/services, or the execution of a project given by Maybank Indonesia. Partners passing the selection by the Vendor Relation of Maybank Indonesia (appointed by Maybank Indonesia), shall comply with and understand the provisions which have been conveyed by the Bank related to the Code of Ethics and the Code of Conduct of Maybank Indonesia as well as to be professional in providing goods/ services or carrying out cooperation in a project that is given by Maybank Indonesia. Maybank Indonesia has been supported by Procurement Management System in support of procurement operations.



# Anti-Corruption Policy

The Bank has an Anti-Corruption Policy contained in the Code of Ethics and Code of Conduct, including:

1. Reward-related Policy,
2. Policies with Suppliers/Vendors/Consultants,
3. Whistle blowing system.

Maybank Indonesia juga terus mengoptimalkan sistem pelaporan pelanggaran dan anti fraud guna mendukung penerapan Kebijakan Anti Korupsi di lingkungan Bank.

# Protection Policy to the Customer

Maybank Indonesia has set to develop Service Values, Service Standard and Service Commitment in line with the latest service strategy focus, continuing to upgrade the communication and the CARE campaign (Customers Are Really Everything) which becomes the basis of all work processes in all Service Team at all branches. This commitment is a manifestation of the Bank's attention to the improvement of service quality.

In line with this, Maybank Indonesia is also committed to providing safety to savings and confidentiality of customer data with reference to prevailing rules and regulations. Maybank Indonesia implements an information technology system that can protect and safeguard the data of all customers.

# Protection of Creditor's Rights

The Bank implements an honest and transparent information disclosure system and treats equalisation to all creditors without any discrimination in order to protect creditor's rights. With information disclosure, all creditors and business partners are entitled to obtain relevant information according to their needs so that each party can make objective decisions on the basis of fair, reasonable and accurate considerations.

The protection of creditor rights is contained in the agreements agreed upon by both parties. As part of the exercise of the creditor's rights, the Bank also always performs its obligations as promised in a timely manner and seeks to avoid delays or omissions that may potentially result in the loss of both parties party.

# Dividend Policy

The Bank's dividend policy is based on the prevailing regulations in Indonesia and must be approved by shareholders through the General Meeting of Shareholders. The maximum amount of Dividends may be distributed by 50% of the Bank's Consolidated Net Profits annually.

However, if necessary, banks may from time to time decide not to distribute Dividends to shareholders, as in the case of a Bank requiring such funds for business expansion, compliance with capital adequacy requirements, or for acquisition.

Maybank Indonesia's dividend distribution information in the last three fiscal years as follows:

Period	Total Dividend given	Amount of Cash Dividend per Share	Payout Ratio	Announcement Date
2015	-	-	-	-
2016	Rp389,662,281,177	Rp5.75	20%	31 March 2017
2017	-	-	-	-

## Share Ownership Program by Employees and Management

Until the end of December 31, 2017, the Bank did not have Share Ownership Program for Employees and/or Management

## Share Option

Shares option is the option to buy shares by members of Board of Commissioners and Board of Directors and Executive Management conducted through shares offering or shares option offering in order to provide compensation to Board of Commissioners members and Board of Directors and Executive Management which had been decided within GMS and/or Company's Articles of Association.

In 2017, the Bank did not conduct shares option program to Board of Commissioners members and Board of Directors and Executive Management.

## Shares and Obligation Buy Back

Buyback of shares or bonds refers to the Bank's effort to reduce the volume of outstanding stocks or bonds by purchasing the issued stocks and bonds. The mechanism of share buyback is regulated by applicable terms and provisions or agreed contract.

In 2017, the Bank did not exercise share or bonds buyback.

## Maximum and Minimum Salary Ratio and Variable Remuneration for Employees

Information of salary comparison in salary ratio including salary received by Board of Commissioners, Board of Directors and Permanent Employees per month in 2017 is as follows:

Kind of Ratio	Ratio Sum		
	2017	2016	2015
Highest and lowest salary of the employees	60.51 x	62.38 x	75.20 x
Highest and lowest salary of the Board of Directors	3.20 x	2.98 x	2.98 x
Highest and lowest salary of the Board of Commissioners	1.27 x	1.27 x	1.27 x
Highest salary of the Board of Directors and highest of the employee	3.15 x	2.86 x	2.86 x

Number of Employees and total amount of variable remuneration in 1 (one) year are as follow:

Total Amount of Variable Remuneration	Sum Received in 1 Year		Million Rp
	Employees	Person	
	Person		
Total	6,155		155,216

# Conflict of Interest Policy (Including Insider Trading)

The Bank has adopted a Conflict of Interest Management Policy with the purpose to establish rules, to identify, minimise, and manage the potential of conflict of interest that may arise within the Bank as a result of business unit activities. This policy regulates the procedures for trading of Maybank Indonesia or Maybank Group's and is also to reaffirm the prohibition on the use of Insider Information (Insider Trading) for private securities transactions by employees and management.

Employees and management who plan to transact shares are required to obtain prior approval from the banks before the planned transaction. Likewise, if employees and/or management carried out a securities transaction, they are required to notify the Bank after the transaction.

With this policy, the use of insider information for personal or management (insider) gain can be mitigated.

# Corporate Governance Guidelines for Public Companies

Pursuant to the Financial Services Regulations (POJK) No. 21/POJK.04/2015 on the Implementation of Corporate Governance Guidelines of Public Companies and Circular of the Financial Services Authority (SEOJK) No. 32/SEOJK.04/2015 on Corporate Governance Guidelines for Public Companies, in the implementation of 5 (five) aspects, 8 (eight) principles of good corporate governance, as well as 25 (twenty five) recommendations submitted by the OJK. Maybank Indonesia applies the aspects and principles of GCG based on the following “comply or explain” approach:

Aspect	Principle	Recommendation	Implementation
1. Relationship of The Public Company With The Shareholders In Ensuring The Shareholders' Rights	<b>Principle 1</b> Improving the Value of General Meeting of Shareholders (GMS)	a.1. Public company has technical procedures for opened or closed voting that promote independency and shareholders' interest	Comply. The Bank has complied with this recommendation.  Procedures on voting, whether opened or closed voting, are regulated under the Company's Articles of Association.  Voting mechanism is part of the meeting procedures informed to the shareholders at the beginning of any General Meeting of Shareholders.
		a.2. All members of the Board of Directors (BOD) and the Board of Commissioners are present at Annual GMS	Comply. The Bank has complied with this recommendation.  All members of the BOD and the BOC were present at the AGMS year 2016.
		a.3. Summary of GMS minutes is available on the public company's website by no less than 1 (one) year	Comply. The Bank has complied with this recommendation.
	<b>Principle 2</b> Improving Communication Quality of Public Company with Shareholders or Investors	2.1. Public company has a communication policy with shareholders or investors	Comply. The Bank has prepared a communication policy with shareholders or investors as recommended.
		2.2. Public company discloses its communication policy with shareholders or investors in website	Comply. The Bank has complied with this recommendation.

Aspect	Principle	Recommendation	Implementation
2. Function and Role of the Board of Commissioners	<b>Principle 3</b> Strengthening the Membership and Composition of the Board of Commissioners	3.1 Determination of number of the Board of Commissioners members shall consider the condition of the public company	Comply.  The Bank has complied with this recommendation in accordance with the provision regulated in the Company's Articles of Association also with regulatory requirement.
		3.2 Determination of composition of the Board of Commissioners members considers the variety of expertise, knowledge and experiences required	Comply.  The Bank has complied with this recommendation
	<b>Principle 4</b> Strengthening the Membership and Composition of the Board of Commissioners	4.1 The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners	Comply.  The Bank has complied with this recommendation
		4.2 Self-assessment policy to assess the performance of the Board of Commissioners is disclosed in annual report of public company	Comply.  The Bank has complied with this recommendation.
		4.3 The Board of Commissioners has a policy with respect to the resignation of the Board of Commissioners' members if such member involved in financial crime	Explain.  The Bank is preparing a policy with respect to the resignation of the Board of Commissioners members is such member involved in financial crime as recommended
		4.4 The Board of Commissioners or Committee that conducts nomination and remuneration function shall arrange succession policy in nomination process of the Board of Directors members	Comply.  The Bank has complied with this recommendation.
3. Fungsi dan Peran Direksi	<b>Principle 5</b> Strengthening the Membership and Composition of the Board of Directors	5.1 Determination of number of the Board of Directors members considers the condition of the public company and the effectiveness of decision-making	Comply.  The Bank has complied with this recommendation in accordance with the provision regulated in the Company's Articles of Associationi also with regulatory requirement
		5.2 Determination of composition of the Board of Directors members considers the variety of expertise, knowledge and experience required	Comply.  The Bank has complied with this recommendation by referring to the relevant regulations.
		5.3 Member of the Board of Directors who is liable for accounting or finance has accounting expertise and/or knowledge	Comply.  The Bank has complied with this recommendation.
	<b>Principle 6</b> Improving the Quality of Job and Responsibility Performance of Board of Directors	6.1 The Board of Directors has a self-assessment policy to assess performance of the Board of Directors	Comply.  Mechanism for performance assessment of the Board of Directors is conducted by comparing the targets against the actual achievements of the Company, in accordance with area of responsibility for each member of the Board of Directors, referring to defined Balance Scorecards.
		6.2 Self-assessment policy to assess the performance of the Board of Directors is disclosed in the annual report of the public company	Comply.  The Bank has complied with this recommendation
		6.3 The Board of Directors has a policy related to resignation of the Board of Directors' members if involved in financial crime	Explain.  The Bank is preparing a policy with respect to the resignation of the Board of Directors' members is such member involved in financial crime as recommended

## Corporate Governance Guidelines for Public Companies

Aspect	Principle	Recommendation	Implementation
4. Stakeholders Participation	<b>Principle 7</b> Improving Corporate Governance Aspect through Participation of Stakeholders	7.1 Public company has a policy to prevent insider trading	Comply. Securities Trading Policy is currently in approval process
		7.2 Public company has anti-corruption and anti-fraud policy	Comply. The Company has complied with this recommendation by having the Anti-Corruption Compliance Manual
		7.3 Public company has policies concerning selection and capability improvement of supplies and vendors	Comply. The Bank has complied with this recommendation
		7.4 Public company has a policy concerning the fulfillment of creditor's right	Comply. The Bank has complied with this recommendation
		7.5 Public company has a policy of whistleblowing system	Comply. The Company has established a whistleblowing policy as disclosed in the Company's annual report
		7.6 Public company has long-term incentive policy for the Board of Directors and employees	Comply. Bank has stipulated policy in regards to long term incentive to Directors and employees as part of retention program.
5. Disclosure of Information	<b>Principle 8:</b> Improving the Disclosure of Information Implementation	8.1 Public company takes benefit from the application of a broader information technology other than website as an information disclosure media	Comply. The Bank has complied with this recommendation
		8.2 Annual report of public company discloses beneficial owner in share ownership of public company of at least 5%, other than disclosure of beneficial owner in share ownership of public company through major and controlling shareholders	Comply. The Company has complied with this recommendation by disclosing the structure of majority and controlling shareholders in the annual report

# Integrated Good Corporate Governance Report

## BACKGROUND

The implementation of Integrated Governance for Financial Conglomerate is based on the Regulation of the Financial Services Authority ("OJK") No. 18/POJK.03/2014 ("POJK No.18/2014") and the Circular of OJK No. 15/SEOJK.03/2015 dated 25 May 2017 on the Implementation of Integrated Governance for Financial Conglomerate ("SEOJK No.15/2015"). Pursuant to POJK No.18/2014, a financial conglomerate is required to have a Integrated Governance Guidelines by referring to conservative rules. The Guideline will assist Financial Services Institutions ("LJK") under the Financial Conglomerate to implement governance.

The Bank has implemented Integrated Governance to improve the quality of Integrated Governance implementation, in order to promote a more prudent governance in Maybank Indonesia Financial Conglomeration, in accordance with the principles of transparency, accountability, responsibility, independency or professional, and fairness as well as to contribute to a stable financial system with sustainable growth to enhance the national level of competitiveness.

## MAYBANK INDONESIA FINANCIAL CONGLOMERATE

Pursuant to POJK No.18/2014, a Financial Conglomerate shall implement the Integrated Governance comprehensively and effectively as well as having a structure consisting of the Main Entity, Subsidiary and/or Related Entity and its Subsidiary. The Financial Conglomerate entails incorporated Financial Services Institutions such as banks, financing companies, securities companies, insurance and reinsurance companies.

LJKs under one group and are affiliated in terms of ownership and/or control are required to form a Financial Conglomerate which structure consists of Main Entity and subsidiary and/or related party entities. The Financial Conglomerate entails LJKs incorporated as banks, insurance and reinsurance companies, securities companies, and/or financing companies.

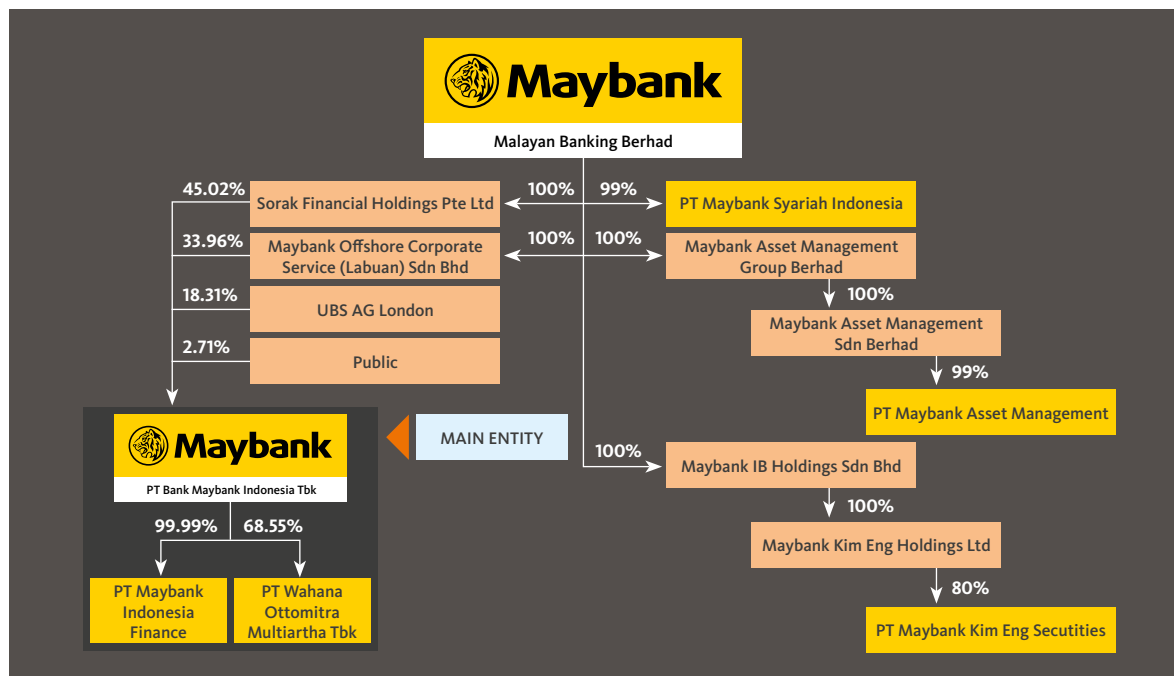
When a Financial Conglomerate forms because of the entities' relationship in terms of ownership and control, the controlling shareholder of the Financial Conglomerate shall designate a Main Entity. The Malayan Banking Berhad ("MBB") as the controlling shareholder of the Maybank Group in Indonesia has designated Maybank Indonesia as the Main Entity through its letter dated 27 March 2015. The designation considered the criteria of the largest asset size and/or the quality of risk management implementation. Maybank Group Financial Conglomerate in Indonesia consists of Maybank Indonesia as the Main Entity, and other LJKs as subsidiary entities or affiliated companies, namely PT Maybank Indonesia Finance (multi-finance company), PT Wahana Ottomitra Multiartha Tbk (WOM) (multi-finance company), PT Maybank Syariah Indonesia (Shariah Bank), PT Maybank Asset Management (Investment Manager and Consultation), and PT Maybank Kim Eng Securities (MKE) (securities brokerage).

Pursuant to the Decisions of the Board of Commissioners Meeting dated 22 May 2015, the Bank has established the Integrated Governance Committee of Maybank Indonesia Financial Conglomeration to conform with POJK No. 18/2014, thus the Bank as the Main Entity is required to implement Integrated Governance.



## Integrated Good Corporate Governance Report

### STRUCTURE OF MAYBANK INDONESIA FINANCIAL CONGLOMERATION



### INTEGRATED GOVERNANCE GUIDELINES

Pursuant to POJK No.18/POJK.03/2014 on the Implementation of Integrated Corporate Governance for Financial Conglomerate, the Integrated Governance of Financial Conglomerate is the minimum guideline that the Financial Conglomerate must abide by in order to achieve a standard corporate governance level across all LJKs under the Financial Conglomerate. The formulation of the Integrated Governance framework refers to POJK No.18/2014 and the applicable governance policies of each LJKs in the Financial Conglomeration, which is in the framework of integrated corporate governance implementation.

In the context of Integrated Governance implementation by LJK Members of Maybank Indonesia Financial Conglomeration, the Bank has conducted the following:

1. Establishment of Integrated Governance Committee;
2. Formulation of Integrated Governance Guidelines;
3. Establishing integrated units, among others:
  - a. Integrated Compliance Unit ("SKKT");
  - b. Integrated Internal Audit Unit ("SKAIT");
  - c. Integrated Risk Management Unit ("SKMRT");
4. Delivering the Integrated Governance Guidelines to all LJK Members of Maybank Indonesia Financial Conglomeration.

The Integrated Governance Guidelines was prepared by the Board of Directors of the Bank and have been approved by the Board of Commissioners. The Integrated Governance Guidelines shall at least cover 2 (two) major sections of the Guidelines with their respective applications, including:

- 1) Integrated Governance Framework for Primary Entities; and
- 2) Integrated Governance Framework for LJK members of Maybank Indonesia Finance Conglomeration.

Kerangka Pedoman Integrated Governance	Kerangka Pedoman Integrated Governance
Entitas Utama	LJK Anggota
<ol style="list-style-type: none"> <li>a. Requirements of the Board of Directors and Board of Commissioners of the Main Entity;</li> <li>b. Duties and Responsibilities of the Board of Directors and Board of Commissioners of the Main Entity;</li> <li>c. Duties and responsibilities of the Integrated Governance Committee;</li> <li>d. Duties and responsibilities of the Integrated Compliance Unit;</li> <li>e. Duties and Responsibilities of the Integrated Internal Audit Unit; and</li> <li>f. Implementation of integrated risk management.</li> </ol>	<ol style="list-style-type: none"> <li>a. Requirements of the Board of Directors and Board of Commissioners' candidates;</li> <li>b. Candidate requirements for members of the Shariah Supervisory Board;</li> <li>c. Structure of the Board of Directors and Board of Commissioners;</li> <li>d. Structure of the Shariah Supervisory Board;</li> <li>e. Independency of Board of Commissioners' actions;</li> <li>f. Implementation of LJK management function by the Board of Directors;</li> <li>g. Implementation of the monitoring function by the Board of Commissioners;</li> <li>h. Implementation of the monitoring function by the Shariah Supervisory Board;</li> <li>i. Implementation of the compliance function, internal audit function, and implementation of external audit;</li> <li>j. Implementation of risk management function;</li> <li>k. Remuneration policy; and</li> <li>l. Management of conflicts of interest.</li> </ol>

## INTEGRATED GOVERNANCE IMPLEMENTATION ASSESSMENT FOR FINANCIAL CONGLOMERATION

Pursuant to the provisions of POJK No.18/2014 and SE OJK No. 15/2015, as the Main Entity, Maybank Indonesia shall prepare the Integrated Governance implementation assessment report bi-annually as well as the annual Integrated Governance implementation report, which will be submitted to the Financial Services Authority.

During 2017, the Bank as the Main Entity has performed the Integrated Governance Implementation Assessment for the 1st and 2nd Half positions. The Integrated Governance Implementation Assessment for Financial Conglomeration is divided into 3 (three) Integrated Governance aspects, namely the Structure, Process, and Outcome of Integrated Governance.

### 1. Structure

Structure assessment aims to measure the adequacy of Integrated Governance structure that will ensure that Integrated Governance implementation will generate the outcome as expected by all stakeholders.

### 2. Process

Process assessment looks at the process of Integrated Governance implementation, supported by adequate Integrated Governance structure, to produce governance outcomes that would meet the expectations of stakeholders.

### 3. Outcome

a. Assessment on outcomes investigates the quality of outcome compared to stakeholders' expectations. This area covers qualitative and quantitative assessment, among others:

- performance of the Financial Conglomeration, such as efficiency and capitalisation;
- adequacy of annual report transparency on Integrated Governance implementation;
- objectivity in conducting assessment or audit;
- level of compliance with the applicable provisions and resolution of problems facing LJK such as fraud, violation of provisions related to LJK report to the Financial Services Authority; in accordance with their respective sectors of financial services.

b. d. The Assessment result has 5 (five) rating categories, namely:

- Rank 1;
- Rank 2;
- Rank 3;
- Rank 4; and
- Rank 5.

The smaller ranks reflect better implementation.

## FACTORS OF ASSESSMENT OF INTEGRATED GOVERNANCE IMPLEMENTATION IN FINANCIAL CONGLOMERATION

Integrated Governance assessment entails at least 7 (seven) assessment factors, namely

1. Performance of duties and responsibilities of the BOD of the Main Entity;
2. Performance of duties and responsibilities of the BOC of the Main Entity;
3. Roles and responsibilities of the Integrated Governance Committee;
4. Roles and responsibilities of the Integrated Compliance Unit;
5. Roles and responsibilities of the Integrated Internal Audit Unit;
6. Implementation of Integrated Risk Management;
7. Development and implementation of Integrated Governance guidelines.

Ranking Comparison of Integrated Governance implementation Report for June 2017 and December 2017 periods

No.	Indicator	June 2017	December 2017
1.	Board of Directors of the Main Entity	1	2
2.	Board of Commissioners of the Main Entoty	1	1
3.	Integrated Governance Committee	1	1
4.	Integrated Compliance Unit	1	1
5.	Integrated Audit Unit	1	1
6.	Implementation of Integrated Risk Management	1	1
7.	Integrated Governance Guidelines	2	1
<b>Rank</b>		<b>2</b>	<b>2*)</b>

\*) Rank adjustment through conservative calculation was conducted.

## Integrated Good Corporate Governance Report

### RESULT OF INTEGRATED GOVERNANCE SELF ASSESSMENT OF MAYBANK INDONESIA FINANCIAL CONGLOMERATE

The result of Integrated Governance self-assessment of Maybank Indonesia Financial Conglomerate for the 1<sup>st</sup> and 2<sup>nd</sup> Semester position was in “Rank 2” (“Good”). Weaknesses in Integrated Governance implementation were not significant and can be resolved using ordinary measures by the Bank’s management.

### ANNUAL REPORT OF INTEGRATED GOVERNANCE IMPLEMENTATION IN 2017

The Bank as the Main Entity in the Maybank Indonesia Financial Conglomerate has submitted the 2017 Annual Report on Integrated Governance Implementation. The Annual Report was prepared by referring to:

1. Regulation of the Financial Services Authority No. 18/POJK.03/2014 dated 19 November 2014 on the Implementation of Integrated Governance for Financial Conglomerates;
2. Circular of the Financial Services Authority No. 15/SEOJK.03/2015 dated 25 May 2015 on the Implementation of Integrated Governance for Financial Conglomerates;
3. Regulation of the Financial Services Authority No. 55/POJK.03/2016 dated 9 December 2016 on the Implementation of Governance for Commercial Banks;
4. Circular of the Financial Services Authority No. 13/SEOJK.03/2017 dated 17 March 2017 on the Implementation of Governance for Commercial Banks.

Annual Report on Integrated Governance Implementation of Maybank Indonesia Financial Conglomerate consists of:

1. Self Assessment Report on Integrated Governance Implementation during the 2017 fiscal year;
2. Structure of the Financial Conglomerate;
3. Shareholding structure in the Financial Conglomerate that describes the parties that are shareholders of the Financial Services Institutions (LJK) in the Financial Conglomeration up to the ultimate shareholders;
4. Management structure at the Bank as the Main Entity and LJK (Subsidiary) in the Financial Conglomeration;
5. Intra-Group Transaction Policy;
6. Integrated Governance Committee;
7. Maybank Indonesia GCG Implementation Report, consisting of:
  - a. Transparency of Governance Implementation as stipulated in point IX Circular of the Financial Services Authority No. 13/SEOJK.03/2017 on the Implementation of Governance for Commercial Banks; and
  - b. 2016 GCG Implementation Self-Assessment Report as stipulated in Attachment IV to the Circular of the Financial Services Authority No.13/SEOJK.03/2017 on the Implementation of Governance for Commercial Banks.

# Implementation of ASEAN Corporate Governance (CG) Scorecard by IICD

In order to implement ASEAN CG Scorecards, the Bank measures governance practices and continuously attempts to align governance practices with ASEAN CG Scorecards through self-assessment.

The index has been summarized to be in accordance with each criteria.

No	Principles and Recommendations	Page
<b>A</b>	<b>RIGHTS OF SHAREHOLDERS</b>	
<b>A.1</b>	<b>Basic Shareholder Rights</b>	
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual general meeting (AGM) for final dividends?	183
<b>A.2</b>	<b>Right to participate in decisions concerning fundamental corporate changes</b>	
	Do shareholders have the right to participate in:	
A.2.1	Amendments to the company's constitution?	Article 13 of the Bank's Articles of Association on the Bank's website.
A.2.2	The authorization of additional shares?	338
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	338
<b>A.3</b>	<b>Right to participate effectively in and vote in general shareholder meeting and should be informed of the rules, including voting procedures that govern general shareholder meetings</b>	
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	338
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	338
A.3.3	Does the company allows shareholders to elect directors/commissioners individually?	Articles 15 and 18 of the Bank's Articles of Association on the Bank's website
A.3.4	Does the company disclose the voting procedures used before the start of meeting?	338
A.3.5	Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	338
A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	338-346
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?	339-346
A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?	339-346
A.3.9	Does the company allow voting in absentia?	Page 2, Code of Conduct of AGMS 31 March 2017 and the Invitation to the AGMS 31 March 2017 on the Bank's website

## Compliance to ASEAN Corporate Governance Scorecard Scorecard

No	Principles and Recommendations	Page
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	Page 1 of Code of Conduct for AGMS 31 March 2017 on the Bank's Website
A.3.11	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	Page 339, Minutes of the AGMS on 31 March 2017 on the Bank's website
A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?	339
A.3.13	Does the company provide at least 21 days notice for all AGMs and EGMs?	339
A.3.14	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	Invitation to the AGMS 31 March 2017 on the Bank's website
A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?	Announcement of AGMS March 31, 2017, the Bank's Articles of Association point 18.5 on the Bank's website
<b>A.4</b>	<b>Markets for corporate control should be allowed to function in an efficient and transparent manner</b>	
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	184
<b>A.5</b>	<b>The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated</b>	
A.5.1	Does the company disclose its practices to encourage shareholders to engage the company beyond AGM?	32-35, 39-47
<b>B</b>	<b>EQUITABLE TREATMENT OF SHAREHOLDERS</b>	
<b>B.1</b>	<b>Shares and Voting Rights</b>	
B.1.1	Does the company's ordinary or common shares have one vote for one share?	Code of Conduct for AGMS 31 March 2017 on the Bank's website
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website reports/the stock exchange/the regulator's website)?	The Bank's Articles of Association point 10.6 on the Bank's website
<b>B.2</b>	<b>Notice of AGM</b>	
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	Summary Minutes of Meeting of AGMS 31 March 2017, Minutes of Meeting of AGMS 31 March 2017 on the Bank's website
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local - language version?	339

No	Principles and Recommendations	Page
	Does the notice of AGM/circulars have the following details:	
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	Profiles of Candidates for BoD, BoC and Shariah Supervisory Board at the Bank's website, section on GMS
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	Summary Minutes of Meeting and Minutes of Meeting of the AGMS 31 March 2017 in the Bank's website
B.2.5	Were the proxy documents made easily available?	Invitation to the AGMS in the Bank's website
<b>B.3</b>	<b>Insider trading and abusive self-dealing should be prohibited.</b>	
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	441
B.3.2	Are the directors/commissioners required to report their dealings in company shares within 3 business days?	441
<b>B.4</b>	<b>Related party transactions by directors and key executive</b>	
B.4.1	Does the company have a policy requiring directors/commissioners to disclose their interest in transactions and any other conflicts of interest?	441
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?	441
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	441
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	441
<b>B.5</b>	<b>Protecting minority shareholders from abusive actions</b>	
B.5.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	184
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	The Bank's Articles of Association point 12.9 in the Bank's website
<b>C</b>	<b>ROLE OF STAKEHOLDERS</b>	
<b>C.1</b>	<b>The rights of stakeholders that are established by law or through mutual agreements are to be respected.</b>	
	Does the company disclose a policy and practices that address :	
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	514-515
C.1.2	Supplier/contractor selection procedures?	449
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	SR
C.1.4	The company's efforts to interact with the communities in which they operate?	509-515
C.1.5	The company's anti-corruption programmes and procedures?	450
C.1.6	How creditors' rights are safeguarded?	450
C.1.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?	SR

## Compliance to ASEAN Corporate Governance Scorecard Scorecard

No	Principles and Recommendations	Page
<b>C.2</b>	<b>Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.</b>	
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	439, 450, 514-515
<b>C.3</b>	<b>Mechanisms for employee participation should be permitted to develop.</b>	
C.3.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	300-309, 507-508
C.3.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	302-305
C.3.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	306
<b>C.4</b>	<b>Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this</b>	
C.4.1	Does the company have a whistleblowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report	443-444
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?	443
<b>D</b>	<b>DISCLOSURE AND TRANSPARENCY</b>	
<b>D.1</b>	<b>Transparent Ownership Structure</b>	
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	93-94
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<sup>1)</sup> The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011

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<sup>1)</sup> The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011

# Bad Corporate Governance Practices

Maybank Indonesia is aware that the bad corporate governance practices will interfere with the system of GCG as has been established. In support of that matter, throughout 2017, the Bank committed not to conduct any actions and policies related to the practices shown in the following table:

No	Description	Practice
1	Reported as a company that pollutes the environment	Nil
2	Significant legal issues faced by the Company, subsidiaries, incumbent members of the Board of Directors and/or member of the Board of Commissioners not disclosed in the Annual Report	Nil
3	Non-compliance in the fulfilment of tax obligations	Nil
4	Incompatibility in the presentation of the annual report and financial statements with applicable regulations and Financial Accounting Standards	Nil
5	Labor and employee-related cases	Nil
6	There is no disclosure on the listed company's operations segments	Nil
7	Discrepancy between the hardcopy and the softcopy of the Annual Reports	Nil

# Bank's Strategic Plan

## VISION, MISSION, AND STRATEGY REVIEW BY THE BOARD OF COMMISSIONERS

The BOC reviews the Bank's vision and mission periodically in conjunction with the process of preparing the Bank's Long-Term Plan. It also reviews the Bank's Strategic Plan in parallel with the development of the Bank's Business Plan (RBB). The Bank's management also defines the strategic focus areas of implementation to ensure sustainable business growth, which are set out in the RBB of 2017. The document lists the work plans and initiatives that the Bank will carry out and targets for 2017.

## BANK'S STRATEGIC PLAN

The Bank's strategic plan derives from the Bank's vision "To be a leading financial services provider in Indonesia, driven by passionately committed and innovative people, creating value and serving communities" and mission "of Humanising Financial Services, being in the heart of the community to support customers' growth."

The strategic plan guides the Bank in pursuing its vision and mission whilst sustaining the growth momentum. The Bank continuously endeavors to enhance the capabilities of all of its organs in carrying out business activities. The Bank has identified 4 pillars of policies and strategic measures that are focusing on:

1. High Quality Service
2. Product Innovation
3. Process Simplification
4. Regional Connectivity

In line with the policies of the Bank and taking into account current economic environment, the Bank's management has formulated strategic focus areas to implement towards achieving sustainable growth:

1. Increasing fee-based income by intensifying the sales of bancassurance, building closer collaboration with other Maybank Group companies in Indonesia in order to provide comprehensive financial solutions to corporate customers, and intensifying revenue stream from treasury transactions.
2. Improving cross-selling activities of products and services by deepening e-channel penetration. Collaboration and synergy between business lines must be improved from the point of account opening and Customer Relationship Management (CRM) needs to be enhanced.
3. Continuing the process of aligning target segments of high-level corporate customers whilst taking into account the Bank's risk appetite. CFS segment is focusing on businesses with high profitability.

4. Continuing the transformation of regional offices:
  - Aligning the business model of branch offices with the Bank's and Maybank Group's target segments
  - Accelerating transformation initiative to increase productivity
  - Refining sales planning activities at regional and branch office levels
5. Maintaining Net Interest Margin (NIM) by ensuring appropriate and timely credit portfolio re-pricing. In addition, the Bank will review existing business model to ensure its suitability with current industry landscape.
6. Introducing a more rigorous credit approval procedure and applying new approval limits and matrix to ensure that greater control is in place. The Bank will also intensively monitor existing portfolio and exercise a more stringent early alert mechanism and watch list policy on credit portfolio – the alert system requires improvement on early warning standard as the main defense mechanism.
7. Strict monitoring on non-performing loan restructuring and the performance of recovery program.
8. Improving and expediting credit process.

The BOC supervises the implementation of the Bank's Business Plan (RBB) by conducting monthly bank performance evaluation. The BOC submits its oversight report to the regulators according to existing regulations.

The Bank also reported its financial performance realisation in timely manner to the regulators i.e. on quarterly basis in 2017. The Bank's 2018-2020 RBB and the revised version of the document had been presented by the BOD and BOC and received the approval through BOC meeting.

At the end of 2017, the Bank prepared RBB for 2017-2019 that the BOD had presented to the BOC and approved by the BOC in the meeting and it has been submitted to the Financial Services Authority in timely manner. The BOD has communicated the RBB and the Bank's performance progress to shareholders and bank-wide across all organisational levels through Maybank Board Meeting, discussing update on the Bank's performance and plan in 2017, Quarterly Maybank Indonesia Townhall Meeting and Maybank Townhall Meeting, Public Expose, Analyst Briefing to explain performance. The briefing was attended by analysts in Indonesia and abroad who joined via teleconference. In addition, the Bank regularly updates its performance data by publishing analyst presentation on the Bank's website.

The Bank's BOD has effectively implemented RBB by:

- Identifying targets in the RBB as KPI (Key Performance indicator) of each work units. Target achievement was evaluated from time to time to ensure full realisation by the end of the year.
  - Regularly formulation performance projection based on last position; intensively monitoring and identifying action plan as well as suitable actions to attain the identified targets.
  - Establishing a task force to monitor the implementation of the business plan and ensure that performance targets were realised.
  - Regularly formulation performance projection based on last position; intensively monitoring and identifying action plan as well as suitable actions to attain the identified targets.
  - Establishing a task force to monitor the implementation of the business plan and ensure that performance targets were realised. Despite a tough economic situation where recovery was slow, Maybank Indonesia successfully posted net income growth after it recorded Rp1.8 trillion of net profit. This achievement evidenced the Bank's ability in executing its strategies and the acuity of those strategies supported by organisational capabilities that grew stronger by the day. In addition to that the Bank also recognised a number of important growth achievements and initiatives:
  - The Bank posted Rp 77.3 trillion in assets, growth of 3.9% of 166.7 trillion in 2016 supported by 3% (yoy) credit growth. The Bank has continued to manage loan growth through conservative approach and at the same time building the discipline in capital and liquidity management. Going forward, the Bank will focus on developing two key segments, i.e. Large Corporates (including SOEs) and MSME.
  - In 2016, the Bank's credit growth was propped by significant development in the Global Banking segment, which corresponded with the government's priority in infrastructure projects and the Bank's financing to top-tier companies and SOEs.
  - Community Financial Services (CFS) business through Business Banking also continued to show its commitment to the SME sector by offering products tailored to this segment. Overall, slow economic growth, internal risk appetite policy, and continuous capital efficiency contributed to the Bank's credit portfolio.
  - The performance of Maybank Indonesia Shariah Business Unit was continuously delivering exceptional performance. The 'Shariah First' strategy, which embeds Shariah products and financial solutions across all business lines and the Bank's customer segments, has been a highly effective and suitable strategy. By the end of December 2017, Shariah assets have reached Rp27.1 trillion and contributed 16.7% (yoy) from 23.2 trillion in 2016 to the Bank's , contributed 15.7% to Bank's Total sset. Shariah banking also posted significant growth of financing and deposit by 48.0% and 52.6% (yoy), respectively.
  - In the MSME sector, the Bank booked loan growth and controlled credit quality. As at 31 December 2017, the MSME sector contributed 25.37% of the Bank's total credit or exceeded regulator's target of minimum 20% by 2018.
  - The Bank also took active part in the government's national development projects, such as the JARING program (Jangkau, Sinergi and Guideline/Reach, Synergy, Guideline) and financing program for small businesses (KUR).
  - Credit quality improvement was also the Bank's main focus, especially in managing exposure deriving from several debtors that were adversely affected by the weak economy. The Bank actively initiated accelerated restructuring program on debtors with NPL.
  - In terms of transformation and integration program, these initiatives in 2017 had strengthened the Bank's foundation and created stronger platform for sustainable growth. The Bank will continue its focus on transactional banking, financial supply chain solutions, electronic banking (including M2U internet banking). Through the CFS segment, the Bank seeks to contribute to community financing.
- Maybank Indonesia will continue to play an active role in supporting infrastructure projects and national development agenda. Strategic cooperation with SOEs will continue to allow the Bank to take part in the nation's economic development.
- In the future, the Bank is looking forward to keep this growth momentum and to sustainably improve its achievements, thereby expanding its market share and maintaining healthy asset quality.



# Approval Sheet

## Good Corporate Governance (GCG) Report 2017

### PT Bank Maybank Indonesia Tbk

#### BOARD OF COMMISSIONERS



**Datuk Abdul Farid Bin Alias**  
President Commissioner



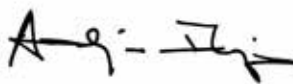
**Edwin Gerungan \***  
Commissioner



**Spencer Lee Tien Chye**  
Commissioner



**Budhi Dyah Sitawati**  
Independent Commissioner



**Achjar Iljas**  
Independent Commissioner



**Hendar**  
Independent Commissioner

\* Awaiting process to be effective (OJK approval obtained on January 4, 2018)

# Approval Sheet

## Good Corporate Governance (GCG) Report 2017

### PT Bank Maybank Indonesia Tbk

#### BOARD OF DIRECTORS



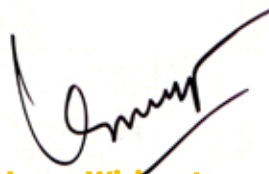
**Taswin Zakaria**

President Director



**Thilagavathy Nadason**

Director



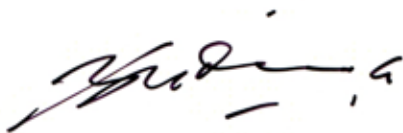
**Jenny Wiriyanto**

Director



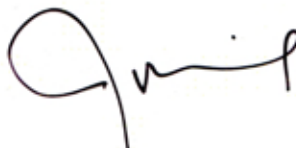
**Dhien Tjahajani**

Director



**Eri Budiono**

Director



**Irvandi Ferizal**

Director



**Effendi**

Director



**Maybank**

**2017**

GCG  
REPORT

**SHARIAH  
BUSINESS  
UNIT**

## INTRODUCTION

In support of robust and reliable business growth and development, Shariah Business Unit of PT Bank Maybank Indonesia Tbk (hereinafter referred to as Maybank Indonesia UUS) has been continuously and consistently committed in implementing the best practice of Good Corporate Governance (GCG) and in meeting Shariah compliance in its banking operations so that it can provide adequate assurance to all of its stakeholders. GCG implementation is also part of risk mitigation efforts mandated by the Financial Services Authority (OJK), in particular reputation risk of Shariah banking industry.

The implementation of Good Corporate Governance is based on Bank Indonesia Regulation (PBI) No.11/33/PBI/2009 of 7 December 2009 and Bank Indonesia Circular (SEBI) No.12/13/DPbS of 30 April 2010 concerning the Implementation of Good Corporate Governance shariah commercial in Commercial Banks and Shariah Business Unit. The regulations outline five core principles of GCG, including GCG in Shariah Banking, which aim to protect the interests of stakeholders and to promote compliance with applicable laws and regulations as well as ethics in Shariah banking industry. The five principles are:

1. **Transparency**, concerning disclosure of material and relevant information as well as decision-making process
2. **Accountability**, which refers to clarity of function and the performance of responsibilities of bank's organs that ensure effective bank management
3. **Responsibility**, concerning the consistency between bank's management and applicable laws and regulations as well as principles of bank management soundness
4. **Professionals**, which refers to a bank's competence, ability to act objectively and independently without the influence/pressure from any parties, and the high commitment to develop a Shariah bank
5. **Fairness**, a principle that concerns with fair and equal treatment of stakeholders in meeting their rights based on valid agreements, laws, and regulations

Marked by 5.55% growth as of October 2017 in market share of Shariah banking, 2017 was a momentous year for the industry. In line with this growth, Maybank Indonesia UUS has continued its efforts to improve Shariah Governance as well as programs and investments proven effective in boosting Maybank Indonesia UUS positioning in its target market.

The implementation of 'Shariah First' that started in 2014, essentially highlighting Shariah products to all Maybank customers, have shown satisfying results in terms of accelerating the growth of Maybank Indonesia UUS.

In 2017, Maybank Indonesia consistently carried out leverage business model, including utilisation of Maybank Indonesia legal lending limit, to accelerate the growth of Maybank Indonesia UUS while maintaining its business and operation in accordance with Shariah principles. Furthermore, through network structuring, optimisation of shariah branches in boosting productivity, cooperation in various fields, and innovation in product development. These strategies contribute significantly to Maybank Indonesia UUS Asset growth and achievements in 2017.

## GCG Report Shariah Business Unit

### DIRECTORS OF UUS

Pursuant to GCG Policy, Director of UUS is fully responsible for the management of Shariah Business Unit (UUS) based on prudential banking management and Shariah principles. In accordance with resolutions of General Meeting of Shareholders ("GMS") held on November 11, 2013, Taswin Zakaria, President Director of Maybak Indonesia (formerly BII) was appointed as Director of UUS. The appointment has been approved by the Financial Services Authority (OJK) by virtue of letter No.S.114/PB.13/2014 dated October 9, 2014 concerning Proposal for Approval of the Candidate of UUS Director of PT Bank Internasional Indonesia, Tbk.

### Director of UUS Profile



#### TASWIN ZAKARIA

Indonesian citizen, 49 years old.  
Residing in Jakarta, Indonesia  
President Director of Maybank Indonesia since 11 November 2013 (received OJK approval on 12 March 2014).

#### EXPERIENCE

He has served as Independent Commissioner of Maybank Indonesia since 16 December 2003 to 11 November 2013. Currently, he is also a member of Board of Supervisor in PERBANAS since 2016. He was Independent Commissioner of PT Jasa Angkasa Semesta Tbk (2005-2013), President Director of PT Indonesia Infrastructure Finance (2010-2011), Director of Barclays Bank Plc for Indonesia and Head of Regional Asia for Alternate Capital Market/ Islamic Finance (2001-2003). He was Vice President of Deutsche Bank AG Jakarta and Head of Debt Capital Market and Liability Risk Management (1997-2001). He started his banking career at Citibank N.A, Jakarta, where he held a position as Head of Corporate Restructuring and Project Finance (1992-1997).

#### QUALIFICATION

Bachelor of Science in Accounting, graduated with Honor (Cum Laude) from The Ohio State University in 1991.

#### DUTIES AND RESPONSIBILITIES

Taswin Zakaria is primarily responsible to establish business strategies, provide overall direction for banking business operations, and to directly oversee the development of Shariah banking and the Bank's Internal Audit.

#### COMMITTEE MEMBERSHIP

- Chairman of Risk Management Committee
- Chairman of Assets & Liabilities Management Committee
- Chairman of IT Steering Committee
- Chairman of Human Capital Committee
- Chairman of Credit Restructuring Committee
- Chairman of Credit Committee
- Member of Integrated Risk Management Committee

### Duties & Responsibilities of UUS Director

The duties and responsibilities of UUS Director comprise the following:

Primary Accountability	Primary Accountability	Results
Responsible for UUS development strategy	<ol style="list-style-type: none"> <li>1. Formulate 5 year UUS business strategy</li> <li>2. Prepare the UUS Annual Work Plan (Budget RKAT) of UUS.</li> </ol>	Annual Work Plan and Budget
Fully responsible for the management of Shariah Business Unit (UUS) based on prudential banking management and Shariah principles	<ol style="list-style-type: none"> <li>1. Together with Shariah Supervisory Board (SSB), supervise UUS banking activities including Shariah products and services to ensure their compliance with Shariah principles; analyze audit findings and/or recommendations from Financial Services Authority and internal and/or external auditors</li> <li>2. Receive and follow up SSB Supervisory Report submitted per semester, which contains report on the suitability of the Bank's products and services with DSN fatwa and Shariah opinion regarding operational and product guidelines issued by UUS</li> <li>3. Follow up audit findings and/or recommendations from Financial Services Authority and internal and/or external auditors</li> </ol>	<ol style="list-style-type: none"> <li>1. Follow up SSB Supervisory Report and Audit findings.</li> <li>2. UUS GCG Report.</li> <li>3. UUS Risk Profile Report.</li> </ol>

### Head of Maybank Indonesia UUS Profile



#### HERWIN BUSTAMAN

Indonesian citizen, 47 year old.  
Appointed as Head of Shariah Banking since January 21, 2013.

#### ► EXPERIENCE

Prior to joining Maybank, he worked at HSBC Amanah (UAE & Indonesia) from 2010-2013, where his last position was as Director of Shariah Business Unit – HSBC Amanah (Indonesia). Before joining HSBC Amanah headquarters in Dubai, he was Head of Product Management & Proposition at Bank Al Bilad (Kingdom of Saudi Arabia) 2008-2010. His banking career started in 2005 when he joined HSBC Amanah (Indonesia), where his last position was as Senior Vice President Personal Financial Services. His career began in the field of productivity management

in several consulting firms (1995-1998). He then joined Procter & Gamble (Indonesia-Singapore) until he decided to pursue Master's Degree in 2003.

#### ► QUALIFICATION

Earned Bachelor of Business from the University of Southern Queensland (Australia) in 1994 and Master of Business Administration from International Islamic University (Malaysia) in 2005.

## GCG Report Shariah Business Unit

### DEVELOPMENT OF BUSINESS AND SERVICES

Maybank business development strategy that emphasises Shariah as a priority continues to generate increasingly significant results. Running 'product & sales support management' business model, Maybank Indonesia UUS as a unit has function to manage product development and support marketing activities of Shariah products as well as to support Maybank business by differentiating Shariah products to meet the needs of customers across Retail, Business Banking, and Global Banking segments.

In 2017, Maybank Indonesia UUS has successfully implemented the following business strategies, work programs, and projects in support of Shariah business:

#### Strategy

Continuing previous years' initiative, Maybank management in 2017 implemented 'Shariah First' strategy, in which all Maybank Indonesia branch offices offered Shariah products to new and existing customers and promoted the unique features of Shariah products.

With the strategy, coupled with the commitment to take active role in developing Corporate customers, Maybank Indonesia UUS successfully drove significant growth in financing for State-Owned Enterprises (BUMN):

- Top Up Financing to PT Jasa Marga (Persero), Tbk amounting to Rp900 billion,
- Financing to PT Perusahaan Listrik Negara (Persero) amounting to Rp 1.5 trillion (portion of Maybank Indonesia UUS),
- Financing to PT Indonesian Export Financing Institution (Indonesia EXIMBank) of Rp540 billion,
- Financing to PT Kimia Farma (Persero) with a value of Rp 500 billion.

Maybank Indonesia UUS issued subordinated Sukuk (Sukuk senior) worth Rp266 billion in Q4 of 2017 to obtain funds from the capital market, thereby elevating the growth in IDR financing all over business segment.

Sharpening its marketing strategy, Maybank Indonesia UUS conducted qualitative insight research, which provided an overview on the perception of Shariah Banking, Maybank Indonesia, and Maybank Indonesia UUS target market. Maybank Indonesia UUS has planned for another research to better understand the needs and wants of prospective Maybank Indonesia UUS customers.

#### Product Innovation

In 2017, Maybank Indonesia UUS continued its commitment to take an active role in advancing Shariah banking industry by launching a number of innovative products, such as:

- Maybank Shariah Property Financing iB (Added Top Up feature),
- Non-Consumer MMQ Financing

#### Shariah Banking E-Learning

In 2017, to improve staff awareness and understanding of Shariah principles, Maybank Indonesia UUS has developed seven modules of Shariah banking e-learning covering:

1. Foundation of Shariah Banking,
2. Comprehension of Shariah Banking,
3. Mastering Shariah Banking Funding Products,
4. Mastering Shariah Banking Financing Products-Micro Banking,
5. Mastering Shariah Banking Financing Products SMEC & Corporate Banking,
6. Mastering Shariah Banking Financing Products Shariah House and
7. Mastering Shariah Banking Wealth Management Products

In 2017, the Foundation of Shariah Banking e-learning modules and Comprehension of Shariah Banking were updated. During the update process, the e-learning modules can be utilised by running the manual module.

As a continuous effort in shariah banking dissemination and education, Shariah banking e-learning program was compulsory for all Maybank Indonesia employees whose responsibilities related to Shariah business as a prerequisite for employee appointment.

### Shariah Compliance Policy (SCP)

In 2017, Shariah Compliance Policy (SCP), renewed in 2015, was implemented across Maybank Indonesia units whose activities were linked with Maybank Indonesia UUS business activities. The implementation included Shariah Screening Checklist applied to financing scheme in Business Banking and Global Banking segments. SCP summarises Shariah principles in accordance with the fatwa of National Shariah Board – Majelis Ulama Indonesia (DSN-MUI) and Shariah banking regulations. Its aim is to enhance supervisory on compliance of Shariah banking activities with Shariah principles. SCP is also part of the Shariah Governance Framework (SGF) and serves as the basis for the Bank in formulating internal policies concerning Shariah business activities to meet Shariah principles.

With the SCP, the Bank can effectively and efficiently communicate and apply Shariah policies to internal stakeholders in order to ensure that the Bank's Shariah business activities fully comply with Shariah principles.

### Shariah banking Dissemination, Education and Awareness

Maybank Indonesia UUS has been taking active participation in dissemination and education activities concerning Shariah banking initiated by OJK in cooperation with the Association of Shariah Banks in Indonesia (Asbisindo), BUS and UUS as well as BPRS, such as 'Shariah Finance Fair', 'Expo iB Vaganza', and other Shariah awareness raising activities.

These activities aim to promote Shariah banking system to the society through: (i) education, dissemination, and promotion programs of Shariah banking in the manner that is relevant to general audience, (ii) development of innovative products, (iii) improvement of the quality of Shariah banking services to meet actual needs of the society and business players as customers of banking services, (iv) branch network efficiency, including the innovation of delivering easy, efficient, and inclusive Shariah banking services, (v) improvement of competitiveness in terms of service cost and bank financing cost, and (vi) increase the competitiveness of investment returns.

In 2017, Maybank Indonesia UUS was involved in the following dissemination and education activities:

Date	Event	Location
17 – 19 February 2017	Shariah Banking & Islamic Banking Product Education Fair	Kediri
01 – 09 April 2017	Shariah Banking & Islamic Banking Product Education Fair	Medan
19 – 21 May 2017	Shariah Banking & Islamic Banking Product Education Fair	Mataram
15 – 17 September 2017	Shariah Banking & Islamic Banking Product Education Fair	Banjarmasin
06 – 08 October 2017	Shariah Banking & Islamic Banking Product Education Fair	Depok
27 – 29 October 2017	Shariah Banking & Islamic Banking Product Education Fair	Cibinong, Bogor

### ORGANISATION DEVELOPMENT

To expand Shariah business, Maybank management has aligned the overall Maybank business strategy by developing Maybank Indonesia UUS as 'Product & Sales Management' in accordance with Shariah principles.

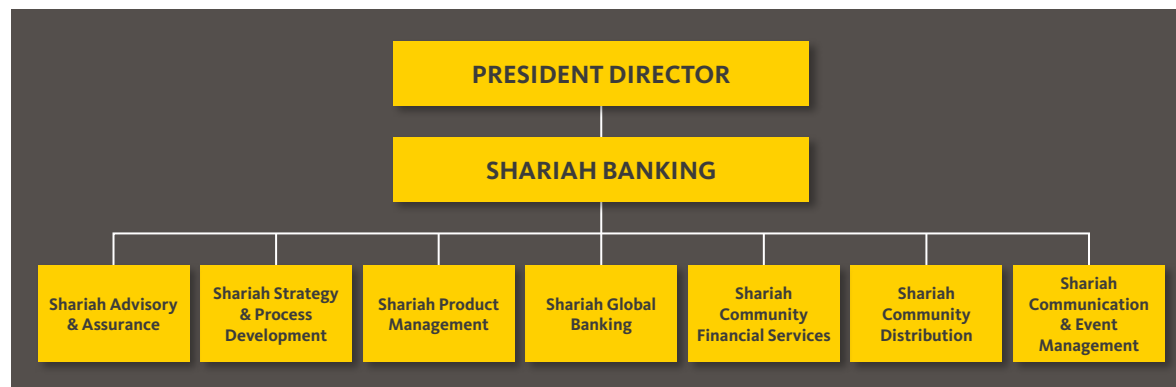
Maybank Indonesia also continues to develop Maybank Indonesia UUS organisation in support of Leverage Business Model implementation and to accelerate the growth of Maybank Indonesia UUS whilst maintaining business and operations adherence to Shariah principles.

In 2017, Maybank Indonesia UUS modified its organisational structure by having 7 units from previously 6 units.



## GCG Report Shariah Business Unit

### Organisational structure



The tasks and responsibilities of each unit are as follows:

#### 1. Shariah Advisory and Assurance

Assist SSB and the Management in ensuring Shariah principles and applicable provisions compliance on Maybank Indonesia UUS overall business and operations by providing assessments, suggestions and practical solutions on business and operational challenges and reporting in accordance with the Regulator provisions in coordination with the related work unit.

#### 2. Shariah Strategy & Process Development

Prepare and coordinate Shariah business strategy formulation under the direction of Maybank and Group and responsible for the success of strategy implementation in accordance with the target set.

#### 3. Shariah Product Management

Plan and develop Shariah business strategy, both in the short and long term, to support the Bank's business.

#### 4. Shariah Global Banking

Formulate and coordinate sales and distribution channels of Corporate Financing, Corporate Funding, Transaction Banking and Treasury for the corporate segment with related units to ensure marketing and communication strategy progress effectively.

#### 5. Shariah Community Financial Services

Manage, and coordinate all Shariah products for Retail, SME, Business Banking and Consumer Finance segments (KPR, KTA, Auto Loan) sales and distribution channels with related units for effective marketing effort and communication strategies implementation and supervise all Shariah Branch Offices and Services.

#### 6. Shariah Community Distribution

Formulate and implement portfolio strategies and manage portfolios within the Shariah Services, and ensure business and non-business targets achievement, and monitor sales operations.

#### 7. Shariah Communication & Event Management

Establish and build communications with business lines and office channeling in regard to Shariah products sales agendas/programs.

### Human Resources (HR) Education and Training

Maybank Indonesia UUS continues to improve the capacity/competency of its human capital by providing the following training programs:

1. Shariah banking training for Branch and Head Office employees handling or whose responsibilities are related with Shariah business. Training is delivered as e-learning and in-class training according to training level required by the employee  
In 2017, Maybank Indonesia UUS provided the following education and training program:
  - a. Basic Training on Financing/Loan
  - b. English language courses
  - c. Employee sharing session from employees who attended external training
  - d. Other important trainings

2. Provided opportunities to SSB members to attend training/seminar/workshop programs in line with capacity development needs of SSB members in order to provide better support and Shariah supervisory on Maybank Indonesia UUS. Few Capacity development activities included *Ijtima' Sanawi* (Annual Meeting) SSB XIII in 2017 held by DSN-MUI and training to build the competence as Capital Market Shariah Expert (ASPM) organised by The Indonesia Capital Market Institute.
3. External/internal training to enhance functional skills in the areas of Risk Management, Customer Experience, Shariah Legal, Financial Analyst, and others

### DISTRIBUTION NETWORK DEVELOPMENT

In line with the implementation of 'Shariah First' strategy that started in 2013, which put Shariah business in the center of Maybank's business priority, Maybank continues to apply the leverage model, in which conventional branch offices are optimised to market Shariah products.

For that purpose, Maybank has carried out Shariah branch office structure re-alignment and empowered the conventional branch offices. Maybank utilises its branch offices equipped with Shariah Office Channeling (LS) as the service point for Shariah products.

Consistent with Maybank Indonesia distribution network strategy, Maybank Indonesia UUS has carried out distribution network efficiency and continued to strengthen the management of Shariah branch offices under the coordination of Maybank Sales & Distribution for daily

operations while maintaining the functional responsibility of Maybank Indonesia UUS over the operators of Shariah Branch Offices (KCS), Shariah Sub-Branch Offices (KCPS), and Office Channeling (LS).

In 2017, Shariah products were offered through the network of KC, KCPS, and LS in conventional KC, which consisted of 10 KCS and 378 LS as per December 2017.

### FINANCIAL PERFORMANCE

Shariah First' strategy that is continuously applied in 2017 has shown significant results for Maybank Indonesia UUS financial performance.

Per December 31, 2017, Maybank Indonesia UUS's total assets rose by 16.7% to Rp27.1 trillion from Rp23.2 trillion the year before. Total financing grew by 48% to Rp20.7 trillion from Rp14 trillion, while total Third Party Funds (DPK) grew by 54.6% to Rp17.1 trillion from Rp11.1 trillion in December 2016. ROA (Return on Asset) in 2017 decreased to 2.84% compare to the previous year of 2.86%. FDR (Financing to Deposit Ratio) in 2017 also decreased to 124.23% compared to the previous year of 127.54%.

Gross Non-Performing Financing (NPF) improved to 2.99% in December 2017 compared to 4.37% in December 2016. In line with growth in financing, Maybank Indonesia UUS successfully booked Net Profit of 35.3% to Rp 630.9 billion December 2017 compared to Rp 466.2 billion in December 2016.

### AWARDS AND APPRECIATIONS

Maybank Indonesia UUS received the following awards throughout 2017:

Awards/Category	Event	Organiser	Date
<ul style="list-style-type: none"> <li>The Best Shariah Unit , Asset <math>\geq</math>1.5Tn by Karim Consulting</li> <li>Most Expanding Funding Shariah Unit Asset <math>\geq</math>1.5 Tn by Karim Consulting</li> </ul>	Karim Award 2017	Karim Consulting Indonesia 2017	9 May 2017
<ul style="list-style-type: none"> <li>The Best ATM Performance MayBank Indonesia (UUS)</li> <li>4<sup>th</sup> Best Overall Performance Maybank Indonesia (UUS)</li> </ul>	The 14 <sup>th</sup> Banking Service Excellence Award 2017	Infobank 2017 - MRI	8 June 2017
The Best Shariah Unit , Asset $\geq$ IDR 5Tn	Best Shariah Award 2017	Majalah Investor 2017	22 August 2017
The Best UUS, Asset > IDR 5 Bn	6 <sup>th</sup> Shariah Award Awards 2017	Infobank 2017	22 August 2017

## GCG Report Shariah Business Unit

### SHARIAH SUPERVISORY BOARD (SSB)

The number, criteria, concurrent position, and duties and responsibilities of Maybank Indonesia UUS SSB have complied with GCG and Shariah Business Unit regulations and policies.

#### Number and Composition of the Supervisory Board

As of 31 Desember 2017, SSB comprised 3 (three) members, including one appointed Chairman. SSB composition is as follows:

No	Name	Position	AGMS Approval	Tenure
1	Dr. H.M. Anwar Ibrahim, MA.	Chairman	Deed of the AGMS of PT Maybank Indonesia Tbk No.26 of 24 April, 2015	April 24, 2015 until the AGMS of 2018
2	Dr. H. Abdul Jabar Majid, MA.	Member		
3	Prof. Drs. H. Muh. Nahar Nahrawi, SH, MM.	Member	Deed of Minutes of AGMS of PT Bank Maybank Indonesia Tbk. Number 26 dated April 24, 2015.	Resigned since March 31, 2017 through AGM on March 31, 2017
4	Dr. H. Oni Sahroni, MA.	Member	Deed of Meeting Resolution of PT Bank Maybank Indonesia Tbk. Number 36 dated October 16, 2017	October 16, 2017 until the AGM of 2020

#### Shariah Supervisory Board (SSB) Profiles



#### DR. H.M. ANWAR IBRAHIM, MA.

Indonesian citizen, 76 years old.  
SSB Chairman of Maybank Indonesia UUS since 20 May 2003 and was reappointed during AGMS on 24 April 2015.

#### EXPERIENCE

He was active member of the Indonesian Ulama Council (MUI), holding the position of the Member of Fatwa Commission until present and supervisor in several SSBs in Indonesia. Has teaching experience throughout his career (1964- 2013) and is currently a faculty member of the Institute of the Science of Al Quran, Jakarta, teaching Islamic Studies; lecturer at Sharif Hidayatullah State Islamic University; and lecturer at Trisakti University.

#### QUALIFICATION

Bachelor's Degree in Islamic and Shariah Studies from Raden Fatah Islamic Institute, Palembang (1964); Master of Arts (1966-1969), and Doctor of Philosophy in Fiqh and Comparative Ushululfiqh from Al-Azhar University, Cairo (1974-1978). Certified as Capital Market Shariah Expert (ASPM) by The Indonesia Capital Market Institute (2016).



### DR. H.ABDUL JABAR MAJID, MA.

Indonesian citizen, 65 years old.  
SSB Member of Maybank Indonesia UUS  
since 20 May 2003 and was reappointed during  
AGMS on 24 April 2015.

#### ▶ EXPERIENCE

His career has been focused on teaching. He is currently a faculty member of Attaqwa Islamic Higher Education Institution and Post-Graduate Program of 45 Islamic University, Bekasi.

#### ▶ QUALIFICATION

Holds a number of degrees in Islamic Studies, namely Development of Islamic Education from Sulthan Syarif Qasim State Islamic Institute, Riau (1975); Bachelor of Ushuluddin Dakwah from Al-Azhar University, Cairo (1979); Master in Islamic Education from the Institute of Islamic Studies, Cairo (1991), and Doctorate Degree in Islamic Studies from Syarif Hidayatullah State Islamic University, Jakarta (2007). Certified as Capital Market Shariah Expert (ASPM) by The Indonesia Capital Market Institute (2016).



### PROF. DRs. H. MUH. NAHAR NAHRAWI, SH. MM.

Indonesian citizen, 72 years old.  
SSB Member of Maybank Indonesia UUS  
since 20 May 2003 and was reappointed during AGMS on  
24 April 2015. His term of office ended on 31 March 2017

#### ▶ EXPERIENCE

Holds positions in several religious organisations, such as Deputy of the Fatwa Commission of Indonesian Ulama Council (1995 – present), National Shariah Board (1997 – present), and several Shariah Supervisory Boards in Shariah Finance Institutions. Other positions include Head of Religious Research Center (1995 – 1998), Expert Staff of the Religious Minister (1996 – 1997), and (Research) Professor, Leading Research Expert in the Religious Affairs Ministry.

#### ▶ QUALIFICATION

Bachelor of Law from Brawijaya University, Malang (1972); Islamic Studies, Leiden University, the Netherlands (1987); and Master of Marketing Management, IPWI Jakarta (1997); as well as attending Regular Course at the National Defence Agency (1995). Certified as Capital Market Shariah Expert (ASPM) by The Indonesia Capital Market Institute (2016).

## GCG Report Shariah Business Unit



### Dr. H. ONI SAHRONI, MA

Indonesian citizen, 42 years old.  
SSB Members of UUS Maybank Indonesia since the AGM dated 31 March 2017 and officially stipulated by the Deed of Meeting Resolution of PT Bank Maybank Indonesia, Tbk. No. 36 dated 16 October 2017.

#### EXPERIENCE

Active member of Shariah Experts at International Shariah Research Academy (ISRA), Kuala Lumpur Malaysia. Member of Daily Board of DSN MUI. Member of Shariah Supervisory Board in several Shariah Financial Institutions and LAZNAZ IZI. Member of Shariah Accounting Standards Board (DSAS). A lecturer at University of Indonesia, Director of SEBI Islamic Business and Economic Research Center (SIBER-C) and Center for Islamic Studies of Wasathyah Depok.

#### QUALIFICATION

Bachelor and Masters Degree from Al-Azhar University in Cairo in 2000 and 2005. He continued his studies at the same university and became the first Indonesian to be awarded with a Doctorate in Fiqh Muqarin (Comparative Law of Islamic Studies) in 2009 with Summa Cum Laude.

### Dual Position as Shariah Supervisory Board

Pursuant to the rules on concurrent positions of SSB members, an SSB member may hold a position in four other SSBs at the most.

As per 2017, concurrent positions held by Maybank Indonesia UUS SSB members are as follows.

No	Name	Position	Company
1	Dr. H. M. Anwar Ibrahim, MA.	Chairman	1. OCBC NISP 2. Prudential
2	Dr. H. Abdul Jabar Majid, MA.	SSB Member	1. WOM Finance
3	Prof. Drs. H. Muh. Nahar Nahrawi, SH, MM.	SSB Member	1. Tokyo Marine Insurance Indonesia 2. NSC Pembiayaan Motor Berjangka 3. PT Pegadaian Unit Syariah 4. IBF Leasing Alat Berat Syariah
4	Dr. H. Oni Sahroni, MA.	SSB Member	1. Bank Muamalat Indonesia Tbk 2. PT Adira Dinamika Multi Finance Tbk 3. BNP Paribas Indonesia

### Duties and Responsibilities of the SSB

The Shariah Supervisory Board has the duty and responsibility to advise and to provide recommendations to the Directors in charge of UUS and to oversee the Maybank Indonesia UUS operations are in accordance with the Shariah Principles. The meetings between the Shariah Supervisory Board and the Board of Directors are scheduled as required where one of the meeting agenda is an update of the activities/results of the Shariah Supervisory Board meeting.

The duties and responsibilities of the DSP include among others:

- Conduct assessment and ensure compliance with Shariah Principles on operational guidelines and products issued by Maybank Indonesia UUS.
- Supervise the development of new Maybank Indonesia UUS products to comply with the DSN - MUI fatwa.

- c. Request fatwa to the National Shariah Council - Majelis Ulama Indonesia for new products in Maybank Indonesia UUS which has no fatwa.
- d. Perform periodic review of Shariah Principle fulfillment on fund raising, funding mechanism, and Maybank Indonesia UUS service.
- e. Request data and information related to Shariah aspects of Maybank UUS work unit in carrying out its duties.
- f. Deliver the results of supervision as outlined in the Shariah Supervisory Board Supervisory Report on a semi-annual basis.
- g. Constantly analyze new products and services in the form of Shariah Supervisory Board Opinion regarding products and services conformity to be launched along with DSN-MUI Fatwa.

To be able to carry out its duties and responsibilities as set forth above, the Shariah Supervisory Board has the authority to the following:

- a. Examine and request clarifications from Maybank and Maybank Indonesia UUS officials in charge of the objectives, characteristics, SOP policies and contracts used in products and finances in Maybank Indonesia UUS.
- b. Review and provide recommendations on policies, systems, SOPs, products related to Shariah principles and contracts issued by Maybank Indonesia UUS.

- c. Inspect, observe, and request information and/or make confirmation to Maybank employees and/or Maybank Indonesia UUS and/or Customer to validate inspection results.
- d. Request all data and information needed to the Director in charge of the UUS in the course of execution of its duties.

The duties and responsibilities of the Shariah Supervisory Board (SSB) are set out in the SGF and SCP as guidelines for the implementation of its duties and responsibilities. The duties and responsibilities of the SSB is assisted by the Shariah Advisory & Assurance working unit responsible for managing the implementation of the SSB meeting, administering the SSB's opinion and results as well as reporting to OJK.

In 2017, SSB has supervised and provided advice, suggestions, opinions on Maybank Indonesia UUS products and activities to be consistent with Shariah principles reflected in the following series of Shariah Supervisory Board meetings.

### SSB Work Program and Activities

In 2017, SSB performed activities in accordance with its duties and responsibilities. The work program and realisation during the year are as follows:

No.	Work Program	Realisations
1	Conduct assessment and ensure compliance with Shariah Principles on operational guidelines and products issued by Maybank Indonesia UUS.	SSB assisted by the Shariah Advisory & Assurance unit assessing and ensuring all policies and SOPs and products issued under Shariah principles
2	Supervise the new product development process of Maybank Indonesia UUS to comply with the DSN-MUI fatwa.	In the event of any new product development, SSB inquire the relevant work units to present, clarify details, and request for opinions from SSB.
3	Request a fatwa on the National Shariah Council - Majelis Ulama Indonesia for new products Maybank Indonesia UUS that has no fatwa	SSB does not ask for a fatwa on DSN-MUI on new products, as long as the products issued by the Bank comply with the existing fatwas.
4	Perform periodic review of Shariah Principle fulfillment on fund raising and funding mechanism and Maybank Indonesia UUS service	SSB accompanied by the Shariah Advisory & Assurance Unit, in 2017 has conducted periodic reviews to the Shariah Branch Office and Maybank Shariah Services, where documentation sampling and branch visits were conducted in Surabaya, Jakarta and Palembang branch offices.
5	Request data and information related to Shariah aspects of Maybank Indonesia UUS work unit in carrying out its duties	In performing its duties, SSB has dutifully requested data and information related to the Shariah aspect assisted by Shariah Advisory & Assurance units.
6	Deliver supervisory results as outlined in the semi-annual SSB Supervisory Report	SSB has reported its results on a semi-annual basis to OJK with a copy to Board of Commissioners and Board of Directors.
7	Analyze new products and services in the form of SSB Opinion in which convey the suitability of products and services to be launched along with DSN-MUI Fatwa	Throughout 2017, SSB has issued 9 opinions regarding Shariah products and business operations.
8	Conduct SSB meetings at least once in a month.	During 2017, SSB has held 23 meetings scheduled every Thursday and other days according to SSB availability.

## GCG Report Shariah Business Unit

### SSB Meeting Frequency and Attendance Level

In 2017, SSB convened a total of 23 meetings. Details of attendance of SSB members are as follows:

Name	Total Attendance	% Attendance
Dr. H. M. Anwar Ibrahim, MA.	21/23	91.30 %
Dr. H. Oni Sahroni, MA.*	8/15	53.33 %
Dr. H. Abdul Jabar Majid, MA.	23/23	100 %
Prof. Drs. H. Muh. Nahar Nahrawi, SH, MM.**	0/8	0%

\* Appointed since the AGM dated 31 March 2017 and officially stipulated by the Deed of Meeting Resolution of PT Bank Maybank Indonesia, Tbk No. 36 dated 16 October 2017

\*\* Sick

SSB meetings are held to discuss opinion request made to SSB by Maybank Indonesia UUS, other units, or Maybank management. Meeting discussions are documented as minutes of meeting and carefully administered.

### SSB Meeting Agendas

SSB meeting agenda in 2017 is as follows:

No	Date	Venue	Meetings' Agenda	Participants
1	12 January 17	Sentral Senayan 3 (SS3)	- Discussion on Shariah refinancing from conventional bank and Shariah refinancing using Musharakah contract - Discussion on Murabahah discount - Discussion on Shariah refinancing-Alternative 2 scheme Al Ba'i Wal Iti'jar: Obligatory Transfer of Ownership on Lease Asset (Ma'jur) to Customer with Grant Agreement	MAI AJM
2	24 January 17	SS3	- Discussion on Shariah Branches' Teller operates conventional transactions	MAI, AJM
3	24 January 17	SS3	- Opinion request on Sukuk Maybank Indonesia UUS with Mudharabah Scheme - Discussion on Shariah Branches' Customer Service serves conventional transactions - Discussion on Evaluation of Mudharabah Deposit Incentive and SSB Review Sampling - Discussion on Non-Consumer MMQ: - Settlement of KPM Cessie Case (Musyarakah)	MAI AJM
4	01 February 17	SS3	- Discussion on 4 (four) Deposit iB Profit Sharing Method - Discussion on wakalah implementation in MMq product - Discussion on Wakalah document (authority letter) separate from MMq contract - Discussion of Paraf Funding Brochure 2017	MAI AJM
5	09 February 17	SS3	- Discussion on Maybank Indonesia UUS presentation for DSN-MUI visit - Drafting on SSB Report for 2016 annual report - Update on Matters Arising for SC - SSB Joint Mudzakarah # 01 FY 2017 - Discussion on SSB review result - Article 7.5 Murabahah contract template 2013 vs Template 2016 - Discussion on Musharakah: The change of Revenue sharing period based on aggregate of 10 months revenue report	MAI AJM
6	13 February 17	SS3	- Discussion on SSB Consultation Result to DSN MUI on February 13, 2017 - Discussion on take over from conventional bank & Shariah refinancing using Musharakah contract - Discussion of Murabahah Murabahah Installment Cuts - Discussion on Refinancing Shariah-Alternative scheme 2 that is Al Ba'i Wal Iti'jar: Transfer of Ownership Requirement of Lease Object (ma'jur) to Customer with Grant Agreement	MAI AJM
7	23 February 17	SS3	- Presentation of SSB supervision Report Year - Semester II - 2016 - Initial SSB on Billboard Design House Blessing	MAI, AJM

No	Date	Venue	Meetings' Agenda	Participants
8	09 March 17	SS3	<ul style="list-style-type: none"> <li>- Discussion of Existing Syariah Customer KPR iB (MMq) facility proposes Top Up using Conventional and Cross Collateral (APHT)               <ul style="list-style-type: none"> <li>a. Use of Non-Shariah schemes for Top Up</li> <li>b. Issues on recording 2 Facilities (1 Syariah + 1 Convent) on one asset</li> <li>c. Cross collateral on the portion of the Bank: the Bank asks the Customer to apply APHT.</li> </ul> </li> <li>- Discussion of Existing Syariah Customer KPR iB (MMq) facility proposes Top Up with MMM Top Up (KPR iB Maxima) and Cross Collateral (APHT)</li> <li>- Discussion of Akad Al Ba'i Principally for KPR MMq Asset Client on behalf of 3rd Party</li> <li>- Discussion of MCC Channeling Pattern Maybank - BPR Syariah</li> <li>- Discussion of Financing to Business Entity in consultant and Insurance Broker</li> <li>- Discussion of Addition of Musyarakah Plafond</li> </ul>	MAI AJM
9	31 March 17	SS3	<ul style="list-style-type: none"> <li>- Discussion of Existing Syariah Customer KPR iB (MMq) facility proposes Top Up with MMQ Top Up (KPR iB Maxima) and Cross Collateral (APHT)</li> <li>- Discussion of Joint Mudzakarah SC &amp; SSB, Kuala Lumpur, April 28, 2017.               <ul style="list-style-type: none"> <li>a) MMq Top up Consumer (Home Financing iB) &amp; Cross Collateral (APHT)</li> <li>b) Non-Consumer MMq (Investment or Working Capital)</li> <li>c) Akad Al Ba'i (MMq Object on 3rd Party Name)</li> </ul> </li> <li>- Discussion of Fatwa 94 - Repo Syariah               <ul style="list-style-type: none"> <li>a. Al Ba'i Al haqiqi vs. Qardh and Rahn Sukuk (Practice in the Convent)</li> <li>b. Referral Agreement underlying Repo (SBSN, SRI) via Grants - Tax Issues</li> <li>c. Accounting Treatment - There is no PSAK Syariah</li> </ul> </li> </ul>	MAI AJM OS
10	11 April 17	SS3	<ul style="list-style-type: none"> <li>- Discussion of Joint Mudzakarah SC &amp; SSB, Kuala Lumpur, April 28, 2017.               <ul style="list-style-type: none"> <li>a. MMq Top up Consumer (Home Financing iB) &amp; Cross Collateral (APHT)</li> <li>b. Non-Consumer MMq (Investment or Working Capital)</li> <li>c. Akad Al Ba'i (MMq Object on 3rd Party Name)</li> </ul> </li> <li>- Update on Matters Arising for SC - SSB Joint Mudzakarah # 01 FY 2017</li> <li>- Discussion of Administrative Costs &amp; Indemnification Costs - Break Savings</li> <li>- HT Execution Discussion (Mortgage Rights)</li> <li>- Discussion on Transaction of PT. Evoty - Use of Non-Shariah Insurance</li> <li>- Review of Promotional Material Program Back to Back Plus</li> </ul>	MAI AJM
11	26 April 17	SS3	Appointment of Mr. Jabar as Substitute Mr. Nahar as Member of Integrated Governance Committee from SSB	MAI,AJM,OS
12	12 May 17	SS3	<ul style="list-style-type: none"> <li>- Discussion on Amendment of musyarakah               <ul style="list-style-type: none"> <li>a. Akad Line Musyarakah Financing Facility</li> <li>b. Musyarakah Financing Realisation Documents</li> </ul> </li> <li>- Discussion of Financing Plan to Prospective Customers</li> <li>- Non-Consumer MMQ Discussion               <ul style="list-style-type: none"> <li>a. Revolving</li> <li>b. Short-term (Max 1 Year) -Hishshah transfer at the end</li> <li>c. Grace Period (hishshah purchase is NOT incremental)</li> </ul> </li> <li>- Discussion of Plan of Visit and Syariah Review to Branch &amp; KCS Surabaya</li> </ul>	MAI AJM OS
13	23 May 17	SS3	<ul style="list-style-type: none"> <li>- Discussion on Implementation of Reward/Reward on the Ju'alah Funding Program Approach</li> <li>- Discussion of Joint Financing Linkage Program: Maybank and Maybank Finance</li> <li>- Non-Consumer MMQ Discussion: Updating SSB Opinion</li> <li>- Proposed Discussion of Musyarakah Revenue Realisation Report</li> <li>- Discussion of the Syariah Technical Review Guidelines</li> </ul>	MAI AJM



## GCG Report Shariah Business Unit

No	Date	Venue	Meetings' Agenda	Participants
14	09 June 17	SS3	<ul style="list-style-type: none"> <li>- Discussion on Invoice Financing iB <ul style="list-style-type: none"> <li>• Invoice Financing to Seller (Account Receivable)</li> <li>• Invoice Financing to Buyer (Account Payable)</li> </ul> </li> <li>- Discussion of Penalties/Break Cancellation Fee: <ul style="list-style-type: none"> <li>• Myplan iB</li> <li>• IB Deposit</li> </ul> </li> <li>- Non-Consumer MMQ Discussion (Extention) <ul style="list-style-type: none"> <li>• Revolving (Repeat Promise Financing (PPB) - NOD</li> <li>• Short-term (Max 1 Year) -Hishshah's transfer at the end</li> <li>• Grace Period (hishshah purchase is NOT incremental)</li> </ul> </li> <li>- Discussion of Reward on the Ju'alah Agreement Funding Program (Deuteronomy)</li> <li>- Discussion of Al Ba'i ma'al Isti'jar (Sale &amp; Lease Back) Refinancing: Transfer of Assets with Sale and Purchase, NOT Grants</li> </ul>	MAI AJM
15	20 July 17	SS3	<ul style="list-style-type: none"> <li>- Murabaha Discussion: Case Syariah</li> <li>- Object replacement &amp; Murabahah guarantee</li> <li>- Discussion of Musyarakah Conversion Conversion to MMq</li> <li>- Discussion on Opening of Payroll-Mudharabah Savings Account Participation Fund Rp. 0, -</li> <li>- Benchmark Discussion of Indemnity Cost (Ta'widh)/Charge Break Deposit</li> <li>- Discussion on Product Development Invoice Financing (continued)</li> <li>- Calculation of Ujrah &amp; Financing</li> <li>- Discussion on Matrix of Shariah Property Ownership Financing (PPP)</li> <li>- Take Over, Take Over + Top Up, and Top Up</li> </ul>	MAI AJM OS
16	03 August 17	SS3	<ul style="list-style-type: none"> <li>- Discussion of Shariah Review Reports Sem 1-2017</li> <li>- Discussion of Progress SOP of Virtue Fund</li> <li>- SSB Opinion Request: Invoice Financing Product iB (Continued)</li> </ul>	MAI AJM OS
17	22 August 17	SS3	<ul style="list-style-type: none"> <li>- Signing of SSB Opinion: Non-LB Syariah Financing Financing Product SKBDN iB (Invoice Financing iB)</li> <li>- Discussion on Shariah Subrogation Fatwa No.104: <ol style="list-style-type: none"> <li>a. Transfer of Maybank Receivables (With Compensation)</li> <li>b. Transfer of WOM Finance Receivables (worth 99%)</li> </ol> </li> <li>- Discussion Question OJK:</li> <li>- Joint Finance Maybank Finance with Maybank UUS</li> <li>- Discussion of Joint Mudzakarah SSB &amp; SC Maybank Group</li> <li>- Tentative: Jakarta, between 25-29 September 2017 - In November 2017</li> </ul>	MAI AJM OS
18	12 September 17	SS3	<ul style="list-style-type: none"> <li>- Presentation: Top up MMQ (Mortgage) Financing</li> <li>- Presentation: Bank Guarantee SOP &amp; Document</li> <li>- Non-consumer MMQ Financing Mechanism (PPB/Revolving)</li> <li>- Discussion on Invoice Financing Products iB: Payment Mechanism</li> <li>- Discussion of Musyarakah Financing Capital: Customer's Capital in the form of asset from Third Party (Shareholder, Director, Customer's partner etc)</li> </ul>	MAI AJM OS
19	05 October 17	SS3	<ul style="list-style-type: none"> <li>- Discussion of DSN Letter About SSB Competency Standards</li> <li>- Discussion on Standardisation of SSB Opinion (SEOJK No.36-SEOJK.03-2015-about UUS BUS Products and Activities - Lam V.1 &amp; Lam V.2)</li> <li>- Discussion of Maybank Internal Audit Group Audit Plan on GCG &amp; UUS Financial Report Maybank Indonesia</li> <li>- Discussion of Murabahah Debt Settlement Mechanism segment of SME Customer. <ul style="list-style-type: none"> <li>(Fatwa 104: Subrogation Based on Shariah Principles)</li> </ul> </li> <li>- Mudharabah Discussion Back To Back Customer on Payment of Profit Sharing is not from Business Revenue</li> <li>- Discussion of Musyarakah Financing: Consistency of Total Revenue Component and Profit Sharing Projection</li> <li>- Presentation &amp; TTd Opinion SSB: <ol style="list-style-type: none"> <li>a) MMQ Top Up (Mortgage) iB Financing</li> <li>b) Shariah Guarantee iB</li> </ol> </li> </ul>	MAI, AJM
20	12 October 17	SS3	<ul style="list-style-type: none"> <li>- The request of SSB opinion on change of Musyarakah contract to MMq agreement</li> <li>- Presentation of SOP of Zakat Fund Management &amp; Virtue Fund</li> <li>- Update of SSB Activities</li> </ul>	MAI, AJM, OS

No	Date	Venue	Meetings' Agenda	Participants
21	27 October 17	SS3	<ul style="list-style-type: none"> <li>- Petition for Opinion Addendum Murabahah</li> <li>- Application of Opinion AR Financing iB</li> <li>- Petition for Opinion of Murabahah Multifinance Receivables</li> <li>- SOP Opinion of Bond &amp; Sukuk Issuance</li> <li>- Update of SSB Activities</li> </ul>	MAI AJM
22	09 November 17	SS3	<ul style="list-style-type: none"> <li>- Request for Akad Musyarakah opinion, Case Syndication</li> <li>- Request for Opinion of Musyarakah Contract, Case of Customer of Group</li> <li>- Update activities plan Join Mudzakaroh 20 Nov 2017</li> </ul>	AJM
23	30 November 17	SS3	<ul style="list-style-type: none"> <li>- Petition for Hotel opinian</li> <li>- Application Opinion MMq Take Over Top-up</li> <li>- Application for L/C Financing Opinion and Payment</li> <li>- Request for Lucky draw</li> <li>- Update of Important SSB activities</li> </ul>	MAI AJM

Note: • **MAI** : Dr. H. M. Anwar Ibrahim, MA • **OS** : Dr. H. Oni Sahroni, MA • **AJM** : Dr. H. Abdul Jabar Majid, MA

### SSB Opinion

In 2017, SSB issued 9 Shariah opinions referring to and in accordance with the DSN-MUI fatwa. The opinion is related to product plans, new services and other operational aspects.

SSB opinion during 2017 is as follows:

No	Date	Opinion Number	Opinions
1	24 Januari 2017	M.2017.001/BOC-Syariah Supervisory	Sukuk Mudharabah II Year 2017 Phase I and Phase II
2	2 May 2017	M.2017.002/BOC-Syariah Supervisory	SSB Opinion on the Issuance of Sustainable Mudharabah Sukuk II PT Bank Maybank Indonesia Year 2017
3	14 June 2016	M.2017.003/BOC-Syariah Supervisory	Confirmation of SSB Opinion on Confirmation of Issuance of Sustainable Mudharabah Sukuk II PT Bank Maybank Indonesia Year 2017
4	22 August 2016	M.2017.004/BOC-Syariah Supervisory	SSB Opinion on Trade Financing Products Non-LC/SKBDN (Invoice Financing iB)
5	12 September 2016	M.2017.005/BOC-Syariah Supervisory	SSB Opinion on Shariah Guarantee Products iB
6	12 September 2016	M.2017.006/BOC-Syariah Supervisory	SSB Opinion About Addition of Supplementary Financing Feature on Shariah Property Financing Product with Musyarakah Mutanaqisah (MMq)
7	2 November 2017	M.2017.007/BOC-Syariah Supervisory	SSB Opinion About Late Charge Calculation (Fines of Late/Tazir)
8	14 November 2017	M.2017.008/BOC-Syariah Supervisory	SSB Opinion on the Use of the Benefit/Social Fund for work program implementation cost and operational cost
9	12 December 2017	M.2017.009/BOC-Syariah Supervisory	SSB Opinion About Addition of Supplementary Financing Feature in Non-Consumer Musyarakah Mutanaqisah (MMq) Financing Products

### SSB Monitoring Reports

As per the duties and responsibilities of SSB listed in the SGF, SSB oversees Maybank Indonesia UUS activities to ensure the implementation of Shariah products and services in accordance with Shariah principles.

SSB checks on Maybank Indonesia UUS activities are conducted every semester and set forth in the Report of SSB Supervision reported to OJK. SSB continues to improve its oversight by increasing the intensity of inspections, by increasing the frequency of visits and checks at KCS, LS and Head Office, as well as increasing the number of transaction samples, and meetings with staff and management of the Bank.

## GCG Report Shariah Business Unit

During 2017, SSB paid a visit to and attended the Shariah Forum Group Discussion (FGD) to KCS and LS as follows:

Date	KCS & LS
<b>Semester I 2017</b>	
5-6 June 2017	Surabaya: - Surabaya (KCS) - Pemuda (LS) – Surabaya - Mayjen Sungkono (LS) – Surabaya - Jemur Andayani (LS) – Surabaya
<b>Semester II 2017</b>	
14 November 2017	- MT Haryono (LS) – Jakarta - Summitas (LS) – Jakarta
12-13 December 2017	- Palembang (KCS) - Palembang (LS) – Palembang - Sukamto (LS) – Palembang - Kebumen Darat (LS) – Palembang

Note: **KCS** : Shariah Branch Office  
**LS** : Shariah Office Channeling

SSB has submitted the Report of First SSB Supervisory Report to the Financial Services Authority (OJK) through letter No.S.2017.051/PRES DIR dated August 30, 2017 and second semester 2017 Letter No. S.2018.009/PRES DIR dated February 21, 2018.

### Supervision of New Product Development Process

During 2017, SSB supervised Maybank Indonesia UUS new to be launched products and services as follows:

<b>Supervisory Report of SSB - Semester I 2017</b>	
1. Issuance of Sukuk Mudharabah Sustainable II Bank Maybank Indonesia Year 2017	This product assists in the continuation of the strategic plan of PT Bank Maybank Indonesia Tbk (MBI) (formerly PT Bank Internasional Indonesia Tbk) to strengthen Bank's capital including the Maybank Shariah Business Unit (MBI UUS). 1. SSB Opinion No. M.2017.001/BOC-Shariah Supervisory On January 24, 2017 regarding the Shariah Supervisory Board's Opinion on Issuance of Maybank Indonesia Sukuk - Shariah Business Unit in 2017 under the Sukuk Mudharabah Scheme. 2. SSB Opinion No.M.2017.002/BOC-Shariah Supervisory on May 2nd, 2017 regarding the Shariah Supervisory Board's Opinion on the Issuance of the Sukuk Mudharabah Sustainable Sukuk II PT Bank Maybank Indonesia Year 2017
<b>Supervisory Report of SSB - Semester II 2017</b>	
2. Trade Financing Products (Trade Finance) Non-LC/SKBDN (Invoice Financing iB)	This product is aimed to fulfill customers' need to support customer trading transaction in the form of: 1. Invoice Financing iB Seller: To support and settle the Customer's settlement and to assist the Cash Flow of the Customer 2. Invoice Financing iB Buyer: Ensure transactions and obligations to repay the Customer's debt as well as to support the liquidity of the Customer.  SSB Opinion No.M.2017.004/BOC-Shariah Supervisory regarding Trade Financing Products (Trade Finance) Non-LC/SKBDN (Invoice Financing iB)
3. Shariah Guarantee Products iB	This product is a form of transaction guarantee service and payment obligation to the party receiving the guarantee in case of default (wanprestasi). In this case, the Bank acts as a Guarantor (Kafil).  SSB Opinion No. M.2017.005/BOC-Shariah Supervisory regarding Syariah Guarantee Products iB

4. Top Up Financing on Shariah Property Financing Products with Musyarakah Mutanaqisah (MMq)	This product is aimed to fulfill Custom Fund Financing (Top Up) financing from existing facility in Maybank or takeover from other Bank. The Top Up facility under regulation is a separate facility from existing facilities, where there is a separate installment list.  SSB Opinion No.M.2017.006/BOC-Shariah Supervisory concerning Addition of Supplementary Financing Feature in Shariah Property Financing Product with Musyarakah Mutanaqisah (MMq)
5. Top Up Financing on Mutanaqisah Musyarakah Financing Products (MMq) Non-Consumer	This product aims to provide additional business capital (investment capital and/or working capital) for Customers, either in the form of fixed or non fixed working capital  SSB Opinion No.M.2017.009/BOC-Shariah Supervisory regarding Addition of Additional Financing Feature in Non-Consumer Financing Mutanaqisah Musyarakah Product (MMq)

### Supervision on Bank Operations

In 2017, SSB supervised Maybank Indonesia UUS operations that include fund raising and financing, as follows:

Funding Raising		
Mudharabah	Wadiah	
Supervision of fund raising activities with Mudharabah contract that covers products such as: - Maybank Regular Savings iB - Maybank Giro Business iB - Maybank Deposit iB	Supervision of fund raising activities with Wadiah contract that covers products such as: - Maybank TabunganKu iB - Maybank Giro iB	
Financing		
Murabahah	Mudharabah/Musyarakah	IMBT
Supervision of fund disbursement activities with Murabahah contract that covers product supervision with Murabahah contract in the segment of: - Consumer - SME - Commercial - Corporations	Supervision of fund disbursement activities with Mudharabah and Musyarakah contracts that includes the supervision of products with Musyarakah Mutanaqisah (MMq), Mudharabah and Musyarakah contracts in segments: - Consumer - SME - Commercial - Corporations	Supervision of fund disbursement under IMBT contract that covers Maybank Leasing iB Financing product.
SSB Supervisory Report - Semester I 2017		
Funding Raising		
Mudharabah	Wadiah	
In the first semester of 2017, SSB conducted 25 random sample tests on savings accounts products, 24 accounts for deposit products and 27 current account representing 9 regions in Indonesia to test the suitability and quality of compliance with Shariah principles in the products.  Based on examination of sample transaction documents including account opening application and fund raising agreement, transaction has complied with Shariah principles.	In the first semester of 2017, SSB conducted 29 random samples tests on savings accounts and 25 current accounts products at KCS and LS representing 9 regions in Indonesia to test the suitability and quality of compliance with Shariah principles in the products.  Based on examination of sample transaction documents including account opening application and fund raising agreement, transaction has complied with Shariah provisions/principles.	

## GCG Report Shariah Business Unit

Financing		
Murabahah	Mudharabah/Musyarakah	IMBT
<p>In the first semester of 2017, SSB conducted 6 random sample tests on customer financing products with Murabahah contract with breakdown of 1 sample of SME Customer and 5 KPR Customers representing several regions in Indonesia to test the suitability and quality of implementation of Shariah principles compliance with the products.</p> <p>Based on the examination of the sample transaction documents covering the application documents of the Customer Application, Letter of Financing Offer, Internal Memorandum, Customer Power of Attorney, and Financing Agreement, generally fulfill Shariah principles.</p>	<p>In the first semester of 2017, SSB conducted 45 random sample tests on customer financing products with MMq, Mudharabah and Musyarakah contracts, with the following breakdown:</p> <ol style="list-style-type: none"> <li>I. 17 samples of commercial and SME customers on Musyarakah transactions,</li> <li>II. 12 Commercial and SME samples on Mudharabah transactions, and</li> <li>III. 16 samples of mortgage customers on MMq transactions,</li> </ol> <p>representing several regions in Indonesia, to examine the suitability and quality of implementation of Shariah principles in the products</p> <p>Based on the examination of the sample transaction documents covering the application documents of the Customer Application, the Letter of Financing, Internal Memorandum and Financing Agreement, generally meets the Shariah principles.</p>	<p>In the first semester of 2017, SSB conducted 7 random sample tests on commercial customer financing products with IMBT contracts in the Region of East Java to test the suitability and quality of implementation of Shariah principles in the product.</p> <p>Based on the examination of document samples and the implementation of IMBT financing, in general has complied with Shariah principles.</p>
<b>Supervisory Report of SSB - Semester II 2017</b>		
Funding Raising		
Mudharabah	Wadiah	
<p>In the second semester of 2017, SSB conducted random sample tests on 37 accounts for savings products, 30 sample accounts for deposit products and 30 samples current account representing 9 regions in Indonesia to test the suitability and quality of compliance with Shariah principles in the products.</p> <p>Based on examination of sample transaction documents including account opening application and fund raising agreement, transaction has complied with Shariah principles/principles.</p>	<p>In the second semester of 2017, SSB conducted random sample tests on 30 sample accounts for savings products and 18 sample accounts for current accounts at KCS and LS representing 9 regions in Indonesia to test the suitability and quality of compliance with Shariah principles in the products.</p> <p>Based on examination of sample transaction documents including account opening application and fund raising agreement, transaction has complied with Shariah principles/principles.</p>	
Financing		
Murabahah	Mudharabah/Musyarakah	IMBT
<p>In the second semester of 2017, SSB conducted 6 customer financing product with Murabahah contract random sample tests with breakdown of 1 sample of SME Customer and 5 KPR Customers representing several regions in Indonesia to test the suitability and quality of implementation of Shariah principles compliance with the products.</p> <p>Based on the examination of the sample transaction documents covering the application documents of the Customer Application, Letter of Financing Offer, Internal Memorandum, Customer Power of Attorney, and Financing Agreement, generally fulfilled Shariah principles.</p>	<p>In the second semester of 2017, SSB conducted 2 Customer financing products with Murabahah contract random sample tests with the breakdown of 1 SME Customer sample and 1 KPR Customer sample representing some regions in Indonesia to test the conformity and quality of implementation of Shariah principles compliance to the product.</p> <p>Based on the examination of the sample transaction documents covering the application documents of the Customer Application, Letter of Financing Offer, Internal Memorandum, Customer Power of Attorney, and Financing Agreement, generally fulfilled Shariah principles.</p>	<p>In the second semester of 2017, SSB conducted 8 Commercial Customers financing products with IMBT contracts random sample tests in the Region of East Java to test the suitability and quality of implementation of Shariah principles in those products.</p> <p>Based on the examination of document samples and the implementation of IMBT financing, in general has complied with Shariah principles.</p>

### SSB Remuneration

Total remuneration paid to SSB during 2017 comprising of salary was Rp 981 million.

No	Type of Remuneration and other Facilities	Amount Received in 1 Year	
		Personnel	Million Rupiah
1.	Remuneration	4	910
2.	Other Facilities	4	a) 0
	a. That can be had		b) 71
	b. That can not be had		
Total		-	981

Total Remuneration *) per person in 1 year	Total SSB
Above Rp 2 billion	-
Above Rp1 billion up to Rp2 billion	-
Above Rp500 million up to Rp1 billion	-
Rp500 million and below	4

\*) received in the form of financial (non-natura)

### FUND ACCUMULATION OF CORE DEPOSITORS AND FUNDING TO CORE FINANCING CUSTOMERS

#### Fund Accumulation of Core Depositors

As of December 31, 2017, 25 Maybank Indonesia core depositors of UUS are as follows (in million Rupiah):

No	Name of Depositors	Wadiah Current Account	Savings	Deposits	Total
1	A	583,503	-	-	583,503
2	B	-	-	407,025	407,025
3	C	-	-	396,200	396,200
4	D	-	-	350,000	350,000
5	E	339,321	-	-	339,321
6	F	-	-	302,725	302,725
7	G	-	-	278,134	278,134
8	H	-	-	263,603	263,603
9	I	-	-	219,036	219,036
10	J	211,560	-	-	211,560
11	K	197,382	-	-	197,382
12	L	-	-	194,765	194,765
13	M	-	-	179,046	179,046
14	N	-	-	175,000	175,000
15	O	-	-	173,000	173,000
16	P	76,236	-	85,000	161,236
17	Q	-	-	152,120	152,120
18	R	150,778	-	-	150,778
19	S	-	-	146,650	146,650
20	T	-	-	138,786	138,786
21	U	-	-	135,000	135,000
22	V	130,015	-	-	130,015
23	W	3,368	-	120,000	123,368
24	X	-	-	117,200	117,200
25	Y	-	-	116,438	116,438

## GCG Report Shariah Business Unit

### Funding to Core Financing Customers

As of December 31, 2017, 25 Maybank Indonesia core financing customers are as follows (in million Rupiah):

No	Debtor Name	Murabahah	Margin Murabahah	Salam	Istishna	Mudharabah	Musyarakah	Others	Total
1	A	-	-	-	-	-	2.000.000	-	2.000.000
2	B	-	-	-	-	-	1.500.000	-	1.500.000
3	C	-	-	-	-	-	1.254.994	-	1.254.994
4	D	-	-	-	-	-	900.486	-	900.486
5	E	-	-	-	-	542.700	-	-	542.700
6	F	-	-	-	-	-	500.000	-	500.000
7	G	-	-	-	-	-	496.289	-	496.289
8	H	-	-	-	-	-	490.000	-	490.000
9	I	457.408	66.353	-	-	-	-	-	391.055
10	J	-	-	-	-	339.188	-	-	339.188
11	K	-	-	-	-	-	316.874	-	316.874
12	L	-	-	-	-	-	269.315	-	269.315
13	M	-	-	-	-	-	259.327	8.712	268.039
14	N	-	-	-	-	-	181.271	-	181.271
15	O	-	-	-	-	-	171.429	-	171.429
16	P	-	-	-	-	-	164.566	-	164.566
17	Q	-	-	-	-	-	163.528	-	163.528
18	R	-	-	-	-	-	162.810	-	162.810
19	S	-	-	-	-	-	-	155.973	155.973
20	T	-	-	-	-	150.000	-	-	150.000
21	U	-	-	-	-	150.000	-	-	150.000
22	V	-	-	-	-	-	-	135.942	135.942
23	W	-	-	-	-	132.000	-	-	132.000
24	X	84.267	34.267	-	-	-	-	81.203	131.203
25	Y	-	-	-	-	-	123.448	-	123.448

## TRANSPARENCY OF FINANCIAL CONDITIONS AND NON-FINANCIAL CONDITIONS

### Internal Deviations and Settlement Efforts

During 2017, there was no internal fraud in Maybank Indonesia UUS.

Internal Fraud (in 1 year)	Number of Cases Committed by					
	Board of Commissioners/ Directors		Permanent Employees		Non-Permanent Employees	
	2016	2017	2016	2017	2016	2017
Total fraud	None	None	None	None	None	None
Resolved	-	-	-	-	-	-
Under settlement internally within UUS	-	-	-	-	-	-
Not Revolved	-	-	-	-	-	-
Settled Through Legal Process	-	-	-	-	-	-

## Legal Issues

The civil and criminal law issues faced by Maybank Indonesia UUS during the period of 2017 are as follows:

No	Parties/Plaintiffs	Legal Issues		Cases	
		Under Court Proceedings	Closed	Civil	Criminal
1	Resolved (cases had binding Legal resolution)		1	1	
2	in process of resolution	1		1	
			<b>Total</b>	<b>2</b>	

In 2017, Maybank UUS commissioned consultants for projects that are specific and based on clear electoral and contracting proceedings in accordance with applicable regulations. The consultants are independent, professional and qualified.

## List of Consultants and Advisors

Consultants commissioned by Maybank Indonesia UUS during 2017 are as follows:

Company	Area	Definition
PT Magkna Bhakti Informasi	System Development Services	Bank Indonesia Report Preparation System Development project 1. LSMK - Monetary and Financial Stability Report. 2. SLIK - Financial Information Reporting System  The project was in collaboration with other internal business units MIS such as Maybank, Maybank Financial Controlling, CAC and CPC
PT Digital Mind System	System Development Services	System development project for creating LOS Application SME Shariah. The project was in collaboration with other internal work units such as Maybank - CFS and CAC, CPC & TOC.
PT Sprint Asia Technology	System Development Services	System development project for Automatic SMS sending service (Short Message Service) for Qurban Program. This project was in collaboration with other internal work units, such as Maybank MIS.
PT Emerio Indonesia	Jasa License Sistem	Procurement of Altova Application License (XBRL) for LSMK System Validation This project was in collaboration with other internal business units, such as Maybank MIS.
PT. Integra Pratama	System Development Services	Project for email Statement enhancement for Funding on eStatement Application. The project was in collaboration with other internal business units, such as Maybank OSSD.
PT. Hitachi Eborx Indonesia	System Development Services	Project for of Shariah customers account data opening enhancement through multibranch on DCIF Application. The project was in collaboration with other internal business units, such as Maybank OSSD.
PT Adicipta Inovasi Teknologi	System Maintenance Services	Maintenance for SSBB Application Mirroring project (Single System BII and BII Finance) for IMBT contract. The project was in collaboration with other internal business units, such as Maybank MIS, CAC and CPC
Penril Datability (M) Sdn Bhd	System Development Services	Project for Shariah banking transaction compliance enhancement via the internet and phone (M2U applications). The project was in collaboration with other internal business units, such as Maybank E-Channel.
PT Sentra Studio Indonesia (Globalearning Center)	E-Learning Production Services	The 'Shariah Business School' materials development project is Maybank Indonesia UUS learning program for Online module (OL) especially for the Shariah Product Mastering module. The project was in collaboration with other internal work units, such as Maybank - Talent Management & Organisation Learning.



## GCG Report Shariah Business Unit

### Social Activities Funding Sources and Disbursements

The social responsibility form of Maybank Indonesia UUS is implemented by channeling social funds that have been collected by Maybank Indonesia UUS both from Zakat & Infaq/Shadaqah (ZIS) funds as well as virtues (social funds) from fines, non-halal income UUS) and other social funds.

In 2017, Maybank Indonesia UUS booked a balance of ZIS funds and other Social Funds such as Infaq/Shadaqah funds in the amount of Rp 13.28 million, Zakah funds amounting to Rp 45.41 million, and social funds of Rp 15.31 billion. Below are the details of the sources of funds and the use of ZIS funds and the virtue funds as of December 2017.

#### Sources Report, ZIS Fund Disbursement and Use of Virtue Fund (Dansos)

Period: January 2017 to December 2017

INFAQ/SHADAQAH 8-700-004896		DANA ZAKAT 8-700-016300		DANA QARDH/SOSIAL (CONSOLIDATED) 2410-00-610	
<b>Initial Total Balance KP</b>	13,209,796.16	<b>Initial Total Balance KP</b>	38,437,617.23	<b>Initial Total Balance KP</b>	120,029,021.37
<b>Source of Funds</b>		<b>Source of Funds</b>		Ongoing Expenses	67,500,000.00
Infaq/Shadaqah Revenue	3,994.00	Zakat Revenue from Employee	6,735,000.00	Branch Offices Revenue	15,264,783,479.97
Other Revenue	-	Other Revenue	-	<b>Final Balance Headquarter Office</b>	15,317,312,501.34
Profit Sharing	89,214.00	Profit Sharing	302,897.00	Initial Balance Branch Offices	9,200,837,268.85
Tax	(17,489.00)	Tax	(60,586.00)	Expenses/Correction	(8,892,924,843.11)
Total Revenue	75,719.00	Total Revenue	6,977,311.00	Revenue	608,620,844.52
				<b>Final Balance Branch Offices</b>	916,533270.26
<b>Balance</b>	13,285,515.16	<b>Balance</b>	45,414,928.23	<b>Balance</b>	
<b>Funds Utilisation</b>		<b>Zakat Funds Distribution</b>		<b>Funds Utilisation by Headquarter Office</b>	
ZIS Socialisation	-	Destitute	-	Charity for Educational Support	10,000,000.00
Educational Activities	-	Gharimin	-	Charity for Earthquake/Natural Disaster/ Flood	-
Economic Activities	-	Ibnu Sabil	-	Charity for Mass Circumcision/Solidarity	-
Rollover Funds	-	Fisabilillah	-	Charity for Orphanage	-
Providing Receivables	-	Muallaf	-	Charity for Mosque Development	3,500,000.00
Other Operational	-	Operational	-	Charity for Public Utilities	-
	-	Orphanage	-	Al Quran Printing	54,000,000.00
Qurban Animal	-	Amil	-	Qurban Animal	-
Clearing Adm Fee	-			Ramadhan Activities	-
				Social Activities/Constructing Water Well	-
<b>Total Funds Utilisation</b>	-	<b>Total Funds Utilisation</b>	-	Charity for Hospital Payment Support	-
<b>Balance</b>	13,285,515.16	<b>Balance</b>	45,414,923.23	<b>Total Funds Utilisation</b>	67,500,000.00
				<b>Balance of Headquarter</b>	15,317,312.34
				<b>Balance (Consolidated)</b>	16,233,845,771.60

### Other Reportings

In regard to reportings, Maybank Indonesia UUS has had the support from a reliable management information system, competent human resources, and adequate IT security system so that UUS information can be presented accurately and on time. Maybank Indonesia UUS has disclosed Quarterly Published Financial Report in accordance with the applicable provisions through a number of Indonesian print medias having large circulation such as:

1. The first quarter report of 2017 has been published in Investor Daily on April 28, 2017.
2. The second quarter report of 2017 has been published in Media Indonesia daily on July 28, 2017.
3. The third quarter report of 2017 has been published in Media Indonesia daily on October 30, 2017.
4. The fourth quarter report of 2017 has been published in Media Indonesia daily on February 26, 2018

During 2017, Maybank Indonesia UUS's reports were as follows:

Reports	Frequency	Descriptions
Good Corporate Governance	Yearly	Corporate Governance Report
Bank's Business Plan	Yearly	Bank Work Plan Report
Amendments to the Bank's Business Plan	Yearly	Revised Bank Work Plan Report
Annual Operating Plan	Yearly	Bank's Line of Business Work Plan Detailed Report
Self Assessment GCG	Semiannually	Maybank Indonesia UUS Self-assessment Report
Compliance Plan Self Assessment (CPSA)	Semiannually	Maybank Indonesia UUS compliance fulfillment Report
Shariah Publications Report (LPS)	Quarterly	The report on the Balance Sheet, Profit/Loss and Asset of Maybank Indonesia UUS as well as information sharing distribution
Realisation of Bank Business Plan	Quarterly	Realisation of Bank Work Plan Report
Risk Compliance Self Assessment (RCSA)	Quarterly	Report on audit findings related to risk management of Maybank Indonesia UUS
Risk Profile	Quarterly	Risk Profile Report
Shariah Portfolio	Monthly	Maybank Indonesia UUS Business Performance Report
Monthly Business Report	Monthly	Maybank Indonesia UUS Financing & Projects Monthly Activity Report
Enterprise Risk Dashboard	Monthly	Maybank Indonesia UUS Risk Management Performance Report
Shariah Performance by LoB	Monthly	Maybank Indonesia UUS Performance per Line of Business Report
Result Management Report (RMR)	Monthly	Maybank Indonesia UUS Financial Data Report
Basel Commercial Bank Report (LBU), Microsoft Excel version	Monthly	Maybank Indonesia UUS Financial Data Report
Un-used Commitment & Contingency Financing Report	Monthly	Un-Used Commitment & Contingency Financing Report
Customer with collectibility (SM & NPF)	Monthly	Maybank Indonesia UUS Report on debtors with the classification of Special Mention and Non Performing Financing
Profit Distribution Report on Profit Sharing and Bonus	Monthly	Investment Returns Invested by Customers Report
Shariah GWM Report	Monthly	Maybank Indonesia UUS Minimum Reserve Requirements Report
Backdate Financial Statements Report	Monthly	Maybank Indonesia UUS Report on Balance Sheet, Profit/Loss and Backdate Recapitulation
NPF Report and Financing Restructure	Monthly	Problematic Financing and UUS Financing Restructuring Report
Shariah Economic Sector Report	Monthly	Financing Grouping According to Economic Sector Report
Bank Financial Report (LKB)	Monthly	Maybank Indonesia UUS's Balance Sheet, Profit/Loss, Assets and Profit Sharing Report
Shariah Funds Monitoring Report	Monthly	Maybank Indonesia UUS Working Capital Report: The Provision of the Bank's net fund in UUS
Commercial Bank Head Office (LKPBU) Report	Monthly	Report on the use of the Payment Instrument Using ATM Card (APMK)
Minimum Capital Requirement (KPMM)/Risk-Weighted Assets (RWA)	Monthly	Capital and Risk Weighted Assets Statement
The Monetary Stability and Financial System (LSMK) Report	Monthly	Report on Balance Sheet Report, R/L, Financing and Administrative Account in full number per branch and consolidation through BI website
Maturity Profile	Monthly	The Cash Flow Maturity Report
Nominative Financing Report	Monthly	O/S Financing Report
Shariah Commercial Bank Periodic Report (LBBUS)	Weekly	Balance Sheet, Profit/Loss and Maybank Indonesia UUS Assets Report
Outstanding Securities	Weekly	Reporting of Securities Collectibility Held to FAD
Past-due Report	Daily	Reports on debtors who have not fulfilled their obligations
Subledger	Daily	Daily Balance Report and R/L per branch and consolidated for branch accounting purposes
KYC Report	Daily	Out of profile Customers Report

## GCG Report Shariah Business Unit

### SELF ASSESSMENT GCG RESULT

No	Category	2017		
		Weight	Rank	Value
		(a)	(b)	(a) x (b)
1	Director of UUS duties and responsibilities Implementation	35%	1.17	0.41
2	Shariah Supervisory Board duties and responsibilities Implementation	20%	1.16	0.23
3	Implementation of Shariah principles in fund raising activities and channeling of funds and services	10%	1.60	0.16
4	Fund disbursement to Clients for core financing and deposit of funds by Core Depositors	10%	1.67	0.17
5	Transparency of financial and non-financial conditions, reports on the implementation of corporate governance, and internal reporting	25%	1.44	0.36
	<b>Composite Score</b>			<b>1.33</b>
	<b>Composite Rank</b>		<b>Excellent</b>	

Composite Score	Composite Rank
Composite Value < 1.5	Excellent
1.5 ≤ Composite Value < 2.5	Good
2.5 ≤ Composite Value < 3.5	Satisfactory
3.5 ≤ Composite Value < 4.5	Less Than Satisfactory
4.5 ≤ Composite Value ≤ 5	Poor

# Approval Sheet

## PT Bank Maybank Indonesia Tbk

### BOARD OF DIRECTORS



**Taswin Zakaria**

President Director/Director of UUS

### SHARIAH SUPERVISORY BOARD



**Dr. H.M. Anwar Ibrahim, MA**

Chairman



**Dr. H. Abdul Jabar Majid, MA**

Member



**Dr. H. Oni Sahroni, MA**

Member