

Implementation of Aspects and Principles of Corporate Governance in Accordance with the Guidelines of Corporate Governance Principles for Banks

The Maybank Indonesia implements the principles of Corporate Governance in accordance with the Guidelines of Corporate Governance Principles for Banks guidelines issued by the Basel Committee in Banking Supervision. In the guideline there are several best practices that can be used as references in the implementation of corporate governance within the Bank. Such implementation in the Bank is as follows:

Principle	Description	Implementation of Maybank Indonesia
Principle 1 Responsibilities of the Board of Commissioners.	The Board of Commissioners has responsibilities which include: approval and supervision of the application of business strategies, governance structures and mechanisms and corporate culture	<p>In the Board of Commissioners Manual it is stated that their duties and responsibilities are independent and ensure the implementation of Good Corporate Governance in the Company's business activities at all levels or levels of the organization.</p> <p>In terms of carrying out the supervisory function, the Commissioner must direct, oversight and evaluate the implementation of the Company's strategy and policies.</p>
Principle 2 Qualifications and Composition of the Board of Commissioners.	Members of the Board of Commissioners must have quality in accordance with their duties and responsibilities, both individually and collegiality. The Board of Commissioners must understand its role in overseeing and implementing corporate governance, as well as being able to carry out sound and objective decision making.	<p>The qualifications and composition of the Board of Commissioners of Maybank Indonesia have met the requirements and conditions as stipulated in the laws and regulations that apply in the territory of the Republic of Indonesia.</p> <p>Maybank Indonesia Commissioners do not have financial relationships, share ownership and/or family relations with other Commissioners, Directors and/or Controlling Shareholder or relationships with the Bank which can affect their ability to act independently as stipulated in regulations related to Good Corporate Governance for Commercial Banks. This is conveyed in a Statement Letter signed by each Commissioner of Maybank Indonesia.</p> <p>The composition of the Board of Commissioners of Maybank Indonesia has fulfilled the requirements, as seen in, among other criteria, 50% (fifty percent) of the total membership of the MBI Board of Commissioners are Independent Commissioners. Therefore there is no intervention from the owners on the composition of the Board of Commissioners so as to be able to carry out healthy and objective decision making.</p>
Principle 3 Structure and Mechanism of the Board of Commissioners.	The Board of Commissioners must determine the proper governance structure and practice in carrying out its duties and periodically conduct a review of its effectiveness.	<p>In order to support the implementation of the supervisory function of the Board of Commissioners, Maybank Indonesia has Committees under the Board of Commissioners, namely:</p> <ol style="list-style-type: none"> 1. Audit Committee 2. Risk Oversight Committee 3. Nomination and Remuneration Committee 4. Integrated Good Corporate Governance Committee
Principle 4 Board of Directors.	Under the guidance and supervision of the Board of Commissioners, the Board of Directors is able to manage the Bank's activities in accordance with the business strategy, risk appetite, remuneration policy and other policies that have been approved by the Board of Commissioners.	The Board of Directors manages the Company under the guidance, monitoring and supervision of the Board of Commissioners, as can be seen from the increased business achievements of the previous year. All Bank policies that affect risk appetite, remuneration policies and some others outside of Maybank Indonesia operational activities must obtain Board of Commissioners approval.



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<p>Principle 5 Governance Structure of the Business Group.</p>	<p>In a business group, the Board of Commissioners of the parent company has overall responsibility for the business group and to ensure the establishment and implementation of clean governance practices related to the structure, business and risks of business groups and entities. The Boards of Commissioners and Directors must understand the business group organizational structure and the risks faced.</p>	<p>Maybank Indonesia is the Primary Entity of the Maybank Indonesia Financial Conglomerate.</p> <p>In terms of the financial conglomerate, Maybank Indonesia implements Integrated Good Corporate Governance, Integrated Risk Management, Integrated Capital Adequacy Ratio.</p> <p>Maybank Indonesia has formed a committee under the Board of Commissioners, namely the Integrated Good Corporate Governance Committee, which consists of representatives of all members of the financial conglomerate.</p> <p>Maybank Indonesia as the Primary Entity, also publishes Integrated Good Corporate Governance Guidelines, Integrated Risk Management Policies and frameworks, Compliance Guidelines and Integrated Internal Audit, Integrated Capital Adequacy Ratio Framework and other related policies. These policies can be applied by all members of the financial conglomerate as long as they do not conflict with regulations that regulate more specifically for each entity.</p>
<p>Principle 6 Risk Management Function.</p>	<p>Banks must have a risk management function that is qualified, independent, has quality resources and has access to the Board of Commissioners.</p>	<p>Maybank Indonesia has an independent risk management function under the direction of the Director of Risk Management. Maybank Indonesia runs the Identification, Measurement, Process Risk Monitoring, Control and Management Information Systems Risk through the Enterprise Risk Management (ERM) framework. Maybank Indonesia always improves the capabilities and knowledge of all employees, especially in terms of awareness and risk management, by conducting training regularly, both internally and externally. Access with the Board of Commissioners regarding risk management is delivered through the Risk Oversight Committee and the Integrated Good Corporate Governance Committee.</p>
<p>Principle 7 Identification of Risk Monitoring and Control.</p>	<p>Risks must be identified, monitored and controlled for all activities of the Bank. The quality of risk management infrastructure and internal control must be able to keep up with changes in the Bank's risk profile, external risk conditions, and industry practices.</p>	<p>Within Risk Management, Maybank Indonesia has identified, measured and assessed risks by preparing risk profiles on a regular basis. Risk measurements and assessments can run well according to the established Risk Management Policy, which is adjusted to the level of risk faced by Maybank Indonesia.</p>
<p>Principle 8 Risk Communication.</p>	<p>Effective risk governance requires accurate risk communication in the Bank environment both between organizations and through reporting to the Boards of Commissioners and Directors.</p>	<p>Risk Based Bank Rating (RBBR) assessment every semester is submitted in the Risk Management Committee consisting of Maybank Indonesia Directors. Furthermore, the RBBR assessment is conveyed to the Board of Commissioners through the Risk Oversight Committee.</p>
<p>Principle 9 Compliance.</p>	<p>The Board of Commissioners is responsible for overseeing management related to the Bank's compliance risk. The Board of Commissioners must determine the compliance function and provide approval for policies and processes for identifying, evaluating, monitoring and reporting, and providing advice on compliance risks.</p>	<p>Maybank Indonesia has a Compliance Unit that is independent from the operational work units and free from the influence of other work units, and has direct access to the Director in charge of the Compliance Function.</p> <p>The Maybank Indonesia Board of Directors is responsible for overseeing bank compliance risk management. The Board of Commissioners provides approval for the policies and processes for identification of assessments, monitoring and reporting and provides necessary recommendations related to the Bank's compliance risk through Board of Commissioners meetings.</p>
<p>Principle 10 Internal Audit.</p>	<p>The internal audit function must report independent assurance activities to the Board of Commissioners and must support the Board of Commissioners and the Board of Directors in encouraging the implementation of effective governance processes and long-term health of the Bank. Periodically, external audit will provide an opinion on the quality of internal audit.</p>	<p>Maybank Indonesia has an independent Internal Audit Working Unit as described under this Annual Report page 424.</p>

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Principle 11 Compensation.	The Bank's remuneration structure must support the implementation of corporate governance and risk management.	The Bank has a Nomination and Remuneration Committee that complies to the prevailing laws and regulations therefore the implementation has supported the corporate governance and risk management.
Principle 12 Disclosure and Transparency.	The implementation of governance from the Bank must be carried out transparently to Shareholders, Depositors, other relevant Stakeholders and Market Participants.	The Bank always prioritizes disclosure and transparency in accordance with prevailing provisions and regulations.