

# Internal Audit

The Internal Audit retains the vision to become the management's strategic partner in supporting the Bank's growth to attain the organization's set goals. In carrying out its duties, the Internal Audit has 2 (two) functions.

The first is the assurance function, where the Internal Audit evaluates the governance process, risk management, and effectiveness of the internal control on all aspects of the Bank's activities through the risk-based approach.

Second, the consultative function, where the Internal Audit provides feedback on internal control to other directorates, such as by extending recommendations or suggestions for improvements in various audits conducted, feedback on policy or procedure drafts, feedback on the Bank's main initiatives, and others.

## PROFILE

<b>Anke Subandy</b> Head of Internal Audit	
<b>Nationality</b>	Indonesian
<b>Domicile</b>	Jakarta
<b>Age</b>	53 years old at the end of the 2024 financial year
<b>Tempat, Tanggal Lahir</b>	Bogor, January 2, 1971
<b>Basis of Appointment</b>	Appointed by the President Director with the Board of Commissioners' approval since June 1, 2024, through Decree No. PS/BOC/025/V/2024 dated May 22, 2024, concerning the Approval of the Board of Commissioners related to the Replacement of the Head of Internal Audit of PT Bank SMBC Indonesia Tbk.
<b>Educational Background</b>	<ul style="list-style-type: none"> <li>• 1994 -1995 Edith Cowan University, Western Australia - Master of Business Administration.</li> <li>• 1989 -1993 Universitas Tarumanegara, Jakarta - Bachelor of Economic majoring in accountancy.</li> <li>• 1987-1989 Senior High School Regina Pacis, Bogor</li> <li>• 1985-1987 Junior High School Regina Pacis, Bogor</li> <li>• 1979-1985 Elementary School Regina Pacis, Bogor</li> </ul>
<b>Work Experience</b>	<p><b>PT Bank Permata Tbk</b>            August 2017 – May 2024</p> <ul style="list-style-type: none"> <li>• January 2023 – May 2024 Chief of Internal Audit</li> <li>• August 2017 – December 2022 Executive Vice President – Division Head of Internal Audit</li> </ul> <p><b>Citibank Indonesia</b></p> <ul style="list-style-type: none"> <li>• September 2015 – August 2017 Senior Vice President – Country Head of Operational Risk Management</li> </ul> <p><b>PT Bank CIMB Niaga Indonesia</b>            March 2012 - August 2015</p> <ul style="list-style-type: none"> <li>• January 2014 – August 2015 Senior Vice President Internal Audit - Deputy Chief Audit Executive To assist CAE in overall responsibility as Head of Internal Audit CIMB Niaga. Oversight Audit Groups:</li> <li>• March 2012 – December 2013 Senior Vice President Internal Audit – Credit Audit Group Head Responsible for all audits on products, operations and supports related to the following:</li> </ul> <p><b>The Hong Kong and Shanghai Banking Corporation - Jakarta</b>            July 2005 - March 2012</p> <ul style="list-style-type: none"> <li>• December 2009 – March 2012 Senior Vice President Internal Audit</li> <li>• November 2007 – November 2009 Vice President Operational Risk and Controls</li> <li>• June 2007 – October 2007 Assistant Vice President Management Internal Control</li> <li>• July 2005 – June 2007 Management Internal Control Manager</li> </ul>

Internal Audit

- ABN AMRO BANK NV. Indonesia**
- April 2004 – July 2005  
Internal Audit Manager
- The Hong Kong and Shanghai Banking Corporation - Jakarta**
- March 2001 – March 2002  
Credit Audit Manager
- Bank Credit Lyonnais Indonesia – Jakarta**
- June 1996 - April 2001
- August 1998 – April 2001  
Internal Auditor
  - June 1997 – July 1998  
Assistant Manager Corporate Banking
  - June 1996 – May 1997  
Management Trainee

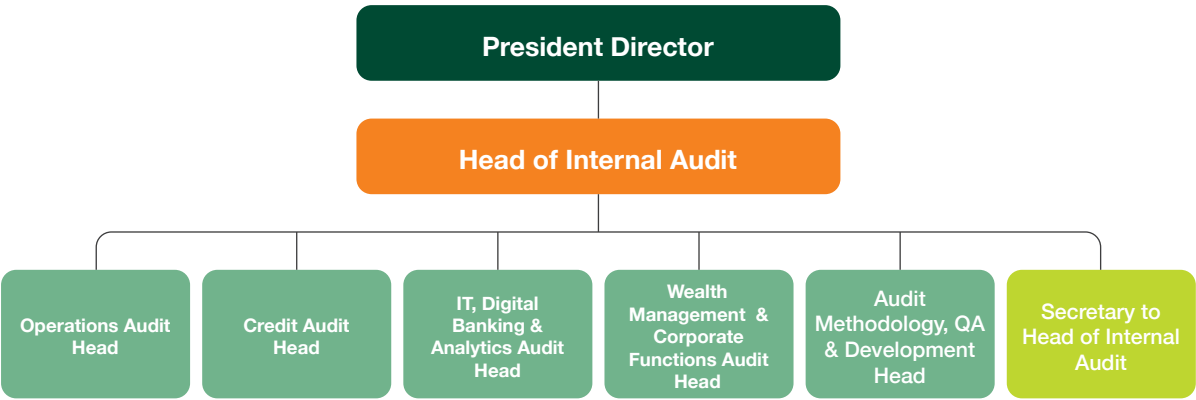
Certification	<ul style="list-style-type: none"><li>• Certified Internal Auditor (CIA)</li><li>• Certified Data Protection Officer (CDPO)</li><li>• Anti-Bribery Management System (SMAP) SNI ISO 37001:2016</li><li>• SNI ISO 37001:2016</li><li>• Certified Teal Agilist (CTA)</li><li>• Certified Associate Scrum Master (CASM)</li></ul>
Affiliation	No affiliation with the Board of Directors, Board of Commissioners, and Controlling Shareholders.

APPOINTMENT AND DISMISSAL

The Head of Internal Audit is appointed and dismissed by the President Director with the approval of the Board of Commissioners. The appointment and dismissal of the Head of Internal Audit are reported to the Financial Services Authority (OJK).

ORGANIZATION AND POSITION OF THE INTERNAL AUDIT IN THE COMPANY'S STRUCTURE

The Internal Audit is an independent directorate that reports directly to the President Director and functionally to the Board of Commissioners through the Audit Committee. Until the 2024 financial year, the organizational structure of Internal Audit is as illustrated below:



No.	Division	Responsibility
1	Credit Audit Division	Examining all credit activities in the Wholesale, Commercial, and Business Banking business segments, including Cash Management and Trade Finance services, as well as the Retail Lending, Micro Business, and Pension business segments
2	IT, Digital Banking, and Analytics Audit Division	Examining the Information Technology area - infrastructure, security, and applications, including the Digital Banking business (Jenius). This division is also a supporting division for other audit units by providing data for examination. Moreover, this unit also conducts continuous audit to check for anomalies through data.
3	Operations Audit Division	Examining all activities in branch offices and activities in the Operations directorate at the Head Office.
4	Wealth Management and Corporate Functions Audit Division	Examining the Wealth Management business segment, Treasury and supporting functions at the Head Office such as Finance, Compliance, Legal, Risk Management, and Human Resources.
5	Audit Methodology, Quality Assurance and Development Division	Preparing the Annual Audit Plan, developing audit methodologies, reviewing the conformity of Internal Audit activities with applicable standards, and improving the competence of Internal Audit staff through effective training mapping. This division also coordinates the Internal Audit function for the Finance Group and its subsidiaries.

## DUTIES AND RESPONSIBILITIES

The Internal Audit reports all results of the audit implementation, including recommendations for improvement to the President Director, the Audit Committee, and the Board of Commissioners, with a copy to the Director of Compliance. Periodically, the Internal Audit presents the audit results to the Board of Directors and the Audit Committee, as well as provides a summary of the audit results to the President Director, the Board of Directors, and the Audit Committee.

Each year, the Internal Audit also prepares the risk-based Annual Audit Plan related to the Bank's main activities. The Audit Plan is also discussed together with the related Director and Internal Audit Department of Sumitomo Mitsui Banking Corporation (SMBC IADAP) in connection with the audit collaboration plan to align with the directives of the overall business development and to obtain the approval from the President Director, the Audit Committee and the Board of Commissioners.

Details of the general duties and responsibilities of the Internal Audit are as follows:

1. Preparing a risk-based annual audit plan and obtain a review and approval from the President Director, the Audit Committee, and the Board of Commissioners.
2. Communicating the plan to the President Director and the Audit Committee if there are limited resources that might affect the annual audit plan.
3. Reviewing and adjusting the annual audit plan if there are significant changes in the business, risk, operation, program, system, and control. Such changes must acquire the approval of the President Director, the Audit Committee, and the Board of Commissioners.
4. Implementing the approved annual audit plan by analyzing and evaluating the effectiveness of Governance, Risk Management, and Internal

Control (GRC) to maximally support the Bank's objectives and goals.

5. Performing consultative audits/reviews of the Bank's new initiatives/products if required by both the management as well as regulators.
6. Identifying possibilities for improvement and increasing the efficiency in the use of resources.
7. Periodically submitting audit reports to the President Director and the Board of Commissioners through the Audit Committee, containing an overview of the audit activities results, with a copy to the Director of Compliance.
8. Monitoring and reporting the progress of the implementation of the audit results follow-up to the President Director, Board of Commissioners, Audit Committee, and Board of Directors.
9. Ensuring that the Bank's Internal Audit function and monitoring of the Internal Audit Function in subsidiaries are effectively running.
10. Working together with other internal control functions, including the external audit to achieve comprehensive audit results.
11. Preparing and reviewing the Internal Audit charter, policies, and procedures periodically.

## INTERNAL AUDIT CHARTER

The Internal Audit function is mandated by the Board of Commissioners (Board) which defines the Internal Audit function's authority, roles, and responsibilities and is documented in the Internal Audit Charter. This mandate empowers the Internal Audit function to provide assurance, advice, insight, and objective foresight to the Board of Commissioners (through the Audit Committee) and Management. The Internal Audit function carries out its mandate by applying a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes

## Internal Audit

throughout the organization. This Internal Audit Charter is approved by the President Director, Audit Committee, and Board of Commissioners.

The preparation of the Internal Audit Charter refers to the Financial Services Authority Regulation No. 1/POJK.03/2019 concerning the Implementation of the Internal Audit Function in Commercial Banks and the Internal Audit professional standards issued by The Institute Internal Audit (the IIA). Periodically, Internal Audit reviewed and aligned the Charter, as well as its derivative documents such as Internal Audit policies and procedures in accordance with applicable provisions and standards.

## BASIS OF IMPLEMENTATION OF INTERNAL AUDIT

SMBC Indonesia established standards and methodologies in conducting internal audit, as outlined in the Internal Audit Policy 2024. In general, the Internal Audit policy covers general policy, audit policy, documentation and administration policy, and resource policy. The policy refers to the prevailing laws and regulations as well as industry best practices, including:

1. Financial Services Authority Regulation No. 1/POJK.03/2019 on the Implementation of the Internal Audit Function for Commercial Banks.
2. Financial Services Authority Regulation No. 17 of Year 2023 concerning Governance Implementation For Commercial Banks.
3. Financial Authority Regulation No. 18/POJK.03/2014 on the Implementation of the Integrated Governance for Financial Conglomerates.
4. Financial Services Authority Regulation No. 45/POJK.03/2020 on Financial Conglomeration.
5. Financial Services Authority Regulation No. 11/POJK.03/2022 on the Implementation of Information Technology (IT) by Commercial Banks and the Financial Services Authority Circular Letter No. 21/SEOJK.03/2017 on the Implementation of Risk Management in the Use of Information Technology by Commercial Banks.
6. International Standards for the Professional Practice of Internal Auditing (IPPF)

## HUMAN RESOURCES

Until the end of the 2024 financial year, the number of Internal Audit human resources was 63 people.

### Details of Human Resources Distribution

Directorate/Division	Total Human Resources
Head of Internal Audit	1
Secretary to Head of Internal Audit	1
Credit Audit	12
IT, Digital Banking and Data Analytics Audit	16
Operations Audit	15
Wealth Management and Corporate Functions Audit	13
Audit Methodology, QA and Development	5
<b>Total</b>	<b>63</b>

## QUALIFICATION AND CERTIFICATION

### Qualification Standard of Internal Audit Human Resources

Position	Minimum Qualification
Head of Internal Audit	Risk Management Certification (SMR) Level 7, Professional Certification related to Internal Audit
Audit Division Head	Risk Management Certification (SMR) Level 5, Professional Certification related to Internal Audit
Audit Lead	Risk Management Certification (SMR) Level 5
Senior Auditor/Auditor	Risk Management Certification (SMR) Level 4

### Ownership of Professional Certification

Professional Certification	Total Employee with Certificate
CIA (Certified Internal Auditor)	2
CISA (Certified Information Systems Auditor)	2
CISM (Certified Information Security Manager)	1
CSX (Cyber Security Nexus)	1
CAMS (Certified Anti-Money Laundering Specialist)	1
CGRCP (Certified GRC Professional & Audit)	1
ISC (International Cyber Security)	2
ISO 27001: 2013	1
QIA (Qualified Internal Auditor)	5
CBIA (Certified Bank Internal Audit)	16
SMR (Risk Management Certification)	61

### Participation in Professional Association

Professional Certification	Number of Employee
IIA (Institute of Internal Auditors)	6
ISACA (Information Systems Audit and Control Association)	5
IAIB (Ikatan Auditor Intern Bank)	63

## IMPLEMENTATION OF ACTIVITIES IN 2024

The 2024 Audit Plan has been prepared and approved by the President Director, subsequently approved by the Audit Committee and the Board of Commissioners as of November 2023, with 31 (thirty-one) assurance assignments and 1 (one) advisory assignment.

In October 2024, the Internal Audit revised the Annual Audit Plan for 2024, which included changes to the type of audit, audit scope, and separation of audit assignments. The revised Audit Plan for 2024 has been submitted and approved by the President Director, Audit Committee, and Board of Commissioners as of October 30, 2024. As of the end of December 2024, the Internal Audit completed 100% (32 out of 32) of assurance audit assignments, namely four mandatory, four general, 16 thematic, and eight branch audits at business units and supporting work units. In addition, there are two advisory audit assignments, namely Network & Distribution and SLIK Project that have been commenced and are still ongoing until the end of 2024.

The completed examinations include mandatory audits in accordance with regulations such as ISO 27001 Surveillance, Local Fund Transfer (related to the submission of LHPK/Compliance Assessment Results Report), Single Customer View (SCV), and ICAAP (Internal Capital Adequacy Assessment Process); examination of business segments covering Micro Business Management, Pension Business Management, Corporate & Wholesale Credit Activities, Digital Banking (Jenius), and Treasury Business Activities, examination of supporting functions covering Core Banking, Card Payment Tools, General Services, Power, AML, CFT & CPF (Anti-Money Laundering, Counter Financing of Terrorism, and Counter-Proliferation Financing of Mass Destruction Weapons), Remittance & Payment Operations, Compliance, Corporate Secretary, effectiveness of Retail Banking Quality Assurance function, IT (Information Technology) Governance Framework, User Access Management, Sales Distribution - Wealth Management Business and SME Business Activities - IT Related, as well as examinations of branches for West Java, Sumatra, Jakarta 2, Central Java, Jakarta 1, Eastern Indonesia, East Java, Bali, Nusa Tenggara, and SME Makassar Hub. The Internal

Audit also completed a collaborative/joint audit with SMBC Internal Audit Department Asia Pacific (IADAP) on cyber security and BTPN Syariah on IT Development (subsidiary oversight).

For the existing weaknesses/findings, the relevant work units carried out/have follow-up plans for improvement, which are monitored continuously by the Internal Audit.

In addition, the Internal Audit also reviewed (12 assignments), among others, related to the development of Jenius digital services (as platform services, KYC/ Know Your Customer process without face-to-face and automatic verification process, mutual fund switching, digital bancassurance, QRIS cross border, QRIS service with a credit card as a funding source, and secondary market bond feature), cooperation with third parties related to the advanced development of 24/7 remittance feature, Touchbiz (biometric feature for transfer, new checking account opening feature), Flexi Cash acquisition, and QRIS service in the BisnisKit application.

Furthermore, the Internal Audit also conducted continuous audits (15 assignments), including analysis related to customer risk profiles, NIK/Population Identification Number, teller adequacy, and cash withdrawal transactions without customer identity cards at branches, Jenius credit card facilities without savings/current accounts, transactions from vendors/ outsource to employees, savings and current accounts with negative balances, transactions between employees, relationship managers with customers/ vendors, incorrect customer email and phone number information, general ledger clearing debits and clearing rejects, changes in date of birth on pension loan facilities, critical customer data quality, SLIK, ATM cash withdrawals exceeding daily transaction limits, active customer master data, and calculation of interest on deposits withdrawn before the maturity date.

On the other hand, in connection with the stipulation of the 2025 Annual Audit Plan, the Internal Audit updated the audit methodology, which began with the identification of the Audit Universe with a broader perspective covering processes, systems, functions, and working units and cross-referenced to the organizational structure, products, applications/ systems, and audit divisions to ensure coverage. The process was followed by conducting a Macro Priority Assessment (MPA) to identify risk factors contributing to the entity, evaluate risks, and prioritize results. MPA is conducted on the credit (SME and Micro), IT, and Network & Distributions areas. The Internal Audit constantly reviews and updates the Audit Universe and MPA parameters used to provide an up-to-date risk-based audit approach in line with business

## Internal Audit

developments. The 2025 Annual Audit Plan has been completed and approved by the President Director, Audit Committee, and Board of Commissioners on November 25, 2024.

The Internal Audit provides periodic updates on the implementation of the audit plan, audit results, and work unit follow-up on its findings to the Board of Directors and the Audit Committee (quarterly). In addition, to provide an up-to-date overview of audit results during a certain period, periodically or at least monthly, the Internal Audit provides a report to the President Director on potential opportunities for improvement to further strengthen internal control over a business and other supporting functions.

In terms of the implementation of integrated governance of the Financial Conglomerate, the Internal Audit regularly communicates between the Head of Internal Audit of SMBC Indonesia and the Head of Internal Audit of BTPN Syariah and OTO/SOF, and supervises BTPN Syariah and OTO/SOF, as well as holding annual meetings between the Head of Internal Audit of SMBC Indonesia, the Head of Internal Audit of BTPN Syariah and the Board of Commissioners of BTPN Syariah in accordance with the provisions of the Financial Services Authority (OJK).

To maintain and ensure the quality of the implementation of the Internal Audit function, as well as referring to OJK Regulation (POJK) No. 1/POJK.03/2019 regarding the Implementation of the Internal Audit Function at Commercial Banks, at least once every 3 (three) years the Internal Audit, based on the recommendation of the Audit Committee, appoints an independent quality controller to review the Internal Audit performance. In accordance with the established cycle, in 2022, the Internal Audit appointed RSM Indonesia as an independent party to review the performance of the Internal Audit. The

results of the RSM Indonesia review suggest that the Internal Audit activities are generally in accordance (Generally Conform) with the applicable standards (the related POJK and International Professional Practices Framework/IPPF). The review results have been submitted to OJK on August 30, 2022. The next independent assessment will be conducted in 2025 with the review period ending in June 2025.

The Internal Audit also conducted a Quality Assurance Review (QAR) 2024 with an average QAR result of 98.5. In addition, based on the audit of Key Control Self-assessment (KCSA) for the first semester of 2024 and Key Risk Indicator (KRI) as of November 2024 on the processes in Internal Audit, the results are No Exception Noted.

## INTERNAL AUDIT MEETINGS

	Meeting with:		
	Board of Directors	Board of Commissioners	Audit Committee
Number of Meeting	4	7	5

## TRAINING AND COMPETENCY DEVELOPMENT

During 2024, all Internal Audit staff completed the Mandatory Training determined by the Bank. This Mandatory Training was conducted through eLearning and classroom training. In addition, to improve the competence of all Internal Audit staff, they carried out internal training and knowledge sharing on a regular basis. Details of competency development participated by the Internal Audit throughout 2024 are as follows:

Number of Participant	Training Period	Type of Training	Organizer
14	January 23, 2024	Auditing Anti-Money Laundering and Counter-Terrorism Financing (AML-CFT), Treasury Business, and Audit Management and Documentation Process	Wealth Management & Corporate Functions Audit Division
2	March 26, 2024	Auditor Negotiation Skills	Ikatan Auditor Intern Bank (IAIB)
61	April 1, 2024	Internal Sharing End User Training New Audit Management System (AMS)	Centria
3	April 24, 2024	Basel III	Ikatan Auditor Intern Bank (IAIB)

Number of Participant	Training Period	Type of Training	Organizer
1	July 10, 2024	Konferensi Auditor Internal	Yayasan Pendidikan Internal Audit (YPIA)
14	June 12, 2024	Anti Pencucian Uang, Pencegahan Pendanaan Terorisme, dan Pencegahan Pendanaan Proliferasi Senjata Pemusnah Massal (APU PPT PPPSPM)	Ikatan Auditor Intern Bank (IAIB)
61	July 31 2024	Fundamental IT Audit for Non-IT	IT, Digital Banking & Analytics Audit
3	August 28, 2024	The Asian Confederation of Institutes of Internal Auditors (ACIIA) Regional Conference	The Institute of Internal Auditors (IIA)
62	August 21, 2024	Internal Sharing The New Reporting Process by using Teammate Application	Wealth Management & Corporate Functions Audit
61	November 14, 2024	IA Plan, New Methodology, and Strategic Plan IA	Head of Internal Audit, Methodoly, QA & Development Audit
1	November 19, 2024	Pelatihan Pejabat Pelindungan Data Pribadi Bersertifikat	Asosiasi Profesional Privasi Data Indonesia (APPDI)
2	November 20, 2024	IT Governance Risk Management, Assurance & Cybersecurity (GRACS)	Information Systems Audit and Control Association (ISACA)
64	Oktober 30, 2024	Internal Sharing Advisory Audit Service on Sistem Laporan Informasi Keuangan (SLIK) Enhancement Project and Network and Distribution	Wealth Management & Corporate Functions Audit
2	Oktober 17, 2024	Executive Leadership Program	Global Institute for Tomorrow (GIFT)

## 2025 STRATEGIC PLAN

SMBC Indonesia's Internal Audit will redefine its role as the third line of internal control defense through the transformation of Internal Audit's traditional role, as a compliance-focused function into a strategic partner that provides significant added value to the organization. This transformation requires changes in the mindset, methodology, and capabilities of auditor personnel, enabling the Internal Audit function to proactively contribute to the Bank's strategic goals and objectives.

### Personnel

Internal Audit personnel will continue to improve their competence and self-development on an ongoing basis through continuous internal sharing sessions, training in soft skills, leadership, and current emerging topics, such as Personal Data Protection. In addition, Internal Audit personnel are also strongly encouraged to have Internal Audit professional certification, which is recognized nationally and internationally.

By 2025, to fulfill the number of personnel needs, the Internal Audit Team will also involve Management Trainees, who will then become Internal Audit staff in 2026. It is also conducted to prepare young leadership within Internal Audit.

The Internal Audit will also begin to create an Internal Audit Competency Model to serve as a reference in the development of knowledge and skills, as well as career advancement as an internal auditor.

Collaboration for knowledge sharing with SMBC Internal Audit Department Asia Pacific (IAD AP) will continue through joint audit or short-term attachment.

### Process

In preparation for the 2025 Audit Plan, the Internal Audit also revised its methodology by emphasizing the process to ensure the coverage of the Audit Universe in the Bank's key areas and risk assessment that follows the risk movement of the Audit Universe to determine the audit priorities. This process is key to determining the number of Internal Audit personnel.

The year 2025 is the first year for the Internal Audit function to implement the Global Internal Audit Standards (GIAS) of The Institute of Internal Auditors (IIA). A different analysis of the new standards has been conducted and will be followed up in 2024. It is also to prepare for the Quality Assurance Review (QAR) conducted by an independent external reviewer in 2025. In addition, the Internal Audit will also develop the Quality Assurance Methodology through On Desk and Quality Review approaches.

## Internal Audit

The Internal Audit also started to formally offer advisory services in accordance with the definition of the Internal Audit function according to OJK and International Internal Audit Standards. Through this service, the Internal Audit will provide advice by providing recommendations for process improvement, risk control, and governance without taking over the responsibility of Management. Through this service, Internal Audit will also strengthen its role as a business partner involved in early process control improvement.

Overall, the Internal Audit will also review end-to-end process audits to find potential simplifications and overlapping processes or scopes for improvement.

### Technology

The Internal Audit will continue to maximize the use of the TeamMate+ application as an Audit Management System by not only ensuring that the documentation of audit results has been carried out properly but also as proof that the audit process has been carried out in accordance with the Global Internal Audit Standards (GIAS).

Additionally, the use of data analytics will also continue to be improved through a more complete and sharper "Internal Audit Dashboard". The Internal Audit will also change the Continuous Auditing approach, which is currently conducted thematically, into a continuous process, and work closely with the first line of internal control.

### Risk Culture in Organization

The Internal Audit will also support the growth of a strong risk culture in the Bank. In 2025, Internal Audit will implement the Management Self-Identified Issue (MSII) assessment methodology in audit results. Through this methodology, Management will gain recognition to proactively identify control weaknesses in their area and take appropriate corrective actions.

The implementation of MSII in 2025 is a journey for the implementation of Management Control Awareness (MCA) in line with the methodology implemented by the Internal Audit Division Asia Pacific (IAD AP).

### Conglomerate

As the lead entity in the conglomerate, the Internal Audit will perform its role by sharing best practice methodology on Internal Audit, coordinating supervision, and reporting audit results to shareholders and regulators. In addition, Internal Audit will also prepare its personnel to anticipate the increasing scope of responsibilities, audit assignment obligations, or new activities in accordance with OJK regulation No. 30 of 2024 concerning Financial Conglomerates and Financial Conglomerate Parent Companies.