

Key Performance Indicator of the Board of Directors PT Bank Mandiri (Persero) Tbk.

Performance Assessment of The Board of Directors

The Board of Commissioners' assessment of the Board of Directors' performance is observed through the achievement of the Key Performance Indicators (KPI) of the Director individually, as well as the KPI collegially assessed by the Shareholders through the General Meeting of the Shareholders' Mechanism (GMS).

The Board of Commissioners has concluded that the Board of Directors fulfilled their duties and responsibilities adequately in 2022. This is evident from the results of the performance evaluation of the Board of Directors, which align with the Corporate Work and Budget Plan (RKAP) and other established criteria, resulting in an overall score of 107.91 in 2022.

Bank Mandiri had a strong and impressive performance in 2022, with most of its metrics surpassing those of the banking sector. For instance, the bank's consolidated loans increased by 14.48% year-over-year, while the gross NPL (nonperforming loan) ratio remained low at 1.88%. In comparison, the banking industry as a whole had a loan growth and gross NPL ratio of 11.35% and 2.45% respectively in 2022.

Bank Mandiri was able to obtain third-party funds at a faster rate than the industry's deposit growth in 2022, with a growth rate of 15.46% year-over-year compared to the industry's 9.01%. Furthermore, Bank Mandiri's consolidated current account and savings account ratio (CASA) increased from 69.70% in 2021 to 73.40% in 2022.

With the strong performance in 2022, we are confident that Bank Mandiri will be able to fully leverage digital transformation across all operational areas, regardless of the Board of Directors' consistency in implementing adaptive plans. This can result in increased efficiency for Bank Mandiri, leading to growth in business volume across all industries. Additionally, Bank Mandiri ended 2022 on a positive note, achieving a consolidated net profit of Rp41.17 trillion, which represented a growth of 46.89% year-over-year.

Board of Directors Performance Assessment Results

No.	KPI	Weight	Indicators	Score
A. Economy and Social Values for Indonesia		45%		49.02
Financial				28.49
1	Pre-Provision Operating Profit (PPOP) Nominal	5%	According to RKAP	5.50
2	Pre-Provision Operating Profit (PPOP) Growth	5%	According to RKAP	5.50
3	Relative Stock Performance Against Peers (Maximum Negative Deviation vs Peers)	4%	According to Target	4.40
4	Market Capitalization	4%	According to Target	4.40
5	Return on Equity (ROE) Tier 1	5%	According to RKAP	5.50
6	Capital Adequacy Ratio (CAR)	3%	According to RKAP	3.19

No.	KPI	Weight	Indicators	Score
Operational				13.16
1	Loan Risk (LaR)	3%	According to RKAP	3.30
2	CKPN to Loan at Risk (LaR Coverage)	3%	According to RKAP	3.30
3	Cost of Credit (CoC)	3%	According to RKAP	3.30
4	BOPO	3%	According to RKAP	3.26
Social				7.37
1	Disbursement of KUR.	7%	According to Government Ceilings	7.37
B. Business Model Innovation		24%		25.66
1	Average Balance of Low Cost Funds	5%	According to RKAP	5.06
2	CASA Ratio	5%	According to RKAP	5.20
3	Active User Livin'	7%	According to Target	7.70
4	Active User Kopra	7%	According to Target	7.70
C. Leadership in Technology		11%		11.30
1	Implementation of ATM and EDC Payment Integrations (Jalin Project)	5%	According to Milestone	5.00
2	IT Maturity Level	3%	According to Threshold	3.30
3	Cyber Security Breach Incident (for losses >Rp 50 Bio)	3%	Total = 0	3.00
D. Investment Enhancement		10%		10.93
1	Environment, Social, Government (ESG) Rating	3%	Improved than previous year	3.30
2	Risk Management Maturity Index	3%	According to Threshold	3.30
3	Market Share of Loans of Bank Syariah Indonesia to the National Banking Loans	4%	Improved than previous year	4.33
E. Talent Development		10%		11.00
1	Female employees under the nominated talent	3%	According to Target	3.30
2	Millennial (<=42 years old) under the nominated talent. Implementation/ development of talent policies	3%	According to Target	3.30
3	Development & Career Path System at Holding/Cluster scopes	4%	According to Target	4.40
Total		100%		107.91