

## REPORT OF THE BOARD OF COMMISSIONERS

respectively. These levels suggest that both industries will remain above the minimum threshold of 120%.

By December 2022, the stock market had amassed a total of Rp267.73 trillion in funds. On the supply side, 71 new issuers were able to obtain funds through the capital market and were among the most successful in the region. It is expected that on 30 December 2022, the stock market performance will increase by 4.09% (ytd) to reach 6,850.62, which would position it among the top-performing stock exchanges in the region. This is due to the net purchase of Rp60.60 trillion (ytd) by non-residents in the stock market, despite the global financial market's volatility.

The capital market industry achieved a new milestone in 2022 as the number of investors rose to 10.31 million, which is a significant increase. This growth can be attributed to efforts to enhance public access to capital market instruments and the development of online distribution channels, which resulted in a 37.68% (yoy) increase in the number of investors.

In 2022, a significant decrease in Covid-19 bank restructuring loans was posted from Rp830 trillion in October 2022 to Rp469 trillion. The reduction was facilitated by an increase in the reserve coverage, which accounted for 24.3% of the total Covid-19 restructure loans. This indicates that the reorganization phase is approaching, but some industries that have been working diligently have been granted an extension until March 2024.

### 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 (non-performing 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.

### OVERSIGHT ON THE BOARD OF DIRECTORS STRATEGY FORMULATION AND IMPLEMENTATION

As per OJK Regulation No. 5/POJK.03/2016 on the Bank Business Plan, the Board of Commissioners is responsible for overseeing the implementation of the Bank's Business Plan (RBB), which includes policies and management strategies. Every six months, the Executive Supervision Report of the RBB is submitted to the Financial Services Authority (OJK) along with the findings of the oversight.

In addition, the Board of Commissioners has submitted to the Ministry of State-Owned Enterprises (SOEs) as a Series A Dwiwarna Shareholder, the Supervisory Report on performance accomplishments and the KPI of the Company. The Board of Commissioners drafted and presented the following RBB Implementation Oversight Report in 2022: