

## BOARD OF DIRECTORS

**Company Annual Strategy Review**

The Board of Directors strives to progress the Company's performance for the following year by reviewing the Company's annual strategy which is carried out at the end of the current year. In 2021, the review of the Company's annual strategy was carried out through the Board of Directors' meetings.

**Evaluation of the Company's Strategies**

Evaluation of the Company's strategies in line with the Company's Vision and Mission as well as the latest business environment is carried out periodically and involves all Directors and executives at Bank Mandiri, which is done through discussion forums for the annual Corporate Work Plan and Budget (RKAP) and the Company's Corporate Plan (RJPP) to find out the achievements and the business directives. In the process of drafting the RKAP which referred to the RJPP, the documents have to be submitted to the Board of Commissioners for approval.

**PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS**

The Board of Directors performance assessment is carried out from the achievement of Key Performance Indicators (KPI) individually and collegially, assessed by the Shareholders through the General Meeting of Shareholders (GMS) mechanism.

**Performance Assessment of Individual Directors****President Director**

1. Achievement of collegial performance of the Board of Directors.
2. Fulfilment of internal control in every line of defense.
3. Implementation of the Company's Compliance as a Public Company.
4. Achievement of business volume growth in the region.
5. Achievement of funding/Fee Based Income growth in the region.
6. Achievement of digital transactions volume growth by customers in the region.
7. Maintain Assets Quality/ Performing Loans.

**Vice President Director**

1. Achievement of collegial performance of the Board of Directors.
2. Improvement of litigation settlement percentage compared to the previous year.
3. Achievement of Special Assets Management targets.
4. Achievement of Loans Restructuring.
5. Settlement of Non-Performing Loans.
6. Improvement of Non-Performing Loans Quality, to become Performing Loans.

**Director of Commercial Banking**

1. Achievement of business volume growth of Commercial Banking segment.
2. Achievement of funding/Fee Based Income growth in Commercial Banking segment.
3. Achievement of customers digital transactions volume growth of Commercial Banking segment.

4. Maintaining Assets Quality/ Performing Loans.

**Director of Corporate Banking**

1. Achievement of business volume growth of Corporate Banking segment.
2. Achievement of funding/Fee Based Income growth in Corporate Banking segment.
3. Achievement of customers digital transactions volume growth of Corporate Banking segment.
4. Maintaining Assets Quality/ Performing Loans.

**Director of Network & Retail Banking**

1. Achievement of business volume growth of Retail Banking segment.
2. Achievement of acquisition targets of agents banking and financial inclusion of derivative agents.
3. Achievement of funding/Fee Based Income growth in Retail Banking segment.
4. Achievement of customers digital transactions volume growth of Retail Banking segment.
5. Maintaining Assets Quality/ Performing Loans.

**Director of Institutional Relations**

1. Achievement of business volume growth of Institutional segment.
2. Achievement of CSR disbursement for social, educational, religious aspects according to the work plan.
3. Achievement of funding/Fee Based Income growth in Institutional segment.
4. Achievement of customers digital transactions volume growth of Institutional segment.
5. Maintaining Assets Quality/ Performing Loans.



## BOARD OF DIRECTORS

### Director of Risk Management

1. Ensuring the implementation of proper risk management in accordance with the articles of association, risk management policies, internal control system policies, standard procedures, and external regulations.
2. Ensuring the implementation of risk management culture at all levels of the organization.
3. Ensuring the implementation of all risk management to determine risk appetite, risk thresholds, and integrated risk management strategies, as well as capital adequacy.

### Director of Information Technology

1. Implementation of effective technology and information governance.
2. Achievement of availability of information security management system.
3. Implementation of Information Technology projects with project charters.

4. Achievement of conformity between Information Technology with the needs of management information systems and the needs of the Bank's business activities.

### Director of Operations

1. Implementation of the Company's management in accordance with the duties determined in the GMS or the Board of Directors' Meeting.
2. Implementation of the Company's operations strategy, consolidation of communication, and programs.
3. Achievement of Fee Based Income growth.
4. Achievement of business transactions growth.

### Direktur Treasury & International Banking

1. Maintaining the Company's liquidity.
2. Management implementation banking book, trading activity, and dealing activities as well marketing which includes

- foreign Exchange Transactions, securities, derivative products treasury, and trade services according to that target set.
3. Achievement of Fee increase Based Income.

### Director of Finance & Strategy

1. Maintaining bank soundness rating.
2. Maintaining CAR ratio between 20%-21%.
3. Business Realization according to Work Plan & Budget/Bank Business Plan.
4. Achievement of set financial ratios.
5. The result of KPKU assessment is at least the same as the previous year.

### Director of Compliance & HR

1. Achievement of compliance in Bank Mandiri.
2. Achievement of a reduction in the ratio of fines imposed by the regulator.
3. Achievement of Human Capital management strategies and targets.

## 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
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

## BOARD OF DIRECTORS

No.	KPI	Weight	Indicators	Score
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

## PERFORMANCE ASSESSMENT OF THE COMMITTEE UNDER THE BOARD OF DIRECTORS AND THE BASIS OF THE ASSESSMENT

In carrying out its management duties, the Board of Directors is assisted by 11 (eleven) Committees under the Board of Directors called the Executive Committees:

1. Assets & Liabilities Committee (ALCO)
2. Business Committee (BC)
3. Capital & Subsidiaries Committee (CSC)
4. Human Capital Policy Committee (HCPC)

5. Information Technology & Digital Banking Committee (ITDC)
6. Integrated Risk Committee (IRC)
7. Policy and Procedure Committee (PPC)
8. Risk Management & Credit Policy Committee (RMPC)
9. Transformation Committee (TFC).
10. Credit Committee/ Rapat Komite Kredit (RKK)
11. Social & Environmental Responsibility Committee (SERC)

The following are results of performance assessment of Committees under the Board of Directors during 2022.

### Asset & Liability Committee

The Asset & Liability Committee (ALCO) was established to assist the Board of Directors in carrying

out the functions of determining the strategy of assets and liabilities management, interest rates and liquidity determination, as well as other matters related to the Company's assets and liabilities management, as well as monitoring and implementation of Recovery Plan during the Company's financial pressure/crisis conditions. In 2022, the basis of assessment was generated from the implementation of ALCO meetings, which convened 4 (four) meetings, and had carried out its duties properly.

### Business Committee

The Business Committee (BC) was established to assist the Board of Directors in determining the Company's integrated business