

BOARD OF COMMISSIONERS REPORT

Downstreaming is expected to continue, not only limited to nickel but also to other basic primary commodities, particularly CPO, copper, bauxite, tin and others, which will strengthen the balance of trade. The marine fishery industry, which has yet to be tapped, is expected to be developed in the future. All of these potentials will have a significant impact over different time periods, be it the short, medium, or long term.

Referring to these indicators and various achievements in 2023, coupled with the latest consumer confidence and PMI surveys, Bank Indonesia and the government agree that Indonesia's economy will continue to grow above 5% in 2024, with a range between 4.7% and 5.5%, accompanied by controlled inflation at around 3%. The IMF, in its World Economic Outlook 2024, also projected Indonesia's economic growth to be around 5.0%, relatively similar to the growth in 2023.

Considering the dynamics of the global and national economies, and taking into account the work plans and strategic plans developed by the Board of Directors for the period 2024, as well as the outstanding performance of Bank Mandiri in 2023, the Board of Commissioners believes that there remains room for Bank Mandiri and its subsidiaries to grow sustainably in every line of business. As such, we encourage all members of the Board of Directors to collectively strengthen the foundation of growth, optimize digital transformation, enhance business synergy among all subsidiaries by improving the quality of risk mitigation, and prioritize the implementation of best corporate governance practices at every operational phase.

OVERSIGHT OF CORPORATE GOVERNANCE IMPLEMENTATION

The Board of Commissioners acknowledges that Bank Mandiri is committed to consistently implementing best corporate governance practices throughout its operational activities. This commitment is reflected in the results of self-assessment of Individual Governance, Integrated Governance, and

external assessments such as the ASEAN Corporate Governance Scorecard (ACGS) and Corporate Governance Perception Index (CGPI) during 2023.

Here is a summary of the assessment results of Bank Mandiri's governance implementation in 2023:

- **Individual Governance Self-Assessment**
The self-assessment of Individual Governance implementation was conducted based on POJK No. 17/2023 and SEOJK No. 13/POJK.03/2017 regarding Corporate Governance Implementation for Commercial Banks. The self-assessment was conducted twice a year (June and December).

The self-assessment results for the first semester of 2023 obtained a score of 1 (one), then receiving feedback from the OJK with a score of 2 (two). This indicates that Bank Mandiri's management has generally implemented good corporate governance practices, as reflected in the adequate fulfillment of governance principles. In the second semester of 2023, the self-assessment score for individual governance was 1 (one), reflecting the excellent implementation of corporate governance by Bank Mandiri. Bank Mandiri has not received feedback from OJK for the self-assessment of the second semester of 2023.

- **Integrated Governance Self-Assessment**
The self-assessment of Integrated Governance implementation was conducted based on POJK No. 18/POJK.03/2014 and OJK Circular No. 15/SEOJK.03/2015 regarding Integrated Governance. The self-assessment was conducted twice a year (June and December) and involved all Financial Service Institutions (LJK) within the Bank Mandiri Financial Conglomeration.

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The self-assessment results for both the first and second semesters of Integrated Governance implementation received a score of 1 (one). This indicates that the Financial Conglomeration has implemented excellent integrated governance practices, as reflected in the highly adequate fulfillment of integrated governance principles. If there are any weaknesses in the implementation of Integrated Governance principles, they are generally minor and can be promptly addressed through normal actions and improvements by the Parent Entity and/or LJKs within the Financial Conglomeration.

- ASEAN Corporate Governance Scorecard
Bank Mandiri has adopted the assessment of corporate governance implementation based on the principles developed by the Organization for Economic Cooperation and Development (OECD) and agreed upon by the ASEAN Capital Market Forum (ACMF), known as the ASEAN Corporate Governance Scorecard (ACGS).

- Corporate Governance Perception Index
Bank Mandiri participated in the research and ranking program of the Corporate Governance Perception Index (CGPI) in 2023, with the theme of "Building Agility within the Framework of Corporate Governance." The assessment process of CGPI includes self-assessment, document completeness evaluation, and observation. The aspects assessed in CGPI include Governance Structure, Governance Process, and Governance Outcome.



Bank Mandiri's participation in CGPI in 2023 marks its 20th participation since 2003, and **Bank Mandiri has maintained the title of a "The Most Trusted" company for 17 consecutive times, with a score of 95.22.**

Advisory Mechanisms to the Board of Directors

In addition to overseeing the management of the Company by the Board of Directors, the Board of Commissioners also carries out periodic monitoring and provides advice to the Board of Directors. The monitoring and advisory duties are carried out by the Board of Commissioners' Supporting Committees.

The monitoring and advisory mechanisms are implemented through meetings organized by the Board of Commissioners and joint meetings between the Board of Commissioners and the Board of Directors. During 2023, the Board of Commissioners held 29 Internal Meetings, 12 Joint Meetings between the Board of Commissioners and the Board of Directors, 28 Audit Committee meetings, 25 Risk Monitoring Committee meetings, 12 Remuneration and Nomination Committee meetings, and 6 Integrated Governance Committee meetings. The number of each Board of Commissioners meeting has met or even exceeded the minimum