

Appraise

To improve the implementation of performance management at Bank Mandiri today, several initiatives have been implemented since 2018 that cover the improvement of qualitative assessments based on aspects of behavior that focus on achieving sustainable, long-term Bank performance and in line with 5 (five) new Bank Mandiri Work Culture, namely Satu Hati Satu Mandiri (One Heart One Mandiri), Mandirian Tangguh (Strong Mandirian), Tumbuh Sehat (Growing Healthy), Memenuhi Kebutuhan Pelanggan (Meet the Customer Needs), Bersama Membangun Negeri (Together Build the Nation).

Performance Assessment System

Employee performance assessment is based on the achievement of employee performance in accordance with the agreed Key Performance Indicator (KPI), fulfillment or improvement of competence, and the application of Bank values according to the assessment system used. The performance-elements those are assessed consist of elements of result and process. Result shows the achievement of employees for the target (lag measure), while the process shows how to reach the target (lead measure).

The Performance Level at Bank Mandiri is categorized based on 5 (five) predicates, namely:

- 1. Superior Performance** shows outstanding/special performance.
- 2. Very Good Performance** shows satisfactory/very good performance.
- 3. Good Performance** shows good performance/meets expectations.
- 4. Requires some Improvement** shows the need for improvements to help improve performance.

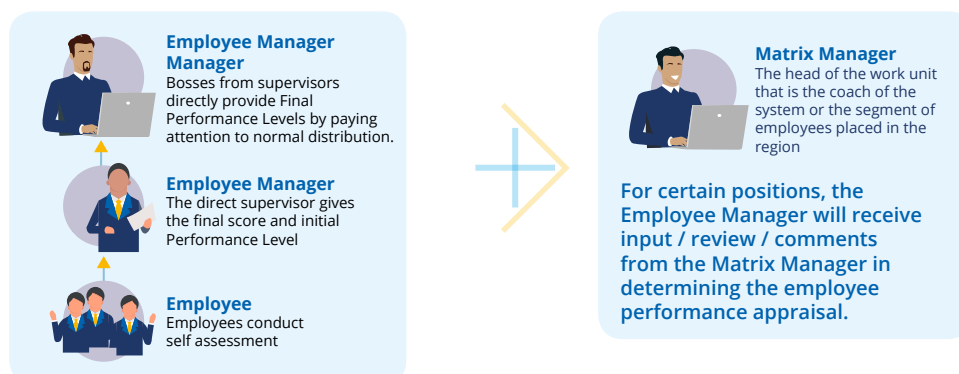
5. Under Performance shows not showing the appropriate/expected performance.

Based on the Performance Level, the employee classification talent was also established as the basis for development and promotion. Talent classification is categorized based on the potential and level of performance of employees, namely High Potential, Critical Resources, Key Contributors, Under Achiever, and Limited Contributor.

With the performance appraisal system, it is expected to encourage employees to improve performance in the next period. The results of performance appraisal are used as one of the factors in determining benefits, determining the category of talent and promotion.

In assessing employee performance, employees are given the opportunity to carry out self-assessments of their achievements. Then the results of the self-assessment will be discussed, reviewed and approved by the direct supervisor. The parties who play a role in evaluating employee performance are explained in the following figure.

Who has a role in individual judgment?



Award

Remuneration policy is the bank's strategy in providing compensation to employees, which is adjusted to the Bank's ability to accommodate changes in employee demographics, management of labor costs, and in order to encourage the achievement of the Bank's business goals.

The remuneration of Bank Mandiri is prepared with the aim of being able to attract, maintain, motivate, and increase the commitment of employees to continuously provide optimal performance, supporting the Bank's vision, mission, and strategy.

In general, the remuneration strategy of Bank Mandiri is guided by the Labor Law and Financial Services Authority Regulations. The long-term total reward strategy is that the Bank has a strong-competitive value towards the market, namely:

1. Make a general effort to position the Bank on 75 percentiles.
2. Especially for top talent and critical jobs can be positioned up to 90 percentile.

To find out the remuneration position of the Bank on market conditions, every year Bank Mandiri participates in the Annual Salary Survey organized by independent and competent third parties. The results of the study of the survey are used as a basis for adjusting the remuneration strategy of the Company to be subsequently proposed at the Board of Directors Meeting to be approved.

The implementation of the remuneration strategy is also carried out by taking into account the performance of

each individual employee (based on performance), work unit performance and overall Bank performance, but still within the budget set. In general, in implementing the total rewards, Bank Mandiri provides salaries, annual salary adjustments, Holiday Allowances (THR), Annual Leave Implementation Money, and Large Leave Money given for each 3 (three) year period of work. Bank Mandiri also provides health facilities for employees and members of their families, including guarantees of inpatient care, outpatient care, childbirth, dental care, General Check Up, glasses and a retired Bank health program.

In addition, the Bank provides variable compensation including Location Allowances, Specific Position Allowances, Appearance Allowances for frontliner employees, Overtime Compensation, Performance achievement Bonuses, Sales incentives, retention programs, and Long Term Incentive programs in the form of shares.

To support the official service, Bank Mandiri provides official-facilities including official-housing, reimbursement of utilities, telephone expenses, and rental-official vehicles. While to support the needs of employees in home ownership, vehicles, and other needs, Bank Mandiri provides Employee Welfare Credit facilities.

In addition to providing total rewards as explained, to encourage the spirit of innovation and employee productivity, Bank Mandiri routinely holds awards for employees, including the following:

Mandiri Best Employee

Mandiri Best Employee (MBE) is a form of highest appreciation to Bank Mandiri employees who are expected to represent employees who not only perform very well, but also are able to become role models that actively influence their surrounding partners to also be able to surpass targets by behaving according to their values - (Trust, Integrity, Professionalism, Customer Focus, and Excellence). The MBE 2017 event was held on November 9, 2018.

Information Technology	Corporate Governance	Corporate Social Responsibility	Cross reference POJK	Cross reference ACGS	Financial Report
------------------------	----------------------	---------------------------------	----------------------	----------------------	------------------

Mandiri Best Employee 2017 Winner Testimony^{*)}



Etik Angkasawari,
Region IV

In addition to the performance must be consistent, there is also a screening test that must be followed, and the process is very strict. Thank God, I can go through that stage." Positive Aura and the benefits obtained also become a whip for the spirit of Ethics to continue to work wholeheartedly at Bank Mandiri.

^{*)} Awarding Mandiri Best Employee 2017 held in 2018



Fitria Ulina Meliala,
Region V

I am very proud when I was chosen to represent Region V, this is something I will never forget throughout my career. This makes me want to continue to give the best contribution to Bank Mandiri."



Hendra Wahyudi,
Region XI

The key to success in career is recognizing the target to be achieved and then searching for new innovations to be able to achieve that target. Thank you Bank Mandiri for the appreciation given."

National Frontliner Championship

The National Frontliner Championship (NFC) is an award event held to appreciate the Bank Mandiri Frontliners for the services provided to customers. This event is part of a series of activities at the 2018 Mandiri Customer Care Summit, which takes place in Jakarta on September 17-20, 2018. Through this event, Bank Mandiri hopes that all Frontliners can be motivated to strive to be the best and consistently provide positive Customer Experience to customers.

National Frontliner Championship Winner Testimony



Martha P.S. Pangabean,
KC Medan Lapangan Merdeka Region I/
Sumatera 1

Thank God, this is beyond my expectations. I can meet directly with Mr. Tiko and be warmly welcomed by him.



Mega C. Kairupan,
KCP Denpasar Sesetan Raya Region XI/
Bali Nusa

Praise the Lord! Nearly 4 years working at Bank Mandiri, this is a remarkable achievement.

Actualize

In implementing a career development program, Bank Mandiri is always based on the principle of fair opportunity, namely the equal opportunity for each employee to grow and develop while taking into account the Company's needs, job family position, ability, performance level, value rating, talent group (talent classification), position availability, and other requirements.

Bank Mandiri applies a grading system that separates job grade and individual grade as a structure in career development. Job Grade is a value that describes the level of position based on the weight of the work and the factors determined by the Company. An Individual Grade is a value that describes the level of permanent employees determined on the basis of the performance, technical competence, leadership and working period of each employee, as well as periodic evaluations through the assessment process.

Promotion

There are a number of things that are considered when transferring employees, including the targeted positions having at least the same or higher job grade, performance and potential of employees, the employment period of employees in the last position and/or work location, and capabilities needed in positions addressed. The transfer of Bank Mandiri employees is carried out in 2 (two) time cycles, namely, the Main Promotion Cycle (MPC) and Secondary Promotion Cycle (SPC) carried out in the Talent Mobility system.

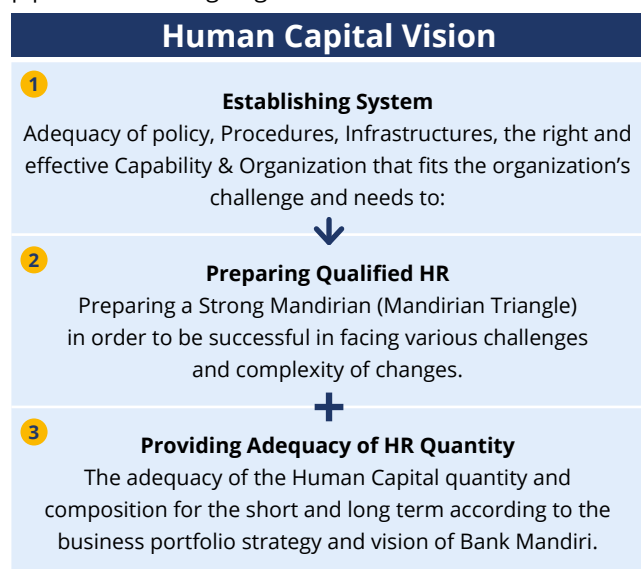
The number of employees who receive grade promotions in 2017 and 2018 can be seen in the following table:

Employees	2018		2017	
	MPC	SPC	MPC	SPC
Executive	2,176	2,194	2,218	2,218
Management	3,342	2,353	3,319	1,634
Total	5,518	4,547	5,537	3,852
Grand Total	10,065		9,389	

There was an increase in the number of employees who received promotion in 2018, by 7.2%. This indicates that the employees in the Bank Mandiri environment have a commitment to working and high motivation for achievement in doing their work. This Spirit has resulted in an increase in employee performance. Therefore, Bank Mandiri gave appreciation by giving promotion to those outstanding employees.

Talent and Success Management

The talent and succession management process is the process of preparing and developing talents so that they are ready to become successors who occupy critical positions at Bank Mandiri. With the existence of talent management and good succession, it is hoped that Bank Mandiri will have the best talents who are ready to fill the leadership pipeline on an ongoing basis.



Talent and succession management implements Mandiri 5 Cores Triangle which consists of Capability, Culture and Ethics, Leadership, Mindset, and Purpose. The framework is used as a basis for talent development which ensures that all five aspects are implemented in a balanced and comprehensive manner. The talent and succession management process is divided into 4 (four) main processes consisting of:

<p>Talent Classification and Nomination</p> <p>The process of mapping and determining talent is based on the consistency of performance and potential of each employee whose process begins with the determination of performance appraisal, assessment of potential, determination of Talent Classification, to be grouped into 2 (two) Talent Groups.</p>	<p>Talent Assessment</p> <p>The process of measuring capabilities and profiles of talent that aims to obtain information regarding the capability gap of talent that can be used as input in development. Talent Assessment measures 3 (three) aspects which include Leadership Assessment, Technical Assessment, and Behavior Assessment.</p>	<p>Talent Development</p> <p>The talent that has been designated as a successor, the development plan will be prepared in the form of an Individual Development Program (IDP). The arrangement is based on the capability gap of each successor. The outline development plan can be divided into 3 (three) parts, namely Job Exposure (can be in the form of Project Assignment, Promotion, Job Swap, and Job Attachment), Training, and Coaching and Mentoring.</p>	<p>Talent Review</p> <p>The stage for re-evaluating selected successors based on their performance, competency, and potential. The review of successors is held every 6 (six) months. The output of the review can be in the form of adjustments to development/resumption, excluded from the successor pool, or ready to be promoted.</p>

