



Company Annual Strategy Review

The Board of Directors sought to encourage the Company's performance for the following year by reviewing the Company's annual strategy which was carried out at the end of the current year. In 2020, the review of the Company's annual strategy was carried out through a meeting of the Board of Directors.

Evaluation of the Company's Strategic

Evaluation of the Company's strategy that was in line with the Company's Vision and Mission as well as the latest business environment was always carried out periodically and involves all Directors and executive officers at Bank Mandiri in discussion forums for the annual Work Plan and Corporate Budget (RKAP) and the Company's Long Term Plan (RJPP) to find out the level of achievement and direction of the business. In the process of preparing an annual Work Plan and Budget (RKAP) which referred to the RJPP, it had to be submitted to the Board of Commissioners for approval.

Performance Assessment of the Board of Directors

The process of evaluating the performance of the Board of Directors could be seen from the achievement of the Key Performance Indicators (KPI) of the Board of Directors individually as well as the KPI of the Board of Directors collegially which is assessed by the Shareholders through the General Meeting of Shareholders (GMS) mechanism.

Individual Directors Performance Assessment

President Director

- Maintaining the Bank's Soundness.
- The achievement of business finance targets in accordance with RKP and RBB.
- The KPKU assessment is at least the same as the KPKU assessment in the previous year.
- Implementation of the Company's Compliance as an Open Company.
- Achieving an increase in business volume in the region.
- Achieving an increase funding/Fee Based Income in the region.
- Achieving an increase in the volume of digital transactions by customers in the region.
- Maintaining the Quality of Assets/Performing Loans.

Vice director

- Percentage of case completion is better than the previous year.
- The achievement of Special Assets Management targets.
- Achievement of Credit Restructuring.
- Settlement of Non Performing Loans.
- Improving the quality of non-performing loans to become performing loans.

Direktur Commercial Banking

- Achieving an increase in business volume for the Commercial Banking segment.
- Achieving increased funding/Fee Based Income for the Commercial Banking segment.

- Increasing volume of digital transactions by Commercial Banking segment customers.
- Maintaining the Quality of Assets/Performing Loans.

Direktur Corporate Banking

- Achieving an increase in business volume for the Corporate Banking segment.
- Achieving increased funding/Fee Based Income for the Corporate Banking segment.
- Increasing volume of digital transactions by Corporate Banking segment customers.
- Maintaining the Quality of Assets/Performing Loans.

Director of Network & Retail Banking

- *Achieving an increase in business volume for the Retail Banking segment.*
- *The achievement of target acquisition of banking agents and financial inclusion derivative agents.*
- *Achieving increased funding/Fee Based Income for the Retail Banking segment.*
- *Increasing volume of digital transactions by Retail Banking segment customers.*
- *Maintaining the Quality of Assets/Performing Loans.*

Director of Institutional Relations

- Achieving an increase in business volume for the Institutional segment.
- Achieving CSR distribution for social, education, and religion according to the work plan.
- Achieving an increase in funding/Fee Based Income for the Institutional segment.
- Increasing volume of digital transactions by Institutional segment customers.
- Maintaining the Quality of Assets/Performing Loans.

Risk Management Director

- Ensuring that the implementation of risk management run well in accordance with the articles of association, risk management policies, internal control system policies, standard procedures, and external regulations.
- Ensuring the implementation of a risk management culture at all levels of the organization.
- Ensuring that all risks were managed in order to establish risk appetite, risk limits, and integrated risk management strategies, as well as capital adequacy.

Director of Technology & Information

- Implementation of effective technology and information governance.
- Achieving the availability of an information security management system.
- Implementing the Information Technology projects with project charters.
- Achieving conformity between Information Technology and management information system requirements as well as the needs of the Bank's business activities.



Director of Operations

- The management of the Company carried out in accordance with the duties stipulated in the GMS or Board of Directors Meeting.
- The implementation of the Company's operations strategy, consolidation of communications and programs.
- Achieving an increase in fee based income.
- The achievement of increased business transactions.

Director of Treasury & International Banking

- Maintaining the Company's liquidity.
- The management of the banking book, trading activities, and dealing and marketing activities which included foreign exchange transactions, securities, derivative treasury products, and trade services in accordance with the targets set.
- An increase in fee-based income was achieved.

Director of Finance & Strategy

- Maintain a CAR ratio between 20% -21%.
- Business realization according to RKAP/RBB.
- The achievement of specified financial ratios.
- The KPKU assessment is at least the same as the KPKU assessment in the previous year.

Director of Compliance & HR

- The achievement of compliance implementation at Bank Mandiri.
- Achieving a reduction in the ratio of the number of sanctions fines from the regulator.
- The achievement of Human Capital management strategies and targets.

Performance of Collegial Directors Performance Assessment

An evaluation of the Board of Director's performance is based on the achievement (KPI) previously agreed through the GMS mechanism by the Shareholders, the Board of Commissioners, and the Board of Directors.

Procedure of Performance Assessment of the Board of Directors

The performance of the Board of Directors is reported to the shareholders in the GMS.

Criteria of Performance Evaluation of the Board of Directors

The criteria of performance evaluation of the Board of Directors based on the Key Performance Indicators (KPI) are:

1. Economic and Social Value for Indonesia
2. Financial
3. Operational
4. Social
5. Business Model Innovations
6. Technology Leadership
7. Investment Increase
8. Talent Development

Party Conducting the Assessment

The parties that assessed the performance of the Board of Directors were the Board of Commissioners and the GMS. In assessing the performance of the Board of Directors, the Board of Commissioners referred to the KPI indicator. Then, the Board of Commissioners and Directors would be accountable for their performance achievements in the 2020 period, including the implementation of the duties and responsibilities of the Board of Commissioners and Directors in the GMS which would be held in 2021.

Results of the Board of Directors Performance Assessment

Strategic Target		Weight	Size	Score
ECONOMIC AND SOCIAL VALUE FOR INDONESIA		40.0%		
FINANCIAL		20.0%		
1.	Operational Expansion and Capital Strengthening.	5.0%	The minimum pre-provision Operating Profit (PPOP) was achieved in accordance with the 2020 Revised RKAP.	5.61
		10.0%	Minimum Net Profit After Tax (NPAT) was achieved in accordance with the 2020 Revised RKAP.	13.00
		5.0%	Minimum Capital Adequacy Ratio (CAR) was achieved in accordance with the 2020 Revised RKAP.	5.73
OPERATIONAL		5.0%		
2.	Quality Credit Growth.	5.0%	Maximum cost of credit was achieved in accordance with the Revised RKAP 2020.	5.15
SOCIAL		15.0%		
3.	Strengthening the financial/ financial capacity of the Indonesian people.	5.0%	Minimum KUR distribution was in accordance with the target from the Government.	5.05
		5.0%	Lending from PEN Fund at least 3 times from PEN Fund.	6.50
		5.0%	PEN Credit's Effective Yield was higher than PEN Credit Required Yield.	5.57
Sub Total				46.61



BUSINESS MODEL INNOVATION		25.0%		
4.	Improve the positioning of the bank in the industry through innovation.	5.0%	The implementation of the Business Model Im-provement strategic initiative was achieved ac-cording to the milestone.	5.00
			- Wholesale Banking: New Trade Finance.	
			- SME: Implementation of NICE (New Integrated Credit Engine)	
			- Digital Bank: Implementation of Project Everest.	
5.	Modern Digital Retail Bank.	7.5%	Active User Mandiri Online (# of User) was better than 2019.	9.72
		7.5%	Ending Balance Total Credit at least according to Revised RKAP 2020.	7.02
			Net Promoter Score (NPS) was better than in 2019.	6.50
Sub Total				28.23
LEADERSHIP OF TECHNOLOGY		10.0%		
6.	Leader in IT Banking.	5.0%	No Cybersecurity Breach Incidents.	-
		5.0%	IT Maturity Level should reach at least level 3.	5.65
Sub Total				5.65
INCREASED INVESTMENT		10.0%		
7.	Islamic banking merger.	5.0%	The implementation of the merger of BSM, BRIS, and BNIS was achieved according to the milestone.	5.00
8.	Improved corporate governance and strategic partner cooperation.	5.0%	The score for the Corporate Governance Percep-tion Index (CGPI) was better than in 2019.	5.00
Sub Total				10.00
DEVELOPMENT OF TALENT		15.0%		
9.	High performing corporate culture.	5.0%	The Employee Development Index included:	
			- % of employees who carried out training min. 3x minimum of 80%.	5.99
		5.0%	- % of employees who completed the Individual Development Plan (IDP) at least 80%.	6.24
			Preparation of a talent development program in accordance with the direction of the Ministry of SOEs.	
		2.5%	- Ratification of the SOEs Institute cluster/sub-cluster formation.	2.50
		2.5%	- Approval from the Ministry of SOEs for the Tal-ent Development Program in the scope of Clus-ters/Sub Clusters, including the succession pro-gram for the Board of Directors and the devel-opment of young top talent (<= 40 years)	2.50
Sub Total				17.23
		100.0%		107.73

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 also assisted by 9 (nine) Committees under the Board of Directors called the Executive Committees, namely:

1. Assets and Liabilities Committee (ALCO)
2. Business Committee (BC)
3. Capital and 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 and Credit Policy Committee (RMPC)
9. Credit Committee/Rapat Komite Kredit (RKK)

The Board of Directors considered that during 2020 the committees it supervised had carried out their duties and responsibilities properly.

The Assets and Liabilities Committee (ALCO) is a committee formed to assist the Board of Directors in carrying out the functions of determining the strategy of managing assets and liabilities, setting interest rates and liquidity, as well as other matters related to managing the Company's assets and liabilities, as well as monitoring and implementing the Recovery Plan when the Company is in a condition of financial pressure/crisis. During 2020, the basis for the assessment was that ALCO had conducted 8 (eight) meetings and had carried out its duties properly.

Business Committee (BC) is a committee formed to assist the Board of Directors in determining the Company's integrated business