

REVIEW OF COMPANY ANNUAL STRATEGY

The Board of Directors sought to encourage the Company's performance for the following year by reviewing the Company's annual strategy conducted at the end of the current year. In 2018, the review of the Company's annual strategy was conducted through the Board of Directors' meeting.

EVALUATION OF COMPANY STRATEGY

Evaluation of the Company's strategy in line with the Company's Vision and Mission as well as current business environment was constantly conducted periodically and involved all Directors and executive officials at Bank Mandiri in the annual Corporate Work Plan and Budget (RKAP) discussion forum and the Company's Long-Term Plan (RJPP) to find out the achievement level and business direction.

PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The process of evaluating the performance of the Directors can be seen from the achievement of Key Performance Indicators (KPI) Directors individually and KPI Directors individually collegial assessment by Shareholders is conducted through the mechanism of the General Meeting of Shareholders (GMS).

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.
- The achievement of CSR distribution for social, education, and religion in accordance with the work plan.
- 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

- 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.

Director of 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 Consumer and Retail Transaction

- Achieving an increase in business volume for the Retail Banking segment.
- 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 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 application of risk management has gone well.
- Ensuring the implementation of a risk management culture at all levels of the organization

Director of Technology & Information

- Implementation of effective technology and information governance.

Director of Operations

- Achieving an increase in fee based income.
- The achievement of increased business transactions.

Director of Treasury, International Banking & SAM

- Maintaining the Company's liquidity.
- Achieving Credit Restructuring.
- Settlement of Non-Performing Loans.
- Improving the Quality of Non-Performing Loans to Performing Loans.



- The percentage of case settlement is better than the previous year
- The achievement of the Special Assets Management management target

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 the specified percentage of case resolution is better than the previous year.
- The achievement of Human Capital management strategies and targets.

PERFORMANCE OF COLLEGIAL DIRECTORS PERFORMANCE ASSESSMENT

An evaluation of the Board of Directors' 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. Financial and market perspectives
2. Focus on customers
3. Effectiveness of products and processes
4. Focus on manpower
5. Leadership, governance, and CSR
6. Agent of development

PARTIES PERFORMING ASSESSMENT

The parties making assessment of the Board of Directors' performance are the Board of Commissioners and the GMS. In evaluating the performance of the Board of Directors, the Board of Commissioners refers to the KPI. The Board of Commissioners and Directors will then account for their performance achievements in the 2018 period, including the implementation of their duties and responsibilities in the GMS to be held in 2019.

RESULTS OF PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The results of the Board of Directors' performance assessment based on KPI can be seen in the table below.

Strategic Targets		Percentage	Indicators	Score
FINANCIAL AND MARKET PERSPECTIVE		24,0%		
1.	Increase Profitability	6,0%	Earning after Tax (EAT) in 2019 is higher than the realization in 2018 (Rp billion)	6,34
2.	Increase Company Value	6,0%	Market Cap growth is higher than the Indonesian Banking Industry	3,91
3.	Maintaining the Quality of Assets	6,0%	NPL ratio is better than the Banking Industry *)	6,80
4.	Increase Efficiency	6,0%	Cost to Income Ratio is better than last year **)	6,02
			Sub Total	23,07
CUSTOMER FOCUS		22,0%		
5.	Increase External Customer Satisfaction and Regulators.	11,0%	The Bank Ranking of the survey results from independent surveyors are better than last year	14,30
		11,0%	Minimum 80% of BAO approved by OJK has the status of "DONE".	11,83
			Sub Total	26,13
EFEKTIVITAS PRODUK DAN PROSES		20,0%		
6.	Increase banking digitalization	7,0%	The percentage of banking transactions (financial) that have been digitalized in 2019 is higher than in 2018.	7,10
7.	Increase financial inclusion and literacy	7,0%	The number of branchless banking agents has increased compared to the realization in 2018:	9,07
			a. Digital Financial Services (LKD)	4,52
			b. LAKU Pandai	4,55
			Total	