



From the two assessment results, the implementation of Bank Mandiri governance in 2019 can be concluded as follows:

| Strength | Weakness |
|--|--|
| Structure | |
| Bank Mandiri held both Annual and Extraordinary GMS to make changes to the Board of Directors and the Board of Commissioners. | There were members of the Board of Directors who were in the process of a fit & proper test. |
| Process | |
| <ul style="list-style-type: none"> In order to carry out the duties and responsibilities of the Board of Commissioners, as of December 2020, 27 (twenty seven) Joint Meetings of the Board of Directors and the Board of Commissioners were held, and 10 (ten) Meetings of the Board of Commissioners. Adjusted the SK for Committee Membership under the Board of Commissioners on 20 July 2020 as follows: <ol style="list-style-type: none"> Audit Committee through the Decree of the Board of Directors No. KEP.DIR/052/2020 dated July 20, 2020 Risk Monitoring Committee through Directors Decree No. KEP.DIR/053/2020 dated 20 July 2020 The Integrated Governance Committee through the Decree of the Board of Directors No. KEP. DIR/054/2020 dated July 20, 2020 Remuneration and Nomination Committee through Directors Decree No. KEP.DIR/055/2020 dated July 20, 2020 | |
| Results | |
| <p>The Board of Directors has fully implemented the principles of Good Governance in carrying out the Bank's business activities at all levels or levels of the organization, which among others is reflected in the Increase in the Score of the Corporate Governance Perception Index (CGPI) with the success of Bank Mandiri in maintaining the title of "Very Trusted" Company (The Most Trusted Company) by The Indonesian Institute for Corporate Governance (IICG) for 14 (fourteen) consecutive times and received the highest score in the 2019/2020 CGPI assessment with a score of 94.94.</p> | |
| There was sanction/fine | |

Recommendations and Follow Up

During 2020, there were no recommendations from the OJK.

External Party Assessment

Other than conducting self-assessment in the implementation of governance based on regulatory provisions, Bank Mandiri actively evaluates governance by External Parties to get feedback on the implementation of Bank Mandiri's governance.

Corporate Governance Perception Index (CGPI)

In assessing the quality of implementation of governance, Bank Mandiri participates in a research program and CGPI ranking held by The Indonesian Institute of Corporate Governance (IICG). CGPI is followed by public companies (issuers), SOEs, banks and other private companies in which Bank Mandiri has followed CGPI's assessment for 17 (seventeen) consecutive years since 2003.

Applied Criteria

The aspects of the CGPI assessment in 2019/2020 include:

1. Governance Structure

The aspect of governance structure is an assessment of the adequacy of the company's structure and infrastructure in managing changes in business models that create value for stakeholders in accordance with governance principles. Assessment indicators from aspects of governance structure include:

- Shareholders
- Board of Commissioners
- The Directors
- Responsible for functional management

e. Other key stakeholders

2. Governance Process

The governance process aspect is an assessment of the effectiveness of systems and mechanisms in managing changes in business models that create value for stakeholders in accordance with governance principles. Assessment indicators of aspects of the governance process include:

- Governansi fulfillment of the rights of Shareholders and GMS
- Governance of the Board of Commissioners and Directors
- Organizational Behavior Governance
- Internal and external supervision governance
- Disclosure governance and information disclosure
- Risk and compliance management governance
- Business Ecosystem Governance
- Resource Governance

3. Governance Outcome

The aspect of the results of governance is the assessment of the assessment of the quality of outcomes, results, impacts and benefits of managing changes in business models that create value for stakeholders in accordance with the principles of governance. Assessment indicators from the aspect of the outcome of interest include:

- Business Performance
- Financial performance
- Business Ecosystem



Parties Who Conducted Assessment

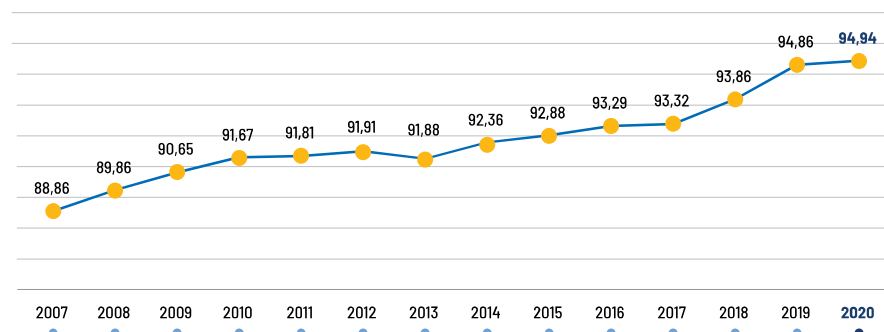
The party that conducted the CGPI assessment was The Indonesian Institute of Corporate Governance (IICG).

Assessment Score

The results of the CGPI assessment were used by Bank Mandiri to evaluate and improve the implementation of GCG. Bank Mandiri received the title of “Very Trusted Company” in the 2020 CGPI assessment with a value of 94.94. This award is the 14th (fourteenth) Bank Mandiri award from 2007 to 2020 respectively. The composition of Bank Mandiri’s assessment for 2 consecutive years is as follows :

| Tahapan | Nilai 2019 | Nilai 2020 |
|----------------------|--------------|--------------|
| Governance Structure | 32.98 | 25.70 |
| Governance Process | 30.63 | 34.50 |
| Governance Outcome | 31.25 | 34.74 |
| Nilai | 94.86 | 94.94 |

The results of the CGPI assessment for 14 (fourteen) consecutive years are as follows:



Recommendations and Follow Ups

From the results of the 2020, CGPI assessment, there are a number of recommendations from the IICG on the implementation of Bank Mandiri governance. These recommendations will be used as material for improving governance implementation at Bank Mandiri.

Table of Recommendations and Follow Up

| Recommendations | Follow Up |
|---|--|
| Governance Structure | |
| Bank Mandiri needed to improve the completeness and adequacy of the corporate organ structure as well as strengthen / refine the infrastructure of the governance system which included guidelines, policies and corporate management strategies, so that it became a competitive advantage for the company in creating value for stakeholders and realizing sustainable growth | <p>Along with the development of the Company's business, the organizational structure of Bank Mandiri had several changes. The last change occurred in November 2020 as stated in the Decree of the Board of Directors No. KEP.DIR / 133/2020 concerning the Organizational Structure of the Board of Directors of PT Bank Mandiri (Persero) Tbk. November 9, 2020.</p> <p>In addition, Bank Mandiri also made improvements to policies, regulations, systems and procedures owned by the Bank to comply with regulatory provisions and prevailing laws and regulations.</p> |
| Governance Process | |
| Bank Mandiri needed to continue to adapt to changes in the industrial and business environment through strategic planning, system design and effective and efficient company management mechanisms. The effectiveness of the implementation of the company's management system and mechanism could be improved by developing a framework, procedure and level of maturity for each of these systems and mechanisms. Likewise, the efficiency of the company's management mechanism could be realized by completing work processes, monitoring, evaluating results and following up on improvement programs. | Bank Mandiri improved the Standard Procedure for the Corporate Secretary such as to regulate the implementation of the GMS and decision making in the GMS. |



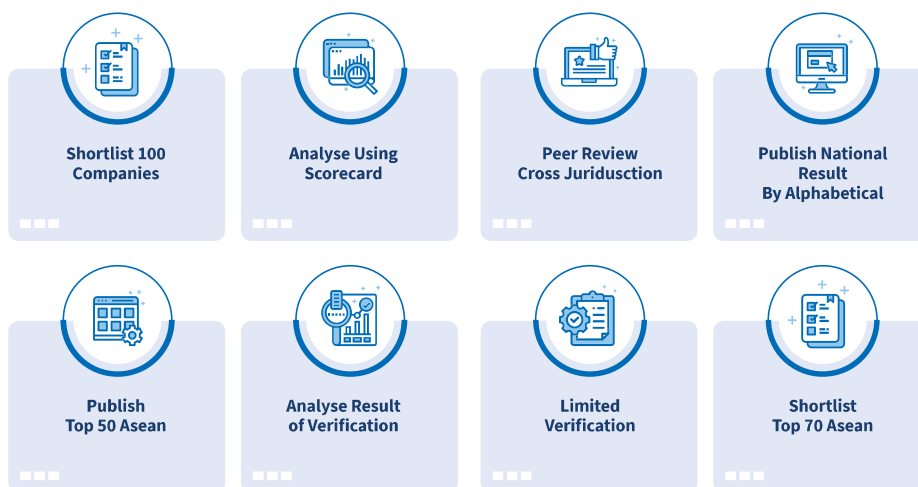
| Recommendations | Follow Up |
|---|---|
| Governance Outcome | |
| Bank Mandiri still needed to improve the results of governance by strengthening / sharpening the strategy, expanding policies and programs initiated to achieve maximum company performance in order to build a competitive advantage for companies oriented towards creating value for stakeholders in a sustainable manner. | Bank Mandiri continued to develop the strategies needed to improve the Company's performance in a sustainable manner. |

In 2020 there were 2 (two) Subsidiaries that received the predicate “Very Trusted” and there were 5 (five) Companies that received the “Trusted” predicate with an explanation of the scores as follows:

| No. | Subsidiaries | Predicate | Score |
|-----|-------------------------------------|----------------|-------|
| 1. | PT Bank Syariah Mandiri | “Most Trusted” | 88.72 |
| 2. | PT Bank Mandiri Taspen | “Most Trusted” | 87.44 |
| 3. | PT Mandiri Sekuritas | “Trusted” | 82.98 |
| 4. | PT Asuransi Jiwa Inhealth Indonesia | “Trusted” | 81.82 |
| 5. | PT Mandiri Tunas Finance | “Trusted” | 81.50 |
| 6. | PT Mandiri Manajemen Investasi | “Trusted” | 80.95 |
| 7. | PT Mandiri AXA General Insurance | “Trusted” | 78.88 |

Asean Corporate Governance Scorecard (ACGS)

One form of assessment applied related to the implementation of GCG at Bank Mandiri is the ASEAN Corporate Governance Scorecard, which is a parameter for measuring governance practices agreed upon by the ASEAN Capital Market Forum (ACMF). These parameters are based on the OECD Principles and are expected to increase investor confidence in listing companies in ASEAN.



Applied Criteria

The components of the assessment of the ASEAN Corporate Governance Scorecard are as follows:

1. Shareholders' Rights.
2. Equal Treatment of Shareholders.
3. Role of Stakeholders.
4. Disclosure and Transparency.
5. Board Responsibilities.

Parties Who Conducted Assessment

The party that conducted the ASEAN CG Scorecard assessment was the ASEAN Capital Market Forum (ACMF).

Score of Assessment

Bank Mandiri was included in the ASEAN Asset Class was the ASEAN Corporate Governance Scorecard (ACGS) ranking by the ASEAN Capital Market Forum.



Recommendations and Follow Up

From the results of the ASEAN CG Scorecard assessment of Bank Mandiri in 2020, there are a number of recommendations from the assessors regarding the implementation of Bank Mandiri governance that still needs to be improved. The recommendations referred to include:

Table of Recommendations and Follow Up

| No. | Recommendations | Follow Up |
|-----|--|---|
| 1. | Bank Mandiri must pay dividends within 30 calendar days after the resolution of the GMS, in accordance with the ACGS Regulations. The date the dividend payment is made is published on the Website. | Bank Mandiri will monitor the payment period to comply with the ACGS Regulations. |
| 2. | Bank Mandiri should work together with external parties to carry out the process of finding candidates and assessing candidates for members of the Board of Commissioners and Directors | Bank Mandiri is working with the Appraisal Service Company PT Daya Dimensi Indonesia to conduct an assessment of candidates for the Board of Commissioners and Directors. |
| 3. | The number of Independent Commissioners of the Remuneration and Nomination Committee members is higher than that of Non-Independent Commissioners. | Bank Mandiri has made adjustments so that the composition of members of the Remuneration and Nomination Committee majority are Independent Commissioners. |
| 4. | Bank Mandiri was suggested to have a female member as an Independent Commissioner | Bank Mandiri already had a female member as an Independent Commissioner, that was Mrs. Loeke Larasati Agoestina. |

Bad Corporate Governance Practices

Bank Mandiri realizes that bad corporate governance practices will disrupt the Good Governance (GCG) system that has been built by Bank Mandiri. Therefore, during 2020, Bank Mandiri did not take any actions and policies relating to the practice shown in the table as follows:

| No. | Information | Practice |
|-----|--|----------|
| 1. | Reports stating that the company polluted the environment. | Nil |
| 2. | Important matters being faced by companies, subsidiaries, members of the Board of Directors and/ or members of the Board of Commissioners were not disclosed in the Annual Report. | Nil |
| 3. | Non-compliance in fulfilling tax obligations. | Nil |
| 4. | Mismatch of presentation of annual reports and financial reports with applicable regulations and Indonesian GAAP. | Nil |
| 5. | Cases related to workers and employees. | Nil |
| 6. | There was no disclosure of operating segments in listed companies. | Nil |
| 7. | There was a discrepancy between Annual Report hardcopy and softcopy. | Nil |

Statement of Good Corporate Governance Implementation

All members of the Board of Commissioners, Directors and Employees of Bank Mandiri are always committed and applied the principles of good corporate governance and there are no material violations of regulations current regulation. In addition, Bank Mandiri has implemented governance in accordance with ASEAN Corporate Governance Scorecard (ACGS). The principles that have not been implemented by Bank Mandiri have been explained (explained) on the Bank Mandiri website.