



GOVERNANCE ASSESSMENT

Strength	Weakness
Results	
<ul style="list-style-type: none"> The Board of Directors has diligently implemented GCG principles in carrying out the Bank business activities in all levels of organization, which among others reflected by the Bank's success in maintaining the rating of the "Most Trusted" Company by The Indonesian Institute for Corporate Governance (IICG) for 15 (fifteen) consecutive years and received a score of 95.01. The Annual Audit Plan 2021 of Internal Audit has been approved by the President Director and Board of Commissioners by considering the Audit Committee recommendations. Bank Mandiri has submitted a comprehensive Annual Report pursuant to prevailing rules and in a timely manner, submitted to OJK via letter No. HBK.CSC/CMA.177/2021 dated 19 February 2021. 	<p>Violations of applicable regulations were still found.</p>

Recommendations and Follow Up

No recommendations from OJK during 2021.

EXTERNAL PARTY ASSESSMENT

In addition to the implementation of GCG self-assessment based on regulations, Bank Mandiri actively participates in GCG assessment carried out by External Parties to obtain feedback on the Bank's governance implementation.

Corporate Governance Perception Index (CGPI)

In implementing governance assessment, the Bank participated in CGPI research and rating program held by The Indonesian Institute of Corporate Governance (IICG). The CGPI is participated by issuers, SOEs, banking and other companies, in which Bank Mandiri has participated in CGPI assessment during the last 18 consecutive years since 2003.

Applied Criteria

The aspects of the CGPI assessment in 2020/2021 include:

1. Governance Structure

The governance structure is an assessment of the completeness of organs, structure and infrastructure to build the company's resiliency to create value for the stakeholders in order to realize sustainable growth of the company in an ethical and dignified manner. The assessment indicators of governance structure include:

- Shareholders
- Board of Commissioners
- Board of Directors
- Supporting Organs of the Board of Commissioners
- Supporting Organs of the Board of Directors
- Functional Management
- Corporate Strategy Planning

2. Governance Process

The governance process is an assessment of the effectiveness of systems and mechanisms in building resiliency to create value for the stakeholders in order to realize sustainable growth of the company in an ethical and dignified manner. The assessment indicators of governance process include:

- System and Mechanism of Fulfilment of the Rights of Shareholders and GMS
- System and Mechanism of the Board of Commissioners and Directors
- System and Mechanism of Organizational Behaviour Governance
- System and Mechanism of Internal and external Supervision
- System and Mechanism of Disclosure and Transparency of Information

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- f. System and Mechanism of Risk Management and Compliance
- g. System and Mechanism of Business Process
- h. System and Mechanism of Human Resource
- i. System and Mechanism of Financial
- j. System and Mechanism of Information Technology
- k. System and Mechanism of Strategic Planning Operations
- l. System and Mechanism of Social and Environmental Responsibility
- m. System and Mechanism of Building the Company Resilience

3. Governance Outcome
- The governance outcome is the assessment of the quality of outcomes, results achievement, impacts and benefits in building the company resilience to create value for the stakeholders in order to realize sustainable growth of the company in an ethical and dignified manner. The assessment indicators of governance outcome include:
- a. Company Governance
 - b. Conformity of Organization Conduct
 - c. Management Control
 - d. Business Process Control
 - e. Company Resilience
 - f. Business Ecosystem

Assessors

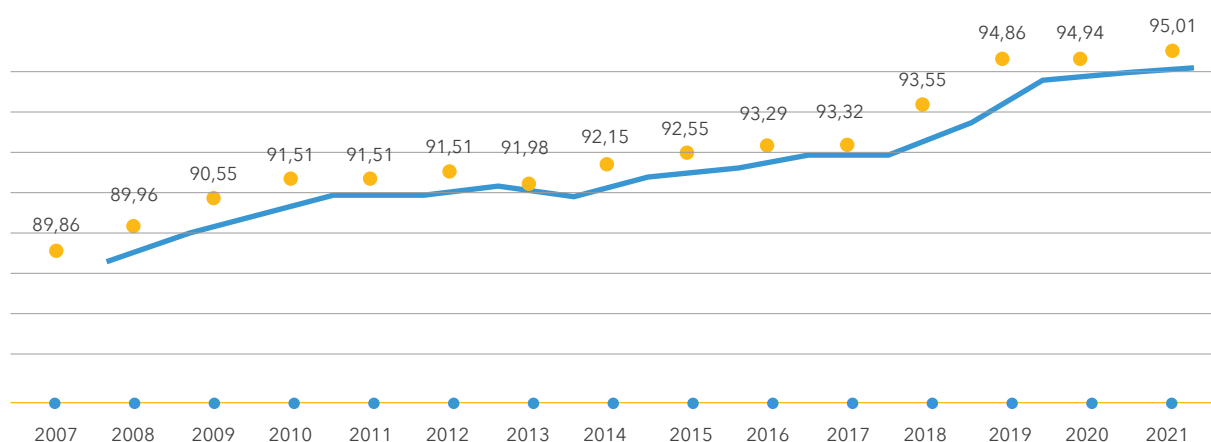
The assessor that conducted the CGPI assessment is The Indonesian Institute for Corporate Governance (IICG).

Assessment Scores

The results of the CGPI assessment are used by Bank Mandiri to evaluate and improve the implementation of GCG. Bank Mandiri received the “Most Trusted” Company rating in the 2020 CGPI assessment held in 2021 with a score of 95.01. This was the 15th (fifteen) awards received by Bank Mandiri consecutively. The composition of Bank Mandiri’s assessment for 2 consecutive years is as follows:

Stages	2019 Results	2020 Results	2021 Results
Governance Structure	32,98	25,70	33,76
Governance Process	30,63	34,50	34,26
Governance Outcome	31,25	34,74	26,99
Results	94,86	94,94	95,01

The results of the CGPI assessment for 15 (fifteen) consecutive years are as follows





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Recommendations and Follow Ups

From the results of the 2021, 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.

Recommendations and Follow Ups

Recommendations	Follow Up
Governance Structure	
<ul style="list-style-type: none"> Bank Mandiri shall develop organizational structure design that is line with the company's business plan, as well as complete the functional structure formation with young talent in order to foster the successor of the Board of Directors going forward. Bank Mandiri shall develop specific structure and/or functions in charge of handling crisis and building the company's resilience in order to optimise an integrated program development of building the company's resilience. 	<ul style="list-style-type: none"> In line with the Company's business progress, the Bank's Organization Structure has been amended several times. The last update was on September 2021 as stated in the Decree of the Board of Directors No. KEP.DIR/048/2021 regarding the Organization Structure of the Board of Directors of PT Bank Mandiri (Persero) Tbk dated 3 September 2021. Bank Mandiri also continually evaluates and reviews the Human Resources policies/strategies to be in line with the organizational vision, thereby Bank Mandiri has assigned young talent on the leadership pipeline and effective succession process. Bank Mandiri has in place the Business Continuity Management Unit to identify and prepare the Bank from the potential of threat, hence business functions can continue performing during disaster events, and minimize the potential of financial losses, reduction of reputation and litigation in the event of disaster situations.
Governance Process	
<ul style="list-style-type: none"> Bank Mandiri shall develop and modernise the charter of the Board of Directors and Board of Commissioners, specifically related to the resignation mechanisms or members of the Board of Commissioners and Board of Directors. Bank Mandiri shall optimise all of the company's resources to build its resilience through crisis management, business continuity management and strengthen resilience foundation, as well as development of an integrated resilience programs. 	<ul style="list-style-type: none"> Bank Mandiri has the BOD Charter through the Decree of the Board of Directors No. KEP.DIR/056/2021 dated 15 October 2021, as well as the BOC Charter through the Board of Commissioners' Decree No. KEP.KOM/014/2019 dated 25 September 2019. The resignation mechanisms of members of the Board of Directors and Board of Commissioners have been stipulated in the Articles of Association. Bank Mandiri has in place the Business Continuity Management that engage all operating units at Bank Mandiri and supported by formal structure of BCM Organization and Crisis Management Team (CMT). Business Continuity Management at Bank Mandiri includes Emergency Response Plan (ERP), Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP), and the mechanisms and procedures have been stipulated internally that are modernised continually.

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Recommendations	Follow Up
<ul style="list-style-type: none"> Bank Mandiri shall improve employee communication and awareness to the ethics guidelines to reduce the occurrence of ethical breaches. 	<ul style="list-style-type: none"> Bank Mandiri has in place the policy on ethics guidelines which among others are stated in the Employee Disciplinary Regulation, Code of Conduct, Business Ethics and Corporate Culture Values. Bank Mandiri also disseminates the Code of Conduct to all of its organizations, through website, email administrator, during the signing of Collective Labour Agreement, as well as through standing banners, flyers and other media.

Governance Outcome

<ul style="list-style-type: none"> By reviewing the financial performance of Bank Mandiri, the Bank's growth was challenged as the impact of the Covid-19 that resulted in less effectiveness of target achievements, thereby the Bank shall maintain prudential principles and implement structured and systematic risk management practices. 	<ul style="list-style-type: none"> In carrying out its operational activities, Bank Mandiri strives to uphold prudential principles to promote prudent risk taking in order to maintain the Company's business continuity.
<ul style="list-style-type: none"> Bank Mandiri shall develop follow up system toward the sanctions and reprovals received from the regulators, among others by enhancing compliance culture in all levels of organization. 	<ul style="list-style-type: none"> To enhance compliance culture in all level of organizations, Bank Mandiri has implemented among others analysis and drafting of resume on new regulations, holding prudential meetings, carrying out Compliance Test and drafting the Internal Control Score parameter. Moreover, the Bank has also in place the compliance policies and standard procedures served as a basis for all employees in progressing compliance culture.

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	Ratings	Scores
1.	PT Bank Syariah Indonesia	"Most Trusted"	88,89
2.	PT Bank Mandiri Taspen	"Most Trusted"	88,87
3.	PT Mandiri Sekuritas	"Trusted"	83,46
4.	PT Asuransi Jiwa Inhealth Indonesia	"Trusted"	82,43
5.	PT Mandiri Tunas Finance	"Trusted"	81,71
6.	PT Mandiri Manajemen Investasi	"Trusted"	80,59
7.	PT Mandiri AXA General Insurance	"Trusted"	80,21