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Corporate Governance	Integrated Corporate Governance	Corporate Social Responsibility	Cross Reference of Annual Report Award 2016 Criteria	Consolidated Financial Statements

Pro-active Monitoring Function

The Board of Commissioners will need to know the strategic angles for information to gain strategic understanding of the on-going issues. This will ensure that the decisions made can have substantially positive outcome, forward looking, and preventive at the same time.

Therefore, the Board of Commissioners has to monitor pro actively, particularly through its committees and also field observation results.

Generally, there are some key aspects as the focus of Board of Commissioners' supervision, including:

- Risk Management**
 Business risk management performed well through the control or maintain the inherent and conservative risk. Mandiri Group needs to continuously evaluate the integrated risk management and develop a system to monitor risk management of the Mandiri Group.
- Internal Control**
 Improving the quality of internal controls among others by improving working procedure of audit and compliance, improving audit data quality and upgrading the competence of audit and compliance risk units continuously.
- Compliance**
 Compliance culture is continuously conducted at all levels of Bank Mandiri's employees through socialization and evaluation. This prevents and minimizes any deviation from the provisions in place.
- Fund Management**
 The increase in low-cost funds are accompanied by the provision of a thorough solution to customers of Bank Mandiri and develop alliances based on value chain to meet customer requirements.
- Fund Disbursement**
 Fixed fund disbursement is still being done by observing the principles of prudence and adequate risk management practice and also the quality of credits distributed.
- Capital**
 Bank Mandiri has conducted an evaluation of its fixed assets as a part to strengthen its capital structure in order to strengthen the implementation of Basel III. In the implementation of the ASEAN economic community, the strengthening of company's capital can open up business opportunities in the future.

In conducting pro-active monitoring, the Board of Commissioners is always rooted on the aspects of openness and togetherness because these principles are believed to be able to build a good synergy with the strong checks and balances so as to increase public confidence and credibility of the company. With that basis, inputs to the Board of Directors were conducted through formal and informal dialogues. Formal dialogue has been carried out through joint meetings with all of the Board of Directors member and meetings with Directors partially. While the informal dialogue was also done very intensely to understand in detail the essence and root-cause any problems so that informal decision-making process can be more productive and effective. Throughout 2016 joint meetings with the Board of Directors has been conducted with a total of 12 (twelve) times, whereas informal dialogue or discussion can be done at any time without having to go through a meeting mechanism. While the committee meetings and Commissioners were held weekly.

The focus of topics discussed were strategic topics, which mainly deals with the bank's management in facing the economic pressures, internal consolidation, risk management and governance, customer services, operational stability, business sustainability and other strategic issues.

During meetings or informal discussions, the Board of Commissioners continues to provide input to the Board of Directors to evaluate each implemented program, by selecting the program that should be continued or require further evaluation for more improvement. This process was done to ensure that the program and strategy conducted by the Directors has proven to give maximum positive impacts for the Bank or it can resolve the problems faced fundamentally, not sporadic or ad-hoc.