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Corporate
Governance

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Integrated Corporate
Governance

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ARA 2016 Criteria

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Consolidated Financial
Statements

President Director

- Market Capitalization BMRI
- Earning after tax
- Return on equity
- Market share of funds and credit
- Maximum NPL (Non Performing Loan)
- Fee Based Income Ratio
- Growth and volume of credit and loan volume retail
- Growth and volume CASA and funding mix CASA
- Ranked ASEAN CG Scorecard
- MRI Survey
- Strategic Initiatives Corporate Plan
- Cost Efficiency Ratio, and Income Factor (Total Revenue – Total Operating Expense) / FTE

Vice President Director

- RORWA (Return on Risk Weighted Assets) Wholesale segment
- Contribution margin Wholesale segment
- Average balance of low cost funds and credit the Wholesale segment
- NPL rate Wholesale segment
- Market share of low cost funds and credits area 8 Surabaya
- Crosssale ratio
- Anchor clients revenue (CASA, loan, and transaction)
- CASA value chain
- Human capital score.
- Ranked ASEAN CG Scorecard

Director of Operations

- Realized growth in market capitalization
- Earning After Tax bank only dan Earning After Tax consolidation
- Return on Equity (after tax)
- Cost of Credit (bank only)
- The volume of credit (bank only) and Community Fund (bank only)
- Wholesale Customer Satisfaction Index
- Retail Customer Satisfaction Index
- Ranked ASEAN CG Scorecard
- Operational Reliability
- Availability e-Channel
- Credit cycle end-to-end bankwide
- Implementation of strategic initiatives IT and Non IT under the Directorate of operations
- Human Capital Score Bankwide
- Composite Group Index

Director of Finance & Treasury

- Realized growth in market capitalization
- Earning After Tax bank only dan Earning After Tax consolidation
- Total Revenue Treasury and FI Segment
- Growth of International Product Revenues
- Return on Equity (after tax)
- Cost of Credit (bank only)
- The volume of credit (bank only) and Community Fund (bank only)
- Wholesale Customer Satisfaction Index
- Retail Customer Satisfaction Index
- Mandiri Sekuritas and BMEL Net Profit
- Ranked ASEAN CG Scorecard
- Implementation of strategic initiatives IT and Non IT under the Directorate of Finance & Treasury
- Human Capital Score Bankwide
- Composite Group Index

Director of Corporate Banking.

- Realized growth in market capitalization
- Earning After Tax bank only dan Earning After Tax consolidation
- Return on Equity (after tax)
- Cost of Credit (bank only)
- Fee Based Income Corporate Banking
- The volume of credit (bank only) and Community Fund (bank only)
- Wholesale Customer Satisfaction Index
- Volume Average Balance Kredit dan Dana Murah Corporate Banking
- Profit after tax of all subsidiaries under the Directorate of Corporate Banking
- Ranked ASEAN CG Scorecard
- Implementation of strategic initiatives IT and Non IT under the Directorate of Corporate Banking
- Human Capital Score Bankwide

Director of Distributions

- Realized growth in market capitalization
- Earning After Tax bank only dan Earning After Tax consolidation
- Return on Equity (after tax)
- Cost of Credit (bank only)
- The volume of credit (bank only) and Community Fund (bank only)
- Wholesale Customer Satisfaction Index
- Retail Customer Satisfaction Index
- Profit of subsidiaries
- Ranked ASEAN CG Scorecard
- Human Capital Score Bankwide
- Development of new network in accordance RBB
- Composite Regional Index

Director of Retail Banking

- Realized growth in market capitalization
- Earning After Tax bank only dan Earning After Tax consolidation
- Return on Equity (after tax)
- Cost of Credit (bank only)
- Fee Based Income Retail Banking
- The volume of credit (bank only) and Community Fund (bank only)
- Retail Customer Satisfaction Index
- Volume Average Balance Dana Pihak Ketiga dan Kredit segmen Retail Banking
- Profit after tax of all subsidiaries under the Directorate of Retail Banking
- Ranked ASEAN CG Scorecard
- Implementation of strategic initiatives IT and Non IT under the Directorate of Retail Banking
- Human Capital Score Bankwide
- Composite Group Index

Director of Risk Management & Compliance

- Contribution Margin
- Average balance CASA
- Average balance kredit
- Delinquency rate 30+ DPD for the main products of individual credit (credit quality)
- Profit of subsidiaries
- ROMI (Return on Marketing Investment) bankwide
- Market share index , market share and credit funds 7 regional offices Semarang
- Survey customer satisfaction
- Cross sell ratio nasabah prioritas
- Strategic Initiatives Corporate Plan
- Human capital score.
- Ranked ASEAN CG Scorecard

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Director of Commercial Banking

- Realized growth in market capitalization
- Earning After Tax bank only dan Earning After Tax consolidation
- Return on Equity (after tax)
- Cost of Credit (bank only)
- Fee Based Income Commercial Banking
- The volume of credit (bank only) and Community Fund (bank only)
- Average Balance Dana Masyarakat dan Kredit Commercial Banking
- Percentage of Transactions Operations Debtors Main Directorate of Commercial Banking
- BSM Net profit
- Wholesale Customer Satisfaction Index
- Ranked ASEAN CG Scorecard
- Implementation of strategic initiatives IT and Non IT under the Directorate of Commercial Banking
- Human Capital Score Bankwide

Director of Digital Banking & Technology

- Realized growth in market capitalization
- Earning After Tax bank only dan Earning After Tax consolidation
- Return on Equity (after tax)
- Cost of Credit (bank only)
- Revenue from transactions of wholesale trade & e-channel
- The volume of credit (bank only) and Community Fund (bank only)
- Wholesale Customer Satisfaction Index
- Retail Customer Satisfaction Index
- Volume Average Balance Giro Bankwide
- Productivity Quadrant ATM A, B, dan C
- Sales Volume EDC
- Frequency of transactions Mobile & Internet Banking
- Ranked ASEAN CG Scorecard
- Human Capital Score Bankwide
- Implementation of strategic initiatives IT and Non IT under the Directorate of Digital Banking & Technology.
- Composite Group Index

In 2016, the performance assessment of each member of the Board of Directors has been conducted based on the above mentioned criteria with the following results:

Name	Designation	Result
Kartika Wirjoatmodjo	President Director	95.78
Sulaiman A. Arianto	Vice President Director	95.78
Ogi Prastomiyono	Director	98.78
Pahala N. Mansury	Director	95.57
Hery Gunardi	Director	96.49
Tardi	Director	93.35
Ahmad Siddik Badruddin	Director	98.2
Kartini Sally	Director	96.15
Royke Tumilaar	Director	98.46
Rico Usthavia Frans	Director	93.86

Party to Conduct Assessment:

The measurement of performance success of the Board of Directors is reflected in realization of Annual Work Plan and Budget as well as the bank healthy level covering Risk Profile, Good Corporate Governance, Rentability and Capital. The parties who conduct assessment to the performance of the Board of Directors are the Board of Commissioners and GMS.

In addition, several issues related to the assessment of performance of the Board of Directors are as follows:

- As SOE, the performance of the Board of Directors is measured by Controlling Shareholders (Ministry of SOE) periodically every year by using Criteria for Performance Excellence method which adopts Malcomm Balridge criteria.
- For the implementation of GCG, the assessment of the Board of Directors' performance can be conducted through Self Assessment mechanism by virtue of BI and OJK regulations and can be measured through Third Party Assessment by using International Standar, namely ASEAN CG Scorecard.

Mechanism of Resignation and Dismissal for the Board of Directors

As referred to in Article 15 of Articles of Association of Bank Mandiri, the mechanism of resignation for the Board of Directors is as follow:

- A member of the Board of Directors may voluntary resign from his/her office prior to expiry of his/her term of office and the relevant member of the Board of Directors shall submit the written notice regarding such intention to the Company.
- The Company shall convene a GMS to resolve the application for resignation of the said member of the Board of Directors not later than 90 (ninety) days as of the date of the said application for such resignation received.
- If the GMS referred to in this paragraph is convened less than 90 (ninety) days and resolves to accept such resignation of the said member of the Board of Directors, the GMS may resolve to accept such resignation effective earlier than 90 (ninety) days after such application for resignation.
- The resigned member of the Board of Directors shall be discharged from any duties after the GMS properly accepts such resignation and obtain release and discharge from the Annual GMS.

While the dismissal mechanism for the Board of Directors is as follow:

- The Board of Directors may be dismissed by virtue of the GMS by stating the reasons thereof, i.e.:
 - failed to comply with the laws and regulations and/or provisions of the Articles of Association;
 - involved in any action harming the Company and/or the State;
 - being declared guilty under the final and enforceable court verdict; or
 - voluntary resignation ;
 - other reasons deemed properly by the GMS for the purposes and interests of the Company.