



## BOARD OF COMMISSIONERS REPORT

Third-Party Funds (TPF) in the national banking sector also recorded growth in 2024, although at a lower rate than loan growth, reflecting tight liquidity conditions and rising funding costs. National banking TPF grew by 4.48% yoy as of December 2024, driven by increases in current accounts, savings, and time deposits, which grew by 3.34%, 6.78%, and 3.50% (yoy), respectively.

Despite TPF growth being lower than loan expansion, banking sector liquidity in 2024 remained at an adequate level. The Liquidity Assets to Non-Core Deposit (AL/NCD) ratio and the Liquidity Assets to Third-Party Funds (AL/TPF) ratio stood at 112.87% and 25.59%, respectively, as of December 2024, well above the regulatory thresholds of 50% and 10%. Meanwhile, the Liquidity Coverage Ratio (LCR) remained strong at 213.23%.

In line with the banking sector's intermediation performance, financing receivables disbursed by Finance Companies (Multifinance) continued to grow, recording a year-on-year increase of 6.92% as of December 2024. This growth was primarily driven by a 10.47% (yoy) increase in investment financing.

Despite the slowdown in the Multifinance industry's growth in 2024, financing risk profiles remained well-managed. The gross Non-Performing Financing (NPF) ratio stood at 2.70% (yoy) in December 2024, while the net NPF ratio remained at 0.75% (yoy). Meanwhile, the gearing ratio of finance companies declined to 2.31 times as of December 2024, significantly below the regulatory threshold of 10 times.

The insurance industry posted more moderate growth, with total premium collection increased by 4.91% (yoy) to Rp15.70 trillion as of December 2024. Life insurance premiums grew by Rp10.74 trillion (yoy), while general and reinsurance premiums increased by Rp5.03 trillion (yoy). In terms of capital, the insurance industry remained solid, with the Risk-Based Capital (RBC) ratio for life insurance and general and reinsurance insurance recorded at 420.67% and 325.93%, respectively, well above the regulatory threshold of 120%.

Fundraising in the capital market remained on a positive trend throughout 2024, with total public offerings reaching Rp259.24 trillion. Of this amount, Rp17.28 trillion was raised by 43 new issuers through initial public offerings (IPOs) and the issuance of Debt Securities and/or Sukuk (EBUS). In addition, 115 public offerings remained in the pipeline, with an indicative value of Rp32.58 trillion.

Affected by negative sentiment from global economic conditions, the domestic stock market closed 2024 with a decline of 2.65% year-to-date (ytd) to 7,079.91 compared to 7,303.89 in December 2023. However, market capitalization continued to grow by 5.74% (ytd) to Rp12,336 trillion. Meanwhile, non-resident investors recorded a net buy of Rp16.53 trillion (ytd).

The growth of Indonesia's capital market was supported by an increase in the number of investors, which rose to 14.87 million from 12.16 million in 2023. The number of stock investors also increased by more than one million, reaching 6.37 million compared to 5.25 million in the previous year.

In line with the continued improvement in banking intermediation, the Financial Services Authority (OJK) decided to end the COVID-19 loan restructuring stimulus as of March 31, 2024. Prior to the policy expired, outstanding COVID-19 restructured loans stood at Rp251.2 trillion as of January 2024, benefiting 977,000 debtors. This figure represents a significant decline from its peak of Rp830 trillion in October 2022.

## BOARD OF DIRECTORS' PERFORMANCE ASSESSMENT

The Board of Commissioners' assessment of the Board of Directors' performance is outlined in the Directors' Key Performance Indicators (KPI), both individually and collectively, and is reported to shareholders through the General Meeting of Shareholders (GMS) mechanism.

Overall, the Board of Commissioners finds that the Board of Directors has carried out its duties and responsibilities exceptionally well throughout 2024.

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This is reflected in the Company's performance, which has largely met the targets set in the Corporate Work Plan and Budget (RKAP) as well as other established criteria, resulting in the achievement of the Directors' KPI at 104.95%.

The Board of Commissioners recognizes that Bank Mandiri successfully navigated various challenges and uncertainties in 2024 while maintaining solid performance. In fact, most of Bank Mandiri's key performance indicators outperformed the banking industry average. For instance, the Bank's consolidated loan portfolio grew by 19.5% (yoy), with a bank-only gross Non-Performing Loan (NPL) ratio reduced to 0.97%. In comparison, the banking industry recorded loan growth of 10.39% (yoy) as of December 2024, with a gross NPL ratio of 2.08% for the same period.

Amid increasing competition and tightening liquidity in Third-Party Funds collection, Bank Mandiri once again recorded TPF growth of 7.73% (yoy) in 2024, surpassing the industry average growth of 4.48%. Moreover, the consolidated low-cost funding ratio (Current Account and Saving Account/CASA) strengthened from 74.30% in 2023 to 74.83% in 2024.

The Board of Commissioners believes that this remarkable achievement reflects the Board of Directors' consistency in implementing adaptive strategies, agility in optimizing the core competence ecosystem within the Wholesale Banking segment, and sharp focus on capturing potential market segments. Furthermore, the Bank's comprehensive digital transformation across nearly all operational phases has significantly contributed to improving efficiency. As a result, Bank Mandiri successfully drove business volume growth across all segments and closed 2024 with solid performance. The Bank recorded consolidated net profit for the year of Rp55.78 trillion, grew by 1.31% (yoy), demonstrating resilience and strong competitiveness amid industry challenges.

### SUPERVISION OF STRATEGY FORMULATION AND IMPLEMENTATION BY THE BOARD OF DIRECTORS

The Board of Commissioners oversees the implementation of the Bank's Business Plan (RBB) in accordance with the provisions of the Financial Services Authority Regulation (POJK) No. 5/POJK.03/2016 on Bank Business Plans. This supervision covers various aspects, including management policies and strategies. As part of this responsibility, the Board of Commissioners regularly submits the Supervisory Report on RBB Implementation to the OJK on a semi-annual basis.

In addition, the Board of Commissioners also reports its oversight results on the Company's performance achievements and Key Performance Indicators (KPI) to the Ministry of State-Owned Enterprises (SOEs) as the holder of Series A Dwiwarna shares on a quarterly basis. The reporting includes the following:

To OJK:

- Letter No. KOM/032/2024 dated 21 February 2024, regarding the Supervisory Report on the Bank Business Plan 2023 – 2025 of PT Bank Mandiri (Persero) Tbk for the Second Semester of 2023.
- Letter No. KOM/124/024 dated 31 July 2024, regarding the Supervisory Report on the Bank Business Plan 2023 – 2025 of PT Bank Mandiri (Persero) Tbk for the First Semester of 2024.

To the Ministry of SOEs:

- Letter No. KOM/012/2024 dated 31 January 2024, regarding the Response to the Performance Report and Realization of Key Performance Indicators (KPI) of PT Bank Mandiri (Persero) Tbk for 2023.
- Letter No. KOM/077/2024 dated 30 April 2024, regarding the Response to the Performance Report and Realization of Key Performance Indicators (KPI) of PT Bank Mandiri (Persero) Tbk up to the First Quarter of 2024.