

BOARD OF COMMISSIONERS REPORT

expected to remain strong at 6.5% (yoy) in 2025, and the stable growth of both advanced and developing economies across Asia is anticipated to support regional economic growth at 5.1% (yoy), only slightly lower than 5.2% (yoy) in 2024. Japan, as one of the leading economies in the Asia-Pacific region, is projected to grow by 1.1% (yoy) in 2025, reversing the 0.8% (yoy) contraction recorded in 2024.

Overall, these global economic dynamics are expected to impact global trade volume, which is projected to grow by 3.2% in 2025, slightly lower than the 3.4% growth recorded in the previous year. This slowdown is primarily driven by increasingly protectionist trade policies in various countries.

Amid global economic dynamics and uncertainty, Indonesia's economy is projected to remain solid in 2025. The consistency in implementing fiscal policies, macroprudential measures, and accommodative and responsive monetary policies will be key factors in sustaining national economic resilience. Several factors expected to have a positive impact on Indonesia's economy in 2025 and beyond include strong domestic consumption, accelerated realization of both private and government investments, and the continuation of National Strategic Projects (PSN) across various sectors.

The government has reaffirmed its commitment to advancing downstream processing, not only for nickel but also for other key commodities such as crude palm oil (CPO), copper, bauxite, and tin. This initiative is expected to further strengthen Indonesia's trade balance. In addition, the marine fisheries industry is targeted for further development to drive stronger growth in the maritime sector. These opportunities will have tangible economic impacts over varying timeframes, depending on the realization of investments and the commercialization period of the produced goods.

Referring to various indicators and achievements throughout 2024, along with early 2025 economic data that reflects Indonesia's economic resilience, the country's economy is projected to grow within a range of 5.0%–5.2% in 2025, with inflation remaining controlled at around 2.5% ±1%. The IMF WEO January 2025 edition also forecasts Indonesia's economic growth at approximately 5.1%, higher than the 5.0% growth estimate for 2024.

Considering global and national economic dynamics, as well as the work plans and strategies formulated by the Board of Directors for 2025, the Board of Commissioners believes that Bank Mandiri and its subsidiaries have ample opportunities to achieve sustainable, sound, and high-quality growth across all business lines. As such, the Board of Commissioners encourages the Board of Directors to further strengthen the foundation for growth, accelerate digital transformation, and enhance business synergies with subsidiaries. Furthermore, risk mitigation measures must be continuously improved to turn emerging challenges into opportunities for business expansion. In every operational phase, Bank Mandiri must also uphold best practices in corporate governance to ensure sustainable and competitive growth.

OVERSIGHT ON CORPORATE GOVERNANCE IMPLEMENTATION

Based on the Board of Commissioners' assessment, Bank Mandiri remains firmly committed to implementing best practices in corporate governance across all operational processes. This commitment is reflected in various evaluation results, both internal, through the Individual Governance Self-Assessment and Integrated Governance Self-Assessment, and external assessments such as the ASEAN Corporate Governance Scorecard (ACGS) and the Corporate Governance Perception Index (CGPI) throughout 2024.



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As part of routine evaluations, the **Individual Governance Self-Assessment** is conducted in accordance with POJK No. 17/2023 and SEOJK No. 13/POJK.03/2017 on Governance Implementation for Commercial Banks. This assessment is conducted twice a year, in June and December. The Self-Assessment for the First Semester of 2024 resulted in a score of 1 (one), which was subsequently reviewed by the OJK, assigning a score of 2 (two). This indicates that, in general, Bank Mandiri has implemented governance principles effectively and met adequate compliance requirements. Meanwhile, the Self-Assessment for the Second Semester of 2024 recorded a score of 1 (one), signifying that Bank Mandiri's governance implementation falls within the "Excellent" category. As of now, Bank Mandiri is awaiting OJK's feedback on the Second Semester 2024 assessment results.

The **Integrated Governance self-assessment** implementation is conducted based on OJK Regulation No. 18/POJK.03/2014 and OJK Circular No. 15/SEOJK.03/2015 on Integrated Governance. This assessment is carried out twice a year, in June and December, involving all Financial Services Institutions (LJK) within the Bank Mandiri Financial Conglomerate. The self-assessment results for both the first and second semesters of 2024 indicate a score of 1 (one), reflecting that the Financial Conglomerate has implemented Integrated Governance effectively. This is demonstrated by a highly adequate fulfillment of Integrated Governance principles. If any weaknesses are identified in the implementation of Integrated Governance principles, they are generally minor or insignificant and can be promptly addressed through normal corrective actions taken by the Main Entity and/or LJK within the Financial Conglomerate.

In fulfilling the criteria of the **ASEAN Corporate Governance Scorecard (ACGS)**, Bank Mandiri has adopted a governance assessment framework based on the corporate governance principles developed by the Organization for Economic Cooperation and Development (OECD). These principles have also been endorsed by the ASEAN Capital Market Forum (ACMF) as the governance standard applied across the ASEAN region.

Through the implementation of ACGS, Bank Mandiri continues to strengthen its commitment to transparent, accountable, and internationally recognized governance practices. This implementation not only serves as a benchmark for regulatory compliance but also forms part of the Bank's strategy to enhance competitiveness, build stakeholder trust, and support long-term business sustainability.

In the **Corporate Governance Perception Index (CGPI)**, Bank Mandiri participated in the governance implementation research and ranking program through the CGPI 2023 rating, which was conducted in 2024. The theme for this year's CGPI is "Building Corporate Maturity within the GCG Framework." The CGPI assessment process includes self-assessment, evaluation of document completeness, and observation. The assessment is based on three key aspects: Governance Structure, Governance Process, and Governance Outcome.

In its 21st participation from 2003 to 2024, Bank Mandiri successfully maintained its designation as a "Most Trusted" company for 18 consecutive years, with a score of 95.30.

Advisory Mechanism to the Board of Directors

Apart from supervisory function over the Company's management by the Board of Directors, the Board of Commissioners also conducts regular monitoring and provides advice and recommendations to the Board of Directors. This function is supported by various Supporting Committees of the Board of Commissioners, which serve a role in providing strategic analysis and considerations.

The monitoring and advisory mechanism is carried out through meetings organized by the Board of Commissioners as well as Joint Meetings between the Board of Commissioners and the