

channels so that management and employees understand and comply with applicable policies and procedures. Management also ensures that information on policies, risk exposures, transactions, and operational performance is accessible to relevant stakeholders as needed.

Monitoring Activities and Correcting Deficiencies

The Board of Directors continuously monitors the effectiveness of Internal Control System, including IT security and usage, with the Board of Commissioners ensuring proper oversight. Key risks are regularly evaluated by Business Units, Compliance, Risk Management, and Internal Audit to assess the adequacy of the ICS amid internal or external changes. Any weaknesses identified by relevant units or other parties are promptly reported to Management, and material issues are escalated to the Board of Commissioners for corrective action.

Compliance with SEOJK No. 35/SEOJK.03/2017 on Internal Control Standard Guidelines for Commercial Banks

Bank Mandiri's Internal Control System comprises five interconnected components applied across the organisation to support the Bank's objectives, following regulatory requirements and international internal control practices, namely:

1. Oversight by Management and a Control Culture
2. Risk Identification and Assessment
3. Control Activities and Separation of Functions
4. Accounting, Information, and Communication Systems
5. Monitoring Activities and Deviation Correction Actions

Evaluation of Internal Control System Implementation

The Board of Directors ensures the implementation of a reliable and effective Internal Control System and fosters a strong risk-aware culture across the organisation, while Internal Audit periodically evaluates and enhances the system through reviews of business units and subsidiaries. Evaluation results are reported to the Board of Directors for follow-up and monitoring, with the Board of Commissioners, through the Audit Committee, reviewing these outcomes. Based on the 2025 assessment, Bank Mandiri's ICS is considered adequate.

Effectiveness of Internal Control System

The effectiveness of Bank Mandiri's Internal Control System relies on the integration of its five interrelated components, which must be consistently applied across the organisation. Management is responsible for ensuring that the ICS operates reliably and effectively while fostering a strong risk-aware culture at all organisational levels.

Internal Audit continuously evaluates and enhances the effectiveness of the ICS by reviewing operational processes to support the achievement of corporate objectives. Evaluation results are submitted to Management for follow-up and monitoring. Overall, Management considers the ICS to be effective, while recognising the need for ongoing improvements in line with the Bank's growing scale and business complexity.