

## REVIEW OF RISK MANAGEMENT SYSTEM EFFECTIVENESS

The Risk Profile assessment of Bank Mandiri, both at the individual and consolidated/integrated levels throughout 2025, indicates that the risks faced by the Bank at both levels have been effectively managed. This enables Bank Mandiri to sustain its business development efforts while maintaining sound and effective risk management practices.

In addition, accordance with the Regulation of the Ministry of SOEs number PER-2/MBU/03/2023 concerning Guidelines for Governance and Significant Corporate Activities of State-Owned Enterprises in article 74 paragraph 1 SOEs are required to conduct a risk maturity index assessment (Risk Maturity Index). The RMI assessment aims to measure the level of design quality and effectiveness of Risk Management implementation in protecting and creating value in SOEs.

In 2025 Bank Mandiri has carried out the RMI assessment and based on the assessment results, Bank Mandiri is in the Better Practice Phase where Bank Mandiri has strong practices (+) in risk management, which on average are close to or in line with global industry standard practices

### Statements from the Board of Directors and/or the Board of Commissioners or the Audit Committee on the Adequacy of Risk Management System

The implementation of the internal control system at Bank Mandiri is assessed as effective and adequate. This effectiveness is reflected in the strong performance of key internal control functions, including internal audit, risk management, compliance, and financial and operational controls, which collectively ensure that the Bank's risk management framework operates efficiently.

## RISK MANAGEMENT ACTIVITY REPORT IN 2025

During 2025, Bank Mandiri has conducted and reported the following assessments:

1. Individual Bank Soundness Level applies a risk-based approach/Risk-Based Bank Rating (RBRR), where the scope of assessment covers the following factors: Risk Profile, Good Corporate Governance, Earnings and Capital. The report for the position of 31 December 2024 and 30 June 2025 has been submitted to the Regulator in a timely manner.
2. Individual Risk Profile which is performed on 8 risks (Credit, Market, Liquidity, Operational, Legal, Strategic, Compliance, and Reputation Risk), for the position of 31 December 2024 and 31 March, 30 June, and 30 September 2025, has been submitted to the Regulator in a timely manner.

## Implementation of Sustainable Finance, including Social Responsibility

The Bank implements sustainable finance in its business activities and formulates a Sustainable Finance Action Plan, while allocating a portion of its funds for Social and Environmental Responsibility in accordance with the Financial Services Authority regulations applicable to Financial Services Institutions, Issuers, and Public Companies. Further details on the implementation of Sustainable Finance and Social and Environmental Responsibility are presented in the ESG Implementation Report in Chapter 6 of this Annual Report.

## WORST-CASE SCENARIO SIMULATION AND STRESS TESTING

To evaluate Bank Mandiri's resilience against plausible exceptional external events, the Bank conducts stress testing as part of its contingency planning and to meet regulatory requirements in Indonesia. Stress testing at Bank Mandiri aims to estimate potential losses the Bank might incur, assess its capital adequacy to absorb these losses, ensure sufficient liquidity to meet contractual or behavioral obligations, and identify necessary steps to mitigate risks while maintaining capital adequacy.

The Bank's stress testing encompasses analyses of key risks, including credit risk, market risk, and liquidity risk, using statistical and financial models developed internally in line with industry best practices. One example is the stress testing model and underlying assumptions that link changes in credit risk to macroeconomic factors, thereby providing a more comprehensive understanding of potential impacts.

In general, the result of stress testing throughout 2025 indicated that Bank Mandiri was remained capable of maintaining its capital sufficiency and liquidity by building immediate anticipation of assets and liabilities management and preparing policies and systems.

In addition to stress testing at the individual level, stress testing at the level of Mandiri Group along with its subsidiaries was also performed. The stress testing for the Mandiri Group was one of the ways to communicate integrated risk management, whose result was presented to the management of Bank Mandiri, the management of Subsidiaries, and regulators for getting feedback and insights regarding corporate risk management strategies in a scenario of economic collapse.