

The banking industry recorded credit growth of 9.69% in 2025, supported by investment loans growing by 21.06% year-on-year (yoy), consumer loans 6.58% (yoy), and working capital loans by 4.52% (yoy). Credit quality remained sound, with NPL ratio (gross) of 2.05%, relatively stable from 2.08% in December 2024, while the capital adequacy ratio (CAR) remained strong at 25.89%, compared with 26.69% in December 2024. Third-party funds (DPK) grew by 13.83%, outpacing credit growth, driven by current accounts (giro) at 19.1% (yoy), savings at 8.2%(yoy), and time deposits at 14.3% (yoy). Liquidity remained ample, with AL/NCD at 126.15% and AL/DPK at 28.57%, well above the regulatory thresholds of 50% and 10%, respectively, and a liquidity coverage ratio (LCR) of 200.97%.

The non-bank financial institution sector demonstrated relatively stable performance. Finance companies recorded moderate receivables growth while maintaining a sound risk profile. The insurance and pension fund industries also reported asset expansion, supported by strong capitalization well above regulatory minimum requirements. Insurance industry assets grew by 5.95% to IDR 1,201.33 trillion, while pension fund assets increased by 11.35% yoy to IDR 1,679.46 trillion.

In the capital market, fundraising activity remained solid, supported by an expanding investor base and stronger overall equity market performance, although foreign investor participation remained volatile.

Total funds raised reached IDR 274.80 trillion, including 26 IPOs valued at IDR 18.11 trillion. The composite stock index rose by 22.10% to 8,644.26 from 7,079.91 in December 2024, with market capitalization increasing to IDR 15,849 trillion from IDR 12,336 trillion in the previous year. The number of investors grew to 20.32 million, up 36.65% from 14.87 million, including 8.59 million equity investors, up 34.65% from 6.38 million.

Overall, the Board of Commissioners assesses that Indonesia's financial services sector in 2025 remained stable and resilient, supported by effective policy coordination, strong capital structures, and increasing participation by domestic investors.

BOARD OF DIRECTORS' PERFORMANCE ASSESSMENT

The Board of Commissioners' assessment of the Board of Directors' performance is reflected in the Directors'

Key Performance Indicators (KPI), both individually and collectively, and is reported to Shareholders through the General Meeting of Shareholders.

Overall, the Board of Commissioners considers effective performance of duties and responsibilities by the Board of Directors throughout 2025. This is evidenced by the Company's performance achievement in line with the targets set in the Corporate Work Plan and Budget and other established criteria, with the realisation of the Board of Commissioners' KPI reaching 103.4% and the Board of Directors' KPI realization reaching 99.89%.

Amid prevailing challenges and uncertainties, Bank Mandiri maintained strong performance, with most indicators exceeding industry averages. Consolidated loans grew by double digits at 13.44% (yoy), while gross NPL (bank only) was maintained at 0.96%, compared with banking industry loan growth of 9.63% and gross NPL of 2.05%.

The Company also preserved liquidity competitiveness, recording double-digit TPF growth of 23.95% (yoy), well above industry TPF growth of 12.0%. The consolidated CASA ratio remained strong at 67.97%, reflecting a solid and sustainable funding structure.

The Board of Commissioners views these achievements as the result of the Board of Directors' consistent implementation of adaptive and agile strategies, optimization of the Wholesale Banking core competence ecosystem, proactive capture of opportunities in potential segments, and acceleration of digital transformation across nearly all operational phases. Improved efficiency and business volume growth across segments enabled the Company to close 2025 with consolidated income of Rp56.29 trillion, increased from Rp55.78 trillion in the previous year.

OVERSIGHT OF THE THE BOARD OF DIRECTORS' STRATEGY FORMULATION AND IMPLEMENTATION

The Board of Commissioners conducts oversight on the Board of Directors' strategy formulation and implementation by monitoring the Bank's Business Plan (RBB) application align with OJK Regulation No. 5/POJK.03/2016 on Bank Business Plans, which, among others, covers management policies and strategies. The Supervisory Report on the implementation of RBB is submitted to the Financial Service Authority by