

# REVIEW OF RISK MANAGEMENT SYSTEM EFFECTIVENESS

The Risk Profile assessment of Bank Mandiri, both at the individual and consolidated/integrated levels throughout 2024, 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 2024 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 risk management practices, 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 internal control system at Bank Mandiri is considered effective and adequate. This is demonstrated by the successful implementation of internal control functions, including internal audit, risk management, compliance, and financial and operational controls, which collectively ensure the Bank's risk management framework operates efficiently.

# RISK MANAGEMENT ACTIVITY REPORT IN 2024

During 2024, 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 2023 and 30 June 2024 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 2023 and 30 March, 30 June, and 30 September 2024, has been submitted to the Regulator in a timely manner.