

# INTERNAL AUDIT

Internal Audit provides independent and structured assurance to ensure effective governance, risk management, and internal control. This role supports consistent compliance across all business units and subsidiaries of Bank Mandiri.

In carrying out its duties, Internal Audit is granted full, unrestricted, and unobstructed access to all records, data, physical assets, and personnel relevant to its audit assignments. This level of access is essential to conducting comprehensive evaluations. At the same time, Internal Audit is responsible for maintaining the confidentiality and integrity of all information obtained during the audit process, in line with professional standards and the audit code of ethics.

Internal Audit operates independently and objectively, led by the Chief Audit Executive who reports directly to the President Director and the Board of Commissioners through the Audit Committee. The Chief Audit Executive is appointed and dismissed by the President Director with the approval of the Board of Commissioners and is reported to the Financial Services Authority. Serving as the third line of defense, Internal Audit continues to strengthen internal control quality across all lines of defense by advancing audit methodologies, leveraging data analytics, and applying modern audit tools to enhance the effectiveness and efficiency of the audit process.

## **Active Roles and Oversight of the Board of Directors and Board of Commissioners to the Internal Audit**

Members of the Board of Directors of Bank Mandiri are responsible for ensuring that an adequate internal control framework is in place to identify, measure, monitor, and control all risks faced by the Bank. The Board of Directors must also ensure that the Internal Audit Unit (SKAI) receives complete access to information related to business developments, initiatives, projects, products, operational changes, and identified risks. In addition, the Board of Directors is responsible for ensuring the timely and optimal follow-up of all Internal Audit findings and recommendations, and for providing the Chief Audit Executive with the necessary resources and budget to execute the annual audit plan effectively.

The Board of Commissioners of Bank Mandiri is responsible for ensuring that the Board of Directors establishes and maintains an effective and efficient internal control system. The Board of Commissioners reviews the effectiveness of the internal control system at least once a year based on information provided by Internal Audit and appoints an independent external quality assessor to review the performance of Internal Audit, taking into account recommendations from the Audit Committee.

In carrying out the internal audit function, Bank Mandiri conducts communication with the OJK at least once a year, either virtually or in person. This communication is led by the Chief Audit Executive and covers discussions on risk areas identified by both OJK and Internal Audit, the Bank's risk mitigation measures, the status of follow-up actions on identified weaknesses, findings and recommendations from internal audits conducted during the year, and the Bank's annual audit plan.

Bank Mandiri follows up on all recommendations provided by OJK to enhance the effectiveness and efficiency of the internal audit function. The implementation of internal audit function, including structure, authority, and principal duties of Internal Audit, as well as other operational aspects, complies fully with the OJK regulations on the implementation of internal audit functions at commercial banks.



## Profile of Head of Internal Audit



**Adi Pranantias**  
Senior Executive Vice President/SEVP  
Internal Audit

**Age:** 58 Years old

**Citizenship:** Indonesia

**Domicile:** Jakarta

### Education Background

Obtained Bachelor Degree in Management Economics from Universitas Pancasila, Indonesia (1990).

### Basis of Appointment

Serves as SEVP Internal Audit based on the Board of Directors' Decree No. KEP.DIR/024/2024 dated 23 April 2024.

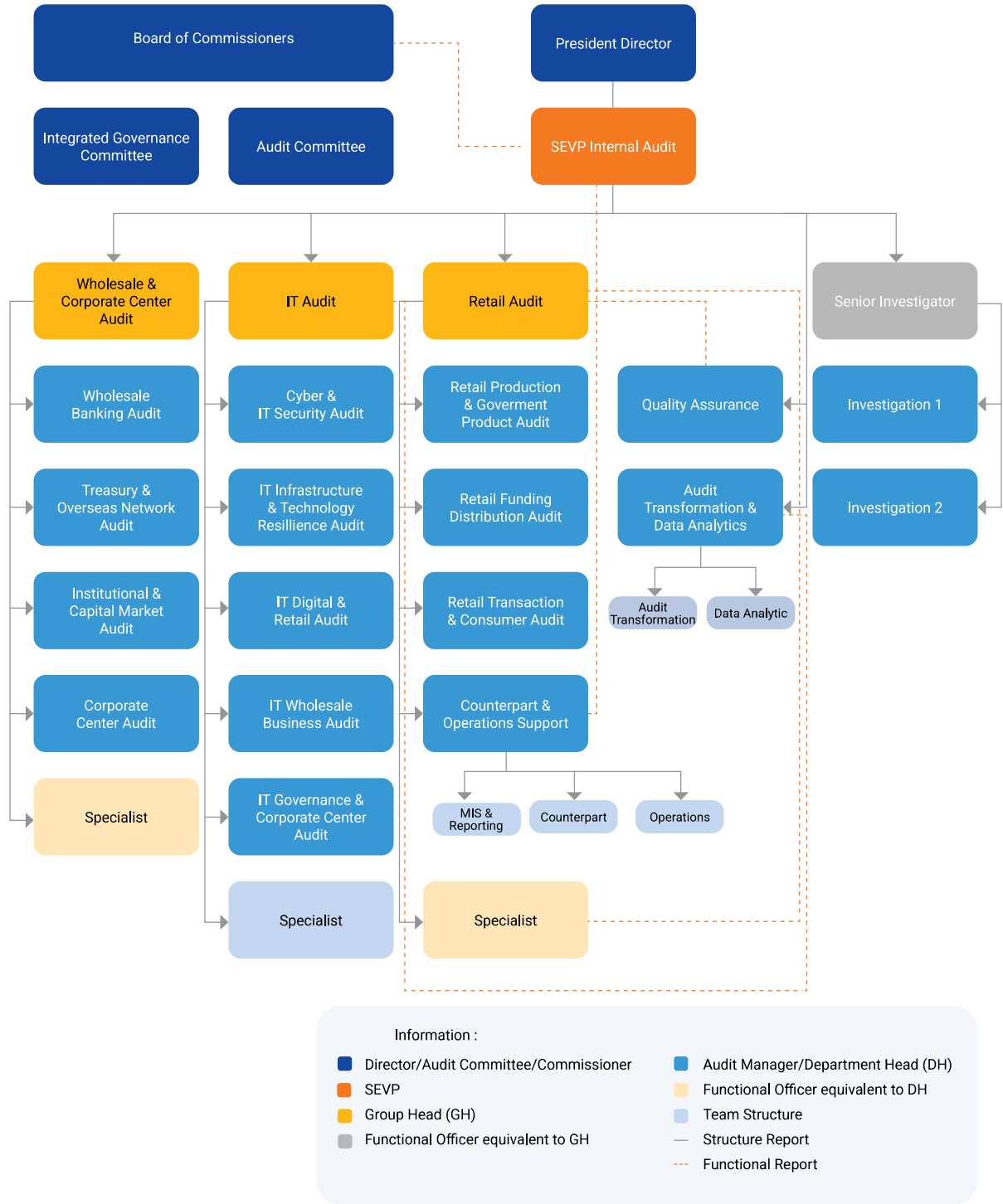
### Professional Background

- › Middle Corporate 1 Group Head (2018-2019)
- › Commercial Banking 1 Group Head (2019-2022)
- › Commercial Banking 4 Group Head (2022-2023)
- › Senior Executive Vice President Wholesale Risk (2023-2024)
- › Senior Executive Vice President Internal Audit (April 2024 - present)

### Qualifications/Professional Certifications of Internal Audit

- › Qualified Internal Auditor - Managerial (QIA) (2024)
- › Risk Management Level 7 Certification (2024)
- › Bank Internal Audit – Audit Manager (SKBAIB) (2024)

### Organizational Structure of Internal Audit



### Internal Audit Position in the Organizational Structure

At Bank Mandiri, Internal Audit is directly responsible to the President Director and can communicate directly with the Board of Directors, the Board of Commissioners and the Audit Committee. Internal Audit operates 4 (four) Units which works are adapted to Bank Mandiri’s business strategy, namely the Wholesale & Corporate Centre Audit Group, Retail Audit Group, IT Audit Group and Senior Investigator. In addition, Internal Audit also has 2 (two) Departments, the Quality Assurance Department and Audit Transformation and Data Analytics, which is directly responsible to the Senior Executive Vice President/Chief Audit Executive.

### Parties in Charge of the Appointment and Dismissal of the Head of Internal Audit

The Chief Audit Executive is appointed and dismissed and is directly responsible to the President Director with the approval of the Board of Commissioners by considering the Audit Committee recommendations and subsequently reported to the OJK. The appointment has been reported to the OJK through a letter dated 3 May 2024.

### Internal Audit Charter

Internal Audit has a Charter ratified by the President Director and President Commissioner, which was last updated on 12 February 2025. The Internal Audit Charter provides guidance regarding the purpose, position, authority, responsibilities and scope of internal Audit works. The position, authority and responsibilities expressed formally in the Internal Audit Charter are in accordance with the POJK No. 1/POJK.03/2019 on Implementation of Internal Audit function in the Commercial Banks.

### Internal Audit Duties and Responsibilities

In carrying out its functions, the duties and responsibilities of Internal Audit are as follows:

1. Act as a System Supervisor for Investigation activities, including for Investigations carried out by work units outside the Internal Audit.
2. Assisting the duties of the President Director and the Board of Commissioners in conducting oversight by outlining operationally both in the planning, implementation, and monitoring audit results.
3. Inspecting and evaluating the efficiency and effectiveness in finance, accounting, commercial, operations, human resources, information technology and other activities through audit.
4. Identifying any possibilities for improving and enhancing the efficiency of the use of resources and funds.
5. Providing suggestions for improvement and objective information about the activities examined at all levels of management.
6. Providing consultation and assurance related to strategic poin during planning or during the implementation of operational activities.
7. Maintaining the confidentiality of information during the serves in accordance with the prevailing laws and regulations.

### Internal Audit Authority

The authorities of Internal Audit are, among others:

1. Conducting internal audit activities of all working units in the Bank's organization, subsidiaries and affiliates in accordance with the prevailing governance.
2. Communicating directly with the Board of Directors, Board of Commissioners, and the Audit Committee, as well as Integrated Governance Committee.
3. Communicating and coordinating with external parties including regulators and external auditors.
4. Organizing the meetings periodically and incidental with the President Director, Board of Commissioners, and Audit committee.
5. Access all information, records, employees, and including but not limited to accounts and resources and other matters deemed necessary in connection with their tasks and functions.
6. Investigating cases/issues in every aspect and element of activities that indicate fraud and violations of the code of conduct in the organization of the Bank, Subsidiaries and affiliates in accordance with applicable governance.
7. Participating in the strategic meeting without voting rights.

### Internal Audit Personnel Composition

In carrying out its duties, the Bank's Internal Audit is supported by competent and qualified resources. The following is Internal Audit personnel composition:

Position	Total Employee
SEVP/Chief Audit Executive	1
Chief Auditor	3
Senior Investigator Head	1
Audit Manager	11
Investigator Head	2
Department Head	3
Specialist Auditor	3

Position	Total Employee
Specialist Investigator	2
Lead Auditor	30
Lead Investigator	2
Team Leader	4
Section Head	1
Investigator	8
Senior Auditor	25
Auditor	61
Junior Investigator	5
Officer	8
Supporting	13

### Internal Audit Professional Certification

Internal Audit continuously enhances the competencies of its personnel through a range of ongoing educational programs. These include nationally and internationally recognized professional certifications, as well as attachment programs and training conducted both domestically and abroad. The professional certifications held by Internal Audit personnel as of 2025 are presented in the table below.

### National Profession Certification in 2025

Certifications	Total Personnel
Qualified Internal Auditor – Basics	10
Qualified Internal Auditor - Advance	22
Qualified Internal Auditor - Managerial	8
Bank Internal Audit - Auditor	98
Bank Internal Audit – Audit Supervisor	40
Bank Internal Audit – Audit Manager	4
General Banking	62
Chartered Accountant	3
Certified Legal Auditor	2
Certified Internal Audit Executive	2
Risk Management Level 4 Certification	134
Risk Management Level 5 Certification	41
Risk Management Level 6 Certification	3
Risk Management Level 7 Certification	2
EnCase Certified Examiner	1
Cisco Certified Network Associate	1
Certified Master of Handwriting Analyst	1
Certified Anti-Fraud Manager	2
Certified Handwriting Analyst	2
Certified Forensic Auditor	13
Computer Hacking Forensic Investigator	8
Fraud Risk Management Profesional	4
Compliance Certification	1
Competency Based Interview Certification	4
Certified International Trade and Finance	1
Certified Internasional of Enterprise Risk Management	1
Certified Investment Banking	1
Certified Risk Professional	1
Magnet Certified Forensic Examiner	2



## International Profession Certification in 2025

Certifications	Total Personnel
Certified Internal Auditor	2
Certified Fraud Examiner	3
Certified Information System Auditor	12
Certified Information Security Manager	3
Certified in the Governance of Enterprise IT	3
Control Objectives for Information and Related Technology	2
Information Technology Infrastructure Library	8
Certified Information Systems Security Professional	2
Certification in Control Self Assessment	1
Certified Ethical Hacker	1
Certified in Risk and Information Systems Control	1

Activity/Organization	Position	Period
Banking Internal Auditor Association (IAIB)	2 (two) Audit Manager (AM) serving as board members.	2023-2026

In 2025, several institutions conducted benchmarking visits to Bank Mandiri's Internal Audit. The list of institutions that carried out these benchmarking activities is as follows:

No.	Benchmarking Date	Institutions	Focus Discussion
1	28 May 2025	PT Mitra Transaksi Indonesia	End-to-end investigation audit process and development of competencies related to investigation audits
2	7 July 2025	PT Perkebunan Nusantara I	Audit process, data analytics, quality assurance and investigation
3	14 July 2025	ASABRI	Audit process, continuous auditing, GIAS implementation, quality assurance
4	5 August 2025	Mandiri Utama Finance	Data analytics and continuous auditing
5	24 September 2025	PT BRI (Persero) Tbk.	Audit process, KPI, audit development, methodology & strateg audit, and data analytics
6	20 October 2025	PT Bank DKI (Bank Jakarta)	Methodology audit, technology & data analytics, performance evaluation, and anti fraud strategy
7	28 November 2025	Universitas Indonesia	ICoFR Collaboration, Internal Audit, and External Audit at Bank Mandiri
8	10 December 2025	PT Trakindo Utama	Quality Assurance

### Auditor Code of Ethics

The Internal Auditors of Bank Mandiri are required to be professional and obey the established code of ethics. The Bank Mandiri Internal Auditor's code of ethics are as follows:

- 1. Integrity**  
Internal Auditors demonstrate integrity in their work and behavior.
- 2. Objectivity**  
Internal Auditors maintain an impartial and unbiased attitude when performing internal audit activities and making decisions.
- 3. Competency**  
Internal Auditors must possess and apply the knowledge, skills, and abilities to fulfill their roles and responsibilities successfully.
- 4. Exercise Due Professional Care**  
Internal Auditors apply due professional care in planning and performing internal audit activities.
- 5. Confidentiality**  
Internal Auditors use and protect information appropriately.

### Internal Audit Capacity Building

The Internal Audit competency development is presented in the Profile Chapter of this Annual Report.

### Information System of Internal Audit

To improve the effectiveness of audit implementation and provide a full picture to the Management regarding the audits, the audit activities consisting of planning, implementation, reporting and monitoring stages are carried out using an application called the Audit Management Information System (SIMANIS) which is carried out internally as a system of recording and monitoring the results of audits and investigations. The SIMANIS application had been applied since 21 February 2020 and is constantly developed to improve from previous versions.

### Audit Methods

Internal Audit applies a risk-based audit (RBA) methodology for internal audit activities by focusing on high-risk areas. The application of this methodology is in accordance with the needs of the Company, regulatory and best practices.

The application of a RBA methodology requires good cooperation between Internal Audit and the Operational Risk Management Unit and the Client.

The following is the grand design of risk-based audit application at Bank Mandiri:



### Internal Audit Work Programs

In 2025, Internal Audit prepared an audit plan consisting of 41 (forty-one) assignment subjects, which include Thematic Audits, General Audits, Mandatory Audits, Subsidiary Audits, and Consulting. These assignments are carried out by three work units in Internal Audit, namely the Wholesale & Corporate Center Audit Group Unit, Retail Audit Group, and Information & Technology Audit Group. The details of the assignment subjects are presented in the following chart.



### Audit Activities in 2025

The dynamic development of the internal audit methodology encouraged the Company's Internal Audit unit to be more responsive and proactive. With this change, the audit plan which was originally static had become more dynamics, adapting to the conditions and needs of the Company. In 2025, audit activities were carried out based on the previously prepared audit plan hence the audit results will be followed up and used as material to make continuous improvements in the Company.

### Findings and Follow Up on Internal Audit Results

Year	Outstanding	Closed	Total
2016	0	628	628
2017	0	627	627
2018	0	547	547
2019	0	470	470
2020	0	357	357
2021	0	660	660
2022	0	761	761
2023	0	996	996
2024	1*	1,393	1,394
<b>2025</b>	<b>637*</b>	<b>573</b>	<b>1,210</b>

\*) 638 management action plans are currently in the 'Resolution Process'. with committed completion dates starting from 31 January 2026.

### Internal Audit Function Standard Implementation

The Financial Services Authority (OJK) published POJK No. 1/POJK.03/2019 on the Implementation of the Internal Audit Function in Commercial Banks, effective as of January 29, 2019, replacing the previously applied Standard for the Implementation of the Internal Audit Function in Banks (SPFAIB). Following the issuance of this regulation, Internal Audit has adopted its requirements into several internal policies, namely the Internal Audit Charter, the Bank Mandiri Internal Control Policy (KICN), the Internal Audit Standards and Guidelines (SPIA), and the Internal Audit Technical Guidelines (PTIA), which were most recently updated in 2025.

### OJK Regulation No. 38/POJK.03/2016 and OJK Circular No. 21/SEOJK.03/2017

In conducting Audit, in particular IT Audit, the Bank is also subject to the provisions set out in the POJK No. 11/POJK.03/2022 on the Implementation of Information Technology by Commercial Banks, and SEOJK No. 21/SEOJK.03/2017 on Risk Management Application in the use of Information Technology by Commercial Banks, which aims at improving IT Audit work process in Bank Mandiri.

### Global Internal Audit Standards (GIAS)

In addition to regulatory, the implementation of Internal Audit of Bank Mandiri adjusts to Global Internal Audit Standards (GIAS) stipulated by the Institute of Internal Auditors (IIA).

### Internal Audit Function

1. Under the framework of securing business activities according to vision and mission of PT Bank Mandiri (Persero) Tbk., and providing foundation and guidelines for Internal Audit (IA) which constitutes a part of the Internal Control System, will be necessarily required to establish Internal Audit Charter. Internal Audit Charter is compiled based on external provisions regarding the Implementation of Internal Audit Function at Commercial Banks and International Professional Practices Framework from the Institute of Internal Auditors (IIA).
2. Internal Audit assists the organization in achieving its objectives through internal audit activities (assurance and consulting) and investigative activities to provide an independent assessment of internal control, application of risk management, and good corporate governance process within company's organization.
3. Members of the Board of Directors shall be responsible for:
  - a. Establishes and maintains an adequate, effective, and efficient Internal Control System.
  - b. Propose of the Internal Audit Charter, based on suggestions from Internal Audit.
  - c. Directly communicate with Internal Audit about various matters relating to internal audit activities.
  - d. Follow up on findings from Internal Auditors and External Auditors.
  - e. Together with the Board of Commissioners, approving the Annual Audit Plan and budget allocation, considering recommendations from the Audit Committee.
4. Responsibilities of the Board of Commissioners Related to the Internal Audit Function:
  - e. Approving and evaluating Internal Audit Policy that has obtained the approval of the Board of Directors.
  - f. Ensuring that the Board of Directors and Subsidiaries have an Internal Audit that performs internal audit functions.
  - g. Providing approval of the appointment and dismissal of the Chief Audit Executive as proposed by the Board of Directors, considering recommendations from the Audit Committee.
  - h. Ensuring that Internal Audit has access to the necessary information and/or data about the Bank to carry out its duties.
  - i. Providing approval of the Internal Audit Charter, considering recommendations from the Audit Committee, as proposed by the Board of Directors based on suggestions from Internal Audit.
  - j. Together with the President Director, approving the Annual Audit Plan and budget allocation, considering recommendations from the Audit Committee.
  - k. Ensuring that the Board of Directors has followed up on findings from Internal Auditors and External Auditors.
  - l. Ensuring that the Board of Directors establishes and maintains an adequate, effective, and efficient Internal Control System.
  - m. Reviewing the effectiveness and efficiency of the Internal Control System based on information obtained from Internal Audit at least once a year.
  - n. Appointing an independent external quality reviewer to conduct a review of Internal Audit's performance, considering recommendations from the Audit Committee, at least once every 3 (three) years.
  - o. Supervising and advising on the implementation of internal audit functions in accordance with regulations, the Bank's articles of association, and/or resolutions of the General Meeting of Shareholders or the Minister.