

RISK MONITORING COMMITTEE

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The Risk Monitoring Committee was established by the Board of Commissioners of Bank Mandiri to assist in carrying out duties and responsibilities in oversight and provide advisory to the Board of Directors to ensure the adequacy of the Bank's risk management procedures and methodology, hence to control the Bank's business activities at acceptable limits and beneficial to the Bank.

Legal Basis of Establishment

The establishment of the Committee is guided by and refers to the prevailing laws and regulations as well as banking best practices in Indonesia, such as:

1. SOE Minister Regulation No. PER-12/MBU/2012 regarding Supporting Organs of the Board of Commissioners/SOE Supervisory Board as lastly amended with SOE Minister Regulation No. PER-14/MBU/10/2021.
2. SOE Minister Regulation No. PER-5/MBU/09/2022 on Risk Management Practices in the State-Owned Enterprises.
3. OJK Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks.
4. OJK Regulation No. 17/POJK.03/2014 concerning Implementation of Integrated Risk Management for Financial Conglomerates.
5. Bank Mandiri's Articles of Association and its amendments.
6. Decree of the Board of Commissioners No. KEP. KOM/001/2022 dated 31 March 2022 concerning Membership Composition of the Audit Committee, Risk Monitoring Committee, Integrated Governance Committee and Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk.
7. Board of Directors Decree No. KEP.DIR/018/2022 dated 18 April 2022 concerning Determination of the Risk Monitoring Committee Memberships.



RISK MONITORING COMMITTEE

Structure, Membership and Profile of the Risk Monitoring Committee

The structure and membership of the Risk Monitoring Committee are as follows:

1. The Risk Monitoring Committee shall consist of at least 3 (three) persons who are from the Independent Commissioners and Independent Parties.
2. The composition of the membership of the Risk Monitoring Committee is at least 1 (one) Independent Commissioner as Chairman and concurrently a member, 1 (one) Independent Party who has expertise in finance, and 1 (one) Independent Party who has expertise in the field of risk management.
3. Members of the Risk Monitoring Committee from Independent Parties are considered to have expertise in the financial

sector in terms of meeting the following criteria:

- a. Having knowledge in economics, finance and/or banking.
 - b. Having work experience of at least 5 (five) years in the economic, financial and/or banking fields.
4. Members of the Risk Monitoring Committee from Independent Parties are considered to have expertise in the field of risk management in terms of meeting the following criteria:
 - a. Having knowledge in the field of risk management; and/or
 - b. Having work experience of at least 2 (two) years in the field of risk management.
 5. Members of the Directors of the Company and other Banks are prohibited from becoming members of the Risk Monitoring Committee.
 6. Independent Commissioners and Independent Parties

who are members of the Risk Monitoring Committee at least 51% (fifty one percent) of the total members of the Risk Monitoring Committee.

7. The Chairperson of the Risk Monitoring Committee can only concurrently hold the position of Chair of the Committee at most in 1 (one) another Committee.
8. In carrying out the daily tasks of the Committee, it can be assisted by staff and or appointed Committee Secretaries based on the decision of the Risk Monitoring Committee meeting.

In 2022, the composition of Risk Monitoring Committee remains the same, and has been appointed based on the Decree of the Board of Directors No. KEP.DIR/037/2021 regarding the Stipulation of Risk Monitoring Committee Membership dated 9 August 2021, as follows:

Name	Position in the Committee	Position in the Company	Expertise
Andrinof A. Chaniago	Chairman and Member	Vice President Commissioner/Independent	Macroeconomic
Boedi Armanto	Member	Independent Commissioner	Audit, Banking
Loeke Larasati Agoestina	Member	Independent Commissioner	Legal
Nawal Nely	Member	Commissioner	Accounting, Risk Management
Arif Budimanta	Member	Commissioner	Finance
Chrisna Pranoto	Member	Independent Party	Compliance, Risk Management
Caroline Halim	Member	Independent Party	Risk Management, Audit

Risk Monitoring Committee Profile

The profile of the Risk Monitoring Committee members as members of the Board of Commissioners is presented in Chapter 3 Profile of the Board of Commissioners in this Annual Report.

The following is profile of the Risk Monitoring Committee members as non-Commissioners, independent parties.

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Period of Assignment

30 April 2019 – Present

Educational Background

- Bachelor of Agronomy from Bogor Agricultural University (1986)
- Master of International Business Management from Gadjah Mada University (1998)

Professional Background

- President Commissioner of PT Gedung Bank Exim (October 2018 - present)
- Group Head Compliance at Bank Mandiri (2015 - 2018)
- Head of Change Management Office at Bank Mandiri (2014)
- President Commissioner of PT Mandiri Manajemen Investasi (2013 - 2015)
- Group Head Distribution Network II at Bank Mandiri (2013-2014)
- Group Head Central Operations at Bank Mandiri (2012 - 2013)
- Group Head Credit Operations at Bank Mandiri (2007-2012)
- Member of the Supervisory Board of Bank Mandiri Pension Funds (2006 - 2011)

Legal Basis of Appointment

Appointed as member of the Risk Monitoring Committee as of 30 April 2019 pursuant to the Board of Directors Decree No. KEP.DIR /032/2019

**Chrisna Pranoto**

**Member of Risk Monitoring Committee,
Independent Party**

Age: 60 years old.

Citizenship: Indonesian

Period of Assignment

2 August 2021 – Present

Educational Background

Bachelor of Accounting from University of Indonesia (1987)

Professional Background

- Member of Audit Committee & Member of Risk Monitoring Committee of PT Bank Sahabat Sampoerna (2020 -July 2021)
- Member of Audit Committee & Member of Risk Monitoring Committee of PT Rabobank International Indonesia (2018 -2020)
- Group Head Risk Management PT Bank QNB Indonesia Tbk (2012 -2017)
- Group Head Risk Management PT Bank ICB Bumiputera Tbk (2010 - 2011)
- Group Head Credit Risk Analytic PT CIMB Niaga (1988 - 2010)

Legal Basis of Appointment

Appointed as member of the Risk Monitoring Committee as of 2 August 2021 pursuant to the Board of Directors Decree No. KEP.DIR/037/2021

**Caroline Halim**

**Member of Risk Monitoring Committee,
Independent Party**

Age: 60 years old.

Citizenship: Indonesian



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Risk Monitoring Committee Charter

In carrying out its duties and responsibilities, the Bank Mandiri Risk Monitoring Committee has a Risk Monitoring Committee Charter, which was most recently updated on 18 November 2022 based on the Decree of the Board of Commissioners No. KEP. KOM/007/2022. The Charter includes:

1. General Purpose
2. Basic Regulations
3. Duties, Responsibilities and Authority
4. Composition, Structure and Membership Requirements, and Tenure
5. Meeting
6. Reports and Recommendations
7. Handling Complaints/Reporting Regarding Alleged Violations Regarding Financial Reporting
8. Closing

Duties and Responsibilities of the Risk Monitoring Committee

The duties and responsibilities of the Risk Monitoring Committee include:

1. Monitoring and evaluating:
 - a. Conformity between the risk management policy and the Company's integrated risk management policy and the implementation of the policy.
 - b. Implementation of the work plan and duties of the Risk Management Committee, Integrated Risk Management Committee,

Risk Management Work Unit, and Integrated Risk Management Work Unit of the Company.

- c. Adequacy of the process of identifying, measuring, monitoring, controlling and risk management information systems.
 - d. The Company's compliance with the Articles of Association, Bank and Capital Market Supervisory Authority regulations, as well as other laws and regulations related to risk management.
2. Carrying out monitoring and review of:
 - a. Risk Profile Report, bank only and consolidated.
 - b. The Bank Rating Report of risk-based, bank only and consolidated.
 - c. Other reports related to the management of 10 (ten) types of risk, namely Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Legal Risk, Compliance Risk, Reputation Risk, Strategic Risk, Intra Group Transaction Risk, and Insurance Risk.
 - d. General credit policies and other obligations required by the Regulator to be submitted to the Board of Commissioners by the Board of Directors.
 3. Providing recommendations to the Board of Commissioners for:
 - a. Items that can support an increase in the effectiveness of the implementation of risk management in the Company and Financial Services Institutions within the Financial Conglomerates.

- b. Conformity between the Company's risk management policies and integrated risk management policies with the implementation of these policies to ensure that the Company has managed risks adequately.

- c. Implementation of work plans and duties of the Risk Monitoring Committee, Integrated Risk Management Committee, Risk Management Unit, as well as Integrated Risk Management Unit.
4. Conducting regular meetings with relevant work units to discuss matters that are within the scope of supervision.
5. Reporting the results of monitoring and review periodically, as well as providing input on matters that need to be considered by the Board of Commissioners.
6. Developing the Risk Monitoring Committee Charter and conduct a review as needed, at least every 2 (two) years.

Risk Monitoring Committee Authority

The Risk Monitoring Committee has the authority to:

1. Communicate with the Head of Work Unit and other parties in the Company to obtain information, clarification and request needed documents and reports.
2. Access records or information about employees, funds, assets and other company resources related to the implementation of their duties.

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- Obtain a Risk Profile Report, Bank Soundness Report, and other reports related to the application of risk management, both individually and Consolidated with Subsidiaries.
- Obtain input and or suggestions from outside parties of the Company relating to their duties.
- Perform other authorities granted by the Board of Commissioners.

Risk Monitoring Committee Tenure

The tenure of members of the Risk Monitoring Committee must not be longer than the tenure of the Board of Commissioners as stipulated in the Articles of Association and can be re-elected for the next 1 (one) period. If a member of the Commissioner that serves as the Chairman of the Risk Monitoring Committee resigns prior to the tenure as Commissioner of the Company, the Chairman of the

Committee are as follows.

Risk Monitoring Committee is replaced by another Independent Commissioner. If the tenure as the Board of Commissioners ends, the tenure as a member of the Risk Monitoring Committee will also end.

Education Qualification and Work Experience of Risk Monitoring Committee

Requirements for members of the Risk Monitoring Committee are as follows:

- General Requirements
 - Having integrity, character and good morals.
 - Does not have personal interests/relationships that can cause conflict of interest against the Company.
- Competency Requirements
 - Having sufficient expertise, ability, knowledge and experience related to their

- duties and responsibilities.
- Having sufficient knowledge to read and understand financial statements and reports related to monitoring the implementation of banking risk management policies.
- Able to work together and have the ability to communicate well and effectively and are willing to provide sufficient time to carry out their duties.
- Having adequate knowledge of the Company's Articles of Association, laws and regulations in the banking sector, Capital Market, SOEs and other relevant laws and regulations.
- Willing to enhance competencies continuously through education and training.

The qualifications and professional background of the Chairman and Members of the Risk Monitoring

Risk Monitoring Committee Qualifications and Professional Background

Name	Period	Educational Background	Professional Background
Andrinof A. Chaniago	1 January – 31 December 2022	<ul style="list-style-type: none"> Bachelor Degree in Social and Political Science Master Degree in Public Planning and Policy 	Professional background in banking and corporate oversight.
Boedi Armanto	1 January – 31 December 2022	<ul style="list-style-type: none"> Bachelor Degree in Agronomics Master Degree in Economics Application Doctorate Degree in Economics 	Professional background in banking oversight.
Loeke Larasati Agoestina	1 January – 31 December 2022	<ul style="list-style-type: none"> Bachelor Degree in Law Master Degree in Management 	Professional background in law and banking.
Nawal Nely	1 January – 31 December 2022	<ul style="list-style-type: none"> Bachelor Degree in Accounting Executive Master of Business Administration 	Professional background in audit, risk management, and oversight.
Arif Budimanta	1 January – 31 December 2022	<ul style="list-style-type: none"> Bachelor Degree in Geology Master of Science in Natural Resource Economics Doctorate Degree in Social and Political Science 	Professional background in law and banking.
Chrisna Pranoto	1 January – 31 December 2022	<ul style="list-style-type: none"> Bachelor Degree in Agronomics Master Degree in International Business Management 	Professional background in banking, risk management and compliance.
Caroline Halim	2 August – 31 December 2022	Bachelor Degree in Accounting	Professional background in banking, risk management and audit.



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Risk Monitoring Committee Independence

All members of Risk Monitoring Committee from independent party have no financial, management, shareholding relationship and/or family relationship with the Board of Commissioners, Board of Directors and/or Controlling Shareholders or relationship with the Bank that can affect their abilities to act independently.

Risk Monitoring Committee Independence

Independence Aspects	Andrinof A. Chaniago	Boedi Armanto	Loeke Larasati Agoestina	Nawal Nely	Arif Budimanta	Chrisna Pranoto	Caroline Halim
Does not have financial relations with the Board of Commissioners and Directors	√	√	√	√	√	√	√
Does not have management relations in the company, subsidiaries, or affiliates	√	√	√	√	√	√	√
Does not have shareholding relations in the company	√	√	√	√	√	√	√
Does not have family relations with the Board of Commissioners, Directors and/or with fellow members of Committee	√	√	√	√	√	√	√
Does not serve as the management in political parties, officials and in the government	√	√	√	√	√	√	√

Risk Monitoring Committee Meetings

Risk Monitoring Committee Meeting is held at least once a month. Risk Monitoring Committee Meeting is considered valid if it is attended by at least 51% of members including one Commissioner and Independent Party.

Agenda of Risk Monitoring Committee Meetings

In 2022, 34 meetings were held with the date of implementation, agenda and meeting participants as follows.

Meeting Agenda of Risk Monitoring Committee

No.	Date	Meeting Agenda	Quorum
1.	13 January 2022	<i>Outstanding Legal Cases in 2021</i>	100%
2.	20 January 2022	3. Bancassurance Activity Update 4. Update on the Management of Subsidiaries engaged in insurance.	100%
3.	26 January 2022	Watchlist of Wholesale Debtors and Credit Conditions Affected by Disasters	100%
4.	03 February 2022	1. LIBOR Transition Preparation 2. Proposed Approval of Subsidiary's Capital Increase Plan	100%
5.	10 February 2022	RBBR Semester II/2021 and Risk Dashboard Quarter IV/2021	100%
6.	17 February 2022	Special Asset Management Performance in 2021	100%
7.	24 February 2022	<i>Heritage Building Optimization</i>	100%
8.	02 March 2022	Anti-Fraud Strategy Report Semester II/2021	100%
9.	24 March 2022	Proposed Increase in Pension Benefits and/or Provision of Other Benefits in the form of Additional Benefits in 2022 at the Bank Mandiri Pension Fund One to Four	100%

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No.	Date	Meeting Agenda	Quorum
10.	31 March 2022	1. Report on Borrowers with a Limit above Rp3 Trillion and the Condition of the SOE Credit Portfolio 2. Update Wholesale Credit Process & Borrowers with interest rates below PLR/Ry	100%
11.	14 April 2022	1. Update on Customer Care Development and Handling of Customer Complaints 2. Update on Business Continuity Management Readiness	100%
12.	20 April 2022	1. Risk Control Self-Assessment (RCSA) 2021 Results Update 2. Update on Eid Holiday Preparations in 2022	100%
13.	19 May 2022	Outstanding Legal Case per Quarter I/2022	85,7% Absentee: Arif Budimanta (leave)
14.	09 June 2022	1. Progress on Optimization of Unproductive Assets 2. Risk Dashboard Quarter I/2022	100%
15.	16 June 2022	1. Smart Branch Implementation Progress 2. Update on the Realization of the Sustainable Finance Action Plan (RAKB) as of Quarter I/2022	100%
16.	07 July 2022	Update on Problem Debtors	100%
17.	14 July 2022	Application for Support for Ministry of SOEs' Moratorium Exemption for the Establishment of Subsidiary, Mandiri Inhealth	100%
18.	21 July 2022	1. Proposed Extension of Subsidiary's Credit Line 2. Proposed Extension of Intraday Facility of Subsidiary	100%
19.	04 August 2022	1. Retail Recovery Progress per Semester I/2022 2. Communication Strategy related to Smart Branch Launch	86% Absentee: Nawal Nely (leave)
20.	11 August 2022	Proposed Additional Capital Participation of Subsidiary through Rights Issue	100%
21.	18 August 2022	Overseas Unit (KLN) Performance as of Semester I/2022	86% Absentee: Arif Budimanta (leave)
22.	25 August 2022	RBBR Semester I/2022 and Risk Dashboard Quarter II/2022	86% Absentee: Nawal Nely (leave)
23.	08 September 2022	1. Branch Service Evaluation 2. Performance of PT Mandiri Tunas Finance 3. Performance of PT Mandiri Utama Finance	100%
24.	15 September 2022	FBI Performance Transaction Banking	86% Absentee: Nawal Nely (leave)
25.	22 September 2022	Proposed Capital Participation of Subsidiary	100%
26.	29 September 2022	1. Realization of RAKB as of Semester I/2022 2. Evaluation of Livin's Development Strategy (IOS Compatibility Issue Update)	100%
27.	06 October 2022	Anti-Fraud Strategy (SAF) Report Semester I/2022	100%
28.	13 October 2022	Performance of Value Chain Financing and FBI Corporate Segment	100%
29.	20 October 2022	Update LinkAja	100%
30.	03 November 2022	1. Proposed Update of Recovery Plan 2022 - 2023 and Proposed Resolution Plan in 2022 2. Follow-up Update of SOE Regulation No. PER-5/MBU/09/2022	100%
31.	10 November 2022	Outstanding Legal Case per Quarter III/2022	86% Absentee: Arif Budimanta (leave)
32.	17 November 2022	1. Proposed Extension of Subsidiary's Credit Line Facility 2. Proposed Extension of Credit Line Facility and Proposed New Bank Loan for Subsidiary	100%
33.	24 November 2022	Proposed Sustainable Finance Action Plan (RAKB) for 2023-2027	100%
34.	30 November 2022	Approval of Credit Facility Proposal for Subsidiaries	71% Absentee: Loeke Larasati A (leave), Nawal Nely (leave)
35.	22 Desember 2022	Update on Special Asset Management (SAM) Performance 2022	86% Absentee: Nawal Nely (leave)



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Meeting Frequency and Attendance of Risk Monitoring Committee

During 2022, the frequency and attendance of each member of the Risk Monitoring Committee were as follows.

Meeting Frequencies and Attendance of Risk Monitoring Committee

Name	Position	Total Meetings	Total Attendance	(%)
Andrinof A. Chaniago	Chairman and Member	35	35	100%
Boedi Armanto	Member	35	35	100%
Loeke Larasati Agoestina	Member	35	34	97%
Nawal Nely	Member	35	30	86%
Arif Budimanta	Member	35	32	91%
Chrisna Pranoto	Member	35	35	100%
Caroline Halim	Member	35	35	100%

Key Performance Indicators Achievement of Risk Monitoring Committee

The Key Performance Indicators (KPI) Achievement of the Risk Monitoring Committee in 2022 can be seen from the realization of work plans, quality of recommendations, and quality of communications carried out with the Board of Commissioners, Directors, and Executives of related Units.

In general, all work programs of the Committee as stated in the 2022 Risk Monitoring Committee Work Plans have been achieved. In addition, all recommendations of the Risk Monitoring Committee have been accepted by the Board of Commissioners and taken as consideration in the decision-making process on the proposals submitted by the Board of Directors. On the communication aspect, good and intense communication was carried out during 2022 to discuss issues at Bank Mandiri and the follow up of settlement progress by the Board of Directors.

Risk Monitoring Committee Remuneration

The remuneration of the Risk Monitoring Committee of Independent Non-Commissioners is regulated in the Decree of the Board of Commissioners No. KEP. KOM/002/2021 dated 26 April 2021 concerning Remuneration of Supporting Organs of the Board of Commissioners of PT Bank Mandiri (Persero) Tbk and regulated in the Letter of Assignment as a member of the Committee under the Board of Commissioners issued by Bank Mandiri.

No.	Description	Non-Commissioner Committee Members
1.	Salary/Honorarium	At most 20% of President Director's Salary
2.	Post-Employment Compensation	Not provided
3.	Holiday Allowance	In accordance with Bank Mandiri employee stipulation
4.	Bonus/Tantiem	Not provided
	Facilities	
	- Transportation Allowance	Not provided
5.	- Health	Provided as per the Bank's Internal rules
	- Employment	Provided as per the Bank's Internal rules
	- Business Trips	In accordance with Bank Mandiri employee stipulation/equivalent to Group Head

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Activities Report of the Risk Monitoring Committee in 2022

The Risk Monitoring Committee has carried out its duties and functions as stipulated in the Risk Monitoring Committee Charter by applying the GCG principles in accordance with prevailing regulations, and in line with the Committee 2022 work plans that has been approved by the Board of Commissioners.

The 2022 work plans of the Risk Monitoring Committee is divided into 2 (two) activities, namely Mandatory/Regular and Non-Regular as follows:

1. Mandatory/Regular, which includes review of Risk Profile Report, review of Bank's Rating Report, review of Anti-Fraud Strategy Realization Report, review of Corporate Work & Budget Plans and Bank Business Plan, implementation of Compliance, management of the Bank's 8 (eight) Risks, and Internal Activities of the Risk Monitoring Committee.
2. Non-Regular, which includes the concern and focus of the Risk Monitoring Committee on certain issues concerning risk management, particularly on the 2022 business strategies, loans, operations & IT, as well as HR management.

The following were activities of the Risk Monitoring Committee in 2022:

1. Holding 35 meetings of the Risk Monitoring Committee, including to preparing and documenting the Meeting Minutes.

2. Holding 92 internal discussions, discussions with related units, and joint discussions with the Audit Committee, including to preparing and documenting the Meeting Discussions.
3. Reviewing more than 25 Reports, among others Risk Profile Report, the Bank's Rating Report, Lending Report with ceiling above Rp3 trillion for individual, Borrowers Watchlist Report of Wholesale Segment, and Anti-Fraud Strategy Realization Report.
4. Reviewing more than 15 Proposals/Suggestions of the Board of Directors that require written approval from the Board of Commissioners, among others Funding Proposal to Related Parties, Corporate Actions Proposal, Corporate Work Plans & Budget and Bank Business Plans including its revisions, Sustainable Finance Action Plan (RKAB) Proposal, as well as Resolution Plan Proposal.
5. Preparing 4 (four) quarterly reports on the Activities of the Committee and have been submitted to the Board of Commissioners.
6. Conducting 7 (seven) work site visits including the preparation of the Visit Results Report, which were to Regional II/Padang Area (28 April 2022), IT Command Center (29 June 2022), Treasury (29 June 2022), Regional VII/Surabaya (30 June 2022), Regional XI/Mataram (18-19 July 2022), Regional I/Medan-Batam (25-27 July 2022), and Bank Mandiri Taspen (04 October 2022).
7. Developing the 2023 Work Plans of the Risk Monitoring Committee.

8. Participating in at least 1 (one) capacity building related to Banking/Risk Management for all committee members.

Risk Monitoring Committee Work Plans for 2023

At the end of 2022, the Risk Monitoring Committee has drawn up the 2023 work plans and has obtained the approval of the Board of Commissioners. The 2023 work plans is divided into 2 (two) activities, which are Mandatory/Regular and Non-Regular, as follows:

1. Mandatory/Regular, which includes review of Risk Profile Report, review of Bank's Rating Report, review of Anti-Fraud Strategy Realization Report, review of Corporate Work Plans & Budget and Bank Business Plan, compliance implementation, management of the Bank's 8 (eight) Risks, and Internal Activities of the Risk Monitoring Committee.
2. Non-Regular, which includes the concerns and focuses of the Risk Monitoring Committee, among others Strategies 2023, Loans, Operations & IT, Adequacy of SOPs, and Performance Quality of Subsidiaries/Sub-Subsidiaries.

The work plan is one of KPIs that serves as a basic of performance effectiveness assessment of the Risk Monitoring Committee in 2023.