

# REVIEW OF RISK MANAGEMENT SYSTEM EFFECTIVENESS

The assessment of Bank Mandiri's Risk Profile at the Individual or Consolidated/Integrated level throughout 2023 reflected that the risks faced by Bank Mandiri at both levels can be managed well so that further business development can be maintained. In other words, Bank Mandiri has been managing its risk effectively.

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

Bank Mandiri's internal control system is deemed effective and adequate, as demonstrated by the effectiveness of the implementation of internal control functions such as internal audit, risk management, compliance, financial, and operational control.

## RISK MANAGEMENT ACTIVITY REPORT IN 2023

During 2023, Bank Mandiri has conducted and reported the following assessments:

1. Individual Bank Soundness Level applies a risk-based approach/Risk-Based Bank Rating (RBBR), where the scope of assessment covers the following factors: Risk Profile, Good Corporate Governance, Earnings and Capital. The report of the second semester of 2022 and the first semester of 2023 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 fourth quarter of 2022 and the first, second, and third quarters of 2023, has been submitted to the Regulator in a timely manner.