

RISK OVERSIGHT COMMITTEE

Bank Mandiri Board of Commissioners established the Risk Oversight Committee to assist in carrying out its duties and responsibilities regarding oversight and advisory to the Board of Directors, by ensuring that the risk management procedures and methodologies continue to be adequate. This ensures that the Bank's business activities remain within acceptable limits and continue to be advantageous 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-2/MBU/03/2023 on Guidelines for Governance and Significant Corporate Activities of State-Owned Enterprises;
2. SOE Minister Regulation No. PER-3/MBU/03/2023 on Organs and Human Resources of State-Owned Enterprises.
3. POJK No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates.
4. POJK No. 45/POJK.03/2020 concerning Financial Conglomerates;
5. POJK No. 17 of 2023 on the Implementation of Corporate Governance for Commercial Banks.
6. Bank Mandiri Articles of Association and its amendments.
7. Board of Commissioners Decree No. KEP.KOM/002/2023 dated 25 August 2023 regarding the Membership Composition of the Audit Committee, Risk Oversight Committee, Integrated Governance Committee and Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk.
8. Decree of the Board of Directors No. KEP.DIR/016/2023 dated 11 April 2023 on the Determination of Membership of the Risk Oversight Committee of PT Bank Mandiri (Persero) Tbk.

Structure, Membership and Profile of the Risk Oversight Committee

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

1. The Risk Oversight Committee consists of at least 3 (three) members from Independent Commissioners and Non-Commissioners Independent Parties.
2. The composition of the Risk Oversight Committee membership is at least 1 (one) Independent Commissioner as Chairman and concurrently an experienced member in finance, risk management, and/or business, 1 (one) Non-Commissioner Independent Party who has expertise in finance, and 1 (one) Non-Commissioner Independent Party who has expertise in risk management.
3. Members of the Risk Oversight Committee from Non-Commissioners Independent Parties are considered to have expertise in finance by meeting the following criteria:
 - a. Have knowledge in economics, finance and/or banking. Have at least 5 (five) years of work experience in economics, finance, and/or banking.
 - b. Have at least 5 (five) years of work experience in economics, finance, and/or banking.
4. Members of the Risk Oversight Committee from Non-Commissioners Independent Parties are considered to have expertise in risk management by meeting the following criteria:
 - a. Have knowledge in risk management; and/or
 - b. Have at least 2 (two) years of work experience in risk management.

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5. Members of the Board of Directors of the Company and other banks are prohibited from becoming members of the Risk Oversight Committee.
6. Independent Commissioners and Non-Commissioners who are members of the Risk Oversight Committee are at least 51% (fifty one percent) of the total members of the Risk Oversight Committee.
7. The Chairman of the Risk Oversight Committee can only concurrently serve as chairman of the Committee at most 1 (one) other Committee.
8. In carrying out its daily duties, the Committee may be assisted by staff and/or Committee Secretaries appointed based on the resolution of the Risk Oversight Committee meeting.

As of 31 December 2023, the composition of the Risk Oversight Committee's membership appointed based on the Decree of the Board of Directors No. KEP.DIR/016/2023 dated 11 April 2023 regarding the Determination of Risk Oversight Committee Membership, is as follows:

Risk Oversight Committee Composition as of 31 December 2023

Name	Position in the Committee	Position in the Company	Period
Andrinof A. Chaniago	Chairman and Member	Vice President Commissioner/ Independent	2020-2025
Loeke Larasati Agoestina	Member	Independent Commissioner	2020 - 2025
Heru Kristiyana*)	Member	Independent Commissioner	2023 - 2028
Nawal Nely	Member	Commissioner	2021 - 2026
Arif Budimanta	Member	Commissioner	2020 - 2025
Chrisna Pranoto	Member	Independent Party	2019 - 2024
Caroline Halim	Member	Independent Party	2021 - 2026

*) Appointed as Independent Commissioner at the Annual GMS dated 14 March 2023.

Risk Oversight Committee Profile

The profile of the Risk Oversight 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 Oversight Committee members as non-Commissioners, independent parties.



Chrisna Pranoto
Member of Risk Oversight
Committee, Independent Party
Age: 61 Years old
Citizenship: Indonesian

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)

Legal Basis of Appointment

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

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)

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Caroline Halim
Member of Risk Oversight Committee, Independent Party
Age: 61 Years old
Citizenship: Indonesian

Period of Assignment

02 August 2021 – Present

Educational Background

Bachelor of Accounting from University of Indonesia (1987)

Legal Basis of Appointment

Appointed as member of the Risk Oversight Committee as of 02 August 2021 pursuant to the Board of Directors Decree No. KEP.DIR/037/2021.

Professional Background

- Member of Audit Committee & Member of Risk Oversight Committee of PT Bank Sahabat Sampoerna (2020 -July 2021)
- Member of Audit Committee & Member of Risk Oversight 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)

Risk Oversight Committee Charter

In carrying out its duties and responsibilities, the Bank Mandiri Risk Oversight Committee has a Risk Oversight Committee Charter, which was most recently updated on 12 October 2023 based on the Decree of the Board of Commissioners No. KEP. KEP. KOM/004/2023.. 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. Closing

Duties and Responsibilities of the Risk Oversight Committee
The duties and responsibilities of the Risk Oversight 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.

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- 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 Oversight 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 Oversight Committee Charter and conduct a review as needed, at least every 2 (two) years.

Risk Oversight Committee Authority

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

Risk Oversight Committee Tenure

The tenure of members of the Risk Oversight Committee shall not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association and may be re-elected for the next 1 (one) period. The term of service of members of the Risk Oversight Committee originating from Non-Commissioners Independent Parties is a maximum of 3 (three) years and can be reappointed

for a maximum of 2 (two) years, without prejudice to the right of the Board of Commissioners to dismiss them at any time.

If a member of the Board of Commissioners who is the Chairman of the Risk Oversight Committee resigns prior to his term of service as Commissioner of the Company, the Chairman of the Risk Oversight Committee is replaced by another Independent Commissioner. If the term of service as the Board of Commissioners ends, then the term of service as a member of the Risk Oversight Committee also ends.

Risk Oversight Committee members from Non-Commissioners Independent Parties are given a monthly honorarium, the amount of which is determined by the Board of Commissioners while still referring to the prevailing laws and regulations and taking into account the Company's capabilities.

Education Qualification and Work Experience of Risk Oversight Committee

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

1. General Requirements
 - a. Having integrity, character and good morals.
 - b. Does not have personal interests/relationships that can cause conflict of interest against the Company.
2. Competency Requirements
 - a. Having sufficient expertise, ability, knowledge and experience related to their duties and responsibilities.
 - b. Having sufficient knowledge to read and understand financial statements and reports related to monitoring the implementation of banking risk management policies.
 - c. 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.
 - d. 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.
 - e. Willing to enhance competencies continuously through education and training.

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The qualifications and professional background of the Chairman and Members of the Risk Oversight Committee are as follows.

Risk Oversight Committee Qualifications and Professional Background

Name	Position	Period	Education	Professional Background
Andrinof A. Chaniago	Chairman and Member	1 January – 31 December 2023	<ul style="list-style-type: none"> Bachelor Degree in Social and Political Science Master Degree in Public Planning and Policies 	Professional background in banking and corporate oversight.
Loeke Larasati Agoestina	Member	1 January – 31 December 2023	<ul style="list-style-type: none"> Bachelor of Law Master Degree in Management 	Professional background in law and banking.
Heru Kristiyana	Member	21 August - 31 December 2023	<ul style="list-style-type: none"> Bachelor in Law Master in Management 	Have work experience, among others, in the field of banking supervision.
Nawal Nely	Member	1 January – 31 December 2023	<ul style="list-style-type: none"> Bachelor Degree in Accounting Executive Master of Business Administration 	Professional background in audit, risk management and corporate oversight.
Arif Budimanta	Member	1 January – 31 December 2023	<ul style="list-style-type: none"> Bachelor in Soil Science Master of Science in Natural Resources Economics Doctorate in Social and Political Science 	Professional background in law and banking.
Chrisna Pranoto	Member	1 January – 31 December 2023	<ul style="list-style-type: none"> Bachelor of Agronomy Master of International Business Management 	Professional background in banking, risk management and compliance.
Caroline Halim	Member	1 January – 31 December 2023	<ul style="list-style-type: none"> Bachelor Degree in Accounting 	Professional background in banking, risk management and audit.

Risk Oversight Committee Independence

All members of Risk Oversight 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 Oversight Committee Independence

Independence Aspects	Andrinof A. Chaniago	Heru Kristiyana	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 Oversight Committee Meetings

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

Agenda of Risk Oversight Committee Meetings

In 2023, 25 meetings were held with the date of implementation, agenda and meeting participants as follows

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No.	Date	Meeting Agenda	Quorum
1.	12 January 2023	Outstanding Legal Case year 2022	100%
2.	02 February 2023	Proposal for Providing Funds for Related Parties.	100%
3.	02 March 2023	Watchlist Debtors and Portfolio Conditions of SOE Debtors Quarter IV/2022.	85,7%
4.	09 March 2023	Proposed Bank Mandiri Pension Fund Benefits in 2023.	100%
5.	16 March 2023	Lesson Learned dari Kasus Silicon Valey Bank (SVB)	100%
6.	31 March 2023	1. Bank Soundness Level Semester II/2022 and Risk Dashboard February 2023. 2. Proposed Initiation of Operational Policy (KOPR) and Risk Management Policy (KMNR).	83,3%
7.	05 April 2023	1. Fixed Asset Optimization 2. Outstanding Legal Case Quarter I/2023	100%
8.	03 Mei 2023	Subsidiary Company Corporate Action Plan.	83,3%
9.	12 May 2023	1. Anti-Fraud Strategy Report (SAF) Semester II/2022.	100%
10.	15 June 2023	1. Debtor Watchlist and Credit Conditions of SOEs Quarter I/2023. 2. Risk Dashboard April 2023.	100%
11.	06 July 2023	Retail Banking Performance in the First Semester of 2023.	100%
12.	13 July 2023	Outstanding Legal Case Quarter II/2023	100%
13.	20 July 2023	Proposal for Providing Funds for Related Parties.	83,3%
14.	03 August 2023	3. Proposal for Providing Funds for Related Parties. 4. Network Strategy	83,3%
15.	16 August 2023	Foreign Office Performance in Semester I/2023. Special Asset Management Performance in the First Semester of 2023	100%
16.	31 August 2023	Anti-Fraud Strategy Report (SAF) Semester I/2023. Proposal for Providing Funds for Related Parties.	100%
17.	14 September 2023	Proposal for Providing Funds for Related Parties.	100%
18.	12 October 2023	Wholesale Product Transaction Banking Performance Quarter III/2023.	100%
19.	19 October 2023	Bank Soundness Level Semester I/2023 and Risk Dashboard August 2023.	100%
20.	26 October 2023	Proposed Recovery Plan Update for 2023	85,7%
21.	09 November 2023	Watchlist Debtors and Conditions of SOE Debtors Quarter III/2023.	100%
22.	16 November 2023	Proposed Sustainable Finance Action Plan (RAKB) for 2024-2028. Proposal for Providing Funds for Related Parties.	85,7%
23.	23 November 2023	Outstanding Legal Case Quarter III/2023.	85,7%
24.	30 November 2023	Governance of the Establishment of CKPN.	85,7%
25.	13 December 2023	Progress of Implementation of Personal Data Protection Law.	85,7%

Meeting Frequencies and Attendance of Risk Oversight Committee

Name	Position	Total Meetings	Total Attendance	(%)
Andrinof A. Chaniago	Chairman and Member	25	25	100
Loeke Larasati Agoestina	Member	25	23	92
Heru Kristiyana	Member	10	9	90
Nawal Nely	Member	25	20	80
Arif Budimanta	Member	25	22	88
Chrisna Pranoto	Member	25	25	100
Caroline Halim	Member	25	25	100

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Key Performance Indicators Achievement of Risk Oversight Committee

The achievement of Key Performance Indicators (KPI) of the Risk Oversight Committee during 2023 is evident from the realization of the work plan, the quality of the recommendations that have been prepared, and the quality of communication that has been carried out both with the Board of Commissioners, Board of Directors, and Leaders of related Work Units.

In general, all work programs of the Committee as stated in the 2023 Risk Oversight Committee Work Plan have been properly realized. In addition, all recommendations of the Risk Oversight Committee have been accepted by the Board of Commissioners and taken into consideration in the decision-making process on proposals submitted by the Board of Directors. On communication aspect, good and intensive communication has been established during 2023 to discuss issues at Bank Mandiri and the progress of follow-up settlements carried out by the Board of Directors.

Risk Oversight Committee Remuneration

The remuneration of the Risk Oversight Committee of Independent Non-Commissioners is regulated in the Decree of the Board of Commissioners No. KEP.KOM/003/2023 dated 13 September 2023 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/Tantien	Not provided
5.	Facilities	
	- Transportation Allowance	Not provided
	- 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

Activities Report of the Risk Oversight Committee in 2023

The Risk Oversight Committee has carried out its duties and functions as stipulated in the Risk Oversight Committee Charter by applying the GCG principles in accordance with prevailing regulations, and in line with the Committee 2023 work plans that has been approved by the Board of Commissioners.

The 2023 work plans of the Risk Oversight Committee are 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 Oversight Committee.

2. Non-Regular, which includes the concern and focus of the Risk Oversight Committee on certain issues regarding risk management, particularly related to the effectiveness of the implementation of the 3-3-1 strategy, credit, operations & IT, adequacy of SOPs, and the quality of performance of the Company's Subsidiaries.

The following were activities of the Risk Oversight Committee in 2023:

1. Held 25 Risk Oversight Committee Meetings, including compiling and documenting Meeting Minutes.
2. Held 69 Internal Discussions, Discussions with related Work Units, as well as Joint Discussions with the Audit Committee, including compiling and documenting Minutes of Discussion.

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3. Reviewed more than 25 reports, including Risk Profile Report, Bank Soundness Rating Report, Debtor Report with Credit Limit of over Rp3 trillion individually, Wholesale Segment Watchlist Debtor Report, and Anti-Fraud Strategy Realization Report.
4. Reviewed more than 15 Proposals/Recommendations of the Board of Directors that require written approval from the Board of Commissioners, including Proposals for Providing Funds to Related Parties, Corporate Action, Proposed Corporate Work & Budget Plans (RKAP) and Bank Business Plans (RBB) and revisions, Proposed Sustainable Finance Action Plan (RKAB), and Proposed Recovery Plan Initiation.
5. Prepared 4 (four) quarterly reports on Committee activities and have been submitted to the Board of Commissioners.
6. Conducted 6 (six) Site Visits including the preparation of Visit Results Reports, namely to Region X-Palu (05 April 2023), Region VII-Area DI Yogyakarta (12-14 April 2023), Region X-Morowali (16 May 2023), CISO Office & Lab. Forensic (08 June 2023), Mandiri University (25 July 2023), and Region I-Area Batam (21-22 August 2023).
7. Prepared a Risk Oversight Committee Work Plan for 2024.

All members of the Committee have participated in at least 1 (one) competency development activity related to Banking / Risk Management.

Risk Oversight Committee Work Plans for 2024

At the end of 2023, the Risk Oversight Committee has prepared a 2024 work plan and has obtained approval from the Board of Commissioners. The 2024 Risk Oversight Committee work plan is divided into 2 (two) activities, namely Mandatory/Regular and Non-Regular as follows:

1. Mandatory/Regular, which includes review of Risk Profile Reports, Bank Soundness Reports, Debtor Reports with Limits above Rp3 Trillion, Wholesale Debtor Reports Watchlist Category, Stress Test Results, Anti-Fraud Strategy Realization Reports, Realization of Company Work Plans & Budgets (RKAP) and Bank Business Plans (RBB), Sustainable Finance Action Plan (RAKB), implementation of Compliance, management of 8 (eight) types of Bank Risk, and Internal Activities of the Risk Oversight Committee.
2. Non-Regular, which includes matters that are the concern and focus of the Risk Oversight Committee, including business and credit, operations & IT, and GRC.

The work plan is one of KPIs that serves as a basic of performance effectiveness assessment of the Risk Oversight Committee in 2024.