



Risk Assessment

The results of the self-assessment of Bank Mandiri's Individual Risk Profile for the position of December 31, 2020 were ranked 2 (low to moderate) with low to moderate Inherent Risk Rating and satisfactory Risk Management Implementation Quality Rating (KPMR).

Self-assessment of Bank Mandiri's Risk profile (individual) for the position of December 31, 2020 was as follows:

Type of Risk	Inherent Risk Level	Quality Level of Risk Management Implementation	Risk Level Rating
Credit Risk	Moderate	Satisfactory	Low to moderate
Market Risk	Low	Strong	Low
Liquidity Risk	Low	Strong	Low
Operational Risk	Moderate	fair	Moderate
Legal Risk	Low	Strong	Low
Strategic Risk	Low	Strong	Low
Compliance Risk	Low to moderate	Satisfactory	Low to moderate
Reputation Risk	Low	Satisfactory	Low
Composite Rating	Low to moderate	Satisfactory	Low to moderate

The Evaluation of Risk Management Systems

Bank Mandiri constantly evaluates the effectiveness of the risk management systems. The evaluation entails adjusting the strategy and the framework of risks as the constituent of risk management policies, considering the adequacy of risk management information systems and the adequacy of risk identification, measurement, monitoring and control processes.

One form of evaluation on risk management policies is an annual evaluation of the Risk Management Policies and Standard Procedures. The Board of Commissioners plays an active role in the implementation of risk management system evaluation by reviewing the results of the evaluation conducted by the Board of Directors as the organ that is responsible for the effectiveness of risk management system implementation. The results of the annual evaluation show that risk management at Bank Mandiri during 2020 has been adequate.