

## KEBIJAKAN MANAJEMEN RISIKO PT. RADANA BHASKARA FINANCE, Tbk.

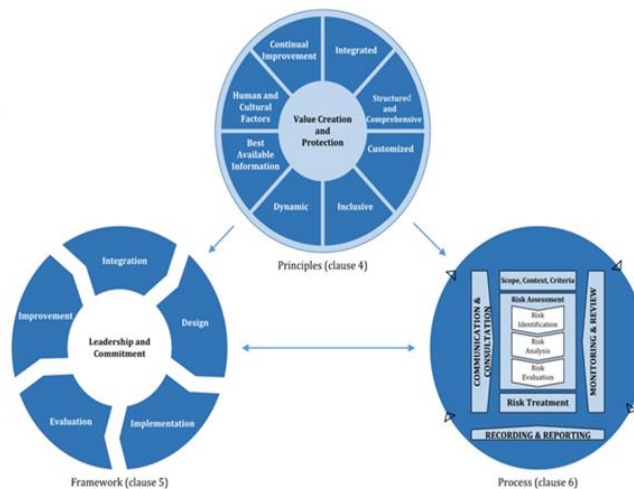
### Consideration

- A. In order to ensure the achievement of the goals or objectives of Radana Bhaskara Finance, Tbk (hereinafter the Company) and to respond the changes in the dynamic and uncertain internal and external environment and have the potential to have a significant impact on the Company.
- B. The traditional and reactive perspective of risk management must be changed to a more pro-active and forward-looking direction in terms of creating and protecting the Company's values.
- C. The needs to build an integrated implementation of Good Corporate Governance (GCG), Risk Management, and Compliance.
- D. In order to comply with the all regulations/regulations related to the implementation of risk management mandated by the Regulator.
- E. Adequacy of risk management policies can support the Company's business growth without compromising principle of prudence.
- F. Company needs to evaluates risk management policies regularly in accordance with the latest Company's internal and external environment.

### Policy

#### A. *Enterprise Risk Management (ERM)*

The implementation of ERM that used by the Company refer to the Risk Management standard based on ISO 31000: 2018 and refer to the OJK regulations regarding the Implementation of Risk Management for Non-Bank Financial Services Institutions :



**Leadership and Commitment**  
Active Oversight from Director, Board of Commissioner, and Supervisory Board

**Design**

- a. Risk Culture
- b. Governance, Risk Organization, and authority
- c. Resources
- d. Policy and Procedure
- e. Data Technology
- f. Risk Appetite and Risk Tolerance

**Implementation**

- a. Communication and Consultation
- b. Scope, Context, Criteria (8 Type of Risks)
- c. Risk Assessment (Risk Identification, Risk Analysis, Risk Evaluation, Risk Treatment, Monitoring & Review, Recording & Reporting)

**Evaluation**  
Review procedure

**Improvement**  
Improving of Risk Management Framework

- 1) ERM includes risk management for different business activities and includes a broader process of business decision that made by management in terms of the level of risk taken by a line of business.
- 2) In implementing ERM, the Company also refers to the scope of risk management implementation determined by the Financial Services Authority which includes:
  - a) Actively oversight by Board of Directors, Board of Commissioners, and Sharia Supervisory Board
  - b) Fulfillment of Risk Management policies and procedures and determination of Risk limitation
  - c) Fulfillment of the Risk Management process are includes identification, measurement, control and monitoring, as well as the Management information system
  - d) Comprehensive Internal Control System
- 3) The ERM element is very important because it will serve as a guideline for all internal stakeholders of the Company in managing risk, as well as being a reference for external stakeholders in assessing the implementation of risk management in the Company.
- 4) ERM is designed includes “top-down strategic” and “bottom-up tactical” risk management approaches that are complementary.
- 5) The main objective of ERM is to support the Company in achieving its business objectives without compromising financial performance, compliance and/or reputation. ERM determines the Company's approach to the risk management framework and controls over the risks that are managed.

#### B. ERM Principles

The purpose of the principles that used in the implementation of ERM are to ensure the Company to create and protect the values to be achieved. These principles will be used in the implementation of the risk management framework and risk management processes in the Company.

- 1) *Integrated*  
Risk management is an integrated part of the Company's overall activities
- 2) *Structured & Comprehensive*  
In practice, the Company takes a structured and comprehensive approach so as to provide consistent and comparable results.
- 3) *Customized*  
The risk management framework and process can be adapted with external and internal context regarding its objectives.
- 4) *Inclusive*  
The appropriateness of time and involvement of each stakeholder in terms of knowledge, views, perceptions should always be considered. The result of this activity is an increase in awareness and information on risk management activities.
- 5) *Dynamic*  
Risks that can arise, change, and disappear along with changes in the context and conditions of the Company's internal and external environment. The risk management implementation must be ensure can anticipate, detect, acknowledge, and respond to changes in an appropriate and timely manner.

6) *Best Available Information*

The risk management implementation has received input and information based on historical data and current information as well as future expectations. The implementation of risk management explicitly captures information regarding limitations and uncertainties related to information and expectations in a timely, clear and available manner to relevant stakeholders.

7) *Human & Cultural Factor*

Human behavior and cultural factors can significantly influence all aspects of risk management at every level of the Company.

8) *Continuous Improvement*

Risk management activities are continuously improved through lessons learned and the best steps to be taken.

C. ERM Framework

The frameworks that used in ERM implementation are:

1) *Leadership & Commitment*

Risk management awareness is important for risk management implementation. So, all employees must be aware and concern with risk management, top management must show awareness and concern for risk and assign the Risk Management Unit to disseminate information to all employees about the importance of managing risk. Risk management initiatives must start from top management and then followed by all employees.

2) *Integration*

Integration is a process and effort in ensuring that risk management becomes an inseparable process of all business processes that exist within the Company.

3) *Design*

In design the risk management framework, the Company pays attention to the following:

- a) Risk Culture
- b) Governance and Organization
- c) Risk Management Organization
- d) Authority and Accountability of Related Parties regarding the Implementation of Risk Management
- e) Resources
- f) Policy and Procedure
- g) Risk Appetite and Risk Tolerance

4) *Implementation*

*Implementation* process for risk management are:

- a) *Communication and Consultation*
- b) *Scope, Context, Criteria*

- c) *Risk Assessment*
- d) *Risk Treatment*
- e) *Monitoring & Review*
- f) *Recording & Reporting*

5) *Evaluation*

Risk evaluation is a comprehensive internal control system implemented by the company. The internal control system is a monitoring mechanism established by the Company's management on an ongoing basis to be implemented by all management and employees at every level of the Company's organization. Risk control must be carried out preventively and be able to detect weaknesses and deviations and indicate the necessary corrective steps.

6) *Improvement*

Based on the results of the risk evaluation, the Company needs to make adjustments to the Risk Management framework so that the risk management framework remains relevant in line with the company's external and internal changes.