

Corruption Prevention

PT Bank Mandiri (Persero) Tbk.

Implementation of Anti-Fraud Strategy

Bank Mandiri has implemented an AFS set out in each Policies, Standard Operating Procedures, Technical Instructions Operating and other settings. AFS Bank Mandiri Bank Indonesia Circular reference No. 13/28 / DPNP regarding Anti Fraud Strategy Implementation for Commercial Banks. Implementation of AFS in each Policies, Standard Operating Procedures and Technical Instructions Operating become one of the refinement of the Internal Control System Policy Bank. The formulation of the AFS is as follows :

1. Prevention Function

Is the responsibility of all employees of Bank (work unit) and is part of the Fraud Control System in order to reduce the potential for fraud.

2. Detection Function

Is the responsibility of the entire unit, both 1st line of defense, 2nd and 3rd line of defense line of defense and is part of the Fraud Control System in order to identify and locate fraud in banking operations.

3. Functions of Investigation, Reporting, & Sanctions

It is the responsibility of the Directorate of Internal Audit and Fraud sections of the Control System in the handling of fraud that occurred through the investigation and the results are reported to the President Director, BOC and Bank Indonesia, including the proposed imposition of sanctions for the perpetrators of fraud.

4. Function Monitoring, Evaluation, and Follow-Up

It is the responsibility of the Directorate of Internal Audit and Control System is part of the monitoring of fraud in order to follow up the results of the investigation and evaluation of the incidence of fraud to correct weaknesses and strengthen the Internal Control System in order to prevent the reoccurrence of similar fraud in weakness.

Repair programs SAF both Pillar I "Prevention", Pillar II "Detection", Pillar III "Investigating, Reporting and Sanctions" and Pillar IV "Monitoring, Evaluation and Follow-up" continues to anticipate potential future risks in line with business development bank. One improvement that is done is to implement the Memorandum of Procedure Delegation of Authority and sanctions. Through the implementation of the MP, the handling of cases of fraud including loss recovery process becomes faster, expand the range of event detection and follow-up monitoring of the repair fraud incident evaluation conducted by the Internal Audit Regional Business Center (RBC) in the region.





Application of Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT)

Money laundering is a threat for the banks, because basically banks can be used by the perpetrators, especially the perpetrators of money laundering. Banking, in this case facing various risks due to the use of banks as a means of money laundering, such as operational risk, legal risk, compliance risk, concentration risk, and reputation risk.

Therefore, application of the AML Program PPT becomes a necessity, and has become a commitment for the bank to run it consistently and effectively. In order to improve the effectiveness of APU PPT Program in Bank Mandiri, has also been supported by active supervision of the Board of Directors and Board of Commissioners. The role of the Board of Directors and Board of Commissioners in supervising obviously affects the attainment of organizational goals in implementing APU PPT Program, including at subsidiaries. In addition, the role of the Board of Directors and Board of Commissioners also can motivate employees and work units in encouraging a culture of compliance throughout the organization.

Implementation of APU PPT program conducted by the Special Working Unit (UKK) APU PPT is structurally under the Compliance Unit (SKK) Bank Mandiri Head Office and directly responsible to the Director of Risk Management & Compliance is in charge of the compliance function in the bank.

AML CFT Policy

In accordance Indonesia Bank Regulation No. 14/27/PBI/2012 dated December 28, 2012 on the Implementation of Anti-Money Laundering and Combating the Financing of Terrorism for Banks, the implementation of APU PPT program is part of the implementation of risk management as a whole are at least include:

1. Pengawasan aktif Direksi dan Dewan Komisaris;
2. Kebijakan dan prosedur;
3. Pengendalian internal;
4. Sistem informasi manajemen; dan
5. Sumber daya manusia dan pelatihan.

Conflict of Interest

Conflict of interest is a condition in which the Board of the Bank in carrying out its duties and responsibilities have interests beyond the interests of the service, both concerning personal, family or the interests of other parties so that the Board of the Bank of the possible loss of objectivity in making decisions and policies appropriate authority has been given Bank him. Therefore:

1. The entire Board of the Bank shall avoid activities that may pose a conflict of interest. If one reason or another cannot be avoided, then the question shall report to the direct supervisor.
2. The entire Board of the Bank is prohibited from giving consent or request approval for the loan, as well as preferential rates or other specificity:





- i. Himself/herself.
 - ii. Family.
 - iii. Companies where he or his family have interests.
3. Seluruh Jajaran Bank dilarang bekerja pada perusahaan lain baik sebagai Direksi, karyawan, konsultan atau anggota Komisaris, kecuali apabila telah mendapatkan penugasan atau ijin tertulis dari Bank. Khusus untuk anggota Dewan Komisaris dan Direksi, perangkapan jabatan mengikuti ketentuan regulator mengenai GCG
 4. The entire Board of the Bank was barred from the partner directly or indirectly, either partner for goods or services to the Bank.
 5. The entire Board of the Bank is prohibited from taking goods belonging to the Bank's own interest, family or other outside interests.
 6. The entire Board of the Bank is only allowed to conduct securities transactions, foreign exchange, precious metals, derivatives and other goods for their own interests if there is no conflict of interest, breach of insider trading rules of the Capital Market Authority, and other regulations.