

# Corporate Governance

Bank Mandiri has followed CGPI's assessment for 15 (fifteen) consecutive years since 2003. In the 2018 Indonesia Most Trusted Companies Award organized by the IICG, Bank Mandiri once again won the title "The Most Trusted Company" 12 (twelve) times in a row accordingly. In addition, Bank Mandiri is also included in the Top 50 PLCs in ASEAN and Top 3 PLCs in Indonesia at the 2<sup>nd</sup> ASEAN Corporate Governance Scorecard Awards.

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# Bank Mandiri Achievements in Implementing Corporate Governance

**Top 50 PLCs ASEAN and Top 3 PLCs Indonesia** in the event of 2<sup>nd</sup> ASEAN Corporate Governance Scorecard (CG) Awards



**8 Subsidiaries of Bank Mandiri** follow 2017/2018 CGPI assessment to improve Corporate Governance



**Bank Mandiri** won the title **"The Most Trusted Company"** in CGPI 12 (twelve) times consecutive.



In running its business operation, Bank Mandiri implements 5 (five) principles of Good Corporate Governance (GCG), namely Transparency, Accountability, Responsibility, Independency, and Fairness.

Governance Principles	Description
Transparency	<ol style="list-style-type: none"> <li>1. The Company discloses its information in a timely, adequate, clear, accurate, comparable manner, as well as accessible by relevant parties (stakeholders).</li> <li>2. The Company discloses information that includes, but not limited to, vision, mission, business goals, the Company's strategies, financial and non-financial condition, structure of the Board of Directors and Board of Commissioners, controlling stakeholders, risk management, supervision and internal control system, compliance system implementation, good corporate governance system and implementation, and material information and facts that may affect investors' decisions.</li> <li>3. The Company's policies should be in written form and should be communicated to the stakeholders who have the right to receive information on the policies.</li> <li>4. The principle of transparency still takes into account the Company's confidentiality provision, position confidentiality, and personal rights in accordance with the applicable regulations.</li> </ol>
Accountability	<ol style="list-style-type: none"> <li>1. The Company sets business goals and strategies in order for it to be accountable to the stakeholders.</li> <li>2. The Company defines clear tasks and responsibilities for each member structure of the Board of Commissioners and the Board of Directors and all the sub-ordinate personnel in the sub-levels, which are aligned to the Company's vision, mission, values, business goals, and strategies.</li> <li>3. The Company should believe that each member of the Board of Commissioners and the Board of Directors as well as all the sub-ordinate personnel possess competences in accordance with their respective responsibilities and that they understand their roles in the implementation of good corporate governance.</li> <li>4. The Company defines check and balance system in managing the Company.</li> <li>5. The Company has a performance measurement from all of the Company's Personnel based on the agreed measurement standard which is consistent with the Corporate Culture Values, Company's business goals and strategies, as well as rewards-and-punishment system applied by the Company.</li> </ol>
Responsibility	<ol style="list-style-type: none"> <li>1. The Company adheres to the principle of prudential banking practices and guarantees compliance with the applicable regulations.</li> <li>2. As a good corporate citizen, the Company cares about the environment and conducts its social responsibility reasonably.</li> </ol>
Independency	<ol style="list-style-type: none"> <li>1. The Company avoids unreasonable domination by any stakeholders, is not intervened by one-sided interests, and is free from conflict of interest.</li> <li>2. The Company makes decisions objectively and free from pressure from any parties.</li> </ol>
Fairness	<ol style="list-style-type: none"> <li>1. The Company takes into account the interest of all stakeholders based on the principles of fairness and equality (equal treatment).</li> <li>2. The Company provides opportunities for all stakeholders to give feedbacks and to express their opinions for the interest of the Company, as well as provides access to information as based on the principle of transparency.</li> </ol>



The development of Good Corporate Governance implementation has been performed in a structured manner with the following phases:

Year	Corporate Governance Program
1998 Beginning of Merger	The awareness of GCG implementation emerged because there was a banking crisis caused by “bad governance” practices throughout banking industry. This led to many banks being bailed out and the Board of Directors and Board of Commissioners had to sign a Management Contract with the World Bank, in which it was stated that banks were obliged to implement GCG.
2000- 2001 Establishing the Fundamental of Governance Commitment, Structure, and Mechanisms	<ul style="list-style-type: none"> <li>Bank Mandiri responded to the Management Contract made with the World Bank by issuing, among others, the following provisions:               <ul style="list-style-type: none"> <li>Joint Decree of Board of Directors and Board of Commissioners on GCG Principles.</li> <li>Joint Decree of Board of Directors and Board of Commissioners on Code of Conduct that served as the guideline on the conducts when interacting with customers, associates, and colleagues.</li> <li>Decree of Board of Directors on Compliance Policy that mandated all of Bank Mandiri’s personnel to be fully accountable individually in performing the Bank’s operational activities in their respective fields.</li> </ul> </li> <li>Bank Mandiri has assigned independent consultant to perform diagnostic review of GCG implementation. Based on the implementation of GCG, the Independent Rating Agency gave a score of 6.2 for 2003, showing an increase when compared to 5.4 in the preceding year.</li> </ul>
2003 Bank Mandiri’s Initial Public Offering (IPO)	<p>In order to conduct IPO, Bank Mandiri has enhanced GCG implementation by taking the following steps:</p> <ul style="list-style-type: none"> <li>Formation of Committees at the Board of Commissioners level, i.e.:               <ul style="list-style-type: none"> <li>Audit Committee</li> <li>Risk Monitoring Committee</li> <li>Remuneration and Nomination Committee</li> <li>GCG Committee</li> </ul> </li> <li>Formation of Corporate Secretary</li> <li>Implementation of General Meeting of Shareholders in accordance with the applicable legislative regulations for public companies.</li> <li>Implementation of timely information disclosure, e.g. In Financial Statement, and material information or events or facts.</li> <li>Development of timely, adequate, clear, and accurate Annual Report.</li> <li>Consideration of the interest of minority shareholders.</li> <li>Participation in GCG implementation assessment by Independent Institution, i.e. The Indonesian Institute for Corporate Governance.</li> </ul>
2005 Cultural Transformation	<ul style="list-style-type: none"> <li>Bank Mandiri’s transformation began by the determination of shared values and formulation of Bank Mandiri’s key corporate behaviors (TIPCE) that reflects the Company’s culture values.</li> <li>Development of GCG Charter specified in the Decision of Board of Commissioners, which rules the principal implementation of GCG at Bank Mandiri.</li> <li>“Most Trusted” GCG Rating for the first time in Corporate Governance Perception Index (CGPI).</li> </ul>
2008- 2010 Continued Cultural Transformation	<ul style="list-style-type: none"> <li>Continuously implementing enhancement of prudent banking, GCG, and internal control by developing GCG website, Compliance Risk Management System, procedure standards for Anti-Money Laundering and Combating the Financing of Terrorism, Risk-Based Audit Tools, and Audit Management Information System.</li> <li>Business decisions or other managerial decisions were made by taking into account GCG principles while also considering all applicable provisions.</li> <li>Implementation of continued culture internalization by, among others, organization of Culture Fair, Culture Seminar, and Recognition Program in the form of rewards to best work units and change agents in relation to the implementation of cultural programs.</li> </ul>
2011- 2013 Application of Gratification Control Programs and Anti Corruption Culture	<ul style="list-style-type: none"> <li>Bank Indonesia issued PBI No. 13/1/PBI/2011 on Assessment of the Soundness of Commercial Banks, which requires the Bank, either individually or in consolidation, to perform GCG evaluation using Risk-Based Bank Rating (RBBR) approach.</li> <li>Bank Mandiri’s consistent, ongoing implementation of GCG has received accolades from independent, professional institutions, both at national and international level, among others:               <ul style="list-style-type: none"> <li>Bank Mandiri was rated the “Best Financial” in GCG Rating by The Indonesian Institute for Corporate Directorship (IICD), in which the rating included 100 public listed companies with the largest capitalization value as recorded at the Indonesian Stock Exchange.</li> <li>Since 2009, Bank Mandiri has always been rated the best company in terms of GCG implementation in GCG Rating by the Corporate Governance Asia (CGA) headquartered in Hong Kong.</li> </ul> </li> <li>Implemented Gratification control by implementing Gift Disclosure reporting dated July 2, 2013 as a measure to prevent the receipt of gratification in accordance with the recommendation from the Corruption Eradication Commission (Komisi Pemberantasan Korupsi/KPK).</li> <li>Actively participated in order to continuously realize anti-corruption culture, e.g. by attending the 2013 Anti-Corruption Week organized by KPK.</li> </ul>
2014 Improvement of Internal Policies related to The Application of GCG	<ul style="list-style-type: none"> <li>Bank Mandiri was rated “The Best Overall” in GCG Rating by The Indonesian Institute for Corporate Directorship (IICD) in the ASEAN SG Scorecard.</li> <li>Bank Mandiri was rated “The Best of Asia” as an Icon in Corporate Governance in GCG Rating by the Corporate Governance Asia (CGA) headquartered in Hong Kong.</li> <li>Good Corporate Citizen (GCC) is in line with Bank Mandiri’s 2015–2020 corporate plans, one of which is social economic impact with role model corporate citizen as one of its components. Bank Mandiri has completed diagnostic review of the implementation of GCG at Bank Mandiri.</li> <li>Revised the provisions on the banning of gratification as set forth in the Operating Technical Guideline (OTG) for Gift Disclosure Statement in accordance with KPK’s recommendation.</li> </ul>

Year	Corporate Governance Program
2015 Application of Transformation Stage 3 (three)	<ul style="list-style-type: none"> <li>• Executing Transformation Stage III</li> <li>• Bank Mandiri was rated in "The Best Financial Sector" in GCG Rating by The Indonesian Institute for Corporate Directorship (IICD) in the 2016 ASEAN CG Scorecard.</li> <li>• Bank Mandiri was rated "The Best of Asia" as an Icon in Corporate Governance in GCG Rating by the Corporate Governance Asia (CGA).</li> <li>• Implemented Integrated Corporate Governance               <ul style="list-style-type: none"> <li>- Implemented integrated governance and integrated units at Mandiri Group in accordance with the Financial Services Authority Regulation No. 18/POJK.03/2014 dated 18 November 2014 concerning Integrated Governance.</li> <li>- Established Compliance Unit, Integrated Risk Management Unit, Integrated Internal Audit Unit, and Integrated Governance Committee.</li> <li>- Developed Guideline on Integrated Governance.</li> </ul> </li> <li>• Refined the Operating Technical Guideline (OTG) for Gift Disclosure Statement into the OTG for Gratification Control effective as of July 3, 2015, and launched the Gratification Control Unit (GCU) on July 9, 2015. Bank Mandiri's GCU received the 2015 SOE with the Best Gratification Control Unit from the Corruption Eradication Committee.</li> </ul>
2016 Strengthen The Implementation of The Gratification Control System	<ul style="list-style-type: none"> <li>• Bank Mandiri was rated "The Best Overall" in GCG Rating by The Indonesian Institute for Corporate Directorship (IICD) in the 2016 ASEAN CG Scorecard.</li> <li>• Attended the National Gratification Control Unit Forum held from October 31 - November 3, 2016 in Bogor, West Java.</li> <li>• Attended the 2016 International Anti-Corruption Day Festival held from December 8-10, 2016 in Pekanbaru, Riau, where Bank Mandiri was awarded the SOE with the Best Gratification Control System.</li> </ul>
2017 Become One of the Legend of Corporate Governance at Indonesia	<ul style="list-style-type: none"> <li>• Corporate Governance Perception Index (CGPI) is a GCG implementation research and rating program conducted by an independent institution known as The Indonesian Institute for Corporate Governance (IICG). Bank Mandiri has participated in CGPI assessment for 14 (fourteen) consecutive years since 2003. In 2017, Bank Mandiri was once again ranked "The Most Trusted Company", making it the 11<sup>th</sup> consecutive ranking.</li> <li>• Bank Mandiri was rated "The Best Overall" in GCG Rating by The Indonesian Institute for Corporate Directorship (IICD) in the 2016 ASEAN CG Scorecard.</li> <li>• Attended the 2017 International Anti-Corruption Day Festival held from December 11-12, 2017 at Bidakara Hotel, Jakarta. Bank Mandiri was awarded the SOE with the Best Gratification Control System.</li> </ul>
2018 Revamp Culture	<ul style="list-style-type: none"> <li>• In 2018 Bank Mandiri carried out Revamp Culture by perfecting a work culture, where the results of Revamp Culture were 5 (five) new Bank Mandiri work cultures, namely One Heart One Mandiri, Strong Mandirian, Growing Healthy, Meeting Customer Needs, and Together Building the Country.</li> <li>• The Corporate Governance Perception Index (CGPI) is a research program and ranking of GCG implementation carried out by independent institutions, namely the Indonesian Institute for Corporate Governance (IICG). Bank Mandiri has followed CGPI's assessment for 15 (fifteen) consecutive years since 2003. In 2018 in the 2018 Indonesia Most Trusted Companies Award organized by the IICG, Bank Mandiri again won the title "The Most Trusted Company" by 12 (twelve) consecutive times.</li> <li>• Bank Mandiri is included in the Top 50 PLCs in ASEAN and Top 3 PLCs in Indonesia at the 2<sup>nd</sup> ASEAN Corporate Governance Scorecard (CG) Awards.</li> <li>• Bank Mandiri was re-elected for the fourth time as a BUMN with a Gratification Control System Best by KPK.</li> </ul>

## Basis for Corporate Governance Implementation

Bank Mandiri is continuously committed to implement corporate governance, by referring to a number of relevant regulations and guidelines for GCG (best practices) implementation developed by both national and international institutions. The legislative regulations used as the basis for corporate governance implementation are:

1. Law of the Republic of Indonesia No. 10 of 1998 concerning the Amendment of Law No. 7 of 1992 concerning Banking.
2. Law of the Republic of Indonesia No. 40 of 2007 concerning Limited Liability Company.
3. Financial Services Authority Regulation No. 17/POJK.03/2014 concerning Implementation of Integrated Risk Management for Financial Conglomerates.
4. Financial Services Authority Regulation No.18/POJK.03/2014 concerning Implementation of Integrated Governance for Financial Conglomerates.
5. Financial Services Authority Regulation No. 8/POJK.04/2015 concerning the Website of Issuers or Public Listed Companies.
6. Financial Services Authority Regulation No. 21/POJK.04/2015 concerning Implementation of Public Company Governance Guidelines.
7. Financial Services Authority Regulation No. 31/POJK.04/2015 concerning Disclosure of Material Information or Facts by Issuers or Public Companies.
8. Financial Services Authority Regulation No. 55/POJK.03/2016 concerning implementation of Governance for Commercial Banks.
9. Financial Services Authority Circulating Letter No. 32/SEOJK.04/2015 concerning Corporate Governance for Public Listed Companies.
10. Financial Services Authority Circulating Letter No. 13/SEOJK.03/2017 concerning Implementation of Governance for Commercial Banks.



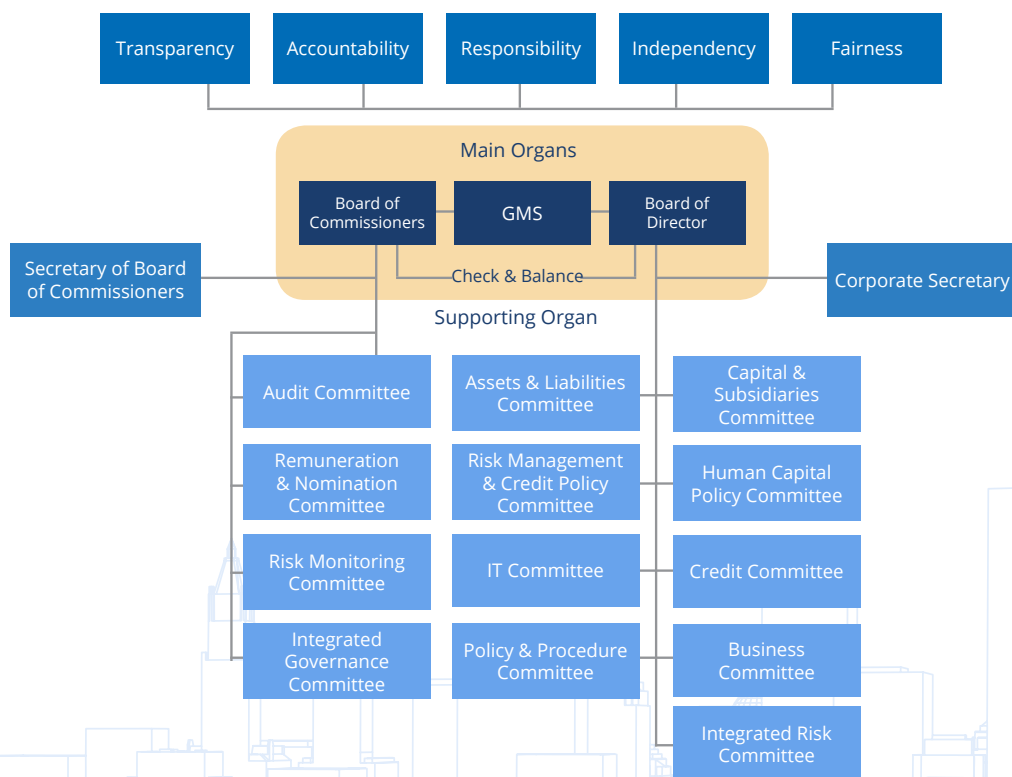
In addition to the provisions mandated by the abovementioned legislative regulations, Bank Mandiri also used GCG implementation guidelines as a basis, i.e.:

1. Corporate Governance principles developed by the Organization for Economic Cooperation and Development (OECD).
2. ASEAN Corporate Governance Scorecard;
3. Indonesian GCG Guideline developed by the National Committee on Governance Policies (Komite Nasional Kebijakan Governance/KNKG).
4. Principles for Enhancing Corporate Governance issued by Basel Committee on Banking Supervision.

## Structure and Mechanism of Corporate Governance

Based on the Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies, the Organs of the Company consists of General Meeting of Shareholders (GMS), Board of Commissioners and Board of Directors. Its administration adopts a two tier system, namely Board of Commissioners and Board of Directors, who have specific authority and responsibility based on their respective functions as specified in the Articles of Association and the laws and regulations.

### Structure of Company Organs

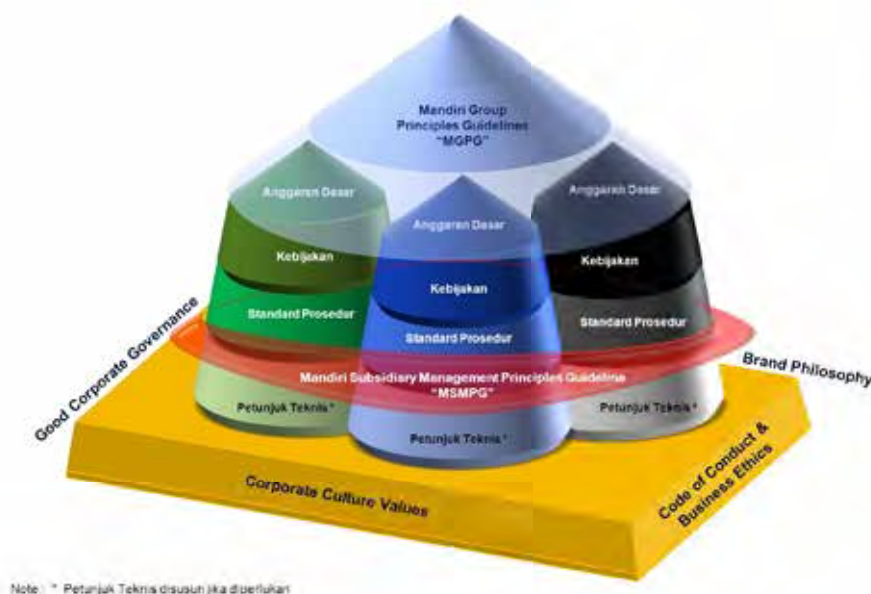


## Governance Soft Structure

In order to continuously improve the quality and scope of governance implementation, Bank Mandiri have formulated and implemented operational policies for all work units that are in line with principles of corporate governance, named Architecture of Bank Mandiri Policy. It is a hierarchy/arrangement of policies as the framework and governance in formulating policy as

well as the Company's activities implementation. Bank Mandiri has a Group Principles Guideline which guides all parts of the company in the Conglomeration of Bank Mandiri Finance.

The Order or Architecture of Bank Mandiri Policy is based on the following scheme:



Note: \* Petunjuk Teknis disusun jika diperlukan

GCG infrastructures already existing in Bank Mandiri are:

1. The Articles of Association of Bank Mandiri as notified to the Minister of Justice and Human Rights of the Republic of Indonesia and specified in Letter No. AHU-AH.01.03-0172245 on the Receipt of Information on the Amendment to the Articles of Association of the Company PT Bank Mandiri (Persero) Tbk., dated April 30, 2018.
2. Architecture of Bank Mandiri Policy as updated and approved on July 9, 2018.
3. Mandiri Subsidiary Management Principles Guideline (MSMPG) as updated and approved on June 29, 2018.
4. Mandiri Group Principles Guideline (MGPG) as validated on October 1, 2018.
5. Bank Mandiri Code of Conduct as updated and approved on July 9, 2018.
6. Bank Mandiri Business Ethics as updated and approved on July 9, 2018.
7. Board of Commissioners Manual of Work Rules and Regulations (Board Manual) as updated and approved by the Decision of Board of Commissioners No. KEP.KOM/005/2016 dated December 21, 2016.
8. Board of Directors Manual of Work Rules and Regulations as updated and approved by the Decision of Board of Directors No. KEP.DIR/211/2017 dated September 13, 2017.
9. Integrated Governance Guideline as approved by the Board of Commissioners on June 30, 2015.
10. Charter of Audit Committee as updated and approved by the Decision of Board of Commissioners No. KEP.KOM/003/2018 dated January 24, 2018.
11. Charter of Risk Monitoring Committee as approved on January 21, 2015.
12. Charter of Remuneration and Nomination Committee as approved on July 15, 2016.
13. Charter of Integrated Governance Committee as approved on July 27, 2016.
14. Human Resource Operational Policy as updated and approved on December 12, 2017.
15. Legal Policy, Compliance & Anti-money Laundering and Combating the Financing of Terrorism as updated and approved on September 21, 2018.
16. Standard of Risk Management Guideline as updated and approved on August 2, 2017.
17. Operational Policy as validated on December 12, 2017.
18. Corporate Secretary Standard Procedure as updated and approved on November 22, 2018.
19. Standard Operational Procedure of Procurement as updated and approved on March 1, 2017.



20. Standard Operational Procedure of Corporate Work Plan and Budget (Rencana Kerja dan Anggaran Perusahaan/RKAP) and Bank Business Plan (Rencana Bisnis Bank/RBB) as updated and approved on July 6, 2017.
21. Standard of Accounting Guideline as updated and approved on December 28, 2017.
22. Standard of Operational Guideline of Credit Collection and Recovery as updated and approved on October 10, 2018.
23. Standard of Operational Guideline of Information Technology as updated and approved on December 12, 2018.
24. Standard of Internal Audit Guideline as updated and approved on December 12, 2018.
25. Standard of Human Resource Guideline as updated and approved on March 20, 2018.
26. Technical and Operational Guideline of Information Technology Security as updated and approved on November 29, 2017.
27. Technical and Operational Guideline of Individual and Integrated Self-Assessment Good Corporate Governance as validated on February 1, 2018.
28. Technical and Operational Guideline of Credit Collection and Recovery Wholesale as updated and approved on December 28, 2017.
29. Technical and Operational Guideline of Credit Collection and Recovery Retail as updated and approved on June 2, 2017.

## Mechanism of Corporate Governance

Mechanism of corporate governance is a process to implement corporate governance principles supported by the adequacy of bank governance structure and infrastructure, thus producing outcomes that are compatible with the expectation of the Company stakeholders. The process to implement corporate governance is inherent to the structure of corporate governance as follows.

### General Meeting of Shareholders

Being a Company established as Limited Liability Company, General Meeting of Shareholders (GMS) is the highest organ of the Company with the rights and authorities that are absent in the Board of Commissioners and Board of Directors in the limit as specified in the provision of legislations and Articles of Association of the Company.

In addition, GMS can be a communication medium between Board of Directors and Board of Commissioners, as well as the Company's shareholders in the form of discussion for all present shareholders in every GMS subject. Implementation of GMS in Bank Mandiri refers to the following conditions:

1. Law Number 40 of 2007 concerning Limited Liability Company.
2. Financial Services Authority Regulation No. 32/POJK.04/2014 dated December 8, 2014 concerning the Plan and Implementation of General Meeting of Shareholders of a Public Company, as amended by Financial Services Authority Regulation No. 10/POJK.04/2017 dated March 14, 2017.
3. Articles of Association of Bank Mandiri.

### Rights of The Shareholders

Shareholder is an individual or a legal entity who lawfully owns one or more share in a Company. Shareholders are owners of the Company. Company's Share is a share on behalf of and is issued by the owners who are registered in the List of Shareholders and which consist of:

1. Series A Dwiwarna Share that may only be owned by the Republic of Indonesia.
2. Series B Share that may be owned by the Republic of Indonesia and/or the Citizens.

### Information On Majority and Controlling Shareholders (Series A Dwiwarna)

As a State-Owned Enterprises (SOE), majority ownership of Bank Mandiri is owned by the Government of the Republic of Indonesia, which in this case is represented by the Ministry of SOE. So that Bank Mandiri does not have major shareholders and individual controllers.

At the time of establishment, state capital investment by the Republic of Indonesia to Bank Mandiri was performed pursuant to Government Regulation No. 75 of 1998 on State Capital Investment of the Republic of Indonesia for the Establishment of Limited Liability Company (Company) in Banking Field dated October 1, 1998.



The capital investment was performed by altering state-held shares to the ex-legacies of Bank Mandiri, namely Bank Bumi Daya, Bank Dagang Negara, Bank Ekspor Impor Indonesia dan Bank Pembangunan Indonesia. As the majority shareholder, the Government of the Republic of Indonesia currently holds 60% (sixty percent) of the shares, or 28,000,000,000 (twenty-eight billion) shares, in which one Series A Dwiwarna share is among all the shares. Series A Dwiwarna shareholder is entitled the following privilege that does not experienced by other shareholders:

1. Right to approve the following matters in GMS:
  - a. Approving the Amendment to the Company's Articles of Association.
  - b. Approving capital change.
  - c. Approving the appointment and discharge of members of the Board of Directors and Board of Commissioners.
  - d. Approving merger, consolidation, acquisition, segregation, dissolution of the Company.
  - e. Approving the remuneration of the Board of Directors or Board of Commissioners.
  - f. Approving asset transfer and assurance which requires GMS approval as per the Articles of Association.
  - g. Approving the investment and reduction to the percentage of capital investment at other company which requires GMS approval as per the Articles of Association.
  - h. Approving the utilization of net profit.
  - i. Approving the non-operational investment and long-term funding which requires GMS approval as per the Articles of Association.
2. Right to propose GMS agenda.
3. Right to request and access company data and documents.
4. Right to propose binding nomination of candidates of Board of Directors members and candidates of Board of Commissioners members.

In addition to the above privileges, certain actions of the Board of Directors with certain criteria must obtain approval written from the Board of Commissioners and Series Shareholders A Dwiwarna as stipulated in Article 12 paragraph (7) Bank Mandiri's Articles of Association.

### Rights of General Shareholders

Bank Mandiri Shareholders, both Holders of Series A Dwiwarna Share and Holders of Series B Share, have the same right in addition to the Special Right of Series A Dwiwarna Share above and as long as not regulated otherwise by the Company's Articles of Association, as follows:

1. The right to attend, express opinions, and vote in a GMS based on one share.
2. Each Shareholder has the right of 1 (one) vote/share (one share one vote)
3. Obtain an explanation of the voting procedure before the GMS begins.
4. The voting mechanism is done by the polling method
5. Opportunity to propose an agenda in GMS.
6. Opportunity to grant authority to another party if a shareholder is unable to attend the GMS.
7. Reveal practices to encourage involvement of Shareholders outside the GMS
8. To propose questions in every agenda discussion and every decision of GMS agenda.
9. Opportunity to vote as agree, disagree, or abstain in every proposal of decision of GMS agenda.
10. Right to obtain information regarding the company in manners that are on time, correct, and regular, except for matters that are confidential.
11. Right to obtain part of the Company's profit that is allocated for Shareholder in the form of dividend and another distribution of profit, which is proportional to the number of owned shares.
12. Right to obtain comprehensive description and accurate information regarding procedure that needs to be executed in relation to the implementation of GMS.

### Responsibilities of Shareholders

In addition to the rights and authorities, Bank Mandiri Shareholders as the capital owners also have responsibilities that must be fulfilled to the Company.

#### Controlling Shareholders

Their responsibilities are as follows:

1. Controlling shareholders must be able to:
  - a. Consider the interests of minority shareholders and stakeholders pursuant to the applicable conditions and laws and regulations;
  - b. In the event of alleged violation to the laws and regulations or as requested by relevant authority, names of shareholders and ultimate shareholders shall be disclosed to law enforcement authorities regarding the ultimate controlling shareholders, or as requested by relevant authority.
2. As for controlling shareholders with shares in several public companies, they have to be open with regard to accountability and relationship between public companies.

#### All Shareholders

Their responsibilities are as follows:

1. Distinguishing the ownership of the property of public company and personal property.



2. Distinguishing their functions as shareholders and members of Board of Commissioners or Board of Directors in the event that shareholders serve in one of those organs.

Minority shareholders are responsible to exercise their rights effectively pursuant to the Articles of Association of the Company as well as the laws and regulations.

## Policy of Relationship With Shareholders

As a Public Company, Bank Mandiri continuously attempts to provide accurate, periodic, and up-to-date information to Shareholders. Currently, communication activity to the Shareholders in Bank Mandiri is managed by the Corporate Secretary and Investor Relations Work Unit. Pursuant to Article 5 of Financial Services Authority Regulation No. 35/POJK.04/2014 concerning the Secretary of Issuer Company or Public Company, one of the functions of Corporate Secretary is a liaison between the Issuer and shareholders, OJK, and other stakeholders. Internal policy regulating the relationship between Bank Mandiri and Shareholders is Operational Policy and Standard Procedure of Corporate Secretary which, among other things, regulates Corporate Communication Activity.

## Equal Treatment To Shareholders

By referring to the provision of legislations which are regulations in Capital Market, Bank Mandiri always puts forward equality principles for all shareholders (majority or minority). This commitment is reflected in internal regulations as stated in Corporate Secretary Policy Bank Mandiri and Corporate Secretary Standard Guideline Bank Mandiri that are periodically reviewed, that regulate that all shareholders have the same right for information transparency from Bank Mandiri, namely information about company performance, financial

information, and other information needed by all shareholders.

Equal treatment to shareholders is also reflected in the implementation of Company GMS. Each shareholder is entitled to propose GMS subject to the Company.

## Process of GMS Implementation and Voting

### Quorum Provision

The quorum provisions regarding the attendance and resolutions of GMS, in relation to matters that must be resolved, were executed as follows:

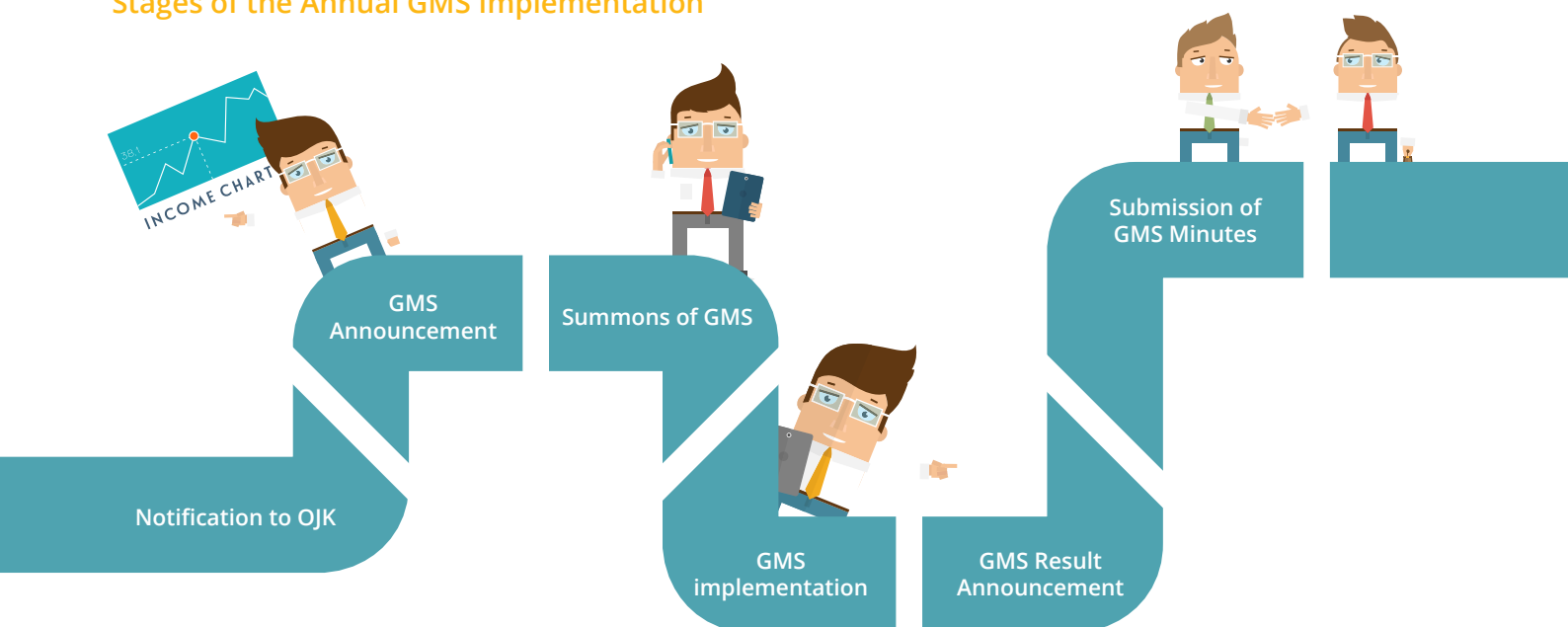
1. The meeting is attended by shareholders who represent more than 1/2 (one half) of the entire shares with valid voting rights, and resolutions are valid when agreed by more than 1/2 (one half) of the entire amount of shares with voting rights which were present in the Meeting, unless the Law and/or Articles of Association of the Company determines a higher quorum.
2. In the event that presence quorum as specified is not achieved, the second GMS is valid and is entitled to make binding resolutions when attended by shareholders who represent minimum 1/3 (one third) of the entire shares with valid voting rights, and resolutions are valid when agreed by more than 1/2 (one half) of the entire amount of shares with voting rights which were present in the Meeting, unless the Law and/or Articles of Association of the Company determines a higher quorum.
3. In the event that presence in the second GMS as specified is not achieved, the third GMS can be held under the condition that it is valid and is entitled to make decisions when attended by shareholders of shared with valid voting rights, within a presence quorum and requirement to make decision that are determined by Financial Services Authority at the Company's request.

## Decision Making Mechanism

The decision making mechanism in the meeting is conducted by deliberation to reach consensus. But if deliberation for consensus was not reached, then the decision making in the Meeting was conducted in a way voting. Voting is carried out verbally with shareholders who vote disagree or abstain being asked to submit the sound card. Especially for meeting agenda concerning certain people, voting is carried out with a closed letter that is not signed and all holders the shares present present the voting card. Voting is done with a sound card the calculation is done electronically.

Throughout 2018, the Company implemented GMS for 1 (one) time, namely Annual GMS on March 21, 2018, at Auditorium Plaza Mandiri, Jakarta. The specified Annual GMS was implemented under the following phases:

## Stages of the Annual GMS Implementation



## Implementation of Annual GMS 2018 and Its Realization

The steps of conducting the Company's Annual General Meeting of Shareholders in 2018 are depicted in the following table.

Table of Annual GMS Implementation in 2018

No.	Activities	Date	Remarks
1.	<b>GMS Notification to Financial Services Authority</b>	February 1, 2018	It is delivered to Financial Services Authority via a letter as signed by the Board of Directors of the Company No. CEO/119/2018 dated February 1, 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. of Fiscal Year 2017.
2.	<b>GMS Announcement to Shareholders</b>	February 12, 2018	<p>Conducted through information disclosure at:</p> <ol style="list-style-type: none"> <li>1. Bisnis Indonesia and The Jakarta Post newspapers.</li> <li>2. Bank Mandiri Website.</li> <li>3. Indonesian Stock Exchange Website.</li> </ol> <p>Proof of GMS announcement has been reported by the Company to Financial Services Authority and Indonesian Stock Exchange on the same day via Letter No. CEO.CSC/234/2018 and No. CEO.CSC/234/2018 which both are dated February 12, 2018 and was reported via Electronic Reporting System of Financial Services Authority and Indonesian Stock Exchange.</p>
3.	<b>GMS Summons to Shareholders</b>	February 27, 2018	<p>Conducted through information disclosure at:</p> <ol style="list-style-type: none"> <li>1. Bisnis Indonesia and The Jakarta Post newspapers.</li> <li>2. Bank Mandiri Website.</li> <li>3. Indonesian Stock Exchange Website.</li> </ol> <p>Evidence of GMS summons has been reported by the Company to Financial Services Authority and Indonesian Stock Exchange on the same day via Letter No. CEO.CSC/437/2018 and No. CEO.CSC/438/2018 which both are dated February 27, 2018 and was reported via Electronic Reporting System of Financial Services Authority and Indonesian Stock Exchange.</p>



No.	Activities	Date	Remarks
4.	<b>Holding of GMS</b>	March 21, 2018	<p>GMS was directed by President Commissioner of Bank Mandiri as appointed in the Meeting of the Indonesian Stock Exchange on March 7, 2018.</p> <p><b>GMS was attended by all members of both the Board of Commissioners and Board of Directors.</b></p> <p>Shareholders and/or their proxies were present at the GMS who have 40,762,866,983 shares, including Series A Dwiwarna Share or 87.349% of all shares.</p> <p>The Company distributed GMS Rules and Regulations to all present shareholders in the form of pocket book. In addition, important points of the rules and regulations were read out prior to the start of GMS.</p> <p>Shareholders were allowed to ask questions pursuant to Meeting subjects in Annual GMS.</p> <p>Voting was performed verbally in which disagreeing or abstain shareholders were asked to relinquish their voting cards. Particularly for meeting subjects related to a specific person, voting was performed using unsigned enclosed letter and all present shareholders submitted their voting cards.</p> <p>The Company has appointed two independent parties, Notary Ashoya Ratam and PT Datindo Entrycom to count and/or validate the votes.</p>
5.	<b>Announcement of GMS Result</b>	March 22, 2018	The results of the GMS have been announced and uploaded on the Bank Mandiri Website in Indonesian and English.
		March 23, 2018	<p>Conducted through information disclosure at:</p> <ol style="list-style-type: none"> <li>1. Bisnis Indonesia and The Jakarta Post newspapers.</li> <li>2. Bank Mandiri Website.</li> <li>3. Indonesian Stock Exchange Website.</li> </ol> <p>Proof of GMS result announcement has been reported by the Company to Financial Services Authority and Indonesian Stock Exchange via Letter No. CEO.CSC/723/2018 dated March 23, 2018 and was reported via Electronic Reporting System of Financial Services Authority and Indonesian Stock Exchange.</p>
6.	<b>Submission of GMS Minutes</b>	April 20, 2018	Submission of GMS Minutes to Financial Services Authority have complied to delivery deadline pursuant to Financial Services Authority Regulation No. 32/POJK.04/2014 and was delivered via Letter No. HBK.CSC/CMA.976/2018 dated April 20, 2018 and uploaded to Bank Mandiri website on the same day.

## Independent Vote-Counting Agency

Bank Mandiri has appointed independent parties namely Notary Ashoya Ratam and PT Datindo Entrycom in calculating and/or validating votes.

## Presence Recapitulation In Annual GMS 2018

The 2018 Annual GMS was attended by the entire Board Commissioner, Board of Directors and Audit Committee of Bank Mandiri is as follows:

## Table of Presence Recapitulation in Annual GMS 2018

No.	Name	Position	Attendance
1.	Hartadi Agus Sarwono	President Commissioner/Independent Commissioner	Attending
2.	Imam Apriyanto Putro	Deputy President Commissioner	Attending
3.	Askolani	Commissioner	Attending
4.	Goei Siau Hong	Independent Commissioner	Attending
5.	Bangun Sarwito Kusmulyono	Independent Commissioner	Attending
6.	Ardan Adiperdana	Commissioner	Attending
7.	Makmur Keliat	Independent Commissioner	Attending
8.	R. Widy Pramono	Commissioner	Attending
9.	Kartika Wirjoatmodjo	President Director	Attending
10.	Sulaiman Arif Arianto	Deputy Director	Attending
11.	Ogi Prastomiyono	Director of Operations	Attending
12.	Royke Tumilaar	Director of Wholesale Banking	Attending
13.	Hery Gunardi	Director of Distributions	Attending
14.	Tardi	Director of Retail Banking	Attending
15.	Ahmad Siddik Badruddin	Director of Risk Management & Compliance	Attending
16.	Kartini Sally	Director of Kelembagaan	Attending
17.	Rico Usthavia Frans	Director of Digital Banking & Technology	Attending
18.	Darmawan Junaidi	Director of Treasury	Attending
19.	Budi Sulistio	Member of Audit Committee	Attending
20.	Bambang Ratmanto	Member of Audit Committee	Attending



## Resolutions of Annual GMS 2018

### First Meeting Agenda

Approval to Annual Report and Validation of Financial Statement of Company Consolidation, Approval to Supervisory Report of the Board of Commissioners, Validation of Annual Report on the Implementation of Partnership and Environmental Development Program for fiscal year which expires in December 31, 2017, including submission of Accountability Report on the expenditure of fund obtained from Public Offering of Continuous Bonds I by Bank Mandiri Phase II in 2017, as well as amortization and release from full responsibility (*volledig acquit et de charge*) to the Board of Directors and Board of Commissioners of the Company for the actions of management and supervisor performed in a Fiscal Year which expires on December 31, 2017.

**Minutes of Meeting state that number of Shareholders who submitted questions and/or provided opinions are 2 persons**

### Voting Result

Agree : 99.471% Including one Series A Dwiwarna share  
 Abstain : 0.321%  
 Disagree : 0.208%





## Resolutions

Therefore:

Meeting with the most votes, namely 40,678,177,971 shares or constituting 99.792% of the number of all votes issued at the Meeting decides to approve:

1. Approving the Company's Annual Report, including Report of Supervisory Duty of the Board of Commissioners for a Fiscal Year which expired on December 31, 2017, and validating Financial Statement of the Consolidated Company for a Fiscal Year which expired on December 31, 2017, that has been audited by a Public Accounting Firm Purwantono, Sungkoro, and Surja with an audit opinion that is without modification.
2. Validating Annual Report of the Partnership and Environmental Development Program for the Fiscal Year which expired on December 31, 2017 and has been audited by a Public Accounting Firm Purwantono, Sungkoro, and Surja with an audit opinion that is without modification.
3. Accepting Accountability Report on the expenditure of fund obtained from Public Offering of Continuous Bonds I by Bank Mandiri Phase II in 2017 of IDR6,000,000,000,000 (six trillion rupiah).
4. On the approval of the Company's Annual Report, including Report of the Duties of the Board of Commissioners for the Fiscal Year which expired on December 31, 2017, the report on the expenditure realization of fund obtained from Public Offering of Continuous Bonds I by Bank Mandiri Phase II in 2017 of IDR6,000,000,000,000 (six trillion rupiah), the validation of Financial Statement of Consolidated Company for a Fiscal Year which expired on December 31, 2017, as well as the Annual Report of Partnership and Environmental Development Program for the Fiscal Year which expired on December 31, 2017, thus the Meeting provided amortization and release from full responsibility (volledig acquit et de charge) to the entire members of the Board of Directors and Board of Commissioners of the Company for the acts of management and supervision performed in the Fiscal Year which expired on December 31, 2017, provided that the act is not a criminal act and is reflected in the Annual Report, Financial Statement of Consolidated Company, as well as Annual Report of Partnership and Environmental Development Program for a Fiscal Year which expired on December 31, 2017.
5. The amortization and release from full responsibility were also granted to:
  - Ms. Aviliani who served as Company's Independent Commissioner of January 1, 2017 to March 14, 2017.
  - Mr. Abdul Aziz who served as Company's Independent Commissioner of January 1, 2017 to March 14, 2017.
  - Mr. Pahala N. Mansury who served as Company's Director as of January 1, 2017 to April 12, 2017.
  - Mr. Wimboh Santoso who served as Company's President Commissioner of January 1, 2017 to July 20, 2017.

## Follow-up Actions

Financial Reports and Annual Reports have been submitted to Financial Service Authority and the Indonesia Stock Exchange with the following information:

- a. Financial Statement Submission
  - Submitted to Financial Service Authority by Letter No. HBK.CSC/CMA.207/2018 dated February 7, 2018.
  - Submitted to Indonesia Stock Exchange by Letter No. HBK.CSC/CMA.209/2018 dated February 7, 2018.
  - Submission of reports is also carried out through the Electronic Reporting System of Financial Service Authority and the Indonesia Stock Exchange.
- b. Annual Report Submission
  - Submitted to Financial Service Authority by Letter No. CEO.CSC/CMA.436/2018 dated February 27, 2018 and the report was sent to the Indonesia Stock Exchange.
  - Submission of reports is also carried out through the Electronic Reporting System of Financial Service Authority and the Indonesia Stock Exchange.

**Status:** Realized

## Second Meeting Agenda

Approval to of the expenditure of the Company's net profit for the fiscal year which expired on December 31, 2017.

**Minutes of Meeting state that number of Shareholders who submitted questions and/or provided opinions are 1 person**

## Voting Result

Agree : 98.877% Including one share of Dwiwarna A series  
 Abstain : 0.436%  
 Disagree : 0.687%

## Resolutions

Therefore:

"Meeting with the most votes, namely 40,482,896,659 shares or constituting 99.313% of the total votes issued at the Meeting decided:

Approved and determined the use of the Company's Net Profit for the fiscal year expired on December 31, 2017 amounting to IDR20,649,683,141,139.50 (twenty trillion six hundreds and forty nine billion six hundreds and eighty-three million one hundred and forty one thousand one hundred and thirty nine rupiah and fifty cents) as follows:

1. 30% of the Company's net profit of fiscal year 2017, or IDR6.191.904.942.341,85 (six trillion one hundred and ninety one billion nine hundred and four million nine hundred and forty two thousand three hundred and forty one rupiah and twenty four cent), and is added by special addition dividend of 15% or IDR3.095.952.471.170,92 (three trillion seventy five billion nine hundred and fifty two million four hundred and seventy one thousand one hundred and seventy rupiah and ninety two cent), is distributed as cash dividend to the shareholders, and dividend particularly for the Government/Republic of Indonesia shall be paid pursuant to the laws and regulations, hence the percentage of distributed dividend is 45% of the Company's net profit.

To grant power and authority to the Board of Directors to regulate the procedure and implementation of cash dividend payment, and further to announce it pursuant to the applicable provision with the distribution allocation as follows:

- Government/Republic of Indonesia Shareholder: 60%
- Public Shareholders: 40%

2. 55% of the Company's net profit for the period of January 1 to December 31, 2017, or IDR11.351.825.727.626,73 (eleven trillion three hundred and fifty one billion eight hundred and twenty five million seven hundred and twenty seven thousand six hundred and twenty six rupiah and seventy three cent) set as Undistributed Profit.

#### Follow-up Actions

Bank Mandiri has announced the Schedule and Procedure of Cash Dividend Distribution for the Fiscal Year 2017 on March 23, 2018, and has paid cash dividend to the shareholders on April 20, 2018.

**Status:** Realized

#### Third Meeting Agenda

Appointment of a Public Accounting Firm to audit the Company's Financial Statement and Annual Report on the Implementation of Partnership and Environmental Development Program for the Fiscal Year which expired on December 31, 2018.

**Minutes of Meeting state that there are no Shareholders who submitted questions and/or provided opinions.**

#### Voting Result

Agree : 95.142% Including one share of Dwiwarna A series  
Abstain : 0.504%  
Disagree : 4.354%

#### Resolutions

Therefore:

"Meeting with the most votes, that is 38,988,003,445 shares or constituting 95.646% of the total votes issued at the Meeting decided to approve:

1. Appointment of Public Accounting Firm Purwantono, Sungkoro & Surja as the Firm to audit the Financial Statement of Consolidated Company and Annual Report on the Implementation of Partnership and Environmental Development Program for the Fiscal Year expired on December 31, 2018.
2. Grant of authority to the Board of Commissioners to determine the honorarium and other requirements for the Public Accounting Firm, and to determine Substitute Public Accounting Firm in the event that Public Accounting Firm Purwantono, Sungkoro & Surja, by any means cannot complete the audit of the Financial Statement of Consolidated Company and Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year which expired on December 31, 2018.

#### Follow-up Actions

The appointment of Purwantono, Sungkoro & Surja Public Accountant Office was reported to the Financial Service Authority by letter No. CEO/326/2018 dated April 3, 2018.

**Status:** Realized

#### Fourth Meeting Agenda

Determination of salary of Board of Directors, honorarium of Board of Commissioners, tantiem, as well as determination of other allowance, facility, and benefit for all members of Board of Directors and members of Board of Commissioner of the Company.

**Minutes of Meeting state that there are no Shareholders who submitted questions and/or provided opinions.**

#### Voting Result

Agree : 96.089% Including one series A Dwiwarna share  
Abstain : 0.563%  
Disagree : 3.348%

#### Resolutions

Therefore:

"Meeting with the most votes, namely 39,398,144,827 shares or constituting 96.652% of the total votes issued at the Meeting decided to approve:

Granting authority and power to Board of Commissioner of the Company, by firstly obtaining approval from the Holders of Series A Dwiwarna Shareholders, determine the salary of members of Board of Directors and honorarium of members of Board of Commissioners, to provide other facility, benefit, and/or allowance for fiscal year 2018, as well as tantiem for the performance of members of Board of Directors and Board of Commissioners for fiscal year which expired on December 31, 2017.

#### Follow-up Actions

Determination of the remuneration of members of the Board of Directors and the honorarium of members of the Board of Commissioners, and the provision of benefits, facilities and/or other benefits for the 2018 financial year, as well as the determination of bonuses for the performance of members of the Board of Directors and Board of Commissioners expired on December 31, 2017 The Commissioner firstly obtained the approval of the Ministry of State-owned Enterprises.

**Status:** Realized

#### Fifth Meeting Agenda

Approval of the Company's Recovery Plan.

**Minutes of Meeting state that there are no Shareholders who submitted questions and/or provided opinions.**

#### Voting Result

Agree : 99.717 % Including one series A Dwiwarna share  
Abstain : 0.274%  
Disagree : 0.009%

#### Resolutions

Therefore:

"Meeting with the most votes, that is 40,759,041,371 shares or constituting 99.991% of the total votes issued at the Meeting decided to approve:

Approved the Company's Recovery Plan in order to comply with the provisions of Financial Services Authority Regulation No. 14/POJK.03/2017.



### Follow-up Actions

Referring to the provisions of Financial Services Authority Regulation No. 14/POJK.03/2017 concerning the Recovery Plan for Systemic Banks, Bank Mandiri has conducted update of the Recovery Plan document and submitted to OJK through Letter No. CEO/1788/2018 November 29, 2018.

**Status:** Realized

### Sixth Meeting Agenda

Determination of Enactment of SOE Minister Regulation No. PER-02/MBU/07/2017 concerning Amendment to the SOE Minister Regulation No. PER-09/MBU/07/2015 concerning the State-Owned Enterprises' Partnership and Community Development Program and the Approval for the Provision of Non-Interest Loans or Grants for SOE Partnership Programs in the Financial Services Sector Specifically Established for the Development and Empowerment of the People's Economy

**Minutes of Meeting state that there are no Shareholders who submitted questions and/or provided opinions.**

#### Voting Result

Agree : 99.720% Including one series A Dwiwarna A share  
Abstain : 0.271%  
Disagree : 0.009%

#### Resolutions

Therefore:

- "Meeting with the most votes, namely 40,759,041,171 shares or constituting 99.991% of the total votes issued at the Meeting decided to approve:
1. Established the enactment confirmation of the SOE Minister Regulation No. PER-02/MBU/7/2017 concerning Amendment to the SOE Minister Regulation PER-09/MBU/07/2015 concerning the State-Owned Enterprise Partnership and Community Development Program and its changes.
  2. Granting power of attorney to the Board of Commissioners by first obtaining written approval from the Series A Dwiwarna Shareholder regarding the authority of the GMS as stipulated in the SOE Minister Regulation: PER-02/MBU/07/2015 concerning Amendment to the SOE Minister Regulation. PER-02/MBU/7/2017, and its change.

### Follow-up Actions

With the approval of the enactment confirmation of the SOE Minister Regulation: PER-02/MBU/7/2017 concerning Amendment to the SOE Minister Regulation. PER-09/MBU/07/2015 regarding the State-Owned Enterprises Partnership and Community Development Program, the implementation of Bank Mandiri Partnership and Community Development Program refers to the SOE Minister Regulation.

**Status:** Realized

### Seventh Meeting Agenda

Approval to the Amendment to the Company's Articles of Association.

**Minutes of Meeting state that there are no Shareholders who submitted questions and/or provided opinions.**

#### Voting Result

Agree : 71.166% Including one series A Dwiwarna share  
Abstain : 1.603%  
Disagree : 27.231%

#### Resolutions

Therefore:

- "Meeting with the most votes, namely 29,662,566,695 shares or constituting 72.769% of the total votes issued at the Meeting decided to approve:
1. Approved the Amendment to the Company's Articles of Association.
  2. Approving to reformulate all provisions in the Articles of Association regarding the amendment as specified in point 1 (one) of the resolution above.
  3. Granting power and authority to the Board of Directors, together with rights to substitute to perform any necessary actions related to the resolution of the seventh Meeting Agenda, including to formulate and restate the entire Articles of Association of the Company in a Notarial Deed, to inform the authorized institution to obtain approval and/or receipt of information on the Amendment to the Articles of Association of the Company, to perform any actions considered necessary and beneficial for such necessity by not excluding anything, as well as to perform addition and/or amendment to the Articles of Association as required by authorized institution."

### Follow-up Actions

Bank Mandiri's Articles of Association have been amended as specified in the Deed No. 21 dated April 11, 2018 the notification of the amendment has been received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia dated April 30, 2018 based on Letter Number AHU-AH.01.03-0172245.

**Status:** Realized

### Eighth Meeting Agenda

Approval of Changes in the Management Composition of the Company.

**Minutes of Meeting state that there are no Shareholders who submitted questions and/or provided opinions.**

#### Voting Result

Agree : 96.185% Including one series A Dwiwarna share  
Abstain : 1.145%  
Disagree : 2.670%

**Resolutions**

Therefore:

"Meeting with the most votes, namely 29,662,566,695 shares or constituting 72.769% of the total votes issued at the Meeting decided to approve:

1. Honorably dismissing the following names from the members of Board of Director of the Company:

- a. Mr. Ogi Prastomiyono as Director of Operations
- b. Mr. Hery Gunardi as Director of Distributions
- c. Mr. Tardi as Director of Retail Banking
- d. Ms. Kartini Sally as Director of Kelembagaan

The dismissal of members of the Board of Directors takes place as of the closing of meeting, together with an expression of gratitude for their physical and intellectual contribution during their tenure as members of the Board of Directors.

2. Agree to change the nomenclature of the composition of Board of Directors, as follows:

No.	From	To
1.	Director of Wholesale Banking	Director of Corporate Banking
2.	Director of Distributions	Director of Small Business & Network
3.	Director of Treasury	Director of Treasury & International Banking
4.	Director of Operations	Director of Finance
5.	Director of Digital Banking and Technology	Director of Information Technology & Operation
6.	Director of Kelembagaan	Director of Institutional Relations
7.	Director of Risk Management and Compliance	Director of Risk Management
8.	-	Director of Compliance

3. Honorably dismissing the following names from the members of Board of Director of the Company:

No.	Name	From	To
1.	Royke Tumilaar	Director of Wholesale Banking	Director of Corporate Banking
2.	Darmawan Junaidi	Director of Treasury	Director of Treasury & International Banking
3.	Rico Ushtavia Frans	Director of Digital Banking and Technology	Director of Information Technology & Operation
4.	Ahmad Siddik Badruddin	Director of Risk Management and Compliance	Director of Risk Management

4. Appointing the following names from the members of Board of Director of the Company:

- a. Mr. Donsuwan Simatupan as Director of Retail Banking
- b. Mr. Hery Gunardi as Director of Small Business & Network
- c. Mr. Panji Irawan as Director of Finance
- d. Ms. Alexandra Askandar as Director of Institutional Relationship
- e. Mr. Agus Dwi Handaya as Director of Compliance

Appointment of members of the Board of Directors is effective after obtaining approval from the Financial Services Authority on Fit & Proper Test and fulfilling the applicable laws and regulations.

Tenure expiration of the appointed members of Board of Directors happens concurrently with the closing of the 5<sup>th</sup> Annual GMS since the appointment of the relevant members, by observing the laws and regulations in the field of Capital Market and without prejudice to GMS rights to dismiss them at any time.

5. With the dismissal, amendment in job nomenclature, assignments and appointment of Members of the Company's Board of Directors as referred to in numbers 1, 2, 3 and 4, the composition of the Company's Board of Directors becomes as follows:

No.	Name	Position
1.	Bpk. Kartika Wirjoatmodjo	President Director
2.	Bpk. Sulaiman Arif Arianto	Deputy Director
3.	Bpk. Royke Tumilaar	Director of Corporate Banking
4.	Bpk. Donsuwan Simatupang	Director of Retail Banking
5.	Bpk. Hery Gunardi	Direktur Bisnis Kecil dan Jaringan
6.	Bpk. Darmawan Junaidi	Direktur Treasury dan International Banking
7.	Bpk. Panji Irawan	Direktur Keuangan
8.	Bpk. Rico Usthaia Frans	Direktur Teknologi Informasi dan Operasi
9.	Ibu Alexandra Askandar	Director of Institutional Relationship
10.	Bpk. Ahmad Siddik Badruddin	Direktur Manajemen Risiko
11.	Bpk. Agus Dwi Handaya	Direktur Kepatuhan



6. Granting authority to the Board of Directors, together with rights to substitute to perform any necessary actions related to the resolution of the Eighth Meeting agenda pursuant to the applicable laws and regulations, including to state in a specific notarial deed and to inform the amendment to the composition of the composition Company's Board of Directors to the Ministry of Law and Human Rights, and to inquire Financial Services Authority to perform Fit and Proper Test to member candidates of Board of Commissioners of the Company pursuant to the applicable laws and regulations.

#### Follow-up Actions

All members of the Board of Directors appointed at the Annual GMS have effectively appointed each of the following dates:

1. Mr. Panji Irawan and Mr. Donsuwan Simatupang has obtained approval from Financial Service Authority regarding the result of Fit and Proper Test as specified in Letter of Financial Service Authority No. SR-180/PB.12/2018 dated September 3, 2018, and the appointment concerned as Director is declared effective since September 4, 2018 as stated in Bank Mandiri Letter No. KPH/1116/2018 dated September 4, 2018.
2. Ms. Alexandra Askandar and Mr. Agus Dwi Handaya has obtained approval from Financial Service Authority regarding the result of Fit and Proper Test as specified in Letter of Financial Service Authority No. SR-183/PB.12/2018 dated September 10, 2018, and the appointment concerned as Director is declared effective since September 12, 2018 as stated in Bank Mandiri Letter No. DCO/1131/2018 dated September 12, 2018.
3. Following up the effective position of Mr. Agus Dwi Handaya as Director of Compliance, then Bank Mandiri has submitted information on the Director of Compliance's changes to the Financial Service Authority through Letter No. HBK.CSC/CMA.1962/2018 dated September 12, 2018.

**Status:** Realized

## Implementation of Annual GMS 2017 and Its Realization

The steps of conducting the Company's Annual General Meeting of Shareholders in 2017 are depicted in the following table.

**Table of Implementation of the 2017 Annual GMS**

No.	Activities	Date	Remarks
1.	<b>GMS Notification to Financial services Authority</b>	January 24, 2017	It was informed to Financial Service Authority by the means of Letter No. CEO/005/2017 dated January 24, 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. of Fiscal Year 2016 and was informed to the Ministry of State-Owned Enterprises by means of Letter No. CEO/004/2017 dated January 24, 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. in 2017.
2.	<b>GMS Announcement to Shareholders</b>	February 3, 2017	Conducted through information disclosure at: 1. Bisnis Indonesia and The Jakarta Post Newspapers 2. Bank Mandiri Website 3. Indonesian Stock Exchange Website.  Evidence of GMS announcement has been reported by the Company to the Financial Service Authority and Indonesia Stock Exchange on the same day through Letter No. CEO.CSC/CMA.273/2017 and No.CEO.CSC/CMA.272/2017 both are dated 3 February 2017 and reported through the Electronic Reporting System of Financial Service Authority and the Indonesia Stock Exchange.
3.	<b>GMS Summons to Shareholders</b>	February 20, 2017	Conducted through information disclosure at: 1. Bisnis Indonesia and The Jakarta Post Newspapers 2. Bank Mandiri Website 3. Indonesian Stock Exchange Website.  Evidence of GMS calling has been reported by the Company to the Financial Service Authority and Indonesia Stock Exchange on the same day through Letter No. CEO.CSC/CMA.392/2017 dated February 20, 2017 and No. CEO.CSC/CMA.393/2017 dated February 20, 2017, as well as reported through the Electronic Reporting System of Financial Service Authority and Indonesia Stock Exchange.
4.	<b>Holding of GMS</b>	March 14, 2017	The GMS is chaired by the President Commissioner of Bank Mandiri in accordance with the appointment at the Board of Commissioners' Meeting on February 22, 2017.  Mr. Askolani and Mr. Ardan Adiperdana as the Commissioners of the Company were unable to attend and their absence was officially conveyed to the Company.



No.	Activities	Date	Remarks
			<p>Shareholders and/or power of attorney attended at the GMS, all of which have 20,093,735,413 shares including Series A Dwiwarna A shares or 86.116% of the total shares.</p> <p>The Company provides the GMS Rules of Conduct to all shareholders present in the form of pocket books as well as the points of order referred to before the GMS started.</p> <p>Shareholders are given the opportunity to raise questions in accordance with the agenda of the Meeting in each agenda item discussed at the Annual GMS;</p> <p>Voting is carried out verbally where shareholders who vote in disagreement or abstain are asked to submit their voting cards. Specifically for meeting agenda concerning certain people, voting is carried out with a closed letter that is not signed and all shareholders present present the voting card.</p> <p>The Company has appointed two independent parties namely Notary Ashoya Ratam and PT Datindo Entrycom in calculating and/or validating the vote.</p>
5.	<b>Announcement of GMS Result</b>	March 15, 2017	The results of the GMS have been announced and uploaded on the Site Bank Mandiri Website in Indonesian and Language English.
		March 16, 2017	<p>Conducted through information disclosure at:</p> <ol style="list-style-type: none"> <li>1. Bisnis Indonesia and The Jakarta Post Newspapers</li> <li>2. Bank Mandiri Website</li> <li>3. Indonesian Stock Exchange Website.</li> </ol> <p>Evidence of GMS announcement has been reported by the Company to the Financial Service Authority and Indonesia Stock Exchange on the same day through Letter No. CEO.CSC/CMA.624/2017 and Letter No. CEO.CSC/CMA.625/2017 both are dated March 16, 2017 and reported through the Electronic Reporting System of Financial Service Authority and Indonesia Stock Exchange.</p>
6.	<b>Submission of GMS Minutes</b>	April 13, 2017	Submission of GMS Minute to Financial Services Authority has taken into account the deadline for submission in accordance with Financial Services Authority Regulation No. 32/POJK.04/2014 and submitted through Letter No. CEO.CSC/CMA.855/2017 dated April 13, 2017, as well as uploaded to Bank Mandiri's Website at the same day.

### Independent Vote-Counting Agency

Bank Mandiri has appointed independent parties namely Notary Ashoya Ratam and PT Datindo Entrycom in calculating and/or validating votes.

### Presence Recapitulation In Annual GMS 2017

The 2017 Annual GMS was attended by the Board Commissioner, Board of Directors and Audit Committee of Bank Mandiri is as follows:

**Table of Presence Recapitulation in Annual GMS 2017**

No.	Name	Position	Attending	Not Attending	Remarks
1.	Wimboh Santoso	President Commissioner	✓		
2.	Imam Apriyanto Putro	Deputy President Commissioner	✓		
3.	Abdul Aziz	Independent Commissioner	✓		
4.	Aviliani	Independent Commissioner	✓		



No.	Name	Position	Attending	Not Attending	Remarks
5.	Askolani	Commissioner		√	Performing duties assigned by Minister of Finance of the Republic of Indonesia
6.	Goei Siau Hong	Independent Commissioner	√		
7.	Bangun Sarwito Kusmulyono	Independent Commissioner	√		
8.	Ardan Adiperdana	Commissioner		√	Attending Limited Meeting
9.	Kartika Wirjoatmodjo	President Director	√		
10.	Sulaiman A. Arianto	Deputy Director	√		
11.	Ogi Prastomiyono	Director of Operations	√		
12.	Pahala N. Mansury	Director of Finance & Treasury	√		
13.	Royke Tumilaar	Director of Corporate Banking	√		
14.	Hery Gunardi	Director of Distributions	√		
15.	Ahmad Siddik Badruddin	Director of Risk Management & Compliance	√		
16.	Tardi	Director of Retail Banking	√		
17.	Kartini Sally	Director of Kelembagaan	√		
18.	Rico Usthavia Frans	Director of Digital Banking & Technology	√		
19.	Budi Sulistio	Member of Audit Committee	√		
20.	Lista Irna	Member of Audit Committee	√		

## Resolutions of Annual GMS 2017

### First Meeting Agenda

Approval to Annual Report and Validation of Financial Statement of Company Consolidation, Approval to Supervisory Report of the Board of Commissioners, Validation of Annual Report on the Implementation of Partnership and Environmental Development Program for fiscal year which expires in December 31, 2016, including submission of Accountability Report on the expenditure of fund obtained from Public Offering of Continuous Bonds I by Bank Mandiri Phase I in 2016, as well as amortization and release from full responsibility (*volledig acquit et de charge*) to the Board of Directors and Board of Commissioners of the Company for the actions of management and supervisor performed in a Fiscal Year which expires on December 31, 2016.

**Minutes of Meeting state that number of Shareholders who submitted Questions and/or provided opinions are 3 persons**

#### Voting Result

Agree : 99.561% Including one share of Dwiwarna A series  
Disagree : 0.078%  
Abstain : 0.362%

#### Resolutions

- Approving the Company's Annual Report, including Report of Supervisory Duty of the Board of Commissioners for a Fiscal Year which expired on December 31, 2016, and validating Financial Statement of the Consolidated Company for a Fiscal Year which expired on December 31, 2016, that has been audited by a Public Accounting Firm Purwantono, Sungkoro, and Surja with an audit opinion that is without modification. Validating Annual Report of the Partnership and Environmental Development Program for the Fiscal Year which expired on December 31, 2016 and has been audited by a Public Accounting Firm Purwantono, Sungkoro, and Surja with an audit opinion that is without modification.
- Accepting Accountability Report on the expenditure of fund obtained from Public Offering of Continuous Bonds I by Bank Mandiri Phase I in 2016 of IDR5,000,000,000,000 (five trillion rupiah).
- Upon the approval of the Company's Annual Report, including Report of the Duties of the Board of Commissioners for the Fiscal Year which expired on December 31, 2016, the report on the expenditure realization of fund obtained from Public Offering of Continuous Bonds I by Bank Mandiri Phase II in 2016 of IDR5,000,000,000,000 (five trillion rupiah), the validation of Financial Statement of Consolidated Company for a Fiscal Year which expired on December 31, 2016, as well as the Annual Report of Partnership and Environmental Development Program for the Fiscal Year which expired on December 31, 2016, thus the Meeting provided amortization and release from full responsibility (*volledig acquit et de charge*) to the entire members of the Board of Directors and Board of Commissioners of the Company for the acts of management and supervision performed in the Fiscal Year which expired on December 31, 2016, provided that the act is not a criminal act and is reflected in the Annual Report, Financial Statement of Consolidated Company, as well as Annual Report of Partnership and Environmental Development Program for a Fiscal Year which expired on December 31, 2016.
- The amortization and release from full responsibility were also granted to:
  - Mr. Suwono who served as Company's Commissioner as of January 1, 2016 to March 29, 2016.
  - Mr. Budi Gunadi Sadikin who served as Company's President Director as of January 1, 2016 to March 21, 2016.
  - Mr. Sentot Achmad Sentaosa who served as Company's Director as of January 1, 2016 to March 21, 2016.

#### Follow-up Actions

Submitted to Financial Service Authority and Indonesia Stock exchange with the following information:

- Financial Statement Submission
  - Submitted to Financial Service Authority by Letter No. HBK.CSC/CMA.342/2017 dated February 16, 2017.
  - Submitted to Indonesia Stock Exchange by Letter No. HBK.CSC/CMA.341/2017 dated February 16, 2017.
  - Submission of reports is also carried out through the Electronic Reporting System of Financial Service Authority and the Indonesia Stock Exchange.

2. Annual Report Submission
  - Submitted to Financial Service Authority by Letter No. CEO.CSC/CMA.387/2017 dated February 20, 2017 and the report was sent to the Indonesia Stock Exchange.
  - Submission of reports is also carried out through the Electronic Reporting System of Financial Service Authority and the Indonesia Stock Exchange.
3. Accepting Accountability Report on the expenditure of fund obtained from Public Offering of Continuous Bonds I by Bank Mandiri Phase I in 2016
  - It was submitted to Financial service Authority by Letter No. CBG/1103/2016 dated December 22, 2016.

**Status:** Realized

#### Second Meeting Agenda

Approval to of the expenditure of the Company's net profit for the fiscal year which expired on December 31, 2016.

**Minutes of Meeting state that there are no Shareholders who submitted questions and/or provided opinions.**

#### Voting Result

Agree : 99.306% Including one series A Dwiwarna share  
 Disagree : 0.359%  
 Abstain : 0.335%

#### Resolutions

To approve and determine the expenditure of the Company's Net Profit for the Fiscal Year which expired on December 31, 2016 of Rp13,806,565,442,570.80 (thirteen trillion eight hundred and six billion five hundred and sixty five million four hundred and forty two thousand five hundred and seventy rupiah and eighty cent) as follows:

1. 30% of the Company's net profit, or IDR4,141,969,632,771.24 (four trillion one hundred and forty one billion nine hundred and sixty nine million six hundred and thirty-wo thousand seven hundred and seventy one rupiah and twenty four cent), and is added by special addition dividend of 15% or IDR2,070,984,816,385.62 (two trillion seventy billion nine hundred and eighty four million eight hundred and sixteen thousand three hundred and eighty five rupiah and sixty two cent), is distributed as cash dividend to the shareholders, and dividend particularly for the Government/Republic of Indonesia shall be paid pursuant to the laws and regulations, hence the percentage of distributed dividend is 45% of the Company's net profit.
2. To grant power and authority to the Board of Directors to regulate the procedure and implementation of cash dividend payment, and further to announce it pursuant to the applicable provision with the distribution allocation as follows:
  - Government/Republic of Indonesia Shareholder: 60%
  - Public Shareholders: 40%
3. 55% of the Company's net profit or IDR7,593,610,993,413.94 (seven trillion five hundred and ninety three billion six hundred and ten million nine hundred and ninety three thousand four hundred thirteen rupiah and ninety four cent) is determined as Undistributed Profit.

#### Follow-up Actions

Bank Mandiri has announced the Schedule and Procedure of Cash Dividend Distribution for the Fiscal Year 2016 on March 16, 2017, and has paid cash dividend to the shareholders on April 13, 2017.

**Status:** Realized

#### Third Meeting Agenda

Appointment of a Public Accounting Firm to audit the Company's Financial Statement and Annual Report on the Implementation of Partnership and Environmental Development Program for the Fiscal Year which expired on December 31, 2017.

**Minutes of Meeting state that there are no Shareholders who submitted questions and/or provided opinions.**

#### Voting Result

Agree : 99.632% Including one series A Dwiwarna A share  
 Disagree : 3.221%  
 Abstain : 1.147%

#### Resolutions

1. Appointment of Public Accounting Firm Purwantono, Sungkoro & Surja as the Firm to audit the Financial Statement of Consolidated Company and Annual Report on the Implementation of Partnership and Environmental Development Program for the Fiscal Year which expired on December 31, 2017.
2. Grant of authority to the Board of Commissioners to determine the honorarium and other requirements for the Public Accounting Firm, and to determine Substitute Public Accounting Firm in the event that Public Accounting Firm Purwantono, Sungkoro & Surja, by any means cannot complete the audit of the Financial Statement of Consolidated Company and Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year which expired on December 31, 2017.

#### Follow-up Actions

Public Accounting Firm Purwantono, Sungkoro & Surja (member of Ernst and Young) have completed auditing the Company on January 31, 2018 with an audit opinion as *without modification*.

**Status:** Realized

#### Fourth Meeting Agenda

Determination of salary of Board of Directors, honorarium of Board of Commissioners, tantiem, as well as determination of other allowance, facility, and benefit for all members of Board of Directors and members of Board of Commissioner of the Company.

**Minutes of Meeting state that number of Shareholders who submitted questions and/or provided opinions are 2 persons**

#### Voting Result

Agree : 94.979% Including one series A Dwiwarna A share  
 Disagree : 4.231%  
 Abstain : 0.791%



### Resolutions

To grant authority to Board of Commissioner of the Company, by firstly obtaining approval from the Holders of Series A Dwiwarna Shares, to determine the salary of members of Board of Directors and honorarium of members of Board of Commissioners, to provide other facility, benefit, and/or allowance for fiscal year 2017, including to determine the method, mechanism, and the extent of performance-based long term incentive program, as well as *tantiem* for the performance of members of Board of Directors and Board of Commissioners for fiscal year which expired on December 31, 2016, pursuant to the Regulation of Minister of State-owned Enterprise Number PER-04/MBU/2014, as last amended by Regulation of Minister of State-owned Enterprise Number PER-02/MBU/06/2016 dated June 20, 2016 on the Guideline for Determination of Income for Board of Directors, Board of Commissioners, and Board of Supervisor of State-owned Enterprise.

### Follow-up Actions

Shareholders have provided authority to the Board of Commissioners by firstly obtaining approval from Holders of Series A Dwiwarna Share to determine the amount of *tantiem* for Fiscal Year 2016, to determine salary/honorarium, allowance, and facility to Board of Directors and members of Board of Commissioner for 2017. Provision of *tantiem* is pursuant to Regulation of Minister of State-owned Enterprises Number PER-01/MBU/06/2017 dated June 20, 2017, Letter of Ministry of State-owned Enterprises Number S-17/D5.MBU/06/2017 dated June 21, 2017, and Letter of Board of Commissioner Number KOM/070/2017 dated June 22, 2017.

**Status:** Realized

### Fifth Meeting Agenda

Confirmation on the enforcement of Regulation of the Minister of State-owned Enterprises Number PER-03/MBU/12/2016 on the Amendment to the SOE Minister Regulation No. PER-09/MBU/07/2015 concerning the Partnership and Environmental Development Programs of State-owned Enterprise dated December 16, 2016.

**Minutes of Meeting state that there are no Shareholders who submit Questions and/or provide opinions.**

### Voting Result

Agree : 99,349% Includes one share of A Dwiwarna series  
Disagree : 0%  
Abstain : 0.651%

### Resolutions

Confirming the enforcement of SOE Minister Regulation No. PER-3/MBU/12/2016 on the Amendment to the Regulation of the Minister of BUMN Number Per-09/MBU/07/2015 on the Partnership and Environmental Development Programs of State-owned Enterprise on the activity of Partnership and Environmental Development Programs of a Company.

### Follow-up Actions

SOE Minister Regulation No. PER-3/MBU/12/2016 regarding the Amendment to the SOE Minister Regulation No. Per-09/MBU/07/2015 on the Partnership and Environmental Development Programs of State-owned Enterprise has been applied on Bank Mandiri's Partnership and Environmental Development Programs as specified in Standard of Guideline for Partnership and Environmental Development Programs.

**Status:** Realized

### Sixth Meeting Agenda

Approval to the Amendment to the Company's Articles of Association.

**Minutes of Meeting state that there are no Shareholders who submit questions and/or provide opinions.**

### Voting Result

Agree : 75,908% Includes one series A Dwiwarna share  
Disagree : 23.194%  
Abstain : 0.898%

### Resolutions

1. Approving the amendment to the Company's Articles of Association, under the program of Ministry of BUMN to perform standardization to open Articles of Association of State-owned Enterprise.
2. Approving to reformulate all provisions in the Articles of Association regarding the amendment as specified in point 1 (one) of the resolution above.
3. Granting power and authority to the Board of Directors, together with rights to substitute to perform any necessary actions related to the resolution of this Meeting Agenda, including to formulate and restate the entire Articles of Association in a Notarial Deed, to inform the authorized institution to obtain approval and/or receipt of information on the Amendment to the Articles of Association, to perform any actions considered necessary and beneficial for such necessity by not excluding anything, as well as to perform addition and/or amendment to the Articles of Association as required by authorized institution.

### Follow-up Actions

Bank Mandiri's Articles of Association have been amended as specified in the Deed No. 15 dated 12 April 2017 that has been approved by the Minister of Law and Human Rights of the Republic of Indonesia dated 12 May 2017 Number AHU-0010609.AH.01.02.TAHUN 2017 and information on the amendment to the Articles of Association has been received the Minister of Law and Human Rights of the Republic of Indonesia pursuant to a letter dated 12 May 2017 Number AHU-AH.01.03-0135829.

**Status:** Realized

### Seventh Meeting Agenda

Amendment to the Company's Management.

**Minutes of Meeting stated that the number of Shareholders who submitted a question was 1 person and 1 person expressing opinion/input**

### Voting Result

Agree : 82,305% Includes one series A Dwiwarna share  
Disagree : 15.500%  
Abstain : 2.195%

**Resolutions**

1. Confirming the dismissal of Mr. Suwhono as member of Board of Commissioner of the company takes place as of his appointment as President Director of PT BERDIKARI (Persero) based on the Decree of Minister of State-owned Enterprises No.SK-69/MBU/03/2016 dated March 29, 2016, together with an expression of gratitude for his physical and intellectual contribution during his tenure as member of Board of Commissioners.
2. Honorably dismissing the following names from the members of Board of Commissioners of the Company:
  - a. Mrs. Aviliani from the position of Independent Commissioner
  - b. Mr. Abdul Aziz from the position of Independent Commissioner
 The dismissal of members of the Board of Commissioners takes place as of the closing of Meeting, together with an expression of gratitude for their physical and intellectual contribution during their tenure as members of the Board of Commissioners of the Company.
3. Appointing the names below as the members of Board of Commissioners of the Company:
  - a. Mrs. Destry Damayanti as Independent Commissioner
  - b. Mr. Makmur Keliat as Independent Commissioner

The appointment of the members of Board of Commissioner is effective after obtaining approval from financial Service Authority for Fit and Proper Test and complying with the applicable laws and regulations.

Tenure expiration of the appointed members of Board of Commissioners happens concurrently with the closing of the Company 5th Annual GMS since the appointment of the relevant members, which is the Annual GMS that will be held in 2022, by observing the laws and regulations in the field of Capital Market and without prejudice to the rights of Company GMS to dismiss them at any time.

4. With the dismissal and appointment of the members of Board of Directors of the Company, the compositions of members of Board of Directors and Board of Commissioners of the Company are as follows:

**BOARD OF DIRECTORS**

President Director	: Mr. Kartika Wirjoatmodjo;
Deputy President Director	: Mr. Sulaiman A. Arianto;
Director	: Mr. Ogi Prastomiyono;
Director	: Mr. Pahala Nugraha Mansury;
Director	: Mr. Royke Tumilaar;
Director	: Mr. Hery Gunardi;
Director	: Mr. Ahmad Siddik Badruddin;
Director	: Mr. Tardi;
Director	: Mrs. Kartini Sally;
Director	: Mr. Rico Usthavia Frans;

**BOARD OF COMMISSIONERS**

President Commissioner	: Mr. Wimboh Santoso;
Deputy President Commissioner	: Mr. Imam Apriyanto Putro;
Independent Commissioner	: Mr. Goei Siau Hong
Independent Commissioner	: Mr. Bangun S. Kusmulyono;
Commissioner	: Mr. Askolani;
Commissioner	: Mr. Ardan Adiperdana;
Independent Commissioner	: Mrs. Destry Damayanti;
Independent Commissioner	: Mr. Makmur Keliat.

5. Granting authority to the Board of Directors, together with substitution rights to perform any necessary actions related to the resolution of this meeting agenda pursuant to the applicable laws and regulations, including to state in a specific Notarial Deed and to inform the amendment to the composition of members of Board of Commissioners to the Ministry of Law and Human Rights, and to inquire Financial Services Authority to perform Fit and Proper Test to member candidates of Board of Commissioners of the Company pursuant to the applicable laws and regulations.

**Follow-up Actions**

1. Expiration of Mr. Suwhono's tenure from members of Board of Commissioner of the Company has been confirmed in Annual GMS.
2. The tenures of Mrs. Aviliani and Mr. Abdul Aziz as Independent Commissioners have expired on March 14, 2017.
3. Nomination of Mrs. Destry Damayanti as members of Board of Commissioner of Bank Mandiri is not effective, because she stated to maintain her position as member of Board of Commissioner of Deposit Insurance Corporation.
4. Mr. Makmur Keliat has obtained approval from OJK regarding the result of Fit and Proper Test as specified in Letter of OJK No. SR-158/PB.12/2017 dated September 22, 2017, and the appointment concerned as an Independent Commissioner is declared effective starting from September 25, 2017 as stated in Bank Mandiri Letter No. OPS/1237/2017 dated September 25, 2017.

**Status:** Realized





## Implementation and Realization of Extraordinary GMS Year 2017

The steps of implementing the Company's Annual General Meeting of Shareholders in 2017 are described in the following table.

**Table of Extraordinary GMS Implementation Year 2017**

No.	Activities	Date	Remarks
1	<b>GMS Notification to Financial Services Authority</b>	July 5, 2017	It was informed to Financial Services Authority by the means of Letter No. CEO/111/2017 dated July 5, 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. of Fiscal Year 2017 and was informed to the Ministry of State-owned Enterprises by means of Letter No. CEO/112/2017 dated July 5, 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. in 2017.
2	<b>GMS Announcement to Shareholders</b>	July 13, 2017	<p>Conducted through information disclosure at:</p> <ol style="list-style-type: none"> <li>1. Bisnis Indonesia and The Jakarta Post Newspapers.</li> <li>2. Bank Mandiri Website</li> <li>3. Indonesian Stock Exchange Website.</li> </ol> <p>Evidence of the GMS announcement has reported by the Company to Financial Services Authority and Indonesia Stock Exchange through Letter No. No.CEO.CSC/CMA.1651/2017 and No. CEO.CSC/CMA.1652/2017, both of which were dated July 14, 2017 and reported through the Electronic Reporting System of Financial Services Authority and Indonesia Stock Exchange.</p>
3	<b>GMS Summons to Shareholders</b>	July 28, 2017	<p>Conducted through information disclosure at:</p> <ol style="list-style-type: none"> <li>1. Bisnis Indonesia and The Jakarta Post Newspapers.</li> <li>2. Bank Mandiri Website.</li> <li>3. Indonesian Stock Exchange Website.</li> </ol> <p>Evidence of the GMS summons has reported by the Company to Financial Services Authority and Indonesia Stock Exchange through Letter No. CEO.CSC/CMA.1815/2017 and No. CEO.CSC/CMA.1816/2017, both of which were dated July 28, 2017 and reported through the Electronic Reporting System of Financial Services Authority and Indonesia Stock Exchange.</p>
4	<b>Holding of GMS</b>	August 21, 2017	<p>The GMS is chaired by the President Commissioner of Bank Mandiri in accordance with the appointment at the Board of Commissioners' Meeting on July 26, 2017.</p> <p><b>The GMS was attended by all members of the Board of Commissioners and members of the Board of Directors.</b></p> <p>Shareholders and/or power of attorney attended the GMS who have 20,333,348,446 shares including Series A Dwiwarna shares or 87.143% of the total shares.</p> <p>The Company provides the GMS Rules of Conduct to all shareholders who attended in the form of pocket books as well as the points of order referred to before the GMS started.</p> <p>Shareholders were given the opportunity to raise questions in accordance with the agenda of the Meeting in each agenda item discussed at the Annual GMS;</p> <p>Voting was carried out verbally where shareholders who vote in disagreement or abstain are asked to submit their voting cards. Specifically for meeting agenda concerning certain people, voting was carried out with a closed letter that is not signed and all shareholders who attended present the voting card.</p> <p>The Company has appointed two independent parties namely Notary Ashoya Ratam and PT Datindo Entrycom in calculating and/or validating the vote.</p>

No.	Activities	Date	Remarks
5	<b>Announcement of GMS Result</b>	August 22, 2017	The results of the GMS have been announced and uploaded on the Bank Mandiri Website in Indonesian and English.
		August 23, 2017	Conducted through information disclosure at: 1. Bisnis Indonesia and The Jakarta Post Newspapers. 2. Bank Mandiri Website. 3. Indonesian Stock Exchange Website.
			Evidence of the GMS announcement has reported by the Company to Financial Services Authority and Indonesia Stock Exchange through Letter No. CEO.CSC/CMA.2110/2017 and No. CEO.CSC/CMA.2111/2017, both of which were dated August 23, 2017 and reported through the Electronic Reporting System of Financial Services Authority and Indonesia Stock Exchange.
6	<b>Submission of GMS Minutes</b>	September 20, 2017	Submission of GMS Minutes to Financial Services Authority has taken into account the deadline for submission in accordance with Financial Services Authority Regulation No. 32/POJK.04/2014 and submitted through Letter No. CEO.CSC/CMA.2401/2017 dated September 20, 2017 as well as uploaded to Bank Mandiri's Website at the same day.

### Independent Vote-Counting Agency

Bank Mandiri has appointed independent parties namely Notary Ashoya Ratam and PT Datindo Entrycom in calculating and/or validating votes.

### Presence Recapitulation In Extraordinary GMS 2017

The 2017 Extraordinary GMS was attended by the entire Board Commissioner, Board of Directors and Audit Committee of Bank Mandiri is as follows:

#### Table of Presence Recapitulation in Extraordinary GMS Year 2017

No.	Name	Position	Attendance
1.	Imam Apriyanto Putro	Deputy President Commissioner	Attending
2.	Bangun Sarwito Kusmulyono	Independent Commissioner	Attending
3.	Goei Siau Hong	Independent Commissioner	Attending
4.	Askolani	Commissioner	Attending
5.	Ardan Adiperdana	Commissioner	Attending
6.	Makmur Keliat <sup>*)</sup>	Independent Commissioner	Attending
7.	Kartika Wirjoatmodjo	President Director	Attending
8.	Sulaiman A. Arianto	Deputy Director	Attending
9.	Ogi Prastomiyono	Director of Operations	Attending
10.	Royke Tumulaar	Director of Wholesale Banking	Attending
11.	Hery Gunardi	Director of Distributions	Attending
12.	Tardi	Director of Retail Banking	Attending
13.	Ahmad Siddik Badruddin	Director of Risk Management & Compliance	Attending
14.	Kartini Sally	Director of Government and Institutional	Attending
15.	Rico Usthavia Frans	Director of Digital Banking & Technology	Attending
16.	Budi Sulistio	Member of Audit Committee	Attending
17.	Lista Irna	Member of Audit Committee	Attending

<sup>\*)</sup> The appointment of the members of Board of Directors and Board of Commissioners is effective after obtaining approval from financial Service Authority for Fit and Proper Test and complying with the applicable laws and regulations.



## Resolutions of Extraordinary GMS Year 2017

### First Meeting Agenda

To approve Stock Split of the Company from IDR500,00 (five hundred rupiah) per share into IDR250,00 (two hundred and fifty rupiah) per share and Amendment to the Articles of Association related to the stock split.

**Minutes of Meeting stated that the number of Shareholders who submitted a question and expressing opinion/input was 1 person**

#### Voting Result

Agree : 99,989% Includes one series A Dwiwarna A share  
Disagree : 0%  
Abstain : 0.011%

#### Resolutions

- Approving the implementation of Stock Split of the Company, namely:
  - Series A Dwiwarna Share into 2 (two) shares with new values as follows:
    - 1 (one) Series A Dwiwarna Share is maintained as Series A Dwiwarna Share owned by the Republic of Indonesia with the value of IDR250,00 (two hundred and fifty rupiah) per share; and
    - 1 (one) Series A Dwiwarna Share shall be 1 (one) Series B Share owned by The Republic of Indonesia with the the value of IDR250,00 (two hundred and fifty rupiah) per share.
  - Series B Share from Rp500,00 (five hundred rupiah) per share into IDR250,00 (two hundred and fifty rupiah) per share.
- Approving the amendment to the Company's Articles of Association regarding Stock Split.
- Approving to grant power and authority to the Board of Directors of the Company, together with the rights to substitution for:
  - Performing any necessary act in implementing Stock Split based on the applicable laws and regulation, including but not limited to, determining the procedure and schedule of Stock Split.
  - Restating the resolution regarding Stock Split, as well as reformulating all provisions of the Company's Articles of Association in a Notarial Deed, informing the authorized institution to obtain approval and/or receipt letter of information regarding the Amendment to the Company's Articles of Association, performing any actions considered necessary and beneficial for such necessity by not excluding anything, as well as performing addition and/or amendment to the Articles of Association as required by authorized institution.

#### Follow-up Actions

Bank Mandiri has implemented a stock split with a ratio of 1:2, from IDR500.00 (five hundred rupiahs) per share to IDR250.00 (two hundred fifty rupiah) per share which is effective on September 13, 2017 . Moreover, the Amendment to the Articles of Association regarding the Stock Split has been stated in the Deed of Extraordinary GMS Resolutions No. 36 dated August 24, 2017 that was made in the presence of Ashoya Ratam SH, Mkn, a Notary in South Jakarta, in relation to the implementation of stock split. The Amendment was informed to the Minister of Justice and Human Rights of the Republic of Indonesia as specified in Letter No. AHU-AH.01.03-0166888 on the Receipt of Information on the Amendment to the Articles of Association of the Company PT Bank Mandiri (Persero) Tbk., dated August 29, 2017, and was also listed in Company Register No. AHU-0107350.AH.01.11.Year 2017, dated August 29, 2017.

**Status:** Realized

### Second Meeting Agenda

Amendment to the Company's Management

**Minutes of Meeting state that there are no Shareholders who submit questions and/or provide opinions.**

#### Voting Result

Agree : 73,396% Includes one series A Dwiwarna share  
Disagree : 21.420%  
Abstain : 5.184%

#### Resolutions

- Annulling the resolutions of Annual GMS of the Company that was held on March 14, 2017 regarding the appointment of Mrs. Destry Damayanti as Independent Commissioner.
- Confirming the dismissal of Mr. Wimboh Santoso from the position of President Commissioner as of the appointment of the person concerned as Head of the Board of Commissioner of Financial Services Authority dated July 20, 2017, together with an expression of gratitude for his physical and intellectual contribution during his tenure as President Commissioner.
- Appointment of the below names as members of Board of Commissioners:
  - Mr. Hartadi Agus Sarwono as President Commissioner/Independent Commissioner:
  - Mr. R. Widyo Pramono as Commissioner.

Tenure expiration of the appointed members of Board of Commissioners happens concurrently with the closing of the 5th Annual GMS since the appointment of the relevant members, which is the Annual RUPS that will be held in 2022, by observing the laws and regulations in the field of capital market and without prejudice to GMS rights to dismiss them at any time.
- To confirm the dismissal of Mr. Pahala Nugraha Mansury from the position of Director as of his appointment as the President Director of PT Garuda Indonesia (Persero) Tbk, on April 12, 2017, together with an expression of gratitude for his physical and intellectual contribution during his tenure as member of Board of Directors.

## 5. The nomenclature amendment to the composition of members of Board of Directors are as follows:

Previous	Current
President Director	President Director
Deputy President Director	Deputy President Director
Director	Director of Wholesale Banking
Director	Director of Kelembagaan
Director	Director of Treasury
Director	Director of Retail Banking
Director	Director of Distributions
Director	Director of Operations
Director	Director of Digital Banking & Technology
Director	Director of Risk Management & Compliance

## 6. Altering the position of members of Board of Directors into the following:

- Mr. Royke Tumilaar from Director into Director of Wholesale Banking;
- Mrs. Kartini Sally from Director into Director of Kelembagaan.
- Mr. Tardi from Director into Director of Retail Banking;
- Mr. Hery Gunardi from Director into Director of Distributions;
- Mr. Ogi Prastomiyono from Director into Director of Operations;
- Mr. Rico Usthavia Frans from Director into Director of Digital Banking & Technology;
- Mr. Ahmad Siddik Badruddin from Director into Director of Risk Management & Compliance.

by continuing the remaining tenure.

## 7. Appointing Mr. Darmawan Junaidi as Director of Treasury.

Tenure expiration of the appointed members of Board of Commissioners happens concurrently with the closing of the 5<sup>th</sup> Annual GMS since the appointment of the relevant members, which is the Annual RUPS that will be held in 2022, by observing the laws and regulations in the field of Capital Market and without prejudice to GMS rights to dismiss them at any time.

With such cancellation, dismissal, and appointment of members of Board of Directors and Board of Commissioners of the Company, the composition of members of Board of Directors and Board of Commissioners are as follows:

**BOARD OF DIRECTORS**

President Director	: Mr. Kartika Wirjoatmodjo;
Deputy President Director	: Mr. Sulaiman Arif Arianto;
Director of Operations	: Mr. Ogi Prastomiyono;
Director of Distributions	: Mr. Hery Gunardi;
Director of Retail Banking	: Mr. Tardi;
Director of Risk Management & Compliance	: Mr. Ahmad Siddik Badruddin;
Director of Kelembagaan	: Mrs. Kartini Sally;
Director of Commercial Banking	: Mr. Royke Tumilaar;
Director of Digital Banking & Technology	: Mr. Rico Usthavia Frans;
Director of Treasury	: Mr. Darmawan Junaidi*);

**BOARD OF COMMISSIONERS**

President Commissioner/holding concurrent position	: Hartadi Agus Sarwono <sup>*)</sup>
Independent Commissioner	
Deputy President Commissioner	: Mr. Imam Apriyanto Putro;
Independent Commissioner	: Mr. Goei Siau Hong;
Independent Commissioner	: Mr. B.S. Kusmulyono;
Commissioner	: Mr. Askolani;
Commissioner	: Mr. Ardan Adiperdana;
Independent Commissioner	: Mr. Makmur Keliat*);
Commissioner	: Mr. R. Widyo Pramono*);

\*) The appointment of the members of Board of Directors and Board of Commissioners is effective after obtaining approval from financial Service Authority for Fit and Proper Test and complying with the applicable laws and regulations.

With tenures:

Member of the Board of Directors:

- Mr. Ogi Prastomiyono; and  
-Mr. Hery Gunardi;  
up to the closing of the Company's Annual GMS that shall be held in 2018.
- Mr. Kartika Wirjoatmodjo;  
-Mr. Sulaiman Arif Arianto;  
-Mrs. Kartini Sally;  
-Mr. Ahmad Siddik Badruddin; and  
-Mr. Tardi;  
up to the closing of the Company's Annual GMS that shall be held in 2020.
- Mr. Royke Tumilaar;  
-Mr. Rico Usthavia Frans;  
up to the closing of the Company's Annual GMS that shall be held in 2021.
- Mr. Darmawan Junaidi;  
up to the closing of the Company's Annual GMS that shall be held in 2022;



#### Member of the Board of Commissioners:

- a. Mr. Askolani;  
up to the closing of the Company's Annual GMS that shall be held in 2019;
- b. -Mr. Imam Apriyanto Putro;  
-Mr. Goei Siauw Hong; and  
-Mr. B.S. Kusmulyono;  
up to the closing of the Company's Annual GMS that shall be held in 2020;
- c. Mr. Ardan Adiperdana  
up to the closing of the Company's Annual GMS that shall be held in 2021;
- d. -Mr. Makmur Keliat.  
-Mr. Hartadi Agus Sarwono; and  
-Mr. R. Widyono Pramono;  
up to the closing of the Company's Annual GMS that shall be held in 2022;

Granting authority to the Board of Directors of the Company, together with substitution rights to perform any necessary actions related to the resolution of this Meeting Agenda pursuant to the applicable laws and regulations, including to restate in a specific Notarial Deed and to inform the amendment to the composition of members of Board of Directors and Board of Commissioners of the Company to the Ministry of Law and Human Rights of the Republic of Indonesia, and to inquire Financial Services Authority to perform fit and proper test to member candidates of Board of Directors and Board of Commissioners of the Company pursuant to the applicable provisions.

#### Follow-up Actions

1. Nomination of Mrs. Destry Damayanti as members of Board of Commissioners of the Company has been annulled in Extraordinary GMS.
2. Dismissal of the tenure of Mr. Wimboh Santoso as President Commissioner has been confirmed in Extraordinary GMS.
3. Mr. Hartadi Agus Sarwono has obtained approval from Financial Services Authority regarding the result of Fit and Proper Test as specified in Letter of OJK No. SR-193/PB.12/2017 dated November 15, 2017, and the appointment concerned as an Independent Commissioner is declared effective starting from November 15, 2017 as stated in Bank Mandiri Letter No. RMC/1412/2017 dated November 15, 2017.
4. Mr. R. Widyono Pramono has obtained approval from OJK regarding the result of Fit and Proper Test as specified in Letter of OJK No. SR-8/PB.12/2018 dated January 12, 2018, and the appointment concerned as an Independent Commissioner is declared effective starting from January 15, 2018 as stated in Bank Mandiri Letter No. RMC/42/2018 dated November 15, 2017.
5. Dismissal of the tenure of Mr. Pahala N. Mansury as the Director has been confirmed in Extraordinary GMS.
6. The nomenclature amendment to the composition of members of Board of Directors have been implemented.
7. The composition of members of Board of Directors have applied the nomenclature.
8. Mr. Darmawan Junaidi has obtained approval from OJK regarding the result of Fit and Proper Test as specified in the Letter of OJK No. SR-7/PB.12/2018 dated January 10, 2018, and the appointment concerned as an Independent Commissioner is declared effective starting from January 12, 2018 as stated in Bank Mandiri Letter No. RMC/37/2017 dated January 12, 2018.
9. Board of Directors of the Company has performed any necessary actions related to the decree of this meeting agenda, pursuant to the applicable laws and regulations.

**Status:** Realized

## Board of Commissioners

Board of Commissioners are the Organ of the Company which serves to conduct supervision generally and/or specifically pursuant to the Articles of Association, to provide advice to the Board of Directors, as well as to ensure that the Company conducts the principles of GCG. Board of Commissioners are responsible to Shareholders in supervising the policy of the Board of Directors on the general operations of the Company, which refer to business plans that are approved by the Board of Commissioners and shareholders, and in ensuring compliance to all applicable laws and regulations.

Every member of the Board of Commissioners must have high integrity, knowledge, capability, and commitment to spare his/her time in performing his/her duties. Thus, the composition of Board of Commissioners of the Company must allow effective, accurate, and quick decision-making. In other words, Board of Commissioners are also demanded to act independently, meaning that there should be no conflict of interest that can disrupt its ability to perform their duties independently and critically, both in their internal relationship and in their relationship with the Board of Directors.

## Duties and Responsibilities of Board of Commissioners

Duties and responsibilities of the Board of Commissioners pursuant to the Charter of the Board of Commissioners are as follows:

1. Duties and responsibilities of the Board of Commissioners include:
  - a. To perform supervision to the management of the Company as performed by the Board of Directors, and to provide advice to the Board of Directors regarding work plan, Company development, implementation of the provisions of the Articles of Association, resolutions of GMS and/or Extraordinary GMS, and the applicable laws and regulations.



- b. To ensure the implementation of Good Corporate Governance in every business activity of the Company, and to perform integrated evaluation to the policy of corporate governance.
- c. To protect the Company's interest by considering the interest of Shareholders and be responsible to GMS.
- d. To research and review Annual Report prepared by the Board of Directors, as well as to execute the Annual Report.
- e. To provide opinion and advice to Annual Work Plan and Budget proposed by the Board of Directors and to validate it pursuant to the provisions in the Articles of Association.
- f. To monitor the development of the Company's activities.
- g. To provide opinion and advice to shareholders regarding matters considered crucial for managing the Company.
- h. To immediately report to GMS when there is an indication of performance decline in the Company, also to provide advice regarding corrective action that must be performed.
- i. To inform the Financial Services Authority no later than 7 (seven) working days as of the findings of (a) violation to the laws and regulations in the field of finance and banking; and (b) condition or estimation of condition that may harm business continuity of the Company.
- j. To propose to GMS regarding the appointment of Public Accountant that shall perform examination to the Company's accounting.
2. In performing its duties to supervise and to provide advice, the Board of Commissioners are responsible:
  - a. To provide opinion and advice to the management regarding the determination of vision, mission, culture, and values of the Company.
  - b. To conduct review and to provide opinion on business strategy applied by the Company.
  - c. To conduct review as well as to provide opinion and advice regarding the system of human resource management.
  - d. To perform assessment as well as to provide opinion and advice regarding the system of risk control.
  - e. To perform assessment as well as to provide opinion and advice regarding Business Plan and its description into Company Annual Work Plan and Budget.
  - f. To provide approval to draft of strategic business decisions or policies which comply to the laws and regulations, Articles of Association, GMS resolution, and prudential banking practices, as well as the commitment to avoid any form of conflict of interest.
  - g. To perform assessment on the reports from both internal and external auditor and to provide advice to the management regarding matters that need to be followed-up.
  - h. To perform periodical supervision and to give advice to the management regarding the implementation of good corporate governance.
  - i. To perform periodical supervision on the implementation of Company Work Plan and Budget and to provide input/approval to the amendment to Company Work Plan and Budget pursuant to the applicable provision.
  - j. To submit supervisory report of the shareholders during Annual GMS and/or Extraordinary GMS.
  - k. To perform supervision on the Company's service quality to the customers and to provide necessary advice to the management.
  - l. To perform assessment, to give opinion and advice regarding the implementation of risk management, which includes matters related to fraud control.
  - m. To formulate work program of the Board of Commissioners which includes program of the Committees to support the Board of Commissioners.
3. Each Commissioner must pay attention to the duties, responsibilities, and limits, including the ones regulated in the laws and regulations.

## Duties and Responsibilities of President Commissioner

Pursuant to the Charter of the Board of Commissioners of Bank Mandiri, the duties and responsibilities of President Commissioner of Bank Mandiri, among others, are as follows:

1. Conducting written summons of Board of Commissioners Meeting that are delivered to all members of Board of Commissioners by specifying the event, date, time, and venue of the meeting.
2. Acting as Head of Meeting in Board of Commissioners Meeting.
3. Ensuring the implementation of Board of Commissioners Meeting and Meeting of Committees of Board of Commissioners, including the orderliness of Meeting Minutes.



4. Accepting reports from Committees under the Board of Commissioners.
5. Coordinating all duties of the Board of Commissioners that should be distributed as equally as possible.

## Obligations of Board of Commissioners

Board of Commissioners are obliged:

1. To validate and supervise the implementation of Company Work Plan and Budget.
2. To supervise the follow-up action from the findings against deviation based on the laws and regulations, articles of association, and prudential banking practices.
3. To follow the development of the Company's activities, and in the event the Company shows signs of setback, if necessary, the Board of Commissioners may hold GMS to report to shareholders and to provide suggestion regarding corrective actions that must be performed.
4. To provide opinion and advice to GMS regarding every matters considered crucial for managing the Company.
5. To perform other supervisory duties as determined by the GMS as well as by the laws and regulations.
6. To nurture anti-fraud culture and concerns on all personnels of the Company.
7. To establish Audit Committee, Nomination Committee, Remuneration Committee, and other committee as required by the laws and regulations.
5. Each Commissioner is entitled to inquire explanation regarding any matters from the Board of Directors and all staff under him/her, and the Board of Directors must provide it.
6. Each Commissioner is entitled to attend meetings held by the Board of Directors or units below it without making any decision.
7. With the highest vote, the Board of Commissioners at any time may temporarily dismiss one or more member of the Board of Directors, when they were proved to act against the Articles of Association or to ignore their obligations, or other urgent reasons for the Company.
8. Such temporary dismissal must be informed in written to the party concerned together with reasons behind the action.
9. Within 90 (ninety) days after the date of the temporary dismissal, the Board of Commissioners is obliged to hold GMS which will decide whether the relevant member of the Board of Directors will be permanently dismissed or be reappointed in its position, where he/she will be provided an opportunity to attend the meeting and defend him/herself.

## Rights and Authorities of The Board of Commissioners

Rights and authorities of the Board of Commissioners are as follows:

1. To make decisions on the acts of the Board of Commissioners as regulated in the Articles of Association of the Company.
2. Each Commissioner, individually or jointly, at any time is entitled to enter the premises or other places that are used or controlled by the Company, and is entitled to examine books, letters of proof, and supplies, as well as to examine and match the position of cash for verification requirement and securities, and to know any actions performed by the Board of Directors.
3. The actions must be performed in their capacity as Board of Commissioners and must be reported in Board of Commissioners meeting regarding such actions.
4. When necessary, Board of Directors are entitled to request expert assistance in performing their duties in a limited time at the Company's expense.
1. Releasing/transferring and/or using the Company's assets with criteria and values exceeding certain amounts stipulated by the Board of Commissioners, taking into account legislation in the capital market and banking sector.
2. Collaborating with business entities or other parties, in the form of joint operations (KSO), business cooperation (KSU), cooperation licensing, Build, Operate and Transfer/BOT, Build, Operate and Own/BOO) and other agreements that have the same nature that are of the same duration or the value exceeds the value determined by the Board of Commissioners.
3. Conducting capital participation, release capital participation including changes in capital

## Decisions That Need to Get Approval of The Board of Commissioners

Decisions that need to be approved by the Board of Commissioners of Bank Mandiri are stipulated in the Boundary Proposal/Criteria for the actions of the Board of Directors who must obtain the Approval of the Board of Commissioners and the Series A Dwiwarna Shareholders. The decisions that need to get approval from the Board of Commissioners include:

structure with certain values set by the Board of Commissioners in other companies, subsidiaries and joint ventures that are not in order to save accounts receivable, with due regard to provisions in the Capital Market sector.

4. Establishing a subsidiary and/or joint venture company with a certain value determined by the Board of Commissioners by taking into account the legislation in the Capital Market sector.
5. Proposing Company representatives to be candidates for members of the Board of Directors and Board of Commissioners in subsidiaries that make a significant contribution to the Company and/or strategic value according to the limits and/or criteria set by the Board of Commissioners.
6. Conducting merger, consolidation, expropriation, separation and dissolution of subsidiaries and joint ventures with certain values determined by the Board of Commissioners by observing the laws and regulations in the field of Capital Market.

## Tenure of Board of Commissioners

The Company's Articles of Association specifies that the members of the Board of Directors are appointed and dismissed by GMS. The GMS is attended by Holders of Series A Dwiwarna Share and the resolutions of the meeting must be approved by such Holders. Members of the Board of Commissioners are appointed by GMS from the candidates proposed by GMS, from the candidates proposed by Holders of series A Dwiwarna Share, and the candidacy is binding the GMS.

GMS resolutions on the appointment and dismissal of members of the Board of Commissioners also decide the time for the appointment and dismissal. In the event that GMS does not decide it, the appointment and dismissal of members of the Board of Commissioners are effective as of the closing of GMS by observing the laws and regulations.

Members of the Board of Commissioners were appointed for a period of time as of the date determined by GMS, who appointed them, and expired on the closing of the 5th (five) Annual GMS following the date of their appointment, provided that it may not exceed the 5 (five) years period of time, by observing the laws and regulations in the field of Capital Market, but without prejudice to the rights of GMS to dismiss members of the Board of Commissioners at any time before their tenures expires. After their tenure expires, members of the Board of Commissioners may be reappointed by GMS for one tenure.

## Criteria For Members of The Board of Commissioners

Criteria for the Board of Commissioners of Bank Mandiri that have been regulated in the Articles of Association of the Liability Company are as follows:

1. Having good character, morals, and integrity;
2. Being competent in performing legal acts;
3. Within 5 (five) years prior to appointment or during the office, he/she:
  - a. is never declared bankrupt;
  - b. never becomes a member of the Board of Directors and/or member of the Board of Commissioners who is declared as guilty and causes a company to be declared as bankrupt;
  - c. is never penalized for committing a criminal act which causes adverse impact to the country's finance and/or to anything related to financial sector; and
  - d. never becomes a member of the Board of Directors and/or member of the Board of Commissioners who, during his/her tenure:
    - never holds Annual GMS;
    - its responsibility as a member of the Board of Directors and/or members of the Board of Commissioners is never; accepted by the GMS or never giving accountability as a member of the Board of Directors; and/or members of the Board of Commissioners to the GMS; and
    - once caused the companies which obtains permission, approval, and registration from Financial Services Authority to fail in fulfilling their obligation to submit annual report and/or Financial Services Authority.
4. has commitment to comply to the laws and regulations;
5. has knowledge and/or expertise in the fields required by the Company; and
6. fulfills other specified requirements.

## Nomination and Selection Process of Board of Commissioners

The procedure for the appointment of Bank Mandiri Board of Commissioners refers to Financial Services Authority Regulation No. 33/POJK.04/2014 concerning Board of Directors and Board of Commissioners of Issuers or Public Companies as well as Minister of SOE Regulation No. PER-02/MBU/02/2015 concerning Requirements and Procedures for the Appointment and Dismissal of Members of Board of Commissioners and Supervisory Board of State-Owned Enterprises. The procedures for the appointment of Board of Commissioners include:



1. The source of candidates for the Board of Commissioners/Board of Commissioners of SOE comes from:
  - a. Former SOE Director.
  - b. SOE Board of Commissioners/Supervisory Board.
  - c. Structural Officials and Government Functional Officers.
  - d. Other sources.
2. Candidates who will be nominated as the candidates for Board of Commissioners are someone who has been declared to have fulfilled the Formal Requirements, Material Requirements and Other Requirements.
3. The assessment of Material Requirement fulfillment is carried out by: i. assessing curriculum vitae and supporting documents; and ii. a written statement required from the candidate concerned as listed in Attachment II to this Ministerial Regulation, specifically to assess integrity; and/or iii. Interview.
4. For certain SOEs determined by the Minister, the candidates for the President Commissioner/ Members of the Board of Commissioners must follow the fit and proper test conducted by Professional Institutions appointed by the Minister to conduct fit and proper tests on prospective Directors.
5. Especially for SOE Banks, prospective candidates who will be submitted at the GMS are assessed by a Team formed by the Minister by involving the Chair of Board of Commissioners who performs the Nomination function. If the Chairperson of Board of Commissioners as intended is absent, he can be replaced by a Committee member from the Independent Commissioner who performs the Nomination function.

The nomination and selection process of Board of Commissioners is carried out through the proposal of the members of Board of Directors to the GMS taking into account the recommendations of Board of Commissioners or the Nomination, Remuneration and Risk Committee. Before discussion of the appointment and dismissal of Board of Commissioners at the GMS, information has been provided about the profile of new and re-appointed candidates for Board of Commissioners.

## Board Charter of The Board of Commissioners

In carrying out its duties, the Board of Commissioners of Bank Mandiri is guided by the Board of Commissioners' Regulations ratified based on the Decree of the Board of Commissioners Number: KEP.KOM/005/2016 dated December 21, 2016. The Board of Commissioners Code

of Conduct contains instructions on how the Board of Commissioners works, among others, contains instructions on work procedures and explains the stages of activities in a structured and systematic manner and is easy to understand and can be implemented consistently. The Board of Commissioners' Code of Conduct is a reference for the Board of Commissioners in carrying out their respective duties to achieve the Company's objectives.

Board of Commissioners' Regulations govern the following matters.

1. General Provision
2. Duties, Responsibilities, and Authorities
  - a. Duties and Responsibilities
  - b. Obligations of the Board of Commissioners
  - c. Rights and Authorities of the Board of Commissioners
  - d. Information Transparency and Conflict of Interest
  - e. Committees
3. Board of Commissioners Meeting
  - a. Types and Quorums of the Meeting
  - b. Guest Participants of Board of Commissioners Meeting
  - c. Meeting Head
  - d. Meeting Materials
  - e. Meeting Resolutions
  - f. Meeting Minutes
  - g. Summons and Implementation of the Meeting
  - h. Secretary to the Board of Commissioners
4. Task Distribution
  - a. Task Divisions
  - b. Commissioners' Working Period
  - c. Document Execution
  - d. Business Trip
  - e. Evaluation to the Performance of the Board of Commissioners
5. Miscellaneous
  - a. Corporate Ethics and Culture
  - b. Continuous Education
  - c. Amendment
6. Closing

## Composition and Basis For Appointment of Board of Commissioners

The composition of the members of the Company's Board of Commissioners during 2018 has not changed. The number of the Board of Commissioners is 8 (eight) consisting of 1 (one) President Commissioner/ Independent Commissioner, 1 (one) Deputy President Commissioner, 3 (three) Independent Commissioners and 3 (three) Commissioners. All members of the Board

of Commissioner domiciled in the working scope of Bank Mandiri's Head Office.

All Board of Commissioners have passed fit and proper test without records and have received approval from Financial Services Authority, indicating that each member of the Board of Commissioners has adequate integrity, competence and financial reputation in accordance with Financial Services Authority Regulation No. 27/

POJK.03/2016 concerning Proficiency and Compliance Assessment of the Main Party of the Financial Services Institution stating that the candidates for the Board of Commissioners must obtain approval from Financial Services Authority before carrying out their actions, duties and functions as the Board of Commissioners.

The composition and basis for the appointment of the Board of Commissioners can be seen in the table below.

**Table of Composition and Basis for Appointment of Board of Commissioners**

Name	Position	Executive	Appointment Basis	Operational Effective Date
Hartadi Agus Sarwono	President Commissioner/ Independent Commissioner	Financial Services Authority	Extraordinary GMS (EGMS) on August 21, 2017	November 15, 2017
Imam Apriyanto Putro	Deputy President Commissioner	Financial Services Authority	Annual GMS (AGMS) on March 16, 2015	June 11, 2015
Goei Siauw Hong	Independent Commissioner	Financial Services Authority	Annual GMS (AGMS) on March 16, 2015	June 25, 2015
Bangun Sarwito Kusmulyono	Independent Commissioner	Financial Services Authority	Annual GMS (AGMS) on March 16, 2015	June 25, 2015
Makmur Keliat	Independent Commissioner	Financial Services Authority	Annual GMS (AGMS) on March 14, 2017	September 25, 2017
Askolani	Commissioner	Financial Services Authority	Extraordinary GMS (EGMS) on May 21, 2014	September 3, 2014
Ardan Adiperdana	Commissioner	Financial Services Authority	Extraordinary GMS (EGMS) on May 21, 2014	October 3, 2016
R. Widyo Pramono	Commissioner	Financial Services Authority	Extraordinary GMS (EGMS) on May 21, 2014	January 15, 2018

## Orientation Program For New Commissioners

The orientation program for the Board of Commissioners is only carried out by presenting relevant material by the Directors related and coordinated by the Corporate Secretary. The implementation of the orientation program for the Commissioners was only carried out after the appointment of a new Commissioner at the GMS. The introductory program material includes Good Corporate Governance, Company Performance, Risk Management, and topics relevant to the new Commissioner task field.

During 2018, there were no new Commissioners so there was no orientation program for the new Commissioners.

## Job Description of Supervisory Board of Commissioners

In order to optimize the implementation of the functions and duties of the Board of Commissioners, assignments have been established for each member of the Board of Commissioners. The appointment of supervisory duties of the Board of Commissioners does not reduce the rights, obligations, responsibilities and authorities of each member of the Board of Commissioners in carrying out their functions and duties. The division of functions, duties and responsibilities of the Board of Commissioners is as follows.

**Table of Job Description of the Board of Commissioner**

Name	Position	Job Description
Hartadi Agus Sarwono	President Commissioner/ Independent Commissioner	- Chairman of Remuneration and Nomination Committee - Member of Audit Committee
Imam Apriyanto Putro	Deputy President Commissioner	- Member of Integrated Corporate Governance Committee - Member of Remuneration and Nomination Committee





Name	Position	Job Description
Goei Siau Hong	Independent Commissioner	<ul style="list-style-type: none"> <li>- Member of Audit Committee</li> <li>- Chairman of Risk Monitoring Committee</li> <li>- Member of Remuneration and Nomination Committee</li> <li>- Chairman of Integrated Corporate Governance Committee</li> </ul>
Bangun Sarwito Kusmulyono	Independent Commissioner	<ul style="list-style-type: none"> <li>- Head of Audit Committee</li> <li>- Member of Risk Monitoring Committee</li> <li>- Member of Integrated Corporate Governance Committee</li> <li>- Member of Remuneration and Nomination Committee</li> </ul>
Makmur Keliat	Independent Commissioner	<ul style="list-style-type: none"> <li>- Member of Audit Committee</li> <li>- Member of Integrated Corporate Governance Committee</li> <li>- Member of Remuneration and Nomination Committee</li> </ul>
Askolani	Commissioner	<ul style="list-style-type: none"> <li>- Member of Integrated Corporate Governance Committee</li> <li>- Member of Remuneration and Nomination Committee</li> </ul>
Ardan Adiperdana	Commissioner	<ul style="list-style-type: none"> <li>- Member of Risk Monitoring Committee</li> <li>- Member of Remuneration and Nomination Committee</li> </ul>
R. Widyo Pramono	Commissioner	<ul style="list-style-type: none"> <li>- Member of Risk Monitoring Committee</li> <li>- Member of Remuneration and Nomination Committee</li> </ul>

## Policies on Diversity of Board of Commissioners and Their Application

In the Articles of Association Bank Mandiri has regulated the diversity of the composition of the Board of Commissioners is appropriate with the Attachment of Financial Services Authority Circulating Letter No. 32/SEOJK.04/2015 concerning Governance Guidelines Public company. Appointment of the Board of Commissioners done by considering age, gender, integrity, dedication, understanding about related company management problems with one of the management functions, owning knowledge and/or expertise in the field needed by the Company and can provide time sufficient to carry out their duties and other requirements based on laws and regulations. Currently the Board of Commissioners has met the criteria of all male sexes.

Although there is no gender diversity in current composition of the Board of Commissioners, but throughout Bank Mandiri's journey has shown diversity that is, Fransisca Oei as Commissioner at 2004 - 2005, Gunarni Soeworo as Commissioner Independent in 2005 - 2014, and Aviliani as Independent Commissioner in 2014 - 2017. In addition, gender diversity is also reflected in Committee membership under the Board of Commissioners with has 1 (one) woman as a member of the Risk Monitoring Committee from an independent party namely Ms. Lista Irna.

In 2018, some elements of diversity including education, work experience, age, and gender indicated composition diversity of the Board of Commissioner as illustrated in the following table:

**Table of Diversity in Composition Policy of Board of Commissioners**

Name	Position	Age	Gender	Education	Work Experience	Skills
Hartadi Agus Sarwono	President Commissioner/ Independent Commissioner	66 years old	Male	<ul style="list-style-type: none"> <li>• Earned Bachelor's Degree in Civil Engineering.</li> <li>• Master of Arts in Macroeconomics.</li> <li>• Doctor of Philosophy in Monetary Theory and Policy.</li> </ul>	Have experience work, among others, in the field banking, finance, monetary, and supervision banking.	Banking, Economic
Imam Apriyanto Putro	Deputy President Commissioner	55 years old	Male	<ul style="list-style-type: none"> <li>• Bachelor of Economics in Management.</li> <li>• Master of Management.</li> </ul>	Have experience work, among others, in the field finance, government, human resources, and company supervision.	Governance
Goei Siau Hong	Independent Commissioner	54 years old	Male	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Agronomy.</li> <li>• Master of Business Administration (MBA) in Business, Finance, and Marketing</li> </ul>	Have experience work, among others, in the field finance, research, and banking supervision.	Finance, Banking



Name	Position	Age	Gender	Education	Work Experience	Skills
Bangun Sarwito Kusmulyono	Independent Commissioner	75 years old	Male	<ul style="list-style-type: none"> <li>Bachelor's Degree in Chemical Engineering</li> <li>Master of Business Administration</li> <li>Doctor's degree in Environment Management.</li> </ul>	Have experience work, among others, in the field banking, capital, defense and banking supervision.	Banking
Makmur Keliat	Independent Commissioner	57 years old	Male	<ul style="list-style-type: none"> <li>Bachelor Degree in Corporate Economics</li> <li>Bachelor of Art in Social and Political Sciences/ International Relations Department</li> <li>Drs. in Social and Political Sciences/ International Relations Department</li> <li>Ph.d in School of International Studies</li> </ul>	Have experience work, among others, in the field education, political science, International Relations, research and publication.	Macroeconomics
Askolani	Commissioner	52 years old	Male	<ul style="list-style-type: none"> <li>Bachelor of Economics and Development Study</li> <li>Master of Business Administration (MBA) in Economics and Banking.</li> </ul>	Have experience work, among others, in the field finance, economics, supervision of the company industry.	Fiscal, Budget and Tax
Ardan Adiperdana	Commissioner	57 years old	Male	<ul style="list-style-type: none"> <li>Bachelor of Economics.</li> <li>Master in Business Administration.</li> <li>Doctorate in Strategic Management.</li> </ul>	Have experience work, among others, in the field Finance and supervision Company.	Accounting, Audit
R. Widyo Pramono	Commissioner	61 years old	Male	<ul style="list-style-type: none"> <li>Bachelor of Law</li> <li>Master of Management,</li> <li>Master of Law</li> <li>Doctorate in criminal law.</li> <li>Inaugurated as Professor of Criminal Law</li> </ul>	Having work experience, among others in the field of law and supervision.	Law

## Affiliate Relationship of The Board of Commissioner

The criteria for the affiliate relationship among members of the Board of Directors, Board of Commissioners, and Controlling Shareholders cover:

1. Affiliations among Board of Directors members.
2. Affiliations among Board of Directors members and Board of Commissioners members.
3. Affiliations among Board of Directors members and Majority and/or Controlling Shareholders.
4. Affiliations among Board of Commissioners members; and
5. Affiliations among Board of Directors members and Majority and/or Controlling Shareholders.

The affiliate relationships among members of the Board of Directors, Board of Commissioners, and Controlling Shareholders are illustrated in the following table:



## Table of Affiliate Relationship of The Board of Commissioners

Financial, Family, and Organizational Relationship															
Name of Commissioner	Position	Financial Affiliations with						Family Affiliations with						Organizational Relationship With	
		Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders		Organizational Relationship With	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Hartadi Agus Sarwono	President Commissioner/ Independent Commissioner		√		√		√		√		√		√		√
Imam Apriyanto Putro	Deputy President Commissioner		√		√		√		√		√		√		√
Goei Siauw Hong	Independent Commissioner		√		√		√		√		√		√		√
Bangun Sarwito Kusmulyono	Independent Commissioner		√		√		√		√		√		√		√
Makmur Keliat	Independent Commissioner		√		√		√		√		√		√		√
Askolani	Commissioner		√		√		√		√		√		√		√
Ardan Adiperdana	Commissioner		√		√		√		√		√		√		√
R. Widyo Pramono	Commissioner		√		√		√		√		√		√		√

## Concurrent Position of The Board of Commissioners

According to the Ministry of SOE Regulation No PER-03/MBU/02/2015 and the Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Corporate Governance in Commercial Banks, concurrent positions of the Board of Commissioner are regulated as follows:

- Members of the Board of Directors shall be prohibited from having concurrent positions as:
  - Member of the Board of Commissioners of other State-Owned Enterprises (SOE).
  - Member of the Board of Directors of State-Owned Enterprises, Regionally-Owned Enterprises, and Private Enterprises.
  - Concurrent positions beyond which are admitted by the regulations.
  - Concurrent positions that may cause a conflict of interest with respective SOE.
- Members of the Board of Commissioners shall be prohibited from having concurrent positions as Directors, member of Board of Commissioners, or Executive Officers in:
  - financial institution or company, bank or non-bank.
  - more than 1 (one) non-financial institutions and companies domiciled in and outside of Indonesia.
- However, the provision allows a Board of Commissioners member to serve concurrent position as:
  - Director, Board of Commissioners, or Executive Officer with oversight function on 1 (one) non-bank Subsidiary controlled by Bank Mandiri.
  - A non-independent member of the Board of Commissioners runs functional tasks of the shareholders which are legal entities in Bank's business group.
  - Member of the BOC in non-profit organizations.

In addition, the Company's Articles of Association also regulate the dual position of the Board of Commissioners policy. Board of Commissioners shall be prohibited from having concurrent positions as:

- Member of the Board of Directors at State-Owned Enterprises, Regionally-Owned Enterprises, and private enterprises.
- Committee of political party and/or candidate/member of the House of Representative, House of Regional Representative, Regional People's House of Representative Level I and II, and/or candidate of regional head/vice head.
- Concurrent positions beyond which are admitted by the regulations.
- Concurrent positions that may cause a conflict of interest.

Bank Mandiri's Board of Commissioners has revealed concurrent position he has and does not have concurrent positions outside those permitted by applicable regulations and can cause conflict of interest which is prohibited by regulations legislation.

Concurrent position of Bank Mandiri BOC can be seen in the following table.

**Table Concurrent Position of The Board of Commissioners**

Name	Position	Position in Company/Other Institution	Name of Company/Other Institution
Hartadi Agus Sarwono	President Commissioner/ Independent Commissioner	President Director	Indonesian Banking Development Institute (IBDI/LPPI)
Imam Apriyanto Putro	Deputy President Commissioner	Secretary to Ministry	Ministry of State-Owned Enterprise
Goei Siau Hong	Independent Commissioner	President Director	Gagas Prima Solusi
Bangun Sarwito Kusmulyono	Independent Commissioner	-	-
Makmur Keliat	Independent Commissioner	A Lecturer at	International Relation Studies at Social and Political Science Faculty of Universitas Indonesia
Askolani	Commissioner	Commissioner	PT Kenta Indonesia Internasional
Ardan Adiperdana	Commissioner	Director General of Budget	Ministry of Finance
R. Widyo Pramono	Commissioner	Chief	Financial and Development Supervisory Agency
		-	-

## Management of The Board of Commissioners Conflict of Interest

The Board of Commissioners conflict of interest shall be managed referring to the Board of Commissioners Code of Conduct which has been set as follows:

1. Each Commissioner must maintain information based on statutory regulations that must be kept confidential including the provisions of insider trading and other information that the Company has not disclosed to the public.
2. Each Commissioner must disclose:
  - a. Share ownership in the Company and other companies that are domiciled domestically or overseas.
  - b. Financial and family relationships with other members of the Board of Commissioners and members of the Board of Directors and their families.
  - c. Other information which according to legislation must be disclosed to the public.
3. The Board of Commissioners is prohibited from being involved in making decisions related to banking operations and/or making decisions that can cause conflicts of interest.
4. The Board of Commissioners in carrying out its duties, responsibilities and authorities is prohibited from utilizing the Company for personal, family, other company or certain parties' interests in a manner that is contrary to the Company's laws and code of conduct.

## Stock Ownership of The Board of Commissioners

The Board of Commissioners has disclosed its share ownership in both Bank Mandiri and other banks and other companies domiciled at home and abroad. The Board of Commissioners of Bank Mandiri does not have shares with a total ownership of 5% (five per hundred) or more of the paid up capital of Bank Mandiri, the bank other, non-bank financial institutions, but there are members of the Board of Commissioners who own shares with a total ownership of more than 5% (five per hundred) in other companies. Share ownership of the Bank Mandiri Board of Commissioners can be seen in the table below.



## Table of Stock Ownership of the Board of Commissioners

Name	Position	Stock Ownership			
		Bank Mandiri	Other Banks (>5%)	Non Bank Financial Institutions (>5%)	Other Companies (>5%)
Hartadi Agus Sarwono	President Commissioner/ Independent Commissioner	Nil	Nil	Nil	Nil
Imam Apriyanto Putro	Deputy President Commissioner	114,300 shares (0.0002449%)	Nil	Nil	Nil
Goei Siau Hong	Independent Commissioner	Nil	Nil	Nil	Gagas Prima Solusi (99.9%)
Bangun Sarwito Kusmulyono	Independent Commissioner	Nil	Nil	Nil	Nil
Makmur Keliat	Independent Commissioner	Nil	Nil	Nil	PT Kenta Indonesia Internasional (30%)
Askolani	Commissioner	109,000 shares (0.0002336%)	Nil	Nil	Nil
Ardan Adiperdana	Commissioner	109,000 shares (0.0002336%)	Nil	Nil	Nil
R. Widyo Pramono	Commissioner	39,400 shares (0.0000844%)	Nil	Nil	Nil

## Independent Commissioner

The composition of the Board of Commissioners as per December 31, 2017 amounted to 8 (eight) members, 4 (four) of which is appointed as Independent Commissioners indicating 50% (fifty percent) of the existing commissioners. The composition of the members of the Board of Commissioners has fulfilled the provisions of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks and Financial Services Authority's Circulating Letter No. 13/SEOJK.03/2017 concerning Implementation of Governance for Commercial Banks which regulates that at least 50% (fifty percent) of the total members of the Board of Commissioners are Independent Commissioners.

## Criteria for Independent Commissioner and Statement of Independent

The criteria of the Independent Commissioner refer to the provisions of the Financial Services Authority Regulation No. 33/POJK.04/2014 on December 8, 2014 concerning Directors and Board of Commissioners of Issuers or Public Companies. The Independent Commissioner of Bank Mandiri shall meet the following criteria: The Independent Commissioner of Bank Mandiri shall meet the following criteria:

Criteria for Independent Commissioner	Independent Commissioner			
	Hartadi Agus Sarwono	Goei Siau Hong	Bangun Sarwito Kusmulyono	Makmur Keliat
Shall not become the person who works, has the authority over, or has responsibility to plan, lead, control, or monitor the Bank's activities in the last 6 (six) months except for reappointment as an Independent Commissioner of Public Company for the next period.	✓	✓	✓	✓
Shall not have shares either directly or indirectly in the Issuer or the Public Company.	✓	✓	✓	✓
Shall not have affiliate relationship with the Issuer or the Public Company, BOC member, BOD member, or majority shareholders of the Issuer or the Public Company.	✓	✓	✓	✓
Shall not have any business relationship either directly or indirectly in the Issuer or the Public Company.	✓	✓	✓	✓

The Independent Commissioners of Bank Mandiri are: Mr. Hartadi Agus Sarwono, Mr. Goei Siau Hong, Mr. Bangun Sarwito Kusmulyono, and Mr. Makmur Keliat, have made a Statement of Independence and submitted it to the FSA.

SURAT PERNYATAAN INDEPENDEN  
PT BANK MANDIRI (PERSERO) Tbk.

Saya yang bertanda tangan di bawah ini :

Nama : Hartati Agus Sarwono  
Tempat/tanggal lahir : Jakarta, 10 September 1980  
Alamat Domisili : Jl. H. Sutan Tjasa, RT 001 RW 000001, Desa Cigugur, Kecamatan Cigugur, Kabupaten Bogor, Jawa Barat 16911  
(copy KTP/SIM sebagai lampiran)  
Telepon Rumah : 021-33440000  
Jabatan : Komisaris Utama mewakili Komisaris Independen  
Nama Perusahaan : PT Bank Mandiri (Persero) Tbk.  
Nomor telepon perusahaan : 021-33440000

Dengan ini menyatakan bahwa saya :

1. Tidak memiliki hubungan keuangan, hubungan kepengurusan, hubungan kepemilikan, dan/atau hubungan keluarga dengan anggota Direksi, anggota Dewan Komisaris lain, dan/atau Pemegang Saham Pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Peraturan Otoritas Jasa Keuangan yang mengatur mengenai Penerapan Tata Kelola Bagi Bank Umum.
2. Apabila kemudian hari ditemukan bahwa saya memiliki hubungan sebagaimana dimaksud pada angka 1, maka saya bersedia melaporkan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian pernyataan independensi saya, yang telah saya buat dengan sebenar-benarnya.

Mengucapkan,  
PT Bank Mandiri (Persero) Tbk.
  
Kartika Wirjastuningsih  
Direktur Utama

Jakarta, 9 September 2017

  
Hartati Agus Sarwono
SURAT PERNYATAAN INDEPENDEN  
PT BANK MANDIRI (PERSERO) Tbk.

Saya yang bertanda tangan di bawah ini :

Nama : Goni Niswara Hwang  
Tempat/tanggal lahir : Jakarta, 10 April 1981  
Alamat Domisili : Jl. H. Sutan Tjasa, RT 001 RW 000001, Desa Cigugur, Kecamatan Cigugur, Kabupaten Bogor, Jawa Barat 16911  
(copy KTP/SIM sebagai lampiran)  
Telepon Rumah : 021-33440000  
Jabatan : Komisaris Independen  
Nama Perusahaan : PT Bank Mandiri (Persero) Tbk.  
Nomor telepon perusahaan : 021-33440000

Dengan ini menyatakan bahwa saya :

1. Tidak memiliki hubungan keuangan, hubungan kepengurusan, hubungan kepemilikan, dan/atau hubungan keluarga dengan anggota Direksi, anggota Dewan Komisaris lain, dan/atau Pemegang Saham Pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Peraturan Otoritas Jasa Keuangan yang mengatur mengenai Penerapan Tata Kelola Bagi Bank Umum.
2. Apabila kemudian hari ditemukan bahwa saya memiliki hubungan sebagaimana dimaksud pada angka 1 di atas, maka saya bersedia melaporkan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian pernyataan independensi saya, yang telah saya buat dengan sebenar-benarnya.

Mengucapkan,  
PT Bank Mandiri (Persero) Tbk.
  
Budi C. Soedjito  
Direktur Utama

Jakarta, 20 April 2018

  
Goni Niswara Hwang
SURAT PERNYATAAN INDEPENDEN  
PT BANK MANDIRI (PERSERO) Tbk.

Saya yang bertanda tangan di bawah ini :

Nama : DR. Ir. Bangun Sarwito Kusumadarma MBA  
Tempat/tanggal lahir : Depok, 10 Agustus 1965  
Alamat Domisili : Jl. H. Sutan Tjasa, RT 001 RW 000001, Desa Cigugur, Kecamatan Cigugur, Kabupaten Bogor, Jawa Barat 16911  
(copy KTP/SIM sebagai lampiran)  
Telepon Rumah : 021-33440000  
Jabatan : Komisaris Independen  
Nama Perusahaan : PT Bank Mandiri (Persero) Tbk.  
Nomor telepon perusahaan : 021-33440000

Dengan ini menyatakan bahwa saya :

1. Tidak memiliki hubungan keuangan, hubungan kepengurusan, hubungan kepemilikan, dan/atau hubungan keluarga dengan anggota Direksi, anggota Dewan Komisaris lain, dan/atau Pemegang Saham Pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Peraturan Otoritas Jasa Keuangan yang mengatur mengenai Penerapan Tata Kelola Bagi Bank Umum.
2. Apabila kemudian hari ditemukan bahwa saya memiliki hubungan sebagaimana dimaksud pada angka 1 di atas, maka saya bersedia melaporkan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian pernyataan independensi saya, yang telah saya buat dengan sebenar-benarnya.

Mengucapkan,  
PT Bank Mandiri (Persero) Tbk.
  
Budi C. Soedjito  
Direktur Utama

Jakarta, 20 April 2018

  
Bangun S. Kusumadarma
SURAT PERNYATAAN INDEPENDEN  
PT BANK MANDIRI (PERSERO) Tbk.

Saya yang bertanda tangan di bawah ini :

Nama : Makmur Kelliat  
Tempat/tanggal lahir : Jakarta, 14 Agustus 1975  
Alamat Domisili : Jl. H. Sutan Tjasa, RT 001 RW 000001, Desa Cigugur, Kecamatan Cigugur, Kabupaten Bogor, Jawa Barat 16911  
(copy KTP/SIM sebagai lampiran)  
Telepon Rumah : 021-33440000  
Jabatan : Komisaris Independen  
Nama Perusahaan : PT Bank Mandiri (Persero) Tbk.  
Nomor telepon perusahaan : 021-33440000

Dengan ini menyatakan bahwa saya :

1. Tidak memiliki hubungan keuangan, hubungan kepengurusan, hubungan kepemilikan, dan/atau hubungan keluarga dengan anggota Direksi, anggota Dewan Komisaris lain, dan/atau Pemegang Saham Pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Peraturan Otoritas Jasa Keuangan yang mengatur mengenai Penerapan Tata Kelola Bagi Bank Umum.
2. Apabila kemudian hari ditemukan bahwa saya memiliki hubungan sebagaimana dimaksud pada angka 1, maka saya bersedia melaporkan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian pernyataan independensi saya, yang telah saya buat dengan sebenar-benarnya.

Mengucapkan,  
PT Bank Mandiri (Persero) Tbk.
  
Kartika Wirjastuningsih  
Direktur Utama

Jakarta, 14 Agustus 2017

  
Makmur Kelliat



## Board of Commissioners Meeting

The types and quorums of the Board of Commissioners meetings regulated in the Board of Commissioners' Code of Conduct are as follows:

1. Every decision of the Board of Commissioners is taken at the Board of Commissioners meeting.
2. The Board of Commissioners must hold at least 1 (one) meeting in 2 (two) months or at any time if deemed necessary by one or more members of the Board of Commissioners or at the request of the Board of Directors.
3. The Board of Commissioners must hold regular meetings with the Board of Directors (Joint Meetings) at least 1 (one) time in 4 (four) months.
4. The meeting of the Board of Commissioners is legal and has the right to make binding decisions if 2/3 of

the total members of the Board of Commissioners are present or represented at the meeting.

5. A Commissioner can be represented at a meeting by another Commissioner based on a letter of authority.
6. A Commissioner can only represent another Commissioner.
7. The Board of Commissioners can schedule Board of Commissioners meetings for the following year before the fiscal year ends.

Materials for Board of Commissioners meetings are distributed to all meeting participants no later than 5 (five) working days before the meeting is held, unless the meeting is held out of schedule, the meeting materials can be delivered before the meeting is held.

## Plan For Early Meeting of The Year of The Board of Commissioners

Quarter 1	Monthly review of the Company's performance. Review and approval of the Audited Financial Report for Fiscal Year 2017. Quarterly review of the performance of the Company and Subsidiaries. Preparation of the Annual General Meeting of Shareholders. Election of External Auditors for Fiscal Year 2018.
Quarter 2	Monthly review of the Company's performance. Monthly review of the Company's performance. Quarterly review of company risk, human resource and strategic plan for the 1st quarter of 2018. Quarterly review of the performance of the Company and Subsidiaries.
Quarter 3	Monthly review of the Company's performance. Quarterly review of the performance of the Company and Subsidiaries. Quarterly review of company risk, human resource and strategic plan for the 2nd quarter of 2018. Review of the implementation of Integrated Governance. Discussion on Financial and Business Plans for Fiscal Year 2019.
Quarter 4	Monthly review of the Company's performance. Quarterly review of the performance of the Company and Subsidiaries. Quarterly review of company risk, human resource and strategic plan for the 2nd quarter of 2018. Discussion on Financial and Business Plans for Fiscal Year 2019.

## Realization of Board of Commissioners Meeting

### Board of Commissioners Meeting

In 2018, the agenda, date, and participants of the BOC Meeting are presented as follows:

### Table of Quorum and Attendance the Board of Commissioners Meeting

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Absent
1.	Wednesday, January 17, 2018	Approval of Proposal for Cooperation and Selection of Build Operate Transfer (BOT) Partners.	Hartadi Agus Sarwono Imam Apriyanto Putro Goei Siau Hong Bangun Sarwito Kusmulyono Makmur Keliat Askolani Ardan Adiperdana	Attending Not Attending Attending Attending Attending Attending Attending	On Leave



No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Absent
			R. Widyo Pramono	Attending	
			<b>Attendance 88%</b>		
2.	Wednesday, January 31, 2018	1. Discussion on Schedule and Agenda of 2018 GMS 2. Approval of the Appointment of Mandiri DPLK Public Accountant Firm (KAP) 2017. 3. Support for the KAP PSS-E&Y Audit Results Report for Mandiri Bank Financial Statements 2017.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			<b>Attendance 100%</b>		
3.	Wednesday, February 14, 2018	1. Remuneration Approval of Bank Mandiri Directors and Board of Commissioners at the Annual GMS 2018. 2. Bank Mandiri Board of Directors Candidates to the Minister of SOEs. 3. Approval of Risk Taker Material. 4. Approval of the Management of the Subsidiary.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
				Attending	
			<b>Attendance 100%</b>		
4.	Wednesday, February 21, 2018	1. Approval of Working Capital Credit Facility Extension, Extension and Additional Bank Guarantee Facilities, and Changes to Effective Terms and Withdrawals to Related Parties. 2. Others	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Not Attending	On Leave
			Makmur Keliat	Attending	
			Askolani	Not Attending	On Leave
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			<b>Attendance 75%</b>		
5.	Wednesday, February 28, 2018	Approval of Credit Facilities.	Hartadi Agus Sarwono	Not Attending	On Leave
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Not Attending	On Leave
			Askolani	Attending	
			Ardan Adiperdana	Not Attending	On Leave
			R. Widyo Pramono	Attending	
			<b>Attendance 63%</b>		
6.	Wednesday, March 7, 2018	1. Proposed Deputy of Bank Mandiri as Management of Subsidiaries. 2. Appointment of Members of Board of Commissioners who will become Board of Directors of Bank Mandiri AGM on March 21, 2018. 3. Approval of Public Accounting Firm for Audit of Bank Mandiri Financial Statements in Fiscal Year 2018.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Not Attending	On Leave
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			<b>Attendance 88%</b>		



No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Absent
7.	Wednesday, 14 March 2018	1. Approval of Deputy of Bank Mandiri as Management of Subsidiary Companies. 2. Approval of Credit Facility Extension.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
				Attending	
			Attendance 100%		
8.	Friday, 16 March 2018	Proposed Deputy of Bank Mandiri as Management of Subsidiaries.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Not Attending	On Leave
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 88%		
9.	Tuesday, 27 March 2018	1. Approval of Credit Facilities. 2. Approval of Changes in the Provisions on Credit Facilities and Additional KMK Excuting to Related Parties on behalf of PT Mandiri Utama Finance.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Not Attending	On Leave
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Not Attending	On Leave
			Ardan Adiperdana	Not Attending	On Leave
			R. Widyo Pramono	Not Attending	On Leave
			Attendance 50%		
10.	Wednesday, March 28, 2018	1. SPO Approval for Fixed Asset Management and other Goods. 2. Approval of the Adjustment of Bank Mandiri Organizational Structure after Annual GMS 2018. 3. Approval of Granting of Pension Benefits and Additional Benefits for DPBM one to Four in 2018.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Not Attending	On Leave
			R. Widyo Pramono	Not Attending	On Leave
			Attendance 75%		
11.	Wednesday, 11 April 2018	Request for Strategic Direction for Joint Ventures to the Minister of SOEs.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Not Attending	On Leave
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Not Attending	On Leave
			R. Widyo Pramono	Attending	
			Attendance 75%		

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Absent
12.	Wednesday, 2 May 2018	1. Approval of Liquidation (Dissolution) of PT Sarana Bersama Pembangunan Indonesia (SBPI). 2. Approval of the Return of Credit Facility on behalf of PT Mandiri Sekuritas.	Hartadi Agus Sarwono	Not Attending	On Leave
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Not Attending	On Leave
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 75%		
13.	Wednesday, May 16, 2018	Approval of Credit Facility Extension.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 100%		
14.	Wednesday, May 23, 2018	1. Approval on the proposal of the deputy of the Company as the Board of Directors and Board of Commissioners of the Subsidiary. 2. Approval of the proposed Corporate Card Facility. 3. Approval of the proposed Articles of Association Threshold.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Not Attending	On Leave
			R. Widyo Pramono	Attending	
			Attendance 88%		
15.	Wednesday, May 30, 2018	Approval of Corporate Card Facility	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 100%		
16.	Wednesday, June 6, 2018	1. Approval of Changes in the Follow-Up of IT Audit Findings. 2. Approval of Sales of Part of Bank Mantap Shares to PT Taspen. 3. Approval of Capital Additions in Right Issue. 4. Approval of Revision of RKAP 2018, RBB 2018-2020	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
				Not Attending	On Leave
			Attendance 88%		



No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Absent
17.	Thursday, June 28, 2018	Approval of Credit Facilities.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Not Attending	On Leave
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 88%		
18.	Wednesday, July 18, 2018	Approval of the proposed Extension of Credit Line Facility on behalf of Bank Mandiri (Europe) Limited.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Not Attending	On Leave
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 88%		
19.	Wednesday, July 25, 2018	Approval of the Revision of Subsidiary Management Policies (KPPA).	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Not Attending	On Leave
			Goei Siau Hong	Not Attending	On Leave
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 75%		
20.	Wednesday, 8 August 2018	Approval of Proposed Shares of Subsidiary of PT Mandiri AXA General Insurance.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Not Attending	On Leave
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 88%		
21.	Wednesday, August 29, 2018	Approval of the Commercial Line Extension and Granting of Corporate Card Facility to PT Mandiri Axa General Insurance.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Not Attending	On Leave
			Attendance 88%		

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Absent
22.	Wednesday, September 5, 2018	1. Approval of Credit Facilities. 2. Approval of Term and Limit Extension for Intraday Facilities on behalf of Mandiri Sekuritas.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Not Attending	On Leave
			Goei Siau Hong	Not Attending	On Leave
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Not Attending	On Leave
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 63%		
23.	Wednesday, September 12, 2018	Approval of proposed Granting of the KL Facility, Extension of KMK Revolving Non Current Account Facility to Related Parties.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 100%		
24.	Wednesday, September 19, 2018	1. Approval of Bank Mandiri Articles of Association (Threshold) Performance Limitation. 2. Approval of the Granting of Limit of the PT Mandiri Sekuritas Loan Subordination Facility and Credit Line Extension and PT Bank Syariah Mandiri Corporate Card Facility.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 100%		
25.	Wednesday, September 26, 2018	Approval of the Preparation of Mandiri Group Principle Guideline (MGPG).	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
26.	Wednesday, October 3, 2018	1. Recommendations for Adjustment Provisions related to Facilities, Allowance and Benefits of Board of Directors and Board of Commissioners. 2. Update on PT Mitra Transactions Indonesia.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Not Attending	On Leave
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			Attendance 88%		



No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Absent
27.	Wednesday, October 17, 2018	Approval of Proposal for Granting of Credit Facilities.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			<b>Attendance 100%</b>		
28.	Wednesday, October 24, 2018	Approval for Proposals for Extension and Additional Credit Facilities to Related Parties on behalf of PT Mandiri Tunas Finance and PT Mandiri Utama Finance.	Hartadi Agus Sarwono	Not Attending	On Leave
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			<b>Attendance 88%</b>		
29.	Monday, November 12, 2018	1. Discussion of Follow-Up Actions of the Minister of SOEs Letter No. SR-741/MBU/11/2018 on November 5, 2018. 2. Request for Approval of Board of Commissioners for the Proposal of the Company's Deputy as Board of Directors and Board of Commissioners of the Subsidiary.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Not Attending	On Leave
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Not Attending	On Leave
			Ardan Adiperdana	Attending	
				Attending	
			<b>Attendance 75%</b>		
30.	Wednesday, November 14, 2018	Discussion of PT Bank Syariah's Performance in 2018 and Work Plan for 2019.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Not Attending	On Leave
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			<b>Attendance 88%</b>		
31.	Wednesday, November 21, 2018	1. Approval of Proposed RKAP and RBB 2019-2021 PT Bank Mandiri (Persero) Tbk. 2. Facility Granting Agreement on behalf of PT Bank Mandiri Taspen and PT Mandiri Manajemen Investasi. 3. Approval of Extension of Term and Additional Credit Facility.	Hartadi Agus Sarwono	Not Attending	On Leave
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	



No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Absent
32.	Monday, November 26, 2018	Approval of RKAP 2019 and RBB 2019-2021 and RKAB 2019 of Bank Mandiri.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			<b>Attendance 100%</b>		
33.	Wednesday, November 28, 2018	1. Approval of Proposal for Capital Injection of PT Mandiri Capital Indonesia. 2. Approval of Proposed Revised Recovery Plan of Bank Mandiri. 3. Approval of Proposal for Granting of Credit Facilities.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Not Attending	On Leave
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
				Attending	
			<b>Attendance 88%</b>		
34.	Wednesday, December 5, 2018	Approval of Capital Additions to PT Mandiri Capital Indonesia	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Not Attending	On Leave
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Not Attending	On Leave
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			<b>Attendance 75%</b>		
35.	Thursday, 20 December 2018	1. Approval of facility extension. 2. Approval of granting of facility. 3. Appointment of members of Board of Commissioners as Chair of EGMS 2019.	Hartadi Agus Sarwono	Attending	
			Imam Apriyanto Putro	Attending	
			Goei Siau Hong	Attending	
			Bangun Sarwito Kusmulyono	Attending	
			Makmur Keliat	Attending	
			Askolani	Attending	
			Ardan Adiperdana	Attending	
			R. Widyo Pramono	Attending	
			<b>Attendance 100%</b>		



## Frequency and Attendance of Board of Commissioners Meeting

The frequency and attendance of the commissioners at Board of Commissioners meeting are outlined below.

**Table of Frequency and Attendance of Board of Commissioners Meeting**

Name	Position	Board of Commissioners Meeting		
		Number and Percentage of Attendance		
		Number of Meetings	Number of Attendance	Percentage
Hartadi Agus Sarwono	President Commissioner/Independent Commissioner	35	31	88%
Imam Apriyanto Putro	Deputy President Commissioner	35	29	83%
Goei Siauw Hong	Independent Commissioner	35	30	85%
Bangun Sarwito Kusmulyono	Independent Commissioner	35	33	94%
Makmur Keliat	Independent Commissioner	35	33	94%
Askolani	Commissioner	35	28	80%
Ardan Adiperdana	Commissioner	35	30	85%
R. Widyo Pramono	Commissioner	35	31	88%

## Joint Meeting of The Board of Commissioners and The Board of Directors

Throughout 2018, the agenda, date, and participants of Joint Meeting of the Board of Directors and the Board of Commissioners are presented as follows:

**Table of Joint Meeting of The Board of Commissioners and The Board of Directors**

No.	Meeting Date	Meeting Agenda	Meeting Participants – The Board of Commissioners	Attending/Not Attending	Reason for Absent	Board of Directors Meeting Participants	Attending/Not Attending	Reason for Absent
1.	Wednesday, January 17, 2018	Financial and Performance Statement of December 2017.	Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Not Attending	On Leave	Sulaiman Arif Arianto	Attending	
			Goei Siauw Hong	Attending		Ogi Prastomiyono <sup>*)</sup>	Attending	
			Bangun Sarwito Kusmulyono	Attending		Royke Tumilaar	Attending	
			Makmur Keliat	Attending		Hery Gunardi	Attending	
			Askolani	Attending		Tardi <sup>*)</sup>	Attending	
			Ardan Adiperdana	Attending		Ahmad Siddik Badruddin	Attending	
			R. Widyo Pramono	Attending		Kartini Sally <sup>*)</sup>	Attending	
2.	Wednesday, March 28, 2018	Financial and Performance Statement of February 2018.				Rico Usthavia Frans	Attending	
						Darmawan Junaidi	Attending	
			Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Attending	
			Goei Siauw Hong	Attending		Royke Tumilaar	Attending	
			Bangun Sarwito Kusmulyono	Attending		Hery Gunardi	Attending	

No.	Meeting Date	Meeting Agenda	Meeting Participants – The Board of Commissioners	Attending/Not Attending	Reason for Absent	Board of Directors Meeting Participants	Attending/ Not Attending	Reason for Absent
			Makmur Keliat	Attending		Ahmad Siddik Badruddin	Attending	
			Askolani	Attending		Rico Usthavia Frans	Attending	
			Ardan Adiperdana	Not Attending	On Leave	Darmawan Junaidi	Not Attending	On Leave
			R. Widyo Pramono	Not Attending	On Leave			
3.	Wednesday, April 18, 2018	Financial and Performance Statement of March 2018.	Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Not Attending	On Leave	Sulaiman Arif Arianto	Not Attending	On Leave
			Goei Siauw Hong	Attending		Royke Tumilaar	Attending	
			Bangun Sarwito Kusmulyono	Not Attending	On Leave	Hery Gunardi	Attending	
			Makmur Keliat	Attending		Ahmad Siddik Badruddin	Not Attending	On Leave
			Askolani	Attending		Rico Usthavia Frans	Not Attending	On Leave
			Ardan Adiperdana	Not Attending	On Leave	Darmawan Junaidi	Not Attending	On Leave
			R. Widyo Pramono	Attending				
4.	Wednesday, May 23, 2018	Financial and Performance Statement of April 2018.	Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Attending	
			Goei Siauw Hong	Attending		Royke Tumilaar	Attending	
			Bangun Sarwito Kusmulyono	Attending		Hery Gunardi	Attending	
			Makmur Keliat	Attending		Ahmad Siddik Badruddin	Attending	
			Askolani	Attending		Rico Usthavia Frans	Attending	
			Ardan Adiperdana	Attending		Darmawan Junaidi	Attending	
			R. Widyo Pramono	Attending				
5.	Wednesday, June 28, 2018	Financial and Performance Statement of May 2018.	Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Not Attending	On Leave
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Not Attending	On Leave
			Goei Siauw Hong	Attending		Royke Tumilaar	Attending	
			Bangun Sarwito Kusmulyono	Attending		Hery Gunardi	Not Attending	On Leave
			Makmur Keliat	Attending		Ahmad Siddik Badruddin	Not Attending	On Leave
			Askolani	Attending		Rico Usthavia Frans	Attending	
			Ardan Adiperdana	Attending		Darmawan Junaidi	Attending	
			R. Widyo Pramono	Attending				



No.	Meeting Date	Meeting Agenda	Meeting Participants – The Board of Commissioners	Attending/Not Attending	Reason for Absent	Board of Directors Meeting Participants	Attending/ Not Attending	Reason for Absent
6.	Wednesday, August 29, 2018	1. Financial and Performance Statement of July 2018. 2. Market Update of Indonesia	Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Not Attending	On Leave
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Attending	
			Goei Siauw Hong	Attending		Royke Tumilaar	Attending	
			Bangun Sarwito Kusmulyono	Attending		Hery Gunardi	Attending	
			Makmur Keliat	Attending		Ahmad Siddik Badruddin	Attending	
			Askolani	Attending		Rico Usthavia Frans	Not Attending	On Leave
			Ardan Adiperdana	Attending				
			R. Widyo Pramono	Not Attending	On Leave	Darmawan Junaidi	Attending	
7.	Wednesday, September 26, 2018	Financial and Performance Statement of August 2018.	Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Attending	
			Goei Siauw Hong	Attending		Royke Tumilaar	Attending	
			Bangun Sarwito Kusmulyono	Attending		Hery Gunardi	Attending	
			Makmur Keliat	Attending		Ahmad Siddik Badruddin	Not Attending	On Leave
						Rico Usthavia Frans	Attending	
			Askolani	Attending		Darmawan Junaidi	Attending	
						Alexandra Askandar**)	Attending	
			Ardan Adiperdana	Attending		Agus Dwi Handaya**)	Attending	
						Panji Irawan***)	Attending	
8.	Wednesday, October 31, 2018	Financial and Performance Statement of September 2018.	Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Not Attending	On Leave
			Goei Siauw Hong	Attending		Royke Tumilaar	Attending	
			Bangun Sarwito Kusmulyono	Attending		Hery Gunardi	Attending	
			Makmur Keliat	Attending		Ahmad Siddik Badruddin	Attending	
						Rico Usthavia Frans	Attending	
			Askolani	Attending		Darmawan Junaidi	Not Attending	On Leave
						Alexandra Askandar	Attending	
			Ardan Adiperdana	Attending		Agus Dwi Handaya	Attending	
						Panji Irawan	Attending	
			R. Widyo Pramono	Attending		Donsuwan Simatupang	Not Attending	On Leave

No.	Meeting Date	Meeting Agenda	Meeting Participants – The Board of Commissioners	Attending/Not Attending	Reason for Absent	Board of Directors Meeting Participants	Attending/Not Attending	Reason for Absent
9.	Thursday, December 20, 2018	Financial and Performance Statement of October 2018.	Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Not Attending	On Leave
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Attending	
			Goei Siauw Hong	Attending		Royke Tumilaar	Attending	
			Bangun Sarwito Kusmulyono	Attending		Hery Gunardi	Attending	
			Makmur Keliat	Attending		Ahmad Siddik Badruddin	Attending	
			Askolani	Attending		Rico Usthavia Frans	Not Attending	On Leave
						Darmawan Junaidi	Attending	
			Ardan Adiperdana	Attending		Alexandra Askandar	Attending	
						Agus Dwi Handaya	Not Attending	On Leave
			R. Widyo Pramono	Attending		Panji Irawan	Attending	
						Donsuwan Simatupang	Attending	

\*) The term of office ends on March 21, 2018.

\*\*) The appointment concerned as Director is declared effective as of September 4, 2018.

\*\*\*) The appointment concerned as Director is declared effective as of September 12, 2018.

## Joint Meeting of Directors Invites Board of Commissioners

Throughout 2018, the agenda, date and participants of the Joint Meetings of the Board of Directors with the Board of Commissioners are as follows.

**Table of Joint Meeting of the Board of Directors and the Board of Commissioners**

No.	Meeting Date	Meeting Agenda	Meeting Participants - Board of Commissioners	Attending/Not Attending	Reason for Absent	Board of Directors Meeting Participants	Attending/Not Attending	Reason for Absent
1.	February 21, 2018	1. Financial Performance on June 2018. 2. Updates from the Corporate Secretary. RKA PKBL. 3. Updates from the Corporate Secretary. Preparation of the Annual GMS	Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Attending	
			Goei Siauw Hong	Not Attending	On Leave	Ogi Prastomiyono	Attending	
			Bangun Sarwito Kusmulyono	Attending		Royke Tumilaar	Not Attending	On Leave
			Makmur Keliat	Attending		Hery Gunardi	Not Attending	On Leave
			Askolani	Not Attending	On Leave	Tardi	Attending	
						Ahmad Siddik Badruddin	Attending	
			Ardan Adiperdana	Attending		Kartini Sally	Attending	
						Rico Usthavia Frans	Attending	
			R. Widyo Pramono	Attending		Darmawan Junaidi	Attending	
2.	July 18, 2018	1. Financial Performance on June 2018. 2. Discussion of IT.	Hartadi Agus Sarwono	Attending		Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Attending	
			Goei Siauw Hong	Not Attending	On Leave	Royke Tumilaar	Attending	



No.	Meeting Date	Meeting Agenda	Meeting Participants - Board of Commissioners	Attending/Not Attending	Reason for Absent	Board of Directors Meeting Participants	Attending/Not Attending	Reason for Absent
3.	November, 21 2018	1. Financial Performance on October 2018. 2. Updating the Bank Mandiri Recovery Plan in 2018.	Bangun Sarwito Kusmulyono	Attending		Hery Gunardi	Attending	
			Makmur Keliat	Attending		Ahmad Siddik Badruddin	Attending	
			Askolani	Attending		Rico Usthavia Frans	Attending	
						Darmawan Junaedi	Attending	
			Ardan Adiperdana	Attending		Alexandra Askandar	Attending	
						Agus Dwi Handaya	Not Attending	Business Trip
			R. Widyo Pramono	Attending		Panji Irawan	Attending	
						Donsuwan Simatupang	Attending	
			Hartadi Agus Sarwono	Not Attending	On Leave	Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Attending	
			Goei Siauw Hong	Not Attending	On Leave	Royke Tumilaar	Attending	
			Bangun Sarwito Kusmulyono	Attending		Hery Gunardi	Not Attending	Business Trip
			Makmur Keliat	Attending		Ahmad Siddik Badruddin	Attending	
			Askolani	Attending		Rico Usthavia Frans	Attending	
						Darmawan Junaedi	Attending	
			Ardan Adiperdana	Attending		Alexandra Askandar	Attending	
						Agus Dwi Handaya	Not Attending	Business Trip
			R. Widyo Pramono	Attending		Panji Irawan	Attending	
						Donsuwan Simatupang	Attending	

## Frequency and Attendance of Joint Meeting

During 2018, there have been 12 (twelve) Joint Meetings with the details of the Joint Meeting of the Board of Commissioners inviting the Board of Directors 9 (nine) times and the Joint Meeting of the Board of Directors inviting the Board of Commissioners 3 (three) times with the following attendance frequency.

**Table of Joint Meetings Attendance Frequencies of the Board of Commissioners and Directors**

Name	Position	Number of Meetings	Number of Attendance	Percentage
Hartadi Agus Sarwono	President Commissioner/Independent Commissioner	12	11	92%
Imam Apriyanto Putro	Deputy President Commissioner	12	10	83%
Goei Siauw Hong	Independent Commissioner	12	9	75%
Bangun Sarwito Kusmulyono	Independent Commissioner	12	11	92%
Makmur Keliat	Independent Commissioner	12	12	100%
Askolani	Commissioner	12	11	92%
Ardan Adiperdana	Commissioner	12	10	83%
R. Widyo Pramono	Commissioner	12	10	83%



Name	Position	Number of Meetings	Number of Attendance	Percentage
Kartika Wirjoatmodjo	President Director	12	9	75%
Sulaiman Arif Arianto	Deputy President Director	12	9	75%
Royke Tumilaar	Director of Corporate Banking	12	8	75%
Hery Gunardi	Director of Small Business & Network	12	10	83%
Ahmad Siddik Badruddin	Director of Risk Management	12	9	75%
Rico Usthavia Frans	Director of Information Technology & Operation	12	9	75%
Darmawan Junaidi	Director of Treasury & International Banking	12	9	75%
Alexandra Askandar*)	Director of Institutional Relationship	4	4	100%
Agus Dwi Handaya*)	Director of Compliance	4	3	75%
Panji Irawan**)	Director of Finance	4	4	100%
Donsuwan Simatupang**)	Director of Retail Banking	4	3	75%
Ogi Prastomiyono***)	Director of Operations	2	2	100%
Tardi***)	Director of Retail Banking	2	2	100%
Kartini Sally***)	Director of Kelembagaan	2	2	100%

\*) The appointment concerned as Director is declared effective as of September 12, 2018.

\*\*) The appointment concerned as Director is declared effective as of September 4, 2018.

\*\*\*) The term of office ends on March 21, 2018.

## Remuneration Policy For The Board of Commissioners

In providing remuneration for the board of commissioners, Bank Mandiri upholds the principle of prudential as well as commits to the prevailing regulations of law. Currently, the Company has implemented a good governance in terms of remuneration provision to the Board of Commissioners. This manner aims to promote prudent risk-taking to maintain the corporate sustainability.

The good governance implementation of remuneration provision is conducted by formulating policies that have been authorized under the Joint Decree of Board of Commissioners and Board of Directors on Remuneration Policy of PT Bank Mandiri (Persero) Tbk. dated March 20, 2008. The determination of remuneration for the Board of Commissioners refers to:

1. SOE Minister Regulation No. PER-06/MBU/06/2018 dated June 4, 2018 concerning Change Third, the Regulation of the Minister of State Owned Enterprises No. PER-04/MBU/2014 concerning Determination Guidelines Earnings of Directors, Board of Commissioners.
2. SOE Minister Regulation No. PER-01/MBU/2011 concerning Implementation of Governance Good Corporate Governance the SOE has been amended last by Regulation Minister of State Enterprises No. PER-09/MBU/2012 concerning Amendments to SOE Minister Regulation No. PER-01/MBU/2011 about Implementation of Good Corporate Governance (Good Corporate Governance) in SOE.

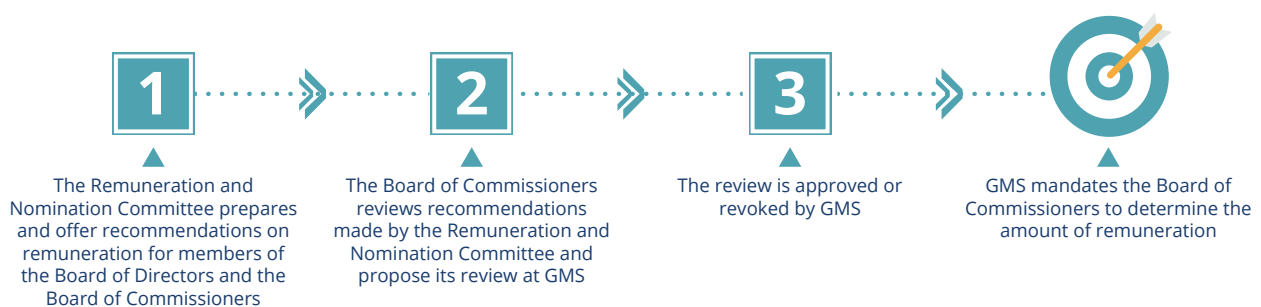
3. Financial Services Authority Regulation No. 55/POJK.03/2016 dated December 9, 2016 concerning the Implementation of Governance for Commercial Banks.
4. Financial Services Authority Regulation No. 45/POJK.03/2015 dated December 23, 2015 concerning the Implementation of Governance concerning Remuneration for Commercial Banks.
5. The Company's Articles of Association.

In accordance with Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Implementation of Governance concerning Remuneration Provision for Commercial Banks, Bank Mandiri has performed a good governance in such a provision as stated in the Joint Decree of Board of Commissioners and Board of Directors dated March 20, 2018 that has taken into account various aspects, including financial stability of the bank, risk management, short-term and long-term liquidity requirements, and potential future revenue. The Company may operate malus and clawback of variable remuneration for the bank officials who are under the category of Material Risk Taker (MRT), with the following provisions:

1. The company will have malus and or clawback applied in exceptional circumstances in the practice of variable remuneration, by taking into account some factors as follows:
  - The financial or non financial loss of the Company.
  - The direct or indirect involvement of the official in question in the loss.

2. Variable remuneration must be deferred amounting a percentage specified by the company.
3. This policy applies for MRT officials under the following criteria:
  - Causing financial or non financial loss to the Company.
  - Conducting frauds, breaking the law, behaving in an unethical manner, and/or falsifying records.
  - Intentionally violating bank's policy, rules, and procedures.
  - Inducing significant negative impacts towards bank capital due to a non economic or industrial climate change
4. In implementing remuneration for MRT officials, Bank Mandiri acts under the provisions from Financial Service Authority, Regulations of the Ministry of SOEs, and the Company's remuneration policy.

## Proposal and Determination of Remuneration Procedures



The determination of remuneration for the Board of Commissioners is carried out with the following procedures:

1. Remuneration and Nomination Committee holds a review on remuneration for the Board of Commissioners.
2. The Committee coordinates with Human Capital Director and Officials as well as related work unit to arrange the proposal of remuneration.
3. In establishing policies on variable remuneration, the Committee coordinates with the Risk Management Work Unit
4. Based on the review, the Committee draws up recommendation on remuneration to be submitted to the Board of Commissioners.
5. The Board of Commissioners presents the proposal and recommendation under the basis of the review at the General Meeting of Shareholders to obtain approval.
6. The proposal and recommendation of the Board of Commissioners may come as:
  - a. Approval on the form and amount of the remuneration; or
  - b. Approval of authority for the Board of Commissioners to determine the form and amount of the remuneration.

## Remuneration Structure of Members of The Board of Commissioners

By taking into account the prevailing provisions on remuneration, remuneration for the Board of Commissioners is provided in the form of:

1. Fixed remuneration: remunerations provided independent from performance and risk, such as salary/honorarium, facilities, housing allowance, health allowance, education allowance, festive allowance, and post-employment benefit.

Salary/honorarium, facilities, allowances, and post-employment benefit are provided in cash.

2. Variable remuneration: Remunerations provided in connection with performance and risks, such as bonuses, tantiem/performance incentives, or those of any other equal forms.

Bonuses, tantiem, and incentives may be provided in cash, shares, or stock-based instruments issued by the Company, and cash only for the Board of Commissioners to avoid conflict of interest in their supervisory tasks.

Remunerasi yang berupa Bonus, Tantiem, Insentif dapat diberikan dalam bentuk tunai, saham, atau instrument yang berbasis saham yang diterbitkan oleh Bank Mandiri dengan ketentuan khusus untuk Dewan Komisaris diberikan dalam bentuk tunai untuk menghindari unsur benturan kepentingan dalam menjalankan pengawasan.

The following are the details of remuneration structure of the Board of Commissioners.

**Table of Remuneration Structure of the Board of Commissioners**

No.	Type of Income	Regulation
1.	Honorarium	Amount of Position Factor President Commissioner 50% of President Director Deputy President Commissioner 47.5% of the President Director Commissioner 90% of the President Commissioner
2.	<b>Company's Strategic Initiative</b>	
	Religious Holiday Allowance	1 (one) time of honorarium
	Communication Allowance	Not eligible
	Transportation Allowance	20% of honorarium
	Annual Leave Allowance	Not eligible
	Post-Employment Benefit	Insurance Premium not exceeding 25% of honorarium
3.	<b>Employees' Strategic Plan</b>	
	Suit Allowance	Eligible for any special occasion that need special suit
	Company Vehicle Facility	Transportation allowance 20% of honorarium
	Medical Facility	Reimbursement of treatment in accordance with the internal policies stipulated in the Letter of the Board of Commissioners No. KOM/113/2016 concerning Organ Remuneration Supporting the Board of Commissioners and Staff Secretary.
	Professional Collector Facility	Maximum two memberships for registration and annual fee only
	Legal Council Facility	As needed, regulated in KEP. KOM/003/2014
4.	Bonuses, Tantiem, Incentives	Can be given in the form of shares or cash.

## Indicators For Determination of Remuneration For The Board of Commissioners

The indicators for determining remuneration of members of the Board of Commissioners are as follows:

1. Key Performance Indicator (KPI)
2. Company's Performance
3. Business Size
4. The benchmarking of the Banking Industry's remuneration
5. Goals and Long-Term Plans of the Bank

## Determination of Risk Takers Material

1. All members of Board of Commissioners are risk takers materials.
2. The determination of risk takers material is performed by using qualitative and quantitative approaches.

## Scheme of Variable Remuneration Provision

1. The Company specifies the scheme of variable remuneration for the Board of Commissioners by

deferring malus and/or cancelling clawback in a certain circumstance if deemed necessary by the Remuneration and Nomination Committee.

2. The requirements for deferred remuneration, such as the term of malus, amount of deferred remuneration, and requirements of clawback for the material risk takers are discussed by the Remuneration and Nomination Committee by considering:
  - a. The term of malus of 3 (three) years at the least
  - b. Company's Performance
  - c. Risk Profile
3. Malus is a remuneration in cash, shares, or stock-based instruments issued by the Company.
4. In the event of loss suffered by the Company:
  - a. The Company may opt to not providing variable remuneration, or providing such a remuneration in a lesser amount compared to that of the last time Companies gains profits, or specifying the remuneration in a smaller number in accordance with the Company's decline in profit.
  - b. In the event provided to the Board of Directors and Board of Commissioners, such a remuneration is an expression of appreciation.



## Amount of Remuneration For Every Component In The Structure of The Board of Commissioners

The following table provides the annual remuneration by income rate.

Total of Remuneration and Others Facilities	Board of Commissioners	
	Number of People	Million of IDR
<b>Remuneration</b>		
Salary	8	17,226
Housing Allowance	-	-
Transportation Allowance	8	2,491
Festive Allowance	8	1,510
Tantiem	11	69,592
<b>In-kind facilities</b>		
Housing (non-ownership)	-	-
Transportation (non-ownership)	-	-
Post employment insurance (ownership)	8	4,031
Medical (non-ownership)	8	410
<b>Total of Annual Remuneration per person</b>		
Above Rp2 Billion	9	
Above Rp1 Billion to Rp2 Billion	2	
Above Rp500 Billion to Rp1 Billion	-	
Below Rp500 million	-	

In compliance with Financial Services Authority Regulation No. 45/POJK.03/2015, Bank Mandiri has awarded bonus in shares for the performance in 2017 to non-independent commissioners on July 9, 2018, as reported to the Financial Service Authority under the letter dated July 18, 2018 with the following details:

Name	Position	Bonus of Shares
Imam Apriyanto Putro	Deputy President Commissioner	114,300 shares
Askolani	Commissioner	109,000 shares
Ardan Adiperdana	Commissioner	109,000 shares
R. Widyono Pramono	Commissioner	39,400 shares

## Recommendation and Performance of Duties of The Board of Commissioners

### Frequency and Procedures Advising To The Member of The Board of Directors

The Board of Commissioners not only plays a role in terms of supervision but also plays an active role in terms of giving advice. Provision of advice from the Board of Commissioners to the Board of Directors is carried out both formally at the Meeting, as well as informally on every opportunity that exists with all Directors and with one of the Directors. The Board of Commissioners' meeting in its implementation categorizes Formal Meetings into 3 (three) types of meetings, namely:

1. Board of Commissioners Meeting (RAKOM), which is an internal meeting of the Board of Commissioners. In 2018 has been held 35 (thirty-five) times.
2. The meeting of the Board of Commissioners invites the Directors (RAKOMDIR). In 2018 has been held 12 (twelve) times.
3. Committee meetings are under the supervision of the Board of Commissioners, which consists of Audit Committee Meetings, Risk Monitoring Committee Meetings, Integrated Governance Committee Meetings and Remuneration and Nomination Committee Meetings. At the Committee Meeting can also invite the members of the Board of Directors.

## Supervision of The Board of Commissioners on The Implementation of Company Strategies

In carrying out its duties, the Board of Commissioners supervises the preparation and implementation of the Company's strategy as stated in the RKAP. The supervision report on the implementation of the Bank's Business Plan includes reports on:

1. Board of Commissioners' assessment of the implementation of the Business Plan. The Board of Commissioners' assessment of the implementation of the Business Plan in the form of evaluating quantitative and qualitative aspects of the realization of the Business Plan, among others:
  - a. Quantitative Aspect (Financial)
  - b. Qualitative Aspect (Company Work Program)
2. The Board of Commissioners' assessment of the factors that affect the Company's performance include:
  - a. Implementation of Good Corporate Governance.
  - b. Gratuity control.
  - c. Application of Anti Money Laundering and Prevention of Terrorism Funding (APU-PPT).
  - d. Implementation of Fit and Proper Test.
  - e. Credit quality improvement.
  - f. Reporting to Regulators.
3. The Board of Commissioners' assessment of efforts to improve bank performance is carried out, among others by:
  - a. Evaluate Bank Mandiri's Consolidated Financial Performance every month and the Bank Mandiri Subsidiaries' Financial Performance every quarter.
  - b. Reviewing quarterly financial information that will be published by the Bank Mandiri.
  - c. Evaluate the realization of the RBB reported to the OJK every semester and submit the RBB supervision report to the OJK.
  - d. Carry out the oversight function of Risk Management, including ensuring the effectiveness of the Risk Management system and process by monitoring the Bank's main risk management, periodically reviewing the Risk Profile and evaluating on the position and development of the Bank's risk every quarter.
  - e. Monitor the Directors' plans and strategies in preparing Bank Mandiri for entering the Financial Technology (Fintech) era and ensuring that the Bank has both human and qualified and competent systems.
  - f. Monitor and evaluate the policies of the Board of Directors related to the creation of synergies and strengthening the business of the Subsidiary and reviewing its Performance of Subsidiaries every quarter.

The results of supervision of the implementation of Bank Mandiri's strategies are contained in the Bank Business Plan

Implementation Supervision Report submitted to OJK every semester. In 2018, the Board of Commissioners has made and submitted the Bank Business Plan Implementation Supervision Report as follows:

1. Letter No. KOM/015/2018 dated 21 February 2018, concerning Bank 2017 2017 2019 Business Plan Supervision Report PT Bank Mandiri (Persero) Tbk, Semester II 2017.
2. Letter No. KOM/097/2018 dated 29 August 2018, concerning Bank Business Regulations 2018 - 2020 Supervision Report of PT Bank Mandiri (Persero) Tbk, Semester I of 2018.
3. Letter No. KOM/024/2019 dated 27 February 2019, concerning Bank Business Regulations 2018 - 2020 Supervision Report of PT Bank Mandiri (Persero) Tbk, Semester II of 2018.

## Execution of Duties of The Board of Commissioners

Pursuant to the Financial Service Authority regulation No. 55/POJK.03/2016 concerning the Implementation of Corporate Governance for Commercial Bank, the duties and responsibilities of the Board of Commissioners are as follows:

1. To ensure good Corporate Governance is implemented in all business activities and all organizational levels of the Bank.
2. To conduct supervision over Board of Directors' performance of duties and responsibilities as well as to provide advice to the Board of Directors.
3. The Board of Commissioners must guide, monitor, and evaluate the implementation of Bank strategic policies.

Throughout 2018, the Board of Commissioners has performed their duties and responsibilities in monitoring management policies and Company's management in general in accordance with the prevailing regulations of law, the Company's Articles of Association, and the Work Plan set out in the beginning of the year.

The duties, obligations, and responsibilities of the Board of Commissioners are conducted through, among others, the meeting of the Board of Commissioners, the joint meeting of the Board of Commissioners and the Board of Directors, or the meeting and evaluation with the committees under the Board of Commissioners.

1. Reviewing the audit of Bank Mandiri's Financial Statement of the Fiscal Year of 2017 and The Financial Institutions Pension Fund (DPLK) conducted by the Public Accountant Firm (KAP) or other external parties.





2. Evaluating the Company's Consolidated Financial Performance on monthly basis and its Subsidiaries' Financial Performance on quarterly basis.
3. Reviewing financial information to published by the Bank on quarterly basis.
4. Conducting supervision on the RKAP, including:
  - a. Reviewing the revision to the Company Annual Work Plan and Budget of 2018
  - b. Providing directions and supervising the preparation and giving approval on Company Annual Work Plan and Budget of 2019, as well submitting the Report of such a project to the Ministry of State-Owned Enterprises.
5. Conducting supervision on Bank Business Plan, including:
  - a. Providing directions, supervising, and evaluating the implementation of 2018 strategic policies of the Bank.
  - b. Conducting supervision on the efforts to implement the Bank Business Plan especially in the achievement of several important aspects such as assets quality improvement, accumulation of third-party funds, productivity, and efficiency.
  - c. Reviewing and granting approval on Bank Business Plan of 2019 - 2021.
  - d. Evaluating the realization of the Bank Business Plan, with the report on the evaluation submitted to the Financial Service Authority every semester, as well as submitting the Bank Business Plan supervisory report to the Financial Service Authority.
6. Reviewing and granting approval on the Sustainable Financial Action Plan of 2019.
7. Supervising the implementation of prudential principle on credit facilities provision, comprising:
  - a. Reviewing the decision of the Board of Directors about the provision of credit facilities above certain limit.
  - b. Granting approval on the credit facilities for the related parties in accordance with the applicable regulations of law.
  - c. Conducting review on a routine and regular basis over the progress of the credits requiring approval from the Board of Commissioners.
  - d. Granting approval and making evaluation of the credit policies and strategies.
8. Reviewing the Non Performing Loan (NPL) rate of the Bank on a regular basis.
9. Conducting supervisory function on Risk Management, which includes:
  - a. Ensuring effectiveness of system and risk management process by monitoring the management of the Bank's key risks, reviewing the Risk Profile on a regular basis, and evaluating the position and development of Bank's risk quarterly.
  - b. Ensuring and evaluating the implementation of Integrated Risk Management for Financial Conglomerate of the Bank as well as reviewing and providing directions about Integrated Risk Management policies.
  - c. Evaluating and giving approval on General Policy on Risk Management and General Policy on Integrated Risk Management.
10. Monitoring and evaluating the development and management of human capital including the plan of Organizational Structure under the Board of Directors, especially in relation to the improvement of credit quality.
11. Monitoring the plan and strategy of the Board of Directors in preparing Bank Mandiri in moving into the era of Financial Technology (Fintech), also ensuring that Bank Mandiri has been equipped with qualified and competent human capital and system.
12. Monitoring, providing directions, and evaluating strategies of the Board of Directors in conducting corporate actions such as the acquisition and divestiture plans.
13. Giving approval on aspects requiring approval from the Board of Commissioners pursuant to the prevailing laws and the Articles of Association.
14. Monitoring the Implementation of Corporate Governance in each Financial Service Institution within the Financial Conglomerate of the Bank.
15. Monitoring and evaluating the policies of the Board of Directors to create synergy and to strengthen the business of the subsidiaries, and conducting quarter reviews on the performance of the subsidiaries.
16. Monitoring the Internal Audit Work Unit, namely Internal Supervisory Unit of Bank Mandiri which involves:
  - a. Evaluating the internal control or Internal Supervisory Unit of Bank Mandiri annually.
  - b. Reviewing audit plan and implementation as well as monitoring the follow-up of audit result from the Internal Supervisory Unit of Bank Mandiri.
  - c. Ensuring that the Board of Directors has followed-up the audit findings and the recommendations from the Internal Supervisory Unit of Bank Mandiri, the monitoring result of Financial Service Authority and/or other supervisory authorities, findings from the Audit Board of the Republic of Indonesia and external auditor, and audit findings from the Public Accountant Firm by, among others, requesting the Board of Directors to follow-up the audit findings in written or verbally.
17. Ensuring the implementation of GCG principles and practices in all organization levels, monitoring the GCG self-assessment results, encouraging the



- refinement of GCG practices in accordance with the international best practices, and reviewing the GCG implementation report including the assessment using ASEAN CG Scorecard.
18. Reviewing the Performance of the Bank's Financial Institutions Pension Fund Investment.
  19. Reviewing the remuneration of the Board of Directors and the Board of Commissioners.
  20. Conducting on-site visits to the branches/regions to perform their supervisory function.
  21. Ensuring the implementation of GCG principles and practices in all organization levels, monitoring the GCG self-assessment results, encouraging the refinement of GCG practices in accordance with the

international best practices, and reviewing the GCG implementation report.

22. Providing directions and monitoring the process of appointing the Public Accountant Firm to be assigned as the auditor of Bank Mandiri's 2018 Financial Statement to be proposed to the Annual General Meeting of Shareholders and the 2017 Financial Statement for Bank Mandiri's Financial Institutions Pension Fund.
23. Conducting 35 (thirty-five) regular meetings of the Board of Commissioners Meeting, either internal meetings or those involving the Directors of the related fields in order to discuss specific aspects such as business, organization, human capital, etc.

## Recommendations and Decisions of the Board of Commissioners

Throughout 2018, the Board of Commissioners have provided recommendations and performed duties and responsibilities by holding several forums as follows:

1. Board of Commissioners Meeting
2. Meeting with the Committees under the Board of Commissioners
3. On-Site Visits of the Board of Commissioners

Throughout 2018, the Board of Commissioners have issued 40 (forty) letters of approval, among others on the credit approvals for the related parties, additional equity participation to other companies/subsidiaries, and other approvals under the authority of the Board of Commissioners as regulated in the Articles of Association and prevailing regulations. Those approvals are outlined in details in the following table.

No.	Date	Approval
1.	January 17, 2018	Approval of Proposals concerning Cooperation and Partner Selection of Build Operate Transfer for the purpose of Asset Optimization
2.	January 31, 2018	Approval of the Appointment of Mandiri Public Accountant Firm for Financial Institution Pension Fund of 2017.
3.	February 14, 2018	Approval of Remuneration Proposal for Board of Directors and Board of Commissioners of Bank Mandiri at 2018 Annual General Meeting of Shareholders
4.	February 28, 2018	Approval of Credit Facilities for the Related Parties
5.	March 7, 2018	Approval of Public Accountant Firm (KAP) for the Audit of Financial Statement of Bank Mandiri for the Fiscal Year of 2016
6.	March 14, 2018	Approval of Representation of Bank Mandiri for the manager of the Subsidiaries.
7.	March 28, 2018	Approval of Organization Structure Adjustment of Bank Mandiri Post-2018 Annual General Meeting of Shareholders
8.	May 2, 2018	Approval of Liquidation (Dissolution) of PT Sarana Bersama Pengembangan Indonesia (SBPI).
9.	May 16, 2018	Approval of Credit Facilities Extension.
10.	May 23, 2018	Approval of Article of Association Threshold Proposal
11.	June 6, 2018	Approval of Revisions to the Work Plan and Budget of 2018 and Bank Business Plan of 2018-2020.
12.	September 26, 2018	Approval of Preparation for Mandiri Group Principle Guideline (MGPG).
13.	November 26, 2018	Approval of Bank Mandiri's Work Plan and Budget of 2019, Bank Business Plan of 2019-2021, and Sustainable Financial Action Plan of 2019.
14.	November 28, 2018	Approval of Proposal for Capital Injection of PT Mandiri Capital Indonesia.
15.	December 5, 2018	Approval of Capital Injection of PT Mandiri Capital Indonesia.

## Competence Development for The Board of Commissioners

Competency development of the Board of Commissioners can be seen in the Chapter of the Company Profile in this Annual Report.



## Risk Management Certification

As regulated in the Bank Indonesia Regulation No. 11/19/PBI/2009 concerning Risk Management Certification for the Management and Officials of Commercial Banks, Board of the Bank (Board of Commissioners and Board of Directors) **must earn Risk Management Certificate** issued by the Professional Certification Institute, under the following classification:

No.	Position	Level	Validity Period
1.	Commissioner	Level 1 At the Least	4 years
2.	Independent Commissioner	Level 2 At the Least	4 years
3.	President Director and Bank Directors with >Rp10 Trillion of assets in possession	5	2 years

In the event of expiration of the certificate, Refreshment must be attended on a regular basis at least:

- once in every 4 (four) years for level 1 and 2; or
- once in every 2 (two) years for level 3, 4, and 5.

Therefore, the Independent Commissioners of Bank Mandiri are required to pass the Risk Management Certification level 2, and level 1 for non-Independent Commissioners. The following members of the Board of Commissioners have successfully passed the Risk Management Certification.

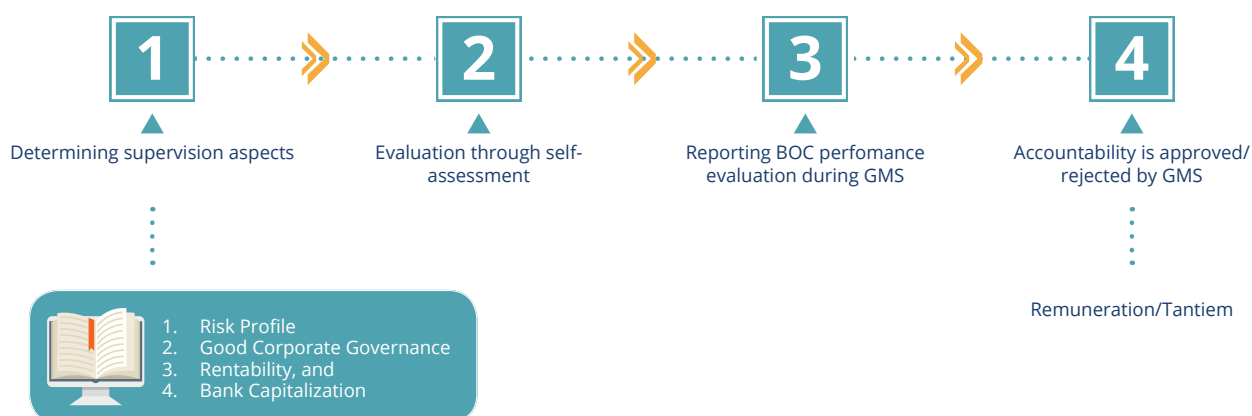
Name	Position	Certificate Issuing Institution	Level	Field/Area	Date of Certificate Issuance	Expiry Date
Hartadi A. Sarwono	President Commissioner/ Independent Commissioner	Risk Management Certification Agency (BSMR)	Level 2	Risk Management	March 29, 2016	March 29, 2020
		Indonesian Bankers Association (IBI) and Master of Management, Faculty of Economics and Business, Universitas Gadjah Mada (MMUGM)	Refreshment	Intensive Wealth Management and Risk Management Refreshment Programs for Executives	August 26, 2017	August 26, 2019
		Indonesian Bankers Association (IBI) and Master of Management, Faculty of Economics and Business, Universitas Gadjah Mada (MMUGM)	Refreshment	International Risk Management Refreshment Programs for Executives	November 4, 2017	November 4, 2019
		Indonesian Banking Development Institute (IBDI/ LPPI)	Refreshment	Executive Risk Management Refreshment Program	July 02 – 09, 2018	July 9, 2020
Imam Apriyanto Putro	Deputy President Commissioner	Risk Management Certification Agency (BSMR)	Level 1	Risk Management	April 11, 2015	April 11, 2019
Askolani	Commissioner	Banking Professional Certification Agency (LSPP)	Level 1	Banking Risk Management	June 24, 2014	June 24, 2018
		Bara Risk Forum	Refreshment	Key Risk Management Challenges in 2019	December 7, 2018	December 7, 2020
Goei Siauw Hong	Independent Commissioner	Banking Professional Certification Agency (LSPP)	Level 2	Banking Risk Management	April 17, 2015	April 17, 2019
		Bara Risk Forum	Refreshment	Banking Risk Management	October 18, 2017	October 18, 2019
Bangun Sarwito Kusmulyono	Independent Commissioner	Risk Management Certification Agency (BSMR)	Level 2	Banking Risk Management	December 13, 2016	December 13, 2020
		Banking Professional Certification Agency (LSPP)	Refreshment	Refreshment : Managing Risk for a Healthy Credit Portfolio	November 16, 2016	November 16, 2018
Ardan Adiperdana	Commissioner	Banking Professional Certification Agency (LSPP)	Level 1	Risk Management	July 30, 2016	July 30, 2020
		Indonesian Banking Development Institute (IBDI/ LPPI)	Refreshment	Executive Risk Management Refreshment Program with the theme entitled "Risk Management as Performance"	July 02 - 09, 2018	July 9, 2020

Name	Position	Certificate Issuing Institution	Level	Field/Area	Date of Certificate Issuance	Expiry Date
Makmur Keliat	Independent Commissioner	Banking Professional Certification Agency (LSPP)	Level 2	Risk Management	May 12, 2017	May 12, 2021
R. Widyo Pramono	Commissioner Commissioner	Banking Professional Certification Agency (LSPP)	Level 1	Risk Management	September 20, 2017	September 20, 2021
		Indonesian Banking Development Institute (IBDI/ LPPI)	Refreshment	Executive Risk Management Refreshment Program with the theme entitled "Risk Management as Performance"	July 02 - 09, 2018	July 9, 2020

## Performance Assessment of The Board of Commissioners

The performance of the Board of Commissioners is assessed through self-assessment and reported as well as accounted for by the General Meeting of Shareholders.

### Procedure of Performance Assessment of The Board of Commissioners



### Criteria For Performance Evaluation of The Board of Commissioners

No.	Indicator	Weight
1.	The Board of Commissioners holds regular Board of Commissioners Meeting no less than 4 (four) times in 1 (one) year.	10%
2.	The Board of Commissioners holds regular joint meeting with the Board of Directors no less than 4 (four) times in 1 (one) year.	10%
3.	The Board of Commissioners improves the knowledge, skill, and capability through the participation in seminar/training in accordance with the members' respective fields at least once a year.	10%
4.	The Board of Commissioners conducts on-site visits to the branches/regions to perform their supervisory function twice at the least in 1 (one) year.	10%
5.	The Board of Commissioners regularly evaluates the performance of the Bank and the Subsidiaries (Consolidated) 4 (four) times at the least in 1 (one) year.	10%
6.	The Board of Commissioners evaluates, prepares, and submits Reports on the Performance of the Bank's Financial Institutions Pension Fund to the Regulating Bodies once at the least in 1 (one) year.	10%



No.	Indicator	Weight
7.	The Board of Commissioners regularly arranges and submits the Supervision Report of Bank Business Plan to the Regulating Bodies twice in 1 (one) year.	10%
8.	<p>The Board of Commissioners reviews, evaluates, and grants approval on aspects requiring approval from the Board of Commissioners pursuant to the prevailing laws and the Articles of Association, such as:</p> <ul style="list-style-type: none"> <li>• Company Work Plan and Budget</li> <li>• Bank Business Plan</li> <li>• The Selection of Public Accountant Firm to act as the Auditor of Financial Statements of the Bank and Financial Institutions Pension Fund, and proposing the name of the Firm to be approved in the Annual General Meeting of Shareholders.</li> <li>• Capital injection or divestment and management structure of the Subsidiaries.</li> <li>• Approval of credit facilities for the related parties.</li> <li>• Effectiveness of Bank Risk Management and Integrated Risk Management systems and processes</li> <li>• Effectiveness of the implementation of the Internal Audit Work Unit function.</li> </ul>	10%
9.	The Board of Commissioners ensures the implementation of Good Corporate principles and practices holistically within the organization.	10%
10.	<p>The Board of Commissioners ensures that the subordinate Committees, comprising Audit Committee, Risk Monitoring Committee, Nomination and Remuneration Committee, and Integrated Governance Committee, have performed their duties and functions appropriately and effectively in accordance with the applicable provisions.</p> <p>Below are the measured indicators in the implementation of duties and functions of Committees reporting to the Board of Commissioners:</p> <ul style="list-style-type: none"> <li>• Hosted Meetings of Committees and Committees Work Plan</li> <li>• Degree of attendance and participation in Committee Meetings</li> <li>• Submission of Reviews to the Board of Commissioners</li> <li>• Timely Preparation and Submission of Committee Reports</li> </ul>	10%

## Parties Conducting Assessment

The Board of Commissioners carried out self-assessment to its performance throughout 2018

## Performance Assessment Result of The Board of Commissioners

Hasil penilaian kinerja Dewan Komisaris selama tahun 2018 secara mandiri (*self assessment*) adalah sebagai berikut.

No.	Indicator	Weight	Achievement
1.	The Board of Commissioners holds regular Board of Commissioners Meeting no less than 4 (four) times in 1 (one) year.	10%	100%
2.	The Board of Commissioners holds regular joint meeting with the Board of Directors no less than 4 (four) times in 1 (one) year.	10%	100%
3.	The Board of Commissioners improves the knowledge, skill, and capability through the participation in seminar/ training in accordance with the members' respective fields at least once a year.	10%	100%
4.	The Board of Commissioners conducts on-site visits to the branches/regions to perform their supervisory function twice at the least in 1 (one) year.	10%	100%
5.	The Board of Commissioners regularly evaluates the performance of the Bank and the Subsidiaries (Consolidated) 4 (four) times at the least in 1 (one) year.	10%	100%
6.	The Board of Commissioners evaluates, prepares, and submits Reports on the Performance of the Bank's Financial Institutions Pension Fund to the Regulating Bodies once at the least in 1 (one) year.	10%	100%
7.	The Board of Commissioners regularly arranges and submits the Supervision Report of Bank Business Plan to the Regulating Bodies twice in 1 (one) year.	10%	100%
8.	<p>The Board of Commissioners reviews, evaluates, and grants approval on aspects requiring approval from the Board of Commissioners pursuant to the prevailing laws and the Articles of Association, such as:</p> <ul style="list-style-type: none"> <li>• Company Work Plan and Budget</li> <li>• Bank Business Plan</li> <li>• The Selection of Public Accountant Firm to act as the Auditor of Financial Statements of the Bank and Financial Institutions Pension Fund, and proposing the name of the Firm to be approved in the Annual General Meeting of Shareholders.</li> <li>• Capital injection or divestment and management structure of the Subsidiaries.</li> <li>• Approval of credit facilities for the related parties.</li> <li>• Effectiveness of Bank Risk Management and Integrated Risk Management systems and processes</li> <li>• Effectiveness of the implementation of the Internal Audit Work Unit function.</li> </ul>	10%	100%

No.	Indicator	Weight	Achievement
9.	The Board of Commissioners ensures the implementation of Good Corporate principles and practices holistically within the organization.	10%	100%
10.	<p>The Board of Commissioners ensures that the subordinate Committees, comprising Audit Committee, Risk Monitoring Committee, Nomination and Remuneration Committee, and Integrated Governance Committee, have performed their duties and functions appropriately and effectively in accordance with the applicable provisions.</p> <p>Below are the measured indicators in the implementation of duties and functions of Committees reporting to the Board of Commissioners:</p> <ul style="list-style-type: none"> <li>• Hosted Meetings of Committees and Committees Work Plan</li> <li>• Degree of attendance and participation in Committee Meetings</li> <li>• Submission of Reviews to the Board of Commissioners</li> <li>• Timely Preparation and Submission of Committee Reports</li> </ul>	10%	100%

## The Evaluation of The Committees Under The Board of Commissioners and The Basis of The Evaluation

In order to improve the role of the Board of Commissioners in performing the supervisory function, the Board of Commissioners had established 4 (four) committees, namely:

1. Audit Committee
2. Remuneration and Nomination Committee
3. Risk Monitoring Committee
4. Integrated Governance Committee

The Audit Committee has duties and responsibilities to assist and facilitate the Board of Commissioners in carry out the duties and functions of supervision over matters related to the quality of financial information, internal control system, inspection effectiveness external and internal auditors, effectiveness of implementation risk management and compliance with regulations current regulation. Throughout the year 2018, the Audit Committee has carried out its duties and responsibility well. Audit Committee has holding meetings 21 (twenty one) times and carry out their duties which include:

1. Proposals for KAP names that have gone through procurement procedures in accordance with applicable regulations, which will conduct the audit process of Financial Statements Bank Mandiri and Bank Mandiri Financial Institution Pension Fund (DPLK) in 2018.
2. Provide input regarding the Internal Audit and KAP selected.
3. Proposed approval for the 2019 RKAP and Bank Business Plan for 2019 - 2021 submitted by the Board of Directors.

The Remuneration and Nomination Committee has duties and responsibility to assist in carrying out its functions and duties in the fields related to remuneration and nominations for members of the Board of Directors and the Board of Commissioners. Throughout 2018, the Remuneration and Nomination

Committee have carried out duties and responsibility well. Remuneration and Nominations Committee have held 5 meetings (five) times and carry out their duties which include:

1. Provide recommendations/proposals for candidates fulfill the requirements as a Member of the Board of Commissioners and Bank Mandiri Directors to the Board of Commissioners to be submitted to the GMS.
2. Obtain and analyze prospective data The Board of Directors of the official talent pool is one level below Directors and identify candidates for the Board of Commissioners who qualifies.
3. Propose a suitable remuneration system The Bank Mandiri Directors and Board of Commissioners are in the form of payroll system/honorarium, facilities/benefits, bonus, and so on for 2018.

The Risk Monitoring Committee has the responsibility and responsibility in carrying out its duties and responsibilities in conducting supervision and giving advice to the Board of Directors to obtain adequate confidence in the application of risk management Bank Mandiri continues to fulfill the elements of adequacy of risk management procedures and methodologies, so that Bank Mandiri's business activities remain manageable at limits/limits that can be accepted and benefit Bank Mandiri. throughout 2018, the Risk Monitoring Committee has carried out its duties and responsibilities properly. The Risk Monitoring Committee has conducted meetings 30 (thirty) times and carried out its duties which include:

1. Proposed approval for credit facility application and provision of funds to the Related Party, good the nature of extensions, additions, changes or new gifts.
2. Proposed Bank Mandiri organizational structure.
3. Proposals to increase capital, release shares, dissolution (liquidation) of the Subsidiary.
4. Review the proposed management/management composition on Child entity.



5. Proposed Recovery Plan and Policy Updates Management of Subsidiaries.
6. Review Risk Dashboards, management stress tests and implementation of risk management at Bank Mandiri.
7. Review other applications that require Board of Commissioners approval, including proposals to do so cooperation between Build, Operate, Transfer (BOT) to optimize Bank Mandiri's assets.

The Integrated Governance Committee has the responsibility and responsibility to assist and facilitate the Board of Commissioners in carrying out the duties and functions of supervision over the implementation of Governance in each Financial Services Institution (LJK) in the Bank Mandiri Financial Conglomerate to comply with the Governance Guidelines Integrated and Implementation of duties and responsibilities of Bank Mandiri Directors. Throughout 2018, the Integrated Governance Committee has carried out its duties and responsibilities well. The Integrated Governance Committee has carry out meetings 2 (two) times and carry out their duties which include:

1. Follow-up to OJK's Onsite Review Results.
2. Update the Results of Integrated Internal Audit.
3. Results of the Self Assessment of Integrated Governance Implementation.
4. Realization of the Work Plan for the Integrated Work Unit in 2018.

The Board of Commissioners periodically (annually) evaluates the effectiveness of the performance of the committees below Board of Commissioners. The Board of Commissioners considers that during 2018 the committees have carried out their duties and its responsibility is quite effective seen from the achievement of each Key Performance Indicator (KPI) committee. Information on the achievement of the Key Performance Indicator (KPI) under the Board of Commissioners is presented at each time section of the Board of Commissioners Committee.

## The Mechanism of Resignation and Dismissal of The Board of Commissioners

The resignation and dismissal mechanism of the Board of Commissioners under the Company's Articles of Associations are as follows:

1. Members of the Board of Commissioners shall be appointed and dismissed by the General Meeting of Shareholders, which shall be attended by Series A Dwiwarna Shareholders and the GMS Resolution must be approved by the Series A Dwiwarna Shareholders. Members of the Board of Commissioners shall be appointed by the GMS from the candidates nominated by Series A Dwiwarna Shareholders, which nomination shall be binding to the GMS.
2. Board of Commissioners member(s) can be dismissed at any time pursuant to GMS Resolutions by stating the reason.
3. The grounds for the dismissal of a BOC member as stipulated in point 2 above shall be applied if in reality, the BOC member:
  - a. Cannot perform their duties well;
  - b. Violate the provisions of Articles of Association and/or the laws and regulations;
  - c. Get involved in an act that causes loss for the Company and/or country;
  - d. Perform an act violating the ethics and/or compliance which must be respected by the Board of Commissioners;
  - e. Is declared guilty by the Court with a permanent legal force;
  - f. Resign.
4. The Board of Commissioners can be dismissed by GMS based on other grounds deemed appropriate by GMS for the interest and purpose of the Company.
5. The dismissal resolution based in the said grounds, shall be resolved after the said BOC member is given the opportunity to defend him/herself at the GMS.
6. The termination for the above grounds shall be deemed unamicable dismissal.
7. Among the members of the Board of Commissioners and between members of Board of Commissioners and members of the Board of Directors there should not be any family relationship up to third degree both vertically and horizontally including the relationships arising from marriage.
8. In case of the occurrence of the situation, GMS is authorized to dismiss one of them.
9. A member of the Board of Commissioners has the right to resign from his/her position before the end of his/her term of service by notifying in writing of his/her purpose to the Company.
10. The Company is obliged to hold GMS to resolve the resignation request of the member of the Board of Commissioners within 90 (ninety) days after the receipt of the resignation letter at the latest.
11. The Company is obliged to implement disclosure of information to public and to convey to Financial Services Authority (FSA) within 2 (two) days at the latest after the receipt of the resignation request of the member of the Board of Commissioners.



12. Before the resignation becomes effective, the said member of the Commissioners shall still have the obligation to complete his/her duties and responsibilities according to the Articles of Association and the laws and regulations.
13. To the resigning member of the Board of Commissioners mentioned above may still be asked for his/her responsibilities as a member of the Board of Commissioners until the approval of his/her resignation date at GMS.
14. The release of responsibilities of the resigning member of the Board of Commissioners shall be provided after the release from Annual Meeting of Shareholders.
15. In the event the resignation of a member of the Board of Commissioners resulting the number of the member of the Board of Commissioners becomes less than 3 (three), then such resignation shall be valid when it is determined by GMS and a new member is appointed, so as to meet the minimum requirement of the member of the Board of Commissioners.
16. The term of the Board of Commissioners member ends if:
  - a. The resignation has been effective;
  - b. Passed away;
  - c. Expired tenure;
  - d. Dismissed through GMS; or
- e. The member is declared bankrupt by Commercial Court which has permanent legal force or is placed under guardianship pursuant to a court decree;
- f. No longer meets the requirement as a Board of Commissioners member in accordance with the Articles of Association and applicable laws and regulations.
17. For a member of the Board of Commissioners who terminates on or before the end of his/her term of office, unless due to death, he/she remains responsible for all of his/her actions that have not been accepted by GMS.

### Policies Related To The Resignation Of The Board of Commissioners Getting Involved In Financial Crime

Article of Association of Bank Mandiri has regulated policies related to the resignation of Board of Commissioners and Board of Directors member getting involved in financial crime. If a member of the Board of Commissioners and Board of Directors does not meet the regulation requirements anymore, including involving in a financial crime, then the term of office of the member of Board of Commissioners and Board of Directors shall automatically ends.

## Board of Directors

The Board of Directors is a Company Organ that is authorized and fully responsible for the management of the Company for the interest of the Company in accordance with the provisions of the Articles of Associations. In performing their duty, the Board of Directors is obliged to fully devote his/her energy, thought, attention and dedication to the tasks, liabilities and the achievement of the Company. The Board of Directors must comply with the Articles of Association of the Company and the laws and regulations and shall implement the professionalism, efficiency, transparency, independence, accountability, responsibility and appropriateness principles. Each member of the Board of Directors of Bank Mandiri shall perform his/her duties and liabilities with good will, full of responsibility, and prudence, in accordance and compliance with the applicable laws.

## Duties and Responsibilities of The Board of Directors

The duties and responsibilities of the Bank Mandiri Directors are as follows:

1. Running and responsible for management Company for the interest and in accordance with the purposes and objectives of the Company stipulated in Articles of Association and act as leaders in the arrangement.
2. Maintaining and managing the Company's assets.
3. Representing the Board of Directors for and on behalf of the Company both inside and outside the Court.
4. Arrange and define vision and mission, strategy and the management policy of the Company.
5. Arrange, establish, supervise and evaluation of the implementation of the Company's Plan (Corporate Budget Work Plan, Plan Business Development, Financial Action Plans Sustainable and Human Resource Development Plans) medium and long term.
6. Set the Company's performance targets, conduct supervision and evaluation and striving achievement of the Company's performance targets.
7. Arrange, implement and evaluate the Company's risk management strategies and policies from the identification stage to risk monitoring.



8. Establish policies and implement principles Good Corporate Governance and internal control.
9. Maintain the image of the Company and establish relationships with all stakeholders.
10. Carry out other duties and responsibilities regulated in the Articles of Association, regulations legislation and stipulated in the Meeting General Shareholders, Directors' Meetings and Company regulations.

## Rights and Authorities of The Board of Directors

The Board of Directors has the following rights and authorities:

1. Take all actions and decision in the framework of managing the Company by observing the Company's Articles of Association, Legislation, Company regulations and Good Corporate Governance.
2. Establish the management division of tasks among Directors, in the event that it is not decided by another General Meeting of Shareholders.
3. Directing and setting policies as well Company regulations to support management/Company activities related to budget/financial business activities, risk management, operational, and human resources.
4. Set the submission of the Board of Directors' power to representing the Company inside and outside the Court to one or several special people appointed for that including good Company employees alone or together and/or to another body.
5. Regulate provisions regarding Company employees including the determination of salaries, pensions, or day guarantees old and other income for the Company's employees based on legislation.
6. Lift and dismiss employees The company is based on labor regulations and other laws and regulations.
7. Appoint and dismiss the Corporate Secretary and/or Head of the Supervisory Unit Internal Audit with the approval of the Board of Commissioners.
8. Write off bad debts with provisions as stipulated in the Budget The basis is then reported to Board of Commissioners to report and accounted for in the Annual Report.
9. Do not collect the interest receivable, fine, fees, and other receivables in the framework restructuring and/or settlement of receivables and do other actions in order settlement of the Company's receivables with obligations report to the Board of Commissioners who the provisions and procedures for reporting are stipulated by the Board of Commissioners.
10. Carry out all other actions and actions regarding the management and ownership of wealth Company, binds the Company with parties other and/or other parties with the Company, as well as representing the Company inside and outside the Court about all things and all events, with restrictions as stipulated in the regulations legislation, Articles of Association and/or GMS decision.
11. Establish Organizational Structure and officials The Company has a certain level that is regulated through the Decree of the Board of Directors with regard to provisions of the Articles of Association, laws and regulations and Company regulations.
12. Delegating tasks, responsibilities and authority to officials below him to assisting in managing the Company with pay attention to the Articles of Association, regulations Company regulations and regulations.
13. Carry out supervision over each activity The Company is in accordance with the aims and objectives The Company and Good Corporate Governance.

## The Tenure of The Board of Directors

The term of office of the Board of Directors is as follows:

1. The Board of Directors members are appointed for the tenure starting from the GMS closing or other dates specified by the appointing GMS and ends after the closing of the 5th (fifth) Annual GMS after the appointing date, on condition no more than 5 (five) years, by considering the applicable laws and regulations including in the field of Capital Market, without lessening the rights from the GMS to dismiss the Board of Directors members at any time before the tenure ends.
2. The dismissal is effective after the closing of the GMS, unless defined otherwise by the GMS.
3. After the tenure ends, the Board of Directors members can be reappointed by the GMS for another tenure.

## Criteria of The Board of Directors

The candidates of the Board of Directors members are individuals, who meet the requirement when appointed or in the tenure:

1. Having good ethics, morals and integrity.
2. Eligible to do legal actions.
3. Within 5 (five) years prior to appointment or during the office, he/she:
  - a. Has never declared bankrupt.
  - b. Has never been a member of the Board of

Directors and/or Board of Commissioners found guilty of causing a Company bankrupt.

- c. Has never been sentenced of crime for causing the loss of the country and/or relating to financial sector.
- d. never becomes a member of the Board of Directors and/or member of the Board of Commissioners who, during his/her tenure:
  - Has hold Annual GMS.
  - whose accountability as member of Board of Directors and/or Board of Commissioners has been declined by GMS or has never provided

accountability report as member of Board of Directors and/or Board of Commissioners to GMS.

- Has caused a company that has license, approval, or registration from FSA not to fulfill its obligation to deliver Annual Report and/or financial report to FSA.
- 4. Has the commitment to comply with the laws and regulations.
- 5. Has the knowledge and/or expertise in the area required by the Company.

## Board Charter of the Board of Directors

In performing its duties and responsibilities, the Board of Directors has Guidance and Codes of Conduct of the Board of Directors as approved by Board of Directors Decree Number: KEP.DIR/211/2017 on September 13, 2017 regarding Guidelines and Codes of Conduct for Board of Directors PT Bank Mandiri (Tbk). The content of Guidelines and Codes of Conduct for Board of Directors regulates the following things.

1. General Terms
2. Organization, Stewardship, Authority to Act, and General Policy
3. Board of Directors Meeting
4. Working Time and Ethics
5. Committee
6. Correspondence
7. Board of Directors Shareholding
8. Performance Evaluation of the Board of Directors
9. Miscellaneous
10. Amendment
11. Closing

## The Composition and Grounds For The Appointment of The Board of Directors

In 2018, the number and composition of the Board of Directors has been changed several times with the following compositions:

### Composition of the Board of Directors of Bank Mandiri before the Annual GMS on March 21, 2018.

The Composition of the Company's Board of Directors for the period of January 1 - March 21, 2018 were Board of Directors of 10 (ten) people consisted of 1 (one) President Director, 1 (one) Deputy President Director and 8 (eight) Directors.

### Table of the Composition of and the Grounds for the Appointment of the Board of Directors

Name	Position	Executive	Grounds for the Appointment	Operational Effective Date
Kartika Wirjoatmodjo	President Director	Financial Services Authority	Annual GMS dated March 21, 2016	May 17, 2016
Sulaiman Arif Arianto	Deputy Director	Financial Services Authority	Annual GMS dated March 16, 2015	June 25, 2015
Ogi Prastomiyono	Director of Operations	Bank Indonesia	Annual GMS dated May 29, 2008	December 24, 2008



Name	Position	Executive	Grounds for the Appointment	Operational Effective Date
Royke Tumilaar	Director of Wholesale Banking	Bank Indonesia	Annual GMS dated May 23, 2011	July 25, 2011
Hery Gunardi	Distributions Director	Financial Services Authority	Annual GMS dated April 2, 2013	July 4, 2013
Tardi	Director of Retail Banking	Financial Services Authority	Annual GMS dated March 16, 2015	September 22, 2015
Ahmad Siddik Badruddin	Director of Risk Management & Compliance	Financial Services Authority	Annual GMS dated March 16, 2015	June 25, 2015
Kartini Sally	Director of Kelembagaan	Financial Services Authority	Annual GMS dated March 16, 2015	June 10, 2015
Rico Usthavia Frans	Director of Digital Banking & Technology	Financial Services Authority	Annual GMS dated March 21, 2016	July 20, 2016
Darmawan Junaidi	Director of Treasury	Financial Services Authority	Extraordinary GMS dated August 21, 2017	January 12, 2018

### Composition of the Board of Directors of Bank Mandiri after the Annual GMS on March 21, 2018.

The Composition of the Board of Directors of the Period of March 21 - December 31, 2018 are the Board of Directors of 11 (eleven) people consisting of 1 (one) President Director, 1 (one) Deputy President Director and 9 (nine) Directors.

### Table of the Composition of and the Grounds for the Appointment of the Board of Directors

Name	Position	Executive	Grounds for the Appointment	Operational Effective Date
Kartika Wirjoatmodjo	President Director	Financial Services Authority	Annual GMS dated March 21, 2016	May 17, 2016
Sulaiman Arif Arianto	Deputy President Director	Financial Services Authority	Annual GMS dated March 16, 2015	June 25, 2015
Royke Tumilaar	Director of Corporate Banking	Bank Indonesia	Annual GMS dated May 23, 2011	July 25, 2011
Hery Gunardi	Director of Small Business and Network	Financial Services Authority	Annual GMS dated April 2, 2013	July 4, 2013
Ahmad Siddik Badruddin	Director of Risk Management	Financial Services Authority	Annual GMS dated March 16, 2015	June 25, 2015
Rico Usthavia Frans	Director of Information Technology & Operation	Financial Services Authority	Annual GMS dated March 21, 2016	July 20, 2016
Darmawan Junaidi	Director of Treasury & International Banking	Financial Services Authority	Extraordinary GMS dated August 21, 2017	January 12, 2018
Alexandra Askandar	Director of Institutional Relationship	Financial Services Authority	Annual General Meeting of Shareholders dated March 21, 2018	September 12, 2018
Agus Dwi Handaya	Director of Compliance	Financial Services Authority	Annual General Meeting of Shareholders dated March 21, 2018	September 12, 2018
Panji Irawan	Director of Finance	Financial Services Authority	Annual General Meeting of Shareholders dated March 21, 2018	September 4, 2018
Donsuwan Simatupang	Director of Retail Banking	Financial Services Authority	Annual General Meeting of Shareholders dated March 21, 2018	September 4, 2018

### Orientation Program for The New Board of Directors

Orientation program for the new Board of Directors are conducted by presenting relevant materials by relevant Working Unit Leaders and are coordinated by the Corporate Secretary. The implementation of the orientation program for the new Board of Directors shall be conducted after the appointment of the new Board of Directors. The material of the introductory program consists of Good Corporate Governance, the Performance of the Company, Risk Management, and topics relevant to the tasks of the new Board of Directors.

Name	Position	Material	Presenter	Date
Alexandra Askandar	Director of Institutional Relationship	Government and Institutional	Government & Institutional 1 Group and Government & Institutional 2 Group	April 11, 2018
		Risk Management	Credit Portfolio Risk Group	April 11, 2018
		Corporate Good Governance	Compliance Group	April 13, 2018
		Strategy and Performance of the Company	Strategy & Performance Management Group	April 20, 2018
		Plans for Employee Development in Institutional Relations	Human Capital Business Partner on Institutional Relationship	April 25, 2018
		Performance of Government & Institutional 1 & 2 Group	Government & Institutional 1 Group and Government & Institutional 2 Group	April 25, 2018
		Update Government Program	Government Project 1, Government Project 2, and Government Project 3	April 25, 2018
		Performance of Mandiri DPLK	Mandiri DPLK	April 25, 2018
		Performance of Bank Syariah Mandiri	Bank Syariah Mandiri	April 27, 2018
Agus Dwi Handaya	Director of Compliance	Good Corporate Governance	Compliance	April 6, 2018
		Strategy and Performance of the Company	Strategy & Performance Management Group	April 9, 2018
		Working Meeting and Update on Compliance	Compliance Working Unit	April 11, 2018
		Risk Management	Credit Risk Portfolio Group	April 26, 2018
		APU-PPT	Compliance Group	April 27, 2018
		Update by Compliance Group and Legal Group	Senior Compliance Officer and Senior Legal Officer	July 25, 2018
		Update by Senior Operational Risk Head and Decentralized Compliance & Operational Risk	Senior Operational Risk Head	July 27, 2018
Panji Irawan	Director of Finance	Plans for Employee Management in Directorate of Finance	Human Capital Business Partner (HCBP) on Finance	April 9, 2018
		Working Meeting on Finance	Strategy & Performance Management Group, Accounting Group, Corporate Real Estate Group, Office of Chief Economist Group & Investor Relation Group	April 9, 2018
		Strategy and Performance of the Company	Strategy & Performance Management Group	May 15, 2018
		Update by Corporate Real Estate	Corporate Real Estate Group	May 18, 2018
		Operational Risk Exposure	Operational Risk Group	May 21, 2018
Donsuwan Simatupang	Director of Retail Banking	DBR Project - Weekly and Board Meeting Target Segments and Bank Models Preparation	Corporate Transformation Group	April 2, 2018
		Good Corporate Governance	Compliance Group	April 12, 2018
		Strategy and Performance of the Company	Strategy & Performance Management Group	April 12, 2018
		Risk Management	Retail Audit Group	April 20, 2018

## The Board of Directors Job Description

In carrying out his task, the Board of Directors is divided in the following task field.

### Table of the Board of Directors Job Description

Name	Position	Supervision
Kartika Wirjoatmodjo	President Director	Internal Audit, Corporate Transformation.
Sulaiman Arif Arianto	Deputy President Director	Special Asset Management.
Royke Tumilaar	Director of Corporate Banking	Large Corporate, Middle Corporate.
Hery Gunardi	Director of Small Business & Network	Distribution Strategy, Wealth Management, Consumer & Transaction.
Ahmad Siddik Badruddin	Director of Risk Management	Retail Risk, Wholesale Risk, Credit Control & Supervision.
Rico Usthavia Frans	Director of Information Technology & Operation	Information Technology, Digital Banking, Operation.
Darmawan Junaidi	Director of Treasury & International Banking	Treasury, International Banking & Financial Institutions, Strategic Investment & Subsidiaries Management.
Alexandra Askandar	Director of Insitutional Relationship	Government & Institutional, Government Project, Corporate Secretary.
Agus Dwi Handaya	Director of Compliance	Compliance, Legal, Human Capital.
Panji Irawan	Director of Finance	Strategy & Performance Management, Accounting, Investor Relations.
Donsuwan Simatupang	Director of Retail Banking	Consumer Loans, SME Banking, Micro Banking.
Ogi Prastomiyono <sup>*)</sup>	Director of Operations	Electronic Channel Operations, Credit Operations, Cash & Trade Operations.
Tardi <sup>*)</sup>	Director of Retail Banking	Consumer Loans, SME Banking, Micro Banking.
Kartini Sally <sup>*)</sup>	Director of Kelembagaan	Government & Institutional, Government Project.

<sup>\*)</sup> Tenure ends on March 21, 2018

## The Policy of The Board of Directors Diversity and The Implementation

In the recommendation of the Financial Services Authority in the Attachment of Financial Services Authority's Circulating Letter No. 32/SEOJK.04/2015 concerning Public Corporate Governance, it is stated that the composition of the Board of Directors members shall concern diversity in the members of Board of Directors. Diversity in the members of Board of Directors is combination of intended characteristics from the organ of Board of Directors as well as the members of the Board of Directors as individuals, in accordance with the Public Company needs. The combination of diversity is established by paying attention to the expertise, knowledge and experience that are in accordance with task division and function of the Board of Directors position in pursuing the objective of the Public Company.

The characteristic combination considerations shall affect in the appropriate nominating process and appointment of an individual as a member of the Board of Directors or the Board of Directors collectively. Diversity in the members of Board of Directors as specified in the Attachment of Financial Services Authority's Circulating Letter No. 32/SEOJK.04/2015 concerning Public Corporate Governance has been accommodated in the Company's Article of Association. The appointment of the Board of Directors is carried out by considering the integrity, dedication, understanding on a Company management issue related to one management function, possessing knowledge and/or skill in the fields needed by the Company and being able to provide sufficient time to carry out his tasks as well as other requirements in accordance to the applicable laws and regulations.

However, the diversity policy only regulates diversity in knowledge and/or skills in accordance with the task field of the Board of Directors. Bank Mandiri has not possessed diversity policy related to age and gender because the nomination is prioritized on the Company needs.



In 2018, the diversity of the composition of the Board of Directors reflected in education, work experience, age, and gender, can be seen as in the table below:

**Table of Diversity in Composition of Directors**

Name	Position	Age	Gender	Education	Work Experience	Expertise
Kartika Wirjoatmodjo	President Director	45 years old	Male	<ul style="list-style-type: none"> <li>Bachelor of Economics majoring in accounting.</li> <li>Master of Business Administration (MBA) in Business.</li> </ul>	Have experience work, among others in the field banking account, finance, taxation, and securities.	Accounting, Business and Banking
Sulaiman Arif Arianto	Deputy Director	59 years old	Male	<ul style="list-style-type: none"> <li>Bachelor in Animal Husbandry.</li> <li>Master of Business Administration (MBA) in Finance.</li> </ul>	Have experience work, among others in the field finance and banking.	Credit Analyst, MSMEs and Corporate as well as Special Asset Management
Royke Tumilaar	Director of Corporate Banking	54 years old	Male	<ul style="list-style-type: none"> <li>Bachelor of Economics in Management.</li> <li>Master of Business Administration (MBA) in Finance.</li> </ul>	Have experience work, among others in the field banking, supervision company, insurance and securities.	Treasury & International Banking, Procurement, Special Asset Management, Commercial Banking, Corporate Banking
Hery Gunardi	Director of Small Business and Network	56 years old	Male	<ul style="list-style-type: none"> <li>Bachelor of Commerce Administration.</li> <li>Master of Business Administration (MBA) in Finance and Accounting.</li> </ul>	Have experience work, among others in the field banking, insurance, and securities.	Micro & Retail Banking, Consumer Banking, Micro & Business Banking, Distributions, Credit Risk Management, Special Asset Management, Branding & Strategic Marketing
Ahmad Siddik Badruddin	Director of Risk Management	53 years old	Male	<ul style="list-style-type: none"> <li>Bachelor of Chemical Engineering</li> <li>Master of Business Administration (MBA) in Management Information Systems.</li> </ul>	Have experience work, among others in the field banking, finance, and risk management.	Credit risk management, risk management strategies, risk analysis, management and collection strategies, fraud risk management, business and portfolio acquisition, and closing/sales, portfolio scorecard management, operational risk management, self-assessment processes for risk control, management of external collection agents, and various training programs related to risk management.
Rico Usthavia Frans	Director of Information Technology & Operation	48 years old	Male	Bachelor of Electrical Engineering.	Have experience work, among others in the field banking, petroleum, and information technology.	Digital Banking & Technology, Transaction Banking/Payment System/Financial Technology, Information Technology, Data Analytics/Enterprise Data Management
Darmawan Junaidi	Director of Treasury & International Banking	52 years old	Male	Bachelor of Law.	Have experience work, among others in the field banking, finance, and mining.	Digital Banking, Pengembangan User Experience, Data Analysis menggunakan Big Data, Machine Learning dan Artificial Intelligence



Name	Position	Age	Gender	Education	Work Experience	Expertise
Alexandra Askandar	Director of Institutional Relationship	46 years old	Female	<ul style="list-style-type: none"> <li>Bachelor in Economics.</li> <li>Master of Business Administration (MBA) in Finance.</li> </ul>	Have experience work, among others in the field banking, finance, and securities.	Corporate Banking, Special Assets Management, Structured Finance, Government & Institutional
Agus Dwi Handaya	Director of Compliance	48 years old	Male	<ul style="list-style-type: none"> <li>Bachelor in Economics/Accounting.</li> <li>Master of Business Administration (MBA) in Strategy &amp; Finance.</li> </ul>	Have experience work, among others in the field banking, resources human, and economy.	Human Capital, Finance, Strategy and Performance, Economic
Panji Irawan	Director of Finance	53 years old	Male	Bachelor/Engineer in Agricultural & Resource Economics.	Have work experience, among others in the field banking, industry, securities, and finance.	Treasury & International Banking, Finance, Capital Market/Capital Market, Project Management, Corporate Estate, Investor Relationship Management Distribution, Planning & Strategic Development, Public Speaking & Event Organizations, Coaching & People Development, Underwriting, Competency Assessor/Assessment.
Donsuwan Simatupang	Director of Retail Banking	57 years old	Male	<ul style="list-style-type: none"> <li>Bachelor in Corporate Economics.</li> <li>The Master of Business Administration (MBA) in the field of Investment Banking.</li> </ul>	Have experience work, among others in the field banking, management risk, and economy.	Micro Banking, Small & Medium Enterprises Banking, Business Banking, Commercial Banking, Corporate Banking dan Risk Management.
Ogi Prastomiyono <sup>*)</sup>	Director of Operations	57 years old	Male	<ul style="list-style-type: none"> <li>Bachelor of Agricultural Technology</li> <li>Master of Business Administration</li> </ul>	Have experience work, among others in the field banking, management risk and resources human.	Human Capital, Credit, Planning and Strategic Management, Asset and Liability Management, IT and Operations, Internal Audit, Risk Management, Compliance, Islamic Banking
Tardi <sup>*)</sup>	Director of Retail Banking	54 years old	Male	<ul style="list-style-type: none"> <li>Bachelor of Agronomy</li> <li>Master in Finance</li> </ul>	Have experience work, among others in the field banking, supervision company, and syariah banking.	Corporate Banking (Forestry, plantation, marketing and industrial, business development, as well as recovery management sectors , Retail Banking Sector, Micro Segment, Middle Enterprises Segment (UMKM).
Kartini Sally <sup>*)</sup>	Director of Kelembagaan	53 years old	Female	<ul style="list-style-type: none"> <li>Bachelor of Dentistry.</li> <li>"Wijawiyata Management" Masters Program</li> <li>Magister Management</li> </ul>	Have experience work, among others in the field banking, securities, and company supervision.	Corporate Banking, Commercial Banking, Risk Management, Investment Banking, Islamic Banks, Financing, financial transaction solutions for Ministries/Institutions and employees, implementation of financial inclusion through Government Assistance Projects

<sup>\*)</sup> Tenure ends on March 21, 2018

## Affiliations of Board of Directors

The Board of Directors shall always be independent, meaning that they do not have conflict of interest which interferes their ability to carry out their tasks independently and critically, whether among the Board of Directors members or the relation with the Board of Commissioners.

The Board of Directors have no financial relations, management relations, shareholding and/or family relations with other members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or relation with the Bank, therefore they are able to carry out their tasks and responsibility independently.

The Board of Directors is prohibited from having double post as a President Director or other Directors in other State, Region and Public Owned Enterprise or other positions related to Company management, as well as structural position, and functional position in the central and regional government institutions/organization, and other positions in accordance with the Company Articles of Association and applicable laws and regulations.

The independency of the Board of Directors is shown in the following table:

**Table of Affiliations of Board of Directors**

Name	Position	Financial, Family, and the Board of Directors Management Affiliations													
		Financial Affiliations with						Family Affiliations with						Other Company Management Affiliations	
		The Board of Commissioners		Directors		Controlling Shareholders		Board of Commissioners		Directors		Controlling Shareholders			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Kartika Wirjoatmodjo	President Director		✓		✓		✓		✓		✓		✓		✓
Sulaiman Arif Arianto	Deputy Director		✓		✓		✓		✓		✓		✓		✓
Royke Tumilaar	Director of Corporate Banking		✓		✓		✓		✓		✓		✓		✓
Hery Gunardi	Director of Small Business and Network		✓		✓		✓		✓		✓		✓		✓
Ahmad Siddik Badruddin	Director of Risk Management		✓		✓		✓		✓		✓		✓		✓
Rico Usthavia Frans	Director of Information Technology & Operation		✓		✓		✓		✓		✓		✓		✓
Darmawan Junaidi	Director of Treasury & International Banking		✓		✓		✓		✓		✓		✓		✓
Alexandra Askandar	Director of Institutional Relationship		✓		✓		✓		✓		✓		✓		✓
Agus Dwi Handaya	Director of Compliance		✓		✓		✓		✓		✓		✓		✓
Panji Irawan	Director of Finance		✓		✓		✓		✓		✓		✓		✓
Donsuwan Simatupang	Director of Retail Banking		✓		✓		✓		✓		✓		✓		✓
Ogi Prastomiyono <sup>a)</sup>	Director of Operations		✓		✓		✓		✓		✓		✓		✓



Name	Position	Financial, Family, and the Board of Directors Management Affiliations													
		Financial Affiliations with						Family Affiliations with						Other Company Management Affiliations	
		The Board of Commissioners		Directors		Controlling Shareholders		Board of Commissioners		Directors		Controlling Shareholders			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Tardi <sup>*)</sup>	Director of Retail Banking		✓		✓		✓		✓		✓		✓		✓
Kartini Sally <sup>*)</sup>	Director of Kelembagaan		✓		✓		✓		✓		✓		✓		✓

<sup>\*)</sup> Tenure ends on March 21, 2018

## Policies on The Board of Directors Concurrent Positions

Policies on the Board of Directors concurrent positions is specified in the following regulations.

- Based on SOE Minister's Regulation Number PER-03/MBU/02/2015 concerning Requirements, Procedures for Appointment, and Dismissal of Directors of State Owned Enterprises, members of the Board of Directors are prohibited from holding multiple positions as:
  - Member of the Board of Directors at State-Owned Enterprises, Regionally-Owned Enterprises, and private enterprises.
  - Member of the Board of Commissioners in State-Owned Enterprises.
  - other structural and functional positions in the central and regional government institutions/organization;
  - political party officials and/or legislative candidates/members; and/or regional head/deputy head candidates;
  - positions causing conflict of interests and/or other positions in accordance to applicable laws and regulations;
- Based on Financial Services Authority Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks, members of the Board of Directors are prohibited from holding multiple positions as members of the Board of Directors, members of the Board of Commissioners or Executive Officers in other banks, companies and/or institutions. However, it does not include positions of the Board of Directors responsible for auditory of the Bank additional investment to subsidiaries, carrying out functional tasks as the Board of Commissioners members in subsidiaries that is not a bank controlled by the Bank, as long as it does not make the concerned disregard his tasks and responsibility as the Bank Board of Commissioners member.

## Table of The Board of Directors Concurrent Positions

Name	Position	Designation in Company/ Other Institution	Name of Company/ Other Institution
Kartika Wirjoatmodjo	President Director	-	-
Sulaiman Arif Arianto	Deputy Director	-	-
Royke Tumilaar	Director of Corporate Banking	-	-
Hery Gunardi	Director of Small Business and Network	-	-
Ahmad Siddik Badruddin	Director of Risk Management	-	-
Rico Usthavia Frans	Director of Information Technology & Operation	-	-
Darmawan Junaidi	Director of Treasury & International Banking	-	-
Alexandra Askandar	Director of Institutional Relationship	-	-
Agus Dwi Handaya	Director of Compliance	-	-
Panji Irawan	Director of Finance	-	-
Donsuwan Simatupang	Director of Retail Banking	-	-
Ogi Prastomiyono <sup>*)</sup>	Director of Operations	-	-
Tardi <sup>*)</sup>	Director of Retail Banking	-	-
Kartini Sally <sup>*)</sup>	Director of Kelembagaan	-	-

<sup>\*)</sup> Tenure ends on March 21, 2018

## Management of The Board of Directors Conflict of Interest

Management of the Board of Directors conflict of interest is specified in Bank Mandiri Policy Architecture in 2016. Bank Mandiri Policy Architecture is a policy hierarchy/structure as a framework and guidelines in policy preparation and implementation of Bank activity. The Management of the Board of Directors conflict of interest is as following:

1. The Board of Commissioners, the Board of Directors, and Executive Officers shall commit to avoid any forms of conflict of interest.
2. In the event that the Board of Directors member(s) has a personal Interests in a transaction, contract or contracts proposed in which one of the party is the Bank, the interest shall be mentioned in the Board of Directors Meeting and the concerned Board of Directors member has no authority to take a vote.
3. Periodically in at least 1 (once) in a year, every member of the Board of Commissioners, the Board of Directors and the Executive Officers is obliged to make a statement regarding whether or not they have conflict of interests with the Bank activities they carry out.
4. Members of the Board of Commissioners, the Board of Directors and the Executive Officers is prohibited from having concurrent positions as specified in the applicable regulations.

## Stock Ownership of The Board of Directors

The Board of Directors has disclosed its share ownership in both Bank Mandiri and other banks and other companies domiciled inside or outside the country. There are no members of the Bank Mandiri Directors have Bank Mandiri shares reaching 5% or more of the paid up capital of Bank Mandiri, or in other banks or other companies domiciled inside or outside the country. Share ownership of the Board of Directors of Bank Mandiri can be seen in the table below.

**Table of Stock Ownership of Board of Directors**

Name	Position	Shareholding			
		Bank	Other Bank (>5%)	Non Bank Financial Institutions (>5%)	Other Companies (>5%)
Kartika Wirjoatmodjo	President Director	269.100 shares (0,0005766%)	Nil	Nil	Nil
Sulaiman Arif Arianto	Deputy Director	635.658 shares (0,0013621%)	Nil	Nil	Nil
Royke Tumilaar	Director of Corporate Banking	344.200 shares (0,0007376%)	Nil	Nil	Nil
Hery Gunardi	Director of Small Business and Network	660.200 shares (0,0014147%)	Nil	Nil	Nil
Ahmad Siddik Badruddin	Director of Risk Management	1.238.800 shares (0,0026546%)	Nil	Nil	Nil
Rico Usthavia Frans	Director of Information Technology & Operation	242.200 shares (0,0005190%)	Nil	Nil	Nil
Darmawan Junaidi	Director of Treasury & International Banking	87.600 shares (0,0001877%)	Nil	Nil	Nil
Alexandra Askandar	Director of Institutional Relationship	408.500 shares (0,0008754%)	Nil	Nil	Nil
Agus Dwi Handaya	Director of Compliance	70.000 shares (0,0001500%)	Nil	Nil	Nil
Panji Irawan	Director of Finance	-	Nil	Nil	Nil
Donsuwan Simatupang	Director of Retail Banking	-	Nil	Nil	Nil
Ogi Prastomiyono <sup>*)</sup>	Director of Operations	971.000 shares (0,0020807%)	Nil	Nil	Nil
Tardi <sup>*)</sup>	Director of Retail Banking	925.000 shares (0,0019821%)	Nil	Nil	Nil
Kartini Sally <sup>*)</sup>	Director of Kelembagaan	360.000 shares (0,0007714%)	Nil	Nil	Nil

<sup>\*)</sup> Resigned from the position since March 21, 2018

## The Board of Directors Meeting

The Board of Directors Meeting is a meeting attended Board of Directors which can be held at least 1 (once) in a month or at any time when it is necessary as requested by one or more members of the Board of Directors, or as written request from the Board of Commissioners. The Board of Directors Meeting shall hold a Board of Directors Meeting with the Board of Commissioners periodically in at least 1 (once) in 4 (four) months. Meetings are legal and have the right to make binding decisions when attended or represented by more than 2/3 (two thirds) of the members of the Board of Directors. The meeting material was delivered to all participants of the 5 (five) working days meeting before the meeting.

The President Director is the chairman for the Board of Directors Meeting, and in the event that the President Director is absent or unavailable, the Vice Director shall be the chairman. If the Vice Director is absent or unavailable, the Meeting Chairman is the Substitute Director of the President Director or the Substitute Director of the Vice Director as specified in the Board of Directors regulations regarding Job Description and Authority of the Board of Directors as well as the Establishment of Substitute Director list. If the assigned Substitute Director is also unavailable, the Board of Directors Meeting will be conducted by a member of the Board of Directors Meeting that is present and assigned at the meeting.

## The Plan For The Early Year Meeting of The Board of Directors

Quarter 1	<ul style="list-style-type: none"> <li>Review of monthly/quarterly performance of the Company.</li> <li>Quarterly review of the performance of the Company and Subsidiaries.</li> <li>Preparation of the Annual General Meeting of Shareholders.</li> <li>Monthly review of strategic plans, business, and human capital.</li> <li>Review and approval of Audit Financial Reports.</li> <li>Election of External Auditors for 2018 Book Year.</li> </ul>
Quarter 2	<ul style="list-style-type: none"> <li>Review of monthly/quarterly performance of the Company.</li> <li>Quarterly review of the performance of the Company and Subsidiaries.</li> <li>Monthly review of strategic plans, business, and human capital.</li> </ul>
Quarter 3	<ul style="list-style-type: none"> <li>Review of monthly/quarterly performance of the Company.</li> <li>Quarterly review of the performance of the Company and Subsidiaries.</li> <li>Monthly review of strategic plans, business, and human capital.</li> <li>Review of the implementation of Integrated Governance.</li> <li>Discussion on Financial and Business Plans for 2018 Book Year.</li> </ul>
Quarter 4	<ul style="list-style-type: none"> <li>Review of monthly/quarterly performance of the Company.</li> <li>Quarterly review of the performance of the Company and Subsidiaries.</li> <li>Monthly review of strategic plans, business, and human capital.</li> <li>Review of the implementation of Integrated Governance.</li> <li>Discussion on Financial and Business Plans for 2019 Book Year.</li> </ul>

## Realization of The Board of Directors Meeting

The Board of Directors' meetings is conducted with an internal meeting of the Board of Directors and a Joint Board of Commissioners meeting. The agenda, date and meeting participants for each meeting can be seen below.

### Internal Meeting of The Board of Directors

In 2018, the agendas, dates and participants of the Board of Directors meeting is as follows.

### Table of Board of Directors Meeting

No.	Date	Meeting Agenda	Meeting Participants	Attending/Not Attending	Reason for Not Attending
1.	January 3, 2018	<ol style="list-style-type: none"> <li>Discussion on Human Capital: Compensation and Benefit.</li> <li>Discussion on Human Capital: Alignment of Wholesale Banking Organizations.</li> <li>Discussion on Human Capital: Talent Panel</li> <li>Company Project Update</li> </ol>	Kartika Wirjoatmodjo Sulaiman Arif Arianto Ogi Prastomiyono*) Royke Tumilaar	Attending Attending Attending Attending	



No.	Date	Meeting Agenda	Meeting Participants	Attending/Not Attending	Reason for Not Attending
			Hery Gunardi	Attending	
			Tardi <sup>*)</sup>	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally <sup>*)</sup>	Attending	
			Rico Usthavia Frans	Not Attending	On Leave
			Darmawan Junaidi	Attending	
			Attendance 90%		
2.	January 16, 2018	1. General Discussion 2. Financial Performance on November 2017. 3. Discussion on Human Capital: Performance Bonus. 4. Discussion on Human Capital: Talent Panel 5. Discussion on Human Capital: Others 6. Savings Strategy 2018. 7. Proposals from Corporate Secretary Group.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Ogi Prastomiyono <sup>*)</sup>	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi <sup>*)</sup>	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally <sup>*)</sup>	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 100%		
			3.	January 23, 2018	1. General Discussion 2. Bank Mandiri and Subsidiary's Consolidated Financial Statements December 31, 2017. 3. Individual Bank Health Level Report As of 31 December 2017. 4. Lunar New Year (Imlek) Celebration 2018.
Sulaiman Arif Arianto	Attending				
Ogi Prastomiyono <sup>*)</sup>	Attending				
Royke Tumilaar	Attending				
Hery Gunardi	Attending				
Tardi <sup>*)</sup>	Attending				
Ahmad Siddik Badruddin	Attending				
Kartini Sally <sup>*)</sup>	Attending				
Rico Usthavia Frans	Attending				
Darmawan Junaidi	Attending				
Attendance 90%					
4.	January 30, 2018	1. General Discussion 2. Discussion on Human Capital: Talent Panel 3. Discussion of IT. 4. Proposals from Corporate Secretary Group. Corporate Website 5. Proposals from Corporate Secretary Group: Implementation of the Annual GMS			
			Sulaiman Arif Arianto	Attending	
			Ogi Prastomiyono <sup>*)</sup>	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi <sup>*)</sup>	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally <sup>*)</sup>	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 100%		
			5.	6 Februari 2018	1. Company Project Update 2. Update Commercial Banking. 3. Preparation for Public Expose and Analyst Meeting Q4 2017. 4. Updates from the Corporate Secretary Group. RKA PKBL.
Sulaiman Arif Arianto	Attending				
Ogi Prastomiyono <sup>*)</sup>	Attending				
Royke Tumilaar	Attending				
Hery Gunardi	Attending				
Tardi <sup>*)</sup>	Attending				
Ahmad Siddik Badruddin	Attending				



No.	Date	Meeting Agenda	Meeting Participants	Attending/Not Attending	Reason for Not Attending
6.	February 13, 2018	1. Financial Performance on June 2018. 2. Company Project Update 3. Discussion on Human Capital: Bonus and Increment Salary. 4. Discussion on Human Capital: Implementation of Financial Services Authority Regulation. 5. Discussion on Human Capital: The decree of the Constitutional Court. 6. Update Sponsorship. 7. Prospective Members of the Board of Directors. 8. Alignment of Organizational Structure.	Kartini Sally <sup>*)</sup>	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			<b>Attendance 100%</b>		
			Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Not Attending	Training
			Ogi Prastomiyono <sup>*)</sup>	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi <sup>*)</sup>	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally <sup>*)</sup>	Not Attending	On Leave
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
7.	February 20, 2018	1. General Discussion 2. Discussion on Human Capital: Bonuses, Employee Levels and Increment Salary. 3. Discussion on Human Capital: New Productivity Enhancement 2018. 4. Discussion on Human Capital: Update Culture Transformation. 5. Discussion on Human Capital: Et cetera 6. Company Project Update 7. Update of Bank Mandiri Taspen.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Ogi Prastomiyono <sup>*)</sup>	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Not Attending	On Leave
			Tardi <sup>*)</sup>	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally <sup>*)</sup>	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			<b>Attendance 80%</b>		
			Kartika Wirjoatmodjo	Not Attending	Business Trip
			Sulaiman Arif Arianto	Attending	
			Ogi Prastomiyono <sup>*)</sup>	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi <sup>*)</sup>	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally <sup>*)</sup>	Attending	
			Rico Usthavia Frans	Not Attending	Business Trip
			Darmawan Junaidi	Attending	
8.	March 6, 2018	1. Procurement of Bank Mandiri Financial Report Audit Services. 2. Financial Performance on February 2018.	Kartika Wirjoatmodjo	Not Attending	Business Trip
			Sulaiman Arif Arianto	Attending	
			Ogi Prastomiyono <sup>*)</sup>	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi <sup>*)</sup>	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally <sup>*)</sup>	Attending	
			Rico Usthavia Frans	Not Attending	Business Trip
			Darmawan Junaidi	Attending	
			<b>Attendance 80%</b>		
			Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Ogi Prastomiyono <sup>*)</sup>	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi <sup>*)</sup>	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally <sup>*)</sup>	Attending	
			Rico Usthavia Frans	Not Attending	Business Trip
			Darmawan Junaidi	Attending	
9.	March 12, 2018	1. Updates from the Corporate Secretary Group: Preparation of the Annual GMS 2. Update Government Program. 3. Update Top 21 BOD Initiatives: 4. General Discussion: Bank Mandiri Taspen. 5. General Discussion: Company Project 6. General Discussion: Treasury Group Update.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Ogi Prastomiyono <sup>*)</sup>	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi <sup>*)</sup>	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally <sup>*)</sup>	Attending	
			Rico Usthavia Frans	Not Attending	Business Trip
			Darmawan Junaidi	Attending	
			<b>Attendance 90%</b>		
			Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Ogi Prastomiyono <sup>*)</sup>	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi <sup>*)</sup>	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally <sup>*)</sup>	Attending	
			Rico Usthavia Frans	Not Attending	Business Trip
			Darmawan Junaidi	Attending	
			<b>Attendance 90%</b>		

No.	Date	Meeting Agenda	Meeting Participants	Attending/Not Attending	Reason for Not Attending
10.	March 22, 2018	Follow-Up of the Decision of the 2018 Annual GMS.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Not Attending	On Leave
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Not Attending	Business Trip
			Attendance 71%		
11.	March 27, 2018	1. Updates on Credit Portfolio Risk Group. 2. Financial Projection Update. 3. Proposal for Providing Pension Benefits. 4. Proposed Authority to Decide Credit. 5. Discussion on Human Capital: Talent Panel 6. Follow-Up of the Decision of the 2018 Annual GMS.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 100%		
12.	April 3, 2018	1. Discussion on Human Capital: Talent Panel 2. Proposed Consumer Loan Group. 3. Proposed Project of the Company. 4. Update on Retail Banking Products. 5. Update Top 21 BOD Initiatives: Digital Roadmap.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 100%		
13.	April 10, 2018	1. Discussion on Human Capital: Leave Outside the Coverage of Company (CLTB). 2. Company Project Update 3. Preparation for Public Expose and Analyst Meeting Q1 2018. 4. Financial Projection Update. 5. Proposal from Corporate Real Estate Group.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 100%		
14.	April 24, 2018	1. Discussion of Human Capital: On Leave Outside Bank Dependent (CLTB). 2. Update on Bank Mandiri Project. 3. Preparation of Public Expose and Analyst Meeting Q1 2018. 4. Update Financial Projection. 5. Proposed Corporate Real Estate Group.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 100%		
15.	April 30, 2018	1. Company Project Update 2. Liquidity Update and Issuance of Medium Term Notes (MTN). 3. Proposed Special Asset Management Group. 4. Discoussion of IT. 5. The Update on Mandiri Cash Management 6. Discussion on Human Capital: Outsourcing Man Power (TAD).	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Not Attending	On Leave
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 85%		



No.	Date	Meeting Agenda	Meeting Participants	Attending/Not Attending	Reason for Not Attending
16.	May 8, 2018	1. Discussion on Human Capital: Talent Panel 2. Financial Performance on April 2018. 3. Kick off revisions to the 2018 RKAP and RBB 2018-2020. 4. RAS 2018. 5. Discussion of IT.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Not Attending	Business Trip
			<b>Attendance 85%</b>		
17.	May 15, 2018	1. Update on Preparation for 2018 Lebaran Holidays. 2. Financial Projection Update. 3. Updates of Risk Management. 4. Proposed Special Asset Management Group.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			<b>Attendance 100%</b>		
18.	May 22, 2018	1. General Discussion: Discussion of IT. 2. Liquidity Update and Product Profitability. 3. Updates of Risk Management. 4. Adjustment of Organizational Structure. 5. Adjustment of Human Capital. 6. Proposals from Corporate Secretary Group: Articles of Association. 7. Update of Bank Mandiri Taspen.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			<b>Attendance 100%</b>		
19.	May 30, 2018	1. Proposed Revision of 2018 and RBB RKAP 2018-2020. 2. Proposal of Human Capital	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Not Attending	Business Trip
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			<b>Attendance 85%</b>		
20.	June 4, 2018	Proposal of Asset Purchases.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Not Attending	Business Trip
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			<b>Attendance 85%</b>		
21.	June 5, 2018	1. Update Internal Audit. 2. Update Top 21 BOD Initiatives. 3. Discussion on Human Capital. 4. Company Project Update and BMPK. 5. Additional Agenda 6. Update of Special Assets Management Group.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Not Attending	Business Trip
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			<b>Attendance 85%</b>		

No.	Date	Meeting Agenda	Meeting Participants	Attending/Not Attending	Reason for Not Attending
22.	June 26, 2018	1. General Discussion 2. May 2018 Financial Performance and Financial Projection. 3. Update Top 21 BOD Initiatives:	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 100%		
23.	July 3, 2018	1. Updates of Risk Management. 2. Discussion of IT. 3. Update on Mortgage Business Development. 4. Update Special Asset Management.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Not Attending	On Leave
			Hery Gunardi	Not Attending	On Leave
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 81%		
24.	July 10, 2018	1. General Discussion: Board of Directors Committee. 2. General Discussion: Securities Portfolio Update. 3. Financial Performance on June 2018. 4. Updates on Micro Business. 5. Updates from Corporate Transformation. 6. Updates on Marvel Projects.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Not Attending	On Leave
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 85%		
25.	July 17, 2018	1. General Discussion: Preparation for Public Expose and Analyst Meeting Q1 2018. 2. Updates on Strategy and Performance Group. 3. Updates of Risk Management. 4. Proposal from Corporate Real Estate Group. 5. Proposal of Directorate of Institutional Relations.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 100%		
26.	July 31, 2018	1. General Discussion 2. Update on Cash Management. 3. Update on Saving 4. Updates of Risk Management	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Not Attending	On Leave
			Attendance 85%		
27.	August 15, 2018	1. General Discussion: Updates on Subsidiaries Business Development. 2. General Discussion: Macro Economy, Market, and Portfolio Updates. 3. Financial Performance on July 2018. 4. Updates on Micro Business. 5. Discussion on Human Capital.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Attendance 100%		



No.	Date	Meeting Agenda	Meeting Participants	Attending/Not Attending	Reason for Not Attending
28.	August 21, 2018	1. Updates on Micro Business. 2. Update Top 21 BOD Initiatives: Digital 3. Updates from Corporate Transformation. 4. Update of Bank Mandiri Anniversary in 2018.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			<b>Attendance 100%</b>		
29.	August 28, 2018	1. Discussion on Human Capital. 2. Updates of Risk Management.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Not Attending	On Leave
			Darmawan Junaidi	Not Attending	Business Trip
			<b>Attendance 71%</b>		
30.	September 4, 2018	1. General Discussion 2. Update on Definitive Position.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Not Attending	Business Trip
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Not Attending	Business Trip
			Darmawan Junaidi	Not Attending	Business Trip
			Panji Irawan	Attending	
			Donsuwan Simatupang	Attending	
			<b>Attendance 67%</b>		
31.	September 13, 2018	1. General Discussion: Update on Definitive Position. 2. General Discussion: Update of Subsidiaries. 3. Financial Performance on August 2018. 4. Micro Credit Update and Risk. 5. Discussion on Human Capital.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Not Attending	Business Trip
			Alexandra Askandar***)	Not Attending	Business Trip
			Agus Dwi Handaya***)	Attending	
			Panji Irawan**)	Not Attending	Business Trip
			Donsuwan Simatupang**)	Attending	
			<b>Attendance 73%</b>		



No.	Date	Meeting Agenda	Meeting Participants	Attending/Not Attending	Reason for Not Attending
32.	September 18, 2018	1. Update Top 21 BOD Initiatives: Distribution. 2. Restructuring Debtor Update. 3. Discussion of IT.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Alexandra Askandar***)	Not Attending	Business Trip
			Agus Dwi Handaya***)	Attending	
			Panji Irawan**)	Attending	
			Donsuwan Simatupang**)	Attending	
			Attendance 91%		
33.	September 25, 2018	1. General Discussion: Discussion on Human Capital. 2. Update Top 21 BOD Initiatives: Wholesale. 3. Update Middle Corporate. 4. Updates on Corporate Real Estate Group.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Alexandra Askandar***)	Attending	
			Agus Dwi Handaya***)	Attending	
			Panji Irawan**)	Attending	
				Attending	
			Attendance 100%		
34.	October 4, 2018	1. General Discussion 2. Kick off of Work Plan and Budget (RKAP) 2019 and Bank Business Plan (RBB) 2019-2021. 3. Updates on Subsidiaries Business Development.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Not Attending	Business Trip
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Alexandra Askandar***)	Attending	
			Agus Dwi Handaya***)	Attending	
			Panji Irawan**)	Attending	
			Donsuwan Simatupang**)	Attending	
			Attendance 91%		
35.	October 16, 2018	1. General Discussion: Proposed Authority to Decide Credit. 2. September 2018 Financial Performance and 2019 RKAP Update. 3. Update on Preparation for Public Expose and Analyst Meeting Q3 2018. 4. Discussion on Human Capital: Culture. 5. Discussion on Human Capital: Recruitment.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Not Attending	Business Trip
			Alexandra Askandar***)	Not Attending	Business Trip
			Agus Dwi Handaya***)	Attending	
			Panji Irawan**)	Attending	
			Donsuwan Simatupang**)	Attending	
			Attendance 81%		



No.	Date	Meeting Agenda	Meeting Participants	Attending/Not Attending	Reason for Not Attending
36.	October 23, 2018	1. Updates on Subsidiaries Business Development. 2. Discussion on Human Capital: Position Rotation and Charging.	Kartika Wirjoatmodjo	Not Attending	Business Trip
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Not Attending	Training
			Hery Gunardi	Not Attending	Business Trip
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Alexandra Askandar***)	Attending	
			Agus Dwi Handaya***)	Attending	
			Panji Irawan**)	Attending	
			Donsuwan Simatupang**)	Attending	
			Attendance 73%		
37.	October 31, 2018	1. International Banking & Financial Institutions Group 2. Updates of Risk Management.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Not Attending	On Leave
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Alexandra Askandar***)	Attending	
			Agus Dwi Handaya***)	Not Attending	On Leave
			Panji Irawan**)	Attending	
			Donsuwan Simatupang**)	Not Attending	On Leave
			Attendance 73%		
38.	November 7, 2018	1. General Discussion: SEVP 2. Proposal of Human Capital Engagement. 3. Discussion on Human Capital.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Alexandra Askandar***)	Attending	
			Agus Dwi Handaya***)	Attending	
			Panji Irawan**)	Not Attending	Business Trip
			Donsuwan Simatupang**)	Attending	
			Attendance 91%		
39.	November 14, 2018	1. Sustainable Financial Action Plan (RAKB). 2. Proposal from Corporate Real Estate Group.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Alexandra Askandar***)	Attending	
			Agus Dwi Handaya***)	Not Attending	Business Trip
			Panji Irawan**)	Attending	
			Donsuwan Simatupang**)	Attending	
			Attendance 91%		

No.	Date	Meeting Agenda	Meeting Participants	Attending/Not Attending	Reason for Not Attending
40.	November 27, 2018	1. General Discussion 2. Discussion on Human Capital. 3. Discussion on Human Capital: Guideline, Definitive and Promotions. 4. Updates from the Corporate Secretary Group.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Alexandra Askandar***)	Attending	
			Agus Dwi Handaya***)	Attending	
			Panji Irawan**)	Attending	
			Donsuwan Simatupang**)	Attending	
			Attendance 100%		
41.	December 11, 2018	1. General discussion. 2. November 2018 Financial Performance. 3. Update Corporate Transformation. 4. Proposed Corporate Secretary Group. 5. Proposal of the Directorate of Institutional Relations. 6. Discussion of Human Capital.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Alexandra Askandar***)	Attending	
			Agus Dwi Handaya***)	Attending	
			Panji Irawan**)	Attending	
				Attending	
			Attendance 100%		
42.	December 19, 2018	1. General Discussion: Discussion on Human Capital. 2. Update Strategic Investment & Subsidiaries Management Group.	Kartika Wirjoatmodjo	Attending	
			Sulaiman Arif Arianto	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
			Alexandra Askandar***)	Attending	
			Agus Dwi Handaya***)	Attending	
			Panji Irawan**)	Attending	
			Donsuwan Simatupang**)	Attending	
			Attendance 100%		

\*) Tenure ends on March 21, 2018.

\*\*) The appointment as Director is effective as of September 4, 2018.

\*\*\*) The appointment as Director is effective as of September 12, 2018.

## Joint Meeting of Directors Invites Board of Commissioners

The date and agenda of the Joint Meeting of the Board of Commissioners and the Board of Directors, namely the Joint Meeting of the Board of Commissioners inviting the Board of Directors and the Joint Meeting of the Directors to invite the Board of Commissioners can be seen in the section Board of Commissioners' Meeting on Corporate Governance Chapter in this Annual Report.



## Meeting Frequency and Attendance Level

During 2018, the Board of Directors has conducted 42 (forty two) Board of Directors meetings. The frequency and attendance Directors' meetings can be seen in the table below.

**Table of Frequency and Attendance Level of the Board of Directors Meeting**

Name	Position	Director Meetings		
		Total and Attendance Percentage		
		Total Meeting	Total Attendance	Percentage
Kartika Wirjoatmodjo	President Director	42	39	93%
Sulaiman Arif Arianto	Deputy Director	42	39	93%
Royke Tumilaar	Director of Corporate Banking	42	36	86%
Hery Gunardi	Director of Small Businesses & Network	42	37	88%
Ahmad Siddik Badruddin	Director of Risk Management	42	41	98%
Rico Usthavia Frans	Director of Information Technology & Operation	42	38	90%
Darmawan Junaidi	Director of Treasury & International Banking	42	35	83%
Alexandra Askandar <sup>*)</sup>	Institutional Relations Director	12	9	75%
Agus Dwi Handaya <sup>*)</sup>	Director of Compliance	12	10	83%
Panji Irawan <sup>**)</sup>	Director of Finance	13	11	85%
Donsuwan Simatupang <sup>**)</sup>	Director of Retail Banking	13	12	92%
Ogi Prastomiyono <sup>***)</sup>	Director of Operations	9	9	100%
Tardi <sup>***)</sup>	Director of Retail Banking	9	9	100%
Kartini Sally <sup>***)</sup>	Director of Kelembagaan	9	8	89%

<sup>\*)</sup> The appointment as Director is effective as of September 12, 2018

<sup>\*\*)</sup> The appointment as Director is effective as of September 4, 2018

<sup>\*\*\*)</sup> Tenure ends on March 21, 2018

## The Board of Directors Competency Development

The Board of Directors' Competency Development can be seen in the Company Profile Chapter in this Annual Report.

## Risk Management Certification

As stipulated in Bank Indonesia Regulation No. 11/19/PBI/2009 concerning Share Risk Management Certification Management and Officers of Commercial Banks, Bank Managers (ie Board of Commissioners and Directors) must have a Certificate Risk Management issued by Professional Certification Institutions, with the following classification:

No.	Position	Level	Validity period
1.	Commissioner	Level 1 At the Least	4 years
2.	Independent Commissioner	Level 2 At the Least	4 years
3.	President Director and Bank Directors with >Rp10 Trillion of assets in possession	Level 5 At the Least	2 years

In the event that the validity period of the certification has expired, a periodic Refreshment Program must be carried out at least:

- once every 4 (four) years for level 1 and 2; or
- once every 2 (two) years for level 3, 4, and 5.

Considering that Bank Mandiri has assets of > IDR10 Trillion, all Bank Mandiri Directors must pass a Level 5 of the Risk Management Certification. The certification is also one of the requirements to be eligible to take part in the fit and proper test conducted by the Financial Services Authority. The following are the Board of Directors' members along with the Risk Management Certifications they have:

Name	Position	Certification Issuing Agency	Level	Field/Area	Date of Certification Issued	Expired Date
Kartika Wirjoatmodjo	President Director	Banking Professional Certification Institute	Level 5	Banking Risk Management	April 17, 2015	April 17, 2017
		Banking Professional Certification Institute (LSPP)	Refreshment	Refreshment of Banking Risk Management: Facing fraud in the world of banking, Financial Club, Graha Niaga, Jakarta	August 16, 2017	August 17, 2019
Sulaiman A. Arianto	Deputy President Director	Banking Professional Certification Institute (LSPP)	Level 5	Banking Risk Management	May 20, 2017	May 26, 2019
Royke Tumilaar	Director of Corporate Banking	Banking Professional Certification Institute (LSPP)	Level 5	Banking Risk Management	June 12, 2012	June 12, 2014
		BARa Risk Forum	Refreshment	Refreshment of Risk Management at Stockholm	September 21, 2016	September 21, 2018
		BARa Risk Forum	Refreshment	Refreshment of Risk Management – BARa, Cyber Risk Management and Financial Crimes in Banking Industry, Bali	July 13, 2016	July 13, 2020
Hery Gunardi	Director of Small Business & Network	BARa Risk Forum	Level 5	Banking Risk Management	April 13, 2016	April 13, 2015
		Banking Professional Certification Institute (LSPP)	Refreshment	Refreshment Banking Risk Management	July 2, 2015	April 13, 2017
		BARa Risk Forum	Refreshment	BARa Risk Program: Deeper Understanding on IFRS 9 & BASEL IV and Progress of Basel III Implementation, Bali	May 19, 2017	May 19, 2017
Ahmad Siddik Badruddin	Director of Risk Management	Banking Professional Certification Institute (LSPP)	Level 5	Banking Risk Management	April 11, 2015	April 11, 2019
		BARa Risk Forum	Refreshment	Refreshment of Risk Management at Stockholm	September 21, 2016	September 21, 2018
		BARa Risk Forum	Refreshment	Refreshment in Prague 17 – 18 Oktober 2017	October 17, 2017	October 18, 2017
		BARa Risk Forum	Refreshment	Refreshment of Risk Management	March 19, 2018	March 19, 2020
		BARa Risk Forum	Refreshment	Refreshment of Risk Management	July 13, 2018	July 13, 2020
Rico Ushtavia Frans	Director of Information Technology & Operation	Risk Management Certification Agency (BSMR)	Level 5	Banking Risk Management	May 7, 2016	May 7, 2018
		BARa Risk Forum	Refreshment	Refreshment Manajemen Risiko di Prague	March 19, 2018	March 19, 2020
		BARa Risk Forum	Refreshment	Refreshment Manajemen Risiko – BARa, Tapping Potential Opportunities in Indonesian Sustainable Palm Oil Industry, di Jakarta	October 18, 2017	October 18, 2019
Darmawan Junaidi	Director of Treasury & International Banking	Banking Professional Certification Institute (LSPP)	Level 5	Banking Risk Management	October 7, 2017	October 7, 2019
Alexandra Askandar	Director of Institutional Relationship	Banking Professional Certification Institute (LSPP)	Level 5	Banking Risk Management	May 21, 2018	May 21, 2020



Name	Position	Certification Issuing Agency	Level	Field/Area	Date of Certification Issued	Expired Date
Agus Dwi Handaya	Director of Compliance	Banking Professional Certification Institute (LSPP)	Level 5	Banking Risk Management	May 2, 2018	May 2, 2020
Panji Irawan	Director of Finance	Banking Professional Certification Institute (LSPP)	Level 5	Banking Risk Management	February 10, 2016	February 10, 2018
		Banking Professional Certification Institute (LSPP)	Refreshment	Refreshment of Risk Management Certification	February 28, 2018	February 28, 2020
Donsuwan Simatupang	Director of Retail Banking	Banking Professional Certification Institute (LSPP)	Level 5	Banking Risk Management	April 8, 2015	April 8, 2017
		Center for Risk Management Studies/ CRMS	Refreshment	Refreshment of Risk Management Certification	April 30, 2017	April 30, 2019
Ogi Prastomiyono <sup>*)</sup>	Director of Operation	Indonesian Risk Professional Association & Bank Indonesia	Level 5	Banking Risk Management	August 20, 2004	August 20, 2006
		Marcus Evans	Refreshment	Refreshment Manajemen Risiko	2006	2008
		Risk Management Certification Agency (BSMR)	Refreshment	Refreshment of Risk Management in Bali	February 19, 2008	February 19, 2010
		Bara Risk Forum	Refreshment	"Senior Management Risk Summit 2010" Leadership for Sustainable Risk Management Framework	July 9, 2010	July 9, 2012
		Banking Professional Certification Institute (LSPP)	Refreshment	Risk Management Certification Refreshment Program di Tokyo	November 12, 2012	November 12, 2014
		LSPP, IBI and Standard Chartered Bank Ltd. (Hong Kong)	Refreshment	Refreshment - Banking Risk Management level 5 - Hong Kong	October 27, 2014	October 27, 2016
		IBI-LSPP-MMUGM	Refreshment	Refreshment Program - International Risk Management Refreshment Program for Executives Europe Class 2016 (Milan)	October 21, 2016	October 21, 2018
Tardi <sup>*)</sup>	Director of Retail Banking	Badan Nasional Sertifikasi Profesi/LSPP	Level 5	Banking Risk Management	April 4, 2015	April 4, 2017
		Banking Professional Certification Institute (LSPP)	Refreshment	Refreshment of Banking Risk Management, Graha Niaga	April 26, 2017	April 26, 2019
Kartini Sally <sup>*)</sup>	Director of Kelembagaan	Banking Professional Certification Institute (LSPP)	Level 5	Banking Risk Management	April 17, 2015	April 17, 2017
		BARa Risk Forum	Refreshment	BARa Risk Program, Denpasar	May 17, 2017	May 17, 2019

<sup>\*)</sup> Tenure ends on March 21, 2018

## Decision and Implementation of Duties of the Board of Directors

During 2018, the Board of Directors has performed its duties, obligations, and responsibilities in managing the Company as regulated in the applicable laws, the Articles of Association, and Work Plan established in the beginning of the year. The Board of Directors' duties carried out in 2018 are in general as follows:

1. Preparing the 2019-2021 Business Plan of the Company.
2. Meeting the Company's performance targets by maximizing the growth of the Core (Large Corporates) and New Core (Consumer Banking) segments.
3. Preparing the 2019 Sustainable Financial Action Plans (RAKB).
4. Monitoring the implementation of the Top 21 BOD Initiatives, particularly projects for Strengthening IT and Digital Banking Development.
5. Managing Assets and Finance.
6. Organizing meetings for the Board of Directors. In 2018, there were 42 (forty two) Board of Directors meetings and 3 (three) Joint Meetings with the Board of Commissioners.



7. Attending the Board of Commissioners' meeting.
8. Conducting the Annual General Meeting of Shareholders for 2018 on March 21, 2018.
9. Supervising and improving the internal business processes.
10. Implementing Good Corporate Governance in every business activity.
11. Issuing the Medium Term Notes I of Bank Mandiri in 2018 with a Principal Value of Rp500 billion.
12. Issuing the Sustainable Bond I of Bank Mandiri Phase III in 2018 amounted to Rp3 Trillion.
13. Actively taking part as one of the First Movers in implementing Sustainable Finance in Indonesia by participating in the Indonesian Sustainable Finance Initiative (IKBI)
14. Distributing the Partnerships and Community Development Program (PKBL) funds to improve the welfare of the community and the environment, including distribution of aid for the earthquake victims in Lombok and Palu.
15. Implementing other duties related to the Company's management.

Decisions of Directors that have been issued during 2018 include the following.

No.	Subject Matter
1.	Appointment of Audit Committee Membership
2.	Appointment of Integrated Governance Committee Membership
3.	Regarding Pension Fund Regulations from Bank Mandiri Pension Funds Directors of PT Bank Mandiri (Persero) Tbk.
4.	Establishment of the Steering and Implementation Team for the 2017 Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk.
5.	Implementation of IT & Non IT Initiatives in 2018
6.	Mandiri Website
7.	Assignment as Executive Officer in charge of Institutional Relations
8.	Assignment as Executive Officer in Charge of Compliance
9.	Assignment as Executive Officer in charge of Retail Banking
10.	Assignment as Executive Officer in charge of Finance
11.	Duties and authority of the members of the board of directors and the appointment of a replacement director
12.	Pension Fund Regulations from Bank Mandiri Pension Fund-One
13.	Pension Fund Regulations from Bank Mandiri Pension Fund-Two
14.	Pension Fund Regulations from Bank Mandiri Pension Fund-Three
15.	Pension Fund Regulations from Bank Mandiri Pension Fund-Four
16.	Bank Mandiri Organizational Structure
17.	Transfer of Position to Senior Executive Vice President of PT Bank Mandiri (Persero) Tbk.
18.	Early Pension Agreement Program (PKPD)
19.	Determination of Members of the Procurement Team for Government and Institutional Information Systems (SIGI) Directorate of Institutional Relations in 2018
20.	Determination as a Member of the 2018 National Rental KDS Procurement Committee
21.	Establishment of the Development Project of 2 (Two) Units of PT Bank Mandiri (Persero) Tbk Office
22.	Appointment of Remuneration and Nomination Committee Membership
23.	Establishment of Evaluation Team for Appointment of Board of Directors of PT Bank Mandiri (Persero) Tbk.
24.	Appointment and Determination of Senior Executive Vice President of PT Bank Mandiri (Persero) Tbk.
25.	Appointment of Committee Arrangements for Procurement of Public Auctions for the Construction of Disaster Recovery Center (DRC) Buildings in Injoko Surabaya
26.	Executive Committee
27.	Assets & Liabilities Committee
28.	Business Committee
29.	Capital & Subsidiaries Committee
30.	Human Capital Policy Committee



No.	Subject Matter
31.	Information Technology Committee
32.	Integrated Risk Committee
33.	Policy & Procedure Committee
34.	Risk Management Committee
35.	Adjustment on Designation of Employees as Portal Administrators of the Ministry of State-Owned Enterprises of the Republic of Indonesia
36.	Pension Fund Regulations
37.	Bank Mandiri Pension Fund Investment Direction
38.	Risk Management and Credit Policy Committee
39.	Appointment of the 2018 Independent Excellence Award and Best Employee Appreciation Night Procurement Team and Committee

## Review of Company Annual Strategy

The Board of Directors sought to encourage the Company's performance for the following year by reviewing the Company's annual strategy conducted at the end of the current year. In 2018, the review of the Company's annual strategy was conducted through the Board of Directors' meeting.

## Evaluation of Company Strategy

Evaluation of the Company's strategy in line with the Company's Vision and Mission as well as current business environment was constantly conducted periodically and involved all Directors and executive officials at Bank Mandiri in the annual Corporate Work Plan and Budget (RKAP) discussion forum and the Company's Long-Term Plan (RJPP) to find out the achievement level and business direction.

## Remuneration Policy For The Board of Directors

In providing remuneration for the Board of Directors, Bank Mandiri puts forward the principle of prudence and refers to the applicable laws and regulations to encourage the implementation of prudent risk taking in order to maintain the continuity of the Company's business. Currently, the Company has implemented good governance in providing remuneration to the Board of Directors. In providing remuneration to the Board of Directors, the Company adheres to the principle of prudence which aims to encourage prudent risk taking to maintain the continuity of the Company's business.

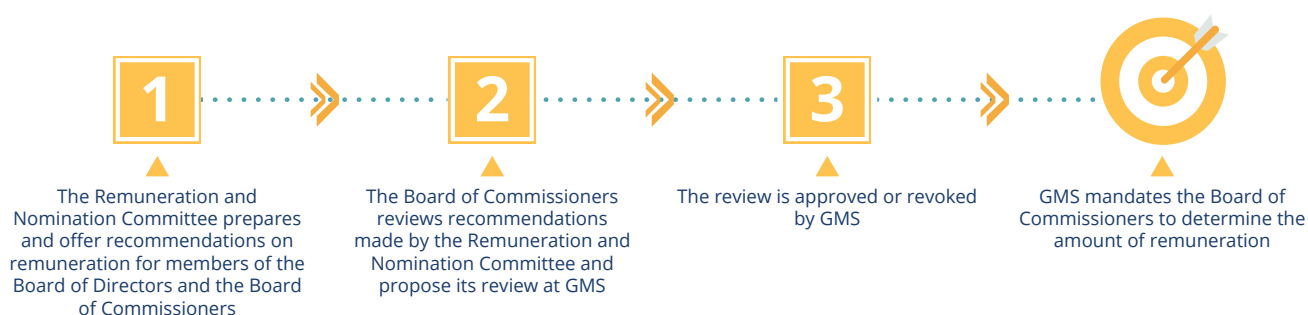
Bank Mandiri is committed to implementing governance in providing remuneration by compiling a remuneration policy that has been ratified through a Joint Decree of the Board of Commissioners and Directors regarding the Remuneration Policy of PT Bank Mandiri (Persero) Tbk. On March 20, 2018. In determining the remuneration of the Board of Directors, Bank Mandiri refers to:

1. SOE Minister Regulation No. PER-06/MBU/06/2018 dated June 4, 2018 concerning the Third Amendment above SOE Minister Regulation No. PER-04/MBU/2014 concerning Guidelines for Determining the Income of Directors, Councils Commissioner.
2. SOE State Minister Regulation No. PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in SOEs has been amended most recently by the Regulation of the Minister of State-Owned Enterprises No. PER-09/MBU/2012 concerning Amendments to the Regulation of the Minister of State Enterprises No. PER-01/MBU/2011 concerning Implementation of Good Corporate Governance in BUMN.
3. Financial Services Authority Regulation No. 55/POJK.03/2016 dated December 9, 2016 concerning Implementation of Governance for Commercial Banks.
4. Financial Services Authority Regulation No. 45/POJK.03/2015 dated December 23, 2015 on the Implementation of Governance concerning Remuneration for Commercial Banks.
5. The Company's Articles of Association.

Pursuant to the Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Implementation of Governance in the Provision of Remuneration for Commercial Banks, Bank Mandiri has implemented Governance in the Provision of Remuneration by taking various aspects into account, including bank financial stability, establishment of risk management, short-term and long-term liquidity needs, and potential income in the future. The Company can postpone remuneration classified as deferred variable (Malus) or withdraw the paid variable remuneration (Claw back) from officials classified as Material Risk Taker (MRT), with the following conditions:

1. The Company applies Malus and/or Claw back to certain special conditions in the application of variable remuneration, by taking into account several factors including:
  - The amount of financial and non-financial losses of the Company.
  - The involvement of the employees concerned directly or indirectly in the losses incurred.
2. Variable remuneration must be deferred at a certain percentage determined by the Company.
3. This policy applies to officials classified as MRT i.e. those with the following criteria:
  - Causing financial and non-financial bank losses.
  - Committing fraud, violating the law, showing unethical behavior, and/or falsifying records.
  - Intentionally violating the bank's policies, regulations, and procedures.
  - Causing a significant negative impact on bank capital which is not caused by changes in the economic or industrial climate.
4. In implementing the MRT remuneration, Bank Mandiri is guided by Financial Services Authority provisions, SOE Minister Regulation, and the Company's remuneration policy.

### Prosedur Penetapan Remunerasi Direksi



Determination of the remuneration of the Board of Directors is carried out in the following procedures:

1. The Remuneration and Nomination Committee reviews remuneration for members of the Board of Directors.
2. The Remuneration and Nomination Committee coordinates with the Director and Officer in charge of Human Capital and related working units to prepare a Remuneration proposal.
3. In determining a remuneration policy classified as variable, the Remuneration and Nomination Committee coordinates with the Risk Management Working Unit.
4. The Remuneration and Nomination Committee based on the study prepares remuneration recommendations and then submit it to the Board of Commissioners.
5. The Board of Commissioners based on the review of the Remuneration and Nomination Committee submits proposals and recommendations to the General Meeting of Shareholders (GMS) for approval.
6. The proposal and recommendation of the Board of Commissioners to the GMS can be in the form of:
  - a. Approval of the form and amount of Remuneration; or
  - b. Approval of authority to be given to the Board of Commissioners in determining the form and amount of remuneration.

## Structure of Remuneration For The Board of Directors Members

The remuneration of the Board of Directors is given by taking into account the applicable remuneration provisions, namely:

1. Permanent remuneration, that is remuneration not related to performance and risk, including salary/honorarium, facilities, housing allowances, health benefits, educational benefits, holiday allowances, and post-retirement benefits.  
Remuneration in the form of salary/honorarium, facilities, allowances, and post-retirement benefits is given in cash.
2. Remuneration classified as variable, that is remuneration associated with performance and risks, is in the form of bonuses, tantiem, performance incentives, or other similar forms.  
Remuneration in the form of bonuses, tantiem, or incentives can be given in the form of cash, shares, or stock-based instruments issued by the Company, with a special note that it is given in cash to the Board of Directors to avoid any conflict of interest in running the Company.

The Directors' remuneration structure is as follows:

**Tabel Struktur Remunerasi Direksi**

No.	Type of Income	Provisions
1.	Honorarium	Position factor President Director 100% Deputy President Director 95% Director 90%
2.	Allowance	
	Holiday Allowance	1 (one) time salary
	Communication Allowance	At cost
	Post-Employment Benefit	Insurance premium at maximum 25% of salary/year
	Housing Allowance	Rp27,500,000/month including the utility cost, if the official residence is unoccupied
	Annual Leave Allowance	Not provided (12 days of annual leave, collective leave excluded)
	Suit Allowance	Provided in the case of special events in which uniform is needed.
3.	Facilities	Referring to the internal policies as outlined in the Decree of the Board of Commissioners No. KEP.KOM/005/2018 October 3, 2018 concerning Incentives, Facilities, and Benefits for the Board of Commissioners and Directors.
	Company Vehicle	1 (one) vehicle facility is provided, by leasing. Vehicle specifications and fuel allowances are in accordance with internal policies
	Health Facility	Health-care reimbursement
	Professional Collector Facility	At maximum 2 (two) membership received registration fee and annual contribution
	Legal Council Facility	As needed
	Residence Facility	Members of Board of Directors are not eligible for company housing facility nevertheless provided official residence allowance included utility allowance. For the members appointed before the Regulation of State Owned Enterprises No. PER-04/MBU/2014 concerning Guidelines for Determining the Income of Directors, Board of Commissioners, and Supervisory Board of SOEs and have occupied official residence, the members of the Board of Directors must utilize the said residence until the end of their term of office
4.	Bonuses, Tantiem, Incentives.	Can be given in the form of cash, shares, or stock-based instruments issued by the Company with special provisions.

## Indicators of Remuneration Determination For The Board of Directors

The indicators used in determining the remuneration for the Board of Directors in accordance with the remuneration policy are as follows:

1. Key Performance Indicator (KPI)
2. Company's Performance
3. Business Size
4. The benchmarking of the Banking Industry's remuneration
5. The consideration in the Company's target and long-term strategy

### Determinan of Material Risk Taker

1. All members of the Board of Directors are material risk takers.
2. The determination of material risk takers is carried out using qualitative and quantitative approaches.

### Scheme of Remueratin Classified as Variable

1. The Company establishes the scheme of remuneration classified as variable for the Board of Directors with a deferred Remuneration payment (malus) and/or withdrawal of the remuneration that has been paid (claw back) in certain cases deemed necessary by the Remuneration and Nomination Committee.
2. The requirements for deferred remuneration , including malus period, the amount of deferred remuneration, requirements for deferred remuneration payment, and claw-back requirements for material risk takers are discussed in the Remuneration and Nomination Committee with due regard to:
  - a. The malus period is at least 3 (three) years.
  - b. Company's Performance
  - c. Risk Profile
3. Remuneration in the form of malus is provided in cash, shares, or stock-based instruments issued by the Company.
4. In the event that the Company incurs a loss:
  - a. The Company can take the option of providing or not providing a variable remuneration with a smaller value than that in the last period when the Company earns a smaller profit, or the remuneration is smaller according to the proportion of the Company's profit decline.
  - b. In the event that the Company continues to provide remuneration to the Board of Directors or the Board of Commissioners, such remuneration is deemed as a form of appreciation.

### Total Value/Component of Remuneration For The Board of Directors

The following table provides the remuneration in one year categorized by income rate.

Total of Remuneration and Other Facilities	Total received	
	Board of Directors	
	Number of People	Total Amount (in million IDR)
<b>Remuneration</b>		
Salary	14	50,742
Housing Allowance	10	2,832
Transportation Allowance	2	291
Religious Holiday Allowance	11	4,365
Tantiem	11	198,926
<b>Other in-kind facilities</b>		
Housing (cannot be owned)	2	-
Vehicles (cannot be owned)	11	-
Post employment insurance (can be owned)	11	10,176
Health care treatment (cannot be owned)	11	2,516
<b>Type of Remuneration per Person in 1 Year</b>		
Above Rp2 billion	15	-
Above Rp1 billion to Rp2 billion	-	-
Above Rp500 million to Rp1 billion	-	-
Below Rp500 million	-	-

In order to implement the Financial Services Authority Regulation No. 45/POJK.03/2015, Bank Mandiri has given a bonus to the Board of Directors in the form of share ownership in Bank Mandiri. The following are the members of the Board of Directors who received a bonus share in 2018:



Name	Position	Bonus share
Kartika Wirjoatmodjo	President Director	269,100 shares
Sulaiman A. Arianto	Deputy President Director:	255,600 shares
Royke Tumilaar	Director of Corporate Banking	242,200 shares
Hery Gunardi	Director of Small Business and Network	242,200 shares
Ahmad Siddik Badruddin	Director of Risk Management	242,200 shares
Rico Usthavia Frans	Director of Information Technology & Operation	242,200 shares
Darmawan Junaidi	Director of Treasury & International Banking	87,600 shares

## Performance Assessment of The Board of Directors

Under Law No. 40 of 2007 concerning Limited Liability Companies is regulated that in the case of the Board of Directors consisting of 2 (two) members of the Board of Directors or more, the responsibility of the Board of Directors applies jointly and severally. Departing from this understanding, the Key Performance Indicator (KPI) of Directors is arranged collegially with assessment indicators

### Individual Directors Performance Assessment

#### President Director

- Achievement of collegial Directors' Performance.
- Fulfillment of the implementation of Internal control in each line of defense.
- Implementation of compliance as an Open Company.

#### Deputy President Director

- Achievement of collegial Directors' Performance.
- Achieved the target of managing Special Assets Management.

#### Director of Corporate Banking

- Achieving an increase in business volume for the Corporate Banking segment.
- Achieving funding increase/Fee Based Income for the Corporate Banking segment.
- Achieving an increase in the volume of digital transactions in the Corporate Banking segment.
- Maintaining Asset Quality/Performing Loans.

#### Director of Small Business & Network

- Achieved an increase in business volume in the region.
- Achieving funding increase/Fee Based Income in the region.
- Achieving an increase in the volume of digital transactions in the region.
- Maintaining Asset Quality/Performing Loans.

#### Director of Retail Banking

- Achieved an increase in business volume for the Retail Banking segment.

- Achieving a funding increase/Fee Based Income for the Retail Banking segment.
- Achieved an increase in the volume of digital transactions in the Retail Banking segment.
- Maintaining Asset Quality/Performing Loans.

#### Director of Institutional Relations

- Achieved an increase in business volume for the Institutional Relations segment.
- Achieving funding increase/Fee Based Income for the Institutional Relations segment.
- Achieving an increase in the volume of digital transactions in the Institutional Relations segment.
- Maintain asset quality/performing loans.

#### Director of Risk Management

- Achievement of the implementation of established risk management.
- Implementation of a risk management culture at all levels of the organization.

#### Director of Technology & Information

- Achievement of Fee Based Income.
- Achieving an increase in business transactions.
- Effective implementation of technology and information governance.

#### Director of Treasury & International Banking

- Achieving liquidity management as specified.
- Achieved the target of managing the Subsidiary.
- The fulfillment of Bank Mandiri's operational procurement needs.



**Director of Finance**

- Availability of RKAP and RBB at the stipulated time.
- The fulfillment of business realization monitoring in accordance with the RKAP and RBB.
- Achieving set financial targets.

- Achieving a reduction in the ratio of the number of penalties imposed by regulators.
- Achievement of the percentage determined regarding settlement of cases better than the previous year.
- Achieving strategies and targets for management of Human Capital.

**Director of Compliance (including Human Capital)**

- Achieved implementation of compliance at Bank Mandiri.

**Procedure of Performance Assessment of The Board of Directors**

The performance of the Board of Directors is reported to the shareholders in the GMS.

**Criteria of Performance Evaluation of The Board of Directors**

The criteria of performance evaluation of the Board of Directors based on the Key Performance Indicators (KPI) are:

1. Financial and market perspectives
2. Focus on customers
3. Effectiveness of products and processes
4. Focus on manpower
5. Leadership, governance, and CSR
6. Agent of development

**Parties Performing Assessment**

The parties making assessment of the Board of Directors' performance are the Board of Commissioners and the GMS. In evaluating the performance of the Board of Directors, the Board of Commissioners refers to the KPI. The Board of Commissioners and Directors will then account for their performance achievements in the 2018 period, including the implementation of their duties and responsibilities in the GMS to be held in 2019.

**Results of Performance Assessment of The Board of Directors**

The results of the Board of Directors' performance assessment based on KPI can be seen in the table below.

Strategic Targets		Percentage	Indicators	Score
FINANCIAL AND MARKET PERSPECTIVES		24.0%		
1.	Increasing profitability	6.0%	Earning after Tax (EAT) in 2018 is higher than the realization in 2017 (in billion IDR)	7,22
2.	Improving Company Values	6.0%	Market Cap growth is higher than that of the Indonesian Banking Industry	3,47
3.	Maintaining the Quality of Assets	6.0%	NPL ratio is better than that of the Banking Industry	5,72
4.	Increasing efficiency	6.0%	Cost to Income Ratio is better than it was last year	6,20
			<b>Sub Total</b>	<b>22,61</b>



Strategic Targets		Percentage	Indicators	Score
FOCUS ON CUSTOMERS		22.0%		
5.	Increasing Satisfaction of External Customers and Regulators.	11.0%	The Bank's rank in a survey by independent surveyors is better than it was last year	14,30
		11.0%	At least 80% of Bank Operations Activities (PAB) that have been approved by OJK are "DONE".	11,66
			<b>Sub Total</b>	<b>25,96</b>
EFFECTIVENESS OF PRODUCTS AND PROCESSES		20.0%		
6.	Increasing banking digitalization	7.0%	The percentage of banking transactions that have been digitalized in 2018 is higher than in 2017.	7,10
7.	Increase financial inclusion and literacy	7.0%	The number of branchless banking agents has increased compared to that in 2017:	
			a. Digital Financial Services (LKD)	4,40
			b. Officeless Financial Services to Promote Inclusive Finance (LAKU Pandai)	4,55
			Total	9,01
8.	Improving the effectiveness of micro credit program (KUR) management	6.0%	The online subrogation system for KUR can operate 100%	7,00
			<b>Sub Total</b>	<b>23,05</b>
FOCUS ON MANPOWER		17.0%		
9.	Improving Human Resources capabilities and competencies.	9.0%	Employee productivity is better than last year (million rupiah/ worker).	10,63
		8.0%	Bankwide's Employee Engagement Score in 2018 is better than that in 2017.	8,91
			<b>Sub Total</b>	<b>19,54</b>
LEADERSHIP, GOVERNANCE, AND CSR		17.0%		
10.	Improving superior performance and competitiveness	6.0%	The Superior Performance Assessment Criteria (KPKU) score is better than in 2017.	6,19
11.	Increasing bank contributions to improving community welfare.	5.0%	The realization of the partnerships and community development program (PKBL) is at least 80% of the budget stated in the Work Plan and Company Budget (RKAP).	6,50
			a. Partnership Program (No Distribution) b. Community Development	
12.	Increasing the application of Good Corporate Governance (GCG)	6.0%	The Corporate Governance Perception Index (CGPI) score is better than in 2017.	6,03
			<b>Sub Total</b>	<b>18,73</b>
AGENT OF DEVELOPMENT		20.0%		
13.	Realizing Synergy among SOEs	2.0%	The percentage of interest income from SOEs to the total interest income is higher than in 2017.	2,30
		2.0%	The percentage of third-party funds (DPK) from SOEs to the total DPK is higher than in 2017.	2,18
		2.0%	Merah Putih ATM and EDC are implemented according to the target project (units).	
			a. ATM Implementation b. EDC Implementation	1,00 1,00
14.	Increasing Downstreaming and Local Contents	2.0%	Realization of Fee Based Income (excluding Recovery and Dividend) is higher than it was in 2017.	2,35
			Realization of Non-Interest Income is higher than in 2017	2,31

Strategic Targets		Percentage	Indicators	Score
15.	Accelerating Integrated Regional Economic Development	2.0%	The number of Creative Houses successfully built until 2018 is higher than in 2017.	
		2.0%	The number of village-owned enterprises (BUMdes) successfully established until 2018 is higher than in 2017.	2,56
			a. Accounts	1,26
			b. Agents	1,30
16.	Enhancing Financial Independence and Value Creation	2.0%	Bank Mandiri's financing of the infrastructure sector is higher than that in 2017. (IDR billion)	2,58
17.	Implementing Government Assignments to SOEs to be Present for the Country	2.0%	Distribution of social assistance and farmer cards is 100% achieved	2,00
		2.0%	Penyaluran Bansos dan Kartu Tani 100% sesuai.	
			a. Social assistance (bansos)	
			<ul style="list-style-type: none"><li>Non-Cash Food Aid/BPNT (Beneficiary Families/KPM)</li></ul>	
			a. Wallet Distribution	0,28
			b. Disbursement to KPM's Accounts	0,27
			<ul style="list-style-type: none"><li>Family Hope Program/PKH (persons)</li></ul>	
			a. Transfer to Savings Account	0,28
			b. Disbursement of KPM Funds	0,29
			c. Farmer Cards	1,00
		Sub Total	22,39	
Total		120.0%		132,28

Based on the above data, it can be concluded that the 2018 KPI of the Directors has been reached and exceeded the set targets.

## Performance Assessment of The Committee Under The Board of Directors and The Basis of The Assessment

In carrying out its management duties, the Board of Directors is also assisted by 9 (nine) Committees under the Board of Directors called the Executive Committees, namely:

1. Assets and Liabilities Committee (ALCO)
2. Business Committee (BC)
3. Capital And Subsidiaries Committee (CSC)
4. Human Capital Policy Committee (HCPC)
5. Information Technology Committee (ITC)
6. Integrated Risk Committee (IRC)
7. Policy and Procedure Committee (PPC)
8. Risk Management and Credit Policy Committee (RMPC)
9. Credit Committee (RKK)

The Board of Directors considered that during 2018 the committees it supervised had carried out their duties and responsibilities properly.

Assets and Liabilities Committee (ALCO) is a committee established to assist the Board of Directors in carrying out its functions in determining the management of assets and liabilities, setting the interest rates and liquidity, and other functions related to the management of the Company's assets and liabilities, as well as monitoring and implementing the Recovery Plans whenever the Company is under pressure/facing financial crisis. ALCO had held 9 (nine) meetings and carried out its duties well during 2018.

Business Committee (BC) is a committee established to assist the Board of Directors in determining the Company's integrated business management strategy, product arrangement and/or activity of the Company, as well as determining the marketing communication strategy and effectiveness in the field of wholesale banking and retail banking. During 2018, BC had held 19 (nineteen) meetings and carried out its duties well.



Capital and Subsidiaries Committee (CSC) is a committee established to assist the Board of Directors in managing Subsidiaries, among others, determining strategies for managing Subsidiaries, capital participation, capital release, determining members of the Board of Directors and/or members of the Board of Commissioners, and remuneration for the Members the Board of Directors and/or Members of the Board of Commissioners of a Subsidiaries. During 2018, CSC had carried out its duties related to staffing which were discussed and decided at the Board of Directors' Meeting and other duties properly.

Information Technology Committee (ITC) is a committee formed to assist the Board of Directors in establishing IT strategic plans and IT budgeting, strategic IT projects, and IT security. During 2018, the ITC had held 6 (six) meetings and had carried out its duties well.

Integrated Risk Committee (IRC) is the committee responsible for the preparation of, among others, Integrated Risk Management policies and the improvement or refinement of Integrated Risk Management policies based on the result of implementation evaluation. During 2018, IRC had held 4 (four) meetings and had carried out its duties well.

Policy and Procedure Committee (PPC) is a committee that for discussing and recommending policy adjustments and determining the Company's procedures including human capital policies and procedures as well as discussing and deciding the granting of authority to the Company's officers (ex officio). During 2018, PPC had held 18 (eighteen) meetings and had carried out its duties properly.

Risk Management and Credit Policy Committee (RMPC) is a committee formed to help Directors in discussing and recommending policy, and establish procedures and monitor risk profile, and managing all risks of Bank Mandiri integrated with the details of the scope of work, authority and responsibility. Next, inside order to comply with Financial Services Authority Regulation No. 42/POJK.03/2017 concerning Obligations of Compilation and Implementation Credit Policy or Bank Financing for Banks General, then adjustments are made to the space Risk Management Committee's scope is a Risk Management & Credit Policy Committee as stated in the Decree Directors No. KEP. DIR/68/2018 September 29 2018 concerning the Risk Management & Credit Policy Committee. During 2018, RMC has implemented 9 (nine) meeting times and RMPC has held 1 (one) meeting and have carried out their duties well.

Credit Committee (RKK) is a committee assigned assist the Board of Directors to recommend and/or decide upon the granting of credit (new, additional, decrease, and/or renewal) managed by the Business Unit within the limits of authority, including the determination/alteration of the credit structure.

The Credit Committee had held 441 (four hundred forty one) meetings for the Large Corporate segment and 503 (five hundred and three) meetings for the Middle Corporate segment and had carried out its duties well.

## Resignation and Dismissal Mechanism For The Board of Directors

Resignation and dismissal mechanism for the Board of Directors is regulated by the Articles of Association are as follows:

1. The GMS may dismiss the Board of Director's members at any time by stating its arguments.
2. The dismissal of a member of Board of Directors is called for if, based on the factual circumstance, the said members:
  - a. is unable/inadequate to fulfill the obligations as agreed in the management contract;
  - b. is unable to perform duties appropriately;
  - c. violates the provisions of the Articles of Association and/or the applicable laws;
  - d. engages in actions that harm the Company and/or country;
  - e. conduct actions that violate ethics and/or propriety that should be valued as the member;
  - f. is declared guilty by the Court's decision that has permanent legal force;
  - g. resigns;
  - h. other reasons deemed appropriate by the GMS for the interests and objectives of the company.
3. The dismissal by the reasons aforementioned is conducted after the person(s) concerned in the event of dismissal is given the opportunity to raise defense, excluding the dismissal specified in the provisions of point (2) letter f and g.
4. The dismissal due to reasons as referred to in point letter d and f are considered dishonorable discharge.
5. Among the Board of Director's members and between the Board of Directors' members and the Board of Commissioners' members, there shall not be any blood relationship of three generations, either vertical or horizontal in the family tree, including the familial relationship arising from marriage.

6. In the event that such condition prevails, the GMS has the authority to dismiss one of the members.
7. A member for the Board of Directors may resign from his/her position before his/her term of office expires. In the event that a member of the Board of Directors resigns, the said member shall submit a written request for resignation to the Company.
8. The Company must hold the GMS to decide on the resignation request of a member of the Board of Directors no later than 90 (ninety) days after receiving the letter of resignation.
9. The Company is obliged to provide information transparency to the public and submit it to the Financial Service Authority no later than 2 (two) working days after:
  - a. The approval of the resignation application from a member of the Board of Directors.
  - b. The achievement of the GMS results.
10. Before the resignation is effective, the concerned member of the Board of Directors shall assume responsibility to complete the duties and the responsibilities in accordance with the Articles of Association and the applicable laws.
11. The resigning member will be released from any responsibility after obtaining discharge of duty from the annual GMS.
12. A member of the Board of Directors is dismissed if:
  - a. effectively resigned;
  - b. passed away;
  - c. Expired tenure;
  - d. dismissed by the decision of GMS;
  - e. declared bankrupt by a Commercial Court which has a permanent legal force or under the auspices based on a Court's decision; or
  - f. no longer fulfilling the requirements as a member of the Board of Directors based on the provisions of the Articles of Association and the applicable laws.
13. For the member of the Board of Directors dismissed before or after the term of office, unless unable to resume the position due to deceased, the concerned member shall therefore be held responsible for their actions that have not been approved by the GMS;
14. The Board of Director's members may at any time be temporarily dismissed by the Board of Commissioners if they conduct a contrary action to the Articles of Association or there are indications of actions that harm the Company or neglect the obligations or there are crucial explanations for the Company, by paying attention to the following provisions:
  - a. temporary dismissal shall be notified in written to the said member along with the rationale, then forwarded to the Board of Directors;
  - b. the notification as referred to in the letter "a" shall be submitted no later than 2 (two) working days after the the temporary dismissal is effective;
  - c. the member who is subject to temporarily dismissal has no authority to conduct the Company's management for the sake of the Company in relation with the purposes and objectives of the Company or to represent the Company either within or outside the Court;
  - d. within a period of at most 90 (ninety) days after the temporary dismissal has been done, the Board of Commissioners shall organize the GMS to revoke or reinforce the temporary dismissal;
  - e. with the organization period of the GMS as referred to in letter d or the GMS cannot make any decision, the temporary dismissal shall be canceled;
  - f. the limitation of authority as stated in point c shall be effective since the effective date of temporary dismissal by the Board of Commissioners until:
    - there is a decision of the GMS which reinforces or revokes the temporary dismissal in letter d; or
    - the due date as stated in letter d has passed.
  - g. in the GMS as referred to in letter d, the member of concerned shall be given an opportunity to raise defenses;
  - h. temporary dismissal cannot be extended or re-established by the same rationale if the temporary dismissal is declared void as referred to in letter e;
  - i. In the event that the GMS revokes the temporary dismissal or circumstances as referred to in letter e prevail, the concerned member shall remain perform his/her tasks;
  - j. If GMS outcome reinforces the decision of the temporary dismissal, then the member is dismiss permanently;
  - k. if the member who is subjected to temporary dismissal does not attend the GMS after being summoned in written, the member shall be considered neglects his/her rights to defend himself/ herself in the GMS and agree to the GMS decision
  - l. The Company is obliged to conduct information transparency to the public and submit it to the Financial Services Authority regarding:



- the decision of temporary dismissal; and
- the results of GMS either to revoke or reinforce the temporary dismissal decision as referred to in letter “d” , or any information regarding the cancellation of the temporary dismissal by the Board of Commissioners due to the absence of the GMS until the due date as referred to in letter e of this article, no later than 2 (two) working days from such happening.

## Policies Related To The Resignation of The Board of Directors’ Members Due To Their Involvement In Financial Crimes

The Articles of Association of Bank Mandiri has regulated the resignation policy of the members of the Board of Directors and the Board of Commissioners if they are involved in financial crimes. If the members are no longer legally qualified, including engaging in financial crime, then the members’ term of office shall automatically expire.

## Organ and Committee Under The Board of Commissioners

In supervising the Company, the Board of Commissioners is assisted by the Secretary of the Board of Commissioners and committees under the Board of Commissioners. Committees under the Board of Commissioners consist of the Audit, Risk Monitoring, Remuneration and Nomination, and Integrated Governance Committees. The Organs and Committees under the Board of Commissioners are described as follows.

### Secretary to The Board of Commissioners

The Board of Commissioners of Bank Mandiri has a Secretary to the Board of Commissioners appointed from outside the Company, who is appointed and dismissed by and is responsible to the Board of Commissioners.

The Secretary to the Board of Commissioners of Bank Mandiri has several secretarial duties from the Board of Commissioners, based on the SOE Minister Regulation No. PER-12/MBU/2012 concerning on the Supporting Organ of the Board of Commissioners/Supervisory Board of State-Owned Enterprises, the Board of Commissioners can establish a Secretariat of the Board of Commissioners led by a Secretary to the Board of Commissioners to assist the administration of the duties and responsibilities of the Board of Commissioners.

### Duties and Responsibilities of The Secretary To Board of Commissioners

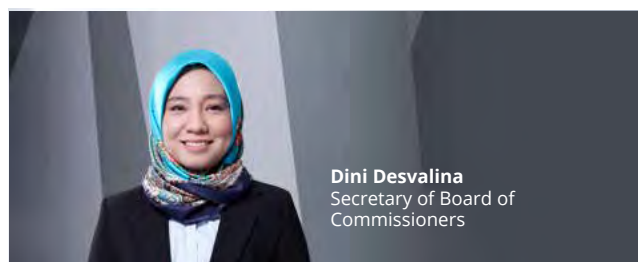
Based on the Decree of Board of Commissioners No. KEP.KOM/005/2016 concerning on the Procedures of Board of Commissioners, the Secretary of Board of Commissioners has the following duties and responsibilities:

1. Preparing all meeting needs, from providing the meeting materials to preparing the minutes.
2. Periodically ensuring the availability of information needed by the Board of Commissioners in the decision-making process and other required information.
3. Assisting the Board of Commissioners in preparing reports as well as the draft of Annual Budget and Work Plan.



## Profile of The Secretary To Board of Commissioners

Currently, the Secretary of the Board of Commissioners is hold by Dini Desvalina who was appointed based on the Board of Commissioners' Decree No. KEP.KOM/001/2016 dated January 13, 2016.



**Dini Desvalina**  
Secretary of Board of  
Commissioners

Age	34 years old
Domicile	Jakarta
Educational Background	<ul style="list-style-type: none"> <li>Bachelor Degree in Accounting of University of Indonesia (2009)</li> <li>Master Degree of Sharia Financial Management of University of Indonesia (2013).</li> </ul>
Position	<ul style="list-style-type: none"> <li>Financial Analyst Ministry of SOE (2007)</li> <li>Head of Logistic and Industrial Zone II B of the Ministry of SOE (2014)</li> <li>Head of Bureau of Bureaucracy Reform of the Ministry of SOE (2015 – present).</li> </ul>



## Competency Development of The Secretary of The Board of Commissioners

The competency development that has been followed by the Secretary of the Board of Commissioners during 2018 is as follows.

Training	Date	Organizer
Key Risk Management Challenges in 2019 Credit Quality, Active Credit Portfolio Management & Stress Testing and also credit Scoring in Batam	December 6-7, 2018	Bara Risk Forum

## The Implementation of Duties of The Secretary To The Board of Commissioners

The Secretary of the Board of Commissioners has arranged the fundamentals of work programs and realized them in 2018, mentioned as follows:

1. Preparing and arranging meeting materials as well as organizing meetings related to monitoring, evaluation, and offering suggestions on the implementation of the Company's strategic policies in the 2018 - 2020 in Bank Business Plan and Corporate Work Plan and Budget in 2018 with consideration to liquidity, NPL, market share achievement, market capitalization value, and profitability.
2. Preparing and arranging materials as well as coordinating meetings related to monitoring and offering suggestions on policies and strategies to the Board of Directors in order to implement the strategic objectives in the 2018 Corporate Plan and Budget and Business Development programs.
3. Preparing and arranging materials as well as coordinating meetings related to monitoring and offering suggestions to the Board of Directors concerning on the implementation of non-organic company development programs.



4. Preparing and arranging materials as well as coordinating meetings related to the infrastructure development program (IT and non IT) monitoring, sustainable Human Capital and Legal in accordance with the business strategy and capacity of the Company.
5. Preparing and arranging materials and coordinating meetings related to monitoring the implementation of GCG, Compliance and Risk Management principles in an integrated manner with Subsidiaries.
6. Preparing and compiling materials and coordinate meetings related to monitoring and evaluation of audit planning and implementation/other internal control systems and monitoring of the follow-up actions on audit/other audit results, including the Subsidiaries.
7. Preparing and coordinating meetings related to training in the context of refreshment and development in Risk Management and other fields for the Board of Commissioners.

The Secretary of the Board of Commissioners used the work program as a guideline in carrying out her duties to support the work program of the Board of Commissioners. In addition to the work program, the Secretary of the Board of Commissioners also carried out other duties to support the smooth supervision and provision of advice carried out by the Board of Commissioners.

## Audit Committee

The Audit Committee of Bank Mandiri was established based on the Decree of the Minister of SOE and the applicable regulations in banking institutions in Indonesia, including Financial Services Authority Regulation No. 55/POJK.04/2015 concerning the Establishment and Work Guidelines of the Audit Committee to assist and facilitate the Board of Commissioners in carrying out their duties and supervisory functions on matters related to the quality of financial information, internal control systems, effectiveness of audits of external and internal auditors, effective implementation of risk management and compliance with the applicable laws and regulations.

### The Foundation of Audit Committee Establishment

The establishment of the Audit Committee refers to the following regulations:

1. Financial Services Authority Regulation No. 55/POJK.03/2016 concerning The Implementation

of Good Corporate Governance for Commercial Banks.

2. Financial Services Authority Regulation No. 55/POJK.04/2015 concerning Establishment and Guidelines of the Audit Committee Works.
3. Rule I-A of Appendix I of the Decree of the Board of Directors of the Indonesia Stock Exchange No. KEP-00001/BEI/01-2014 dated January 20, 2014 concerning The Listing of Shares (Stock) and Equity-Type Securities Other Than Stock Issued By The Listed Company.
4. Bank Mandiri's Articles of Association and the amendments
5. Decree of the Board of Commissioners No. KEP. KOM/002/2018 dated January 3, 2018 concerning Changes in the Audit, Risk Monitoring, Integrated Corporate Governance, and Remuneration and Nomination Committees of PT Bank Mandiri (Persero) Tbk.
6. Decree of Board of Directors No. KEP. DIR/003/2018 dated January 19, 2018 concerning Determination of Audit Committee Members.

### Audit Committee Charter

In implementing the GCG principles, Bank Mandiri has established an Audit Committee that has duties and responsibilities to assist the Board of Commissioners in carrying out their supervisory duties and functions. In carrying out its duties the Audit Committee is guided by the Audit Committee Charter which was ratified on February 28, 2018 based on the Decree of Board of Commissioners No. KEP.KOM/003/2018 concerning Audit Committee Charter of PT Bank Mandiri (Persero) Tbk. The Audit Committee Charter includes the followings:

1. General Purpose
2. Basic Regulations
3. Duties, Responsibilities and Authorities
4. Member Composition, Structure and Requirement
5. Work Procedures
6. Meeting Policy
7. Activity Reporting System
8. Handling of Complaints/Report Regarding Alleged Violations Related to Financial Statement
9. Term of Office and Compensation
10. Bank Confidentiality
11. Closing

### Duties and Responsibilities of The Audit Committee

The duties and responsibilities of the Audit Committee that had been set out in the Audit Committee Charter are as follows:

1. The Audit Committee must monitor and evaluate the following matters:
  - a. Planning and conducting audits and monitoring the follow-up of audit results in order to assess the adequacy of internal controls, including the adequacy of the financial reporting process.
  - b. The Audit Committee is also required to evaluate the adequacy of internal controls in the Subsidiary.
  - c. Reviewing the financial information that will be issued by the Company to the public and/or regulators, including financial statements, and other reports related to the Company's financial information.
  - d. Reviewing compliance with laws and regulations related to the Company's activities.
  - e. Provide independent opinion in the event of disagreements between management and accountants for services rendered.
  - f. Provide recommendations to the Board of Commissioners regarding the appointment of accountants based on independence, scope of assignments and service benefits.
  - g. Conduct a review of the implementation of audits by internal auditors and oversee the implementation of follow-up actions by the Directors on the findings of internal auditors.
  - h. Conduct a review of complaints relating to the accounting process and financial reporting of the Company.
  - i. Review and provide advice to the Board of Commissioners regarding the potential conflict of interest of the Company.
2. In addition, the Audit Committee has duties and responsibilities which include:
  - a. Financial Statement
    - learn in depth the Company's Work Plan and Budget and the Bank Mandiri Long-Term Plan.
    - Learn in depth the interim and annual financial reports both audited and unaudited.
    - Learn in depth the significant changes in numbers/values on balance sheet and loss/profit items.
    - Learn in depth about other asset posts and other liabilities.
    - Learn in depth the report on the realization of the Work Plan and Budget and examine the posts that have significant differences.
    - Conduct regular meetings with related work units and external audits that examine Bank Mandiri to request additional information and clarification in the accounting and financial fields.
  - Periodically report on the results of monitoring and provide input on matters that need to be of concern to the Board of Commissioners.
  - b. Internal Control
    - Learn and ensure that the Company has a standard internal control system in accordance with applicable practices.
    - Learn in depth the report of the audit result of the Internal Audit Unit and the External Auditor examining Bank Mandiri to ensure that internal controls have been properly implemented.
    - Conduct periodic meetings with work units related to internal control systems and their implementation.
    - Monitor and evaluate the implementation of the Board of Directors' follow-up on the findings of the Internal Audit Work Unit, Public Accountants and Financial Services Authority supervision results.
    - Periodically report on the results of monitoring and provide input on matters that need to be of concern to the Board of Commissioners.
  - c. Compliance
 

Monitoring and evaluating the company's compliance with the laws and regulations in the Capital Market, Financial Services Authority Regulations and other regulations related to banking business.

    - Learn the report of audit result related to compliance with internal and external regulations issued by the Internal and External Audit Work Unit.
    - Monitor and evaluate the suitability of the audit by the Public Accountant Office with the applicable audit standards.
    - Monitor and evaluate the suitability of financial statements with applicable accounting standards.
    - Periodically report on the results of monitoring and provide input on matters that need to be of concern to the Board of Commissioners.
  - d. Internal Audit
 

Monitor and evaluate the implementation of the duties of the Internal Audit Unit.

    - Evaluating the annual work plan of the Internal Audit Unit.
    - Learn in depth all significant findings from the examination results of internal auditors.
    - Evaluate the program and scope of the audit in order to implement the annual work plan of the Internal Audit Unit.



- Evaluate the audit by the Internal Audit Unit to ensure that the audit program is running with the correct coverage.
  - Conduct periodic meetings with the Internal Audit Unit to discuss significant audit findings and provide input deemed necessary in the implementation of audits by the Internal Audit Unit.
  - Request assistance from the Internal Audit Unit to carry out special inspections/ investigations if there are audit findings and/or information relating to violations of applicable laws and regulations.
  - Periodically report on the results of monitoring and provide input on matters that need to be considered by the Board of Commissioners.
- e. External Audit
- The Audit Committee provides recommendations regarding the appointment of a Public Accountant (AP) and Public Accountant Office (KAP) that will audit the Company's financial statements to the Board of Commissioners to be submitted to the General Meeting of Shareholders (GMS). In addition, the Audit Committee also provided recommendations to the Board of Commissioners for terminating the Public Accounting Office.
  - In the event that the AP and/or KAP that has been decided by the GMS cannot complete the provision of audit services for annual historical financial information during the professional assignment period, the appointment of the AP and/or KAP substitute is carried out by the Board of Commissioners after obtaining the approval of the GMS by considering the Audit Committee recommendations.
  - In preparing these recommendations, the Audit Committee may consider:
    - The independence of AP and/or KAP; learn the name and/or reputation of the KAP to be invited to bid, as follows:
      - (a) Relationship as a non-audit service partner for Bank Mandiri.
      - (b) The relationship as a shareholder of Bank Mandiri in the amount of material/decisive.
      - (c) Close family relations with key employees in the accounting and financial fields at Bank Mandiri.
      - (d) One of the KAP officials and or auditors invited to take part in the tender was a former key employee in accounting and finance at Bank Mandiri who stopped less than 1 (one) year.
- (e) One of the key accounting and finance employees at Bank Mandiri was a former AP official/auditor invited to take part in a tender that stopped less than 1 (one) year.
- Audit scope; learn the planning and scope of the audit submitted by the KAP that has been selected/appointed, to ensure that the planning of the KAP that has been chosen/appointed, to ensure that the audit plan and scope are in accordance with the Request for Proposal and Terms of Reference and have considered all the risks considered important.
  - Audit service honorarium.
  - Expertise and experience of the AP and/or KAP and Audit Team from KAP.
  - Methodology, techniques and audit facilities used by KAP.
  - The benefits of fresh eye perspectives will be obtained through replacing the AP and/or KAP and the Audit Team from KAP.
  - Potential risks for the use of audit services by the same KAP in succession for a sufficiently long period of time; and/or
  - The results of the evaluation of the implementation of audit services for annual historical financial information by the AP and/or KAP in the previous period.
- Learn and ensure that Bank Mandiri has standard procedures and in accordance with applicable regulations/provisions in the implementation of KAP elections.
  - Learn and ensure that the process of implementing the KAP election has been running correctly in accordance with standard procedures.
  - The Audit Committee evaluates the implementation of audit services for annual historical financial information by the AP and/or KAP. The evaluation is carried out through:
    - Conformity of audit implementation by AP and/or KAP with applicable audit standards.
    - Adequacy of field work time.
    - Assessment of coverage of services provided and adequacy of quotation tests; and
    - Recommendations for improvements provided by the AP and/or KAP.

- Communicate regularly with KAP who are examining Bank Mandiri to discuss matters that need to be communicated, including the following:
  - Progress in carrying out the examination.
  - Important findings.
  - Changes to regulations/provisions in accounting and financial records of authorized institutions.
  - Adjustments that occur based on the results of the examination.
  - Constraints/obstacles encountered in carrying out the examination.
- The Audit Committee recommends appointment and termination of the AP and KAP to the Board of Commissioners for submission through the GMS.
- Learn in depth all significant findings from the results of examinations from external auditors and other examining institutions.
- Monitor and evaluate the follow-up of the auditee to the results of the examinations conducted by the External Auditor.
- Periodically report on the results of monitoring and provide input on matters that need to be considered by the Board of Commissioners.

## Authority of The Audit Committee

The Audit Committee has the authority to:

1. Communicate with the Head of Work Unit and other parties at Bank Mandiri and the KAP that checks the Company for information, clarification and requests for documents and reports as needed.
2. Request reports on the results of audits of internal auditors and external auditors and other supervisory/ examining institutions.
3. Request internal auditors and/or external auditors to conduct special investigations, if there is a strong suspicion of fraud, violation of law and violation of applicable laws and regulations.
4. Access notes or information about employees, funds, assets and other company resources related to the implementation of their duties.
5. Perform other authorities granted by the Board of Commissioners.

## Reporting of Audit Committee

Audit Committee must make a periodic report to the Board of Commissioners regarding the activities of the Audit Committee, at least once in 6 (six) months. The Audit Committee must prepare a report to the Board of Commissioners on any given assignment and or for any issues identified to require the concern of the Board of Commissioners.

## Structure, Membership and Expertise of The Audit Committee

The structure and membership of the Audit Committee are as follows:

1. The Company's Audit Committee consists of at least 3 (three) members from Independent Commissioners and Independent Parties.
2. Audit Committee membership composition at least 1 (one) Independent Commissioner as Chairman and concurrently member, 1 (one) Independent Party who has expertise in finance or accounting and 1 (one) Independent Party who has expertise in the field of law or banking.
3. Must have at least 1 (one) member with an educational background and expertise in accounting and finance.
4. The Chairman of the Audit Committee can only hold concurrent positions as chairman of the committee at most in 1 (one) other committee.





During 2018, the composition of the Audit Committee membership underwent changes which can be presented as follows.

### Period of January 1-2, 2018

The composition of the Audit Committee membership for the period of January 1-2, 2018 which has been appointed based on the Directors Decree No. KEP.DIR/214/2017 concerning the Determination of the Audit Committee Membership which was ratified on October 11, 2017 is as follows:

**Table of Structure, Membership and Expertise of the Audit Committee**

Name	Position	Information	Expertise
Bangun Sarwito Kusmulyono	Chairman Concurrently Member	Independent Commissioner	Finance, Banking
Hartadi Agus Sarwono	Member	President Commissioner/Independent Commissioner	Banking, Economic
Goei Siauw Hong	Member	Independent Commissioner	Fiscal, Budget and Tax
Makmur Keliat	Member	Independent Commissioner	Macroeconomic
Budi Sulistio	Member	Independent Party	Accounting, Audit
Lista Irna	Member	Independent Party	Banking, Risk Management

### Period of January 2 – December 31 2018

The composition of the Audit Committee membership period of January 2 - December 31, 2018 which has been appointed based on Directors Decree No. KEP.DIR/003/2018 concerning the Determination of Membership of the Audit Committee which was ratified on January 19, 2018 are as follows:

**Table of Structure, Membership and Expertise of the Audit Committee**

Name	Position	Information	Expertise
Bangun Sarwito Kusmulyono	Chairman Concurrently Member	Independent Commissioner	Finance, Banking
Hartadi Agus Sarwono	Member	President Commissioner/Independent Commissioner	Banking, Economic
Goei Siauw Hong	Member	Independent Commissioner	Fiscal, Budget and Tax
Makmur Keliat	Member	Independent Commissioner	Macroeconomic
Budi Sulistio	Member	Independent Party	Accounting, Audit
Bambang Ratmanto	Member	Independent Party	Accounting, Management

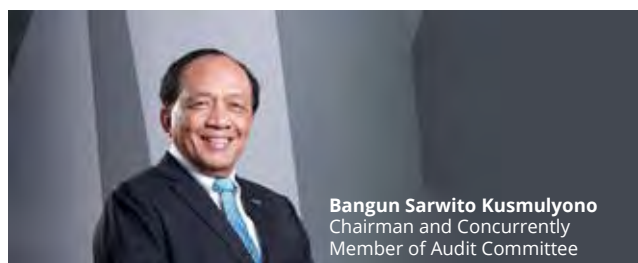
### Tenure of the Audit Committee

Term of office of Audit Committee members who are not members of the Board of Commissioners/Supervisory Board of the Company for a maximum of 3 (three) years and can be extended once for 2 (two) years, without prejudice to the right of the Board of Commissioners/Supervisory Board to terminate them at any time . Whereas for Audit Committee Members who are members of the Board of Commissioners the term of office (term of office) as the Audit Committee is the same as the term of office (period of office) as the Board of Commissioners.

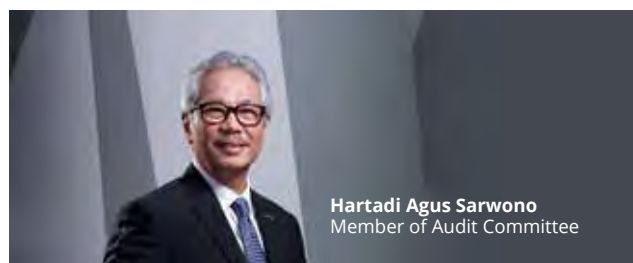


## Audit Committee Profile

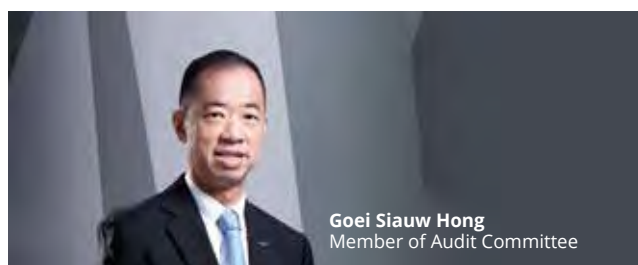
The profile of Audit Committee as of December 31, 2018 is as follows.



The profile can be seen in the Board of Commissioners section



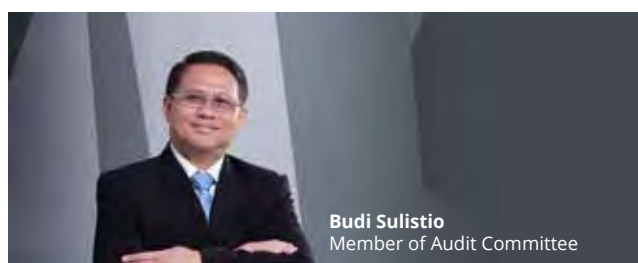
The profile can be seen in the Board of Commissioners section



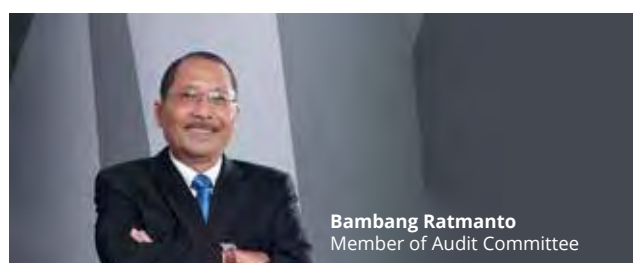
The profile can be seen in the Board of Commissioners section



The profile can be seen in the Board of Commissioners section



Age	63 years old
Nationality	Indonesia
Appointment Date	January 2, 2018
Educational Background	<ul style="list-style-type: none"> <li>Bachelor Degree in Economics from Universitas Indonesia (1985).</li> <li>Master Degree of Business Administration at the University of Illinois (1994).</li> </ul>
Employment history	He has served various important positions at Bank Mandiri, including as: <ul style="list-style-type: none"> <li>Member of Risk Monitoring Committee (2014-2016).</li> <li>Group Head Accounting (2006-2010).</li> <li>Regional Manager of Regional Office VII Semarang (2005-2006).</li> </ul>
Position Period	<ul style="list-style-type: none"> <li>Periode I : February 25, 2014 - February 25, 2017</li> <li>Periode II : February 25, 2017 - February 25, 2019</li> <li>Currently in the process of transferring positions to the new Audit Committee Members for 4 (four) months as from February 25, 2019.</li> </ul>



Age	60 years old
Nationality	Indonesia
Appointment Date	February 25, 2014
Educational Background	<ul style="list-style-type: none"> <li>Bachelor degree in Accounting from Universitas Gadjah Mada (1982).</li> <li>Master of Management in Business Management from Universitas Prasetya Mulya Business School (2008).</li> </ul>
Employment history	<ul style="list-style-type: none"> <li>Member of Audit Committee at PT Bank Negara Indonesia (Persero) Tbk. (2016 – January 2018).</li> <li>Chief Commissioner, Chairman of the Audit Committee, and Chairman of the Risk Monitoring Committee at PT Bank MNC Internasional Tbk (2014-2016).</li> <li>Independent Commissioner and Chairman of the Audit Committee at PT Bank MNC Internasional Tbk. (2013-2014).</li> <li>Executive Vice President - Head of Credit &amp; Operations Policy at Risk Management Directorate of PT CIMB Niaga Tbk. (2010-2013).</li> </ul>
Position Period	2 January 2018 to 2 January 2021



## Educational Qualifications and Work Experience of The Audit Committee

The requirements for membership of the Audit Committee are as follows:

1. General Requirements
  - a. Having good integrity, character and morals.
  - b. Having no personal interests/relationships that can lead to a conflict of interest towards the Company.
2. Competency Requirements
  - a. Having adequate expertise, ability, knowledge and experience that relates to their duties and responsibilities.
  - b. Required to be able to understand financial statements, company's business, especially those related to the Company's services or business activities, audit processes and risk management.
  - c. Able to cooperate and having the ability to communicate well and effectively and willing to provide sufficient time to carry out his/her duties.
  - d. Having adequate knowledge on the Company's Articles of Association, regulations in the banking sector, Capital Market, BUMN or State-Owned Enterprises (SOEs) and other relevant regulations.
  - e. Willing to improve the competency continuously through Education and training at least 1 (one) time in 6 (six) months.

Educational qualifications and work experience of the Chairman and Members of the Audit Committee are as follows.

**Table of Educational Qualifications and Work Experience of the Audit Committee**

Name	Designation	Education	Work Experience
Bangun Sarwito Kusmulyono	Chairman concurrently Member	<ul style="list-style-type: none"> <li>Bachelor's Degree in Chemical Engineering</li> <li>Master of Business Administration</li> <li>Doctor's degree in Environment Management.</li> </ul>	Have experience work, among others, in the field banking, capital, defense and banking supervision.
Hartadi Agus Sarwono	Member	<ul style="list-style-type: none"> <li>Earned Bachelor's Degree in Civil Engineering.</li> <li>Master of Arts in Macroeconomics.</li> <li>Doctor of Philosophy in Monetary Theory and Policy.</li> </ul>	Have experience work, among others, in the field banking, finance, monetary, and supervision banking.
Goei Siauw Hong	Member	<ul style="list-style-type: none"> <li>Bachelor's Degree in Agronomy.</li> <li>Master of Business Administration (MBA) in Business, Finance, and Marketing</li> </ul>	Have experience work, among others, in the field finance, research, and banking supervision.
Makmur Keliat	Member	<ul style="list-style-type: none"> <li>Bachelor Degree in Corporate Economics</li> <li>Bachelor of Art in Social and Political Sciences/ International Relations Department</li> <li>Drs. in Social and Political Sciences/International Relations Department</li> <li>Ph.d in School of International Studies</li> </ul>	Have experience work, among others, in the field education, political science, International Relations, research and publication.
Budi Sulistio	Member	<ul style="list-style-type: none"> <li>Bachelor degree in Economics</li> <li>Master of Business Administration</li> </ul>	Having work experience in the banking sector.
Lista Irna <sup>*)</sup>	Member	<ul style="list-style-type: none"> <li>Bachelor's Degree in Mining Engineering</li> <li>Master of Business Administration</li> </ul>	Having work experience in the banking sector.
Bambang Ratmanto <sup>**)</sup>	Member	<ul style="list-style-type: none"> <li>Bachelor Degree in Accounting</li> <li>Master of Management in Business Management</li> </ul>	Having work experience in the banking sector.

<sup>\*)</sup> Tenure ends on January 2, 2018

<sup>\*\*)</sup> Served since January 2, 2018

## Independence of Audit Committee

All members of the Audit Committee from independent parties have no relationship in financial, management, shareholders and/or family relations with the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or relationships with the Bank, which can affect their ability to perform independently.

### Table of Independence of Audit Committee

Aspect of Independence	Bangun Sarwito Kusmulyono	Hartadi Agus Sarwono	Goei Siau Hong	Makmur Keliat	Budi Sulistio	Lista Irna	Bambang Ratmanto
Not having financial relation with the Boards of Commissioners and Directors	✓	✓	✓	✓	✓	✓	✓
Not having management relation in the company, subsidiaries, or affiliated companies	✓	✓	✓	✓	✓	✓	✓
Not having shareholding relation in the company	✓	✓	✓	✓	✓	✓	✓
Not having family relation with Board of Commissioners, Board of Directors, and/or other members of the Audit Committee	✓	✓	✓	✓	✓	✓	✓
Not serving as administrator of political parties, officials and the government	✓	✓	✓	✓	✓	✓	✓

## Audit Committee Meeting

The Audit Committee holds regular meeting at least 1 (one) time in 3 (three) months. The meeting can be held if attended by more than ½ (one half) of total members. The decision of the Audit Committee meeting is made using deliberation to reach consensus. The meeting is led by the Chairman of the Audit Committee or another Committee Member who is an Independent Commissioner, if the Chairman of the Audit Committee is unable to attend.

### Agenda of Audit Committee Meeting

In 2018, the dates, Agendas and participants of Audit Committee meetings are as follows.

### Table of Agenda of Audit Committee Meeting

No.	Meeting Date	Meeting Agenda	Meeting Participants	Quorum of Attendance (%)
1.	Wednesday, January 10, 2018	<ol style="list-style-type: none"> <li>Progress of Ernst and Young Public Accountant Firm's Audit on the Financial Statement of Bank Mandiri per 31 December 2017.</li> <li>Significant Findings and Fraud Cases for the 4th Quarter of 2017.</li> </ol>	<ul style="list-style-type: none"> <li>Bangun Sarwito Kusmulyono</li> <li>Hartadi Agus Sarwono</li> <li>Goei Siau Hong</li> <li>Makmur Keliat</li> <li>Budi Sulistio</li> <li>Bambang Ratmanto</li> </ul>	100
2.	Wednesday, January 24, 2018	Charter of Audit Committee.	<ul style="list-style-type: none"> <li>Bangun Sarwito Kusmulyono</li> <li>Goei Siau Hong</li> <li>Makmur Keliat</li> <li>Budi Sulistio</li> <li>Bambang Ratmanto</li> </ul>	83
3.	Wednesday, January 31, 2018	<ol style="list-style-type: none"> <li>Proposal of Public Accountant Firm appointment for the Audit of Financial Statement and Investment Report of Mandiri Financial Institution Pension Funds for 2017 Fiscal Year.</li> <li>Report of the Result of Final Audit of PSS - EY Public Accountant Firm of the Consolidated Financial Statement of Bank Mandiri for 2017 Fiscal Year.</li> </ol>	<ul style="list-style-type: none"> <li>Bangun Sarwito Kusmulyono</li> <li>Hartadi Agus Sarwono</li> <li>Goei Siau Hong</li> <li>Makmur Keliat</li> <li>Budi Sulistio</li> <li>Bambang Ratmanto</li> </ul>	100



No.	Meeting Date	Meeting Agenda	Meeting Participants	Quorum of Attendance (%)
4.	Wednesday, February 5, 2018	Annual Audit Plan of 2018.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	83
5.	Wednesday, March 7, 2018	Process and Proposal of Public Accountant Firm Selection Appointment for the Audit of the 2018 Financial Statement of Bank Mandiri.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	100
6.	Monday, April 9, 2018	Update of Progress Collection of Top 10 Debtors.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	83
7.	Wednesday, April 18, 2018	Update of Business Process Reengineering.	<ul style="list-style-type: none"> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	83
8.	Thursday, April 26, 2018	Management Letter from PSS-EY Public Accountant Firm on the Result of the Audit of Financial Statement for 2017 Fiscal Year.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	83
9.	Wednesday, May 16, 2018	Significant Findings for the 1 <sup>st</sup> Quarter of 2018.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	83
10.	Wednesday, June 6, 2018	Proposal of Revisions of 2018 Corporate Work Plan and Budget and 2018 – 2020 Bank Business Plan.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	100
11.	Thursday, June 28, 2018	Compliance Report for the 1 <sup>st</sup> Quarter of 2018.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	100
12.	Wednesday, July 25, 2018	<ol style="list-style-type: none"> <li>1. Update of Progress Collection of Top 10 Debtors</li> <li>2. Update of IFRS 9.</li> </ol>	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	83
13.	Wednesday, August 1, 2018	Significant Findings of the 2 <sup>nd</sup> Quarter of 2018	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	100
14.	Wednesday, October 3, 2018	Report of the Director of Compliance for the 2 <sup>nd</sup> Quarter of 2018	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	100
15.	Wednesday, October 10, 2018	Update of the Business Performance and Development of PT Mandiri Utama Finance.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	83

No.	Meeting Date	Meeting Agenda	Meeting Participants	Quorum of Attendance (%)
16.	Wednesday, October 24, 2018	Update of Work Plan and Audit Implementation Program of the Financial Statement of Bank Mandiri Per 31 December 2018.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	100
17.	Wednesday, November 21, 2018	Approval of 2019-2021 Corporate Work Plan and Budget and Bank Business Plan Proposal of Bank Mandiri.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	67
18.	Wednesday, November 28, 2018	Significant Findings of the 3 <sup>rd</sup> Quarter of 2018	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	100
19.	Wednesday, December 5, 2018	Update of Progress Collection of Top 10 Debtors.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	100
20.	Wednesday, December 12, 2018	Report of the Director of Compliance for the 3 <sup>rd</sup> Quarter of 2018.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	100
21.	Wednesday, December 19, 2018	Result of Interim Audit of Financial Statement of Bank Mandiri Per 31 December 2018.	<ul style="list-style-type: none"> <li>- Bangun Sarwito Kusmulyono</li> <li>- Hartadi Agus Sarwono</li> <li>- Goei Siau Hong</li> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> </ul>	100

## Frequency and Rate of Attendance of Audit Committee Meeting

In 2018, the Audit Committee held meetings 21 (twenty one) times. The frequency and rate of attendance of the meetings of each member of the Audit Committee are below.

### Table of Frequency and Rate of Attendance of Audit Committee Meeting

Name	Position	Total Meetings	Total Attendance	Percentage
Bangun Sarwito Kusmulyono	Chairman Concurrently Member	21	20	95%
Hartadi Agus Sarwono	Member	21	16	76%
Goei Siau Hong	Member	21	18	86%
Makmur Keliat	Member	21	18	86%
Budi Sulistio	Member	21	21	100%
Lista Irna <sup>*)</sup>	Member	-	-	-
Bambang Ratmanto <sup>**)</sup>	Member	21	21	100%

<sup>\*)</sup> Tenure ends on January 2, 2018  
<sup>\*\*)</sup> Served since January 2, 2018

## Key Performance Indicators (KPI) Achievement of Audit Committee

The KPI achievement of the Audit Committee in 2018 is as follows.

No.	Key Performance Indicator	Indicator Weight (%)	Achievement Score (%)	Indicator Weight x Achievement Score (%)
1.	Realization of total committee meetings and work plans.	30,00	100,00	30,00
2.	Assessment of attendance and participation rates in meetings.	20,00	100,00	20,00
3.	Presentation of review result of the Board of Commissioners.	20,00	95,00	19,00
4.	Timely making and presentation of Committee Report.	30,00	95,00	28,50
<b>TOTAL KPI OF THE COMMITTEE</b>		<b>100,00</b>		<b>97,50</b>

## Remuneration of Audit Committee

The remuneration of the Audit Committee from Independent Non-Commissioner parties is regulated in the Letter of the Board of Commissioners No. KOM/113/2016 dated August 31, 2016 and regulated in the Letter of Appointment of the person concerned as a member of the Committee under the Board of Commissioners which is issued by Bank Mandiri.

No.	Description	Non-Commissioner Committee Member
1.	Salary/Honorarium	Maximum 20% of the Salary of the President Director
2.	Compensation for Full Position	Not given
3.	Holiday Allowance	Consistent with the provision of employees of Bank Mandiri
4.	Bonus/Tantiem	Not given
5.	Facilities	
	a. Transportation Allowance	Not given
	b. Health	Not given
	c. Official Travel	Consistent with the provision of employees /equal to the Group Head

## Brief Report of The Implementation of Audit Committee Activities In 2018

In 2018, the Audit Committee has given the following recommendations or inputs to the Board of Commissioners:

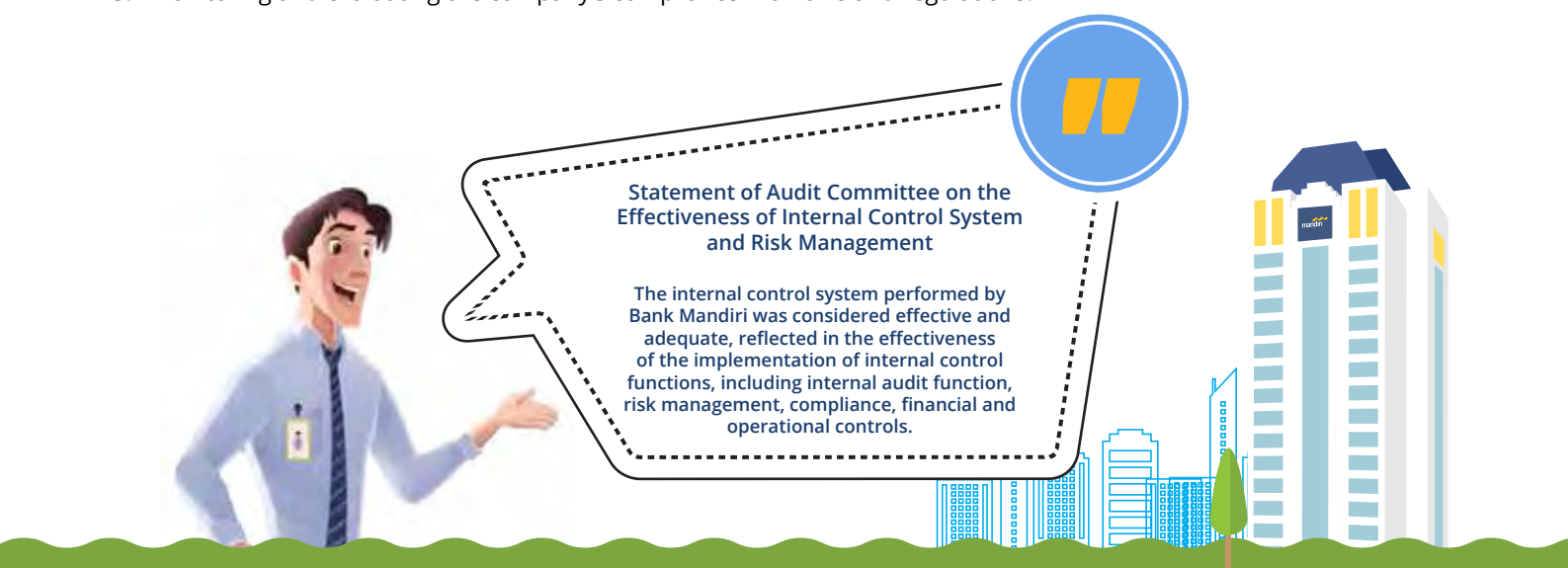
- Proposal of Public Accountant Firms which has gone through the procurement procedure consistent with the applicable provisions, which will perform the audit process of the 2018 Financial Statement of Bank Mandiri and Financial Institution Pension Funds (DPLK) of Bank Mandiri.
- Inputs regarding the Internal Audit Work Unit and the selected Public Accountant Firm include the following:
  - There should be intensive audit examination on debtors' accounts, especially in business units which have high rates of Non-Performing Loan (NPL).
  - Related with the audit finding on frauds in branches, internal audit should reinforce the implementation of all procedures which require dual control.
  - Related with audit sample selection by the selected Public Accountant Firm, the selected sample should appropriately represent the actual condition.
  - Regarding audit on TI, the audits performed by Internal Audit and the selected Public Accountant Firm, are expected to prevent repeated system failure (repetition).
  - So that the audit may lead to preventative action on an event. For example, for bank NPL, the audit is expected to not only determine the fairness of NPL value, by can be an early warning signal/detection before NPL.
- Proposal of approval for 2019 Corporate Work Plan and Budget and 2019 – 2021 Bank Business Plan submitted by the Board of Directors.



## Audit Committee Work Plan For 2019

In 2019, the Audit Committee has established a work plan that will be discussed through a meeting of at least 1 (one) times in 3 (three) months. The Audit Committee's work plan in 2019 includes:

1. Monitoring and evaluating the adequacy of internal controls, including the adequacy of the financial reporting process.
2. Evaluate the adequacy of internal controls in the Subsidiary.
3. Monitoring and evaluating the company's compliance with laws and regulations.



## Remuneration and Nomination Committee

The Remuneration and Nomination Committee was established to assist in the performance of the functions and duties in the fields related with remuneration and nomination of the members of the Board of Directors and the Board of Commissioners. The Regulation of Bank Indonesia/Regulation of Financial Service Authority requires bank to establish Remuneration and Nomination Committee as an implementation of GCG so that the Bank may be managed based on the principles of openness, accountability, responsibility and fairness.

### Basis For Establishment of Remuneration And Nomination Committee

The basis for the establishment of the Remuneration and Nomination Committee refers to:

1. Article of Association of the Company.
2. Law No. 19 of 2003 concerning SOEs.
3. Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Management for Public Banks.
4. Regulation of the Minister of SOE No. PER-12/MBU/2012 concerning Supporting Organs of Boards of Commissioners/Supervisory Boards of State Owned Enterprises.

5. Decree of the Board of Commissioners No. KEP. KOM/002/2018 dated January 3, 2018 concerning Changes on Audit Committee, Risk Monitoring Committee, Integrated Management Committee and Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk.
6. Decree of the Board of Directors No. KEP. DIR/41/2018 concerning Establishment of Memberships of the Remuneration and Nomination Committee dated May 16, 2018.

### Charter of Remuneration and Nomination Committee

So that the Remuneration and Nomination Committee may work effectively, the Remuneration and Nomination Committee must have a guideline which clearly regulates the role and responsibility of the committee and its scope of work. The work guideline of the Remuneration and Nomination Committee is regulated in the Charter of the Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk which was ratified on July 15, 2016. The Charter of the Remuneration and Nomination Committee contains:

1. Background
2. Function, Authority and Responsibility
3. Membership and Code of Conduct



4. Meeting and Reporting
5. Nomination and Remuneration System
6. Closing

### Duties and Responsibilities of Remuneration and Nomination Committee

The duties and responsibilities of the Remuneration and Nomination Committee are performing the following:

1. Preparing concept and analysis related with the function of the Remuneration and Nomination Committee.
2. Providing recommendation to the Board of Commissioners on policies, criteria and qualifications which are necessary in the Nomination process consistent with the strategic plan of the Company and performance evaluation policy for the members of the Board of Directors and/or members of the Board of Commissioners.
3. Preparing and providing recommendation system and procedure of selection and/or replacement of member of the Board of Commissioners and the members of the Board of Directors to be submitted to the GMS.
4. Providing recommendation to the Board of Commissioners on the number and composition of the members of Board of Commissioners and/or the members of the Board of Directors.
5. Providing proposal of nominees who are qualified to be the members of Board of Commissioners and/or the members of the Board of Directors to the Board of Commissioners to be submitted to the GMS and/or regulator.
6. Providing recommendation to the Board of Commissioners on the capacity building program for the members of Board of Commissioners and/or the members of the Board of Directors.
7. Assisting the Board of Commissioners in the performance assessment of the members of Board of Commissioners and/or the members of the Board of Directors based on the benchmarks which have been prepared as evaluation materials.
8. Assisting the Board of Commissioners in obtaining and/or analyzing the data nominees of the members of the Board of Directors and talent pool of officials one level below the Board of Directors.
9. Representing data base and talent pool of nominees of the members of the Board of Directors and the nominees of the members of the Board of Directors.
10. Evaluating the remuneration policy and providing recommendation to the Board of Commissioners on:
  - a. Remuneration policy, remuneration structure, amount of remuneration for the Board of Commissioners and the Board of Directors to be submitted to the GMS.

- b. Performance assessment with consistency of remuneration which is accepted by every member of the Board of Commissioners and/or member of Board of Directors.
- c. Option to the Board of Commissioners, the Board of Directors and Employees, including stock option and supervision of the implementation.

11. Committee Chairman is in charge of and responsible for coordinating committee meeting and proposing meeting agendas and materials.
12. Committee members are in charge of and responsible for:
  - a. Holding meetings regularly.
  - b. Studying meeting materials beforehand.
  - c. Attending meetings.
  - d. Contributing and participating.
  - e. Making minutes of meetings (secretary).

### Authority of Remuneration and Nomination Committee

The Remuneration and Nomination Committee has the following authorities:

1. Requesting Bank Mandiri to perform survey as required by the Remuneration and Nomination Committee.
2. Requesting information on necessary matters from various internal and external parties of Bank Mandiri.

### Reporting of Remuneration and Nomination Committee

The Remuneration and Nomination Committee must report the performance of duties, responsibilities, and procedure of Nomination and Remuneration of every assignment given and/or every identified issue which requires the attention of the Board of Commissioners or at least 2 (two) times in 1 (one) year.

### The Structure, Membership, and Skills of The Remuneration and Nomination Committee

Referring to the Regulation of the Minister of SOE No. PER-12/MBU/2012 concerning the Supporting Organ of the Board of Commissioner/Supervisory Board of BUMN and the Financial Services Authority Regulation No. 34/POJK.04/2014 concerning the Committee of Remuneration and Nomination of Issuer or Public Company and the Article of Association of Bank Mandiri, in compiling the Committee of Remuneration and Nomination membership must pay attention to the following matters:

1. The Remuneration and Nomination Committee consists of at least 3 (three) members of the Independent Commissioner, and Independent Parties who have become members at least 51% of the total of the Remuneration and Nomination Committee, with provisions:
  - a. 1 (one) chairperson concurrently a member, who is an Independent Commissioner; and
  - b. Other members who can come from:
    - Members of the Board of Commissioner
    - Parties from outside the Company; or
    - Parties who hold managerial positions under the Directors in charge of human resources.
  - c. The majority of other members cannot come from parties who hold managerial positions under the Board of Directors in charge of human resources.
  - d. If necessary, the Remuneration and Nomination Committee can appoint members from outside the Company who are independent for the Company.
  - e. Members of the Remuneration and Nomination Committee originating from outside the Company (in accordance with Article provisions 3 paragraph 3 POJK. 34/2014) must fulfill the following requirements:
    - Not affiliated with the Company, members of the Board of Commissioner, members of the Board of Director, or the Company's Major Shareholder.
    - Having experience related to Nomination and/or Remuneration.
- Do not hold concurrent positions as a member of another committee owned by the Company.
- f. Members of the Company's Board of Directors cannot become members of the Remuneration and Nomination Committee.
- g. Members of the Remuneration and Nomination Committee are appointed by the Board of Directors based on the decision of the Board of Commissioners meeting.
- h. Members of the Remuneration and Nomination Committee are appointed for a certain term of office and can be reappointed.
- i. The official term of members of the Remuneration and Nomination Committee is no longer than the official term of the Board of Commissioners members as stipulated in articles of association.
- j. The replacement of members of the Remuneration and Nomination Committee who are not from the Board of Commissioners is conducted no later than 60 (sixty) days after such members of the Committee of Remuneration and Nomination can no longer carry out their functions.
- k. The Company must document the decision of appointing and dismissing members of the Remuneration and Nomination Committee.
2. The Remuneration and Nomination Committee is chaired by the Independent Board of Commissioners.

During 2018, the membership composition of the Remuneration and Nomination Committee underwent changes which can be presented as follows.

### Period of January 1, – April 8, 2018

The membership composition of the Remuneration and Nomination Committee for the period of January 1 - April 8, 2018, which has been appointed based on the Directors Decree No. KEP.DIR/216/2017 concerning the Determination of the Membership of the Remuneration and Nomination Committee which was passed on October 11, 2017, is as follows:

### The Table of the Structure, Membership and Expertise of the Remuneration and Nomination Committee

Name	Position	Information	Expertise
Hartadi Agus Sarwono	Chairman and Concurrently Member	President Commissioner/Independent Commissioner	Banking, Economic
Imam Apriyanto Putro	Member	Deputy President Commissioner	Governance
Askolani	Member	Commissioner	Fiscal, Budget and Tax
Bangun Sarwito Kusmulyono	Member	Independent Commissioner	Finance, Banking
Goei Siau Hong	Member	Independent Commissioner	Fiscal, Budget and Tax
Ardan Adiperdana	Member	Commissioner	Accounting, Audit
Makmur Keliat	Member	Independent Commissioner	Macroeconomic
R. Widyo Pramono	Member	Commissioner	Hukum.xxx
Sanjay N. Bharwani <sup>*)</sup>	Secretary and Concurrently Member of Ex-Officio*	SEVP Human Capital	Human Capital, Teknologi Informasi

<sup>\*)</sup> The Position for the Secretary of the Remuneration and Nomination Committee is vacant since March 29, 2018

## Period of April 9 – December 31, 2018

The membership structure of the Remuneration and Nomination Committee for the period of April 9 – December 31, 2018, which has been appointed based on the Directors Decree No. KEP.DIR/41/2018 concerning the Determination of Membership of the Remuneration and Nomination Committee which was passed on May 16, 2018, is as follows:

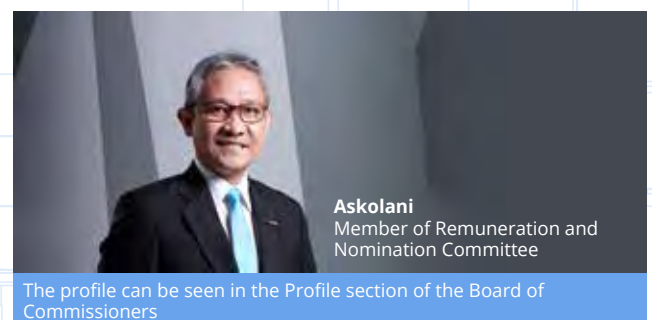
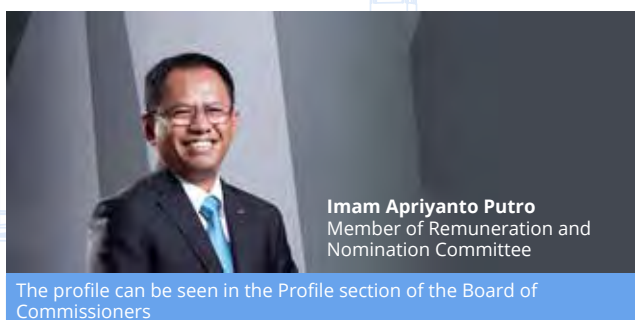
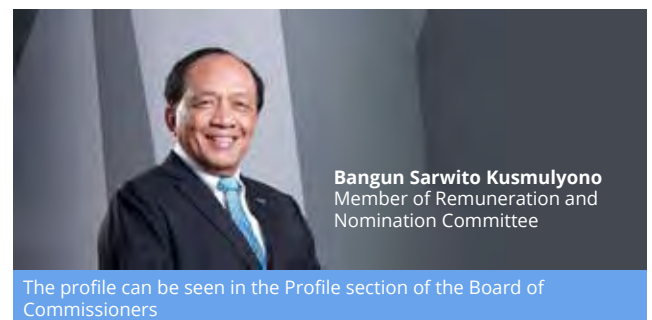
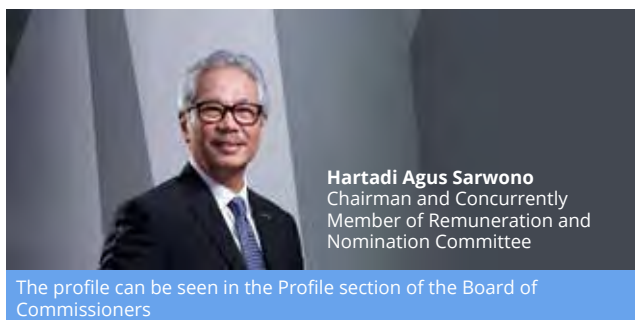
### The Table of the Structure, the Membership and Expertise of the Remuneration and Nomination Committee

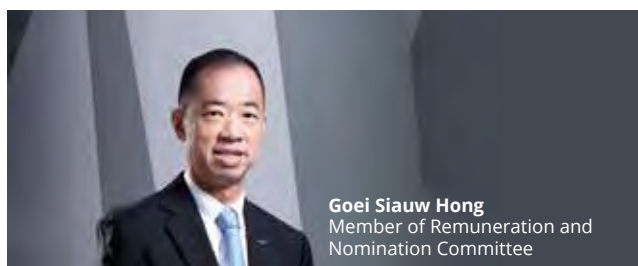
Name	Position	Information	Expertise
Hartadi Agus Sarwono	Chairman and Concurrently Member	President Commissioner/Independent Commissioner	Banking, Economic
Imam Apriyanto Putro	Member	Deputy President Commissioner	Governance
Askolani	Member	Commissioner	Fiscal, Budget and Tax
Bangun Sarwito Kusmulyono	Chairperson and concurrently a member	Independent Commissioner	Finance, Banking
Goei Siau Hong	Member	Independent Commissioner	Fiscal, Budget and Tax
Ardan Adiperdana	Member	Commissioner	Accounting, Audit
Makmur Keliat	Member	Independent Commissioner	Macroeconomic
R. Widyono Pramono	Member	Commissioner	Law
Putu Dewi Prasthiani <sup>*)</sup>	Secretary and Concurrently Member of Ex-Officio	Group Head Human Capital Services	Human Capital, Learning Experience & Operations

<sup>\*)</sup> Starting the position since April 9, 2018.

### The Profiles of The Remuneration and Nomination Committee

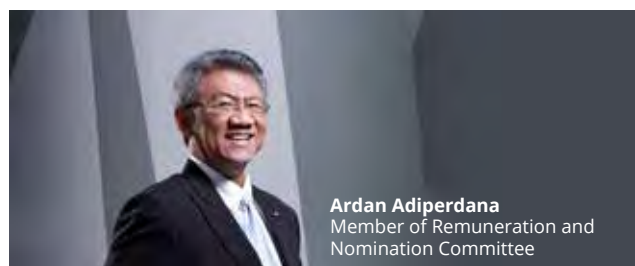
Following are the profiles of the Remuneration and Nomination Committee, per December 31, 2018.





**Goei Siau Hong**  
Member of Remuneration and  
Nomination Committee

The profile can be seen in the Profile section of the Board of Commissioners



**Ardan Adiperdana**  
Member of Remuneration and  
Nomination Committee

The profile can be seen in the Profile section of the Board of Commissioners



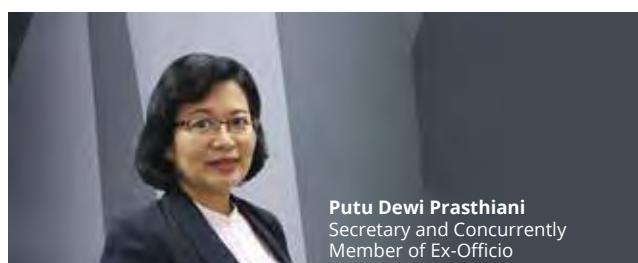
**Makmur Keliat**  
Member of Remuneration and  
Nomination Committee

The profile can be seen in the Profile section of the Board of Commissioners



**R. Widyo Pramono**  
Member of Remuneration and  
Nomination Committee

The profile can be seen in the Profile section of the Board of Commissioners



**Putu Dewi Prasthiani**  
Secretary and Concurrently  
Member of Ex-Officio

Age	49 years old
Nationality	Indonesia
Date of Appointment	April 9, 2018
Educational Background	Bachelor degree in Industrial Engineering of Institut Teknologi Bandung (1993)
Employment History	<ul style="list-style-type: none"> <li>- Group Head Human Capital Services (October 2017 - present)</li> <li>- Long-term Officer of the Group Head Human Capital Services (March 2017 - October 2017)</li> <li>- Head of Learning Experience &amp; Operations - Mandiri University Group (2016 - March 2017)</li> <li>- Department Head of Financial Control &amp; Planning - Strategy &amp; Performance Management Group (2015 - 2016)</li> </ul>







## Qualifications of The Education and Work Experiences of The Remuneration and Nomination Committee

A Member of the Remuneration and Nomination Committee has at least the following qualifications:

1. Having high integrity, objectivity, and ethics.
2. Having high competence in terms of:
  - a. Knowledge of applicable rules and regulations regarding the remuneration and/or the company nomination in the banking sector.
  - b. Understanding the management concept of Human Capital in a comprehensive manner, and having the knowledge of provisions of the remuneration system and/or nomination, and also the Bank's succession plan.
3. Able to be independent, that is being able to carry out duties professionally without the conflict of interest and influence/pressure from any parties that is not in accordance with applicable laws and regulations and the principles of the Company.

As of December 31, 2018, qualifications of the education and work experiences of the Chairman and Members of the Committee of Remuneration and Nomination are as follows.

### The Table of Qualifications of Education and Work Experiences of the Remuneration and Nomination Committee

Name	Position	Education	Work Experience
Hartadi Agus Sarwono	Chairman and Concurrently Member	<ul style="list-style-type: none"> <li>• Earned Bachelor's Degree in Civil Engineering.</li> <li>• Master of Arts in Macroeconomics.</li> <li>• Doctor of Philosophy in Monetary Theory and Policy.</li> </ul>	Have experience work, among others, in the field banking, finance, monetary, and supervision banking.
Imam Apriyanto Putro	Member	<ul style="list-style-type: none"> <li>• Bachelor of Economics in Management.</li> <li>• Master of Management.</li> </ul>	Have experience work, among others, in the field finance, government, human resources, and company supervision
Askolani	Member	<ul style="list-style-type: none"> <li>• Bachelor of Economics and Development Study</li> <li>• Master of Business Administration (MBA) in Economics and Banking.</li> </ul>	Have experience work, among others, in the field finance, economics, supervision of the company industry.
Bangun Sarwito Kusmulyono	Member	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Chemical Engineering</li> <li>• Master of Business Administration</li> <li>• Doctor's degree in Environment Management.</li> </ul>	Have experience work, among others, in the field banking, capital, defense and banking supervision.
Goei Siauw Hong	Member	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Agronomy.</li> <li>• Master of Business Administration (MBA) in Business, Finance, and Marketing</li> </ul>	Have experience work, among others, in the field finance, research, and banking supervision.
Ardan Adiperdana	Member	<ul style="list-style-type: none"> <li>• Bachelor of Economics.</li> <li>• Master in Business Administration.</li> <li>• Doctorate in Strategic Management.</li> </ul>	Have experience work, among others, in the field Finance and supervision Company.
Makmur Keliat	Member	<ul style="list-style-type: none"> <li>• Bachelor Degree in Corporate Economics</li> <li>• Bachelor of Art in Social and Political Sciences/International Relations Department</li> <li>• Ph.d in School of International Studies</li> </ul>	Have experience work, among others, in the field education, political science, International Relations, research and publication.
R. Widyo Pramono	Member	<ul style="list-style-type: none"> <li>• Bachelor of Law</li> <li>• Master of Management,</li> <li>• Master of Law</li> <li>• Doctorate in criminal law.</li> <li>• Inaugurated as Professor of Criminal Law</li> </ul>	Having work experience, among others in the field of law and supervision.
Sanjay N. Bharwani <sup>*)</sup>	Secretary and concurrently a member of Ex-Officio	Bachelor degree in Technology and Business	Having work experience, among others, in the banking sector.
Putu Dewi Prasthiani <sup>**)</sup>	Secretary and concurrently a member of Ex-Officio	Bachelor degree in Industrial Technic	Having work experience, among others, in the banking sector.

<sup>\*)</sup> Tenure ends on March 29, 2018

<sup>\*\*) Served since April 9, 2018</sup>



## Remuneration and Nomination Committee Independence

All members of the Remuneration and Nomination Committee do not have financial, management, ownership relations shares and/or family relations with the Board of Commissioners, Directors and/or Controlling Shareholders or relationship with Bank Mandiri, which can affect its ability to act independently.

**Table of Remuneration and Nomination Committee**

Aspect of Independence	Hartadi Agus Sarwono	Bangun Sarwito Kusmulyono	Imam Apriyanto Putro	Askolani	Goei Siauw Hong	Ardan Adiperdana	Makmur Keliat	R. Widyo Pramono	Sanjay N. Bharwani	Putu Dewi Prasthiani
Has no financial relationship with the Board of Commissioners and Board of Directors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not having relationship of management in the company, subsidiary, or affiliate companies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not having a relationship of shares-holding in the company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Has no family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of the Remuneration and Nomination Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not serving as administrator of political parties and government officials	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## Remuneration and Nomination Committee Meeting

Provisions of the Remuneration and Nomination Committee meetings regulated in the Remuneration and Nomination Committee Charter are as follows:

1. Remuneration and Nomination Committee Meetings are held according to the needs and assignments, or periodically at least 1 (one) time in 4 (four) months.
2. The Meeting is chaired by the Chairman of the Remuneration and Nomination Committee.
3. Remuneration and Nomination Committee meetings can only be held if:
  - a. Attended by a majority of the members of the Remuneration and Nomination Committee.
  - b. One of the majority of the members of the Remuneration and Nomination Committee is the Chairman of the Remuneration and Nomination Committee.
4. Decisions of Remuneration and Nomination Committee meetings are conducted based on consensus agreement.
5. In the event that a decision based on consensus agreement is not reached, the decision is made based on the majority vote.



6. If in the decision making carried out by voting there is an equal number of votes, then the decision supported by the vote of the Chairman of the Remuneration and Nomination Committee is taken.
7. In the event that the decision-making process has differences of opinion, the difference of opinion must be included in the minutes of the meeting along with the reasons for the dissent.
8. The results of the Remuneration and Nomination Committee meetings must be stated in minutes of meetings and documented by the Company.
9. Minutes of Remuneration and Nomination Committee meetings must be submitted in writing to the Board of Commissioners

## Meeting Agenda of Remuneration and Nomination Committee

Throughout 2018, the date of implementation, meeting agenda and the participants of Remuneration and Nomination Committee meeting, as follows.

**Table of Meeting Agenda of Remuneration and Nomination Committee**

No.	Meeting Date	Meeting Agenda	Meeting Participant	Quorum of Attendance (%)
1.	Wednesday, February 14, 2018	<ol style="list-style-type: none"> <li>1. Discussion of Proposed Candidate for Board of Directors of Bank Mandiri to the Minister of BUMN.</li> <li>2. Discussion on the Proposed Remuneration of the Board of Commissioners and Board of Directors of Bank Mandiri at the 2018 Annual Meeting of Shareholders.</li> <li>3. Update and Proposal on Bank Mandiri Material Risk Taker Approval.</li> <li>4. Proposals from Bank Mandiri as Management of Subsidiary Companies.</li> </ol>	<ul style="list-style-type: none"> <li>- Hartadi Agus Sarwono</li> <li>- Imam Apriyanto Putro</li> <li>- Askolani</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Goei Siauw Hong</li> <li>- Ardan Adiperdana</li> <li>- Makmur Keliat</li> <li>- R. Widyo Pramono</li> <li>- Sanjay N. Bharwani</li> </ul>	100
2.	Wednesday, March 21, 2018	Discussion on Proposed Candidate for Board of Directors and Board of Bank Mandiri at Annual Meeting of Shareholders 2017.	<ul style="list-style-type: none"> <li>- Hartadi Agus Sarwono</li> <li>- Askolani</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Goei Siauw Hong</li> <li>- Ardan Adiperdana</li> <li>- Makmur Keliat</li> <li>- R. Widyo Pramono</li> <li>- Sanjay N. Bharwani</li> </ul>	88
3.	Wednesday, June 6, 2018	Discussion of the determination of Remuneration for 2018 and 2017 Performance Tantiem of the Board of Commissioners and Directors of Bank Mandiri.	<ul style="list-style-type: none"> <li>- Hartadi Agus Sarwono</li> <li>- Imam Apriyanto Putro</li> <li>- Askolani</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Goei Siauw Hong</li> <li>- Ardan Adiperdana</li> <li>- Makmur Keliat</li> <li>- R. Widyo Pramono</li> <li>- Putu Dewi Prasthiani</li> </ul>	100
4.	Wednesday, July 11, 2018	Discussion of LTI Terms and Condition of the Board of Commissioners and Directors of Bank Mandiri.	<ul style="list-style-type: none"> <li>- Hartadi Agus Sarwono</li> <li>- Imam Apriyanto Putro</li> <li>- Askolani</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- Makmur Keliat</li> <li>- Putu Dewi Prasthiani</li> </ul>	75
5.	Wednesday, December 19, 2018	Discussion on Proposed Changes in Bank Mandiri Management at the Extraordinary GMS 2019.	<ul style="list-style-type: none"> <li>- Hartadi Agus Sarwono</li> <li>- Imam Apriyanto Putro</li> <li>- Askolani</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Goei Siauw Hong</li> <li>- Ardan Adiperdana</li> <li>- Makmur Keliat</li> <li>- R. Widyo Pramono</li> <li>- Putu Dewi Prasthiani</li> </ul>	100

## Frequency and Level of Attendance of Remuneration and Nomination Committee Meetings

Throughout 2018, Remuneration and Nomination Committee has held 5 (five) meetings with the frequency and attendance level of the Remuneration and Committee members as follows.

### Tabel of Frequency and Attendance Level of the Remuneration and Nomination Committee

Name	Designation	Number of Meetings	Attendance	Percentage
Hartadi Agus Sarwono	Chairman Concurrently Member	5	5	100%
Imam Apriyanto Putro	Member	5	4	80%
Askolani	Member	5	5	100%
Bangun Sarwito Kusmulyono	Member	5	5	100%
Goei Siau Hong	Member	5	4	80%
Ardan Adiperdana	Member	5	5	100%
Makmur Keliat	Member	5	5	100%
R. Widyo Pramono	Member	5	4	80%
Sanjay N. Bharwani <sup>*)</sup>	Member	2	2	100%
Putu Dewi Prasthiani <sup>**)</sup>	Member	3	3	100%

<sup>\*)</sup> Tenure ends on March 29, 2018

<sup>\*\*)</sup> Served since April 9, 2018

## The Key Performance Indicators Achievement of The Remuneration and Nomination Committee

The achievement of KPI of Remuneration and Nomination Committee is as follows.

No.	Key Performance Indicator	Indicator Value (%)	Achievement Value (%)	Indicator Value x Achievement Value (%)
1.	Realization Number of Committee meeting and Work Plan	30,00	100,00	30,00
2.	Assessment on attendance level and participation in the Meetings	20,00	100,00	20,00
3.	Submission of Review Outcome to the Board of Commissioners	20,00	95,00	19,00
4.	On-time Preparation and Submission of Committee Report	30,00	95,00	28,50
<b>TOTAL</b>		<b>100,00</b>		<b>97,50</b>

## Remuneration of The Remuneration and Nomination Committee

Remuneration for Remuneration and Nomination Committee derived from Non Commissioner Independent party is regulated in the Letter of Board of Commissioners No. KOM/113/2016. Remuneration for Remuneration and Nomination Committee is as follows:

No.	Description	Non Commissioner Committee Member
1.	Salary/Honorarium	Maximum 20% of the President Director's salary
2.	Post-Employment Benefit	Not given
3.	Religious Holiday Allowance	In accordance with the terms of Bank Mandiri
4.	Bonus/Tantiem	Not given
5.	Facilities	
	a. Transportation Allowance	Not given
	b. Health	Not given
	c. Office travel	In accordance with the employee provision/ equivalent of Group Head



## Brief Report on Remuneration and Nomination Committee Activities In 2018

In 2018, as the duties and functions of the Remuneration and Nomination Committee listed in the Bank Mandiri Remuneration and Nomination Committee Charter, the Remuneration and Nomination Committee has provided recommendations/proposals for candidates who fulfill the requirements as members of the Board of Commissioners and Directors of Bank Mandiri to the Board of Commissioners to be submitted to RUPS. The proposal was obtained through a series of processes carried out by the Remuneration and Nomination Committee covering the preparation of policies, criteria, and qualifications needed in the process of nominating candidates for the Board of Commissioners and Directors in accordance with the Company's strategic plan. The Remuneration and Nomination Committee also helps the Board of Commissioners obtain and analyze data on proposed candidate Directors from the talent pool of officials one level below the Board of Directors and identify candidates for Board of Commissioners who meet the requirements.

In addition to the nomination system, the Remuneration and Nomination Committee has also assisted the Board of Commissioners in proposing an appropriate remuneration system for the Bank Mandiri Directors and Board of Commissioners in the form of payroll/honorarium, facilities/benefits, *tantieme*, and so on for 2018.

## Work Plan for The Remuneration and Nomination Committee In 2019

In 2019, the Remuneration and Nomination Committee has established a work plan that will be discussed through the meeting at least 1 (one) time in 4 (four) months. The work plan of the Remuneration and Nomination Committee in 2019 among others:

1. Evaluate and provide recommendations regarding the policies, criteria and qualifications needed in Nomination process in accordance with Bank Mandiri's strategic plan.
2. Evaluate and provide recommendations regarding the system and procedures for selecting and/or replacing members of the Board of Commissioners and members of the Board of Directors to the Board of Commissioners to be submitted to the GMS.
3. Evaluate and provide recommendations on capacity building programs for Board members Commissioners and/or members of the Board of Directors.
4. Evaluate and provide recommendations for performance appraisal of members of the Board

of Commissioners and/or members of the Board of Directors based on benchmarks that have been prepared as evaluation material.

## Board of Directors Succession Policy

The Board of Directors succession policy of Bank Mandiri refers to the Minister of SEO Regulation No. PER-03/MBU/02/2015 concerning Requirements, Appointment, and Dismissal of Members of Board of Directors of State-Owned Enterprises. One of the duties of the Remuneration and Nomination Committee is to form a nomination system for members of the Board of Commissioners and/or Directors of the Company that will be part of the Good Corporate Governance Policy of the Company and become a guideline for the Board of Commissioners and RUPS in determining the remuneration and nomination of the Board of Commissioners and/or Directors.

### Basic Principles

- a. Requirements for Board of Directors and Board of Commissioners.  
Candidates for Board of Directors and Commissioners have to meet the requirements determined in the Company's Articles of Association and the applicable laws and regulations such as Law on Limited Liability Companies, Law on Banking, and Law on Capital Market and other provisions.
- b. Candidacy and Candidate Proposal for Board of Directors and Board of Commissioners  
Candidates for Board of Directors and Board of Commissioners were proposed through a selection and with due regards to the above requirements.

### Procedures

In implementing the Nomination function, the Bank Mandiri Remuneration and Nomination Committee performs the following procedures:

1. Compile the composition and process of nominating members of the Board of Directors and/or members of the Board of Commissioners.
2. Formulate policies and criteria needed in the process of nominating candidates for members of the Board of Directors and/or members of the Board of Commissioners.
3. The Remuneration and Nomination Committee identifies candidates who meet the criteria.
4. Assist the evaluation of the performance of members of the Board of Directors and/or members of the Board of Commissioners.
5. Develop capacity building programs for members of the Board of Directors and/or members of the Board of Commissioners.

6. Review and propose candidates who fulfill the requirements as members of the Board of Commissioners and/or prospective members of the Board of Directors to the Board of Commissioners to be submitted to the RUPS.
7. The selection process is carried out before the term of office ends or is requested by the Board of Commissioners, or if there is a vacancy

### Requirements and Criteria

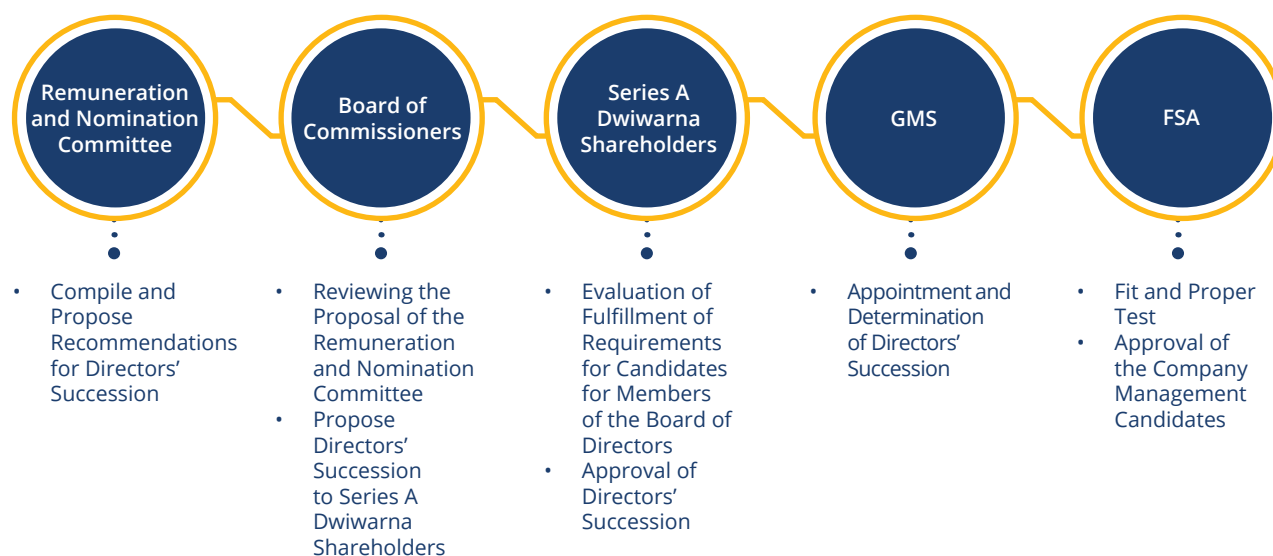
The requirements and criteria for candidates of Board of Directors and/or Commissioners are in accordance with the Company's Articles of Association and other applicable provisions, which are as follows:

1. The person who can be proposed as a member of Board of Directors and/or Commissioners is the individual capable of performing legal actions and has never been declared bankrupt or convicted which cause bankruptcy of a company, or someone who has never been sentenced for criminal offense which harm the finances of the State within 5 (five) years prior to his/her appointment, one or the other with due regards to the applicable laws and regulations.
2. The person is not related by blood to third degree, both horizontally or vertically nor by marriage (in laws) with other members of Board of Directors or Commissioners.
3. The person is not in the banking black list as determined by bank supervisory authorities.
4. The person has excellent integrity, in terms of:
  - a. Has good character and morals.
  - b. Comply with applicable laws and regulations.
  - c. Has high commitment to the development of healthy bank operations.
  - d. Deemed fit and proper to be a member of Board of Directors and/or Commissioners.
5. Integrity assessment is conducted by evaluating the candidates in terms of non performance of the following actions:
  - a. Banking engineering and practices that deviate from banking regulations.
  - b. Actions categorized as non fulfillment of commitments agreed with Bank Indonesia or Government.
  - c. Actions categorized as beneficial to Owner, Management, Employees, and or other parties that may harm or reduce bank's profit.
  - d. Actions categorized as violation of the provisions related to banking prudential principles.
  - e. Actions by Management and Executive Officers categorized as not independent.
6. Meeting the competence criteria, in terms of having:
  - a. Adequate knowledge in Banking.
  - b. Experience and expertise in Banking and or Financial Institution
  - c. Ability to perform strategic management for the development of healthy Banks.
7. Other than the above criteria, it is better to meet the following additional criteria:
  - a. Having leadership skill supported by knowledge in economics, accounting and law.
  - b. For Board of Commissioners, there is another criterion of having experience in banking or other financial institution supervisory.
  - c. For Board of Directors, there are other criteria of having at least 3 (three) years experience as Senior Management in banking or other financial institutions.

A candidate for the Board of Directors may be proposed from the Board of Commissioners after assessing the concerned person and if eligible, he/she needs to be proposed to the Minister of SOE. The candidate to be nominated to become members of the Board of Directors must also meet the formal requirements and other requirements specified in PER-03/MBU/02/2015 and the Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of the Issuer or Public Company and has passed the Fit and Proper Test conducted by the Financial Services Authority.



In 2018, Bank Mandiri is working with the Company Assessment Service of PT Daya Dimensi Indonesia to conduct assessment against candidates for the Board of Commissioners and Board of Directors. The names are obtain recommendation from the Appraisal Service Company will be reported by the Remuneration and Nomination Committee to the Board of Commissioners names of candidates to be submitted in the GMS.



## Risk Monitoring Committee

The Risk Monitoring Committee was established by the Board of Commissioners of Bank Mandiri in order to help the Board of Commissioners to perform their duties and responsibilities in supervising and counselling the Directors to obtain sufficient confidence that the implementation of risk management of the Bank will meet the adequacy element of the procedure and risk management methodology, so that the Bank's business activities will always be under control to the limit of acceptable and profitable to the Bank.

## The Basis For The Establishment of Risk Monitoring Committee

The establishment of the Committee refers to and is based on the applicable laws and regulations and the best practices applicable in banking institutions in Indonesia, among others:

1. Financial Authority Services Regulation No. 17/POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerate.
2. Minister of State Owned Enterprises Regulation No. PER- 09/MBU/2012 dated July 6, 2012 concerning the amendment to Minister of State Owned Enterprises Regulation Number PER- 01/ MBU/2011, concerning the Implementation of Good Corporate Governance to State Owned Enterprises.
3. Minister of State-Owned Enterprises Regulation No. PER-12/MBU/2012, concerning Supporting Organs of Board of Commissioners/Board of Supervisors of State Owned Enterprises.
4. Articles of Association of PT Bank Mandiri (Persero) Tbk and the amendments.
5. Decision Letter of the Board of Commissioners No. KEP.KOM/002/2018 dated January 3, 2018 concerning Change in the Audit Committee, Risk Monitoring Committee, Integrated Governance Committee and Remuneration Committee and Nomination of PT Bank Mandiri (Persero) Tbk.
6. Decision Letter of the Directors No. KEP.DIR/215/2017 dated 11 October 2017 concerning the Appointment of the Members of Risk Monitoring Committee dated May 16, 2018.



## Risk Monitoring Committee Charter

In performing its duties and responsibilities, the Risk Monitoring Committee of Bank Mandiri has Charter of Risk Monitoring Committee validated in 2015. The Charter of Risk Monitoring Committee contains among others:

1. Background and Purpose
2. Basis for Establishment
3. Authorities
4. Organization
5. Duties and Responsibilities
6. Work Relationship
7. Meeting
8. Reporting
9. Term of Office and Compensation
10. Bank Confidentiality
11. Conclusion

## Duties and Responsibilities of Risk Monitoring Committee

The Risk Monitoring Committee has the duties and responsibilities to help Board of Commissioners to perform its supervisory and counseling duties to the Directors by providing opinions in the form of suggestions and recommendations on but not limited to the:

1. Evaluation of the conformity between the Bank's Risk Management Policy and Integrated Risk Management Policy with the implementation of such policies.
2. Monitoring and evaluation of the implementation of the duties of Integrated Risk Management Committee and Integrated Risk Management Work Unit.
3. Review of Integrated Risk Management implementation, which consists of:
  - a. Report on risk profile both individually (Bank only) and consolidated with Subsidiaries (integrated risk profile).
  - b. Risk-based Report on Bank's Soundness both individually (Bank only) and consolidated with Subsidiaries (integrated risk profile).
  - c. Other reports related to the management of 10 (ten) risk types, namely credit risk, market risk, operational risk, liquidity risk, legal risk, compliance risk, reputation risk, strategic risk, inter-group transaction risk and insurance risk.
4. Monitoring of the adequacy of identification, measurement, monitoring, controlling process and risk management information system.

5. Evaluation of Bank's compliance to its Articles of Association, Bank and Capital Market Supervisory Authority regulations, and other laws and regulations in relation to risk management.
6. Preparing guidelines and committee's work code of conduct (charter) and conducting reviews as required every 2 (two) years at the least.
7. Performing other duties and responsibilities mandated by the Board of Commissioners from time to time.
  - a. Determining annual work plan.
  - b. Scheduling annual meeting.
  - c. Preparing periodic reports on the activities of the Risk Monitoring Committee and other matters deemed necessary to be of the Board of Commissioners' concern.
  - d. Preparing Self-Assessment on the effectiveness of Risk Monitoring Committee activities.
8. Members of the Committee are in charge and responsible for:
  - a. Convening meeting regularly/routinely.
  - b. Reviewing the materials prior to the meetings.
  - c. Attending meetings.
  - d. Participating actively and providing contributions in every committee activity.
  - e. Drawing up minutes of meetings.
  - f. Performing working visit to sites.

## Authority of Risk Monitoring Committee

Risk Monitoring Committee has the authority within its responsibility to:

1. Seek and get various information including required documents from:
  - a. Bank (including Bank's employees).
  - b. Other stakeholders.
2. Obtain feedback and or suggestions from external party in relation to its duties.

## Reporting of Risk Monitoring Committee

Risk Monitoring Committee must make a periodic report to the Board of Commissioners regarding the activities of the Risk Monitoring Committee, at least once in 6 (six) months. Risk Monitoring Committee must make a report to the Board of Commissioners on any given assignment and or for any issues identified that require the concern of the Board of Commissioners.

## Structure, Membership, and Expertise of Risk Monitoring Committee

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

1. Position of the Committee  
Committee is under the coordination of and is structurally responsible to the Board of Commissioners.
2. Membership Composition
  - a. An Independent Commissioner
  - b. An independent party who has expertise in finance; and
  - c. An independent party who has expertise in risk management.
  - d. The Committee is chaired by an Independent Commissioner
  - e. The Member of the Committee who serves as Independent Commissioner is appointed the Chairman of the Committee. In the event that there are more than 1 (one) Independent Commissioner as members, one of them shall be appointed as Chairman of Risk Monitoring Committee.
  - f. Independent Commissioner and Independent parties who are members of the Committee should make at least 51% of the members of the Committee.
  - g. Chairman of Committee may only hold concurrent position as Chairman of 1 (one) other Committee at the most.
  - i. In performing its daily tasks, the Committee may be assisted by staffs or Secretary of Committee appointed in accordance with the resolution of Committee meeting.

The period of the Committee Member's duties from a member of the Board of Commissioners shall not be longer than the term of office of the Commissioners and may be re-appointed for only one (1) subsequent period.

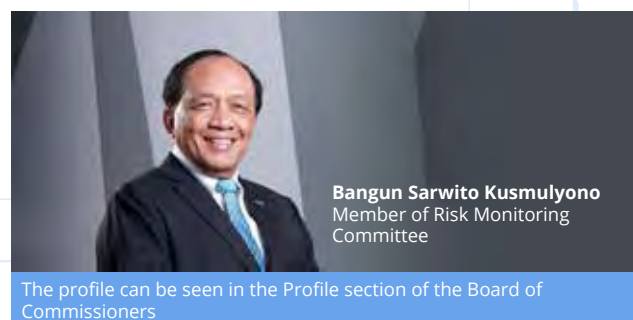
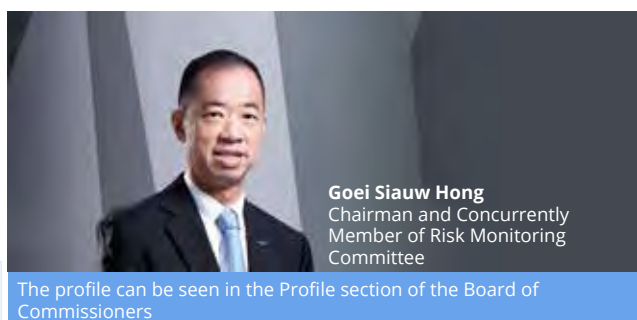
The composition of Risk Monitoring Committee members for the year 2018 as stipulated under the Decision Letter of the Directors No. KEP.DIR/215/2017 dated October 11, 2017, are as follows:

### Table of Structure, Membership, and Expertise of Risk Monitoring Committee

Name	Designation	Remarks	Expertise
Goei Siauw Hong	Chairman and Concurrently Member	Independent Commissioner	Fiscal, Budget and Tax
Bangun Sarwito Kusmulyono	Member	Independent Commissioner	Finance, Banking
Ardan Adiperdana	Member	Commissioner	Audit
R. Widyo Pramono	Member	Commissioner	Legal
Ridwan D. Ayub	Member	Independent Party	Operational Risk, Audit
Lista Irna	Member	Independent Party	Banking, Risk Management

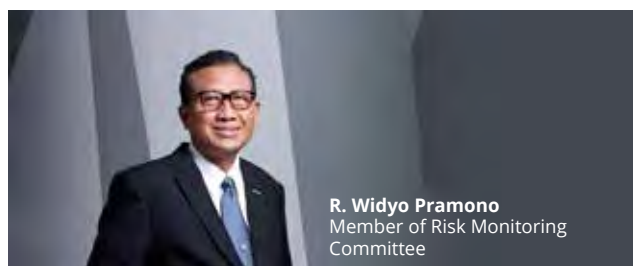
## Profile of the Risk Monitoring Committee

The profile of the Risk Monitoring Committee members as of December 31, 2018 is as follows.





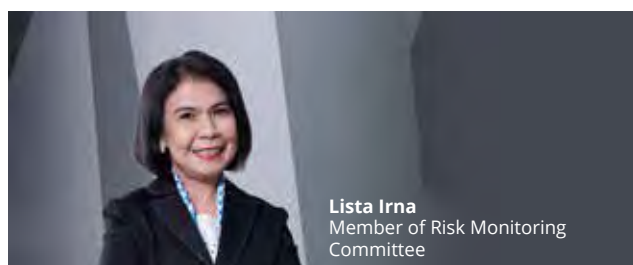
The profile can be seen in the Profile section of the Board of Commissioners



The profile can be seen in the Profile section of the Board of Commissioners



Age	56 years old
Nationality	Indonesia
Appointment Date	May 1, 2014
Educational background:	<ul style="list-style-type: none"> <li>Bachelor Degree in Social and Political Sciences from Universitas Katolik Parahyangan (1985).</li> <li>Master Degree in Financial Management Specialization from Universitas Mercu Buana (2008).</li> </ul>
Employment History	<ul style="list-style-type: none"> <li>Member of Audit Committee of PT Bank Mandiri (Persero) Tbk (2014-2016).</li> <li>Member of Risk Monitoring Committee of PT Bank Rakyat Indonesia (Persero) Tbk (2006-2014)</li> <li>Deputy Head of Operational Risk Division of PT Bank Internasional Indonesia Tbk (2002-2005).</li> </ul>



Age	51 years old
Nationality	Indonesia
Appointment Date	October 19, 2016
Educational background:	<ul style="list-style-type: none"> <li>Bachelor Degree in Mining Engineering from Universitas Sriwijaya (1990).</li> <li>Master Degree of Business Administration at Swiss German University – Serpong Indonesia (2005).</li> </ul>
Employment History	<ul style="list-style-type: none"> <li>Head of Consumer Risk Credit Operation (VP) Standard Chartered Bank (2007-2010).</li> <li>Head of Consumer Risk Credit Operation (VP) Standard Chartered Bank (2007-2010).</li> <li>Credit Planning, MIS Reporting and QA Head, Credit – Consumer Banking (AVP) Standard Chartered Bank (Februari 2007 – Agustus 2007).</li> <li>National Head of Telemarketing, Shared Distribution Standard Charter Bank (2006-2007).</li> </ul>



## Education Qualification and Work Experience of Risk Monitoring Committee

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

1. Committee members must have high integrity, good character and morals, as well as adequate abilities, knowledge and experience in accordance with their educational background and able to communicate well.
2. Have sufficient knowledge to read and understand financial statement and reports related to monitoring the implementation of banking risk management policies.
3. Have adequate knowledge of Capital Market legislation and regulations related to banking business.

Educational qualifications and work experience of The Chairman and Members of the Risk Monitoring Committee are as follows.

**Table of The Risk Monitoring Committee Education Qualification and Work Experience**

Name	Position	Education	Work Experience
Goei Siauw Hong	Chairman and Concurrently Member	<ul style="list-style-type: none"> <li>Bachelor's Degree in Agronomy.</li> <li>Master of Business Administration (MBA) in Business, Finance, and Marketing</li> </ul>	Have experience work, among others, in the field finance, research, and banking supervision.
Bangun Sarwito Kusmulyono	Member	<ul style="list-style-type: none"> <li>Bachelor's Degree in Chemical Engineering</li> <li>Master of Business Administration</li> <li>Doctor's degree in Environment Management.</li> </ul>	Have experience work, among others, in the field banking, capital, defense and banking supervision
Ardan Adiperdana	Member	<ul style="list-style-type: none"> <li>Bachelor of Economics.</li> <li>Master in Business Administration.</li> <li>Doctorate in Strategic Management.</li> </ul>	Have experience work, among others, in the field Finance and supervision Company.
R. Widyo Pramono	Member	<ul style="list-style-type: none"> <li>Bachelor of Law</li> <li>Master of Management,</li> <li>Master of Law</li> <li>Doctorate in criminal law.</li> <li>Inaugurated as Professor of Criminal Law</li> </ul>	Having work experience, among others in the field of law and supervision.
Ridwan D. Ayub	Member	<ul style="list-style-type: none"> <li>Bachelor in Social and Political Sciences).</li> <li>Masters in Financial Management Specialization</li> </ul>	Having work experience in the banking sector.
Lista Irna	Member	<ul style="list-style-type: none"> <li>Bachelor in Mining Engineering</li> <li>Master of Business Administration</li> </ul>	Having work experience in the banking sector.

## Independence of Risk Monitoring Committee

All members of Risk Monitoring Committee who come from independent party have no financial, management, share ownership 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.

## Table of Risk Monitoring Committee Independence

Independence Aspect	Goei Siau Hong	Bangun Sarwito Kusmulyono	Ardan Adiperdana	R. Widyo Pramono	Ridwan D. Ayub	Lista Irna
Not having financial relationship with the Board of Commissioners and Board of Directors	✓	✓	✓	✓	✓	✓
Not having relationship of management in the company, subsidiary, or affiliate companies	✓	✓	✓	✓	✓	✓
Not having relationship of shares-holding in the company	✓	✓	✓	✓	✓	✓
Not having family relationship with the Board of Commissioners, Board of Directors, and/or fellow Risk Monitoring Committee	✓	✓	✓	✓	✓	✓
Not serving as an administrator of political parties and government officials	✓	✓	✓	✓	✓	✓

## Risk Monitoring Committee Meetings

Risk Monitoring Committee Meeting is held at least once a month. Risk Monitoring Committee Meeting is considered valid if it is attended by at least 51% (fifty-one percent) of the members including one Commissioner and Independent Party.

### Agenda of Risk Monitoring Committee Meetings

Throughout 2018, the date, agenda, and the Attendees of the meetings of Risk Monitoring Committee are as follows.

### Table of Agenda of Risk Monitoring Committee Meetings

No.	Meeting Date	Meeting Agenda	Meeting Attendee	Quorum of Attendance (%)
1.	Wednesday, January 17, 2018	Proposal for Cooperation and Selection of Build Operate Transfer (BOT) Partners in the context of Asset Optimization of Jl. Proklamasi No. 31 Jakarta (Pilot Project).	<ul style="list-style-type: none"> <li>- Goei Siau Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	100
2.	Monday, February 12, 2018	<ol style="list-style-type: none"> <li>1. Update on the Condition of Risk Management Implementation at Bank Mandiri.</li> <li>2. Initiative Plan - 2018 Strategy Initiative of Risk Management &amp; Director of Compliance in the Implementation of Risk Management</li> </ol>	<ul style="list-style-type: none"> <li>- Goei Siau Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	100
3.	Wednesday, February 21, 2018	Proposal for the Extension of Working Capital Credit Facility, the Extension and Addition of Bank Guarantee Facility and the Changes to Effective Terms and Withdrawals to Related Parties.	<ul style="list-style-type: none"> <li>- Goei Siau Hong</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	83
4.	Wednesday, February 28, 2018	Proposal for Credit Facility.	<ul style="list-style-type: none"> <li>- Goei Siau Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	83



No.	Meeting Date	Meeting Agenda	Meeting Attendee	Quorum of Attendance (%)
5.	Wednesday, March 7, 2018	RBBR Report Term II Year 2017	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	100
6.	Wednesday, March 14 2018	<ol style="list-style-type: none"> <li>1. Risk Mitigation in Wholesale Credit Distribution</li> <li>2. Risk Management of Credit Admin.</li> <li>3. Proposal for the Extension of Credit Facility.</li> <li>4. Proposal of Bank Mandiri's Deputy as Management of Subsidiaries.</li> </ol>	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	100
7.	Tuesday, March 27, 2018	<ol style="list-style-type: none"> <li>1. Proposal for Credit Facility.</li> <li>2. Proposal for Amendment to Provisions on Credit Facilities and KMK Executing Facility Addition to Related Parties.</li> </ol>	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	67
8.	Wednesday, March 28, 2018	<ol style="list-style-type: none"> <li>1. Proposal for SOP of Management of Fixed Assets and Other Goods.</li> <li>2. Proposal for Provision of Pension Benefit Increase and Additional Benefit for DPBM 1-4 Year 2018.</li> <li>3. Proposal for Post-GMS (General Meeting of Stakeholders) Organizational Structure.</li> </ol>	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	67
9.	Wednesday, April 18, 2018	Management of Related Parties	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	67
10.	Wednesday, May 2, 2018	<ol style="list-style-type: none"> <li>1. Update on Risk Dashboard.</li> <li>2. Proposal for Redemption of Credit Facilities.</li> <li>3. Proposal for Liquidation (Dissolution) of PT Sarana Bersama Pembangunan Indonesia (SBPI).</li> </ol>	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	100
11.	Wednesday, May 16, 2018	<ol style="list-style-type: none"> <li>1. Discussion of Action Plan for Credit Process Improvement.</li> <li>2. Proposal for Facility Approval.</li> </ol>	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	100
12.	Wednesday, May 23, 2018	<ol style="list-style-type: none"> <li>1. Proposal for Company's Representatives as Directors and Board of Commissioners of Subsidiaries.</li> <li>2. Proposal for Articles of Association Threshold.</li> </ol>	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	100
13.	Wednesday, May 30, 2018	Corporate Card Facility Approval.	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	100
14.	Wednesday, June 6, 2018	<ol style="list-style-type: none"> <li>1. Proposal for sales of Bank Mandiri shares at Bank Mantap to PT Taspen.</li> <li>2. Proposal for Capital Increase at Bank Mantap.</li> </ol>	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	100
15.	Thursday, June 28, 2018	Approval of Credit Facility Proposal.	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Ardan Adiperdana</li> <li>- R. Widyo Pramono</li> <li>- Ridwan D. Ayub</li> <li>- Lista Irna</li> </ul>	100



No.	Meeting Date	Meeting Agenda	Meeting Attendee	Quorum of Attendance (%)
16.	Wednesday, July 18, 2018	Proposal for the Extension on Credit Line Facility in the name of Bank Mandiri (Europe) Limited.	<ul style="list-style-type: none"> <li>– Goei Siauw Hong</li> <li>– Bangun Sarwito Kusmulyono</li> <li>– Ardan Adiperdana</li> <li>– R. Widyo Pramono</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	100
17.	Wednesday, July 25, 2018	<ol style="list-style-type: none"> <li>1. Proposal for the Revision of Subsidiary Management Policies.</li> <li>2. Risk Dashboard.</li> </ol>	<ul style="list-style-type: none"> <li>– Bangun Sarwito Kusmulyono</li> <li>– Ardan Adiperdana</li> <li>– R. Widyo Pramono</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	83
18.	Wednesday, August 1, 2018	Quality Growth Strategy of Consumer Banking Segment	<ul style="list-style-type: none"> <li>– Goei Siauw Hong</li> <li>– Bangun Sarwito Kusmulyono</li> <li>– Ardan Adiperdana</li> <li>– R. Widyo Pramono</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	100
19.	Wednesday, August 8, 2018	<ol style="list-style-type: none"> <li>1. Divestment of Subsidiary Company of PT Mandiri AXA General Insurance (MAGI).</li> <li>2. Business Transfer of Mandiri Financial Institution Pension Funds to Bank Mandiri Subsidiary</li> </ol>	<ul style="list-style-type: none"> <li>– Goei Siauw Hong</li> <li>– Ardan Adiperdana</li> <li>– R. Widyo Pramono</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	83
20.	Wednesday, August 29 2018	Proposal for Commercial Line Extension and Corporate Card Facility Provision for PT Mandiri AXA General Insurance (MAGI).	<ul style="list-style-type: none"> <li>– Goei Siauw Hong</li> <li>– Bangun Sarwito Kusmulyono</li> <li>– Ardan Adiperdana</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	83
21.	Wednesday, September 5, 2018	<ol style="list-style-type: none"> <li>1. Proposal for Credit Facility Approval.</li> <li>2. Proposal for Facility Approval for PT Mandiri Sekuritas.</li> </ol>	<ul style="list-style-type: none"> <li>– Goei Siauw Hong</li> <li>– Bangun Sarwito Kusmulyono</li> <li>– Ardan Adiperdana</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	83
22.	Wednesday, September 12, 2018	<ol style="list-style-type: none"> <li>1. Proposal for Provision of Investment Credit Facility, Extension of Revolving Working Capital Credit Facility and Closure of Non-Current Account Revolving Working Capital Credit Facility.</li> <li>2. Update on Watchlist Debtors of Middle Corporate Segment.</li> </ol>	<ul style="list-style-type: none"> <li>– Goei Siauw Hong</li> <li>– Bangun Sarwito Kusmulyono</li> <li>– Ardan Adiperdana</li> <li>– R. Widyo Pramono</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	100
23.	Wednesday, September 19, 2018	<ol style="list-style-type: none"> <li>1. Proposal for Criteria Threshold for Bank Mandiri's Articles of Association.</li> <li>2. Analysis of the impact of Import Restrictions on Wholesale Segment Credit Portfolios (specifically infrastructure projects).</li> <li>3. Update on top 20 of Watchlist Debtors of Large Corporate.</li> <li>4. Limit Provision for PT Mandiri Sekuritas's Loan Subordination Facility and Credit Line Extension and PT Bank Syariah Mandiri Corporate Card Facility.</li> </ol>	<ul style="list-style-type: none"> <li>– Goei Siauw Hong</li> <li>– Bangun Sarwito Kusmulyono</li> <li>– Ardan Adiperdana</li> <li>– R. Widyo Pramono</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	100
24.	Wednesday, September 26, 2018	<ol style="list-style-type: none"> <li>1. Proposal for the Establishment of Mandiri Group Principles Guideline (MGPG).</li> <li>2. Stress Test of Risk Management at Bank Mandiri.</li> </ol>	<ul style="list-style-type: none"> <li>– Goei Siauw Hong</li> <li>– Bangun Sarwito Kusmulyono</li> <li>– Ardan Adiperdana</li> <li>– R. Widyo Pramono</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	100
25.	Wednesday, October 17 2018	<ol style="list-style-type: none"> <li>1. Proposal of Credit Facility Provision.</li> <li>2. Update on Quarter III Year 2018 Risk Dashboard.</li> </ol>	<ul style="list-style-type: none"> <li>– Bangun Sarwito Kusmulyono</li> <li>– Ardan Adiperdana</li> <li>– R. Widyo Pramono</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	83
26.	Wednesday, October 24, 2018	Proposal for Facility Extension and Addition for PT Mandiri Tunas Finance and PT Mandiri Utama Finance.	<ul style="list-style-type: none"> <li>– Goei Siauw Hong</li> <li>– Bangun Sarwito Kusmulyono</li> <li>– Ardan Adiperdana</li> <li>– R. Widyo Pramono</li> <li>– Ridwan D. Ayub</li> <li>– Lista Irna</li> </ul>	100



No.	Meeting Date	Meeting Agenda	Meeting Attendee	Quorum of Attendance (%)
27.	Wednesday, November 21, 2018	1. Proposal for Facility Provision for PT Bank Mandiri Taspen and PT Mandiri Manajemen Investasi. 2. Extension of Term and Credit Facility Addition.	<ul style="list-style-type: none"> <li>Bangun Sarwito Kusmulyono</li> <li>Ardan Adiperdana</li> <li>R. Widyo Pramono</li> <li>Ridwan D. Ayub</li> <li>Lista Irna</li> </ul>	83
28.	Wednesday, November 28, 2018	1. Proposal for Update on the Recovery Plan of Bank Mandiri year 2018. 2. Update on MTI and MCI Capital Increase. 3. Request for the Approval of Commercial Line Facility and Short-term Credit Facility.	<ul style="list-style-type: none"> <li>Goei Siauw Hong</li> <li>Bangun Sarwito Kusmulyono</li> <li>Ardan Adiperdana</li> <li>R. Widyo Pramono</li> <li>Ridwan D. Ayub</li> <li>Lista Irna</li> </ul>	100
29.	Wednesday, December 5, 2018	Review of Legal Opinion on Potential Excess of Financial Services Authority Regulation No. 35/2015 in the MCI Transaction on one of the Investees.	<ul style="list-style-type: none"> <li>Goei Siauw Hong</li> <li>Bangun Sarwito Kusmulyono</li> <li>R. Widyo Pramono</li> <li>Ridwan D. Ayub</li> <li>Lista Irna</li> </ul>	83
30.	Thursday, December 20, 2018	1. Proposal of Facility Extension. 2. Proposal of Facility Provision.	<ul style="list-style-type: none"> <li>Goei Siauw Hong</li> <li>Bangun Sarwito Kusmulyono</li> <li>R. Widyo Pramono</li> <li>Ridwan D. Ayub</li> </ul>	67

### Frequency and Level of Attendance of Risk Monitoring Committee Meetings

Throughout 2018, Risk Monitoring Committee has held 30 (thirty) meetings. As for the frequency and level of attendance of Risk Monitoring Committee Meetings are as follows:

#### Table of Frequency and Level of Attendance of Risk Monitoring Committee Meetings

Name	Designation	Number of Meetings	Total Attendance	Percentage
Goei Siauw Hong	Chairman and Concurrently Member	30	27	90%
Bangun Sarwito Kusmulyono	Member	30	27	90%
Ardan Adiperdana	Member	30	25	83%
R. Widyo Pramono	Member	30	26	87%
Ridwan D. Ayub	Member	30	30	100%
Lista Irna	Member	30	29	97%

### Key Performance Indicators (KPI) Achievement of Risk Monitoring Committee

The achievement of KPI of Risk Monitoring Committee in 2018 is as follows.

No.	Key Performance Indicator	Indicator Value (%)	Achievement Value (%)	Indicator Value x Achievement Value (%)
1.	Realization of Number of Committee Meeting and Work Plan	30,00	100,00	30,00
2.	Assessment on attendance level and participation in the Meetings	20,00	100,00	20,00
3.	Submission of Review Outcome to the Board of Commissioners	20,00	95,00	19,00
4.	On-time Preparation and Submission of Committee Report	30,00	95,00	28,50
<b>TOTAL of COMMITTEE'S KPI</b>		<b>100,00</b>		<b>97,50</b>

## Remuneration of Risk Monitoring Committee

Remuneration of Risk Monitoring Committee who come from Non-Commissioner Independent Party is stipulated in the Letter of the Board of Commissioners No. KOM/113/2016 and in the Letter of Assignment of those who are concerned as the members of the Committee under the Board of Commissioners issued by Bank Mandiri.

No.	Description	Non-Commissioner Committee Members
1.	Salary/Honorarium	Maximum 20% of the President Director's Salary
2.	Post-Employment Benefit	Not given
3.	Religious Holiday Allowance	In accordance with the terms for Bank Mandiri employees
4.	Bonus/Tantiem	Not eligible
5.	Facilities	
	a. Transportation Allowance	Not eligible
	b. Health	Not eligible
	c. Official Travel	In accordance with the employee provision/ equivalent with Group Head

## Brief Report on Risk Monitoring Committee Activities In 2018

Throughout 2018, Risk Monitoring Committee has provided several recommendations or suggestions to the Board of Commissioners related to the following points:

1. Proposal for the approval of credit facility request and provision of funds to Related Parties, whether in the nature of extension, increase, amendments or new provision.
2. Proposal for the organizational structure of Bank Mandiri.
3. Proposal for capital increase, divestment, dissolution (liquidation) of subsidiary companies.
4. Review of the proposal of the establishment of management on subsidiary companies.
5. Review of the Update on the Recovery Plan and Subsidiary Management Policies.
6. Review of Risk Dashboard, stress-test of management and the implementation of risk management at Bank Mandiri.
7. Review of other requests which need the approval of the Board of Commissioners, including the proposal for the cooperation of Build, Operate, Transfer (BOT) for the optimization of Bank Mandiri assets.

## Work Plan of The Risk Monitoring Committee In 2019

In 2019, the Risk Monitoring Committee has established a work plan that will be discussed through a meeting of at least 1 (one) time in 1 (one) month. The work plan of the Risk Monitoring Committee in 2019 includes:

1. Evaluate the suitability between Bank Mandiri's Risk Management policies and Risk Management policies Integrated with the implementation of the policy.
2. Monitor the adequacy of the process of identification, measurement, monitoring, control and risk management information systems.
3. Reviewing the implementation of Integrated Risk Management.



## Integrated Governance Committee

The Integrated Governance Committee was established by the Board of Commissioners with the purpose to assist and facilitate the Board of Commissioners in performing its duties and functions to supervise the implementation of Governance to each Financial Services Institution within Financial Conglomerate of Bank Mandiri to conform to the Integrated Governance Guidance; to supervise the implementation of the duties and functions of the Board of Directors of Bank Mandiri; and to provide directions or advices to the Board of Directors of Bank Mandiri regarding the implementation of the Integrated Governance Guidance; and to evaluate the Integrated Governance Guidance and to provide directions in order to improve.

### The Basis of The Establishment of Integrated Governance Committee

The establishment of Integrated Governance Committee is guided by and based on the applicable laws and regulations and best practices applicable in banking institutions in Indonesia, among others:

1. Financial Services Authority Regulation No. 18/POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Governance for Financial Conglomerate.
2. Law No. 21 Year 2011 concerning Financial Services Authority.
3. Bank Indonesia Regulation No. 8/4/PBI/2006 dated January 30, 2006 concerning the Implementation of Good Corporate Governance for Commercial Banks; and Bank Indonesia Regulation No. 8/14/PBI/2006 dated October 5, 2006 concerning the Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks.
4. Minister of SOE Regulation Number PER/09/MBU/2012 dated July 6, 2012 concerning the amendment to Minister of State Owned Enterprises Regulation No. PER-01/MBU/2011, concerning the Implementation of Good Corporate Governance in State Owned Enterprises.
5. Minister of SOE Regulation No. PER-12/MBU/2012, concerning the Supporting Organs of the Board of Commissioners/ Board of Supervisors of State Owned Enterprises.
6. Articles of Association of PT Bank Mandiri (Persero) Tbk and the amendments.
7. Decree of the Board of Commissioners No. KEP.KOM/002/2018 dated January 3, 2018 concerning the Changes to the Audit Committee,

Risk Monitoring Committee, Integrated Governance Committee, and the Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk.

8. Decree of the Board of Directors No. KEP. DIR/004/2018 dated January 19, 2018 concerning the Determination of Membership of the Integrated Governance Committee.

### Integrated Governance Committee Charter

In carrying out the duties and responsibilities, the Integrated Governance Committee of Bank Mandiri has the Chartered of the Integrated Governance Committee authorized on July 27, 2016 which regulated the following points:

1. General Purposes
2. Basis of Establishment
3. Authorities
4. Membership
5. Membership requirements
6. Duties and Responsibilities
7. Work Relationship
8. Meetings
9. Reporting
10. Tenure
11. Confidentiality
12. Closure

### Terintegrasi Duties and Responsibilities of The Integrated Governance Committee

Integrated Governance Committee has duties and responsibilities to:

1. Evaluate the implementation of Integrated Governance through the following assessment:
  - a. Adequacy of Integrated Internal Control
    - Performing the evaluation whether Bank Mandiri and its Subsidiaries have had a standard integrated internal control system in accordance with the applicable best practice through studies on Integrated Governance Guidelines applicable in Bank Mandiri.
    - Performing monitoring and evaluation on the effectiveness of the implementation of integrated internal control through studies on Periodic Report and Examination Report issued by Integrated Internal Audit Unit.
    - Conducting periodic meetings with Integrated Audit Unit to discuss on matters related to integrated internal control system and the implementation.
    - Performing monitoring and evaluation on the implementation of follow-ups by the Board of

Directors of Bank Mandiri and its Subsidiaries on the findings from Integrated Internal Audit, Public Accountant Office, and supervisory result of Financial Services Authority regarding the weakness of the system and the implementation of integrated internal control.

- Reporting periodically on the monitoring results and providing suggestions on matters related to integrated internal control which require the attention of the Board of Commissioners of Bank Mandiri and its Subsidiaries.
- b. Implementation of Integrated Compliance Function
  - Performing monitoring and evaluation on the compliance of Bank Mandiri and its Subsidiaries to the applicable laws and regulations in Capital Market and the regulations of Financial Services Authority, Bank Indonesia and other regulations related to banking, insurance, securities and financing business through coordination with Integrated Compliance Unit.
  - Reviewing periodic reports and examination reports related to compliance to internal and external regulations issued by Integrated Compliance Unit and external auditor.
  - Conducting periodic meetings with Integrated Compliance Unit to discuss on matters related to the compliance of Bank Mandiri and its Subsidiaries to internal and external regulations.
  - Performing monitoring and evaluation on the implementation of follow-ups by the Board of Directors of Bank Mandiri and its subsidiaries on the findings from Integrated Compliance Unit, Public Accountant Office and supervisory result of Financial Services Authority regarding the weakness of the system and implementation of integrated compliance function.
  - Reporting periodically on monitoring result and providing suggestions on matters related to the compliance of Bank Mandiri and its Subsidiaries to internal and external regulation which require the attention of the Board of Commissioners of Bank Mandiri and its Subsidiaries.
- 2. Providing Recommendations to the Board of Commissioners of Bank Mandiri to Improve the Integrated Governance Guidelines.

### The Authorities of The Integrated Governance Committee

The Integrated Governance Committee has the authority to perform the following matters:

1. To provide opinions to the Board of Commissioners

of Bank Mandiri regarding the implementation of Integrated Governance through the assessment of adequacy of internal control and the implementation of integrated compliance function.

2. To conduct communication with the Integrated Compliance Unit and the Integrated Internal Audit Unit to obtain information, clarification and to request for necessary documents and reports.

### Reporting of The Integrated Governance Committee

Integrated Governance Committee must make a periodic report to the Board of Commissioners of Bank Mandiri regarding the activities of the Integrated Governance Committee, at least once in 6 (six) months. The Integrated Governance Committee must make a report to the Board of Commissioners of Bank Mandiri on any given assignment and/or for any issues identified to require the concern of the Board of Commissioners of Bank Mandiri.

### Structure, Membership and Expertise of Integrated Governance Committee

Membership of Integrated Governance Committee at least consists of:

1. An Independent Commissioner who holds the position of Chairman of one of the Committees in Bank Mandiri, as Chairman and member.
2. Independent Commissioner who represents and is appointed by Subsidiaries in Financial Conglomerate, as member.
3. An independent party, as member.
4. Member of Sharia Supervisory Board from Bank Syariah Mandiri, as member.

The number and composition of Independent Commissioner becoming members of Integrated Governance Committee are adjusted according to the requirements of Financial Conglomerate and efficiency and effectiveness of the implementation of the duties of Integrated Governance Committee with due regard to at least representation of each sector of financial services.

The period of the Integrated Governance Committee Member's duties from a member of the Board of Commissioners of Bank Mandiri shall not be longer than the term of office of the Commissioner and may be re-appointed for only one (1) subsequent period.

The structure, membership and expertise of the committee are as follows.



### Period of January 1, 2018 – January 2, 2018

The composition of members of Integrated Governance Committee for the period of January 1, 2018 – January 2, 2018 under the Decree of the Board of Directors No. KEP.DIR/217/2017 dated October 11, 2017, are as follows:

No.	Name	Position	Information	Expertise
1.	Goei Siauw Hong	Chairman and Concurrently Member	Independent Commissioner	Finance, Banking
2.	Imam Apriyanto Putro	Member	Deputy President Commissioner	Governance
3.	Askolani	Member	Commissioner	Fiscal, Budget and Tax
4.	Bangun Sarwito Kusmulyono	Member	Independent Commissioner	Banking
5.	Makmur Keliat	Member	Independent Commissioner	Macroeconomic
6.	Ridwan D. Ayub	Member	Independent party	Finance, Management
7.	Budi Sulistio	Member	Independent party	Accounting, Audit
8.	Edhi Chrystanto	Member	Independent Commissioner of PT Bank Mandiri Taspen Pos	Economic, Business
9.	Frans A. Wiyono	Member	Independent Commissioner of PT Mandiri AXA General Insurance	Insurance
10.	D. Cyril Noerhadi	Member	Independent Commissioner of PT Mandiri Sekuritas	Strategic Management
11.	Wihana Kirana Jaya	Member	Independent Commissioner of PT AXA Mandiri Financial Services	Economic
12.	Ravik Karsidi	Member	Independent Commissioner of PT Mandiri Tunas Finance	Sociology
13.	Ali Ghufon Mukti	Member	Independent Commissioner of PT Asuransi Jiwa Inhealth Indonesia	Medical
14.	M. Syafii Antonio	Member	Sharia Supervisory Board PT Bank Syariah Mandiri	Islamic Banking
15.	Ramzi A. Zuhdi	Member	Independent Commissioner of PT Bank Syariah Mandiri	Islamic Banking

### Period of January 2, 2018 – Desember 31, 2018

The composition of members of Integrated Governance Committee for the period of January 2, 2018 – December 31, 2018 under the Decree of the Board of Directors No. KEP.DIR/004/2018 concerning the Appointment of Members of Integrated Governance Committee dated January 19, 2018 are as follows:

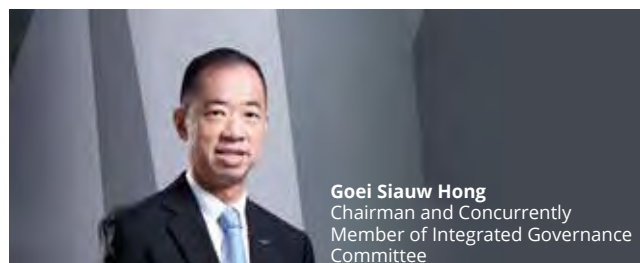
No.	Name	Position	Information	Expertise
1.	Goei Siauw Hong	Chairman and Concurrently Member	Independent Commissioner	Finance, Banking
2.	Imam Apriyanto Putro	Member	Deputy President Commissioner	Governance
3.	Askolani	Member	Commissioner	Fiscal, Budget and Tax
4.	Bangun Sarwito Kusmulyono	Member	Independent Commissioner	Banking
5.	Makmur Keliat	Member	Independent Commissioner	Macroeconomic
6.	Ridwan D. Ayub	Member	Independent party	Finance, Management
7.	Budi Sulistio	Member	Independent party	Accounting, Audit
8.	Edhi Chrystanto	Member	Independent Commissioner of PT Bank Mandiri Taspen	Economic, Business
9.	Frans A. Wiyono	Member	Independent Commissioner of PT Mandiri AXA General Insurance	Insurance
10.	D. Cyril Noerhadi	Member	Independent Commissioner of PT Mandiri Sekuritas	Strategic Management
11.	Wihana Kirana Jaya	Member	Independent Commissioner of PT AXA Mandiri Financial Services	Economic
12.	Ravik Karsidi	Member	Independent Commissioner of PT Mandiri Tunas Finance	Sociology
13.	Ali Ghufon Mukti	Member	Independent Commissioner of PT Asuransi Jiwa Inhealth Indonesia	Medical
14.	M. Syafii Antonio	Member	Sharia Supervisory Board of PT Bank Syariah Mandiri	Islamic Banking
15.	Ramzi A. Zuhdi <sup>*)</sup>	Member	Independent Commissioner of PT Bank Syariah Mandiri	Islamic Banking
16.	Mulya E. Siregar	Member	Independent Commissioner of PT Bank Syariah Mandiri	Islamic Banking

<sup>\*)</sup> Resigned from the office as an Independent Commissioner of PT Bank Syariah Mandiri, under the resolution of PT Bank Syariah Mandiri EGMS on 12 March 2018

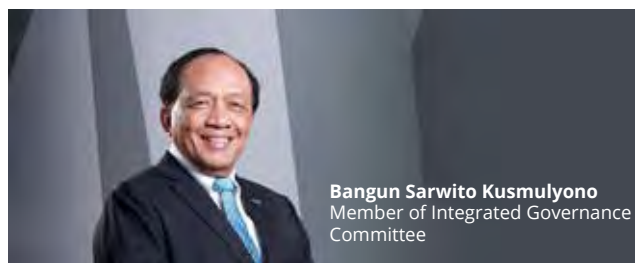


## Profile of the Integrated Governance Committee

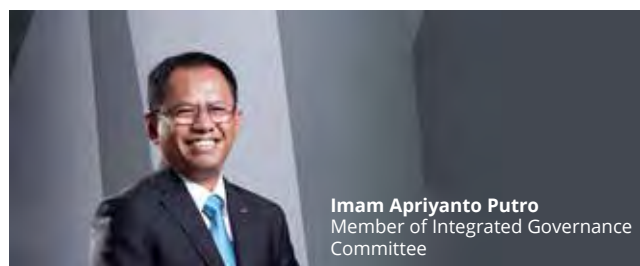
The profiles of Members of the Integrated Governance Committee are as follows.



Profiles can be seen in the Board of Commissioners of Bank Mandiri's Profile section



Profiles can be seen in the Board of Commissioners of Bank Mandiri's Profile section



Profiles can be seen in the Board of Commissioners of Bank Mandiri's Profile section



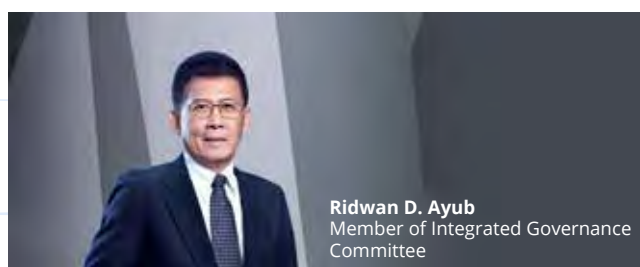
Profiles can be seen in the Board of Commissioners of Bank Mandiri's Profile section



Profiles can be seen in the Audit Committee's Profile section



Profiles can be seen in the Board of Commissioners of Bank Mandiri's Profile section



Profiles can be seen in the Risk Monitoring Committee's Profile section



**Edhi Chrystanto**  
Member of Integrated Governance  
Committee

Age	60 years old
Nationality	Indonesia
Appointment Date	October 24, 2017
Educational Background	<ul style="list-style-type: none"> <li>– Bachelor Degree in Economics from Diponegoro University (1983).</li> <li>– Master Degree in Finance from University of Colorado at Denver (1993).</li> </ul>
Employment History	<ul style="list-style-type: none"> <li>– Independent Commissioner of PT Bank Mandiri Taspen (2015 - present).</li> <li>– Senior Vice President of Regional Office X Makassar PT Bank Mandiri (Persero) Tbk. (2010-2014).</li> <li>– Head of Branch of Bank Mandiri Jakarta Kebon Sirih, Gambir, Imam Bonjol and Thamrin (2005-2007).</li> <li>– Head of Branch of Bank Mandiri Jakarta Tomang (2003).</li> </ul>



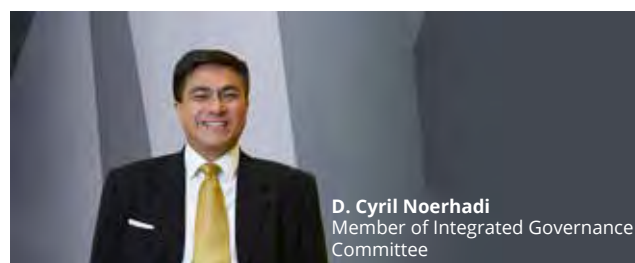
**Frans A. Wiyono**  
Member of Integrated Governance  
Committee

Age	60 years old
Nationality	Indonesia
Appointment Date	January 30, 2015
Educational Background	<ul style="list-style-type: none"> <li>– Bachelor Degree in Arts from IKIP Sanata Dharma Yogyakarta (1977)</li> <li>– Bachelor Degree from Sanata Dharma University, Yogyakarta (1982)</li> </ul>
Employment History	<ul style="list-style-type: none"> <li>– International Financial Corporation World Bank: Earthquake Index Insurance and Agriculture Weather Index Insurance (2013 - present).</li> <li>– World Bank: Micro Insurance and Senior Insurance Specialist (2011 - present).</li> <li>– Independent Commissioner Mandiri AXA General Insurance (2011 - present).</li> <li>– BMAI (Indonesian Insurance Mediation Bureau): Adjudicator (2008 - present).</li> </ul>



**Wihana Kirana Jaya**  
Member of Integrated Governance  
Committee

Age	60 years old
Nationality	Indonesia
Appointment Date	April 22, 2015
Educational Background	<ul style="list-style-type: none"> <li>– Bachelor Degree in Economics from Gadjah Mada University (UGM) (1983).</li> <li>– Master in Monetary, Banking and Finance, Department of Economy, Birmingham University, United Kingdom (1990).</li> <li>– Doctor of Economy Department of Economy Monash University, Melbourne (2008).</li> <li>– Professor of Economic Science from Gadjah Mada University (2010).</li> </ul>
Employment History	<ul style="list-style-type: none"> <li>– Commissioner of PT Pelindo IV (2017)</li> <li>– Special Staff of Minister for Economic Affairs and Investment of Transportation, Ministry of Transportation of the Republic of Indonesia (2016-present).</li> <li>– Independent Commissioner of AXA Mandiri (2015-present).</li> <li>– Dean of the Faculty of Economics and Business in Universitas Gadjah Mada (2013-2016).</li> </ul>



**D. Cyril Noerhadi**  
Member of Integrated Governance  
Committee

Age	57 years old
Nationality	Indonesia
Appointment Date	October 23, 2017
Educational Background	<ul style="list-style-type: none"> <li>– Bachelor Degree in Geology from Bandung Institute of Technology (ITB) (1985).</li> <li>– Master of Business Administration, University of Houston.</li> <li>– Doctorate in Strategic Management from University of Indonesia (2013).</li> </ul>
Employment History	<ul style="list-style-type: none"> <li>– President Director of PT Creador Indonesia (2011 - present).</li> <li>– Commissioner of PT Medikaloka Hermina (2017 - present).</li> <li>– Independent Commissioner of PT Austrindo Nusantara Jaya Tbk. (2017 - present).</li> <li>– President Commissioner/Independent Commissioner of PT Mandiri Sekuritas (2012-present).</li> </ul>



Age	51 years Old
Nationality	Indonesia
Appointment Date	October 30, 2017
Educational Background	<ul style="list-style-type: none"> <li>Bachelor Degree in Sharia and Islamic Law from University of Jordan.</li> <li>Master Degree in Economy from International Islamic University (IIU) Malaysia (1992).</li> <li>Ph.D in Micro Finance, from University of Melbourne Australia (2004).</li> </ul>
Certification	Certification of Sharia Supervisory Board LSP DSN-MUI, October (2018)
Employment History	<ul style="list-style-type: none"> <li>Committee of Sharia Banking Development Experts at Bank Indonesia.</li> <li>Member of Daily Board of the National Sharia Board MUI</li> <li>Rector of Tazkia University College of Islamic Economics.</li> <li>Global Shariah Advisor in Dubai</li> </ul>



Age	56 years Old
Nationality	Indonesia
Appointment Date	July 24, 2017
Educational Background	<ul style="list-style-type: none"> <li>Bachelor Degree in Medicine from Faculty of Medicine, Gadjah Mada University (1986).</li> <li>Master of Science (M. Sc) Tropical Medicine, The Department of Tropical Hygiene, Mahidol University, Bangkok, Thailand (1991).</li> <li>Ph.D in Faculty of Medicine, University of Newcastle, Australia (2000).</li> </ul>
Employment History	<ul style="list-style-type: none"> <li>Independent Commissioner of PT Asuransi Jiwa Inhealth Indonesia (2017 - present).</li> <li>PJS Rector of Trisakti University (2016 - present)</li> <li>Director General of Science and Technology Resources and Higher Education, Ministry of Research, Technology and Higher Education (2015 - present).</li> <li>Chairman of Working Group of Preparation of Implementation of BPJS Kesehatan (2012-2015).</li> </ul>



Age	60 Years Old
Nationality	Indonesia
Appointment Date	August 25, 2017
Educational Background	<ul style="list-style-type: none"> <li>Bachelor Degree of FIP Education Department in Sebelas Maret State University, Surakarta (1980).</li> <li>Master of Science Study Program of Rural Sociology for Development Studies, from Bogor Agricultural Institute (IPB), Bogor (1994).</li> <li>Doctoral Program of Extension Science Study of Bogor Agricultural Institute (IPB), Bogor (1999).</li> </ul>
Certification	Financing Corporation Certificate for Commissioner – SPPI (2018)
Employment History	<ul style="list-style-type: none"> <li>Independent Commissioner of PT Mandiri Tunas Finance (2017 - present).</li> <li>Chairman of Audit Committee of PT Mandiri Tunas Finance (2017-present).</li> <li>Chairman of Risk Monitoring Committee of PT Mandiri Tunas Finance (2017-present).</li> <li>Chairman of Nomination and Remuneration Committee of PT Mandiri Tunas Finance (2017-present).</li> </ul>



Age	61 Years Old
Nationality	Indonesia
Appointment Date	April 17, 2018
Educational Background	<ul style="list-style-type: none"> <li>Bachelor Degree in Social Economy of Agriculture Social Economy from Bogor Agricultural Institute (1980).</li> <li>Master of Science from the Ohio State University (1989).</li> <li>Ph.D from the Ohio State University (1998).</li> </ul>
Certification	Refreshment of Level V Risk Management Certification (2016)
Employment History	<ul style="list-style-type: none"> <li>Executive Director of DPNP of Bank Indonesia (2012-2013)</li> <li>Assistant of the Governor of Bank Indonesia (May 2013-Dec 2013)</li> <li>Deputy Commissioner of Banking Supervisor 1 of Financial Services Authority (2014-2017)</li> <li>President Commissioner/Independent Commissioner of PT Bank Syariah Mandiri (10 April 2017 until now)</li> </ul>



## Education Qualification and Work Experience of Integrated Governance Committee

Requirements for Members of the Integrated Governance Committee include:

1. Members of the Integrated Governance Committee are required to possess high integrity, good character and morals, as well as adequate abilities, knowledge and experience in accordance with their educational background and able to communicate well.
2. Having sufficient knowledge of good corporate governance.
3. Having sufficient knowledge of Capital Market regulations and regulations relating to banking, insurance, securities and financing businesses.

**Table of Education Qualification and Work Experience of the Integrated Governance Committee**

Name	Jabatan	Education	Work Experience
Goei Siauw Hong	Chairman and Concurrently Member	<ul style="list-style-type: none"> <li>Bachelor Degree in Agronomy.</li> <li>Master of Business Administration (MBA) in Business, Finance, and Marketing</li> </ul>	Have experience work, among others, in the field finance, research, and banking supervision.
Imam Apriyanto Putro	Member	<ul style="list-style-type: none"> <li>Bachelor of Economics in Management.</li> <li>Master of Management</li> </ul>	Have experience work, among others, in the field finance, government, human resources, and company supervision.
Askolani	Member	<ul style="list-style-type: none"> <li>Bachelor of Economics and Development Study</li> <li>Master of Business Administration (MBA) in Economics and Banking.</li> </ul>	Have experience work, among others, in the field finance, economics, supervision of the company industry.
Bangun Sarwito Kusmulyono	Member	<ul style="list-style-type: none"> <li>Bachelor's Degree in Chemical Engineering</li> <li>Master of Business Administration</li> <li>Doctor's degree in Environment Management.</li> </ul>	Have experience work, among others, in the field banking, capital, defense and banking supervision.
Makmur Keliat	Member	<ul style="list-style-type: none"> <li>Bachelor Degree in Corporate Economics</li> <li>Bachelor of Art in Social and Political Sciences/International Relations Department</li> <li>Drs. in Social and Political Sciences/ International Relations Department</li> <li>Ph.d in School of International Studies</li> </ul>	Have experience work, among others, in the field education, political science, International Relations, research and publication.
Ridwan D. Ayub	Member	<ul style="list-style-type: none"> <li>Bachelor in Social Sciences and Political Science.</li> <li>Masters in Specialization Financial Management.</li> </ul>	Have experience work in the banking sector
Budi Sulistio	Member	<ul style="list-style-type: none"> <li>Bachelor of Economics.</li> <li>Master of Business Administration</li> </ul>	Have experience work in the banking sector
Edhi Chrystanto	Member	<ul style="list-style-type: none"> <li>Bachelor of Economics.</li> <li>Master of Finance.</li> </ul>	Have experience work in the banking sector
Frans A. Wiyono	Member	<ul style="list-style-type: none"> <li>Bachelor of Arts</li> </ul>	Have experience work in banking and insurance
D. Cyril Noerhadi	Member	<ul style="list-style-type: none"> <li>Bachelor of Geology. Master of Business Administration</li> <li>Doctor of Strategic Management</li> </ul>	Have experience work in the fields of investment, health, plantation, and mining.
Wihana Kirana Jaya	Member	<ul style="list-style-type: none"> <li>Bachelor of Economics.</li> <li>Master of Money, Bank and Finance, Department of Economics.</li> <li>Doctor of Economics,</li> <li>Professor of Economic Sciences</li> </ul>	Have experience work in the fields of transportation, education, finance and banking.
Ravik Karsidi	Member	<ul style="list-style-type: none"> <li>Bachelor of FIP Education Department</li> <li>Master of Science in Rural Sociology for Development</li> <li>Doctoral Program of Extension Science Study</li> </ul>	Memiliki pengalaman kerja di bidang pembiayaan, perbankan, dan pendidikan.

Name	Jabatan	Education	Work Experience
Ali Ghufon Mukti	Member	<ul style="list-style-type: none"> <li>Bachelor of Medicine</li> <li>Master of Science (M.Sc) Tropical Medicine</li> <li>Ph.D in Medicine Faculty</li> </ul>	Have experience work in insurance, health and education.
M. Syafii Antonio	Member	<ul style="list-style-type: none"> <li>Bachelor Degree in Sharia and Islamic Law</li> <li>Master Degree in Economics</li> <li>Ph.D in Micro Finance</li> </ul>	Have experience work in banking, Islamic banking, economics and education
Mulya E. Siregar	Member	<ul style="list-style-type: none"> <li>Bachelor of Agriculture in Social Economics</li> <li>Master of Science</li> <li>Doctor of Philosophy (PhD)</li> </ul>	Have experience work in the field of Islamic banking.

## Independency of Integrated Governance Committee

Members of Integrated Governance Committee have no shares in Bank Mandiri and its Subsidiaries, either directly or indirectly, have no affiliation relationship with Bank Mandiri, its Subsidiaries, Members of the Board of Commissioners and/or Subsidiaries, Members of the Board of Directors and/or Subsidiaries and main shareholders of Bank Mandiri and/or Subsidiaries and have no business relationship either directly or indirectly with Bank Mandiri and its Subsidiaries.

**Table of Independency of Integrated Governance Committee**

Aspect of Independency	Goei Siau Hong	Bangun Sarwito Kusmuliono	Imam Apriyanto Putro	Askolani	Makmur Keliat	Ridwan D. Ayub	Budi Sulistio	Edhi Chrysanto	Frans A. Wiyono	D. Cyril Noerhadi	Wihana Kirana Jaya	Ravik Karsidi	Ali Ghufon Mukti	Ramzi A. Zuhdi	M. Syafii Antonio	Mulya E. Siregar
Has no financial relationship with the Board of Commissioners and Board of Directors	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Not having relationship of management in the company, subsidiary, or affiliate companies	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Not having a relationship of shares-holding in the company	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Has no family relationship with the Board of Commissioners, Board of Directors, and/or fellow Integrated Governance Committee	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Not serving as administrator of political parties and government officials	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

## Integrated Governance Committee Meeting

Provisions of the Integrated Governance Committee meeting regulated in the Charter of the Integrated Governance Committee are as follows:

1. Meetings of the Integrated Governance Committee are held at least once in 6 (six) months.
2. Meetings of Interacted Governance Committee are considered valid if attended by at least 51% of the total members including an Independent Commissioner of Bank Mandiri and an Independent Party.
3. Meetings are chaired by the Chair of the Integrated Governance Committee.
4. Recommendations for meetings are conducted based on consensus.

5. Dissenting opinions that occur in a committee meeting must be clearly stated in the minutes of the meeting along with the reasons for such dissent.
6. The meeting of the Integrated Governance Committee must be stated in minutes of the meeting signed by all presenting members and well documented.

### Agenda of Integrated Governance Committee Meeting

Throughout 2018, the date of the meetings, the Agenda of the meetings and the Attendance of the Integrated Governance Committee meetings are as follows.

No.	Meeting Date	Meeting Agenda	Meeting Participant	Quorum of Attendance (%)
1.	Wednesday, 16 May 2018	<ol style="list-style-type: none"> <li>1. Follow-Up on Onsite Results of Financial Services Authority Review and 2017 Second Semester of Integrated Governance Committee Meeting.</li> <li>2. Update on the Results of Integrated Internal Audit in Semester II 2017.</li> <li>3. Self-Assessment Results for the Implementation of Integrated Governance in Semester II 2017.</li> <li>4. Work Plan for the Integrated Governance Unit in 2018.</li> </ol>	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Imam Apriyanto Putro</li> <li>- Askolani</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Makmur Keliat</li> <li>- Ridwan D. Ayub</li> <li>- Budi Sulistio</li> <li>- Frans A. Wiyono</li> <li>- D. Cyril Noerhadi</li> <li>- Wihana Kirana Jaya</li> <li>- Ravik Karsidi</li> <li>- Ali Ghufon Mukti</li> <li>- M. Syafii Antonio</li> <li>- Mulya E. Siregar</li> </ul>	100
2.	Monday, 10 December 2018	<ol style="list-style-type: none"> <li>1. Follow-Up on the Results of Semester I/2018 Integrated Governance Committee Meeting.</li> <li>2. Results of Self Assessment of Integrated Governance Implementation for Semester I/2018.</li> <li>3. Realization of the Work Plan for the Integrated Governance Unit in 2018.</li> </ol>	<ul style="list-style-type: none"> <li>- Goei Siauw Hong</li> <li>- Imam Apriyanto Putro</li> <li>- Askolani</li> <li>- Bangun Sarwito Kusmulyono</li> <li>- Makmur Keliat</li> <li>- Ridwan D. Ayub</li> <li>- Budi Sulistio</li> <li>- Edhi Chrystanto</li> <li>- Frans A. Wiyono</li> <li>- D. Cyril Noerhadi</li> <li>- Wihana Kirana Jaya</li> <li>- Ravik Karsidi</li> <li>- Ali Ghufon Mukti</li> <li>- M. Syafii Antonio</li> <li>- Mulya E. Siregar</li> </ul>	100

### Frequency and Attendance of Integrated Governance Committee Meetings

Throughout 2018, the Integrated Governance Committee held meetings 2 (two) times. Frequency and level of attendance of the meetings of each member of the Integrated Governance Committee are as follows.

**Table of Attendance of Integrated Governance Committee Meeting**

Name	Designation	Total Number of meetings	Total attendance	Percentage
Goei Siauw Hong	Chairman and Concurrently Member	2	2	100%
Imam Apriyanto Putro	Member	2	2	100%
Askolani	Member	2	2	100%
Bangun Sarwito Kusmulyono	Member	2	2	100%
Makmur Keliat	Member	2	2	100%
Ridwan D. Ayub	Member	2	2	100%
Budi Sulistio	Member	2	2	100%
Edhi Chrystanto	Member	2	2	100%
Frans A. Wiyono	Member	2	2	100%
D. Cyril Noerhadi	Member	2	2	100%



Name	Designation	Total Number of meetings	Total attendance	Percentage
Wihana Kirana Jaya	Member	2	2	100%
Ravik Karsidi	Member	2	2	100%
Ali Ghufroon Mukti	Member	2	2	100%
M. Syafii Antonio	Member	2	2	100%
Mulya E. Siregar	Member	2	2	100%

## Achievement of Key Performance Indicators (KPI) of Integrated Governance Committee

Achievements of Integrated Governance Committee on KPI throughout 2018 is as follows

No.	Key Performance Indicator	Indicator Value (%)	Achievement Value (%)	Indicator Value x Achievement Value (%)
1.	Realization Number of Committee meeting and Work Plan	30,00	100,00	30,00
2.	Assessment on attendance level and participation in the Meetings	20,00	100,00	20,00
3.	Submission of Review Outcome to the Board of Commissioners	20,00	95,00	19,00
4.	On-time Preparation and Submission of Committee Report	30,00	95,00	28,50
<b>Total</b>		<b>100,00</b>		<b>97,50</b>

## Remuneration of Integrated Governance Committee

Remuneration of Integrated Governance Committee who come from Non Commissioner Independent Party is regulated in the Letter of the Board of Commissioners No. KOM/113/2016 on August 31, 2016 and is regulated in the Assignment Letter concerned as a member of the Board of Commissioners issued by Bank Mandiri.

No.	Description	Non Commissioner Committee Member
1.	Salary/Honorarium	Maximum 20% of the President Director's salary
2.	Post-Employment Benefit	Not given
3.	Religious Holiday Allowance	In accordance with the terms of Bank Mandiri employees
4.	Bonus/Tantiem	Not given
5.	Facilities	
	a. Transportation Allowance	Not given
	b. Health	Not given
	c. Office travel	In accordance with the employee provision/ equivalent of Group Head

## Brief Report on The Implementation of Integrated Governance Committee In 2018

Troughout 2018, the Integrated Governance Committee discussed and determined related matters:

- In a meeting on May 16, 2018, the Integrated Governance Committee held a meeting to discuss the following matters:
  - Follow-up of OJK Onsite Review Results and Semester II/2017 Integrated Governance Committee Meetings
  - Update the Results of Integrated Internal Audit Semester II/2017
- In the meeting on December 10, 2018, the Integrated Governance Committee held a meeting to discuss the following matters:
  - Follow-Up on the Results of Semester I/2018 Integrated Governance Committee Meetings
  - Self Assessment Results of Integrated Governance Implementation for Semester I/2018
  - Realization the Work Plan of the 2018 Integrated Governance Unit
- Self - Assessment Results for the Implementation of Integrated Management in Semester II/2017
- Work Plan for the Integrated Governance Committee in 2018

## Recommendation of the Integrated Governance Committee

After conducting a discussion on the follow-up to the implementation of Integrated Governance, the Integrated Governance Committee agreed to optimize efforts to document the recommendations and direction of the Integrated Governance Committee (TKT) as a result of evaluating the implementation of TKT in KK Mandiri, so that implementation and follow-up in all integrated work units (SKKT, SKMRT, SKAIT) can be monitored on an ongoing basis.

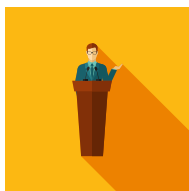
## Work Plan For The Integrated Governance Committee In 2019

In 2019, the Integrated Governance Committee has established a work plan that will be discussed through the meeting at least 1 (one) time in 6 (six) months. The work plan of the Integrated Governance Committee in 2019 among others, evaluating the implementation of Integrated Governance through:

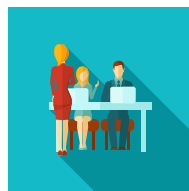
1. Assessment of the Adequacy of Integrated Internal Control.
2. Integrated Compliance Function Implementation.

## Procedures for Replacement of Committees Under the Board of Commissioners

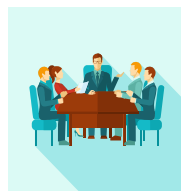
The procedures for replacing Committee members under the Board of Commissioners from Independent Parties are explained in the following chart.



Open Recruitment on Bank Mandiri website



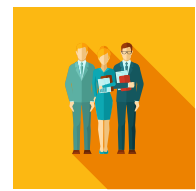
The interview process by the Board of Commissioners



Board of Commissioners meeting to discuss prospective Committee members



Negotiation



Determination of Committee members by the Board of Commissioners

## Organs and Committee Under The Board of Directors

In carrying out the Company's operational activities, the Board of Directors is assisted by Corporate Secretary and committees under the Board.

### Corporate Secretary

Bank Mandiri has the function of a Corporate Secretary run by the Corporate Secretary Group work unit and is led by an Executive Officer with the corporate title Senior Vice President who is appointed based on the Decree of decision of the Senior Executive Vice President (SEVP) No. KEP.SEVP/ 272/2014 September 30, 2014.

The Corporate Secretary of Bank Mandiri is directly responsible to the Board of Directors and is under the supervision of the Director of Institutional Relations which has duties and responsibilities including acting as a Bank mediator with stakeholders such as regulators, investors, and the wider community, especially those related to capital markets responsible for ensuring company compliance with applicable laws and regulations as part of the implementation of Good

Corporate Governance (GCG). In addition, the Corporate Secretary is responsible for maintaining the Bank's good image in the eyes of stakeholders widely.

### The Basis For The Appointment of Corporate Secretary

The establishment, appointment and carrying out of functions and duties of Corporate Secretary, refer to:

1. Articles of Association of Bank Mandiri
2. Financial Services Authority Regulation No. 35/POJK.04/2014 concerning Corporate Secretary of Issuer and Public Companies.
3. Decree of the Board of Directors of PT Bursa Efek Indonesia Number Kep-00001/BEI/01-2014 concerning the Amendment to Regulation Number I-A: Concerning the Registration of Shares and Equity Securities Other than Shares Issued by Listed Companies.

4. SOE Minister Regulation No. PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in State Owned Companies, as amended by PER-09/MBU/2012.
5. Law No. 19 of 2003 concerning State Owned Companies.
6. Decree of Minister of State Owned Companies No. KEP-117/MMBU/2002 dated July 31, 2002.
7. Regulation No. IX.14 Decree of Head of Capital Market Supervisory Agency (Bapepam) No. Kep 63/PM/1996 dated January 17 1996.
8. Decree of SEVP No. KEP.SEVP/272/2014 dated September 30, 2014.

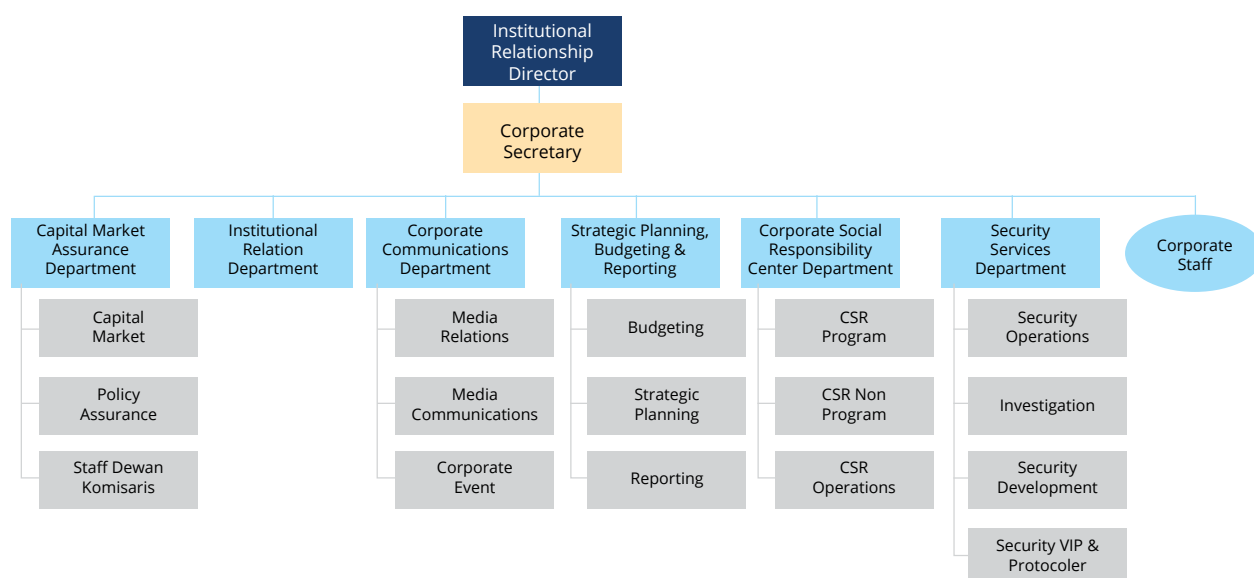
## Structure of The Corporate Secretary

The Corporate Secretary is directly responsible to the Director of Institutional Relations, in which the functions and duties are divided into 6 (six) fields, which are:

1. Bank activities as a public company, including implementing corporate governance, especially those related to capital market provisions
2. Corporate Communication Activities;
3. Secretarial Activities

4. Stakeholder Management Activities;
5. Corporate Social Responsibility Activities;
6. Security Activities.

In carrying out the functions and duties of each department, coordination and supervision are directly in the hand of Corporate Secretary. In carrying out its functions and duties, the Corporate Secretary is guided by the Policy and Standards of Corporate Secretary.



## Functions and Duties of Corporate Company

Referring to Article 5 of the Financial Services Authority Regulation No. 35/POJK.04/2014 concerning Corporate Secretary of Issuers or Public Companies, the function of the Corporate Secretary is to carry out tasks at least covering:

1. Following the development of the capital market, especially the applicable laws and regulations in the field of capital markets.
2. Providing input to the Board of Directors and the Board of Commissioners to comply with the rules and regulations in the field of capital market.
3. Assisting the Board of Directors and the Board of Commissioners in implementing corporate governance which includes:
  - a. disclosure of information to the public, including the availability of information on the Issuer's Website;
  - b. submission of statements to Financial Services Authority on time;
  - c. organizing and documenting the General Meeting of Shareholders;
  - d. organizing and documenting the Meetings of Board of Directors and/or Board of Commissioners; and
  - e. implementing an orientation program for the company for the Board of Directors and/or the Board of Commissioners.
4. As a liaison between Issuers and shareholders, the OJK and other stakeholders.

In line with these Financial Services Authority Regulation, the Corporate Secretary of Bank Mandiri also has a Policy and Standard of Guidelines as the foundation of the Corporate Secretary in carrying out their functions and duties, among others

Activities that are the scope of responsibility of the Corporate Secretary include:

1. Bank Activities as a Public Company:
  - a. Carrying out Information Disclosure including reporting to Regulators in relation to the status of the Bank as a Public Company.
  - b. Organizing and documenting the General Meeting of Shareholders.
  - c. Carrying out reporting according to the provisions of other laws which are the authority of the Corporate Secretary work unit.
  - d. Managing the administration of Bank Mandiri shareholders.
  - e. Carrying out other activities related to Corporate Action and/or other information disclosures.
  - f. Carrying out the Bank's compliance function with regulations in the field of capital market
2. Corporate Communication Activities
  - a. Establishing corporate communication policies and strategies together with Strategic Marketing Communication Work Units including:
    - Establishing regulations regarding the implementation of communication.
    - Establishing brand image and brand positioning.
  - b. Melakukan aktivitas komunikasi yang bersifat korporasi kepada pemangku kepentingan internal maupun eksternal Korporasi.
  - c. Mengadakan dan melaksanakan kegiatan tertentu (event/acara/sponsorship) sebagai pelaksanaan strategi komunikasi yang bersifat korporasi serta pengelolaan reputasi/risiko reputasi.
- d. Conducting corporate communication activities to Corporate internal and external stakeholders.
- e. Holding and carrying out certain activities (events/ sponsorships) as the implementation of corporate communication strategies and reputation risk management.
3. Secretarial Activities
  - a. Organizing and documenting the Meetings of Board of Directors Meetings and Board of Commissioners.
  - b. Administering company documents including regulating or stipulating regulations concerning letters and management of company documents.
  - c. Carrying out activities to support the functions and work activities of the Board of Commissioners, Board of Directors and SEVP.
4. Corporate Social Responsibility Activities
  - a. Establishing strategies and carry out Corporate Social Responsibility Activities.
  - b. Carrying out other similar activities either in the form of implementation of government programs or by collaborating with third parties such as the Partnership and Community Development Program and giving donations in connection with natural disasters.
5. Corporate Security Activities
 

Carrying out corporate security activities that aim to support the smoothness and orderliness of the Bank's operational activities including regulating and stipulating the regulations concerning the implementation of bank security.



**Rohan Hafas**  
Corporate Secretary

Age	57 years old
Nationality	Indonesia
Domile	Jakarta
Educational Background	Bachelor Degree in Management of the University of Indonesia (1987).
Certification	Level 1 Risk Management held by the Banking Professional Certification Institute (2012) and has participated in the Refreshment held by BARa Risk Forum (2016).
Employment History	<ul style="list-style-type: none"> <li>- Division Head of Corporate Secretary of PT Bank Mutiara, Tbk (2010 - 2014).</li> <li>- Operational Director of PT Daria Dharma (2005 - 2010).</li> </ul>

## Profile of Corporate Secretary

Currently the Bank Mandiri Corporate Secretary is held by Rohan Hafas. He joined Bank Mandiri in 2014 and served as Corporate Secretary based on SEVP Decree No. KEP.SEVP/272/2014 September 30, 2014.



## Competence Improvement Program of Corporate Secretary

As a liaison with external parties, the Corporate Secretary must always keep up with the developments in the world of capital markets and consistently improve their competence in the fields of law, finance, communications and corporate governance. For this reason, the Corporate Secretary of Bank Mandiri routinely participates in various trainings/workshops/seminars that are useful to maximize their very important role in the company. Throughout 2018, the Corporate Secretary has participated in various Training/Workshop/Seminars as follows.

Training/Competency Development Material	Time and Place of Implementation	Organizer
Leadership Forum	May 4-6, 2018, Labuan Bajo	PT Bank Mandiri (Persero) Tbk.
Indonesia Investment Forum 2018	October 9, 2018, Bali	Ministry of SOE, BI, OJK
Media Training	November 29-30, 2018, Semarang	Bank Mandiri

In addition, the employees under the functions of the Corporate Secretary have participated in training in the fields of law, accounting, secretariat and reporting and actively participated in seminars / outreach related to the latest regulations issued by regulators.

## Implementation of Corporate Secretary's Duties In 2018

During 2018, the Corporate Secretary of Bank Mandiri carried out functions and tasks related to stakeholders, among others:

- Following the development of Capital Market regulations, especially legislation in force in the Capital Market, among others by ensuring compliance with new regulations issued by the Financial Services Authority, the Indonesia Stock Exchange and other regulators related to the capital market.
- Building GCG Awareness for the Board of Directors and Board of Commissioners of Bank Mandiri including informing about new policies and issues regarding GCG.
- Organizing and documenting the Annual General Meeting of Shareholders on March 21, 2018, 2018 Mandatory Public Expose on August 29, 2018, and ensuring regular communication every quarter to investors through the Analyst Meeting on February 6, April 24, July 19 and October 17, 2018.
- Making a dividend payment for the 2017 Financial Year on April 20, 2018.
- Organizing and attending the Meetings of Board of Commissioners, Meetings of Board of Directors, Joint Meetings of Directors Inviting the Board of Commissioners, and Joint Meetings of the Board of Commissioners and making minutes of the meetings. In 2018 each has been held respectively for 23 (twenty three) times, 42 (forty two) times, 3 (three) times, and 9 (nine) times.
- Periodically reviewing the Company's Principles, Company Articles of Association, Rules of Conduct of Board of Directors, Rules of Conduct of Board of Commissioners, Rules of Conduct of Committees under the Board of Directors, Charter of Committees under the Board of Commissioners, and other Policies in accordance with applicable law and regulation and implementation of Bank governance.
- Conducting information disclosure to the public in accordance with applicable laws and regulations.
- Conducting information disclosure to Bank Mandiri internal employees through Mandiri Magazine. During 2018, the Corporate Secretary issued 11 (eleven) editions of Mandiri Magazine.
- Redesigning the Company's Website to improve the convenience of the society in accessing information and always providing up to date and accurate information on the Website.
- Preparing the 2017 Fiscal Year Annual Report and the Sustainability Report and submit them to the relevant Regulators in a timely manner and monitoring the submission of the 2017 Fiscal Year Annual Report of the 11 (eleven) Subsidiaries to the Regulator.
- Managing the Capability and Compliance Test of 4 (four) members of the Board of Directors.
- Documenting Company legality data, including the Deed of GMS, Amendment Deed of Articles of Association, Amendment Deed of Management Structure, Corporate Domicile Sign, and other legal documents.
- Establishing communication with the Ministry of SOE, Financial Services Authority, Bank Indonesia (BI), Ministry of Finance, Secretary of State, Deposit Insurance Agency (LPS), Self Regulatory Organizations (Indonesia Stock Exchange (BEI), Indonesian Central Securities Depository (KSEI), and Indonesian Clearing and Guarantee Corporation





- (KPEI)), Bureau of Securities Administration, and other related institutions.
14. Monitor the implementation of the Wealth Report State Organizer (LHKPN) to the Commission Corruption Eradication (KPK). During 2018, 185 (one hundred and eighty five) of the total 288 (two hundred eighty depalan) people have fulfill its reporting obligations.
  15. Compiling and publishing 66 (sixty six) Directors' Decisions related to the Implementation of the Company's Operational Activities.
  16. Reportingn the results of monitoring of media coverage daily to members of the Board of Commissioners and Board of Directors every morning on weekdays.
  17. Coordinating the implementation of Corporate Events, both internal and external events, such as the Mandiri Jogja Marathon, Indonesian Fair, Indonesia Fashion Week, Bank Mandiri Anniversary Commemoration, and other Corporate Events.
  18. Covering 80 (eighty) coverage of Corporate Ceremonial Activities.
  19. Actively participating in hearings and working visits with the (People's Representative Council of Republic of Indonesia (DPR-RI).
  20. Distributing the Partnership Program, Community Development, Corporate Social Responsibility and Sponsorship and monitoring the credibility.

21. Carrying out licensing management activities, security and escort/protocol (Bank officials) of the Board of Directors and the Board of Commissioners in offices, trip/events and housing.
22. Administering and distributing all incoming letters addressed to Bank Mandiri or the relevant Work Unit for further follow-up.
23. As a liaison between Bank Mandiri and shareholders, investors, regulators and other stakeholders.

### Reports of The Corporate Secretary of 2017 Fiscal Year

In order to comply with Article 11 of Financial Services Authority Regulation No. 35/POJK/2014, the Corporate Secretary of Bank Mandiri has compiled reports periodically at least 1 (one) time in 1 (one) year regarding the implementation of the functions of the corporate secretary to the Board of Directors and sent to the Board of Commissioners submitted via Note to the Board of Directors No. CEO.CSC/CMA.464/2018 dated March 29, 2018 concerning 2017 Corporate Secretary Group Function and Task Report and Letter to Board of Commissioners No. HBK.CSC/CMA.876/2018 dated 6 April 2018 concerning the 2017 Corporate Secretary Group Function and Task Report.

## Committee Under The Board of Directors

In carrying out its duties, the Board of Directors is assisted by the Corporate Secretary and Committees to provide recommendations relating to the policies and directions of the Board of Directors. Bank Mandiri has a Committee under the Board of Directors or also called the Executive Committee as many as 9 (nine) Committees as stated in the Decree of the Board of Directors No. KEP.DIR/53/2018 dated July 30, 2018 about Executive Committee.

However, in its capacity as a committee, the entire Executive Committee does not have the authority to act on behalf of the Company to commit or sign agreements with third parties. All actions for and on behalf of the Company must be carried out in accordance with the provisions of the Company's Articles of Association.

### Assets and Liabilities Committee

Assets and Liabilities Committee (ALCO) is a committee formed to assist the Directors in carrying out the functions of determining the management of assets and liabilities, setting interest rates and liquidity, as well as other matters related to managing the Company's assets and liabilities, as well as monitoring and implementing Recovery Plans when the Company is under pressure/financial crisis.

### Structure and Membership of Assets and Liabilities Committee

Based on Board of Directors Decree No. KEP.DIR/53/2018 concerning the Assets and Liabilities Committee, the structure and membership of ALCO are as follows:



Chairman	:	President Director
Secretary	:	Group Head of Market Risk
Alternate Secretary I	:	Group Head of Treasury
Alternate Secretary II	:	Group Head of Strategy & Performance Management

Under pressure/financial crisis conditions (related to monitoring and implementation/activation of the Recovery Plan) which acting as Secretary of the Committee namely:

Secretary	:	Group Head Strategy & Performance Management
Alternate Secretary I	:	Group Head Credit Portfolio Risk

#### I. Voting members

##### a. Permanent Voting Member

1. President Director
2. Deputy President Director
3. Director of Corporate Banking
4. Director of Small Business and Network
5. Director of Risk Management
6. Director of Treasury & International Banking
7. Director of Institutional Relations
8. Director of Finance
9. Director of Retail Banking
10. SEVP Retail Risk
11. SEVP Wholesale Risk
12. SEVP Middle Corporate
13. SEVP Large Corporate

##### b. Non-Permanent Voting Member

Members of the Board of Directors and SEVP related to the material attending as an invitee.

#### II. Permanent Non-Voting Member

Director of Compliance or Head Compliance Group or appointed Compliance Group officials.

#### III. Contributing Non-Voting Member

- a. Group Head/equivalent to other invited Group Head related to materials serves as agenda of the Committee.
- b. Secretary of the Committee.

#### IV. Permanent Invitee without Voting Rights

- a. SEVP Internal Audit \*) or Group Head in Internal Audit or Internal Audit officials attending as permanent invitee without voting rights.

\*) The material discussed by committee is a material proposed by SEVP Internal Audit, therefore, SEVP Internal Audit act as Voting Member.

- b. Officials in the field of operational risk, i.e. the Senior Operational Risk Head related to the materials on the agenda of the committee attending as a permanent invitation without voting rights.

## Duties and Responsibilities of Assets and Liabilities Committee

In carrying out its functions, ALCO has duties and responsibilities, among others, as follows:

1. Establish, develop and review strategies for managing assets and liabilities.
2. Evaluate the position of the Company's assets and liabilities in accordance with the objectives of managing liquidity risk, interest rates and exchange rates.
3. Evaluate the Company's position and the strategy of Assets & Liabilities Management to ensure that the results of the Company's risk-taking position have been consistent with the objectives of managing interest rate risk, liquidity and exchange rates.
4. Evaluate/review asset and liability pricing to ensure the pricing can optimize the results of fund investments and minimize the cost of funds as well as maintain the Company's balance sheet structure in accordance with the Company's Assets and Liabilities Management strategy.
5. Evaluate/review deviations between realization and projected budget and the Company's business plan.
6. Discuss and set limits on liquidity management, gap management, pricing management, and FX management.
7. Establish a fund transfer pricing methodology.



8. Discuss and determine other matters that are within the scope of Assets and Liabilities Management including Subsidiaries/entities that are under the control of the Company.
9. Monitor the implementation/activation of Recovery Plan as follows:
  - a. Monitor the Bank's financial indicators listed in the Recovery Plan which include indicators of liquidity, capital, profitability and asset quality.
  - b. Escalate to the Board of Directors if the Recovery Plan indicators will or have violated (trigger level) the set limits to get the Recovery Plan activation decision.

### Implementation of The Assets and Liabilities Committee Duties In 2018

In carrying out its duties and responsibilities ALCO holds meetings of at least 3 (three) times in one year or at any time if deemed necessary at the request of one or more members of the committee with voting rights (voting members), or at the request of the Board of Directors or on written proposals from related working unit related by delivering the material to be discussed and coordinating with Secretary of the Committee.

During 2018, ALCO has held 9 (nine) meetings with the following agenda:

No.	Meeting Date	Meeting agenda	Quorum of Attendance (%)
1.	January 9, 2018	1. Macroeconomic Projection 2018. 2. Rupiah Deposit Pricing Strategy in Control of Cost of Funds and Liquidity.	77
2.	February 27, 2018	1. Balance Sheet Optimization to Reach the Bank's Net Interest Income (NII). 2. Pricing Strategy for Third Party Funds of Rupiah and Foreign Currency 3. Rupiah Loan Pricing Strategy.	69
3.	April 17, 2018	Review of Balance Sheet Strategy to Achieve NII Bank Targets.	69
4.	May 22, 2018	1. Pricing Strategy for Third Party Funds of Rupiah and Foreign Currency. 2. Pricing Strategy of Securities Collateral Credit.	69
5.	July 3, 2018	Balance Sheet Optimization to Reach NII Bank Targets.	77
6.	September 25, 2018	1. Loan Pricing Strategy. 2. Projections and Strategy of Liquidity Fulfilment. 3. Review Pricing of Foreign Currency Deposit	69
7.	November 5, 2018	Review Trigger of Rupiah Third Party Funds Downturn Level	100
8.	November 7, 2018	1. Net Interest Margin Analysis. 2. Loan Pricing Strategy. 3. Wholesale Funding Strategy.	69
9.	December 19, 2018	1. Loan Pricing Strategy. 2. Adjustment of Authority of Loan Interest Rates. 3. Liquidity Projection. 4. Strategy for Portfolio Banking Book Management.	100

### Work Plan For The Assets and Liabilities Committee In 2019

In 2019, ALCO has set a work plan that will be discussed through a meeting of at least 3 (three) times in one year. The ALCO work plan in 2019 includes:

1. Establish, develop and review strategies for managing assets and liabilities.
2. Evaluating the Company's position and strategy for Assets & Liabilities Management (ALM).
3. Monitoring and implementing/Recovery Plan activation.

### Business Committee

The Business Committee is a committee established to assist the Board of Directors in establishing strategies for managing the Company's business in an integrated manner, regulating the products and/or activities of the Company and determining the strategy and effectiveness of marketing communication in the wholesale banking and retail banking sector.

#### Structure and Membership of Business Committee

Based on Board of Directors Decree No. KEP.DIR/54/2018 dated July 30, concerning the Business Committee, the structure and membership of the Business Committee are as follows:

Chairman : President Director  
 Secretary (Wholesale Segment) : Group Head of Banking Wholesale Product Transaction  
 Secretary (Retail Segment) : Group Head of Consumer Deposits

I. Voting members

a. Permanent Voting Member

1. President Director
2. Deputy President Director
3. Director of Corporate Banking
4. Director of Small Business and Network
5. Director of Risk Management
6. Director of Information and Operations Technology
7. Director of Treasury & International Banking
8. Director of Institutional Relations
9. Director of Retail Banking
10. SEVP Retail Risk
11. SEVP Corporate Transformation
12. SEVP Wholesale Risk
13. SEVP Middle Corporate
14. SEVP Large Corporate
15. SEVP Consumer and Transaction

b. Non-Permanent Voting Members

Members of the Board of Directors and SEVP related to the material attending as an invitee.

II. Permanent Non-Voting Members Director of Compliance or Group Head of Compliance or appointed Compliance Group officials.

III. Contributing Non-Voting Members

- a. Group Head/ equivalent to other invited Group Head related to materials serves as agenda of the Committee.
- b. Secretary of the Committee.

IV. Permanent Invitee without Voting Rights (Invitee)

- a. SEVP Internal Audit \*) or Group Head in Internal Audit or Internal Audit officials attending as permanent invitee without voting rights.

\*) The material discussed by committee is a material proposed by SEVP Internal Audit, therefore, SEVP Internal Audit act as Voting Member.

- b. Officials in the field of operational risk, i.e. the Senior Operational Risk Head related to the materials on the agenda of the committee attending as a permanent invitation without voting rights

## Duty Description and Responsibility of Business Committee

In carrying out its functions, BC has the following duties and responsibilities:

1. Discuss and determine the Company's business strategy, wholesale segment and retail segment including the business strategies of Subsidiaries.
2. Discuss, evaluate, and establish business development in the wholesale and retail segment segments in an integrated manner, including the development/renewal of products and services, both loan and non-credit, business processes, tariffs, infrastructure facilities and infrastructure for marketing communication and business supporting technology.
3. Discuss, evaluate and establish business strategies with the Company's anchor client.
4. Monitor and evaluate strategic performance results and business/project initiatives in the wholesale and retail segments.
5. Discuss and resolve strategic business problems including alliances between the Company's working units and alliances with Subsidiaries or entities under the Company's control.
6. Discuss, evaluate and determine the development and termination of new loan and non-loan products including digital banking products and services.
7. Delegate authority to appointed officials to decide and implement operational business matters.



## Implementation of Business Committee's Duties In 2018

In carrying out its duties and responsibilities BC holds meetings of at least 3 (three) times in one year or at any time if deemed necessary at the request of one or more members of the committee with voting rights (voting members), or at the request of the Board of Directors or on written proposals from related working unit by delivering the material to need be discussed and coordinating with Secretary of the Committee.

Throughout 2018, BC has held 19 (nineteen) meetings with the following agenda:

No.	Meeting Date	Meeting Agenda	Quorum of Attendance (%)
1.	January 9, 2018	Proposed People's Business Loan (KUR) of Muara Gembong.	100
2.	January 23, 2018	1. Prioritization of the 2018 IT Initiative. 2. Termination Process of Avalist Line and Plasma Cooperative Credit 3. Process of Proposed SME Re-segmentation up to IDR 25 Billion.	100
3.	January 30, 2018	1. Management Limit. 2. Derivative Transactions Proposal. 3. Proposal of Mandiri Deposit Swap Product Manual Modification.	100
4.	February 20, 2018	Discussion on Timor Leste National Card and Mobile Switch (NCMS).	100
5.	March 27, 2018	1. Financing of People's Assets and Liabilities Management Oil Rejuvenation with Special KUR scheme and BPBD KS Grant. 2. Application for Plasma Financing License with Bank Mandiri Non-Debtor Business Group.	100
6.	April 03, 2018	Mandiri Tabungan Fellas Product Manual.	100
7.	April 10, 2018	1. Management Limit. 2. Study of SME Loan Segmentation and IDR 10-25 billion Commercial. 3. Proposal for Deposits Collateral Loan of SME Segment.	100
8.	April 24, 2018	1. Management Limit. 2. Revision of Product Manual of Financing Facility To and/or Multi finance.	100
9.	May 8, 2018	1. Product Manual of Mandiri Tabungan Valas 2. Product Manual of Mandiri Tabungan Simpanan Makmur.	100
10.	May 22, 2018	End of Year BG Program	100
11.	July 3, 2018	1. SiMuda Rumahku Savings Product 2. People's Business Loan (KUR) Specifically for Farm Cluster	100
12.	July 17, 2018	1. Management Limit. 2. Pawnshop Management	100
13.	July 24, 2018	Proposal of Integrated Customer Management Project	100
14.	August 1, 2018	Management Limit of Debtor.	100
15.	August 28, 2018	Proposal of KUR Addition Financing Pattern	100
16.	September 25, 2018	1. Management Limit of Debtor. 2. Product Manual Revision.	100
17.	October 30, 2018	1. Product Manual of Short Term Credit, Special Loan Transaction and Credit. 2. Management Limit of Debtor. 3. Debtor Interest Rate Swap (IRS). 4. Determination of Limit Receivable Financing.	100
18.	December 11, 2018	1. Management Limit of Debtor. 2. Deferred Payment Based on another Bank's LC and QA.	100
19.	December 18, 2018	Management Limit of Debtor.	100

## Business Committee Work Plan For 2019

In 2019, BC has set a work plan that will be discussed through a meeting at least 3 (three) times in one year. The BC work plan in 2019 includes:

1. Discuss and determine the Company's business strategy in the wholesale and retail segments including strategies Subsidiary business.
2. Discuss, evaluate and establish business strategies with the Company's anchor client.
3. Monitor and evaluate the results of strategic performance and business/project initiatives in the wholesale and segment segments retail.

## Capital and Subsidiaries Committee

Capital and Subsidiaries Committee (CSC) is a committee established to assist Directors in managing Subsidiaries, among others, determining strategies for managing Subsidiaries, capital participation, capital release, determination of members of Board of Directors and/or members of Board of Commissioners and remuneration for Directors and/or Member of Board of Commissioners of the Subsidiaries.

### Structure and Membership of Capital and Subsidiaries Committee

Based on Board of Directors Decree No. KEP.DIR/55/2018 dated July 30, 2018 on Capital and Subsidiaries Committee, structure and membership of Capital and Subsidiaries Committee are as follows:

- |                       |   |  |
|-----------------------|---|--|
| Chairman              | : | President Director   |
| Secretary             | : | Group Head of Strategic Investment & Subsidiaries Management |
| Alternate Secretary I | : | Group Head of Strategy & Performance Management              |
- I. Voting members
    - a. Permanent Voting Member
      1. President Director
      2. Deputy President Director
      3. Director of Risk Management
      4. Director of Treasury & International Banking
      5. Director of Finance
    - b. Non-Permanent Voting Members  
Members of the Board of Directors and SEVP related to the material attending as an invitee.
  - II. Permanent Non-Voting Members  
Director of Compliance or Group Head of Compliance or appointed Compliance Group officials.
  - III. Contributing Non-Voting Member
    - a. Group Head/ equivalent to other invited Group Head related to materials serves as agenda of the Committee.
    - b. Secretary of the Committee.
  - IV. Permanent Invitee without Voting Rights (Invitee)
    - a. SEVP Internal Audit \*) or Group Head in Internal Audit or Internal Audit officials attending as permanent invitee without voting rights.

\*) The material discussed by committee is a material proposed by SEVP Internal Audit, therefore, SEVP Internal Audit act as Voting Member.

  - b. Officials in the field of operational risk, i.e. the Senior Operational Risk Head related to the materials on the agenda of committee attending as a permanent invitation without voting rights.

### Description of Duties and Responsibilities of Capital and Subsidiaries Committee

In carrying out its functions, Capital and Subsidiaries Committee has duties and responsibilities including:

1. Establish strategies and limitations on the management of Subsidiaries including companies that are under the control of Subsidiaries if needed.
2. Discuss, recommend and establish business initiatives of Company's equity participation to Subsidiaries
3. Discuss, recommend and approve the Subsidiary's equity participation plan including additional equity participation and the release of capital participation/divestment with the provisions in terms of capital participation or disposal result in changes in the control of the Subsidiary to the authority of the Board of Directors Meeting, with reference to the Company's Articles of Association.
4. Evaluate and discuss the financial performance of Subsidiaries including companies that are under the control of Subsidiaries if needed.
5. Discuss, recommend, and approve remuneration (including salaries, honorarium, allowances and facilities) of members of Board of Directors and Board of Commissioners of Subsidiaries including companies that are under the control of Subsidiaries that have been recommended by Human Capital work unit responsible for the remuneration material.



6. Discuss, recommend and approve candidacy/ nomination of members of Board of Directors and/ or Board of Commissioners of Subsidiary referring to the Company's Articles of Association.
7. Discuss, recommend, and approve the candidacy/ nomination of members of Board of Directors and/ or Board of Commissioners of companies that are under the control of the Subsidiary.
8. Capital and Subsidiaries Committee authority as elaborated without diminishing the authority of Board of Directors is assigned to continue to decide upon the candidacy/nomination of members of the Board of Directors and Board of Commissioners Subsidiaries and companies that are under the control of the Subsidiary.
9. Discuss, recommend and approve the Subsidiaries Work Plan and Budget including companies that are under the control of the Subsidiaries Entity if needed.
10. Discuss, recommend, determine/decide on the implementation and agenda of General Meeting of Shareholders (GMS) of Subsidiaries including companies that are under the control of the Subsidiary if needed and decide on other applications or proposals that require the Company's decision as Shareholders.
11. Discuss, recommend and approve the management and financial strategies of Financial Institution Pension Funds.
12. Establish a power of attorney to represent the Company as a Shareholder in Subsidiaries (Shareholder Proxies).

### Implementation of Capital and Subsidiaries Committee Duties

In carrying out its duties and responsibilities Capital and Subsidiaries Committee holds meetings of at least 3 (three) times in one year or at any time if deemed necessary at the request of one or more members of the committee with voting rights (voting members), or at the request of the Board of Directors or on written proposals from related working unit related by delivering the material to be discussed and coordinating with Secretary of the Committee.

Throughout 2018, Capital and Subsidiaries Committee has held 14 (fourteen) meetings with the following agenda:

No.	Meeting Date	Meeting agenda	Kuorum Kehadiran (%)
1.	January 3, 2018	1. Changes in the Management of Subsidiaries. 2. Changes in Procedure for RKAP Approval of Subsidiaries.	100
2.	January 24, 2018	Circular CSC Decision Making Approval Regarding Proposal of Changes in Management of PT Mandiri Axa General Insurance (MAGI).	100
3.	January 30, 2018	1. Update of RKAP for Subsidiaries in 2018. 2. Update of Subsidiaries Management that Will Be Due in 2018. 3. Determination of Changes in Management of Subsidiaries.	100
4.	February 13, 2018	Determination of Changes in Management of Subsidiaries.	73
5.	March 6, 2018	1. Approval of Annual General Meeting of Shareholders (AGMS) and Material of the AGMS of the Subsidiary Agenda. 2. Determination of Subsidiaries Management. 3. Update on the Process of Determining Subsidiaries Management.	100
6.	March 12, 2018	1. Determination of Subsidiaries Management. 2. Changes in the Shareholders Proxy of Attorney for Bank Mandiri (Europe) Limited (BMEL). 3. Remuneration of Board of Subsidiaries.	71
7.	May 7, 2018	1. Determination of Changes in Management of Subsidiaries. 2. Determination of Proxy of Shareholders. 3. Establishment of the Subsidiary Management Evaluation Team.	100
8.	June 5, 2018	Capital Increase for PT Mandiri Tunas Finance (MTF).	77
9.	June 26, 2018	Determination of Dismissal of Management of Subsidiaries	100
10.	September 25, 2018	Determination of Changes in Management of Subsidiaries.	100
11.	October 4, 2018	Circular Capital and Subsidiaries Committee Decision Making Approval Regarding Proposal of Changes in Subsidiaries Management.	95
12.	October 15, 2018	Amendments to the Articles of Association of PT Mandiri Axa General Insurance (MAGI), Changes in Management of MAGI, Mandiri Inhealth and Mandiri Sekuritas.	84
13.	October 30, 2018	1. Appointment of Management of Subsidiaries. 2. Establishment of a Financial Institution Pension Fund (DPLK) in a Subsidiary	100
14.	November 27, 2018	Update on Indonesian Transaction Partner Development and capital Addition of Mandiri Capital Indonesia.	90



## Capital and Subsidiaries Committee Work Plan For 2019

In 2019, CSC has set a work plan that will be discussed through a meeting at least 3 (three) times in one year. The CSC work plan in 2019 includes:

1. Discuss, recommend and establish business initiatives for the Company's capital participation in Subsidiaries.
2. Evaluating and discussing the financial performance of Subsidiaries including companies that are under the control of the Subsidiaries.
3. Discuss, recommend, and approve the remuneration of members of the Board of Directors and Board of Commissioners of the Subsidiary including companies that are under the control of a Subsidiary.
4. Discuss, recommend and approve the nomination/nomination of members of the Board of Directors and/or Board of Commissioners of the Subsidiary include companies that are under the control of a Subsidiary.

## Human Capital Policy Committee

The Human Capital Policy Committee (HCPC) is a committee formed to assist Board of Directors in establishing strategies for managing the Company's Human Capital, establishing and developing organizations, and establishing the strategic direction of developing Human Capital Information System.

## Structure and Membership Human Capital Policy Committee

Based on the decision of Board of Directors No. KEP.DIR/56/2018 dated July 30, 2018, the structure and membership of the HCPC are as follows:

Chairman	:	President Director
Secretary	:	Group Head of Human Capital Engagement
Alternate Secretary I	:	Group Head of Human Capital Talent, Organisation & Performance

### I. Voting Members

#### a. Permanent Voting Members

1. President Director
2. Deputy President Director
3. Director of Small Business and Network
4. Director of Information and Operations Technology
5. Director of Risk Management
6. Director of Compliance
7. Director of Finance

#### b. Non-Permanent Voting Members

Members of the Board of Directors and SEVP related to the material attending as an invitee.

### II. Permanent Non-Voting Members

Group Head Compliance or appointed Compliance Group officials must attend the Committee Meeting.

### III. Contributing Non-Voting Members

- a. Group Head/ equivalent to other invited Group Head related to materials serves as agenda of the Committee.
- b. Secretary of the Committee.

### IV. Permanent Invitee without Voting Rights (Invitee)

- a. SEVP Internal Audit \*) or the Group Head of the Internal Audit Directorate or an Internal Audit Directorate official attending as a permanent invitee without voting rights.

\*) The material discussed by committee is a material proposed by SEVP Internal Audit, therefore, SEVP Internal Audit act as Voting Member.

- b. Officials in the field of operational risk, i.e. the Senior Operational Risk Head related to the materials on the agenda of committee attending as a permanent invitation without voting rights.

## Descriptions of Duties and Responsibilities of Human Capital Policy Committee

In carrying out its functions, Human Capital Policy Committee has duties and responsibilities including:

1. Establish strategic direction and operational management of Human Capital, including corporate culture and values.
2. Establish strategic Human Capital management policies in Subsidiaries, Financial Institution Pension Funds, Bank Mandiri Pension Funds, Foundations and Subsidiaries of Subsidiaries.
3. Establish the strategic direction of the development of Human Capital Information System.
4. Establish and develop organizations including fulfilment, development and training of Human Capital according to the Company's business needs.
5. Establish individual performance management and rewards, talent and succession management as well as employee relations.
6. Establish limits of authority in carrying out Human Capital management.
7. Discuss and resolve strategic issues of Human Capital management.

## Duties Implementation of Human Capital Policy Committee

In carrying out its duties and responsibilities Human Capital Policy Committee holds meetings of at least 3 (three) times in one year or at any time if deemed necessary at the request of one or more voting members, or at the request of the Board of Directors or on written proposals from the unit work related to delivering material to be discussed and coordinating with the Secretary of the Committee.

Throughout 2018, HCPC task implementation was carried out by conducting discussions related to staffing and was decided at the Directors' Meeting. Staff-related materials discussed at the Board of Directors Meeting include:

No.	Date	Agenda	Quorum of Attendance (%)
1.	January 3, 2018	Human Capital discussion : Wholesale Banking organisation alignment.	90
2.	February 13, 2018	Human Capital Discussion : - Implementation of Financial Services Authority Regulation - Constitutional Court Decision	80
3.	February 20, 2018	Human Capital Discussion : - New Productivity Enhancement 2018 - Update Culture Transformation	90
4.	April 10, 2018	Human Capital Discussion: SEVP	100
5.	April 24, 2018	Human Capital Discussion: CLTB	100
6.	April 30, 2018	Human Capital Discussion : TAD	91
7.	May 22, 2018	Human Capital Adjustment	91

## Human Capital Policy Committee Work Plan For 2019

In 2019, HCPC has set a work plan that will be discussed through a meeting of at least 3 (three) times in one year. The HCPC work plan in 2019 includes:

1. Establish strategic and operational directions for managing Human Capital, including culture and values company.
2. Establish the strategic direction of the development of the Human Capital Information System.
3. Establish individual performance management and rewards, talent and succession management and employees relations.

## Information Technology Committee

Information Technology Committee (ITC) is a committee established to assist the Board of Directors in IT strategic plan and IT budgeting determination, IT strategic project determination & IT security.

## Structure and Membership of Information Technology Committee

According to the director decree No. KEP.DIR/57/2018 July 30, 2018, structure and ITC membership is as follow:

Chairman	:	President Director
Secretary	:	Group Head of IT Strategy and Architecture
Alternate Secretary	:	Group Head of IT Application Development

### I. Voting Member

#### a. Permanent Voting Member

1. President Director
2. Director of Risk Management
3. Director Information technology & Operation
4. Director of Finance
5. SEVP Retail Risk
6. SEVP Corporate Transformations
7. SEVP Operation

#### b. Non-Permanent Voting Member

Members of Board of Directors and SEVP related to materials attending as invitee.

### II. Permanent Non-Voting Member

Group Head of Compliance or the appointed Compliance Group officials must attend the Committee Meeting.

### III. Contributing Non-Voting Member

- a. Group Head/ equivalent to other Group Heads invited related to the material serve as committee's agenda.
- b. Secretary of Committee

### IV. Permanent Invitee without Voting Rights (Invitee)

- a. SEVP Internal Audit\*) or Group Head of Internal Audit Directorate or Internal Audit Directorate officials attending as invitee without voting rights.

\*) Related to materials to be discussed in Committee are the materials proposed by SEVP Internal Audit, therefore the SEVP Internal Audit acts as a Voting Member.

- b. The operational risk officer, i.e. Operational Risk Head senior related to the material on the agenda of the committee attending as a permanent invitee without voting rights.

## The Description of Information Technology Committee Duty and Responsibilities

In carrying out its functions, ITC has duties and responsibilities as follows:

1. Discuss and determine the Company's IT Strategic Plan (ISP).
2. Establish strategic reference framework to manage IT Resources.
3. Establish strategies and action plans for projects and as well as their budgets.
4. Establish IT security strategies and risk management for IT usage.
5. Ensure and monitor the implementation of IT projects in accordance to ISPs, IT budgets and IT delivery projects.
6. Set the priorities and IT budget allocations determined by the Board of Directors.
7. Decide or provide directions regarding to the planning, development and addition of strategic IT systems.
8. Discuss and resolve strategic issues in scope of IT and direction of investment in IT including subsidiaries.
9. Delegate the authority to the appointed officials to decide and implement the operational IT matters.



## The Implementation of Information Technology Committee Duties

In carrying out its duties and responsibilities, ITC holds meetings at least 3 (three) times in one year or at any time if considered necessary upon the request of one or more Permanent Voting Members/Permanent Members, or upon the request of the Directors or on written proposals from related work unit by delivering the material to be discussed and coordinate with Secretary of Committee.

Throughout the year 2018, ITC has held 6 (six) meeting with discussed topics as follows:

No.	Meeting Date	Meeting Agenda	Quorum of Attendance (%)
1.	January 23 , 2018	IT Strategic Initiative 2018.	89
2.	February 6, 2018	IT Strategic Initiative: IT Security Maturity Improvement 2018.	100
3.	May 8, 2018	1. IT Initiative Project Portfolio report in 2018. 2. Addition of IT 2018 strategic Initiative and the Adjustment of IT Investment Portfolio Composition.	100
4.	June 26, 2018	Adjustment of IT Strategic Initiative in 2018, adjustment of IT Investment Portfolio Composition, and modification of IT Development in 2018.	100
5.	September 18, 2018	1. Acceleration of Initiative Digital Banking Roadmap Execution. 2. Adjustment of IT strategic initiative in 2018 and adjustment of IT investment portfolio composition in 2018 3. Re-baseline Business Process Reengineering Project.	100
6.	October 30, 2018	1. IT Development plan in 2019. 2. Enterprise Licenses Agreement. 3. Mandiri Online Stabilization. 4. Operational Improvement.	100

## Information Technology Committee Work Plan For 2019

In 2019, the ITC has established a work plan that will be discussed through a meeting at least 3 (three) times in one year. The ITC work plan in 2019 includes:

1. Discuss and determine the Company's IT Strategic Plan (ISP).
2. Establish a strategic reference framework for managing IT Resources.
3. Establish IT security strategies and risk management for IT usage.

## Integrated Risk Committee

The Integrated Risk Committee (IRC) is a committee assigned to assist the Board of Directors in preparing, among others, Integrated Risk Management policies and the improvement or enhancement of Integrated Risk Management policies based on results of implementation evaluation.

## Structure and Membership of Integrated Risk Committee

Based on decision of the Board of Directors No. KEP.DIR/58/2018 dated July 30, 2018, the structure and membership of the IRC are as follows:

Chairman	:	Director of Risk Management
Secretary	:	Group Head of Credit Portfolio Risk
Alternate Secretary I	:	Group Head of Operational Risk
Alternate Secretary I	:	Group Head of Market Risk

- I. Permanent Member of the Company (Bank Mandiri)
  - a. Director of Risk Management
  - b. Director of Treasury & International Banking
  - c. Director of Information Technology & Operations
  - d. Director of Finance
  - e. SEVP Wholesale Risk
  - f. SEVP Retail Risk
- II. Permanent Member of Subsidiary
  - a. The Director in charge of the Risk Management function of Bank Syariah Mandiri
  - b. The Director in charge of the Risk Management function of Mandiri Securities
  - c. The Director in charge of the Risk Management function of Mandiri Tunas Finance
  - d. The Director in charge of the Risk Management function of Axa Mandiri Financial Services
- III. Non-permanent Members (According to Discussion Materials)
  - a. Members of the Board of Directors/SEVP of the Company besides the Permanent Members of the Company
  - b. Director of Subsidiary Companies other than a Permanent Member of a Subsidiary
- IV. Contributing Members
  - a. Group Head or equivalent to other invited Group Heads from Company and Subsidiaries related to material served as Committee's agenda.
  - b. Secretary of the Committee
- V. Permanent Invitee (Invitee)
  - a. Director of Compliance or Group Head Compliance or Compliance Group Officers from the appointed Company.
  - b. SEVP of Internal Audit or Group Head of Directorate of Internal Audit or Directorate of Internal Audit officials attending as permanent invitee with voting rights.
  - c. Officials in the field of operational risk, namely Senior Operational Risk Head related to materials on the committee agenda attending as a permanent invitee from Company.

## Description of Duties and Responsibilities of Integrated Risk Committee

In carrying out its functions, IRC provides recommendations to the Board of Directors, including among others:

1. Adequacy of process of identification, measurement, monitoring, risk control in an integrated manner, and Integrated Risk Management information system.
2. A comprehensive internal control risk system for the implementation of Integrated Risk Management.
3. Implementation of Risk Management in each of the Subsidiaries.
4. Others needed in order to compile or evaluate Integrated Risk Management policies.

## Implementation of Integrated Risk Committee Tasks

In carrying out its duties and responsibilities IRC holds meetings of at least 3 (three) times in one year or at any time if deemed necessary at the request of one or more members of the committee with voting rights, or at the request of the Board of Directors or on a written proposal from the unit work related to delivering material to be discussed and coordinate with the Secretary of the Committee.

During 2018 IRC has held 4 (four) meetings with the following agenda.



No.	Date	Agenda	Quorum of Attendance (%)
1.	February 13, 2018	Assessment of Risk Based Bank Rating Consolidation for semester II-2017 and Integrated Risk Profile for Quarter IV-2017	88
2.	May 7, 2018	Preparation of Mandiri Group Principles Guideline (MGPG) and Adjustment of Mandiri Subsidiary Management Principles Guidelines (MSMPG).	76
3.	August 6, 2018	Assessment of Risk Based Bank Rating Consolidation for semester I-2018 and Integrated Risk Profile for Quarter II-2018	100
4.	October 17, 2018	Assessment of Individual Risk Profile and Consolidation Quarter III-2018.	94

## Integrated Risk Committee Work Plan For 2019

In 2019, IRC has set a work plan that will be discussed through a meeting at least 3 (three) times in one year. The IRC work plan in 2019 includes:

1. Adequacy of Integrated Risk Management.
2. A comprehensive internal control system for the implementation of Integrated Risk Management.
3. Implementation of Risk Management in each of the Subsidiaries.

## Policy and Procedure Committee

The Policy and Procedure Committee (PPC) is a committee established to discuss and recommend to the Board of Directors in preparing and/or adjusting/improving Company policies and determining the Company's procedures including Human Capital policies and procedures as well as discussing and deciding authority of company officials (ex-officio)

## Structure and Membership of Policy and Procedure Committee

Based on Directors Decree No. KEP.DIR/59/2017 dated July 30, 2018, the structure and membership of PPC are as follows:

### POLICY AND PROCEDURE COMMITTEE CATEGORY A

Chairman : Director of Risk Management

Secretary : Group Head of Policy and Procedure

Alternate Secretary I : Group Head of Compliance

#### I. Voting Members

##### a. Permanent Voting Members

1. President Director
2. Director of Small Business and Network
3. SEVP CORPORATE TRANSFORMATIONS
4. SEVP Operation

##### b. Non-Permanent Voting Members

Members of the Board of Directors and SEVP related to the material attending as an invitee.

#### II. Permanent Non-Voting Members

Director of Compliance or Group Head Compliance or appointed Compliance Group officials must attend Committee Meeting.

#### III. Contributing Non-Voting Members

- a. Group Head/equivalent to other invited Group Head related to materials serves as agenda of the Committee.
- b. Secretary of the Committee



**IV. Permanent Invitee Without Voting Rights (Invitee)**

- a. SEVP of Internal Audit\*) or Group Head of Directorate of Internal Audit or Directorate of Internal Audit officials attending as permanent invitee with voting rights.

\*) In terms of materials discussed in Committee are materials proposed by SEVP of Internal Audit, therefore, SEVP of Internal Audit acts as Voting Member.

- b. Officials in the field of operational risk, namely Senior Operational Risk Head related to materials on the committee agenda attending as a permanent invitee from without voting rights.

**PPC CATEGORY B**

Chairman	:	Director of Risk Management
Secretary	:	Group Head of Policy and Procedure
Alternate Secretary I	:	Group Head of Compliance

**I. Voting Members****a. Permanent Voting Members**

1. Director of Risk Management
2. Group Head of Policy and Procedure
3. Group Head of Policy and Procedure
4. Group Head of Compliance
5. Senior Operational Risk Head related to materials of committee's agenda.

**b. Non-Permanent Voting Members**

Members of the Board of Directors and SEVP related to the material attending as an invitee.

**II. Contributing Non-Voting Members**

Group Head/equivalent to other invited Group Head related to materials serves as agenda of the Committee.

**III. Permanent Invitee Without Voting Rights (Invitee)**

The Chief Auditor and/or Internal Audit Officer attending as a permanent invitation without voting rights

**Duty Description and Responsibility of Policy and Procedure Committee**

Policy and Procedure Committee has the following duties, authorities and responsibilities:

**1. PPC Category A**

- a. Discuss and recommend to Board of Directors in preparing and/or adjusting/improving Company policies including Company's policies in the field of Human Capital.
- b. Discuss and decide on the authorization for Company official's ex-officio.

**2. PPC Category B**

- a. Discuss and determine the preparation and/or adjustment/improvement of Company procedures including procedures in the field of Human Capital.
- b. Discuss and decide on the authorization for Company official's ex-officio other than those that are under the authority of Policy and Procedure Committee Category A.

**Duty Implementation of Policy and Procedure Committee**

In carrying out its duties and responsibilities PPC holds meetings of at least 3 (three) times in one year or at any time if deemed necessary at the request of one or more members of the committee with voting rights, or at the request of the Board of Directors or on a written proposal from the unit work related to delivering material to be discussed and coordinate with the Secretary of the Committee.

During 2018 PPC has held 9 (nine) meetings with the following agenda.

No.	Date	Agenda	Quorum of Attendance (%)	Category
1.	March 20, 2018	Revised Standard Procedure for Human Resources.	100	B
2.	May 17, 2018	1. Revision of Subsidiary Management Policies. 2. Revision of Credit Operation Credit SPO.	100	A



No.	Date	Agenda	Quorum of Attendance (%)	Category
3.	June 6, 2018	Proposed SPO Marketing Communication Products and Services	83	B
4.	August 14, 2018	Revision of Customer Segmentation SPO.	100	B
5.	August 15, 2018	Credit Policy Revision.	100	A
6.	October 10, 2018	1. Proposed SPO Marketing Communication Products and Services. 2. Revision of Branch SPO. 3. Revised SPO Credit Collection & Recovery (CCR).	100	B
7.	October 11, 2018	Proposed Strategic Cooperation SPO.	100	B
8.	November 22, 2018	Revision of SP Corporate Secretary.	100	B
9.	December 12, 2018	1. Revision of Information Technology SPO. 2. Revision of SP Internal Audit. 3. Revised SPK Financial Institution.	100	B

In addition to conducting meetings, PPC has also made 9 (nine) circular decisions, including the following:

No.	Date	Agenda	Quorum of Attendance (%)	Category
1.	March 8, 2018	Revision of Standard Operating Procedures (SPO) for Fixed Assets and Other Goods.	100	B
2.	March 16, 2018	1. Revised Bank Mandiri Compliance Policy. 2. Compliance Procedure Standards.	100	A
3.	June 8, 2018	1. Proposed Preparation of Mandiri Group Principle Guidelines. 2. Revised Mandiri Subsidiaries Management Principle Guidelines.	100	A
4.	September 21, 2018	Incorporation of Legal, Compliance and APU PPT Policies.	100	A
5.	September 24, 2018	Revised SPO Credit Collection and Recovery.	100	B
6.	October 4, 2018	1. Revised Risk Management Policy. 2. Standard Revision of the Risk Based Bank Rating Implementation Procedure.	100	A
7.	October 31, 2018	Revision of Credit Associate Accreditation SPO.	100	B
8.	November 30, 2018	Merging of Treasury Policies and Fund and Service Policies.	100	A
9.	December 19, 2018	Revision of SP Asset & Liability Management.	100	B

## Work Plan For Policy and Procedure Committee In 2019

In 2019, PPC has set a work plan that will be discussed through a meeting at least 3 (three) times in one year. The PPC work plan in 2019 includes:

1. Adjustment/improvement of policies in the field of Human Capital.
2. Preparation and/or adjustment/improvement of procedures in the field of Human Capital.

## Risk Management Committee

The Risk Management Committee (RMC) is an established committee to assist the Board of Directors in discussing and recommending policies, and establishing procedures, monitoring risk profiles, as well as managing all risks of the Company in an integrated manner with detailed scope of duties, authority and responsibilities. Based on Directors Decree No. KEP.DIR/68/2018 as of September 29, 2018, the adjusted Risk Management Committee has been adjusted and its scope has been expanded into the Risk Management & Loan Policy Committee, which is then abbreviated as RMPC.

This is to fulfil Financial Services Authority Regulation No. 42/POJK.03/2017 concerning the obligation of Bank to possess a loan policy committee and to follow up directives of Board of Directors meeting to combine the scope of new committee with RMC and become a RMPC.

## Structure and Membership Risk Management Committee

Based on Directors Decree No. KEP.DIR/60/2018, the structure and membership of the RMC are as follows:

Chairman	:	Deputy President Director
Secretary	:	Group Head of Credit Portfolio Risk
Alternate Secretary I	:	Group Head of Operational Risk
Alternate Secretary II	:	Group Head of Market Risk

### I. Voting Members

#### a. Permanent Voting Members

1. Deputy President Director
2. Director of Risk Management
3. Director of Information Technology & Operations
4. Director of Finance
5. SEVP Wholesale Risk
6. SEVP Retail Risk

#### b. Non-Permanent Voting Members

Members of the Board of Directors and SEVP related to the material attending as an invitee.

### II. Permanent Non-Voting Members

Director of Compliance or Group Head Compliance or appointed Compliance Group officials must attend Committee Meeting.

### III. Contributing Non-Voting Member)

- a. Group Head/equivalent to other invited Group Head related to materials serves as agenda of the Committee.
- b. Secretary of the Committee

### IV. Permanent Invitee Without Voting Rights (Invitee)

- a. SEVP of Internal Audit\*) or Group Head of Directorate of Internal Audit or Directorate of Internal Audit officials attending as permanent invitee with voting rights.

\*) In terms of materials discussed in Committee are materials proposed by SEVP of Internal Audit, therefore, SEVP of Internal Audit acts as Voting Member.

- b. Officials in the field of operational risk, namely Senior Operational Risk Head related to materials on the committee agenda attending as a permanent invitee from without voting rights.

## Description of Duties and Responsibilities of Risk Management Committee

In carrying out its functions, Risk Management Committee has duties and responsibilities including:

1. Monitor risk profile and management of all risks in order to determine risk appetite, risk limits, and integrated risk management strategies and capital adequacy.
2. Establish risk management frameworks and methodologies to identify, measure, and mitigate risks, including for stress conditions and contingency plans.
3. Improving periodic and incidental risk management implementation as a follow up to changes in internal and external conditions that affect the capital adequacy and risk profile of the Company.
4. Discuss and determine strategic matters within the scope of risk management including risk management in Subsidiaries.
5. Establish matters related to business decisions that have special conditions (such as exceeding allocations and limits in managing loan portfolios).
6. Delegating authority to appointed officials to decide and implement operational matters.



## Duty Implementation of Risk Management Committee

RMC duties implementations are carried out thoroughly decision-making at Committee meetings at least 3 (three) times in 1 (one) year at any time if deemed necessary at the request of one or more committee members with voting rights (voting members), or at the request of Boards of Directors, or on a written proposal from the working unit concerned to delivering the material to be discussed and coordinate with the Secretary of the Committee. Decisions taken through meetings are then reported to the Directors.

Throughout 2018, RMC has held 6 (six) meetings with discussed topics as follows:

No.	Date	Meeting agenda	Quorum of Attendance (%)
1.	January 18, 2018	1. Approval of Individual Bank Health Level Assessment Quarter IV-2017. 2. Calculation of Net Claims of Derivative Transactions in Calculation of RWA for LoanRisk Using the Standard Approach in accordance with Financial Services Authority's Circulating Letter No. 48/SEOJK.03/2017	83
2.	February 13, 2018	Assessment of Risk Based Bank Rating Consolidation for semester II-2017 and Integrated Risk Profile for Quarter IV-2017.	83
3.	May 23, 2018	1. Review of Limit Policies for Banking Book Risk Management: Liquidity, Interest Rates and Exchange Rates. 2. Review the Limit of Head Office Trading Activities and Overseas Office in 2018.	100
4.	July 16, 2018	1. Individual Bank Mandiri Health Level for Semester I 2018. 2. Revisions of Default Minimum Reserve Offline (GWM) Regulation on Regulatory Provisions.	80
5.	August 6, 2018	1. Assessment of Bank Mandiri Health Level (RBBR) Consolidation Semester I-2018 and Integrated Risk Profile Quarter II-2018. 2. Update CISO: IT Security and Vulnerability Assessment and Fix Deploy	100

In addition to holding meetings, RMC has also made a number of decisions circularly including the following:

No.	Date	Meeting agenda
1.	April 5, 2018	Revisions of Parameter and Threshold of Risk Based Bank Rating (RBBR) Bank Mandiri Individual and Consolidated Assessments.
2.	April 18, 2018	Report of Individual Risk Profile Assessment on Quarter I-2018
3.	April 19, 2018	Report of Consolidated Risk Profile Assessment Quarter I-2018

Furthermore, in order to comply with Financial Services Authority Regulation No. 42/POJK.03/2017 concerning Obligations for Preparation and Implementation of Loan Policy or Bank Financing for Commercial Banks, then adjustments were made to the scope of RMC to become a Risk Management & Credit Policy Committee as outlined in Directors Decree No. KEP. DIR/68/2018 dated September 29, 2018 concerning Risk Management & Credit Policy Committee.

## Risk Management and Credit Policy Committee

The Risk Management & Credit Policy Committee (RMPC) is a committee divided into two categories, i.e. Category A and Category B with the following tasks:

### Category A

- Identify, measure and monitor risks, determine risk management policies and strategies.

### Category B

- Formulate loan policies, oversee the implementation of loan policies, monitor the progress and conditions of loan portfolios and provide suggestions for improvement measures.

## Structure and Membership of Risk Management and Credit Policy Committee

Based on Directors Decree No. KEP.DIR/68/2017 September 28, 2018 on, the structure and membership of the RMPC are as follows:

### RMPC KATEGORI A - RISK MANAGEMENT

- Chairman : Deputy President Director  
 Secretary : Group Head of Credit Portfolio Risk  
 Alternate Secretary I : Group Head of Operational Risk  
 Alternate Secretary II : Group Head of Market Risk
- a. Permanent Voting Member
1. President Director
  2. Director of Risk Management
  3. Director of Information Technology and Operation
  4. Director of Finance
  5. SEVP of Wholesale Risk
  6. SEVP of Retail Risk
- b. Non-Permanent Voting Member  
 Board of Directors Members and SEVP related materials attending as invitee.
- I. Permanent Non-Voting Member  
 Director of Compliance or Group Head Compliance or appointed Compliance Group officials must attend Committee Meeting.
- II. Contributing Non-Voting Member
- a. Group Head/equivalent to other invited Group Head related to materials serves as agenda of the Committee.
  - b. Secretary of the Committee
- III. Permanent Invitee Without Voting Rights (Invitee)
- a. SEVP of Internal Audit\*) or Group Head of Directorate of Internal Audit or Directorate of Internal Audit officials attending as permanent invitee with voting rights.
- \*) In terms of materials discussed in Committee are materials proposed by SEVP of Internal Audit, therefore SEVP of Internal Audit acts as Voting Member.
- b. Officials in the field of operational risk, namely Senior Operational Risk Head related to materials on the committee agenda attending as a permanent invitee without voting rights.

### B CATEGORY RMPC - CREDIT POLICY

- Chairman : President Director  
 Secretary : Group Head of Credit Portfolio Risk  
 Substitute Secretary (Alternate I) : Group Head of Credit Control Supervision  
 Substitute Secretary (Alternate II) : SORH Wholesale Banking
- I. Permanent Member
- a. President Director/Deputy President Director (Alternate I)/Director of Risk Management (Alternate 2).
  - b. Director of Information and Operations Technology/Group Head of Credit Operations (Alternate).
  - c. SEVP of Internal Audit/Group Head of Internal Audit (Alternate)
- II. Non-Permanent Member
- a. Director of Loan in accordance with segment of the discussion that serves as agenda of the Committee.
  - b. SEVP in the Risk field is in accordance with the segment of the discussion that serves as agenda of the Committee.
  - c. Board of Directors Members and SEVP related materials attending as invitee.
- III. Contributing Member
- a. Group Head/ equivalent to other invited Group Head related to materials serves as agenda of the Committee.
  - b. Secretary of the Committee
- IV. Permanent Invitee (Invitee)
- a. Director of Compliance or Group Head Compliance or appointed Compliance Group officials.
  - b. Officials in field of operational risk or Senior Operational Risk Head in accordance with the discussion segment.

## Description of Duties and Responsibilities of Risk Management and Credit Policy Committee

In carrying out its functions, RMPC has duties and responsibilities including:

### Category A - Risk Management

1. Monitor risk profiles and management of all risks in order to determine risk appetite, risk limits and integrated risk management strategies and capital adequacy.
2. Establish risk management frameworks and methodologies to identify, measure, and mitigate risks, including stress conditions and contingency plans.
3. Improving periodic and incidental risk management implementation as a follow up to changes in internal and external conditions that affect the capital adequacy and risk profile of the Company.
4. Discuss and determine strategic matters within the scope of risk management including risk management in Subsidiaries.
5. Establish matters related to business decisions that have special conditions (such as exceeding allocations and limits in managing loan portfolios).

### Category B - Loan Policy

1. Provide input to the Board of Directors in the preparation of Loan Policy or Bank Financing, especially those related to formulation of principle of prudence in loan.
2. Monitor and evaluate the development and quality of the loan portfolio or overall financing.
3. Supervise the implementation of Loan Policy and formulate solutions in terms of obstacles or constraints in its implementation, as well as conduct periodic reviews of Loan Policy and provide advice to the Board of Directors in the event that changes or improvements are needed.
4. Monitor and evaluate correctness of authority implementation to decide upon the credit, process of granting, development and quality of loan given to parties related to the Bank and certain large debtors.
5. Monitor and evaluate implementation correctness of provisions of Minimum Loan Limit, adherence to provisions of laws and regulations and other regulations in implementation of lending, and settlement of non-performing loans in accordance with stipulated in loan policy.
6. Ensure and evaluate the Bank's efforts to meet the adequacy of the amount of allowance for losses on credit.
7. Deliver periodic written reports and provide suggestions for corrective measurements to the Board of Directors with copies to the Board of Commissioners regarding results of supervision of implementation and administration of loan policies and the results of monitoring and evaluation of concerned matters

## Implementation of Risk Management and Credit Policy Committee Task

Throughout the year 2018, RMPC has held 1 (one) meeting with discussed topics as follows:

No.	Date	Meeting Agenda	Quorum of Attendance (%)
1.	17 Oktober 2018	Individual and Consolidated Risk Assessment Quarter III-2018.	100

## Risk Management and Credit Policy Committee Work Plan For 2019

In 2019, RMPC has set a work plan that will be discussed through a meeting at least 2 (two) times in one year. The work plan for RMPC in 2019 includes:

1. Monitor risk profiles and management of all risks in order to establish risk appetite, risk limits and strategies integrated risk management and capital adequacy.
2. Monitor and evaluate the development and quality of the overall credit or financing portfolio.



## Credit Committee/Credit Committee Meeting (RKK)

Credit Committee/Credit Committee Meeting (RKK) is a committee that is assigned in assisting Board of Directors in determining the provisions of loans (covering new loans, additional loans, decreasing of loans, and or loan extension) managed by the Business Unit according to limits of authority, including stipulation/change of loan structure.

Since the establishment of Bank Mandiri a Credit Committee has been implemented which consists of functions of Business Unit and Risk Unit and have been refined for several times but in 2005 a fundamentally revamped process of lending was carried out in order to guarantee more prudent and appropriate loan on the best practice risk management as well as to reinforce the implementation of GCG principles. Every loan approval in wholesale segment must be carried out through a discussion in forum of Loan Committee Meeting as a means of implementing a four-eyes principle as well as a check and balance process between Business Unit as an Initiator unit with Credit Risk Management as a Risk Mitigation Unit.

In Credit Committee, Legal Group and Compliance Group must also be present to provide legal and compliance opinions in order to strengthen the aspects of independence, to avoid dominance of one working unit, and to avoid conflict of interest and to ensure an objective and pressure-free decision making. One of functions performed by Credit Committee members is credit recovery function that is the Restructuring Credit Committee.

### Structure and Membership of Credit Committee

Credit Committee was formed as the last time presented in the Directors Decree No. KEP.DIR/52/2016 dated July 30, 2018 about Executive Committee. While the composition of Credit Committee members is regulated by referring to the Four Eyes Principles (balanced composition between holders of business authority and holders of credit risk authority). The committee secretary are Group Head of Large Corporate Risk and Group Head of Middle Corporate Risk.

### Duty Description and Responsibility of Credit Committee

In carrying out its functions, the Credit Committee has

the duties and responsibilities as stipulated in Credit Procedure Standard per segment as follows:

1. Credit Committee  
Credit Committee has an authority to recommend and/or decide upon the granting of loan (new, additional, decrease, and/or restructuring) managed by Business Unit within the limits of authority, including the determination/alteration of the loan structure. credit structure included but not limited to credit limit, financing object/purpose, type of credit, nature of credit, credit period, grace period, financing portion credit/covenant terms and loan collateral.
2. Credit Committee - Restructuring  
Credit Committee - Restructuring has an authority to recommend and/or decide upon the authority over:
  - a. Restructuring and loan settlement of collectability 3, 4, 5 and collectability 1 and 2 post-restructuring that is still managed by Credit Recovery Unit.
  - b. Restructuring loan collectability 1 and 2 in watch list category.
  - c. Rescue/settlement of off balance credit including decide the foreclosed assets.
  - d. Write off and debt-cancelling of credit.
3. Credit Committee/Credit Committee-Restructuring is responsible for loan that is recommended and/or decided according to the authority limit including the determination/alteration of credit structure as mentioned above by conducting these following things:
  - a. Ensuring that each loan given meets the general banking norms and is in accordance with a healthy credit principles.
  - b. Ensuring the implementation of credit is in accordance with basic provisions/guidelines for applicable credit grant in Bank.
  - c. Ensuring that the credit grant has been based on an honest, objective, meticulous and thorough assessment regardless any influence of parties interested in the credit applicant.
  - d. Convinced that the credit that will be granted can be repaid in time, and will not develop into non-performing loan.

### Implementation of Credit Committee Duties

Throughout 2018, the Credit Committee has held a meeting of 441 (four hundred and four) twenty-one times for the Large Corporate segment and 503 (five hundred and three) times for the Middle Corporate segment, with the following frequency:

**Segmen Corporate-Large Corporate**

Month	Number of Meetings	Month	Number of Meetings	Month	Number of Meetings
January	7	May	69	September	2
February	21	June	41	October	31
March	42	July	32	November	67
April	46	August	35	December	31
<b>Total</b>				<b>441</b>	

**Segmen Corporate-Middle Corporate**

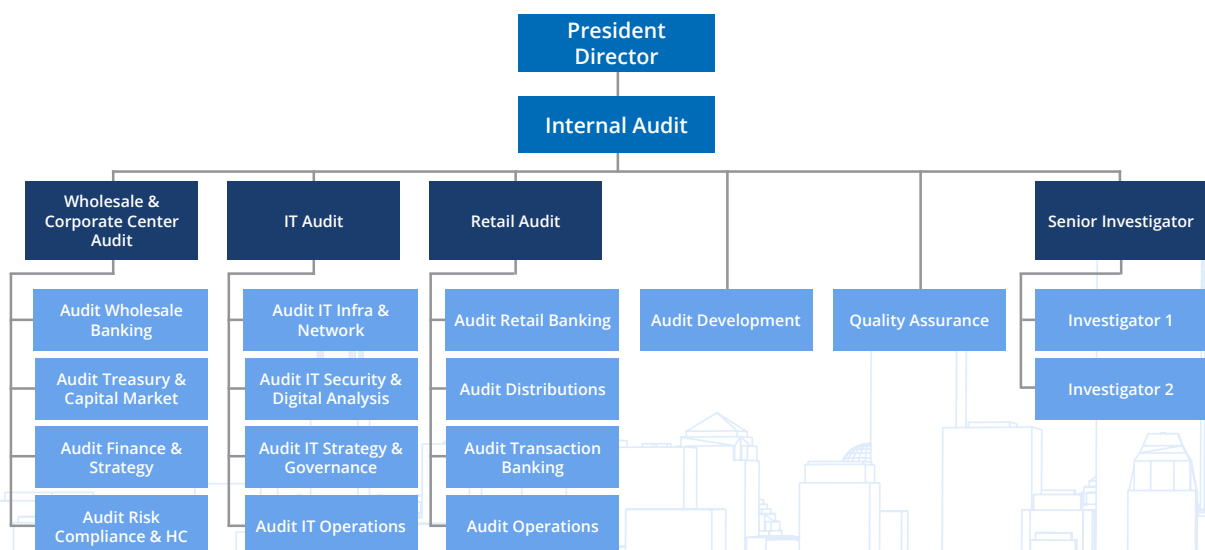
Month	Number of Meetings	Month	Number of Meetings	Month	Number of Meetings
January	21	May	64	September	64
February	31	June	48	October	45
March	51	July	35	November	45
April	35	August	46	December	18
<b>Total</b>				<b>503</b>	

**Credit Committee Work Plan For 2019**

In 2019, Credit Committee has established a work plan that will be discussed through a meeting. The Credit Committee work plan in 2019, among others, recommending and/or breaking credit (new, additional, decreasing, and/or extension) managed by the Business Unit according to the limits of authority, including stipulation/change credit structure

**Internal Audit**

Holding a role as the Third line of defence, Bank Mandiri's Internal Audit ensures that Internal control in each line of defence is getting stronger and more mature. Therefore, Internal Audit continues to innovate in the use of audit methodologies and tools so that audits are more effective and efficient.

**Organizational Structure and Chairman of Internal Audit**

## Position of The Internal Audit In The Organizational Structure

At Bank Mandiri, Internal Audit is directly responsible to the President Director and can communicate with the Board of Commissioners through the Audit Committee. Since November 1, 2017, Internal Audit possesses 4 (four) Working Units whose work is adjusted to Bank Mandiri's business strategy, i.e. Wholesale & Corporate Centre Audit Group, Retail Audit Group, IT Audit Group and Senior Investigator. In addition, Internal Audit also has 2 (two) Departments that are directly responsible to the Senior Executive Vice President/Chief Audit Executive, i.e. the Audit Development Department and Quality Assurance Department.

## Profile of Head of Internal Audit



Age	53 years old
Nationality	Indonesia
Domicile	Depok
Education	Bachelor Degree in Agricultural Industrial Engineering from Institut Pertanian Bogor (1988).
Certification	Level 5 Risk Management Certification
Employment History	<ul style="list-style-type: none"> <li>Senior Executive Vice President/SEVP Internal Audit (2015 – present).</li> <li>Group Head of Human Capital and Services (2014-2015).</li> <li>Group Head of Procurement and Fixed Asset (2010-2014).</li> <li>Group Head of Compliance (2006-2010).</li> </ul>
Basis of Appointment	Since 2015 he has served as Senior Executive Vice President/SEVP Internal Audit based on Directors Decree No. KEP.DIR/095/2015 dated March 26, 2015.

## Appointing and Dismising Parties of The Head of Internal Audit

The Chief Audit Executive is appointed and dismissed and is responsible directly to the President Director with the approval of the Board of Commissioners or the Audit Committee and subsequently reported to the Financial Services Authority. The appointment of the Company's Chief Audit Executive has been reported to the Financial Services Authority through a letter dated April 14, 2015.

## Internal Audit Charter

Internal Audit possesses an Internal Audit Charter which was approved by the President Director as well as the President Commissioner of Bank Mandiri and was last updated on December 17, 2015. The Internal Audit Charter provides guidance on the purpose, position, authority, responsibility and scope of the internal audit work. The position, authority and responsibility formally stated in the Internal Audit Charter are in accordance with Bank Indonesia Regulations concerning the application of the Internal Bank Audit Function Implementation Standard (SPFIB), Decree of the Chairperson of the Capital Market Supervisory Agency, Financial Institutions on the Establishment and Guidelines for Preparation of the Internal Audit Unit Charter as well as best practices that refer to the standards of the International Professional Practice Framework (IPPF) by The Institute of Internal Auditors (IIA).

## Duties and Responsibilities of Internal Audit

In carrying out its functions, the duties and responsibilities of Internal Audit include the following:

1. Plan and implement internal audit activities with emphasis on fields/activities that have high risk and evaluate existing procedures/control systems to gain conviction that the Company's goals and objectives are able to be achieved optimally and sustainably.
2. Implement measures in order to explore information (investigation), report, and submit recommendations/conclusions on fraud to Management.
3. Develop and run programs to evaluate and improve the quality of Internal Audit.
4. Provide recommendations on results of the audit and monitor the follow-up of the results of internal audit activities and investigative activities.



5. Cooperate with the Audit Committee in carrying out the monitoring function.
6. Coordinate its activities with external audit activities and other assurance provider units/functions so that comprehensive and optimal audit results are able to be achieved. Coordination can be done, among others, through periodic meetings to discuss matters that are considered important for both parties.
7. Communicate directly with the President Director, the Board of Commissioners, and/or the Audit Committee and the Integrated Governance Committee.

### Authority of Internal Audit

The authority possessed by Internal Audit includes the following:

1. Conduct internal audit activities on the activities of all work units in the organization of the Company and Subsidiaries and their affiliates in accordance with applicable regulations.
2. Conduct direct communication with the President Director, the Board of Commissioners, and/or the Audit Committee.
3. Communicate with external parties including regulators.
4. Hold regular and incidental meetings with the President Director, the Board of Commissioners, and/or the Audit Committee.
5. Access all information, records, employees, and including but not limited to employee accounts and records and other matters that are deemed necessary to be related to their duties and functions.
6. Conduct investigative activities on cases/problems in every aspect and element of activities indicated by fraud and violation of code of conduct in the organization of Company, Subsidiaries and affiliates in accordance with applicable regulations.

### Composition of Internal Audit Personnel

In carrying out its duties, the Company's Internal Audit is supported by competent Resources and possessing adequate qualifications. The total composition of Internal Audit personnel is as follows.

**Table of Composition of Internal Audit Personnel for 2018**

Position	Number of Employees
SEVP/Chief Audit Executive	1
Chief Auditor	3
Senior Investigator Head	1
Audit Manager	10
Investigator Head	2
Department Head	3
Specialist	5
Lead Auditor	16
Lead Investigator	2
Team Leader	2
Section Head	1
Investigator	2
Senior Auditor	22
Auditor	28
Junior Investigator	3
Officer	4
Supporting	7
<b>Total</b>	<b>112</b>

## Professional Certification of Internal Audit

Internal Audit always strives to provide sustainable education for all its personnel to meet adequate qualifications and competencies. The provided education is in the form of certified professional education both nationally and internationally, attachment programs and training at home and abroad. The professional certification held by Internal Audit Personnel until 2018 can be seen in the table below.

**Table of National Professional Certification in 2018**

Certification	Number of Employees
Qualified Internal Auditor - Basic	9
Qualified Internal Auditor - Advanced	19
Qualified Internal Auditor - Managerial	17
Banking Professional Certification Institute - Auditor	10
Banking Professional Certification Institute - Supervisor	26
Banking Professional Certification Institute - Manager	1
General Banking	8
Assessor	1
Certified Public Accountant (CPA Ind.)	1
Level I Risk Management Certificate	93
Level II Risk Management Certificate	58
Level III Risk Management Certificate	18
Level IV Risk Management Certificate	4
Chartered Accountant	8
<b>Total</b>	<b>273</b>

**Table of International Professional Certification in 2018**

Certification	Number of Employees
Certified Fraud Examiner	12
Certified Bank Auditor	1
Certified Information System Auditor	9
Certified Financial Services Auditor	1
Certified Internal Auditor	2
International Register of Certificated Auditor	1
Certification in Risk Management Assurance	1
<b>Total</b>	<b>27</b>

## Participation In Internal Audit Professional Association

In order to broaden the horizons and professional competencies of internal auditors, Internal Audit has participated in internal audit professional associations including:

Name of Activity/Organization	Position	Time
Association of Bank Internal Auditor (IAIB)	SEVP Internal Audit as the Chairman of Supervisory Board	2017-2020
	One of Department Head (DH) Internal Audit as Education Sector Administrator	2017-2020

In 2018, several institutions benchmarked Bank Mandiri Internal Audit. List of Institutions benchmarking is as follows.

No.	Benchmarking Date	Institution	Focus of Discussion
1.	April 2, 2018	Bank DKI	Audit and Investigation Plans.
2.	May 24, 2018	Bank Central Asia	Audit Management Information System.
3.	July 5, 2018	PT Pelindo II	Governance of Internal Audit & Subsidiaries and Internal Audit Tools
4.	July 23, 2018	Bank Pembangunan Daerah Sumatera Utara	Provisions for Internal Audit and Anti Fraud Strategies
5.	July 24, 2018	Badan Pemeriksa Keuangan DKI Jakarta	Audit Treasury
6.	August 9, 2018	Bank Syariah Mandiri	Anti Fraud Strategy



No.	Benchmarking Date	Institution	Focus of Discussion
7.	August 28, 2018	PT Taspen (Persero)	Integrated Internal Audit Work Unit
8.	September 22, 2018	Mandiri Inhealth	Anti Fraud Strategy
9.	October 26, 2018	Bank Negara Indonesia	Anti Fraud Strategy
10.	November 19, 2018	Bank Rakyat Indonesia	Development of Internal Audit Competence

## Code of Ethics For Auditor

In carrying out the duties and responsibilities the Internal Auditors of Bank Mandiri are required to be professional and obey the established code of ethics. The Bank Mandiri Internal Auditor's code of ethics is as follows:

### 1. Integrity

Internal Auditors possess integrity by building trust which is the basis for making reliable judgments.

### 2. Objectivity

The Internal Auditor shows high objectivity in accordance with professional standards in collecting, evaluating and communicating information about the activities or processes being examined. In addition, the Internal Auditor conducts balanced judgments by paying attention to all relevant conditions and not influenced by personal or other people's interests.

### 3. Confidentiality

The Internal Auditor respects the value and ownership of the received information and does not disclose the information without authorized authorization unless there is a legal or professional obligation to disclose the information.

### 4. Competency

The Internal Auditor uses knowledge, skill and experience required to carry out the audit duties.

Internal audit activities must be carried out with professional skills and expertise that is having the knowledge, skills and other competencies needed to perform their responsibilities.

Internal Audit activities must be carried out with professional expertise and expertise, that is having knowledge, other skills and competencies needed to carry out their responsibilities.

## Development of Internal Audit Competency

Development of Internal Audit competency can be seen in the Company Profile Chapter of This Annual Report.

## Information System of Internal Audit

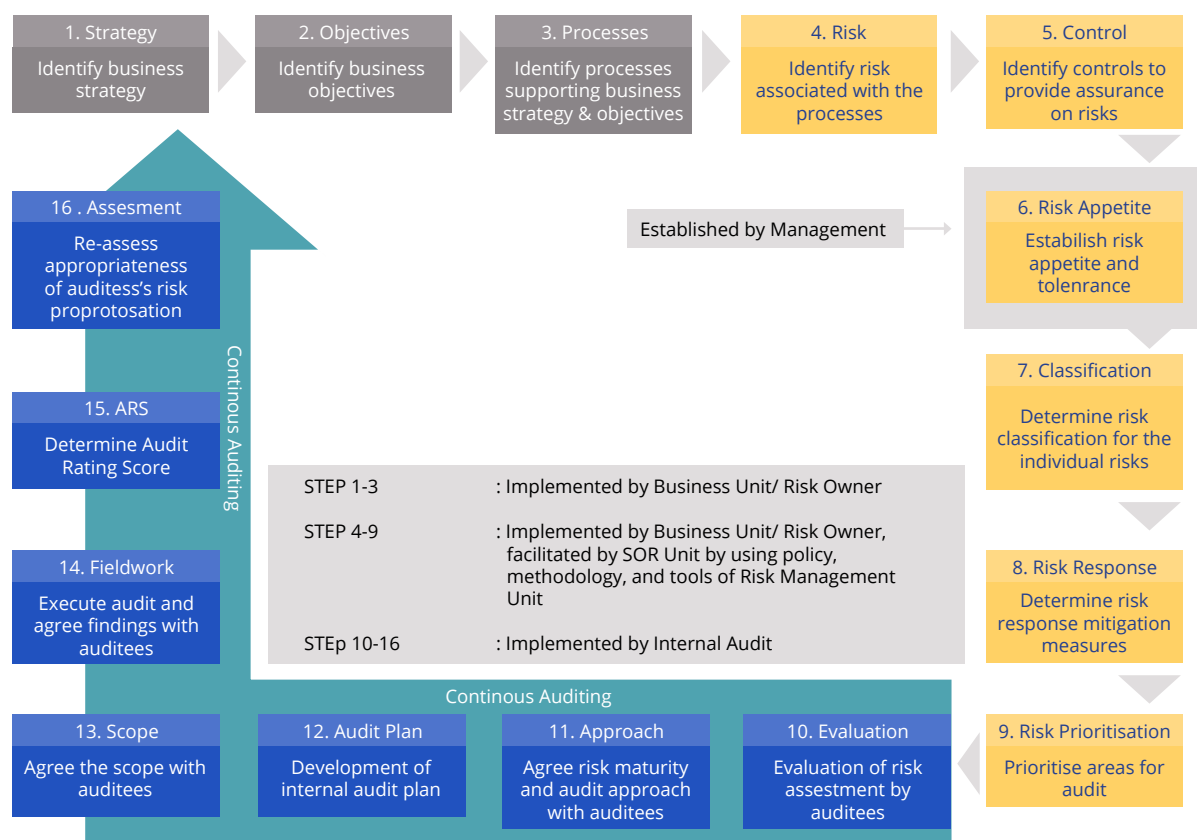
To improve the audit effectiveness and to provide the whole picture to the Management related to the implementation of the audit, the audit activities which consist of the planning, implementation, reporting and monitoring phases are carried out using an application called as Audit Management Information System. The Audit Management Information System (SIMA) application has been utilized since April 26, 2013 and continues to improve its performance, and in 2018 SIMA has been updated to 4.5 version.

## Audit Method

Internal Audit applies a risk-based audit methodology in performing internal audit activities by focusing on high-risk areas. The application of this methodology is in accordance with the needs of the Company, Regulator provisions and best practices. The application of a risk based audit methodology requires good cooperation between Internal Audit and the Operational Risk Management Work Unit and the Client. The following is the grand design of the application of the risk based audit at Bank Mandiri:



The following is the grand design of the application of the risk based audit at Bank Mandiri:

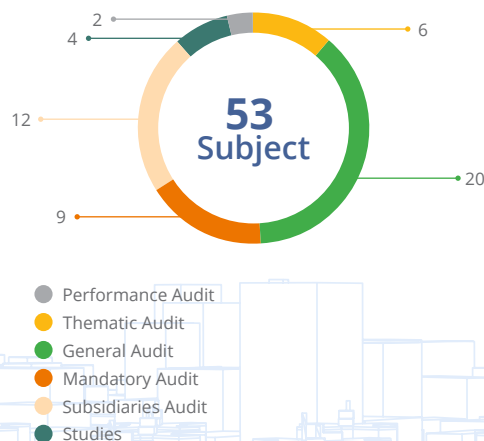


## Working Program of Internal Audit

In 2018 Internal Audit has compiled an audit plan of 54 (fifty four) assignment subjects consisting of Thematic Audit, General Audit, Mandatory Audit, Subsidiary Audit, Study, and Performance Audit. The assignments were implemented by three working units in Internal Audit, namely the Wholesale & Corporate Centre Audit Group, the Retail Audit Group, and the IT Audit Group. The details of the assignment subjects can be seen in the following table and graph.

Audit	Wholesale & Corp Center Audit Group	Retail Audit Group	IT Audit Group	Total
Thematic	1	3	3	7
General	10	4	7	21
Mandatory	3	1	5	9
Subsidiaries	11	0	0	11
Studies	2	0	2	4
Performance	1	1	0	2
<b>Total</b>	<b>28</b>	<b>9</b>	<b>17</b>	<b>54</b>

In the current year there is a revised Annual Audit Plan (AAP) that adapts to the risks and business development of Bank Mandiri. There is a change in audit subject to 53 (fifty three) subjects with the following details.



## The Implementation of Audit Activities In 2018

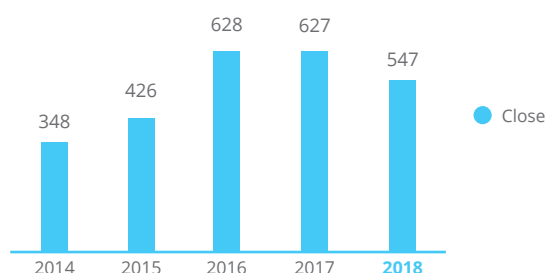
The development of a fairly dynamic internal audit methodology has encouraged Bank Mandiri's Internal Audit work units to be more responsive/responsive and proactive. With this change, the initially static audit plan became more dynamic, adjusting to the conditions and needs of Bank Mandiri. As for the year 2018, an audit activity has been carried out based on the audit plan that has been prepared in advance so that the results of the audit will be followed up and made into one of the ingredients to make continuous improvements at Bank Mandiri. The implementation of the audit activity in 2018 is as follows.



## Findings and Follow Up of Audit Results

The number of findings and follow-up results of internal audit during 2018 can be seen in the following graph:

Years	Outstanding	Closed	Total
2018	0	547	547
2017	0	627	627
2016	0	628	628
2015	0	426	426
2014	0	348	348



**All findings in 2018 have been followed up by Internal Audit.**

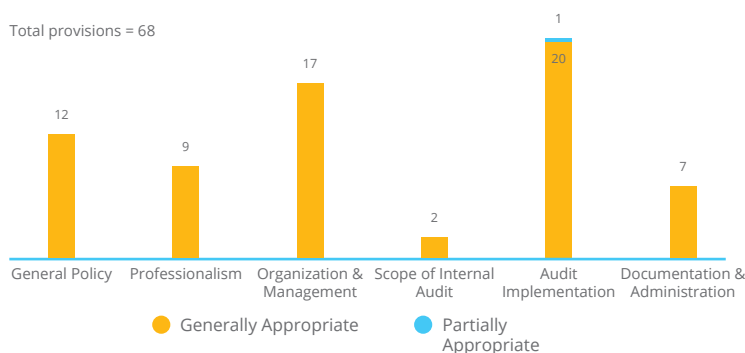
## Evaluation of Internal Audit In 2018

To make improvements in the following year, an evaluation of Internal Audit implementation is required throughout the year. There are several standards adopted by the Company in the implementation of Internal Audit to improve the effectiveness of its activities, which for the evaluation process, the Company is assisted by an Independent Consultant.

### Standard For Implementation of Bank Internal Audit Functions

One of the standards used as a reference/guideline in the implementation of Internal Audit in Indonesia is the Standard for Implementation of the Bank's Internal Audit Function as determined by Bank Indonesia. There are several indicators evaluated to find out whether the implementation of the Company's Internal Audit is in accordance with Standard for Implementation of the Bank's Internal Audit Function, namely General Policy, Professionalism,

Organization & Management, Scope of Internal Audit, Audit Implementation, and Documentation & Administration. As for 2018, the results show that in general the implementation of Bank Mandiri Internal Audit is in line (Generally Comply) with Standard for Implementation of the Bank's Internal Audit Function.

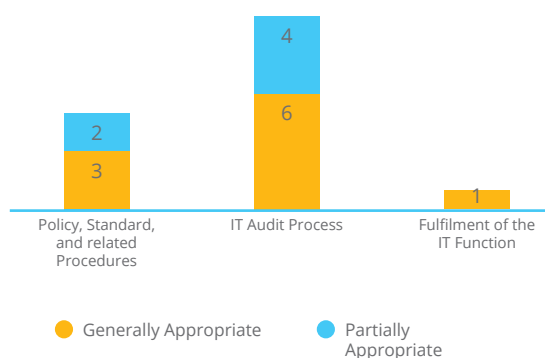


In accordance with the provisions of Standard for Implementation of the Bank's Internal Audit Function related to report material, the Audit Results Report must include commitments to the implementation of follow-up actions on the results of the previous audit (DMTL). However, out of a total of 21 Audit Result Reports that have been prepared, there is still 1 (one) Audit Result Report that still has not included commitments to the implementation of follow-up actions on the results of the previous audit (DMTL). Based on this, improvements must be made to the following year reports, one of them is by increasing discipline in the preparation of Audit Results Reports so that all of them include commitments to the implementation of follow-up actions on the results of the previous audit (DMTL).

### Financial Services Authority's Regulation and Circular Letter and Regulations

In addition to evaluating the suitability of Internal Audit practices with Standard for Implementation of the Bank's Internal Audit Function, a conformity evaluation of the implementation of Internal Audit was also carried out, especially IT Audit on the provisions stipulated in Financial Services Authority Regulation No. 38/POJK.03/2016 concerning the Application of Risk Management in the Use of Information Technology by Commercial Banks and Financial Services Authority's Circulating Letter No. 21/SEOJK.03/2017 concerning the Implementation of Risk Management in the Use of Information Technology by Commercial Banks which aims to improve Bank Mandiri's IT Audit working processes.

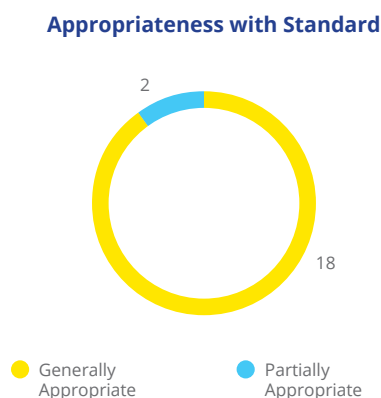
Total Provisions = 16



Based on the evaluation that has been conducted, the results show that in general the implementation of Bank Mandiri's IT Audit during 2018 is in accordance (Generally Comply) with Financial Services Authority Regulation No. 38/POJK.03/2016 and Financial Services Authority's Circulating Letter No. 21/SEOJK.03/2017. The aspects that need to be upgraded and improved are aspects of Policy, Standards, Procedures, and Priorities related to IT Audit.

## The International Standards for The Professional Practice of Internal Auditing

Evaluation of the implementation of Internal Audit conducted by Independent Consultants also includes conformity assessment of The International Standards for the Professional Practice of Internal Auditing (ISPPIA) as determined by The Institute of Internal Auditors (IIA). As for 2018, the results show that in general the implementation of Bank Mandiri Internal Audit was in accordance (Generally Comply) with ISPPIA, where 18 out of the 20 indicators/aspects in general are appropriate and 2 (two) aspects are partially appropriate.



## Governance Implementation In Giving Remuneration

Bank Mandiri has implemented a remuneration governance policy based on Financial Services Authority Regulation No. 45/POJK.03/2015 concerning Implementation of Governance in the Provision of Remuneration for Commercial Banks. Remuneration is a reward determined and given to the Board of Commissioners, Directors and/or Employees, both permanent and non-permanent in the form of cash and non-cash in accordance with their duties, authority and responsibilities. The implementation of governance in the provision of Remuneration aims to encourage prudent risk taking, so the sustainability of Bank Mandiri's business can be maintained.

### Remuneration and Nomination Committee

The Board of Commissioners has formed a Remuneration and Nomination Committee which aims to assist in carrying out its functions and duties in the fields related to remuneration and nominations for members of the Board of Directors and Board of Commissioners. One of the tasks of the Remuneration and Nomination Committee is to create a remuneration system for the Board of Commissioners and Directors that will be part of the guidelines for corporate governance policies and will be the basis for the Board of Commissioners and GMS in

determining the remuneration of members of the Board of Commissioners and/or members of the Board of Directors.

The description regarding the Remuneration and Nomination Committee has been explained in the Remuneration and Nomination Committee section of the Corporate Governance Chapter in this Annual Report.

### Process for Preparation of Remuneration Policy

Remuneration policy was one of the important factors in obtaining and/or maintaining employees, executive officers, Directors and Board of Commissioners who were competent and qualified. Remuneration policy was Bank Mandiri's strategy in providing rewards adjusted to the ability of Bank Mandiri to be able to accommodate changes in employee demographics, to have management of labor costs, and to encourage the achievement of Bank Mandiri's business objectives.

Bank Mandiri's remuneration was prepared with the aim of being able to attract, maintain, motivate, and increase the commitment of employees to continuously provide optimal performance as well as to support Bank Mandiri's vision, mission and strategy.

The preparation of Bank Mandiri's remuneration policy considered several aspects, namely:

1. Financial performance and reserve fulfilment as stipulated in the applicable laws and regulations.

2. Remuneration that is adjusted to the industry in accordance with the Company's business activities and the scale of the company's business in the industry.
3. The duties, responsibilities and authorities of members of the Board of Directors and members of the Board of Commissioners related to the achievement of the Company's goals and performance.
4. Target performance or performance of each member of the Board of Directors and/or members of the Board of Commissioners in order to achieve equality between the work results and the benefits received.
5. Balance between permanent and variable benefits.
6. Consideration of the Bank's Long-term goals and strategies

## Coverage of Remuneration Policy and Its Implementation

Based on Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Implementation of Governance in the Provision of Remuneration for Commercial Banks, Bank Mandiri has already had a Remuneration Policy which was ratified through a Joint Decree of the Board of Commissioners and Directors dated March 20, 2018. The remuneration policy applied at this time still regulated remuneration The Board of Commissioners and the Board of Directors. In further, the application to employees at certain levels will be determined as material risk takers. Determination of risk taker material will be carried out by using a qualitative and quantitative approach.

In determining the remuneration of employees, Executive Officers, Directors and Board of Commissioners, the Remuneration and Nomination Committee considered several things, including:

1. Results of benchmarking remuneration of employees, executive officers, members of the Board of Directors and members of the Board of Commissioners with similar industries (peer group).
2. The size and complexity of the company's operations.
3. Remuneration consisted of salary/honorarium and benefits that could be standardized, namely Annual Holiday Allowance (*THR*), Home Service, Vehicle Service, Health and Utilities Facilities and other benefits. Whereas remuneration based on performance was a bonus/incentive for employees and bonuses for the Board of Directors and Board of Commissioners.

## Remuneration Related To The Risk

In providing remuneration, Bank Mandiri considered the principles of prudence which aimed to encourage

prudent risk taking in order to maintain the sustainability of Bank Mandiri's business. Bank Mandiri determined the method of measuring performance and type of risk in determining the Variable Remuneration according to the scale and complexity of Bank Mandiri's business activities. In determining Bank Mandiri's remuneration policy, Bank Mandiri considered the types, criteria, impacts and changes in determining the main types of risk in determining remuneration.

## Performance Measurement Related To Remuneration

In providing remuneration, Bank Mandiri conducted performance measurements related to remuneration including a review of remuneration policies associated with performance appraisal, methods for linking individual remuneration with Bank Mandiri's performance, work unit performance and individual performance and methods used by Bank Mandiri to state that agreed key performance indicators cannot be achieved, so there should be adjustments to remuneration and the amount of remuneration adjustments if these conditions occur. The implementation of the remuneration strategy was also carried out by considering the performance of each individual employee (based on performance), the performance of the work unit and the performance of Bank Mandiri as a whole, but still within the stipulated budget.

## Determination of Remuneration Related To Performance and Risk

Bank Mandiri provided variable remuneration, namely remuneration associated with performance and risk, including bonuses, *tantiem*/performance incentives or other similar forms. Remuneration in the form of bonuses and incentives can be given in the form of cash, shares or stock-based instruments issued by Bank Mandiri with special provisions for the interests of the Board of Commissioners given in cash to avoid any element of conflict of interest in carrying out supervision.

## External Consultants Services

To determine Bank Mandiri's remuneration position on market conditions, every year Bank Mandiri participates in the Annual Salary Survey organized by independent and competent third parties. The results of the study from the survey were used as a basis in adjusting Bank Mandiri's remuneration strategy.

## Remuneration and Facilities of The Board of Commissioners and Directors

The remuneration and facilities obtained by the Board of Commissioners and Directors have been explained respectively in the Board of Commissioners Remuneration Policy section and the Board of Directors Remuneration Policy in the Corporate Governance Chapter of this Annual Report.

### Variable Remuneration

Bank Mandiri provided variable compensation including Location Allowances, Specific Position Allowances, Appearance Allowances for front-liner employees, Overtime Compensation, Performance achievement Bonuses, Sales incentives, retention programs and Long Term Incentive programs in the form of shares. Variable remuneration was given in the form of shares of Bank Mandiri for Non-Independent members of the Board of Directors and Board of Commissioners and in the form of cash for members of the Independent Board of Commissioners with the provisions of Financial Services Authority Regulation No. 45/POJK.03/2015.

### Number of Variable Remuneration To Directors, Board of Commissioners and Employees

The number of Directors, Board of Commissioners and Employees who received variable remuneration for 1 (one) year and total nominal are as follows.

Variable Remuneration	Numbers in One Year					
	Directors		Board of Commissioners		Employee	
	People	IDR Million	People	IDR Million	People	IDR Million
Total	11	16.608.75	11	5.102.12	-	-

### Position and Number of Parties That Become Risk Takers Materials

All members of the Board of Commissioners and Directors of Bank Mandiri were material risk takers. Members of the Board of Directors and members of the Board of Commissioners serving during the 2017 financial year were 22 (twenty two) people.

### Share Option

Bank Mandiri did not issue share option programs for Directors, Board of Commissioners or employees throughout 2018.

### Highest and Lowest Salary Ratio

Bank Mandiri always complies with all applicable rules regarding remuneration to employees. The amount of remuneration provided has been adjusted to the applicable provisions and was above the Minimum Wage standard applicable in the operational area of Bank Mandiri. In implementing remuneration governance, Bank Mandiri always strives to maintain a gap in the salary ratio of all employees so that there is no too high difference.

In detail, information regarding the ratio of the highest and lowest salaries has been explained in the Corporate Social Responsibility Chapter in this Annual Report.



## Number of Recipients and Amount of Guaranteed Unconditional Variable Total Remuneration

During 2018, there were no recipients, and the total amount of variable remuneration guaranteed without conditions will be given by Bank Mandiri to prospective Directors, candidates for the Board of Commissioners, and/or prospective employees for the first year of work as referred to in Article 21 Financial Services Authority Regulation No. 45/POJK.03/2015.

## Number of Employees With Work Termination

Severance pay amount paid per person in 1 (one) year	Number of employees (people)
Above IDR1 billion	11
Above IDR500 million - IDR1 billion	23
Under IDR500 million	1,772

## Total Amount of Suspended Variable Remuneration

The total amount of suspended variable remuneration consisted of cash and/or shares or stock-based instruments issued by Bank Mandiri as follows:

- Shares totalling 2,813,600 shares.
- Cash for a total of IDR 2,556,899,560 after tax.

## Deferred Variable Total Remuneration Amount Paid For One Year

During 2018, there was no deferred variable Remuneration paid.

## Amount of Remuneration Provided In One Year

The amount of remuneration provided in one year for the Board of Commissioners and Directors in detail can be seen in the Board of Commissioners Remuneration Policy section and the Board of Directors Remuneration Policy in the Corporate Governance Chapter of this Annual Report.

## Quantitative Information

Quantitative information covers:

- The total remaining Remuneration that is still suspended either exposed to implicit or explicit adjustments.
- Total reduction in remuneration caused by explicit adjustments during the reporting period.
- Total reduction in remuneration due to implicit adjustments during the reporting period.

As expalined in the table below:

Types of Variable Remuneration	Remaining Suspended	Total Reduction During the Report Period		
		Caused by Explicit Adjustment (A)	Caused by Explicit Adjustment (B)	Total (A) + (B)
1. Cash (in million IDR)	IDR 2,556.89 million	-	-	-
2. Stock-based Shares/Instruments issued by the Bank. (in shares and nominal million IDR which is a conversion from the share)	2,813,600 shares with a nominal value of IDR 19,153.98 million	-	-	-



## Public Accountant

Based on Financial Services Authority Regulation No. 32/POJK.03/2016 concerning changes to No. 6/POJK.03/2015 concerning Transparency and Publication of Bank Reports, audits of the Company's Financial Statements for the 2017 fiscal year have been conducted by independent, competent, professional and objective public accountants in accordance with the Public Accountants Professional Standards, as well as work agreements and audit scope which have been set.

To make audit process to be in accordance with the Professional Standards of the Accountant and the scope of the audit that has been established and completed on time, meetings are routinely conducted discussing several significant important issues. The Company always strives to improve communication among the Public Accountant, Audit Committee and Management of the Company to be able to minimize the obstacles that occur during the audit process.

## Implementation of The External Audit Function

The External Audit Function is implemented through the implementation of the Company's Financial Report Audit by AP and KAP, in order to ensure that the financial information is compiled and presented in a quality manner, form and express opinions on the fairness of the Company's Financial Statements and test internal controls (internal control review), including retesting of matters that have been tested by Internal Audit and make observations of procedures performed by Internal Audit.

## Appointment of Public Accountant

Appointment of KAP Purwantono, Sungkoro and Surja as External Auditors auditing PT Bank Mandiri (Persero) Tbk.'s Consolidated Financial Statements and Subsidiaries of PT Bank Mandiri (Persero) Tbk.'s Partnership and Community Development Program Financial Statements, PT Bank Mandiri (Persero) Tbk.'s Financial Statements and Retirement Fund Investment of Financial Institution as well as the Procedures Agreed on December 31, 2018 and for the Year Ended on the Date determined at the Annual GMS on March 21, 2018 by referring to Financial Services Authority provisions and other related provisions. 2018 fiscal year, is the fourth audit year period for KAP Purwantono, Sungkoro & Surja.

The chronology of the process of determining the External Auditor Financial Statements for the 2018 Fiscal Year is as follows:

1. The Board of Commissioners proposes a request to the Board of Directors to elect the KAP which will be designated as the External Auditor for Financial Statements for the 2018 Fiscal Year.
2. The Board of Directors conducts the procurement process in the context of selecting KAP as External Auditor for Financial Statements for Book Year of 2018 based on the request of the Board of Commissioners, starting with the stage of establishing a Procurement Team until evaluating the technical and financial aspects of the Bidder's of KAP proposal and submitting the results to the Board of Commissioners through Audit Committee.
3. Based on the results of the procurement, the Audit Committee prepares and submits recommendations for the appointment of the AP and/or KAP to the Board of Commissioners.

4. The Board of Commissioners submits the proposed appointment of the AP and/or KAP to the Annual GMS by taking into account the recommendations of the Audit Committee.
5. The Annual General Meeting of Shareholders on March 21, 2018, decided to establish KAP Purwantono, Sungkoro & Surja as KAP that will audit the Financial Statements for 2018, including authorizing the Board of Commissioners to determine the honorarium and other requirements for the KAP, as well as establishing a replacement KAP Purwantono, Sungkoro & Surja, for any reason cannot complete the Financial Report of 2018 Fiscal Year.
6. Bank Mandiri submits a letter to the KAP of Procurement Participant regarding the results of the Annual GMS decision which stipulates KAP Purwantono, Sungkoro & Surja as KAP that will audit the Financial Statements 2018 Fiscal Year.

Bank Mandiri applies the principles of Professional Ethics in carrying out the determination of External Auditors, namely:

1. Professional responsibility;
2. Public interests;
3. Integrity
4. Objectivity
5. Professional competence and prudence;
6. Confidentiality
7. Professional behaviour;
8. Technical standard.

## Public Accountant Firm, Name of Accountant and Fee

Based on Article 6 of Financial Services Authority Regulation No. 6/POJK.03/2015/2015 concerning Transparency and Publication of Bank Reports, has been stipulated that the Financial Statements of the final position of December announced on a quarter and annual basis must be audited by a Public Accountant registered with the Financial Services Authority.

Fee for services provided by Purwantono, Sungkoro & Surja KAP for fiscal year 2018 worth IDR11,990,000,000 (including OPE and VAT) consisting of Audit fees for Financial Statements worth IDR10,749,935,000 (including OPE and VAT) and the remainder valued at IDR1,240,065,000 (including OPE and VAT) for other service fees provided.

In addition, in 2018, there were Limited Services assignments to review the July 2018 Consolidated Financial Statements order to diversify Bank Mantap shares from Bank Mandiri to Taspen in the amount of IDR2,750,000,000 (including OPE and VAT).

The following is the chronology of the AP and KAP assignments that have audited the Financial Statement of Bank Mandiri at 2010-2018 fiscal year as follows:

Year	Public accounting firm	Accountant Name (Signing Partner)	KAP Period	AP Period	Fee *) (In thousand IDR)	KAP license
2018	Purwantono, Sungkoro & Surja (EY)	Benyanto Suherman	4	1	11,990,000	603/KM.1/2015
2017	Purwantono, Sungkoro & Surja (EY)	Danil Setiadi Handaja		3	10,000,000	603/KM.1/2015
2016	Purwantono, Sungkoro & Surja (EY)	Danil Setiadi Handaja			7,850,000	603/KM.1/2015
2015	Purwantono, Sungkoro & Surja (EY)	Danil Setiadi Handaja			7,330,000	603/KM.1/2015
2014	KAP Tanudiredja, Wibisana & Rekan (PwC)	Haryanto Sahari	5	2	8,300,000	151/KM.1/2010
2013	KAP Tanudiredja, Wibisana & Rekan (PwC)	Haryanto Sahari			9,975,000	151/KM.1/2010
2012	KAP Tanudiredja, Wibisana & Rekan (PwC)	Lucy Luciana Suhenda		1	9,500,000	151/KM.1/2010
2011	KAP Tanudiredja, Wibisana & Rekan (PwC)	Haryanto Sahari		2	11,800,000	151/KM.1/2010
2010	KAP Tanudiredja, Wibisana & Rekan (PwC)	Haryanto Sahari			11,495,000	151/KM.1/2010

\*) Fee Including OPE & VAT



## Other Fee and Services Given by Accountants

In addition to carrying out audit work on the Consolidated Financial Statements, Purwantono, Sungkoro & Surja KAP as well provide audits of other services. For fiscal year 2018, other audit services and fees provided are as follows:

No.	Types of 2018 KAP Services	Fee (IDR)*)
1.	Audit of the Financial Statements of the Partnership and Community Development Program (PKBL) of PT Bank Mandiri (Persero) Tbk.	173,800,000
2.	Audit of PT Bank Mandiri (Persero) Tbk. Financial Statements.	306,000,000
3.	Application of Agreed Procedures for PT Bank Mandiri (Persero) Tbk. DPLK Investment Report	126,500,000
4.	Implementation of agreed procedures for the Policies and Procedures for Control Applied by PT Bank Mandiri (Persero) Tbk. in Provision of Custodian Services.	112,860,000
5.	Implementation of Agreed Procedures for PT Bank Mandiri (Persero) Tbk. PKBL Performance Evaluation Report.	143,220,000
6.	Implementation of Agreed Procedures for PT Bank Mandiri (Persero) Tbk Performance Evaluation Report.	85,965,000
7.	Implementation of Agreed Procedures for the Reporting System to Bank Indonesia and certain Reports to Bank Indonesia.	115,720,000
8.	Audit of Independent Auditor's Report on Compliance with Laws or Legislation and Internal Control.	148,500,000
9.	Summary of PT Bank Mandiri (Persero) Tbk.'s DPLK Management Comments, Suggestions and Responses	27,500,000
<b>Total</b>		<b>1,240,065,000</b>
10.	Review of Consolidated Interim Financial Information of PT Bank Mandiri (Persero) Tbk. and Subsidiaries July 31, 2018 and for the 7-month period ending in that date.	2,750,000,000
<b>Total</b>		<b>3,877,331,818</b>

\*) Fee Including OPE & VAT

## Audit Opinion

Opinions on the results of the Financial Statements of 2010-2018 fiscal year examination are as follows:

Year	Financial Statement Opinion
2018	Consolidated Financial Statements fairly presented, in accordance with the Financial Accounting Standards in Indonesia
2017	Consolidated Financial Statements fairly presented, in accordance with the Financial Accounting Standards in Indonesia
2016	Consolidated Financial Statements fairly presented, in accordance with the Financial Accounting Standards in Indonesia
2015	Consolidated Financial Statements fairly presented, in accordance with the Financial Accounting Standards in Indonesia
2014	Consolidated Financial Statements fairly presented, in accordance with the Financial Accounting Standards in Indonesia
2013	Consolidated Financial Statements fairly presented, in accordance with the Financial Accounting Standards in Indonesia
2012	Consolidated Financial Statements fairly presented, in accordance with the Financial Accounting Standards in Indonesia
2011	Consolidated Financial Statements fairly presented, in accordance with the Financial Accounting Standards in Indonesia
2010	Consolidated Financial Statements fairly presented, in accordance with the Financial Accounting Standards in Indonesia

## Effectiveness of External Audit Implementation

To fulfil the principles of GCG as well as applicable laws and regulations, an audit report results of the financial statements carried out by an independent party, namely KAP is needed, the audit report result is then submitted to the Financial Services Authority. Basis of Implementation of financial report transparency based on FSA provisions are as follows:

1. Financial Services Authority Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks.
2. Financial Services Authority Regulation No. 6/POJK.03/2015 concerning Transparency and Publication of Bank Reports.
3. Financial Services Authority Regulation No. 32/POJK.03/2016 concerning Amendments to Financial Services Authority Regulation No. 6/POJK.03/2015 concerning Transparency and Publication of Bank Reports.

## Relationship Among Banks, Public Accountants, and Regulators

In conducting the audit, other than fulfilling the applicable legal provisions, Bank Mandiri always strives to improve communication with KAP with the support of the relevant work units at Bank Mandiri. The Audit Committee and Internal Audit always supervise the audit conducted by KAP. The selected KAP communicates the plan for conducting an audit of Bank Mandiri financial statements to the Audit Committee and submits the audit plan along with the audit methodology and audit samples that will be used to Internal Audit. During the audit, periodic discussions of the audit progress and audit findings and other matters considered important by the parties were conducted periodically, including findings related to internal control.

Periodically, the Audit Committee will monitor the performance of KAP through Audit Committee meetings followed by Internal Audit and related Directors. The meeting also discussed the follow-up of audit findings by KAP. Through this coordination, comprehensive and optimal audit results are expected to be achieved.

## Risk Management

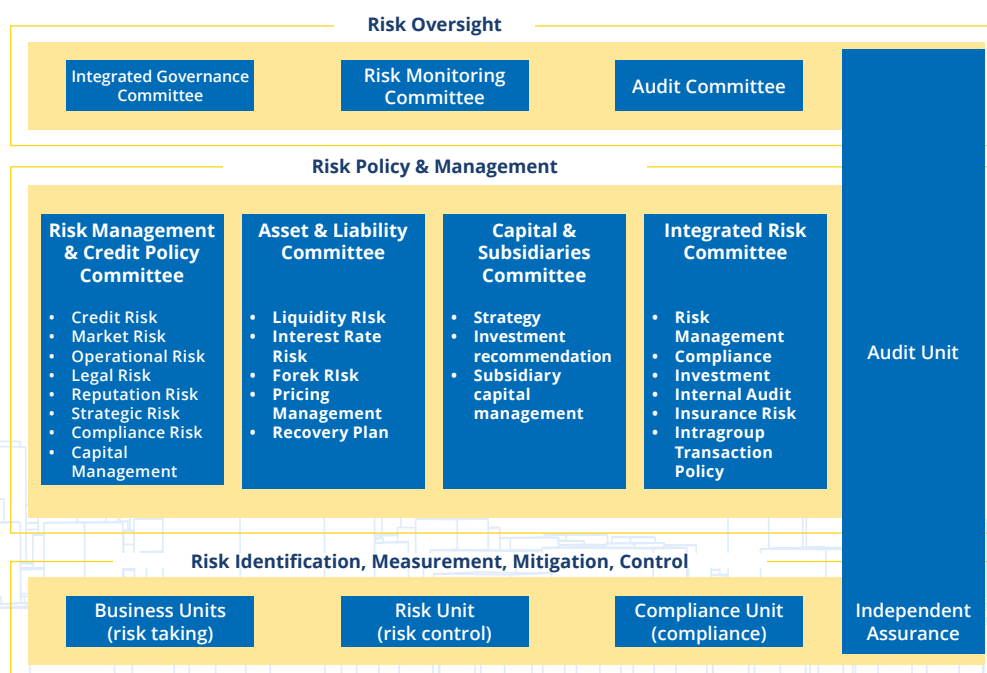
The risk management principle of Bank Mandiri is conducted proactively to achieve a healthy and sustainable financial and operational growth as well as to take care of the optimal risk-adjusted return level in accordance with the desired risk appetite. As a manifestation of Bank Mandiri's commitment in conducting a good company management practice, particularly in risk management, Bank Mandiri has established policy, process, competency, accountability, reporting and supporting technology in order to make the risk management in Bank Mandiri to be effective and efficient.

## Risk Management Framework

The company risk management framework is written in the risk governance structure of Bank Mandiri encompassing three main parts, which are Risk Oversight, Risk policy and Risk management, as well as Risk identification, Measurement Mitigation, and control. These three main parts are supported by the Audit Working Unit and Independent Assurer to guarantee the effectiveness of its performance.

Sketchily, the work and risk governance framework of Bank Mandiri as mentioned above is described as follows:

### Bank Mandiri Risk Governance Structure





The Risk Governance Structure of Bank Mandiri is developed based on four risk management pillars as follow:

### Active Supervision by The Board of Commissioner and Director

The work and risk governance framework in Bank Mandiri consist of the Board of Commissioner performing risk oversight through Audit Committee, Risk Monitor Committee and Integrated Risk Governance, and Board of Director performing risk policy through Executive Committee related to risk management which are Risk management & Loan Policy Committee, Asset and Liabilities Committee, Capital and Subsidiaries Committee, and Integrated Risk Committee. In the operational level, the work unit of Risk Management along with Business Unit and Compliance Work Unit conduct risk identification function, risk measurement, risk mitigation and risk control.

The duties, responsibilities, and authorities of Board of Commissioner are related to active monitoring in risk management activities including:

1. Understanding the risk attached to company functional activity, particularly the one that can influence Company's financial condition.
2. Evaluating and approving the Risk Management policy conducted at least once in a year or more in a higher frequency in the event that there are significant changes in factors affecting company's business.
3. Performing evaluation toward the board of Director regarding Risk Management implementation in order to fit with the established policy, strategy and procedure of the company.
4. Providing consultation to the board of Director regarding transaction or business activity with large amount of fund.
5. Approving the provision of fund to the concerned parties on loan proposed by the loan committee in accordance with their authority.
6. Performing active monitoring toward the company capital adequacy in accordance with company's risk profile thoroughly, including reviewing risk appetite of the company established by the board of director.
7. Improving anti-fraud awareness and culture to all levels of the Company's organization.
8. Monitoring the implementation of Integrated Risk Management in accordance with the characteristics and complexity of the Company's effort.

In order to implement the Integrated Risk Management, the Board of Commissioner is responsible for:

1. Directing, approving, and evaluating policy which regulate the integrated management risk periodically.
2. Evaluating the implementation of integrated risk management policy by the Main Entity Board of Directors.
3. Performing evaluation on the implementation of Recovery Plan.

The duty, responsibility, and authority of Board of Directors related to risk management activity include:

1. Preparing written and comprehensive Risk Management's policy, strategy and procedure including the establishment and approval of the Company's risk limit, re-evaluating once in a year or more in the event of significant changes in factors affecting company's business activities.
2. Taking the responsibility of the risk management and risk exposure policies implementation conducted by the company, including evaluating and providing direction of Risk Management Strategies based on reports submitted by the Risk Management Unit and periodic submission of accountability report to the Board of Commissioners.
3. Evaluating and determining the transactions that exceed the authority of the Company's officials one level under the Board of Directors or transaction that requires the approval of the Board of Director in accordance with the applicable internal policies and procedures.
4. Developing Risk Management awareness and culture, including anti-fraud culture to all organization, among others through adequate communication concerning the importance of effective internal control;
5. Improving Human Capital competence related to Risk Management implementation, among others through continuous education and training programs, particularly related to Risk Management system and process.
6. Implementing an independent Risk Management function, reflected through function separation between the Risk Management Unit that performs identification, measurement, monitor and risk control with the work unit that performs and completes transaction.
7. Conducting periodic review with frequency adjusted with the company's need.
8. Establishing the capital adequacy in accordance with the Company's risk profile and strategy to maintain the capital level, including establishing the Risk Appetite.



9. Preparing and implementing Recovery Plan of the company, including delivering the Recovery Plan to the shareholders in the GMS (General Stakeholders Meeting), conveying to all positions and organization levels, and carrying out periodic evaluations and tests.

In order to implement the Integrated Risk Management, the Board of Directors is responsible for:

1. Preparing and carrying out the policy which regulates Integrated Risk Management;
2. Developing risk culture as a part of Integrated Risk Management Implementation;
3. Ensuring the effectiveness of Human Capital management to perform the Integrated Risk Management function;
4. Ensuring that the Integrated Risk Management has been conducted independently;
5. Evaluating the review result of the Integrated Risk Management Work Unit periodically concerning the Integrated Risk Management process.

Bank Mandiri has also stipulated risk management committees which discuss and recommend to the Board of Director, among others concerning:

1. Policy and Procedure as well as monitor the risk faced by the company.
2. Management of Company's asset and liabilities including interest rate and liquidity
3. Management of subsidiary (equity capital, divestment, remuneration, stipulation of the subsidiary management).
4. Implementation of Integrated Risk Management
5. Business development.

In addition, Bank Mandiri also has a working unit related to risk management consisting of at least:

1. The Director in charge of the risk management function;
2. Risk Management Unit (doubled as the Integrated Risk Management Work Unit);
3. Business Unit and Operational Working Unit;
4. Internal Audit;
5. Compliance Working Unit.

In the established organizational structure, the working unit which functioning to perform transaction (Business Unit and Operational Work Unit) is separated from the working unit performing the internal audit, and is also independent towards Risk Management Unit.

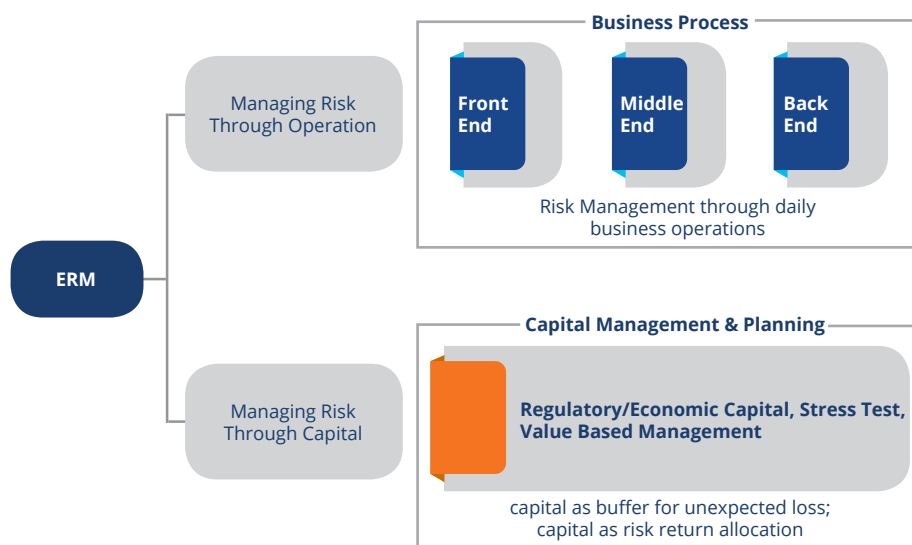
## Adequacy of Policies, Procedures, and Determination of Limits

Bank Mandiri has a Risk Management policy used as the main guidance in carrying out risk management. For more specific business area, Bank Mandiri owns more special policies and procedures, for example in credit, treasury, and operational. Among other things regulated in the policies and procedures is the limit establishment for each activity, both in portfolio and transactional levels.

All policies and procedures in Bank Mandiri are the form of risk management attached in each Company's operational activity that is evaluated and updated at least once a year.

## The Adequacy of Identification, Measurement, Risk Monitoring and Control Processes, and Risk Management Information System (ERM)

Bank Mandiri conducts Processes of Identification, Measurement, Risk Monitoring and Control, as well as Risk Management Information System through Enterprise Risk Management (ERM) frameworks. The ERM implementation in Bank Mandiri uses two-prong approach, to ensure that the risk is not only mitigated properly through daily business, but also in unexpected situation (downturn) through capital reserve.



The four main components functioning as the supporting pillar in the implementation of two-prong approach are:

### 1. Organization and Human Capital

The Risk Management working unit of Bank Mandiri is responsible for managing all risk encountered by Bank Mandiri, including the development of supporting tools required in business process and risk management. In addition, there is a work unit in each unit business acting as the risk counterpart in the four-eye process of loan allocation. As the risk management is the responsibility of all work unit in Bank Mandiri, the success of risk management is determined by the existence of risk awareness in all working unit with adequate technical capability. Therefore, Bank Mandiri always improves the employee's capability and knowledge, most importantly in risk management, by conducting internal training on a regular basis through Risk Management Academy. Furthermore, Bank Mandiri also conducts socialization, discussion forum, apprentice, or program on risk management which is in line with company's culture internalization regularly at least once in a year. The Risk Management Unit of Bank Mandiri consists of Risk Management Directorate in charge of the Risk Management Independent unit and two Loan Approval Risk units known as Retail Risk directed by SEVP Retail Risk and Wholesale Risk directed by SEVP Wholesale Risk.

### 2. Policies and Procedures

The Risk Management Policies (KMR) employed as the main guidance in performing operational risk management and capital management in Bank Mandiri consist of:

- The prudential principle, such as Capital Adequacy Preparation, Early Warning System, Limit Establishment and Risk Diversification.
- Risk Management, such as Risk Profile, Risk Appetite, Stress Testing and Integrated Risk Management.
- Risk Management for each risk type, including identification process, measurement, risk monitoring and control.
- Risk Monitoring, including monitoring of activity implementation/risk management methodology in Bank Mandiri, and Internal Control System.

These Risk Management Policies become the basis for the preparation of procedures and technical guidelines related to risk management in Bank Mandiri.

### 3. System and Data

The risk management system is developed to support more efficient business processes so that decision making can be faster but still refers to the principle of prudence. In order to maintain data integrity and quality, Bank Mandiri has implemented a system including:

System	Objective
<ul style="list-style-type: none"> <li>Integrated Processing System</li> <li>Loan Origination System</li> </ul>	To improve the efficiency of the loan process and maintain data quality in all business segments.
Integrated Collection System	To enhance the integration and quality of limit data and the exposure of all customer facilities, in the context of implementing limit management.
Summit System	To manage market risk for treasury activities and monitoring credit risk arising from treasury activities.
ALM System	To manage and measure the size of the banking book risk for treasury and asset & liability management activities.
Risk Assessment Consolidation Generator System (RACER System)	To get a risk profile overview of Bank Mandiri both as the parent company and the Company's risk profile that is consolidated and integrated with the Subsidiaries. RACER System is web-based so it speeds up access and simplifies monitoring.
ERM System	To monitor overall risk management, especially in calculating capital to cover risks. ERM system has the capability to perform capital charge calculations (Standardized Approach and Advanced Approach), implementation of operational risk management tools, active portfolio management, and value-based management.
Fraud Detection Systems (FDS)	To monitor transactions of Loan Cards, Debit Cards, Merchants, Electronic Money (Mandiri E-Cash), Internet Banking and Micro loan by using predetermined parameters (rule based) determined based on historical data, mode and fraud trend. With the existence of this system, precautionary measures can be taken earlier and can minimize fraudulent transactions.
Fraud Risk Management System (FRMS)	To provide an integrated fraud control system that is capable of carrying out early detection of transactions that occur on various channels. Currently FRMS has been implemented on the Mandiri Online channel and will be followed by further implementation of other channels including loan cards, debit cards, prepaid cards (e-money), electronic money (e-cash), Mobile Banking (USSD, STK/DSTK, Text Type), Acquiring (ATM and Merchant), as well as branches and employees.
Anti Fraud Application System (AFAS)	To detect the risk of application fraud by utilizing rules. This system has been implemented, among others, on Loan Cards, Micro loan, and Unsecured Loans.

#### 4. Methodology/Model and Analytics

Bank Mandiri has continuously implemented a risk measurement that refers to international best practices by using both quantitative and qualitative methods through the development of risk models such as rating, score, Value at Risk (VaR), portfolio management, stress testing and other models as supports in judgmental decision making. Periodically, these risk models are calibrated and validated by an independent Model Risk Validator unit to maintain the reliability and validity of the models and meet regulatory requirements.

In order to synchronize the implementation of Basel II and ERM with Basel II regulation and best practice implementation, Bank Mandiri has adopted and implemented Basel II as well as ERM framework. The implementation of Basel II and ERM in Bank Mandiri covers the areas of Credit Risk, Market Risk, Liquidity Risk, Interest Rate Risk in Banking book Position, Operational Risk, Capital Management and Internal Capital Adequacy Assessment Process (ICAAP).

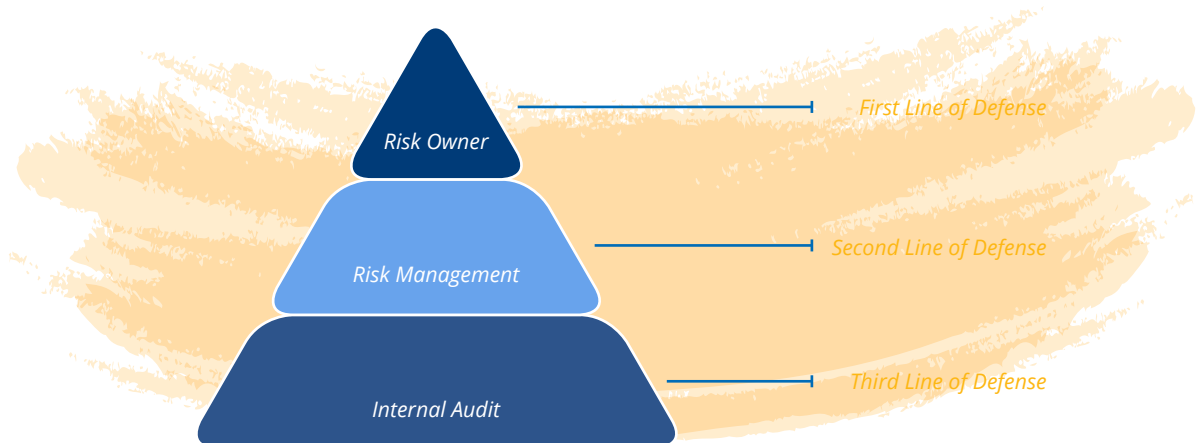
#### The Implementation of Basel II and ERM

Implementation Aspect	Scope of Implementation
Credit Risk	Development and Improvement of Basel II Risk Parameters for the implementation of Internal Rating Based Approach (PD, LGD, and EAD).
Market Risk	Measurement of structured product risks, limit trading treasury, and treasury system infrastructure.
Liquidity Risk	Improvement of liquidity limit, core deposit analysis, Risk Appetite Statement (RAS), stress testing liquidities, reprising gap method, and implementation of Assets and Liabilities Management System.
Operational Risk	Development of Framework and Governance Operational Risk Management (ORM).
Capital Management	Improvement of Economic Capital model, development of framework Portfolio Optimization and Capital Optimization.
Internal Capital Adequacy Assessment Process (ICAAP)	Implementation of Risk Appetite Statement, Stress Testing, Capital Planning, and synchronization with related regulation of Risk Based Bank Rating (RBBR).

## Internal Control System (Internal Audit)

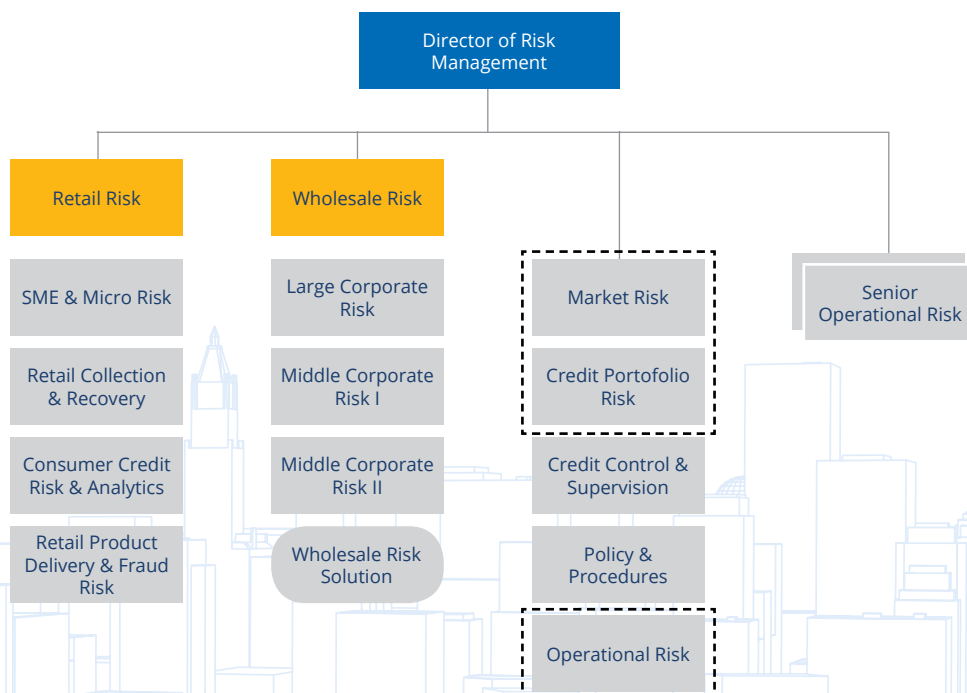
Bank Mandiri practices effective risk managements in all work units by implementing the three line of defence models with the following conditions:

1. Work unit as the risk owner is the first line of defence responsible for risk management in its unit.
2. Risk Management Unit is as the second line of defence performing oversight function.
3. Internal Audit Unit is as the third line of defence performing independent assurance function



## Risk Management Organizational Structure

The Risk Management Structure in Bank Mandiri consists of Risk Management Directorate led by the Risk Management Director which oversees one Independent Risk Management and 2 Credit Approval Risk Units known as Wholesale Risk directed by SEVP Wholesale Risk and Retail Risk directed by SEVP Retail Risk. The Independent Risk Management Unit consists of Market Risk group, Credit Portfolio Risk Group, Credit Control & Supervision Group, Policy & Procedures Group and Operational Risk Group, each directed by Senior Vice President (SVP).



## The Duties and Responsibilities of Risk Management Group

The supervision of Risk Management in Bank Mandiri is generally performed by several work units, which are Market Risk Group, Operational Risk Group and Loan Portfolio Risk Group supervised by the Risk Management Director. The duties and responsibilities of each work unit are described as follows:

Group	Functions, Duties and Responsibilities
Market Risk	<ol style="list-style-type: none"> <li>1. Conducting market risk measurement using Standard method, Internal method and market risk modelling.</li> <li>2. Conducting analysis, giving recommendation proposal and carrying out the function of market risk control on trading treasury activity to business and management units.</li> <li>3. Conducting management of Bank liquidity by implementing the principles of liquidity risk management and preparing alternative strategy of funding liabilities and Bank assets financing to ensure that Bank liquidity is managed efficiently with controlled risk.</li> <li>4. Managing the risks of interest rate risk exchange rate in the portfolio banking book and formulating recommendation on Bank balance management strategies to achieve optimal risk and return in order to maintain profitability and increase shareholder value.</li> <li>5. Conducting a methodology study on third party Funds pricing, loan and Funds Transfer Pricing which is in line with asset and liabilities management strategies.</li> <li>6. Managing information system management in order to manage interest rate risk, exchange rate risk and liquidity risk.</li> </ol>
Operational Risk	<ol style="list-style-type: none"> <li>1. Formulating, developing, and refining the framework, methodology, system, and tools used by the company in managing operational risk according to business development.</li> <li>2. Carrying out analysis, study and review or risk profile and providing feedback on improving the quality of framework implementation.</li> <li>3. Developing and implementing regulatory capital charge measurement methodology (Regulatory Capital Charge) in accordance with the existing regulation and Basel stipulation, as well as conducting the monitoring of its execution.</li> <li>4. Creating risk awareness and risk culture programs on operational risk management process to all employees.</li> <li>5. Developing report methodology in accordance with best practice and submitting the report of Company's Operational Risk Profile, for the management, regulator, and other external parties.</li> <li>6. Conducting study and providing advisory for the new product suggested by the working unit to improve the management of operational risk.</li> </ol>
Credit Portfolio Risk	<ol style="list-style-type: none"> <li>1. Developing and improving the methodology, Loan Risk Tools (Loan Monitoring System, Rating and Scoring System, Recovery Monitoring System, LoanRating and Scoring Stress Testing Tools and Financial Spread Sheet) as well as the process employed in loangranting to fulfil the need of business development, loanprocess improvement, regulatory changes, competitor development as well as best practices.</li> <li>2. Providing Portfolio Guideline methodology, limit per economic/industry sectors calculation methodology, product limit calculation, in-house limit, loanrisk profile, stress testing, and other portfolio management methodologies.</li> <li>3. Carrying out portfolio management in both bank-wide and business segment scales, encompassing loanportfolio study, LoanRisk Profile, portfolio per industry study and providing recommendations on changes in internal and external conditions /macroeconomic in order to optimize the portfolio of the company.</li> <li>4. Formulating, preparing and coordinating the implementation of Enterprise Risk Management (ERM) which includes policies, governance, methodology, process and information system, to assist the implementation of risk management attributed to the business process and risk-based performance, by referring to international best practice, regulations of Bank Indonesia and Basel Committee documents.</li> <li>5. Providing company's identification and risks, such as loan risk, market and operational, in bank-wide and consolidation, both in normal and abnormal conditions, Enterprise Risk Assessment, Risk Profile Report, Early Warning Indicators and Scenario Analysis (Stress Testing).</li> <li>6. Conducting model validation supervision and advisory on the development/modification to ensure the risk management models have accountable quality both academically and business to meet regulatory requirements.</li> <li>7. Performing function in implementing Basel II related to Bank Indonesia and other external parties.</li> <li>8. Managing accurate, reliable and timely loan database and ERM data mart to be utilized in process of modelling, portfolio management and ERM implementation.</li> </ol>



## Development of Competence In Risk Management

Competency development attended by members of Risk Management Division in 2018 is as follows.

**Table of Competency Development of Risk Management Division**

No	Date	Name of Training	Organizers
1.	January 5, 2018	Certified Fraud Examiner (CFE)	ACFE Indonesia
2.	January 18, 2018	Revamp Wholesale Credit Process Workshop	Bank Mandiri
3.	February 12, 2018	Refreshment of Level 3 Risk Management Certification	Bank Mandiri
4.	February 19, 2018	Basic Financial Analysis	Bank Mandiri
5.	February 24, 2018	Legal Advice on Site	Bank Mandiri
6.	March 1, 2018	Awareness Appraisal	Bank Mandiri
7.	March 5, 2018	Refreshment of Level 3 Risk Management Certification	Bank Mandiri
8.	March 14, 2018	IFRS Workshop	GMFI/Singapura
9.	March 20, 2018	Maximizing Your Leadership Potential Program	NYU Stern New York
10.	March 22, 2018	Developing Leadership Agility	NYU Stern New York
11.	March 26-27, 2018	Internal Control	Bank Mandiri
12.	April 9, 2018	Refreshment of Level 1 Risk Management Certification	Bank Mandiri
13.	April 16, 2018	Refreshment of Level 2 Risk Management Certification	Bank Mandiri
14.	May 7, 2018	Debriefing of Level 1 Risk Management Certification	Bank Mandiri
15.	July 9, 2018	Debriefing of Level 1 Risk Management Certification	Bank Mandiri
16.	July 22, 2018	Middle Management Development Program	Michigan University, USA
17.	July 25, 2018	Mining Economic Course	Indonesian Mining Institute
18.	August 13, 2018	Debriefing of Level 2 Management Certification	Bank Mandiri
19.	August 27, 2018	Basic Treasury & International Banking	Bank Mandiri
20.	August 29, 2018	A Right and Comprehensive KPMM (Liability to the Provision of Minimum Capital) and ATMR (Risk Weighted Assets) Report Preparation in Accordance with Financial Services Authority Regulation	Risk Management Guard
21.	September 5, 2018	Analysis of Financial Statements and Spread sheets	Bank Mandiri
22.	September 12, 2018	Assets & Liabilities Management	Expert
23.	September 12-13, 2018	Debriefing of Level 2 Risk Management Certification	Banker Association for Risk Management (BARa)
24.	September 17-20, 2018	Foundation Risk Management	Bank Mandiri
25.	September 18, 2018	Plantation Wholesale Risk	Bank Mandiri
26.	September 26, 2018	Funds Transfer Pricing for Financial Institutions	Lentera Pro
27.	September 19, 2018	Certification of Compliance and Anti Money Laundering Level I	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)
28.	September 25, 2018	Stress Testing	Bosco/Kuala Lumpur
29.	September 27, 2018	Main Challenges of Risk Management	Banker Association For Risk Management/Makassar
30.	October 22, 2018	General Management Development Program	IESE Business School, Spain
31.	October 25, 2018	Workshop of Case Study - Property Industry	Bank Mandiri
32.	October 31, 2018	Indonesian Palm Oil Conference	GAPKI/Bali
33.	November 3, 2018	Legal Awareness Workshop	Bank Mandiri



No	Date	Name of Training	Organizers
34.	November 6, 2018	Seminar on the Main Challenges of Risk Management in 2019, Credit Quality, Management of Active Credit Portfolios and Stress Testing as well as Credit Scoring	Banker Association for Risk Management (BARa)
35.	November 14, 2018	Compliance Certification Exam and Anti Money Laundering Level 2	DKP
36.	November 17, 2018	Certification of Compliance and Anti Money Laundering Level 2	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)
37.	December 11, 2018	Workshop of Quantitative Risk Management Under Basel III & Basel IV	ISEI

## Risk Management Certification

The number of Bank Mandiri employees who have obtained Risk Management certification can be seen in the table below.

### Risk Management Certification Table

Level	SMR Compulsory Employees	Relevant		Irrelevant	
		Total	%	Total	%
1	3,718 Persons	3,652 Persons	98.22%	66 Persons	1.78%
2	980 Persons	940 Persons	95.92%	40 Persons	4.08%
3	301 Persons	277 Persons	92.03%	24 Persons	7.97%
4	94 Persons	86 Persons	91.49%	8 Persons	8.51%
5	10 Persons	10 Persons	100.00%	0 Persons	0.00%
<b>Total</b>	<b>5,103 Persons</b>	<b>4,965 Persons</b>	<b>97.30%</b>	<b>138 Persons</b>	<b>2.70%</b>
<b>Target Realization of Certified Employees<sup>*)</sup></b>			<b>108.11%</b>		

<sup>\*)</sup> The 2018 target is to maintain the gap of employees who are required to be in the SMR and have a minimum of 90%.

Realization per employee level can be seen in the table below..

Level/Status	AVP-VP	Board of directors	FAM-SM	Board of Commissioners	SEVP/ EVP/ SVP	Grand Total
Memenuhi	<b>1,706</b>	<b>10</b>	<b>3,141</b>	<b>8</b>	<b>102</b>	<b>4,965</b>
Level 1	729	-	2,906	4	14	<b>3,652</b>
Level 2	698	-	235	4	3	<b>940</b>
Level 3	272	-	-	-	5	<b>277</b>
Level 4	7	-	-	-	79	<b>86</b>
Level 5	-	10	-	-	1	<b>10</b>
<b>Grand Total</b>	<b>1,706</b>	<b>10</b>	<b>3,141</b>	<b>8</b>	<b>102</b>	<b>4,965</b>

## Risk Management System

### Basis For The Implementation of Risk Management

In implementing risk management, Bank Mandiri always adheres and obeys the applicable laws and regulations in Indonesia by referring to:

1. Circular Letter of Bank Indonesia no. 9/31/DPNP dated December 12, 2007 concerning Guidelines for the Use of Internal Capital in the Calculation of Minimum Capital Requirement for Commercial Banks by Calculating Market Risk.
2. Financial Services Authority Regulation No. 17/POJK.03/2014 dated November 18, 2014 concerning Application of Integrated Risk Management for Financial Conglomeration.
3. Financial Services Authority Regulation No. 18/POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Governance for Financial Conglomeration.



4. Financial Services Authority Regulation No. 4/POJK.03/2016 dated January 26, 2016 concerning the Assessment of Health Levels of Commercial Banks.
5. Financial Services Authority Regulation No. 11/POJK.03/2016 dated February 2, 2016 concerning the Minimum Capital Requirement for Commercial Banks, which was amended by the Financial Services Authority Regulation No. 34/POJK.03/2016 concerning Amendments to POJK No. 11/POJK.03/2016 concerning the Minimum Capital Requirements for Commercial Banks.
6. Financial Services Authority Regulation No. 18/POJK.03/2016 dated March 16, 2016 concerning the Application of Risk Management for Commercial Banks.
7. Financial Services Authority Regulation No. 55/POJK.03/2016 dated December 9, 2016 concerning the Implementation of Governance for Commercial Banks.
8. Financial Services Authority Regulation No. 38/POJK.03/2017 dated July 12, 2017 concerning the Implementation of Consolidated Risk Management for Banks Conducting Control of Subsidiary Companies.
9. Financial Services Authority's Circulating Letter No. 14/SEOJK.03/2015 dated May 25, 2015 concerning the Application of Integrated Risk Management for Financial Conglomeration.
10. Financial Services Authority Regulation No. 26/POJK.03/2015 dated December 11, 2015 concerning the Integrated Minimum Capital Provision Obligations for Financial Conglomeration.
11. Financial Services Authority's Circulating Letter No. 34/SEOJK.03/2016 dated September 1, 2016 concerning the Application of Risk Management for Commercial Banks.
12. Financial Services Authority's Circulating Letter No. 38/SEOJK.03/2016 dated September 8, 2016 concerning the Guidelines for Using Standard Methods in Calculating the Minimum Capital Requirement for Commercial Banks by Taking into account Market Risk.
13. Financial Services Authority's Circulating Letter No. 13/SEOJK.03/2017 dated March 17, 2017 concerning the Implementation of Governance for Commercial Banks.
14. Financial Services Authority's Circulating Letter No. 43/SEOJK.03/2017 dated July 19, 2017 concerning the Prudential Principle and report in the framework of Consolidating Risk Management Implementation for Banks that Control the Subsidiary Companies.
15. Financial Services Authority's Circulating Letter No. 15/SEOJK.03/2015 dated May 25, 2015 concerning the Implementation of Integrated Governance for Financial Conglomeration.
16. Circular of Financial Service Authority No. 14/SEOJK.03/2017 dated March 17, 2017 concerning the Health Rating of Commercial Banks.
17. Financial Services Authority's Circulating Letter No. 12/SEOJK.03/2018 dated August 21, 2018 concerning the Implementation of Risk Management and Risk Measurement in the Standard Approach for Interest Rate Risk in Banking Book for Commercial Banks.
18. Financial Services Authority Regulation No. 42/POJK.03/2015 dated December 23, 2015 concerning the Adequacy Obligations to Fulfil the Liquidity Coverage Ratio for Commercial Banks.
19. Financial Services Authority Regulation No. 50/POJK.03/2017 dated July 17, 2017 concerning the Obligation to Fulfil the Net Stable Funding Ratio for Commercial Banks.
20. Bank Indonesia Regulation No. 20/4/PBI/2018 dated July 16, 2018 concerning the Intermediation Ratio Macropprudential and Liquidity Support Macropprudential for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units.

## Principles of Risk Management

The Risk Management Principles of Bank Mandiri are as follows:

### 1. Capital

Bank Mandiri provides capital in accordance with the risks borne and maintains the capital level in accordance with applicable regulations.

### 2. Transparency

Bank Mandiri openly communicates relevant information in the risk-taking process and the risk-taking process itself.

### 3. Independency

Bank Mandiri's management acts professionally and is free from the pressure and influence of other parties.

### 4. Integrated

Bank Mandiri implements Integrated Risk Management in Financial Services Institutions that are members of the Bank Mandiri financial conglomerate in accordance with regulatory provisions.

### 5. Sustainable

Risk control is constantly being developed to better suit business conditions and existing best practices.

### 6. Accountability

Bank Mandiri applies policies and procedures to ensure management accountability to stakeholders.

## 7. Responsibility

Bank Mandiri acts on the principle of prudence and compliance with applicable laws and regulations.

## 8. Fairness

Bank Mandiri considers the interests of stakeholders based on the principle of equality and fairness (equal treatment).

## Principles of Prudence

Bank Mandiri applies the prudence principle through the provision of sufficient capital, compliance with applicable regulations and laws, and an early warning system. The Company manages capital adequacy that describes the managed risks and defines its capital components by taking into account the capital's ability to incorporate losses.

The Company prepares policies, standard procedures and product manuals as directions in operational activities and is implemented by all levels of the Company's organization to minimize the risks faced in the Company's operational activities. In carrying out business activities, the Company understands the characteristics of the business being carried out, including the risks and legal regulations related to the business. Every action which is an exceptional condition, insofar as it does not conflict with the applicable laws and regulations, is carried out according to the rules and stipulated authority, based on reasons that can be accounted for, and documented.

The Company prepares procedures to be able to find out the possibility of increasing the Bank's risk exposure earlier so that the Bank can determine the steps that need to be taken so that potential losses do not occur or can be minimized.

## Process of Risk Management

The Company's Risk Management process regulated in the Risk Management Policy is as follows:

1. Risk Management is carried out at all levels of the organization both transactional and portfolio.

2. Risk Management is carried out in an integrated manner with Subsidiaries while taking into account the regulations and business characteristics of Subsidiaries.
3. The Risk Management process is a dynamic process; hence, review is required periodically to keep it in line with current conditions and applicable regulations.
4. Implementation of Risk Management is carried out in a series consisting of:
  - a. Risk identification  
Risk identification aims to determine the types of risks inherent in each functional activity that have the potential to harm the Company.
  - b. Risk measurement  
Risk measurement aims to determine the amount of risk inherent in the Company's activities to be compared with the Company's risk appetite so that the Company can take risk mitigation actions and determine capital to cover residual risks.
  - c. Risk monitoring  
Risk monitoring aims to compare the risk limits that have been set with the amount of risk being managed.
  - d. Risk control  
Risk control is carried out on the potential for the occurrence of liability on the limits of risk that have been determined and can be tolerated by the Company.

## Application of Basel II and III

In order to provide added value to stakeholders and as a form of Bank Mandiri compliance in fulfilling the capital adequacy requirements set by regulators, Bank Mandiri always guarantees and ensures that the capital structure is strong enough to support the current business development strategy and maintain business sustainability in future.

Risk management in the capital aspect at Bank Mandiri includes policies on diversifying capital sources in accordance with long-term strategic plans and capital allocation policies efficiently in business segments that have an optimal risk-return profile (including placements with Subsidiaries). This aims to meet the expectations of stakeholders including investors and regulators.



Bank Mandiri ensures that it has sufficient capital to cover loan risk, market risk and operational risk, both based on regulatory requirements (regulatory capital) and internal capital requirements (economic capital). Bank Mandiri refers to Bank Indonesia and Financial Service Authority regulations (Basel II and Basel III), especially Pillar 1, in calculating capital adequacy for loan risk, market risk and operational risk.

In addition to the above calculation, Bank Mandiri is also developing a capital adequacy calculation with reference to Basel II Pillar 2 or better known as the Internal Capital Adequacy Assessment Process (ICAAP) approach. ICAAP includes the determination of risk appetite, overall risk assessment, capital planning, and bank-wide stress testing.

For the calculation of capital adequacy, Bank Mandiri uses the Basel II (Standardized Approach) for loan risk and has included the External Rating component. In addition, Bank Mandiri has gradually conducted a simulation of the Internal Ratings-Based Approach. For market risk, Bank Mandiri uses the Basel II Standard Measurement Method (Standardized Measurement Method), and internally uses Value at Risk. For operational risk, Bank Mandiri refers to the Basel II Basic Indicator Approach (Basic Indicator Approach).

Bank Mandiri has implemented the implementation of Basel III referring to the Basel documentation as well as regulations and initiatives issued by the Financial Service Authority. As part of implementing Basel III in Indonesia, Bank Mandiri has reported the fulfilment of monthly Liquidity Coverage Ratio (LCR) and the fulfilment of quarterly Net Stable Funding Ratio (NSFR), as well as conducting quarterly Leverage Ratio (LR) calculations in accordance with Financial Service Authority regulations.

As the implementation of the latest Basel III framework (Basel III reform), specifically related to 5Counterparty Loan Risk, Bank Mandiri has implemented a Loan Valuation Adjustment (CVA) calculation and simulated changes to the Standardized Approach for Measuring Counterparty Loan Risk Exposures (SA -CCR) which is a refinement of the existing CCR framework.

## Basel III Reforms

In implementing the latest Basel III framework (Basel III reform) the Company will revise operational risk standards for several elements from the previous framework to improve reliability and sensitivity. Following this, a Qualitative Impact Study (QIS) has been carried out based on Financial Service Authority's Consultative Paper (CP) in calculating minimum capital for Operational risk using a standard approach.

On the other hand, in order to improve the Company's ability to manage risks due to movements in interest rates that affect income and capital (Interest Rate Risk in Banking Book/IRRBB), Bank Mandiri has made preparations regarding the implementation of Basel IV with the following details:

1. On August 21, 2018, Financial Service Authority issued Financial Services Authority's Circulating Letter No. 12/SEOJK.03/2018 concerning Implementation of Risk Management and Risk Measurement in the Standard Approach for Interest Rate Risk in the Banking Book (Interest Rate Risk in The Banking Book) for Commercial Banks. As a follow up to the issuance of Financial Services Authority's Circulating Letter, Bank Mandiri has prepared a work plan to fulfil the Financial Service Authority provisions that have been implemented since the issuance of the referred Financial Services Authority's Circulating Letter until mid-2019.
2. In October 2018, Bank Mandiri has conducted socialization and workshops for Subsidiaries regarding the consolidation of IRRBB in terms of policies, calculation models, reporting and limits.
3. At present, Bank Mandiri is in the process of implementing the IRRBB, including improvements to the system, adjusting internal policies, reviewing methodologies and its limits, reviewing assumptions and models, and creating consolidated tools for subsidiaries.

## Implementation of Integrated Risk Management

Consolidation/Integration of Bank Mandiri's risk management has been started gradually since 2008 in line with the issuance of BI provisions number 8/6/PBI/ 2006 on Consolidation of Risk Management Applications for Banks

that Control Subsidiaries and Financial Services Authority Regulation No. 17/POJK.03/2014 concerning Application of Integrated Risk Management for Financial Conglomeration. This stage has until now become one of the strategic initiatives of the risk management work unit at Bank Mandiri that are regularly communicated with the Financial Service Authority in a forum that specifically discusses the topic of risk profile as well as the Bank's Risk Based Rating.

This is considered important because Bank Mandiri realizes that the sustainability of its business is also affected by risk exposures that arise directly or indirectly from the business activities of Subsidiaries. In this regard, Bank Mandiri has implemented a risk management consolidation/integration system for Subsidiaries both operating in Indonesia and outside the Indonesian territory while still meeting risk management principles and in accordance with the jurisdiction of the local authorities/supervisors, and considering the business characteristics of each Subsidiary. The concept of risk management consolidation/integration carried out by Bank Mandiri and Subsidiaries is generally divided into 2 (two) major parts, namely:

1. First Line, which is related to the fulfilment of Financial Services Authority Regulation No. 38/POJK.03/2017 concerning Consolidation of Risk Management Implementation for Banks that Control Subsidiaries, Financial Services Authority Regulation No. 17/POJK.03/2014 concerning the Implementation of Integrated Risk Management for Financial Conglomeration, as well as Financial Services Authority Regulation No. 04/POJK.03/2016 concerning the Soundness Rating of Commercial Banks.
2. Second Line, which approaches Bank Mandiri's internal needs as a whole which includes tools, risk awareness, corporate governance, and risk management information system (systems).

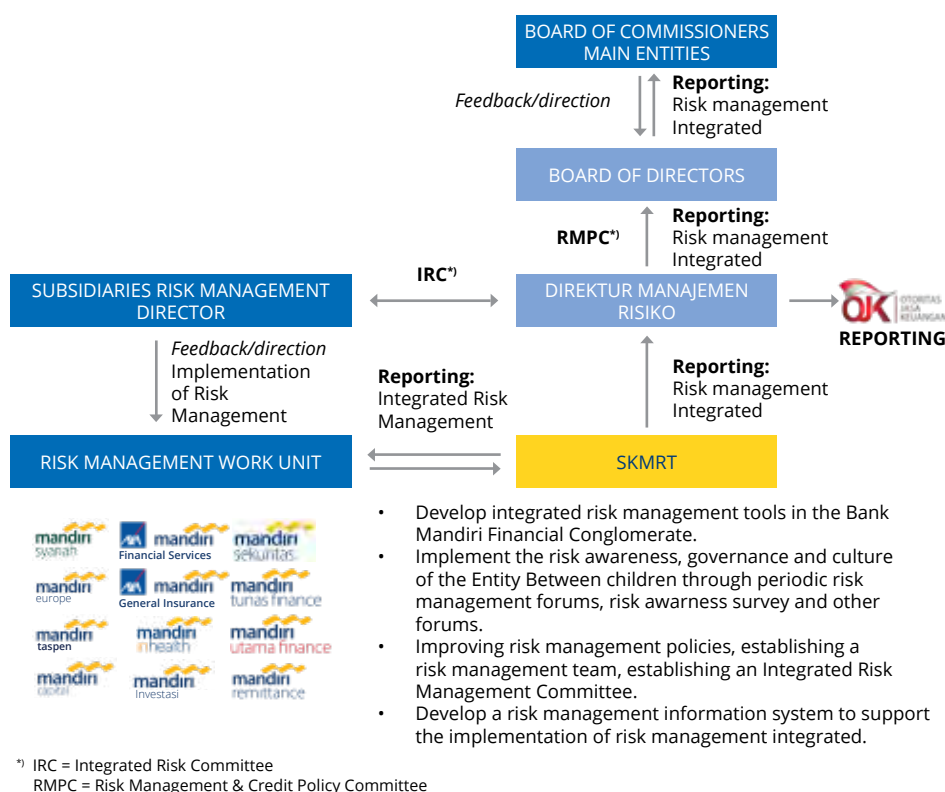
Gradually, Bank Mandiri has carried out consolidation/integration of risk management with Subsidiaries included in financial service institutions, i.e. Bank Syariah Mandiri, Bank Mandiri Europe Ltd, Bank Mandiri Taspen Pos, Mandiri Securitas, Mandiri Investment Management, AXA Mandiri Financial Services, Mandiri AXA General Insurance, Mandiri InHealth Mandiri Tunas Finance, Mandiri Utama Finance, Mandiri International Remittance, and Mandiri Capital Indonesia).

Regarding this, Bank Mandiri has had internal guidelines named the Mandiri Group Principle Guideline (MGPG), Mandiri Subsidiary Management Principles Guidelines (MSMPG) and Integrated Governance Guidelines, one of which contains technical guidance regarding the implementation of Mandiri Group risk management. This is also one of the manifestations of Bank Mandiri that always adheres to the prevailing regulations in Indonesia, which in this context refers to Financial Services Authority Regulation No. 18/POJK.03/2014 concerning the Implementation of Integrated Governance for Financial Conglomeration.

In order to implement a comprehensive and integrated risk management, Bank Mandiri has formed a Risk Management Committee consisting of Directors/ Executive Officers who oversee the Risk Management functions of the Company and Subsidiaries who play a role in providing recommendations on the preparation, advancement and improvement of Integrated Risk Management policies. In addition, Bank Mandiri also formed an Integrated Risk Management Work Unit (SKMRT) which is directly responsible to the Director of Risk Management with the following duties and responsibilities.







- Develop integrated risk management tools in the Bank Mandiri Financial Conglomerate.
- Implement the risk awareness, governance and culture of the Entity Between children through periodic risk management forums, risk awarness survey and other forums.
- Improving risk management policies, establishing a risk management team, establishing an Integrated Risk Management Committee.
- Develop a risk management information system to support the implementation of risk management integrated.

In order to improve understanding of the implementation of risk management at Bank Mandiri and Subsidiaries, several activities have been carried out in 2018:

1. The Integrated Risk Management Forum (IRMF) is conducted quarterly to discuss the latest issues related to risk management.
2. Assistance and socialization regarding risk management tools.
3. Credit Risk Workshop for investment activities.
4. Attachment of employees to Subsidiaries.
5. Review of risk management application to certain Subsidiaries.

## Risk Management Implementation Program and Strategic Initiative for 2018

The strategic initiative program for implementing Group risk management in 2018 is as follows:

1. Implementation of IRRBB in accordance with Financial Services Authority's Circulating Letter No.12/SEOJK.03/2018 dated 21 August 2018 concerning the Implementation of Risk Management and Standard Measurement of Risk Measurement for Interest Rate Risk in the Banking Book (Interest Rate Risk in Banking Book) for Commercial Banks in terms of policies, tools, system, limits, and methodology.
2. Reinforcing liquidity risk management through the implementation of Net Stable Funding Ratio (NSFR) on a monthly basis in accordance with Basel III and Financial Services Authority Regulation provisions.
3. Automation of monitoring limit utilization of market risk for treasury transactions, which includes Stop Loss limits; Bond Holding Period limit and Bond Cut Loss limit, using the EAI WEB (Enterprise Application Interface) means that can be accessed concurrently and in a real time.
4. Reinforcing risk management infrastructure (policies, procedures, and market and liquidity risk limits) at Overseas Branch Offices and Subsidiaries and providing assistance during the implementation of the system, among others, to support the expansion of the treasury products business at Overseas Branch Offices.
5. Establish a safe and competitive Potential Future Exposure (PFE) ratio in order to support an increase in the volume of customer derivative transactions.
6. Take an active role in increasing customer knowledge regarding the management of market risk and liquidity.
7. Development and implementation of an operational risk management framework on an ongoing basis through supporting devices.
8. Development of Operational Risk Management System to meet organizational needs



9. Program launching and implementation of operational risk awareness in a sustainable manner for all work units to help employees better understand operational risk.
10. Continuous improvement of the loss data recording process in preparation for the implementation of operational risk capital cost calculations in accordance with Basel III Reform.
11. Development of standard competencies for employees involved in the implementation of operational risk management framework activities.
12. Continuous evaluation of standard operational risk management procedures to ensure that they are still up to date.
13. Alignment of risk levels at Bank Mandiri
  - a. Implementation of the Risk Appetite Statement (RAS) as a formal guideline in the risk-taking process to achieve business targets.
  - b. Develop a system that aggregates stress testing calculations for loan risk, liquidity risk, market risk, impact on Profit/Loss and capital adequacy (CAR), at Bank Mandiri and Subsidiaries.
14. Strengthen Loan Portfolio Management which includes regulating the direction of productive loans booking through the 2018 Portfolio Guideline and the development of the Pipeline Management System. In addition, in order to improve the effectiveness of monitoring, especially in the region, Bank Mandiri initiated Portfolio Managers implemented starting in 2017.
15. Improve end to end loan process in the wholesale segment through:
  - a. Limit management implementation which includes the master limit and value chain limit for anchor client and specific sectors.
  - b. Implementation of Name Clearance on the determination of the debtor pipeline and Proactive Loan Monitoring System for loan monitoring.
  - c. Debtor information sources reinforcement to analyze and monitor loan quality.
  - d. Enhancement Loan Processing System in order to improve end to end loan process by:
    - Implementation of New Internal Rating Based Approach for a more precise and granular risk level measurement, including the development of the New Rating System at the Overseas Office.
    - Early warning system improvement to increase sensitivity towards potential for a decrease in loan quality of debtors, including integration with analysis of collectability reviews.
  - e. Peers Analysis Industry Update as a reference for comparing financial performance in each industry sector.
16. Efficiency of capital use through:
  - a. IRBA Phase III Implementation.
  - b. Basel II Enhancement Modeling Risk Parameters for Retail Portfolios.
  - c. Implementation of the New Operational Risk Reporting System.
  - d. Calculation of Operational Risk Capital Expenses Enhancement.
  - e. Intensification and Extension of Validation Functions.
17. Development of the Expected Loan Loss model in preparation for the implementation of IFRS 9.

## Risk Profile and The Management

There are 10 (ten) types of risk that must be managed at least by Bank Mandiri on a consolidated basis, namely:

No.	Risk Type	Explanation
1.	Credit Risk	Credit Risk is a risk due to the failure of the debtor and/or other parties to fulfil obligations to the Bank.
2.	Market Risk	Market Risk is a risk in balance sheet and administrative account positions including derivative transactions, due to overall changes in market conditions, including the risk of changes in option prices.
3.	Liquidity Risk	Liquidity Risk is a risk due to the inability of the Bank to meet maturing obligations from cash flow funding sources and/or from high-quality liquid assets that can be pledged, without disrupting the Bank's activities and financial condition.
4.	Operational Risk	Operational Risk is the risk due to insufficiency and/or non-functioning of internal processes, human errors, system failures, and/or external events that affect the Bank's operations.
5.	Legal Risk	Legal Risk is the risk due to legal demands and/or weaknesses in the juridical aspect.
6.	Reputation Risk	Reputation risk is a risk encountered by Bank Mandiri as an impact on stakeholders' negative perceptions of the bank stemming from various undesirable events including negative publications on bank operations, violations of business ethics, customer complaints, governance weaknesses and other events that can reduce the bank's image.
7.	Strategic Risk	Strategic Risk is risk due to inaccuracy in making and/or implementing a strategic decision and failure to anticipate changes in the business environment.

No.	Risk Type	Explanation
8.	Compliance Risk	Compliance Risk is a risk due to the Bank not complying with and/or not implementing the applicable laws and regulations.
9.	Intra-Group Transaction Risk	Intra-Group Transaction Risk is the risk due to the dependence of an entity both directly and indirectly on other entities in a Financial Conglomeration in order to fulfil written and unwritten agreement obligations followed by transfer of funds and/or not followed by transfer of funds.
10.	Insurance Risk	Insurance risk is a risk due to failure of insurance companies to fulfil obligations to policyholders as a result of insufficient risk selection (underwriting) processes, pricing, reinsurance use, and/or claim handling.

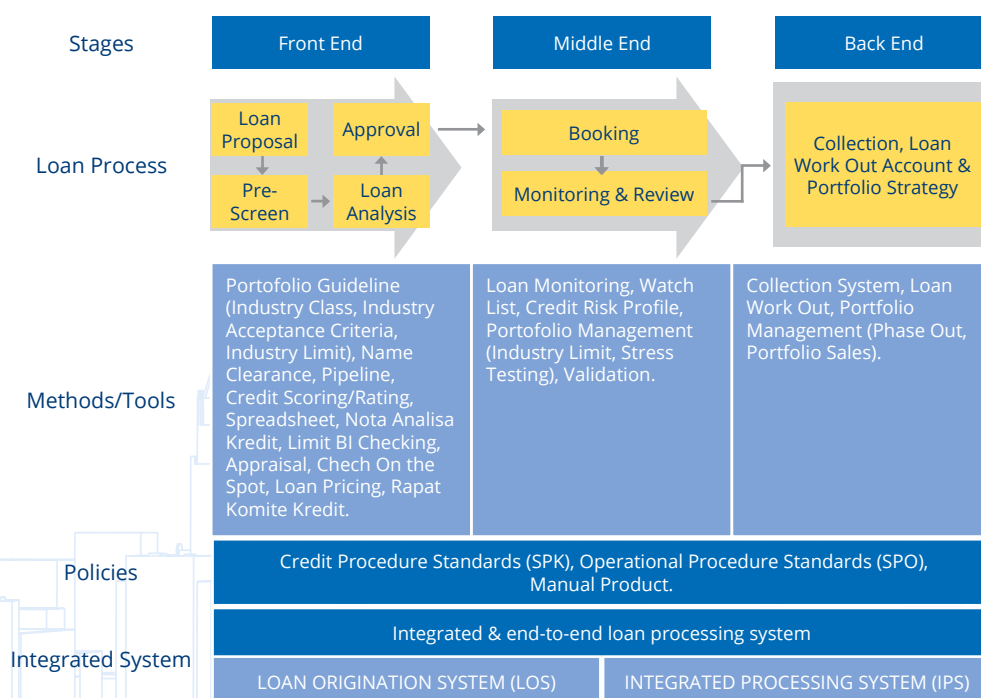
## Management of Risk

### Credit Risk

Bank Mandiri's loan management process begins with determining the target market and proceeding to carry out risk assessment and monitoring over a loan provision. In channelling its loans, Bank Mandiri always prioritizes the principle of prudence by placing a credit analysis function carried out by business units and an independent loan risk unit. Bank Mandiri always refers to Mandiri Credit Policy in managing loan risk on an end-to-end basis. Operationally, this policy is stated in the form of Credit Procedure Standards (SPK) and Product Manuals.

In managing credit concentration risk at the debtor level, Bank Mandiri applies Limit Management consistently, through the establishment and monitoring of the Master Limit and Value Chain Limit within the corridor of the Legal Lending Limit (LLL). In general, the loan process and loan risk management at Bank Mandiri have been carried out end-to-end and integrated by the Business Unit, Credit Operation Unit and Credit Risk Management Unit with the following scheme.

### Flow of Credit Process and Management of Credit Risk



## Market Risk

Market risk management is carried out by an independent working unit by implementing the segregation of duties principle, namely the separation of functions and responsibilities consisting of front office, middle office, and back office. Organization of Market Risk Management consists of two parts, i.e. Market Risk Management - Trading Book and Market Risk Management - Banking Book.

The framework and governance of market risk management in Bank Mandiri adheres to the three layers of defence, which consists of:

- The Board of Commissioners has the function of overseeing market risk (risk oversight) through the Risk Monitoring Committee, Integrated Governance Committee and Audit Committee.
- Directors who carry out the risk policy function through the Executive Committee related to market risk management and recovery plan, namely the Assets & Liabilities Committee and Risk Management Committee.
- Working Unit of Risk Management together with business unit and compliance unit carry out the functions of risk identification, risk calculation, risk monitoring and risk control.

Risk Management Framework of Bank Mandiri is developed based on internal and external factors including but are not limited to bank business, regulatory provisions, development of methodologies and best practices, as well as risk data. Authority and responsibility related to the implementation of risk management are regulated in the Risk Management Policy (KMNR). Whereas for guidance in implementing market risk management both the trading book portfolio and the banking book are regulated in the Treasury Procedure Standard (SPT) and the Asset Procedure & Liability Management Standard.

### Management and Mechanism of Market Risk Measurement – Trading book

Trading book market risk is a risk arising from potential losses due to banking book activities, including changes in interest rates and exchange rates (including derivative instruments). Bank Mandiri's market risk management is carried out by applying principles of segregation of duties, which is to separate the functions and responsibilities independently of the treasury work unit trade transactions, which consist of:

#### Principles of Segregation of Duties



### Management and Mechanism of Market Risk Measurement

The banking book market risk is a risk that arises because of changes in interest rates and exchange rates for banking book activities that can affect the Bank's profitability (earnings perspective) and economic value of Bank capital (economic value perspective). Management of the Bank Mandiri banking book market risk is carried out by optimizing the balance sheet structure to obtain maximum returns in accordance with the level of acceptable risk. In addition, also by setting limits that refers to internal provisions and applicable laws and regulations provisions which is monitored weekly and monthly by the relevant work unit.

## Liquidity Risk

In order to manage liquidity risk in a measured and comprehensive manner, Bank Mandiri implements the following strategies:

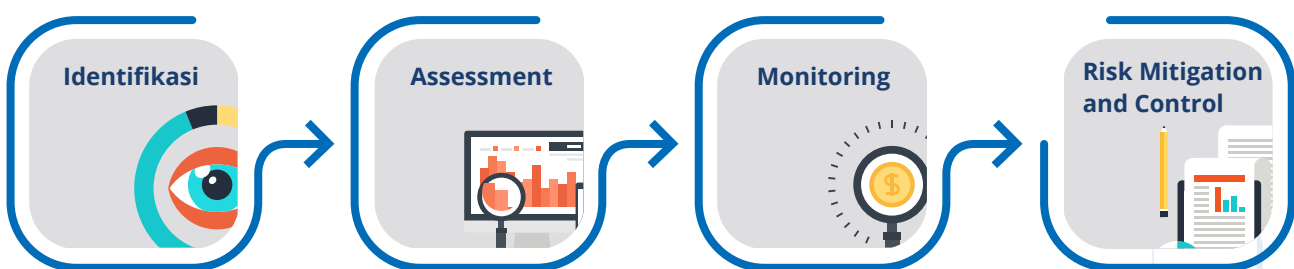
1. Establish limits that refer to internal provisions and applicable laws and regulations provisions.
2. Perform periodic liquidity risk stress testing to determine the impact of changes in market factors and internal factors on extreme conditions (crises) on liquidity conditions.
3. Arrange and conduct periodic reviews of the Liquidity Contingency Plan (LCP) and Recovery Plan that regulate the Company's procedures to encounter deteriorating liquidity conditions including alternative funding strategies, including through alternative funding strategies among others through sale/purchase transactions of FX Money Market instruments and Interbank Securities Repo, Government Bond sales, use of Bank Indonesia Standing Facility and repo of Bank Indonesia securities. Determination of liquidity conditions and funding strategies in the LCP and Recovery Plan has considered internal and external conditions.
4. Monitor external indicators including the Jakarta Interbank Offered Rate (LIBOR), USD Interbank, Rupiah interest rate, spread between Return on Investment (ROI) compared to UST, Outstanding IDR banking Liquidity, USD/IDR exchange rate, spread loan default swaps (CDS), Composite Stock Price Index (CSPI), as well as current market information. This monitoring aims to increase awareness of economic conditions that are less stable, both due to the conditions of the global crisis and due to various domestic issues.

## Operational Risk

Operational risk is inherently attaches/exists in each of the Company's products/activities/ operational processes in running the organization. The Risk Owner Working Unit as a risk and control owner has the primary responsibility for ensuring a good risk management process so as to minimize potential risks.

In order to implement effective Operational Risk Management, Bank Mandiri developed a methodology of identification, measurement, control/mitigation and monitoring of operational risk exposures utilized in each Working Unit. In addition, Bank Mandiri has also developed a management information system that is tailored to the characteristics, activities and complexity of the Company's business activities.

Management of Operational Risk Management is carried out through 4 (four) stages as follows:



1. Identification A process to identify potential risks inherent in a product/activity/process by considering internal and external factors including identifying controls that will be used for mitigation.
2. Assessment A process to assess by considering the potential impact or likelihood of an inherently risk that can occur. This aims to determine which risks are more material/significant compared to others so that priority measures can be arranged. In addition,

Control Testing is also carried out to find out whether the prevailing control design has been effectively implemented and/or can still be effectively used.

3. Monitoring Process for monitoring risks that have been identified and assessed for potential occurrence. Monitoring is carried out at any time by each related working unit in layers by referring to the applicable provisions including monitoring of indicators or an early warning system.

4. Risk Mitigation and Control The process of controlling and mitigating risks through the implementation of applicable regulatory provisions and/or implementing follow-up (action plans) on potential weaknesses.

In implementing operational risk management, Bank Mandiri uses operational risk management tools/devices including:

1. Risk and Control Self Assessment (RCSA)  
A register of the main risks and controls, with the results of an assessment of inherent risk and residual risk.
2. Loss Event Database (LED)  
A database of operational risk incidents with the aim as a lesson learned, monitoring follow-up remediation and adjustments in the future, as well as input for calculating operational risk capital.
3. Key Risk Indicator (KRI)  
Indicators which are arranged as part of an effort to monitor the risks that exist on a risk based basis so that follow-up can be taken immediately before a risk actually occurs.
4. Issue and Action Management (IAM)  
Tool to monitor follow-up that has been prepared on issues found through various activities.
5. Capital Modelling  
A model of operational risk capital (regulatory capital charge) which is in accordance with the provisions of applicable regulations, as a part of mitigating operational risk.

In order to facilitate the operational risk management process, Bank Mandiri has an integrated Operational Risk Management system that covers all of the aforementioned tools and is implemented in working units both head office and region. As an output of the operational risk management process, the Operational Risk Profile Report that describes operational risk exposures is delivered periodically to the Board of Commissioners and Directors. This is administered in order to support the active role of the Board of Commissioners and Directors in implementing the Company's operational risk management. The results of operational risk management reporting are then submitted to the regulator as part of the Risk-Based Bank Rating (RBBR) report in accordance with applicable regulations.

The implementation of operational risk management involves all elements in the Company, including the Board of Directors with active supervision by the Board of Commissioners. The Board of Commissioners and Directors understand the encountered risks and play an important role in supporting and overseeing the success of their

implementation in all operational work units. Operational risk management in the Company is supervised by the Director of Risk Management supported by involvement.

#### - Risk Management & Credit Policy Committee

The Executive Committee carries out the functions of supervision, control and risk management, among others, through the establishment of risk management strategies and procedures, monitoring risk profiles and establishing risk appetite.

#### - Operational Risk Management Coach Working Unit

The Operational Risk Management Working Unit is responsible for formulating policies, strategies, frameworks and tools for operational risk management and conducting its socialization.

#### - Operational Risk Management Working Unit

The Operational Risk Management Working Unit is responsible for implementing policies, strategies, frameworks and operational risk management tools in collaboration with the Risk Owner Working Unit.

#### - Risk Owner Working Unit

Working units responsible for managing Operational Risk and ensuring control in each operational activity that has been effectively carried out and in accordance with the provisions

#### - Compliance Working Unit

Work units that carry out the compliance function on internal and external rules.

#### - Internal Audit

Work units that carry out evaluation of the effectiveness of internal control, risk management and governance processes.

### Legal Risk

Legal risk is a type of risk encountered by Bank Mandiri as a result of lawsuits, both those carried out by internal and external parties and/or the discovery of juridical weaknesses such as the absence of legal documents and regulations or weaknesses in documents. Legal risk management organizations are carried out by the Legal Unit at the Head Office by carrying out functions, duties and responsibilities related to regulatory, advisory, litigation, advocacy and legal assistance, education and transformation in the field of law and management of



Bank legal risk. In implementing these functions, duties and responsibilities, the Legal Unit at the Head Office coordinates with the Legal Unit in the Work Unit and Legal Unit in the Region. The Head Office Legal Unit is the system coach and supervises Legal Unit in Working Unit and Legal Unit in the Region. In optimizing the function of the working unit related to litigation, Bank Mandiri initiated the establishment of a Wholesale Loan Litigation Group which focused on handling litigation issues in the wholesale segment.

### Mechanism of Legal Risk Management

The risk management mechanism which includes the process of identifying measurement, control and monitoring refers to the applicable provisions regarding risk management. Each working unit of the product owner and or executor and organizer of the activity must identify and manage risk maximally including but not limited to legal risk which is basically inherent in each product or activity made or implemented by the Company, so that it does not have a broad impact and trigger other risks including but not limited to reputation risk.

The management of legal risk carried out by Bank Mandiri, both preventive and repressive, is sufficient to protect Bank Mandiri's legal interests and minimize significant

Financial impacts for Bank Mandiri, reflected in the Legal Risk Profile Report of 2018 which is in the Low category.

### Reputation Risk

Risiko reputasi dikelola melalui mekanisme pengawasan, penanganan dan penyelesaian yang dikoordinasikan oleh Sekretaris Perusahaan dengan didukung oleh unit kerja terkait, termasuk unit kerja *Customer Care*, unit kerja TI, dan unit kerja strategi *marketing* dengan mengacu pada ketentuan internal dan perundang-undangan yang berlaku.

### Mechanisms for Reputation Risk Management

Reputation risk is managed through a mechanism of supervision, handling and settlement which is coordinated by the Corporate Secretary Group with reference to the Standard provisions of the Corporate Secretary Guidelines.

### Implementation of Policy on Reputation Risk Management

As a form of implementation of reputation risk management policies, the President Director ensures that all working units have performed their respective functions properly and in accordance with applicable regulations. Whereas if there is a potentially impacted event on reputation risk related to the main task and function of a particular work unit, then the working unit is obliged to provide detailed information to the Corporate Secretary Group to manage the incident to minimize the impact.

Currently Bank Mandiri has an official channel for receiving complaints and questions from customers, such as the 14000 call centre, website, branch offices, including conventional media and social media. All complaints are forwarded to the Customer Care Group for handling and settlement. In carrying out this task, the Customer Care Group coordinates with the Corporate Secretary Group, especially in handling customer complaints related to conventional media and social media.

Separately, the Corporate Secretary Group also monitors and evaluates various reports and loading on conventional media and social media periodically to measure the effectiveness of the company's publication and communication activities. Furthermore, the results of monitoring and evaluation are used as the basis for publication and communication activities for the next period in order to continuously strengthen the company's reputation.

In its function as the company's reputation risk management coordinator, Bank Mandiri also has internal units, such as the Corporate Communications Department and the Corporate Social Responsibility Center Department which have the authority and ability to create a positive image of the company through communication programs and corporate social activities.

The Corporate Communications Department in collaboration with local media in various cities in Indonesia organizes routine activities in the form of Focus Group Discussions (FGD) with the theme of banking, economy, and regional development as well as other themes. This was carried out with the aim of establishing good communication with local media and related to stakeholders in the region. Throughout 2018, the Corporate Communications Department held several FGDs with information as follows:



No.	Date	City	Theme
1.	March 12, 2018	Jayapura	Exploring the potential and infrastructure development strategy in Papua
2.	March 15, 2018	Makassar	Exploring the potential and industrialization strategy in South Sulawesi
3.	March 19, 2018	Medan	Government and private sector cooperation in infrastructure development in North Sumatra
4.	March 21, 2018	Denpasar	Creative economy development strategy of the tourism industry in Bali
5.	April 16, 2018	Banjarmasin	Prospects for Coal industry and economic prospect in South Kalimantan post Coal mining.
6.	August 15, 2018	Pontianak	The role of digital banking in retail trading in Pontianak
7.	November 1, 2018	Samarinda	The role of digital banking in retail trading in Samarinda
8.	The third week of November 2018	Balikpapan	The role of digital banking in retail trading in Balikpapan
9.	December 2018	Surabaya	The role of digital banking in retail trading in Surabaya
10.	December 2018	Bandung	The role of digital banking in retail trading in Bandung

Through this Focus Group Discussion (FGD), it is expected to create positive branding on Bank Mandiri in various local media whether it is printed, television, or online and social media, which later on can lead to society's positive perceptions on Bank Mandiri.

Meanwhile, in the context of critical and massive crisis which influences stakeholders' trust, Corporate Secretary Group holds a responsibility to implement an immediate action plan to reduce the impact of the crisis, including preparing problem management strategies, determining internal person, and scheduling crisis execution and comprehensive evaluation.

## Strategic Risk

### Strategic risk Management Organization

The bank has established a risk management committee and a risk management unit aims to support a comprehensive, integrated, measurable, and controlled risk management. Each of these committees issues included in the scope of the intended committee.

### Strategic risk Management Mechanism

Bank risk management is regulated in a bank risk management policy with reference to Bank Indonesia Regulation, the Financial Services Authority Regulation, Basel provisions, and international best practices. This policy is regularly reviewed to anticipate changes in a business situation, regulation, and Bank internal condition.

In conducting strategic risk management, Bank Mandiri always conducts performance analysis and evaluates business target preparation and takes corrective steps

in developing business plans and targets by considering internal and external conditions, if necessary.

### The Implementation of Strategic Risk Management

Throughout 2018, by looking at internal and external conditions of Bank Mandiri and the corporate plan "restart" 2016-2020, Bank Mandiri is currently carrying out the stage III transformation to be the best financial institution in Indonesia in 2020. Considering the current economic situation, Bank Mandiri has performed some business strategies focusing on:

- **Strengthening business which becomes initial core competency**, by increasing the wholesale loan above the market growth with the focus on anchor customers and industrial sectors, as well as increasing fee-based income and CASA wholesale through the improvement of banking transaction and cash management, and forex services and capital market.
- **Building and strengthening the new core competency**, by encouraging CASA retail growth through e-channel and Bank at Work initiatives by leveraging the network and derivatives of the wholesale customers. The growth of the consumer lending business, particularly in mortgages, auto loan, and personal loan through streamlining and cross-selling. Increasing the penetration of the micro-credit, especially KSM, and maintaining the market share segments in the Small and Medium Enterprises (SME) segments.
- **Strengthening the fundamentals**, by reducing the cost efficiency ratio through digitalization. Increasing network productivity through the improvement of business process and analytic utilization. Reducing the level of NPL by strengthening the early warning system, managing non-performing loans, and loan business processes.



## Steps and Plans in Anticipating Strategic Risk

In anticipating the risk factors encountered by Bank Mandiri, it is necessary to implement independent and prudent risk management but not limit the company's business expansion process. The followings are some strategic risk management procedures applied in 2018:

1. The economic growth which impacts business growth is still wary of several industrial sectors that indicate a potential risk of slowing or saturation. This leads Bank Mandiri to expand credits on the existing core and new core more prudently, and select prospective and resilient industrial sectors and segments toward economic turmoil. In addition, monitoring watch list and high-risk debtors are carried out end to end for better loan management.
2. Controlling the formation of reserves (CKPN) by conducting review and follow-up action of the potentially problematic debtors so that CKPN costs can be reduced.
3. Focusing on retail deposit in small business, micro, and consumer (individual) segments by running a program that can maintain its sustainability.
4. Portfolios should be managed more agile to cope with cycles and volatility, prospective industrial sectors/segments should be encouraged to grow.
5. Controlling costs through efficiency/saving overhead cost program and a more in-depth study of initiatives which have an impact on increasing productivity and eliminating non-value added cost.

## Compliance Risk

### Compliance Risk Management Organization

All levels of the company are fully responsible to carry out compliance in their activities. The organizations, their duties, and responsibilities of implementing the compliance function are as follows:

1. Board of Commissioners  
In relation to the implementation of the compliance function and integrated governance, the board of commissioners must carry out active supervision toward the implementation of the compliance function.
2. Integrated governance committee  
The committee is formed to assist the commissioner board in carrying out the supervisory function of the implementation of the integrated governance and

integrated compliance function at Bank Mandiri and subsidiaries.

3. Director/SEVP  
The board of directors has duty and responsibility to foster and implement compliance culture and ensure the implementation of compliance culture at all organizational levels and business activities.
4. Director in charge of the compliance function  
The director in charge of the compliance function is responsible for formulating a compliance culture strategy, minimizing compliance risk, establishing compliance systems and procedures and ensuring all policies, provisions, systems, and procedures are in accordance with prevailing laws and regulations.
5. Compliance work unit  
Compliance work unit assists and/or represents the director in charge of the compliance function in carrying out their duties and responsibilities.
6. Compliance unit within the work unit  
Compliance unit within a work unit ensures the implementation of the compliance function performed by the head of the supervised work unit.
7. The head of the work unit  
The head of a work unit is responsible for realizing the compliance culture in their units, managing compliance risk, and implementing process and procedure improvement related to compliance issues in the units.

### Compliance Risk Management Mechanism

Bank Mandiri has established compliance risk management policies and procedures which refer to prevailing rules and regulations. In the policy and compliance procedure, it is mentioned that compliance risk management consists of several stages, namely:

- a. Identification  
Compliance risk identification is stated in Compliance Risk Statement (CRS) which includes related regulation, causes of risk, risk control, and action plan needed to prevent compliance risk.
- b. Assessment  
The identified risk is assessed by each risk owner to create compliance risk profile in his work unit. The risk assessment is carried out based on the possibility of the risk occurrences and its impact. In addition, the risk owner also evaluates the effectiveness of the control.

- c. Monitoring  
Compliance risk monitoring is done by deciding and monitoring the risk appetite statement (RAS) of compliance risk.
- d. Mitigation  
The mitigation of the compliance risk is carried out by:
  1. Reviewing that the compliance risk identifying process has been done properly and correctly.
  2. Reviewing that the implementation of control and mitigation has been done properly and correctly.
  3. Reviewing that the compliance risk assessment process has been carried out properly and correctly and considers historical sanctions data.

**The Implementation of Compliance Risk Management**  
In 2018, the implementation of compliance risk management was carried out through:

1. The determination of Risk Appetite Statement (RAS)  
In 2018, Bank Mandiri has established Risk Appetite Statement (RAS) for compliance risk which was the same as 2017, 10 (ten) violations each month. During 2018, the sanctions received by banks were 1-2 times each month and did not exceed the risk limit according to the RAS
2. The compliance risk assessment  
The compliance risk assessment was carried out regularly every quarter and was submitted to OJK as part of the bank's risk profile report. Based on compliance risk self-assessment for 4 consecutive periods in 2018, the company's compliance risk was 1 (low). Some points that became the opportunity for improvement were compliance risk awareness of the employees and monitoring of report submission to regulators.
3. The efforts to mitigate compliance risk  
In an effort to mitigate the compliance risk, the bank has carried out several compliance programs:
  - a. Monitoring on the fulfillment of bank obligations on new regulations  
Compliance work unit (dhi. Compliance Group) conducts a prudential meeting, monitors action plan, and reminds related work unit.
  - b. Control Testing of the high-risk activities  
Control testing is carried out by a compliance unit (dhi. Senior Operational Risk Unit) for high-risk activities. If there was a discrepancy with the prevailing regulation, the repair or improvement was made immediately to avoid the bank losses.

- c. Compliance test program  
This is a follow-up program carried out last year in order to increase risk owner awareness toward prevailing compliance risks and regulations (according to duties and responsibilities)
- d. Compliance culture and provisions socialization through OPERA (Operational Risk Awareness)  
OPERA, which was performed through collaboration with Operational Risk Group, was done in the second and the third quarters of 2018 to all employees in all regions. The socialization materials presented were the culture of compliance and some provisions to obey.
- e. Compliance work unit competency enhancement program  
As an effort to improve understanding of compliance risk management, the company cooperates with an independent party to conduct training and compliance certification for all personnel of the compliance work unit.

### Steps and Plans in Anticipation Compliance Risk

The steps to be taken in relation to improving compliance risk management are as follows:

1. The management of compliance risk
  - a. Establishing Risk Appetite Statement (RAS) on the monitor the imposition of sanctions/fines to ensure the determined appetite is still under the company's control and improving compliance risk assessment parameter.
  - b. Improving procedures related to the implementation of the compliance function report.
2. Increasing compliance risk awareness
  - a. Conducting compliance assessment to increase employee understanding of the prevailing rules and regulations.
  - b. providing compliance advice on related issues.
3. Strengthening the monitoring of the compliance of regulatory obligation
  - a. Informing/socializing the prevailing laws and regulation or the results of analysis of the provisions to the companies.
  - b. Monitoring the compliance of action plan of work unit on the new regulations.
4. Increasing the competency of the compliance work unit



In order to improve the quality of human resources of the compliance unit, the bank cooperates with an independent party to conduct training and compliance certification.

5. Compliance Loan Review Forum (CCRF)  
This discussion forum is held with the business units to increase the awareness of the compliance risk in the loan sector.

## Intra-Group Transaction Risk

Intra-group transaction risk is the risk due to the dependence of the entity to other entities, both directly and indirectly, in a financial conglomerate, in order to fulfill written and unwritten obligations that are followed by the transfer of funds and/or not followed by the transfer of funds. The implementation of intra-group transaction risk is carried out with subsidiaries in the Bank Mandiri business group in accordance with Bank Mandiri's business strategy.

Bank Mandiri identifies and analyzes activities that can increase intra-group risk transaction exposure and affect company performance. The risk identification is carried out in the business activities of Bank Mandiri and subsidiaries by considering the complexity of the transaction. Bank Mandiri can combine both qualitative and quantitative approaches to measuring intra-group transaction risk. Bank Mandiri periodically monitors the risk of intra-group transaction risk.

## Insurance Risk

Insurance risk is a risk due to the failure of the insurance company to fulfill the obligation to the policyholder as a result of insufficient risk selection process (underwriting), pricing, reinsurance use, and/or claim handling. The implementation of insurance risk management is carried out on subsidiary companies within the Bank Mandiri business group engaged in the insurance business.

Bank Mandiri identifies and analyzes activities that can increase insurance risk exposure and affect company performance. Risk identification is conducted on the business activities of subsidiary companies by considering their characteristics. Bank Mandiri can combine both qualitative and quantitative approaches in measuring insurance risk. Bank Mandiri, periodically, monitors the insurance risk.

## The Efforts To Increase The Culture of Risk Awareness

In an effort to attain the vision and to maintain the sustainability of the company, Bank Mandiri continuously applies a culture so-called risk awareness culture covering all Bank activities. The risk awareness culture starts out from the establishment of Risk Appetite Statement (RAS) which indicates the type and level of the risks which a company manages to accept; which are within the risk capacity the company has; and which are prepared in order to achieve business objectives. RAS will be used in the decision making process of a business and the discipline in respect of the implementation will be intensively monitored.

At the level of policies and procedures, the efforts to increase a culture of risk awareness are made by incorporating risk assessment and risk mitigation at each preparation standard of the business activity procedures and the company product manual.

At the level of implementation, Bank Mandiri has the culture of risk awareness including an anti-fraud culture which is effectively communicated. One of the superior programs in the culture of risk awareness is **OPERA that stands for Operational Risk Awareness** which is comprised of an education program and the implementation of a forum or workshop as an effort to increase awareness and risk-management related knowledge vis-a-vis daily operational activities. In addition, it is also carried out an activity so-called Risk Awareness Survey (RAWS) wherein programs are owned by each work unit and are associated with the introduction, understanding, and mitigation of operational risks.

Subsequently, an increase in the risk awareness culture is also espoused by adhering risk awareness to an internalization culture of Mandiri Bank (corporate culture). One of the cultural themes known as "Mandiri Tumbuh Sehat" emphasizes "thinking and acting in a balanced manner" whereby every individual in Bank Mandiri is expected to manage to pursue business growth alongside the proper consideration of risks. This point is necessary to be done in order that the performance achievement can be sustainable in the long run.

The success of a variety of programs carried out to increase the risk awareness culture absolutely needs to be supported by a good communication strategy. Bank Mandiri makes use of a couple of communication media to ensure that messages are delivered in an extensive coverage. Accordingly, other than holding a risk sharing forum, Bank Mandiri also exerts a digital channel for instance email blast so that the risk awareness culture can be embodied in an open, efficient, and effective framework of risk management.

## Risk Awareness Program

For the sake of making a good operational risk management successful, it definitely needs to be fostered by good risk awareness from all levels of employees as well. Bank Mandiri has got a risk awareness program so-called OPERA (Operational Risk Awareness). With the tagline known as DARE that stands for "Deteksi, Amankan, dan Respon", or in English it refers to (Detection, Secure, and Response). This program is designed to enhance the understanding and effectiveness of each Bank Mandiri employee composed of the following details:

### 1. OPERA Edu

is an awareness-related program that aims at provisioning education pertinent to risk and control encompassing the following points:

a. OPERA Clip is a short video with a maximum duration of 1 minute which raises the issues as regards the latest operational risk as the following details:

1) OPERAClip The Series: it is displayed in the form of an awareness video which is functional to shape a targeted attitude in managing operational risks as the following categories:

- The first series with the theme of control is oriented towards the responsibility of each employee,
- The second series nuances the theme of understanding control, not only from simply "as he said", and
- The third series raises the theme about "fatal" if the control is merely regarded as a ritual.

2) OPERAClip Micro Edition: it is displayed in the form of awareness-driven video for risks and controls in the micro unit.

This video is obligatorily demanded to be watched by all employees in each work unit together. In addition, the video is also displayed in the office lifts.

b. OPERA Toon is articles with a variety of themes which are interestingly presented in the form of comics/ cartoons, which are made once a month and sent to all employees via email.

c. OPERA Letter is short articles with a maximum of 2 (two) pages addressing certain themes with respect to the management of operational risks. Opera Letter is sent to all employees via email every 3 (three) months.



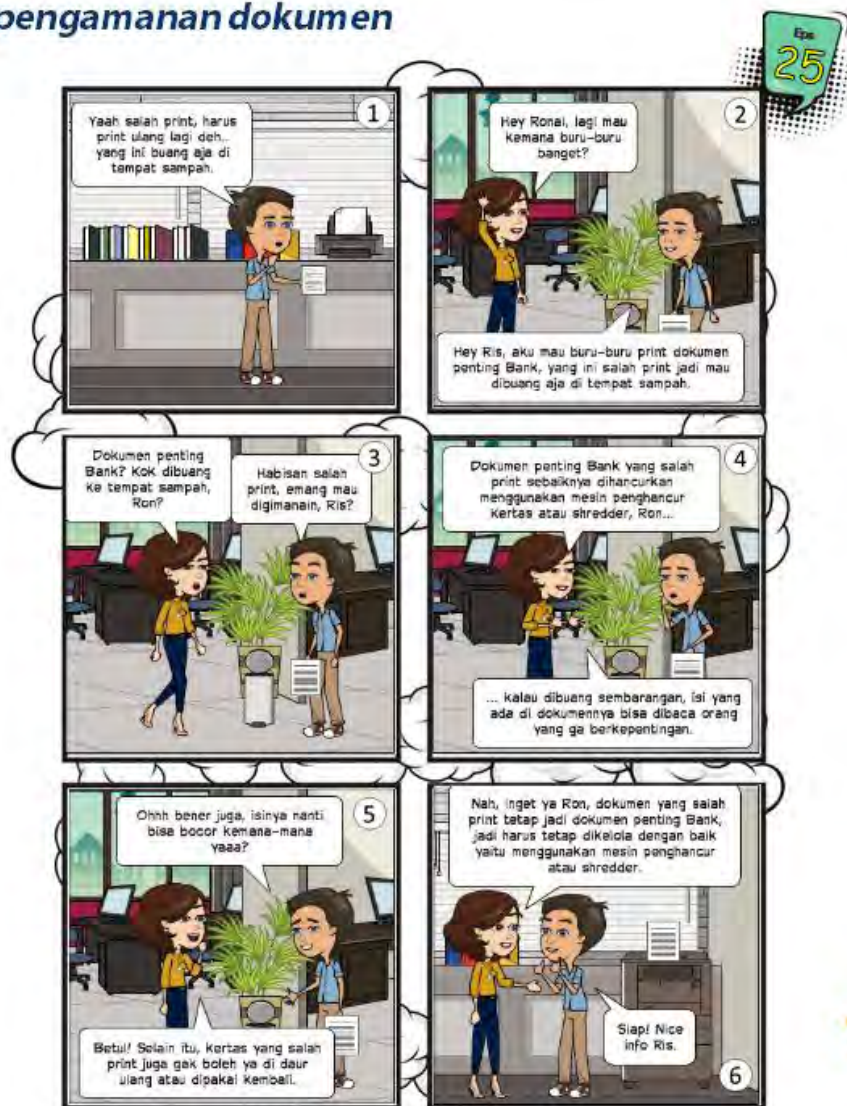




*One Heart One Mandiri*



## operatoon pengamanan dokumen





## 2. OPERA Learning

is a learning or training program concerning with the management of operational risks for the sake of risk awareness employees in the form of e-Course which can be downloaded via i-Learn, and it deploys a post test to measure the extent of understanding. To date, there have been available 2 (two) OPERA modules which must be followed by all employees, namely the introduction to operational risk management module (5W1H) and Information Security (Infosec), as well as 1 (one) e-module containing competency test especially for Branch Managers.

## 3. OPERA Forum

OPERA Forum is held as a forum of discussion with regard to the management of operational risks. OPERA forum falls into 2 (two) categories, namely the MRO Forum and the OPERA Workshop.

- a. The MRO Forum is a periodic forum which is specifically held by the Operational Risk Management Unit along with each Group, and it is attended by the Head of the Work Unit alongside the staffs. This quarterly forum aims at addressing the issues corresponding to the Profile of Operational Risks in the Work Unit of Risk Owner with the verification agenda of control testing results, the discussion of key signification issues, and the action plans which need to be immediately resolved.
- b. The OPERA Workshop is a workshop oriented towards operational risk awareness that is held by the operational risk management unit.
  - At the beginning of the year, the workshop is held together with the management teams and 250 representatives of senior level from the overall Groups and Regions of Jakarta.
  - At the end of the year, the Operational Risk Forum is held together with the operational risk practitioners from 21 National Public Banks in Indonesia,

As the foregoing, both of the workshops incorporate external speakers and the speakers from banking industry, either domestic or foreign. Besides, the 12th OPERA Road show of Region Office is held throughout the year with 840 people as the total number of the participants.

In light of the presence of the aforementioned awareness-related program, the employees can more easily understand as well as remember the importance of operational risk management. Hence, the management of operational risks can run more effectively and efficiently.

### Bank Mandiri Launches the OPERA Program



On January 15, 2018 the OPERA Program was launched. with the DARE tagline: Detection, Secure and Response.

## Risk Assessment

The results of Bank Mandiri's Risk Profil self-assessment as of December 31, 2018 are ranked 1 (low) with Risk Rating Inherent low to moderate and strong Risk Management Implementation (KPMR) Rating.

Self assessment of the risk profile of Bank Mandiri (individually) for the December 31, 2018 position is as follows:



Types of Risks	The Level of Inherent Risk	The Level of Risk Management Implementation Quality	The Rank of Risk Level
Credit Risk	Moderate	Satisfactory	Low to moderate
Market Risk	Low	Strong	Low
Liquidity Risk	Low	Strong	Low
Operational Risk	Moderate	Satisfactory	Low to moderate
Legal Risk	Low	Strong	Low
Strategic Risk	Low	Strong	Low
Compliance Risk	Low to moderate	Strong	Low
Reputation Risk	Low	Satisfactory	Low
<b>Composite Rating</b>	<b>Low to moderate</b>	<b>Strong</b>	<b>Low</b>

## 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 policy is an annual evaluation of Management Policy Risk and Standard Procedure. The Board of Commissioners has an active role in the implementation of management system evaluations risk by reviewing the results of evaluations conducted by the Board of Directors as the organ responsible for effectiveness of implementing a risk management system. The results of the annual evaluation indicate that risk management is at Bank Mandiri during 2018 **was adequate**.

## Internal Control System

The Internal Control System (ICS) refers to a monitoring mechanism which is established by the company's management on an on-going basis. An effective ICS is an important component in the company management and becomes the foundation of the company operational activities which are proper and secured. An effective ICS can help the Board of Commissioners and Directors in safeguarding the assets of the company, ensuring the availability of credible financial and managerial reporting, increasing the company's compliance with laws and regulations, and decreasing the risk of loss, deviation, and violations of prudential aspects. The application of ICS in the company refers to the Internal Control Policy (ICP).

As a process executed by all levels of the company's organization, ICS is applied in the strategy setting in all work units, and it is designed to capably identify the plausible occurrence of an event that can impact the company, to manage risk in order to still remain within the risk appetite, and to provide adequate confidence in order to achieve the company goals.

## The Objectives of Controls

The objectives of implementing an effective ICS are classified into 4 (four) main objectives as follows:

### 1. The Compliance Objective

It is to ensure that all of the company's business activities have been undertaken resting upon the applicable laws and regulations, both the provisions issued by the Government, the Banking Supervision Authority, the Capital Market Authority and the company's internal policies, provisions, as well as procedures.

### 2. The Information Objective

It is to provide accurate, complete, on-time, and relevant information required in an effort to make appropriate and accountable decisions, including financial and non-financial reports needed by both internal and external parties of the company.

### 3. The Operational Objective

It is to enhance the effectiveness and efficiency in using assets and other resources as well as to protect the Bank from the risk of losses including those on account of fraud event.

#### 4. The Objective of Risk Awareness Culture

It is to identify weaknesses and to assess deviations early and re-assess the fairness of the internally prevailing policies alongside the procedures at the Bank on an ongoing basis.

### Control Environment

The control environment indicates the entire commitment, behavior, care, and steps of the Board of Directors and Commissioners of Bank Mandiri in executing the operational activities. The Board of Commissioners is responsible for ensuring whether the Directors have monitored the effectiveness of the ICS implementation. The Board of Commissioners plays an active role in ascertaining that there are improvements to the company's problems that can potentially reduce the effectiveness of ICS.

The directors are responsible for setting the policies and strategies as well as internal control procedures. They are also responsible for monitoring the sufficiency and effectiveness of ICS. In addition, the Board of Commissioners and Directors are responsible for enhancing the work ethics and high integrity as well as for creating an organizational culture subjected to all employees appertaining to the importance of internal controls prevailing in Bank Mandiri .

Monitoring by management is undertaken through building up the culture control by means of the establishment of human resource policies and practices, including the following points:

1. The company has the written policies and procedures in regard to human resources encompassing the recruitment, career paths, payroll and remuneration systems, and employee coaching and development.
2. The company evaluates the performance, competency, and application of cultural values by employees periodically, wherein the results become the basis for assigning and placing the employees.
3. The company has an organizational structure which is adequate and reflects the task specification and responsibilities determined resting upon the applicable regulations.
4. The company has a written policy in association with the provisions and procedures for changing organizational structures.
5. The company management is executed in referential to the principles of Good Corporate Governance.

6. The company decision making is determined at the meeting held by the Board of Directors.
7. The process of making decision is undertaken in bottom-up and top-down manner.
8. The company makes policies which are aimed at preventing any occurrence opportunity of deviation or violations of the prudential principles.

### Risk Assessment

Risk assessment is a set of actions which start out from the identification, analysis, and measurement of the company's risks for the sake of attaining the targets set. The risk assessment is done to all kinds of risks inherent in each process or activity that is conceivably potential to harm the company.

Bank Mandiri has the written risk management policies set by the Board of Directors and approved by the Board of Commissioners.

In an effort to implement an effective ICS, the company continuously identifies and assesses risks that can have an impact on the attainment of targets. The Internal Audit Work Unit (IAWU) periodically reviews the risk assessment produced by the Risk Management Work Unit (RMWU) so that the coverage of the audit is more extensive and comprehensive.

The assessment as such incorporates all risks faced, either individual or overall risks, which entail loan risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk, compliance risk, insurance risk, and intra-group transaction risk.

### Control Activities

Control activities entail the control and segregation of duties, with the descriptions presented as follows:

1. Control Activities  
Control activities involve all levels of the company that include planning, policy and procedure determination, implementing controls and early verification processes to ensure that those policies and procedures are consistently obeyed. The control activities are those that cannot be separated from each function or daily activity of the company.

These activities are applied in all levels of function based on the structure of company organization as follows:



#### a. Review by The Board of Directors (Top Level Review)

The Board of Directors periodically requests explanation (information) and operational performance reports from the Head of Division in order to review the results of the realization compared to the set targets. Based on the review, soon the Board of Directors detects some problems that may occur, for instance control weaknesses, financial statement errors or other irregularities (fraud).

#### b. Review of Operational Performance (Functional Review)

This review is conducted by SKAI at the time of inspection or in the reporting process to the regulator, which includes:

- Conducting a review of the risk assessment (risk profile report) made by the Risk Management Unit
- Analyzing operational data, both related to the risk and financial data, by verifying details and transaction activities compared to outputs (reports) produced by the Risk Management Unit
- Carrying out a review of the implementation of work plans and budgets made by each division in order to:
  - 1) Identify the significant cause of deviation
  - 2) Determine requirements for corrective action

#### c. Managing the information system

- The company carries out verification of the accuracy and completeness of transactions and the implementation of authorization procedures in accordance with applicable regulations.
- The company accomplishes controlling steps of information technology (TI) to deliver system and data that are maintained confidentially with a good integrity and support the company's goal.
- Controlling information technology includes:
  - 1) Controlling operational database, procurement system, development and maintenance of system/ application. This controlling act is implemented for mainframe, server, user work station, and connectivity.
  - 2) Controlling of application is carried out for a program used by the company to process transactions in order to ensure the availability of effective auditing process and go over the validity of that auditing process.

#### d. Physical controls

- Physical controls are carried out to guarantee the implementation of physical safeguards towards the company's assets.
- These controls include securing assets, records and documentation and limited access to application programs.
- The company has to check appraisal continuously.

#### e. Documentation

- The company documents all policies, procedures, and working standard neatly and in a good order.
- All policies, procedures, operational system and accounting standard are updated regularly in order to figure out the actual operational activities.
- By request, documents are always available for the sake of internal auditor, external auditor, and Banking Monitoring Authority.
- The Internal Audit Unit assesses the accuracy and availability of these documents when conducting routine and non-routine audits.

### 2. Segregation of Duties

- a. The aim of this segregation of duties is that everyone in the company does not have any opportunity to do and cover up mistakes or irrelevancies while doing their jobs.
- b. The structure of organization is made by separating the functions of recording, inspecting, operational and operational items (segregation of duties), in which it is expected that it will create a system of dual control, dual custody and there will be no double jobs and conflict of interest in any activities.

- c. In the implementation of this segregation policy, the company carries out several moves for instance:
  - Determine the function or certain job only for several employees in which these are separated from the others to decrease the risk of information/data manipulation or misuse of company's assets.
  - This separation is not limited only for front and back office activities but it is intended to manage several things as follows:
    - 1) Approval of spending and the realization of it.
    - 2) The customer account and bank account owner.
    - 3) Transactions in bank bookkeeping.
    - 4) Giving information to the bank customer.
    - 5) Assessing the adequacy of loan documentation and debtor monitoring after loan disbursement.
    - 6) Other business activities that may cause conflict of interest.
    - 7) The independence of the bank risk management function.
- d. Both directors and employees have a comprehensive job description including their functions, duties, authorities and responsibilities.
- e. They are not allowed to have a double job in their internal institution that can cause a conflict of interest.

Managerial people have an effective communication channel so all information needed can be reached by interested parties. This requirement is for all information including policies and procedures that have been assigned, risk exposures, real transactions, and operational performance of the Bank.

## Monitoring Activities

Directors conduct periodic monitoring activities to find out the effectiveness of overall SPI implementation although it is not limited only about the effectiveness and the safety of TI use in which The Board of Commissioners also ensure that The Directors have conducted the monitoring well.

Monitoring towards the main risks of the company is a part of daily activities including periodic evaluation carried out by Work Unit, Compliance Unit, Risk Management Work Unit, and Internal Audit Work Unit.

Related work units monitor the adequacy of SPI continuously in regard with the internal and external changing conditions and increase the capacity of this SPI so its effectiveness can be improved. If there are some SPI's weaknesses identified by risk taking unit, intern audit of taking unit or the others, they should be reported to the Board of Commissioners and Board of Directors.

## Information and Communication

### a. Information

The company has system information that provides comprehensive and sufficient data/information related to business activities, financial condition, the implementation of risk management, the obedience towards rules and regulations, market information or external condition needed while making proper decisions.

### b. Communication

The company has such a communication system which is able to deliver information to all stakeholders including internal and external parties such as Banking Monitoring Authority, external auditors, shareholders and customers of the company.

SPI's duty is to make sure the availability of effective means of communication so both managerial people and employees understand and obey the applicable policies and procedures while doing their jobs and responsibilities.

## Its Compatibility With The Committee of Sponsoring Organizations of The Treadway Commission (COSO)

SPI consists of 8 components which are related to each other and applied effectively by all levels in the company in order to achieve its goal. It is the development of 5 principal elements of SPI regulated by Regulator.

This development referred to the COSO Model developed by Committee of Sponsoring Organizations of the Tread way Commission (COSO) in 2008 which consists of:

1. Internal Environment
2. Objective Setting
3. Event Identification
4. Risk Assessment
5. Risk Response
6. Control Activities
7. Information & Communication
8. Monitoring





## The Evaluation of Internal Monitoring System Implementation

The Board of Directors are responsible for the implementation of reliable and effective SPI in which they also have to increase the culture of risk awareness effectively and ensure that those values have embedded in every level of organization.

Internal audit is responsible for evaluating and actively improving the use of SPI continuously in regard with the operational implementation in achieving the company's

goals. It also conducts reviews and verifies all activities in risk taking unit and subsidiaries periodically.

The evaluation results are submitted to the Board of Directors for followed up and monitored for implementation ensure the SPI has been running effectively. Board The Commissioner in particular through the role of the Audit Committee play an active role in evaluating SPI by doing review the results of evaluations by Internal Audit. Based on evaluations that have been conducted during 2018, obtained the results that the SPI at Bank Mandiri **has been adequate**.

## Compliance Function

Recently transactions are done using technology and it requires banking industries to move forward and collaborate with others to improve its system and strategy in order to meet the needs of community. The rapid progress of technology and business development of Bank Mandiri indeed will increase the risk exposure encountered by the company including compliance risk. To overcome this exposure, the compliance function is needed to minimize offenses that may cause loses for the company.

Related with the compliance function, Bank Mandiri refers to the Financial Services Authority Regulation No. 46/POJK.03/2017 concerning The Implementation of Bank Compliance Function. Now, Bank Mandiri has got policies and a standard of compliance procedures explaining the duties and responsibilities of Compliance Work Unit.

## The Organisation Structure of Compliance Function

Organizations running the compliance functions have been regulated in Compliance Policies of Bank Mandiri and it can be seen in detail in Standard of Compliance Procedure. This organizations consist of :

1. Directors in charge of the compliance function
2. Compliance Work Unit
3. Compliance Work Unit in the Work Unit

## The Directors In Charge of Compliance Function

The Directors in charge of the compliance function for 2018 are as follow:

1. Ahmad Siddik Badruddin as The Director of Risk Management & Compliance, for the period of January - 12 September 2018.<sup>\*)</sup>
2. Agus Dwi Handaya sebagai as The Director of Compliance, for the period of 12 September 2018 - present.

<sup>\*)</sup> As the follow up of the effective position of Agus Dwi Handaya as The Director of Compliance per 12 September 2018, so the company has informed the changing of this Director to the FSA via letter on 12 September 2018

## Compliance Unit

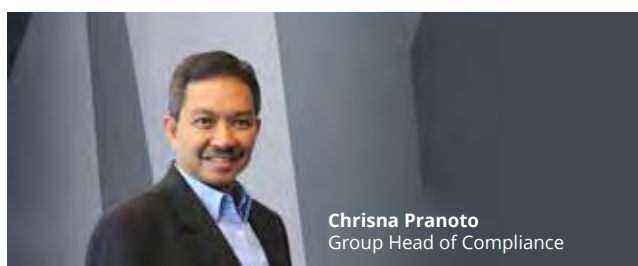
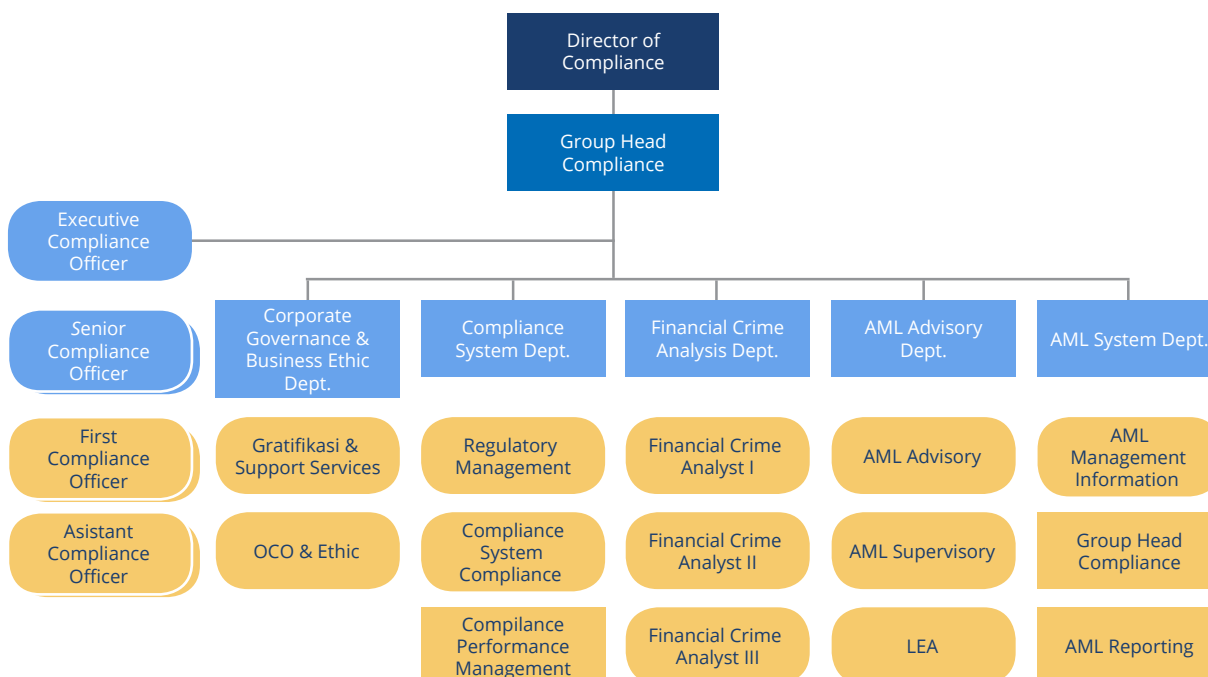
Compliance Group is a unit having a role as Compliance Work Unit in Bank Mandiri and is directly responsible for The Board of Directors in charge for the compliance functions. As its role as Compliance Work Unit, Compliance Group has fulfilled the following requirements:

- a. Independence.
- b. Mastering the applicable rules and regulations.
- c. Do not carry out other tasks outside the Compliance Function.
- d. Have a high commitment to implement and develop a compliance culture.



Additionally, in order to implement Financial Services Authority Regulation No. 18/POJK.03/2014 concerning the Implementation of Integrated Governance for Financial Conglomerates, Compliance Group also acts as an Integrated Compliance Unit to assist and evaluate the implementation of the compliance function in all members of the Financial Services Institution that is a member of the Mandiri Group financial conglomerate.

To carry out the compliance function, Compliance Group has 5 Departments and 1 functional unit Compliance Officer with the following structure:



**Chrisna Pranoto**  
Group Head of Compliance

Age	56 years old
Nationality	Indonesia
Domicile	Jakarta
Educational background	<ul style="list-style-type: none"> <li>S1 in the field of Agronomy from Bogor Agricultural Institute (1986)</li> <li>S2 in the field of International Business from the Gajah Mada University Union (1998).</li> </ul>
Employment History	<ul style="list-style-type: none"> <li>Group Head of Compliance (2014-January 2019)</li> <li>PJ Group Head Policy, System &amp; Procedure (2014).</li> <li>Employees of Office Change Management Leaders (2014).</li> <li>Group Head Distribution Network II (2013-2014)</li> </ul>

### The Profile of Head Compliance Function

Compliance Work Unit in Mandiri Bank is led by The Head of Compliance Unit. Each appointment and/or dismissal of the Head of the Bank Mandiri Compliance Unit has referred to the Bank Mandiri Compliance Policy and is reported to the Regulator. The appointment of Chrisna Pranoto as The Group Head Compliance based on the Decree SEVP No. KEP. SEVP/338/2014 concerning Appointment and Determination of Position in the Framework of Changes in Organizational Structure.



## Duties and Responsibilities of Compliance Functions

The duties and responsibilities of the Compliance Group in carrying out compliance functions, in general are as follows:

1. Make steps in order to support the creation of a Compliance Culture in all business activities of the Bank at every level of the organization.
2. Identify, measure, monitor, and control Compliance Risk by referring to Bank Indonesia regulations regarding the Implementation of Risk Management for Commercial Banks.
3. Assess and evaluate the effectiveness, adequacy and suitability of policies, provisions, systems and procedures owned by the Bank with the applicable laws and regulations.
4. Conduct a review and/or recommend updating and refining policies, regulations, systems and procedures that are owned by the Bank so that they are in accordance with Bank Indonesia regulations and applicable laws and regulations.
5. Make efforts to ensure that the policies, provisions, systems and procedures, as well as the Bank's business activities are in accordance with Bank Indonesia regulations and applicable laws and regulations.

## Development of Compliance Functions Competence

The development that has been followed by employees of the Compliance Work Unit Division during 2018 is as follows.

No.	Name of Education and Employee Development	Date
1.	Online English Course	January 15 - July 15, 2018
2.	Fundamental Financial Planning and Investment	January 18-19, 2018
3.	Workshop With Mark Coopersmith	January 22, 2018
4.	BTK Training Budget Dissemination	January 26, 2018
5.	Workshop Common Reporting	February 7, 2018
6.	International Trade Finance	February 7-9, 2018
7.	Training on Pre Retirement employee Debriefing	February 5-8, 2018
8.	Waperd exam	February 10, 2018
9.	Funding Product	February 14-15, 2018
10.	Anti Money Laundering & Governance For Bankers	February 19-20, 2018
11.	Tax Training	February 19-20, 2018
12.	Pilot Training 1 COTS	February 19-27, 2018
13.	Personal Leadership - Public	February 27 - March 1, 2018
14.	One Day Book	March 3, 2018
15.	E-Banking Excellence	March 5-6, 2018
16.	Managerial Capability - Module Self Motivation	March 6 - April 10, 2018
17.	Refreshment TTT Kriya Mandiri	March 8-9 ,2018
18.	Training Microsoft Access 2013	March 12-14, 2018
19.	Risk Management Certification Refreshment	March 19, 2018
20.	E-Filling of State Officials Assets Report	March 20, 2018
21.	Creative Problem Solving & Decision Making	March 22-23, 2018
22.	Workshop on PKB implementation of Bank Mandiri	March 27, 2018
23.	Managerial Capability - Module Self Motivation	April 6-10, 2018
24.	Prism Brain Mapping Practitioner Certification	April 6-7, 2018
25.	Further Development Provisions and Application of Consolidation Separation Mergers	April 11-12, 2018
26.	Workshop and Limited Meeting on Human Capital	April 12-13, 2018
27.	Training on Level I Risk Management Certification	April 19-20, 2018
28.	COTS Workshop	May 24-25, 2018
29.	Effective Negotiation Skills-SPC Project	May 30-31, 2018

No.	Name of Education and Employee Development	Date
30.	Spiritual Mental Building With The Balance Ways	July 3-5, 2018
31.	Level III Risk Management Competence Certification	July 12-13, 2018
32.	Basic Credit	July 16-19, 2018
33.	Anti Money Laundering & Governance For Bankers	July 23-24, 2018
34.	Presentation Skill With Ms. Power Point	July 27-29, 2018
35.	ESQ Leadership & Culture Transformastion	August 15, 2018
36.	Driving Performance Through Leadership & Culture Transformation	August 23-24, 2018
37.	Texas MCOMBS MBA - Info Session	August 27, 2018
38.	Compliance & AML Certification Exams Level 2	August 29-30, 2018
39.	Workshop Industry Expertise Toll Road	August 30-31, 2018
40.	Financial Transaction Reporting Training for Banking Managerial	September 4-6, 2018
41.	Training on Level III Risk Management Certification	September 12-13, 2018
42.	Global Executive Mindset	September 17, 2018
43.	Foundation Risk Management	September 17-20, 2018
44.	Innovation & Agility	September 20-21, 2018
45.	Digital Forensic Investigations	September 21-22, 2018
46.	Refreshment SAP EHCMS & DTOBM	September 26-28, 2018
47.	Main Challenges to Risk Management	September 27-28, 2018
48.	Forum Trainer	October 11-12, 2018
49.	Debriefing of AAJI Certification	October 15, 2018
50.	Workshop LoanLesson Learn	October 18-19, 2018
51.	National Compliance Forum	December 17, 2018

## Compliance Unit In The Work Unit

The Compliance Unit in the Work Unit is a work unit whose task is to ensure the implementation of the Compliance Function carried out by the supervised work unit Head. The Compliance Unit in the Work Unit is led by the Senior Operational Risk Head who is directly responsible to the Field Director in charge. The presence of the Head of Compliance Unit in the Work Unit does not eliminate the compliance responsibilities of the Field Director/SEVP and/or Group Head for the implementation of the compliance function in the work unit. In order to monitor the implementation of the compliance function in the work unit, the Compliance Unit in the Work Unit has an indirect reporting relationship with the Compliance Unit.

## Policy and Standard of Compliance Procedures

Bank Mandiri has compliance policy and standard procedures that form the basis for all employees in fostering a Compliance Culture so that the Company's activities are always in line with the prevailing laws and regulations and based on the principle of prudence.

The policies and standard procedures referred to are periodically reviewed at least once a year according to the needs of the bank as well as following changes in the prevailing laws and regulations.

## Compliance Policy of Bank Mandiri

In general, Bank Mandiri Compliance Policy contains guidelines for all employees in carrying out the Compliance Culture including: General Policy, Organization, Authority and Responsibility, Management of Compliance Risk, Reporting, Monitoring. The Compliance Policy also regulates the Compliance Principles, which consist of:

1. The Company is always compliant with the prevailing laws and regulations and applies the principle of prudence in carrying out all its activities (mandatory).
2. The Board of Commissioners and the Board of Directors are role models that are based on honesty and integrity so that compliance becomes a corporate culture (starts from the top).
3. All levels of the Company are fully responsible for carrying out compliance in each of their respective activities.



## Compliance Procedure Standard of Bank Mandiri

It is a more detailed elaboration of the Compliance Policy that contains guidelines for implementing the Compliance Function, which includes organization, duties and responsibilities, governance and compliance work programs, implementation of compliance functions, compliance tools, increased compliance function compliance, compliance risk management, compliance risk mitigation and the relationship of the Compliance Unit with the Internal Audit Work Unit and the Risk Management Work Unit, specifically the operational risk management unit.

The compliance function is carried out in the form of Compliance Assurance Services (CAS), namely Supervisory services, Review/examination services, Consultation services, Regulatory services.

## Technical Instructions of Bank Mandiri

It is a procedure and operational technical work process in implementing the compliance function, which is a description of the Compliance Procedure Standard. Especially for the implementation of compliance with the provisions relating to Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT), the policies and standards of the Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT) guidelines apply themselves.

In relation to the implementation of the integrated compliance function, Bank Mandiri has Mandiri Group Principle Guideline (MGPG) and the Mandiri Subsidiary Management Principles Guidelines (MSMPG) as guidelines in carrying out the integrated compliance function. Bank Mandiri, as the Main Entity, requires the Subsidiary to have a compliance policy that is in line with the Bank Mandiri Compliance Policy and is adjusted to the applicable regulations in each of the Subsidiary Entity industries. Whereas for Overseas Branches, it is adjusted to the laws and regulations and the provisions in force in the local State.

## 2018 Compliance Strategy

To support the achievement of the vision of Bank Mandiri in 2020, Bank Mandiri has established a compliance strategy in order to minimize the possibility of compliance risks and improve the compliance culture at each of the Bank's activities.

## Risk Appetite Statement (RAS) and Leading Indicator Risk Compliance

Business complexity and aggressive growth in the coming year must be balanced with compliance risk management that is more forward looking and more sensitive to the dynamics of changes that occur. For 2018, Bank Mandiri has a Risk Appetite Statement (RAS) which is a reference for all banks in carrying out the Company's activities so that the business target can be achieved while still taking into account the risk limits that can occur. Compliance risk RAS is prepared prudently by using historical data in accordance with compliance risk assessment parameters as stipulated in Financial Services Authority's Circulating Letter No. 14/SEOJK.03/2017 dated March 17, 2017 concerning Rating of Commercial Bank Soundness.

In 2018, Bank Mandiri has determined:

1. RAS Compliance Risk, namely violations that occur a maximum of 10 (ten) times per month.
2. Compliance Indicator Leading Indicator is the maximum number of penalties for penalties above IDR 19,000,000.00 for 3 (three) times per month.

The RAS and Leading Indicator compliance risk was determined by the Risk Management & Loan Policy Committee through an alignment process between the perspectives of the Board of Commissioners and Directors in a top-down manner with a bottom-up perspective based on input and synchronization with business units and work units.

## Implementation of The Work Program Compliance Functions In 2018

### 2018 Compliance Plan

#### 1. Increased Compliance Culture Awareness

To support the improvement of the Compliance Culture, the efforts made by the Company include the following:

- a. Development of processes and procedures
- b. Compliance culture increase
- c. Monitoring of new regulatory obligations

#### 2. Strengthening the AML-CFT Program

To fulfil the obligations contained in the regulations, the Company requires a reliable AML-CFT reporting system. The improvement of this application system aims to control the occurrence of non-compliance events related to the implementation of the AML-CFT program.

### 3. Strengthening Synergy with Subsidiaries

In the framework of implementing Integrated Governance as stated in Financial Services Authority Regulation No. 18/03.POJK/2014 concerning the Implementation of Integrated Governance for the Financial Conglomerate, the Integrated Compliance Work Unit is responsible for monitoring and evaluating the implementation of compliance in all Subsidiaries.

### Implementation of The 2018 Compliance Work Program

1. Compliance culture awareness increase
  - a. Development of Processes and Procedures  
Improvements to work mechanisms and procedures are influenced by organizational changes and systems and work processes. In 2018, the change was focused on organizational adjustments and the task of responsibility of the Compliance Unit which aimed to improve operational excellence, in which this could have an impact on reducing compliance risk especially through the operation of banking operations in accordance with applicable laws and procedures.
  - b. Compliance Culture Increase  
In order to improve the Compliance Culture at all levels of the organization, the Compliance Unit has implemented a compliance testing program for all employees. In addition to strengthening the application of the precautionary principle in the lending process, updating of the Guidebook and Compliance Review on Loan Provision has been carried out. The Compliance Unit also seeks to convey regulations that must be understood by employees in the region through the OPERA (Operational Risk Awareness) socialization program in collaboration with the Operational Risk Management Development Unit.
  - c. Monitoring of New Regulatory Obligations  
One of the implementation of the compliance function is to ensure internal policies and decisions taken by management in accordance with applicable regulations. The efforts carried out by the Compliance Unit to support this function are to review new provisions on an on-going basis and compile a resume of the new provisions to be disseminated to all Bank Mandiri staffs. Furthermore, the Compliance Unit also conducted a discussion forum to discuss compliance issues at Bank Mandiri.

As stated in Bank Mandiri's Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT) Policy, the Board of Commissioners and Directors have expressed commitment in supporting the implementation of AML-CFT. This commitment is manifested in the AML-CFT program currently implemented by Bank Mandiri, namely:

- a. Improving the TPPU and TPPT risk assessment methodologies based on profiles, country/geographical area, products and services, and distribution network (delivery network).
- b. Implementing integrated AML-CFT program in the Financial Conglomerate.
- c. Improving data quality through the Pilot Branch Re-Assessment program.
- d. Improving understanding/education related to the AML-CFT program to all levels of employees through continuous training, socialization and workshops.
- e. Optimizing the fulfilment of data and/or information to Regulators and Law Enforcement Officials as well as blocking/opening Customer blockages on the orders of Regulators and Law Enforcement Officials through monitoring the data aging inquiry.

### 2. Strengthening synergy with Subsidiaries

As a large financial conglomerate, optimal synergy is needed between the Main Entity and Subsidiaries and between Subsidiaries. Regarding the compliance function, this is done through harmonizing compliance policy tools and compliance risk management mechanisms. In order to ensure Mandiri Group's compliance with prevailing laws and regulations, Bank Mandiri as the Main Entity does the following:

- a. Collecting and reviewing the Compliance Report and Subsidiary's Compliance Risk Profile Report quarterly.
- b. Discussing the issue of compliance of the Subsidiary along with its mitigation and developing a risk profile outlook every quarter.
- c. Submitting a list of new regulations to the Subsidiaries, to ensure fulfilment of obligations in new regulations that have a significant impact and have large sanctions.

### Evaluation of Effectiveness of Compliance Function

The implementation of the Compliance Function's activities and performance are constantly evaluated and assessed by the Director of Compliance for the purpose of increasing





the effectiveness of implementation in the coming year. Criteria for Compliance Function assessment based on Annual Work Plans, Key Performance Indicators (KPIs) and Non Key Performance Indicators (Non KPI) Work/Work Programs. The assessment based on KPI covers aspects of the Financial Perspective, Customer Perspective, Internal Business Perspective and Development Perspective. Evaluation is expected to improve the quality of implementation of a compliance culture and compliance risk management in minimizing risks that may occur due to non-compliance with applicable regulations.

## Anti Money Laundering (AML) Programs and Combating the Financing of Terrorism (CFT)

The application of the AML-CFT program is an obligation for all parties, especially for banks as financial services companies. Given the increasingly widespread practice of money laundering, including the misuse of the use of accounts to accommodate terrorism funding, it requires commitment from all parties to support the implementation of the AML-CFT program.

Money Laundering crimes have become one of the topics that has touched the attention of the world because it has a significant impact in disrupting the stability of a country's economy. Therefore, the organization of the Financial Action Task Force on Money Laundering was formed to play a role in setting policies and providing recommendations on steps to prevent money laundering and terrorism financing that must be applied effectively by all States.

Bank Mandiri as one of the banks that has networks in all parts of Indonesia with diverse products and/or services is very vulnerable to the risk of money laundering and terrorism financing. Therefore, banks need to mitigate these risks by carrying out various prevention efforts, through the effective implementation of the AML-CFT program, including by applying a Risk Based Approach.

### AML-CFT Policy

In line with the latest developments related to the AML-CFT program and in connection with the Financial Services Authority Regulation No. 12/POJK.01/2017 concerning the Implementation of the Anti-Money Laundering and Combating the Financing of Terrorism Program in the Financial Services Sector, which among other things regulates the application of the AML-CFT within the Financial Conglomerate, so Bank Mandiri has made improvements to the AML-CFT Program implementation policy, based on 5 ( five) Pillars for AML-CFT Program Implementation, namely:

1. Active supervision of the Board of Commissioners and Directors;
2. Policy and Procedure;
3. Internal Control;
4. Management Information System; and
5. Human Resources and Training.

Improvements to the Policy include:

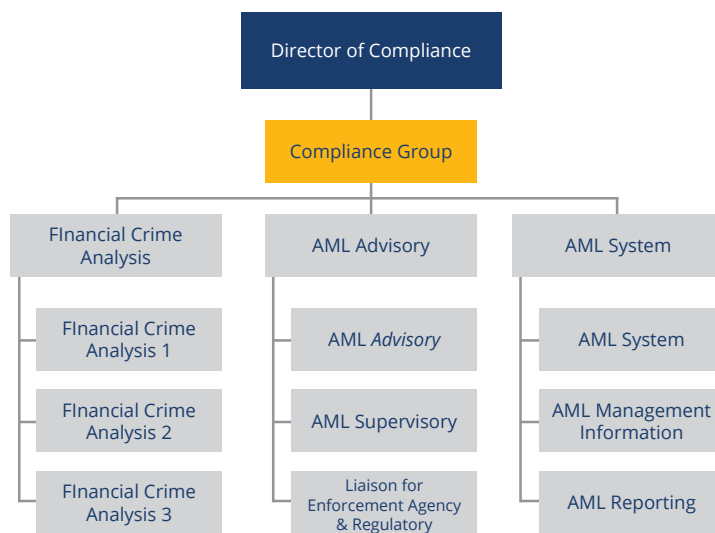
1. Match the perceptions and understanding of all levels of the Bank regarding the importance of implementing the APU PP program;
2. Become a guideline in mitigating risks including legal risk, reputation risk, and operational risk;
3. Become a guideline in the preparation of product operational procedures and other banking activities based on prudential banking;
4. Fulfil the provisions in Financial Services Authority Regulation regarding the Implementation of the AML and PPT Program in the Financial Services Sector.

### AML-CFT Organizational Structure

In order to increase the effectiveness of the AML-CFT program implementation at Bank Mandiri, it is necessary to support the active supervision of the Board of Commissioners and Directors so that they can motivate employees and work units in establishing a culture of compliance in all levels of the Company. The supervision includes the risk



management of AML-CFT in Subsidiaries which is under the coordination of the AML-CFT Special Work Unit. The implementation of the AML-CFT program is carried out by the AML-CFT Special Work Unit which is structurally under the Bank Mandiri Compliance Unit and is directly responsible to the Director in charge of the compliance function. The AML-CFT Organizational Structure can be described as follows:



In order for the AML-CFT program to be implemented effectively and meet regulatory requirements, in addition to the AML-CFT UKK at the Head Office, there is Anti Money Laundering Officer (AMLO) based in the Regional Office to carry out the supervision function of implementing the AML-CFT program at the Branch Office. In addition, taking into account operational tasks and business complexity, the AML-CFT Person in Charge (PIC) has been appointed at each Branch Office to oversee and carry out operational activities in accordance with the provisions of the AML-CFT program implementation at their respective Branch Offices.

## AML-CFT Program

Bank Mandiri's commitment to implementing the AML-CFT program consistently and effectively implemented in the program includes the following:

1. Integrating the application of the AML-CFT program in the Financial Conglomerate through the establishment of AML-CFT policies and procedures by Subsidiaries and Overseas Branch Offices that are in line with the policies and procedures of Bank Mandiri while adhering to the regulations governing the AML-CFT program.
2. Application of the AML-CFT program in the Financial Conglomerate through the formulation of policies and procedures related to the exchange of information for the purpose of Customer Due Diligence and risk management between Bank Mandiri and Subsidiaries and between Subsidiaries.
3. Increasing the compliance culture in the implementation of the AML-CFT program which was followed up with efforts to improve the operational quality of Branch Offices in accordance with the provisions of AML-CFT on an on-going basis through the AML-CFT Pilot Branch Office program.
4. Establishing and fostering cooperation and coordination with Regulators and law enforcers, especially in the field of AML-CFT through the provision of customer data/information that has been determined as a suspect or subject of examination.
5. Preparation of renewal of the risk assessment methodology based on the Risk Based Approach by taking into account the factors related to the Customer; Country or Geographic Area; Products, Services or Transactions; and/or Distribution Channel (Delivery Channel).
6. Carrying out AMLO test and training in each region to improve AMLO competency in analyzing Suspicious Financial Transactions and the operation of using AML System.
7. Establishing and fostering cooperation with data provider units in fulfilling customer data and transaction information for the purpose of analyzing customer transactions.
8. Improving the quality and monitoring of reporting of Cash Transaction Reports, Fund Transfers and Foreign Transactions Financial Transaction Reports, Suspicious Financial Transaction Reports, and Integrated Service User Information Systems without exceeding Service Level Agreement (SLA) determined by the Regulator.

9. Conducting research on financial transactions of candidates for Regional Election in 2018 including the Special Campaign Fund Account used by supporters of Regional Election participants, in order to participate in realizing a clean Indonesia.
10. Perfecting the Reporting Application System and AML-CFT which includes, among other things, improving the appearance of the Report, adding Transaction Codes monitored by the transaction, adding Watch-lists from the List of Suspected Terrorists and Terrorist Organizations, List of Proliferation Funds for Weapons of Mass Destruction and List of Negative Information sourced from Mass Media on AML System.
11. Providing supporting data for the Company's operational activities in the form of customer classification according to the risks and providing data on the opponent's account information.
12. Increasing awareness of AML-CFT for employees at all levels of the organization through AML-CFT training with several media namely classroom training, e-learning and socialization to all employees of Branch Offices/Work Units at Bank Mandiri and Subsidiaries.

## Granting of Social and/or Political Activities Funds

Bank Mandiri has proven to stakeholders that its orientation is not only to profit, but also to the interests of the community and the environment around Bank Mandiri's work units spread throughout Indonesia. As a manifestation of social responsibility, Bank Mandiri has set aside a portion of its profits to develop its community and environment. Throughout 2018, Bank Mandiri spent IDR 114.636.256.765,00 in fees.

No.	Category of Fund	Fund Value in 2018	Fund Value in 2017
1.	Natural Disaster Fund	10.792.630.559,00	1.724.719.846,00
2.	Education Fund	36.093.622.369,00	11.966.467.987,00
3.	Community Social Fund in the context of poverty alleviation	28.505.502.677,00	8.018.924.161,00
4.	Worship Facilities Fund	15.237.730.801,00	28.949.727.690,00
5.	Health Improvement Fund	6.424.844.584,00	8.497.666.519,00
6.	Nature Conservation Fund	-	240.090.250,00
7.	Development of Public and/or Public Facilities Fund	17.581.925.775,00	58.881.235.804,56
<b>Total</b>		<b>118.278.832.257,56</b>	<b>118.278.832.257,56</b>

The description related to corporate social responsibility is presented in the section on Corporate Social Responsibility and 2018 Sustainability Report which is an integral part of this Annual Report.

As for the provision of funds for political activities, during 2018 Bank Mandiri did not provide funds for political activities or political parties.

## Important Cases

During 2018 Bank Mandiri faced a number of important cases in the form of finished civil and criminal legal issues (which have permanent legal force) and which are still in the process of being finalized with the following details

No.	Legal Issues	Amount	
		Civil	Criminal
1.	Has obtained a decision that has permanent legal force	58	33
2.	In the process of completion	283	18
<b>Total</b>		<b>341</b>	<b>51</b>

## Important Cases Faced by the Company

Some important cases or the most significant cases affecting the Company can be seen in the table as follows:

### Civil Cases

#### The Table of Civil Cases faced by the Company

No.	Principal Case/Claim	Settlement Status	Influence on the Condition of the Company	Management Efforts	Sanctions imposed	Case Value
1.	Case Asset No.487/ Pdt.G/2015/PN.Mdn between Tjong Afie Trading Company with PT Bank Mandiri (Persero) Tbk.	Currently it is still in the process of being reviewed at the Indonesian Supreme Court	Asset Loss Risk	Bank Mandiri has prepared a Memory Reconsider Counter that supports Bank Mandiri's position.	There is no Sanction	There are no demands for compensation, both material and immaterial.
2.	Asset Case on Jalan Diponegoro Pontianak No. 154/Pdt.G/2016/PN.Ptk between Abdullah Abdul Razak and PT Bank Mandiri (Persero) Tbk.	Currently still in the process of cassation at the Supreme Court of the Republic of Indonesia		Bank Mandiri has made maximum efforts so that Bank Mandiri has been declared victorious according to information on the official website of the Supreme Court of the Republic of Indonesia.	There is no Sanction	Material: IDR7,780,000,000.00 Immateriil: -
3.	Asset Case on Jalan MT. Haryono Jakarta No. 649/ Pdt.G/2011/PN.Jkt.Sel between PT Bank Mandiri (Persero) Tbk. with Herman Siwy	Currently it is still in the process of being reviewed at the Indonesian Supreme Court		Bank Mandiri has compiled a Counter Reconsideration Counter that supports Bank Mandiri's position.	There is no Sanction	There are no demands for compensation, both material and immaterial.
4.	Case No. 109/Pdt.G/2015/ PN.Pal between PT Trisakti Della Maharani and PT Bank Mandiri (Persero) Tbk	currently in the process of being reviewed Supreme Court	Compensation and reputation risk	Bank Mandiri has made maximum efforts so that Bank Mandiri has been declared victorious according to information on the official website of the Supreme Court of the Republic of Indonesia.	There is no Sanction	Materiil: IDR742,000,000.00 Immateriil: IDR 200,000,000,000.00
5.	Case No. 751/Pdt.G/2017/ PN.Jkt.Sel between Muhammad Bahalwan with PT Bank Mandiri (Persero) Tbk	Currently it has been decided at the Appeal level in the DKI Jakarta High Court		Bank Mandiri is preparing Counter Memory Cassation who support Bank Mandiri's position if the Plaintiff filed a cassation attempt.	There is no Sanction	Materiil: IDR2,000,000,000,000.00 Immateriil: -
6.	Case No. 457/Pdt.G/2017/ PN.Jkt.Utr between PT Gosyen Indonesia Utama with PT Bank Mandiri (Persero) Tbk	Currently it has been decided at the Appeal level in the DKI Jakarta High Court	Compensation and reputation risk	Bank Mandiri is preparing the Counter Memory Cassation support the position of Bank Mandiri if the Plaintiff submits Cassation lawsuit.	There is no Sanction	Materiil: IDR12,000,000,000.00 Immateriil: IDR33,000,000,000.00

### Criminal Case

#### The Table of Civil Cases Faced by The Company

No.	Subject Matter	Settlement Status	Influence Against Company Conditions	Management Efforts	Imposed Sanction	Case Value
1.	PT Tirta Amaritha Bottling Company (TAB)	a. The legal process at the trial stage was handled by the Corruption Court in the Bandung District Court.	Risiko Kredit dan Reputasi	Following the trial and giving testimony as a witness and coordinating with the Prosecutor's Office to confiscate the assets of the debtor either as collateral as Bank Mandiri or non collateral.	There is no Sanction	There are no demands for compensation, both material and immaterial.



No.	Subject Matter	Settlement Status	Influence Against Company Conditions	Management Efforts	Imposed Sanction	Case Value
		b. Investigations handled by the Indonesian Attorney General's Office.		melakukan sita atas <i>asset</i> debitur baik yang merupakan agunan Bank Mandiri maupun non agunan.		
2.	PT Central Steel Indonesia (CSI)	The legal process was in investigation process handled by General Attorney of Republic of Indonesia	Risk of Loan and Reputation	Give testimony as the witness and submit evidences	There is no Sanction	There are no demands for compensation, both material and immaterial.
3.	PT Sunprima Nusantara Pembiayaan (SNP)	The legal process was in investigation process handled by Criminal Investigation Agency of Indonesian Police Headquarter	Risk of Loan and Reputation	Conduct criminal repots on debtors related to alleged crime of fraud, embezzlement and counterfeiting of money laundering	There is no Sanction	There are no demands for compensation, both material and immaterial.

## Disclosure of Administrative Sanctions from Financial Service Authority

During 2018, there were no administrative sanctions which affected the sustainability of Bank Mandiri's business and there were also no administrative sanctions imposed on members of the Board of Directors or members of the Board of Commissioners.

## The Impact of Legal Issues on The Company

The impact of civil and criminal problem faced by Bank Mandiri through legal process is not significant since it has conducted the appropriate mitigation.

## Legal Issues Facing the Board of Commissioners and Directors

During the period of 2018, there were no members of the Board of Directors and Board of Commissioners of Bank Mandiri in office have legal problems, both civil and criminal.

## Important Matters Faced by Subsidiaries

Legal problems faced by subsidiaries in 2018 can be seen in the table as follows:

No.	Subsidiaries	Important Case	Amount		
			Civil	Criminal	Industrial Relations
1.	PT Bank Syariah Mandiri	Cases/Legal Issues in settlement process	189	25	5
		Completed Case / Legal Issues (already have permanent legal force)	68	5	-
2.	PT Mandiri Sekuritas	Cases/Legal Issues in settlement process	2	-	-
		Completed Case / Legal Issues (already have permanent legal force)	2	-	-
3.	PT Mandiri Tunas Finance	Cases/Legal Issues in settlement process	22	-	-
		Completed Case / Legal Issues (already have permanent legal force)	15	-	-

No.	Subsidiaries	Important Case	Amount		
			Civil	Criminal	Industrial Relations
4.	PT Mandiri AXA General Insurance	Cases/Legal Issues in settlement process	-	-	-
		Completed Case / Legal Issues (already have permanent legal force)	-	-	-
5.	PT AXA Mandiri Financial Services	Cases/Legal Issues in settlement process	4	18	-
		Completed Case / Legal Issues (already have permanent legal force)	3	10	-
6.	PT Bank Mandiri Taspen	Cases/Legal Issues in settlement process	4	-	-
		Completed Case / Legal Issues (already have permanent legal force)	2	-	-
7.	Mandiri International Remittance Sdn. Bhd.	Cases/Legal Issues in settlement process	-	-	-
		Completed Case / Legal Issues (already have permanent legal force)	-	-	-
8.	Bank Mandiri (Europe) Limited	Cases/Legal Issues in settlement process	-	-	-
		Completed Case / Legal Issues (already have permanent legal force)	-	-	-
9.	PT Asuransi Jiwa Inhealth Indonesia	Cases/Legal Issues in settlement process	1	-	-
		Completed Case / Legal Issues (already have permanent legal force)	1	-	-
10.	PT Mandiri Utama Finance	Cases/Legal Issues in settlement process	5	15	1
		Completed Case / Legal Issues (already have permanent legal force)	8	4	-
11.	PT Mandiri Capital Indonesia	Cases/Legal Issues in settlement process	-	-	-
		Completed Case / Legal Issues (already have permanent legal force)	-	-	-

## Important Cases Faced By Subsidiaries

Important cases faced by subsidiaries in 2018 were as follows:

### Table of Important Cases Faced by Subsidiaries:

Subsidiaries	Case Principal/Claim	Settlement Status	Influence Against Company Conditions	Management Efforts	Administrative Sanction
PT Bank Syariah Mandiri	Case claim of Bank Garansi PT Kutilang Paksi Mas No.357/Pdt.G/2015/PN.Jkt.Pst between PT Petro Energy and PT Bank Syariah Mandiri and PT Kutilang Paksi Mas	<p>The Verdict of Supreme Court of Republic of Indonesia</p> <p>On the 6<sup>th</sup> of December 2018, BSM received a notification letter of the verdict from Supreme Court of the Republic of Indonesia regarding to the Cassation of BSM and PT Petro Energy, which stated:</p> <p>TO ADJUDICATE:</p> <ul style="list-style-type: none"> <li>- Refuse the cassation appeal request from cassation appellant II, PT Petro Energy;</li> <li>- Grant the cassation request from cassation appellant I, PT Bank Syariah Mandiri</li> <li>- Cancel the verdict of Jakarta High Court Number 204/PDT/2017/PT.DKI dated on the July 12, 2017 which revise the verdict of Jakarta Pusat District Court Number 257/Pdt.G/2015/PN.Jkt.Pst dated on the April 26, 2016.</li> </ul>	Risk of Credit and Reputation	BSM has made every possible effort by applying cassation through Supreme Court of Republic of Indonesia. On the December 6, 2018, BSM received a notification letter of the verdict from Supreme Court regarding to BSM cassation effort and PT Petro Energy which cancel the verdict of Jakarta High Court Number 204/PDT/2017/PT.DKI dated. on the July 12, which revise the verdict of Jakarta Pusat District Court	There is no Sanction



Subsidiaries	Case Principal/Claim	Settlement Status	Influence Against Company Conditions	Management Efforts	Administrative Sanction
		<p>Make judgment on own authority: In the exception : Refuse all exceptions of defendant I and defendant II; In the principal case:</p> <ul style="list-style-type: none"> <li>- Refuse all the claim of the plaintiff;</li> <li>- Sentencing the Cassation Respondent I as well as the Cassation Petitioner II to pay court fees at all judiciary levels of the Cassation with IDR 500,000,- (five hundred thousand rupiahs) (in this case, the Cassation application of BSM was granted / won)</li> </ul>		<p>Number 257/Pdt.G/2015/PN.Jkt.Pst dated on the April 26, 2016 and make judgment on own authority, refused all the lawsuit from the plaintiff</p> <p>In other words, BSM won the case</p>	
	Case claim of Bank Garansi PT Kutilang Paksi Mas No.539/Pdt.G/2015/PN.Jkt. Pst between PT Solaris Prima Energy and PT Bank Syariah Mandiri and PT Kutilang Paksi Mas	<p>The Verdict of Supreme Court of Republic of Indonesia In April 9, 2018, BSM received a notification letter of the verdict from Supreme Court of the Republic of Indonesia regarding to the Cassation of PT Solaris Prima Energy, which stated:</p> <p>TO ADJUDICATE:</p> <ol style="list-style-type: none"> <li>1. Grant the cassation request from cassation appellant I, PT SOLARIS PRIMA ENERGY and cassation appellant II PT BANK SYARIAH MANDIRI.</li> <li>2. Cancel the verdict of Jakarta High Court Number 651/PDT/2016/PT DKI dated on the January 27, 2017 which cancel the verdict of Jakarta Pusat District Court Number 539/PDT.G/2015/PN.Jkt. Pst dated on the July 1, 2016;</li> </ol> <p>Make judgment on own authority: In the exception : Refuse all exceptions of the defendant In the principal case:</p> <ul style="list-style-type: none"> <li>- Refuse all the claim of the plaintiff;</li> <li>- Sentencing the cassation appellant I as well as the Cassation Petitioner II to pay court fees at all judiciary levels of the cassation with IDR 500,000,- (five hundred thousand rupiahs)</li> </ul>	Risk of Credit and Reputation	<p>BSM has made every possible effort by applying cassation through Supreme Court of Republic of Indonesia On the April 9, 2018, BSM receive a notification letter of the verdict from Supreme Court regarding to the cassation effort of PT Solaris Prima Energy which stated cancel the verdict of Jakarta High Court Number 651/PDT/2016/PT DKI dated on the January 27, 2017 which cancel the verdict of Jakarta Pusat District Court Number Nomor 539/PDT.G/2015/ PN.Jkt. Pst dated on the 1<sup>st</sup> of July 2016 and make judgement on own authority to refuse all the lawsuit of the defendant.</p> <p>In other words, BSM won the case.</p>	There is no Sanction
	Case of Deposit Withdrawal fo PT Pos Property Indonesia No.267/Pdt.G/2015/PN.Bdg between Monfiori (President Director of PT Pos Property Indonesia and PT Bank Syariah Mandiri and Ir. Sri Wikani and Akhmad Rizani (former President Director of PT Pos Property Indonesia)	<p>The Verdict of Supreme Court of Republic of Indonesia Informed in the Case Search Information System of Bandung District Court dated on the 18<sup>th</sup> of Januari 2018 that appellant request from Monfiori was rejected by the Supreme Court of Republic of Indonesia. The verdict of Supreme Court of Republic of Indonesia stated that TO ADJUDICATE:</p> <ol style="list-style-type: none"> <li>1. Refuse appellant request from the cassation petitioner; MONFIORI</li> <li>2. Sentencing the cassation petitioner/plaintiff/ appellant to pay court fees at all judiciary levels of the cassation with IDR.500,000,- (five hundred thousand rupiahs)</li> </ol>	Risk of Credit and Reputation	BSM has made every possible effort so that BSM was sentenced win the case according to the official website of Supreme Coury of Republic of Indonesia. However, there is still possibility that PT Pos Properti Indonesia will submit a re-lawsuit from Bandung Religious Court BSM has not received the cassation verdict formally yet.	There is no Sanction
PT Mandiri Tunas Finance	Civil Case Number 199/Pdt.G/2018/PN.Tjk at Tanjungkarang District Court debtor on behalf of Yuhana Noviza, SH. M.Kn, with material claim of IDR. 1.000.000.000 and immaterial claim of IDR 10.000.000.000.	At present, the case is still in process and is in the mediation stage between the plaintiff and defendant I (MTF) and the defendant II (PT Bank Mandiri branch Sudirman, Jakarta) in Tanjungkarang District Court	Debtor did not make payments for all debt obligations, thus affecting the performance of AR Division	In this case, MTF has made every possible effort for the benefit of the company.	There is no Sanction
	Case of Tort Number 26/Pdt.G/2018/PN.Kds at Kudus District Court with PT Mulia Restu Mandiri Group as the debtor, with material claim of IDR 6.000.000.000	In District court level, MTF has won the case. However, the debtor submitted an appeal law to Semarang High Court. At present, the case is still in file inspection process in Kudus District Court.	Debtor did not make payments for all debt obligations, thus affecting the performance of AR Division	In this case, MTF has made every possible effort for the benefit of the company.	There is no Sanction
PT AXA Mandiri Financial Services	Case No. 196/Pdt.G/2018/PN.Jap The plaintiff of behalf of Antas Haulian Sinaga	At present, the case is in mediation stage in Jayapura District Court	Risk of Compensation and Reputation	At present, the case is in mediation stage in Jayapura District Court and AXA Mandiri is following the process.	There is no Sanction



Subsidiaries	Case Principal/Claim	Settlement Status	Influence Against Company Conditions	Management Efforts	Administrative Sanction
	Police report no LP/86/VI/2016/SPKT on behalf of Antas Haulian Sinaga to Papua Regional police about alleged insurance violations by AXA Mandiri	At present, the case is in mediation stage in Jayapura District Court	Risk of Compensation and Reputation	At present, the case is in mediation stage in Jayapura District Court and AXA Mandiri is following the process.	There is no Sanction
	The bankruptcy of PT. Dimas Utama, in which AMFS has premium receivables dan excess claim	At present, the case is in bankruptcy process which is handled by the curator.	The risk of no premium paid and excess claim	At present, the case is proceed by the curator and AXA Mandiri is following the process.	There is no Sanction
	Alleged criminal acts of fraud and / or embezzlement which is allegedly committed by Fariani.	In investigation process in Regional Police of Sulawesi Tenggara	Risk of reputation	At present, the case is in investigation process in Regional Police of Sulawesi Tenggara and AXA Mandiri as the Reporter is following the process	There is no Sanction
PT Bank Mandiri Taspen	Application for cancellation of the auction guarantee of the Plaintiff (debtor) and cancellation of the Loan Agreement because the Debtor does not receive loan collateral through the auction process the price is not in accordance with the debtor's wish.	Waiting for the verdict in cassation level.	Does not affect the condition of the company	- The auction has been carried out in accordance with the procedure - The buyer of the debtor collateral is the auction winner in accordance with the terms and conditions of the auction	There is no Sanction
	The claim was filed because of the prohibition on the inclusion of a standard clause.	Waiting for the verdict in the first level court.	Does not affect the condition of the company. The debtor submits a lawsuit to delay the implementation of the auction for collateral pledged.	Continue the auction process in accordance with the applicable procedures and conditions even though there are claims from the debtor	There is no Sanction
	Claims was filed with the planned implementation of the auction of the Underwriting Rights on the Plaintiff's guarantee.	Currently in trial process	Does not affect the condition of the company. The debtor submits a lawsuit to delay the implementation of the auction for collateral pledged.	Continue the auction process in accordance with the applicable procedures and conditions even though there are claims from the debtor	There is no Sanction
	Claims are filed with the debtor's loan guarantee status which is stated to be owned by the Plaintiff because the certificate is obtained illegally.	It has been verdict in cassation level. The verdict stated that Bank Mandiri Taspen won the case.	Does not affect the condition of the company	Debtor loan has been repaid by the Plaintiff. With the decision of Supreme Court of Republic of Indonesia that won Bank Mantap, there is no fee that must be incurred by Bank Mantap for the payment of loans made by the Plaintiff.	There is no Sanction



Subsidiaries	Case Principal/Claim	Settlement Status	Influence Against Company Conditions	Management Efforts	Administrative Sanction
PT Asuransi Jiwa Inhealth Indonesia	Lawsuit of Civil Case No.2/Pdt.G/2018/PN Ktp. Between Suniah (Juanda's heir, the AJK participant of Bank MTF) against Mandiri Tunas Finance and PT Asuransi Jiwa Inhealth Indonesia. With the principal case of tort with (Defendant II)	Lawsuit of Civil CaseNo.2/Pdt.G/2018/PN Ktp. Has been verdict by the judges panel of Ketapang District Court with the verdict dated on the 17 <sup>th</sup> of July 2018 stated that the lawsuit from the plaintiff cannot be accepted.	It does not have a significant impact on the company's finances because at level of the district court, the decision of Judges panel stated that the Plaintiff's claim cannot be accepted	Delegates a Management Representative to participate in the Trial to defend for the Company	-
	Lawsuit of Civil Case No. 83/PDT.G/2018/ PN.BKS. between Ruslan Abdul Djalil against RS. Hermina Bekasi, Dr. Istiana Sari S.pS; PT Asuransi Jiwa Inhealth Indonesia, dkk. With the principal case of tort with (Defendant III)	The lawsuit of case Number:83/Pdt.G/2018/PN.BKS was revoked by the plaintiff	There is no financial impact from the lawsuit because there is no compensation claim which is addressed to PT Asuransi Jiwa Inhealth Indonesia in connection to the lawsuit.	Delegates a Management Representative to participate in the Trial to defend for the Company	-

## Company Information and Data Access

The public can access all financial and non-financial reports that have been submitted by Bank Mandiri transparently through various means including Mass Media, Company Website, Public Expose, Electronic Reporting Facilities IDX issuers, the OJK Electronic Reporting System, and the Ministry of SOE's Portal that are available on time, complete and accurate.

### Company Secretary

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### Headquarter Address

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### Call Center

14000 ; (021) 52997777

### Contact Address

Corporate Secretary  
[corporate.secretary@bankmandiri.co.id](mailto:corporate.secretary@bankmandiri.co.id)

### Customer Care

Email: [customerhandling@bankmandiri.co.id](mailto:customerhandling@bankmandiri.co.id)

### Social Media

Facebook: <https://id.facebook.com/officialbankmandiri/>  
Twitter: @bankmandiri  
Instagram: @bankmandiri

## Investor Relations



In order to provide fast and accurate information and become a media link between companies and capital market players, the Company has formed a work unit called Investor Relations. With the provision of accurate and accurate data, it is expected to be able helping capital market players in the investment decision-making process in the Company including to instill perceptions and expectations in the eyes of investors and potential investors regarding the Company's strategy, operational performance and financial performance.

The duties and responsibilities of Investor Relations include:

1. Communicating the Company's performance and strategy to analysts and investors in order to achieve a reasonable and optimal valuation of Bank Mandiri's shares in the long term.
2. Managing the resources needed and coordinate activities related to investor relations.
3. Representing the Company's management in meetings with analysts and investors, either one-on-one or public presentation sessions to communicate opinions, attitudes and reactions to company issues and provide strategic feedback for the Company's management.

4. Increasing the effectiveness of activities Investor Relations is measured through research coverage from sell side analysts, accuracy of factual information in analyst research, geographical coverage and quality of institutional shareholder lists.
5. Reviewing the pattern of sales and share ownership of the Company including managing and developing investor databases and contact reports.
6. Maintaining transparency, accuracy and timeliness of disclosure of relevant information to capital market players.

The contacts for Bank Mandiri Investor Relations are as follows: Investor Relations

Investor Relations Group  
Plaza Mandiri 1st Floor  
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Jakarta 12190 Indonesia  
Tel: 021 524 5085  
Email: [ir@bankmandiri.co.id](mailto:ir@bankmandiri.co.id)  
Website: <https://www.bankmandiri.co.id/web/ir>

## Investor Relations Activity 2018

No.	Type of activity	Total	Description	Location
1.	Investor Conference	12 times	Conference related to Company performance updates	New York, Hong Kong, Singapore, Jakarta
2.	Non-Deal Roadshow	7 times	Meeting at the Shareholders office location to update the Company's performance	USA, Canada, UK, Jakarta
3.	Branch Visits	2 times	Mentoring of Investor Visits to Regular Branch Offices and Micro Branch Offices	Banjarmasin, Surabaya
4.	Quarterly Earnings Call/ Analyst Meeting	4 times	Presentation of quarterly financial performance reports to investors and analysts	Jakarta

## Press Release

One form of information dissemination of Bank Mandiri to the public is by conducting press releases. The press release aims to describe the activities or events that occur. During 2018, press releases rolled out by Bank Mandiri included:



No.	Date	Title
1.	January 08, 2018	Mandiri Serves Financial Management at the National Brain Center Hospital
2.	January 22, 2018	Bank Mandiri Supports the Ministry of Administrative Reform & Bureaucratic Reform (PANRB) and the State Personnel Agency (BKN)
3.	February 01, 2018	Mandiri Investment Forum 2018 carries out to Increase Investment Flow
4.	February 06, 2018	Mandiri books a Net Profit of IDR 20,6 Trillion in 2017, Growing 49,5% (yoy)
5.	February 07, 2018	Mandiri Investment Forum 2018 Offers Potential Investment in Political Year
6.	February 08, 2018	Mandiri Improved Entrepreneurship Capacity for Journalists
7.	February 08, 2018	Bank Mandiri Distributes a Senior Term Loan worth USD100 Million to Pertamina Group
8.	February 10, 2018	Bank Mandiri Renovates the Al Falak Islamic Boarding School in Bogor
9.	February 19, 2018	Mandiri Teams Up with UGM to Develop Banking Skills for Craft Workforce
10.	February 22, 2018	Driving the Growth of the Mortgage Business, Bank Mandiri Launches Special Promos
11.	February 28, 2018	Mandiri Group Expands Hajj Deposit Payment Services
12.	March 01, 2018	Enlivening the 57 <sup>th</sup> Kostrad Anniversary, Bank Mandiri Hold a Bazaar
13.	March 02, 2018	Cooperating with Bank Sumut, Mandiri Expanded E-Money access to Sumatra
14.	March 07, 2018	Increasing Customer Loyalty, Mandiri Promotes Fiestapoin Program
15.	March 07, 2018	Mandiri Inures Non-Cash Payment at Ferriage Services in 3 (Three) Gili
16.	March 14, 2018	Mandiri Strengthens the Entrepreneurship Soul of Indonesia's Full Migrant Workers
17.	March 15, 2018	Improving Service Quality, Mandiri Updates Website and Recommended "MITA" Chatbot
18.	March 19, 2018	Bank Mandiri Issues the Corporate Card of the Ministry of Transportation
19.	March 21, 2018	Bank Mandiri GMS Appoints Four New Directors
20.	March 23, 2018	Focusing on the Production Sector, Bank Mandiri Distributes Cluster KUR
21.	March 24, 2018	Increasing Customer Transactions, Mandiri Carries Out a Coffee Party
22.	March 29, 2018	Mandiri And OVO Expands Transaction Services
23.	March 29, 2018	Supporting GATF 2018, Mandiri Offers a Profitable Travel Program
24.	April 04, 2018	Mandiri Presents Non-cash Transactions at the Pasar Jaya Network
25.	April 09, 2018	8.000 Runners Will Compete in Yogyakarta
26.	April 09, 2018	Bank Mandiri Launches the National Payment Gateway Logo Debit Card
27.	April 15, 2018	Kenya Runners Dominantly Perform at Mandiri Jogja Marathon 2018
28.	April 16, 2018	Collaborating with Lombard Odier, Bank Mandiri Offers World Class Products and Services for Private Wealth Customers in Indonesia and Singapore
29.	April 17, 2018	Bank Mandiri Disburses IDR 2,5 Trillion for Semarang - Batang Toll Road Costs
30.	April 18, 2018	Mandiri Teams Up with UGM to Develop Educational Loan
31.	April 23, 2018	Strengthening IDR - RMB Transaction Services, Bank Mandiri Cooperated with Bank ICBC Indonesia
32.	April 24, 2018	Mandiri's Profit at Quarter I-2018 Grows 43,7% to IDR 5,9 Trillion
33.	May 03, 2018	Hoisting Business Credit, Mandiri Organize Property Expo 2018
34.	May 07, 2018	Grab and Bank Mandiri Prepare Working Capital for Thousands of MSMEs in Indonesia
35.	May 09, 2018	Mandiri and MPPA Launch Independent New Edition Hypermart Co-Branding LoanCard
36.	May 23, 2018	Mandiri Prepares Working Capital for Bulog Partner Farmers
37.	May 24, 2018	Anticipating Ramadan and Eid al-Fitr 1439 H, Mandiri Prepares IDR 57,26 Trillion
38.	May 31, 2018	Mandiri Prepares Working Capital Financing for Suzuki Dealers
39.	June 04, 2018	Bank Mandiri Serves PNPB Transactions of the Ministry of Agrarian & Spatial Planning/National Land Agency

No.	Date	Title
40.	June 06, 2018	Mandiri Synergizes with LinkedIn on Preparing Employment Study
41.	June 07, 2018	Bank Mandiri Breakfasts with 30 Thousand Orphans
42.	June 08, 2018	Mandiri Donates Electric Bicycles & Golf Carts to Polda Metro Jaya
43.	June 09, 2018	Bank Mandiri Departs 3.000 Nahdliyin to Hometown
44.	June 11, 2018	302 Bank Mandiri Branches remain operational on Eid Al-Fitr Holidays 11-20 June 2018
45.	June 25, 2018	Bank Mandiri and BSM Fund Pertamina Shipping USD 19,04 million
46.	June 26, 2018	349 Bank Mandiri Branches Remain Operational in the 2018 Simultaneous Regional Election
47.	June 28, 2018	Mandiri Increases the Utilization of EDC
48.	June 29, 2018	Synergizing with KIOSTIX, Mandiri makes it easy to access tickets for the 2018 Asian Games
49.	June 28, 2018	Mandiri Provides Working Capital Loan and Non Cash Loan Facilities to ANTARA News Agency
50.	July 04, 2018	Semester I - 2018, Bank Mandiri Disburses US \$ 2,9 Billion Syndicated Loans
51.	July 09, 2018	Empowering Farmers, Mandiri Continues to Promote Corporatization of Agriculture
52.	July 16, 2018	Bank Mandiri and Alfa Mas Persada Develop NU Modern Stall Partners
53.	July 18, 2018	Mandiri Ensures Directors' Statement of Accounts More Than IDR 100 Trillion is Fake
54.	July 19, 2018	Back on Track, Loan grew 11,8% YoY, Mandiri Booked Profit of IDR 12,2 Trillion
55.	July 22, 2018	Bank Mandiri Issues 2018 Asian Games Volunteer Identity Card
56.	July 26, 2018	Pilot Social Forestry Pond of Muara Gembong First Time Harvests
57.	July 31, 2018	Bank Mandiri Disburses IDR 2,106 Trillion to Build Jakarta-Cikampek Toll Road
58.	August 06, 2018	Earthquake Alert, Mandiri Sends Volunteers
59.	08 Agustus 2018	Bank Mandiri issued Obligations with interesting coupons
60.	August 13, 2018	Mandiri Serves ASDP Non-Cash Payment Transactions
61.	August 15, 2018	Bank Mandiri Launches e-money Card Energy of Asia Edition
62.	August 20, 2018	Scaffolding Low Family Economics, Mandiri prepares Plafond IDR 800 Billion with supporting Program Mekaar PNM
63.	August 27, 2018	Bank Mandiri Cooperates with Tekfin Financing to Strengthen MSME Working Capital
64.	August 29, 2018	Back on Track, Loan grew 11,8% YoY, Mandiri Booked Profit of IDR 12,2 Trillion
65.	August 30, 2018	Increasing Tax Payments, Bank Mandiri Implements DGT Core Billing 2.0
66.	September 06, 2018	Improving the Assisted SME Market Penetration, Bank Mandiri holds the 2018 WMM Expo
67.	September 07, 2018	Bank Mandiri Distributes IDR 11,8 trillion of KUR in January - August 2018
68.	September 15, 2018	Mandiri 2018 Young Entrepreneurs Create New Entrepreneurs
69.	September 24, 2018	Issued Obligation IDR 3 Trillions, Bank Mandiri accepted the exceeded requests 1.36 times
70.	September 26, 2018	Distributing KPR FLPP for Subsidized Houses, Mandiri Collaborates with Himperra and Perpesma
71.	September 26, 2018	Increasing SOE Synergy, Mandiri Acquires URBAN PP Value Chain
72.	September 26, 2018	Press Statement of PT Bank Mandiri (Persero) Tbk. related to SNP Finance Bad Credit
73.	September 27, 2018	Supporting JKN-KIS, Mandiri Disburses IDR.126 Billion Supply Chain Financing (SCF) Facility of BPJS Health Claims to 9 Hospitals in Solo
74.	September 28, 2018	Mandiri Jakarta Coffee Week 2018 Targets 15.000 Coffee Fans
75.	September 29, 2018	Mandiri Fields Volunteers to Donggala
76.	October 02, 2018	Raising the spirit of disability athletes, Bank Mandiri prepares the best banking services at the 2018 Asian Para Games



No.	Date	Title
77.	October 02, 2018	Giving Relief, Mandiri Registers Disaster Victim Debtors in Donggala
78.	October 04, 2018	Bank Mandiri - Bank Riau Kepri Synergize to Expand Access to e-Money
79.	October 08, 2018	Mandiri Coordinates Direct Investment of IDR 200 Trillion in 21 SOEs.
80.	October 10, 2018	Mandiri Group Issues Investment Contract for Infrastructure
81.	October 10, 2018	Bank Mandiri Sells Cheap Home Loans for Young People
82.	October 11, 2018	Bank Mandiri Disbursed IDR 2,041 Trillion to Build the Terbanggi Besar-Kayu Agung Toll Road Section
83.	October 17, 2018	Profit Increases 20%, Mandiri Performance Soars
84.	October 18, 2018	Answering Challenges in the Medical Fields, Mandiri Strengthens Collaboration with IMERI FKUI
85.	October 26, 2018	Increasing Millennial Role, Mandiri Develops Smell of The Place Concept
86.	November 23, 2018	Mandiri Serves Financial Management at the University of Indonesia Hospital
87.	November 24, 2018	Bank Mandiri Inquires Lists 50 of the Best ASEAN Open Companies
88.	December 4, 2018	The 2018 Harbolnas Enlarges the Market of Local Products
89.	December 18, 2018	Bank Mandiri and JCB Issue Precious LoanCard Co-Branding

## Newsletters

Bank Mandiri secara rutin menerbitkan buletin setiap tahunnya. Adapun buletin yang telah diterbitkan selama tahun 2018 yaitu:

No.	Edition	Theme	Published date
1.	463	Sustainable Growth in 2018	January 28, 2018
2.	464	Traces of Chinese Romanticism in Indonesia	February 28, 2018
3.	465	Road to ASIAN Games 2018	March 28, 2018
4.	466	Women's Gait in the Digital Industry	April 28, 2018
5.	467	Sharing Goodness and Gratitude	May 28 2018
6.	468	More Productive After Vacation	June 28, 2018
7.	469	Digital Intelligence in the Visual Era	July 28, 2018
8.	470	Our Work National Achievement	September 28, 2018
9.	471	20 Years	October 28, 2018
10.	472	Newborn Heroes	November 28, 2018
11.	473	It's Time for a New Beginning It's Mandiri Time	28 Desember 2018

## Transparency of Report Submission

Throughout 2018, the Corporate Secretary of Bank Mandiri delivered information to the public through Mass Media, Company Website, Public Expose, Electronic IDX Issuer, Reporting Facilities, OJK Electronic Reporting System, as well as periodic and incidental reports including Financial Services Authority (FSA), IDX, DIA, Ministry of Finance and the Ministry of SOE as follows:



## Periodic Report

Reports Type	Purpose	Reports Period	Total
Annual Report	FSA & BEI	Annually	1
Consolidated Financial Statements of the Company and Subsidiaries Report	FSA, IDX, Ministry of Finance, Ministry of SOE	Quarterly	4
Stock Ownership Composition Report	FSA	Monthly	12
Forex Debt Report	FSA	Monthly	12
Realization of Public Offering Funds Usage Report	FSA & IDX	Annually	1

## Incidental Report

Date	Report Subject	Purpose
January - December 2018	Share Ownership Composition of PT Bank Mandiri (Persero) Tbk. (For 12 Total reports)	FSA
January - December 2018	Demand for Debt Data/Obligations in foreign currencies (for 12 total reports)	FSA
January - December 2018	Published Financial Report of PT Bank Mandiri (Persero) Tbk. (For 4 Total reports)	FSA, IDX, Ministry of Finance, Ministry of BUMN
January 23, 2018	Submission of Information on Changes in the Audit Committee Membership Structure of PT Bank Mandiri (Persero) Tbk.	FSA and IDX
January 12, 2018	Effective Determination of Appointment of Treasury Director of PT Bank Mandiri (Persero) Tbk.	FSA
January 15, 2018	Effective Determination of Appointment of Commissioners of PT Bank Mandiri (Persero) Tbk.	FSA
February 1, 2018	Implementation of the Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. Financial Year of 2017	Ministry of SOE, FSA, IDX
February 12, 2018	Information Disclosure of PT Bank Mandiri (Persero) Tbk. related to the Annual GMS Announcement of the 2017 Financial Year	FSA, IDX and KSEI
February 12, 2018	Confirmation about News in the Mass Media	FSA
February 27 2018	Information Disclosure of PT Bank Mandiri (Persero) Tbk. related to the Annual GMS Calling of the 2017 Financial Year	FSA, IDX and KSEI
February 27 2018	Submission of Annual Report of PT Bank Mandiri (Persero) Tbk. 2017 financial year	FSA and IDX
March 5, 2018	<i>Explanation of the Annual GMS Company Agenda on the Approval of the Recovery Plan</i>	FSA
March 12, 2018	Application of the Risk Taker Material (MRT) Provisions at PT Bank Mandiri (Persero) Tbk.	Series A Dwiwarna dhi Shareholders. State Minister of SOE
March 19, 2018	Proposed Decision of the Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. Financial Year of 2017	Series A Dwiwarna dhi Shareholders. State Minister of SOE
March 23, 2018	Information Disclosure of PT Bank Mandiri (Persero) Tbk. regarding the Minutes Summary Annual GMS of 2017 Financial Year	FSA and IDX
March 29, 2018	The Changes of PT Bank Mandiri (Persero) Tbk. Board of Directors Members	LPS
April 6, 2018	Director of Compliance	FSA
April 25, 2018	Dividend Payment Report for the Government of the Republic of Indonesia	Ministry of Indonesian State Owned Enterprises and Ministry of Finance
April 25, 2018	Submission of Organizational Structure of PT Bank Mandiri (Persero) Tbk.	FSA
April 26, 2018	Submission of the Annual Report of Subsidiaries of PT Bank Mandiri (Persero) Tbk. Financial Year of 2017	FSA and IDX
May 16, 2018	Submission of Annual Rating Result of Debt Securities on Sustainable Senior Bonds I. of PT Bank Mandiri (Persero) Tbk. and the Rating of PT Bank Mandiri (Persero) Tbk.	FSA and IDX
May 28 2018	Request for Explanation of News in the Mass Media	IDX
July 9 2018	Submission of Annual Rating of Debt Securities and Rating of PT Bank Mandiri (Persero) Tbk.	FSA and IDX
July 11 2018	Request for Explanation of Exchanges	IDX
July 18, 2018	Notification of Change Shares Numbers of the Board of Directors and the Board of Commissioners Members	FSA and IDX
August 31, 2018	Submission of PT Bank Mandiri (Persero) Tbk's Annual Public Expose Report.	IDX



Date	Report Subject	Purpose
September 4, 2018	Effective Determination on the Appointment of Director of Finance and Director of Retail Banking of PT Bank Mandiri (Persero) Tbk.	FSA
September 6, 2018	Information Reports or Facts Materials related to the Brief Additional Information of PUB Sustainable Bond I of Bank Mandiri on Phase III of Year 2018 in Mass Media	FSA and IDX
September 10 2018	Submission of Information on Changes in Shares Numbers of Board of Directors of PT Bank Mandiri (Persero) Tbk. Prospective Members	FSA
September 12, 2018	Effective Determination of Appointment of the Director of Institutional Relations and Director of Compliance of PT Bank Mandiri (Persero) Tbk.	FSA
September 12, 2018	Submission of Information on the Director of Compliance	FSA
November 19, 2018	Submission of Realization Report on the Use of Funds from the Public Offering Sustainable Bonds Phase I of Bank Mandiri Phase III of 2018 PT Bank Mandiri (Persero) Tbk.	FSA and IDX
November 21, 2018	Implementation of the Extraordinary General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. Tahun 2019	Ministry of SOE, FSA, IDX
November 23, 2018	Information Report or Material Facts related to the Signing of the Deed of PT Mandiri AXA General Insurance Share Transfers	FSA
December 7, 2018	Information Disclosure of PT Bank Mandiri (Persero) Tbk. related to the Annual GMS Announcement of the 2017 Financial Year	FSA, IDX and KSEI
December 14, 2018	Information Disclosure of PT Bank Mandiri (Persero) Tbk. related to the Annual GMS Calling of the 2017 Financial Year	FSA, IDX and KSEI
December 14, 2018	Information Disclosure Report on Affiliate Transactions	FSA and IDX

## Code of Conduct

The code of conduct sets the guidelines for the behavior of the Bank Personnel in conducting their daily tasks and duties as well as in conducting business relations with the customers, partners and colleagues. The basic regulation in the Code of Conduct is one of Bank Mandiri's Commitment on the management principles that have supported Bank Mandiri to achieve the stated Vision and Mission.

The work ethic is an elaboration of the basic principles of personal and professional behaviors that are expected to be obeyed by Bank Mandiri Personnel. The business ethics are moral principles related to the behaviors of the individuals, protection of bank properties, and bank business activities including in its interaction with stakeholders as the basis for the behavior of the Bank in conducting its business operations. Those are standard behaviors that have to be implemented in all organizational levels.

## Contents of The Ethical Codes

The main points of Bank Mandiri's code of ethics contain arrangements for work ethics and business ethics. The work ethic that regulates Bank Mandiri personnel's behaviors covers the following aspects:

### 1. Conflict of interest (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 that the Bank has given. Therefore, the entire personnel of the Bank:

- a. Shall avoid activities that may cause a conflict of interest and report to the direct supervisor if unable to avoid.
- b. shall be prohibited to give consent and or request approval of any loan facilities, as well as special interest rates or other specificity for:
  - i. Himself/Herself.
  - ii. His family.
  - iii. Companies where he and/or his family have an interest
- c. Shall be prohibited to work for another company, unless it has received a written assignment or permission from the Bank. Board of Commissioners and Board of Directors that follow regulatory requirements.
- d. Shall be prohibited to become a direct or indirect partner, either a partner for goods or services for the Bank.
- e. Shall be prohibited to collect goods belonging to the Bank for personal, family or other outside interests.
- f. Only allowed to conduct securities transactions, foreign exchange trading, precious metals, derivative transactions and other goods for their own benefit in the absence of conflict of interest, violation of insider trading rules of the Capital Market Authority, and other regulations.

<b>2. Confidentiality</b>	<ul style="list-style-type: none"> <li>a. shall be required to understand and maintain the confidentiality of any information, in accordance with prevailing regulations</li> <li>b. Shall use the information received only for the banking activities.</li> <li>c. In providing information, must act in accordance with applicable provisions.</li> <li>d. To avoid misuse, the dissemination of customer information in the Bank's internal environment is done carefully and only to interested parties.</li> <li>e. Shall be prohibited from disseminating information to outside parties regarding:               <ul style="list-style-type: none"> <li>i. Bank Activities with the Government of the Republic of Indonesia.</li> <li>ii. Internal policies and Bank work procedures.</li> <li>iii. Management of Information Systems, Data and Reports</li> <li>iv. Employee data, whether active or not</li> <li>v. Bank business activities, including activities with customers and partners.</li> </ul>               Except with the approval of the authorized Bank official or because of orders based on applicable laws and regulations.             </li> <li>f. The obligation to maintain special matters</li> </ul>
<b>3. Position Abuse and Gratification</b>	<ul style="list-style-type: none"> <li>a. Shall be prohibited from abusing authority and taking advantage of directly or indirectly, from knowledge obtained from the Bank's business activities to:               <ul style="list-style-type: none"> <li>i. Personal benefits.</li> <li>ii. Benefits for family members.</li> <li>iii. Benefits for other parties.</li> </ul> </li> <li>b. Shall be prohibited from requesting or accepting, permitting or agreeing to accept gratuities related to his position and contrary to his obligations in accordance with applicable laws and regulations. The types of gratuities and reporting mechanisms will be regulated in separate provisions.</li> <li>c. Shall be prohibited from requesting or accepting, permitting or agreeing to receive a gift or reward from a third party who obtains or seeks to get a job related to the procurement of goods or services from the Bank.</li> <li>d. In the case of customers, partners and other parties giving gifts in the form of goods or in other forms at certain times such as on holidays, certain celebrations, disasters and others, if:               <ul style="list-style-type: none"> <li>i. As a result of receiving the gift it is believed that it has a negative impact and affects the bank's decision, and</li> <li>ii. The price of the gift is outside the reasonable limit, Then, the Bank Officers who receive the gift must immediately return the gift with a polite explanation that the Bank's Staff is not permitted to receive gifts.</li> </ul> </li> <li>e. In the case of giving gifts as mentioned in point (d) above for one reason or another it is difficult to be returned, members of the Bank's Staff who receive the gift must immediately report to their superiors for further action.</li> <li>f. In the case of customers, partners and other parties providing promotional items, so long as the result of receipt of the promotional item does not cause a negative impact, it is permissible to accept it.</li> <li>g. In order to procure goods and services from third parties for bank services, must try to get the best price with a maximum discounted price which is recorded for the Bank's profit.</li> <li>h. Shall be prohibited from using his position to borrow from a customer or to borrow from a customer.</li> <li>i. Shall be prohibited from taking advantage of the opportunity to use the Bank's facilities for its own benefit beyond those provided by the Bank.</li> </ul>
<b>4. Insiders' behavior</b>	<ul style="list-style-type: none"> <li>a. Bank employees who have confidential information are not permitted to use the information to take advantage of themselves, their families or other third parties.</li> <li>b. Shall be prohibited from using internal information to make purchases, or trade securities, unless the information is known to the public.</li> <li>c. Shall be prohibited from misusing his position and taking advantage of both directly and indirectly for himself and others who can influence the decision.</li> <li>d. Decision making to sell or buy Bank assets and other services must be done by prioritizing the interests of the Bank.</li> </ul>
<b>5. Bank Data Integrity and Accuracy</b>	<ul style="list-style-type: none"> <li>a. Shall be obliged to present accurate and accountable data.</li> <li>b. Not allowed to book and/or change and/or delete books, with a view to obscuring the transaction.</li> <li>c. It is only permitted to make changes or deletion of data based on the authorization of the competent authority in accordance with procedures established by the Bank.</li> <li>d. Not allowed to manipulate documents.</li> </ul>
<b>6. Banking System Integrity</b>	<ul style="list-style-type: none"> <li>a. Must always be introspective and avoid the involvement of the Bank in criminal activities in finance and banking.</li> <li>b. Must be suspicious of unusual transactions and must take preventive actions in detecting accounts suspected of being used for activities such as money laundering, terrorism financing, corruption and other crimes.</li> </ul>

The business ethics as the basis for the behavior of the Bank's employees in carrying out business activities, covers the following aspects:

<b>1. Individual behavior</b>	<ul style="list-style-type: none"> <li>a. Personal integrity               <ul style="list-style-type: none"> <li>i. upholds morals, has self-esteem and strong discipline.</li> <li>ii. Maintain personal integrity in accordance with applicable rules, regulations, policies and systems.</li> <li>iii. Has a commitment to maintain the Bank's image and reputation.</li> <li>iv. Rely on all actions and behaviors on pure conscience.</li> <li>v. act respectfully and responsibly and free from influences that allow loss of objectivity in carrying out tasks or cause the Bank to lose its business or reputation.</li> <li>vi. Avoid activities related to an organization and/or individuals that enable conflicts of interest.</li> <li>vii. Both individually and jointly always strive not to be involved in matters that can weaken or reduce the integrity of the banking system in Indonesia.</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>b. Treatment/Actions of Discrimination               <ul style="list-style-type: none"> <li>i. uphold human rights.</li> <li>ii. Prevent discrimination in all its forms.</li> <li>iii. Acts of Harassment by Bank Officers must avoid all forms of conduct that violate public order and morality.</li> </ul> </li> <li>c. Acts of harassment must avoid all forms of actions that violate public order and morality</li> </ul>
<b>2. Protection of Bank Property</b>	<ul style="list-style-type: none"> <li>a. Bank Property               <ul style="list-style-type: none"> <li>i. always maintains and protects all assets owned by the Bank, both tangible and intangible.</li> <li>ii. Using the Bank's assets only for activities related to the interests of the Bank.</li> <li>iii. Use the Bank's assets responsibly including the appropriateness of the designation.</li> </ul> </li> <li>b. Confidential Information Protection               <ul style="list-style-type: none"> <li>i. protect and prevent valuable and confidential information from loss, misuse, leakage and theft.</li> <li>ii. Do not disseminate reports/information about banks that are not intended to be public.</li> </ul> </li> <li>c. Intellectual Property of the Bank               <ul style="list-style-type: none"> <li>i. safeguard the Bank's intellectual property.</li> <li>ii. Dedicate competencies held for the interests of the Bank as intellectual property of the Bank.</li> </ul> </li> <li>d. Note and Reporting               <ul style="list-style-type: none"> <li>Responsible for the accuracy and completeness of the notes and reports presented.</li> </ul> </li> </ul>
<b>3. Implementation of Bank Business</b>	<ul style="list-style-type: none"> <li>a. Mis-representation               <ul style="list-style-type: none"> <li>i. Bank staff representing the Bank in dealing with third parties act according to their capacity and authority.</li> <li>ii. Bank staff representing the Bank provide correct information, documents and reports in the right way.</li> <li>iii. The Bank's Board of Directors avoids actions that can cause misunderstanding from other parties.</li> </ul> </li> <li>b. Relations with Business Partners               <ul style="list-style-type: none"> <li>i. always prioritize the interests of the Bank in dealing with business partners.</li> <li>ii. Prevent the occurrence of corruption, collusion and nepotism and negative images in dealing with work partners.</li> <li>iii. In working with partners, the principles of professionalism and justice are based on good faith.</li> </ul> </li> <li>c. Behavior in Competing               <ul style="list-style-type: none"> <li>i. Responsible for creating and maintaining healthy competition in conducting business.</li> <li>ii. Avoid and prevent unfair ways of competing in developing his career.</li> </ul> </li> <li>d. Relations with Other Organizations               <ul style="list-style-type: none"> <li>i. can conduct business contacts with other organizations including competitors as long as they provide benefits to the Bank.</li> <li>ii. Avoid all forms of collaboration/improper alliances with other parties.</li> </ul> </li> <li>e. Obtain and Use Third Party Information               <ul style="list-style-type: none"> <li>i. avoid obtaining confidential information from third parties/competitors in inappropriate ways.</li> <li>ii. Do not recruit competitor employees with the aim of obtaining confidential information from competing companies.</li> </ul> </li> <li>f. Relation to Regulators               <ul style="list-style-type: none"> <li>Adhere to the ethical principles and provisions that apply in fostering relationships with Regulators.</li> </ul> </li> </ul>

## Compliance With The Code of Conduct

Bank Mandiri has a code of conduct that explains the basic principles of personal and professional behavior carried out by the Company. The code of conduct applies to all Bank Mandiri employees both contractual and permanent employees, and applies to all Board of Commissioners and Directors.

The application of a code of conduct is expected to encourage the realization of professional, responsible, reasonable, appropriate and trustworthy behavior in conducting business relationships with fellow co-workers and work partners.

## Dissemination of The Code of Conduct

The code of conduct has been communicated and socialized to the Board of Commissioners and its supporting aspects, Directors, officials one level below the Board of Directors and all employees, including through:

1. Company Website.
2. Email administrator delivered to all employees of the Company.
3. At the time of the signing of the collective labor agreement carried out between the union of the Company and the management of the Company.
4. Standing banners, flyers and other advertising media in the Company's office area.

In addition, the code of conduct can also be accessed at any time by all employees of Bank Mandiri through the Bank Mandiri portal called the Knowledge Management System (KMS).

## Effort in Implementation and Enforcement of The Code of Conduct

The employees can report alleged violations of the implementation of the code of conduct to superiors using Letter to CEO (LTC). Any action that has been proven as a violation of the code of conduct will be subject to sanctions in accordance with applicable regulations.

Efforts to implement and enforce the Bank Mandiri code of conduct are carried out with full awareness in the form of commitments, attitudes and actions, which include:

### 1. Statement of Compliance with the Bank Mandiri Code of Conduct

Bank Mandiri Personnel are required to read, understand well and are required to sign a "Statement of Compliance with the Bank to the Code of Conduct".

### 2. Commitment of Management and Entire Bank Mandiri Employees

Management's commitment and entire employees of Bank Mandiri to not receive money and/or items of gratuity and/or gifts related to their obligations or duties are published through the mass media and the Company's website.

### 3. Internal Disclosure of Conflict of Interest

Bank Mandiri personnel are required to make annual disclosures related to conflicts of interest each year, and each work unit is required to submit a transaction/decision report containing a conflict of interest every quarter.

### 4. Integrity Pact

The integrity pact is signed by officials holding authority and all partners/partners of Bank Mandiri who are involved in the process of granting credit, procurement of goods and services, and accreditation of partners. In addition, the signing of the Annual Integrity Pact was carried out by all Board of Commissioners, Directors, and Executive Officers of Bank Mandiri in an effort to implement gratuity control. All Bank Mandiri employees also sign the Integrity Pact for the application of gratuities in every 2 (two) years.

### 5. Awareness Program

New Bank Mandiri employees will get the Bank Mandiri Code of Conduct induction program called the jump start program, as well as continuous and consistent policy socialization.

## Types of Sanctions For Code of Conduct Violation

Sanctions for Code of Conduct violation are categorized into 3 (three) types, namely sanctions of light, medium and serious. Every violation of the Code of Ethics will be subject to sanctions in accordance with the Employee Discipline Regulations in force at Bank Mandiri, including criminal sanctions stipulated in the applicable laws and regulations.

**Table of Types of Sanctions for Code of Ethics Violation**

Types of Violation	Sanction
Light Sanction	1. First Written Reprimand 2. Second Written Reprimand
Medium Sanction	1. First Written Warning 2. Second Written Warning 3. Written and Last Written Warning
Serious Sanction	Termination/Termination of Employment



## Number of Code Violations

During 2018, there were 466 (four hundred sixty six) violations of the code of ethics with the following details:

**Table of Number of Code Violations**

Types of Sanctions	2018
First Written Reprimand	167
Second Written Reprimand	82
First Written Warning	65
Second Written Warning	30
Hard and Last Written Warning	20
Work Termination	72
Contract termination	30
<b>Total</b>	<b>466</b>

The number of violations of the code of ethics based on the categories of sanctions given are as follows.

Kategori	2018
Light	249
Medium	115
Severe	102
<b>Total</b>	<b>466</b>

## Anti Corruption Program

Bank Mandiri has several policies related to Corruption Prevention, including internal control policies, Employee Discipline Regulations, Code of Conduct, Business Ethics and compiling Corporate Culture Values, among others, instilling integrity values from every level of Bank Mandiri.

The actions taken by Bank Mandiri to address issues of corruption practices, specifically in the Code of Conduct, have been regulated as follows:

1. Prohibit all levels of the Company from requesting or receiving, agreeing to receive a gift or reward from a third party that obtains or seeks to obtain facilities from the Company in the form of a "cash loan and non-cash loan" facility, or in order to purchase or discount letters notes, promissory notes, checks and trade papers or other proof of liability, or other facilities related to the Company's operations and those related to the procurement of goods and services from the Company.
2. Prohibition to all levels of the Bank in misusing their authority and taking advantage both directly and indirectly from the knowledge obtained from the Company's business activities to:
  - a. Personal advantage
  - b. Benefits for family members
  - c. Benefits for other parties



3. Providing sanctions from mild to severe for violators of the ban.
4. Comply with external and internal regulations.
5. In the field of credit, each loan provision must be carried out through discussion in the Credit Committee Meeting forum as a means of implementing the four-eyes principle and a check and balance process between the Business Unit as the initiator unit and Risk Management as the Risk Mitigation Unit. In the committee, the Legal Group and Compliance Group must also be present to provide legal and compliance opinions to strengthen aspects of independence, avoid domination of one unit, avoid conflict of interest and ensure objective and pressure-free decision making. To speed up the process and improve loan performance, Bank Mandiri also sets limits on the authority to decide loan based on loan exposure and the level of risk. The greater the exposure, the greater the quorum of authority holders consisting of Credit Committee members who function as Risk Management and Credit Committee members who function as Business Units.
6. All levels of the Bank must make annual disclosures that contain all the circumstances or situations that enable the occurrence of violations I do not comply with this code of conduct.
7. All levels of Bank Mandiri can provide input for performance improvement, strengthening good corporate governance and fraud prevention, through Letter to CEO (LTC), which is a means of communicating with Bank Mandiri directly to the President Director (CEO).
8. In the Cooperation Agreement with the contractors/suppliers/partners, there is a clause that includes the commitment of the party not to carry out corrupt practices and gratuities.

In order to eradicate corruption, on November 4, 2014, the Company declared a commitment to the Corruption Eradication Commission to:

1. Build a National Integrity System with a Work Culture and Spirit Prosperity approach.
2. Implement gratuity controls to support efforts to eradicate corruption in the Company.

As an implementation of the commitment, Bank Mandiri has done the following:

1. Establish a gratuity Control Unit which is part of the Compliance work unit as coordinator of gratuity control at Bank Mandiri.
2. Issue provisions regarding the gratuity control program within the Bank Mandiri, which every year or according to the needs of the Company are continually refined in line with the development of the Company and/or fulfilment of the provisions of legislation and finally as refined in 2016.
3. Conduct socialization of the gratuity control program to all levels of Bank Mandiri employees and stakeholders.

The anti-corruption related training followed by Bank Mandiri can be seen in the Anti Gratification Policy Section of the Corporate Governance Chapter in this Annual Report.

## Anti Gratification Policy



Bank Mandiri realizes that gratuity control is an important activity to keep business processes in line with business ethics that uphold the value of integrity. Therefore, since 2013, Bank Mandiri has had a Operating Technical Guideline namely Gift Disclosure Statement that regulates the prohibition on receiving gratuity for all Bank Mandiri employees. In addition, Gratuity control aims to build the values of Good Corporate Governance and create integrity values for all Bank Mandiri employees. Therefore, in carrying out daily business activities with customers, vendors, partners and

all stakeholders, Bank Mandiri always based on ethics, mutual trust, and to be responsible. Thus business interests continue to run well and ethically but do not conflict with the provisions on the prohibition of gratuity. Until now, Bank Mandiri has tried to make continuous improvements in the implementation of its gratuity controls.

As an embodiment of Bank Mandiri's Integrated Prevention Commitment with Corruption Eradication Commission (KPK), which was signed on November 4, 2014, to implement gratuity controls to support efforts to eradicate corruption in Bank Mandiri, Bank Mandiri has established a Gratuity Control Unit and perfected PTO Gift The Disclosure Statement becomes a PTO for gratuity Control which came into force on July 3, 2015 and has implemented gratuity control through a continuous socialization program.

Following up on the Corruption Eradication Commission (KPK) guideline related to determining the limits of fairness and adjustments to current conditions, Bank Mandiri in carrying out daily business activities needs to maintain good cooperative relationships with customers, vendors, partners, work partners and all stakeholders based on ethics, mutual trust, and responsibility. Bank Mandiri has also refined the gratuity Control Technical Operational Guidelines (PTO) which took effect on March 1, 2018. In the refinement of the PTO for gratuity Control, a number of new things are arranged as follows:

- Adjustment of the fairness value of gratuity between fellow Bank Mandiri staff.
- Determination of the fairness value of receipt of goods gratuity specifically for disaster/disaster events.
- Determination of SLA 5 working days for the ranks of Bank Mandiri who report receipt/rejection of gratuities to UPG.

In order to support the corruption eradication program, Bank Mandiri actively participates in activities coordinated by the KPK including:

- Follow the National Tunas Integritas collaboration activity held on March 21-23 2018 in Kebumen, Central Java.
- Follow the National gratuity Control Unit Forum held on November 12-15 2018 in Bogor, West Java.
- Follow the 2018 World Anti-Corruption Day Festival held on December 4-5 2018 in Jakarta.



### Bank Mandiri was re-elected for the fourth time as a BUMN (State-Owned Enterprise) with the Best Gratuity Control System.

As proof of Bank Mandiri's commitment to control gratification and eradication of corruption in Indonesia, Bank Mandiri re-elected for the fourth time as BUMN with The Best Gratification Control System by the KPK, as well announced at the World Anti-Corruption Day Festival 2018

## Integrity Pact

In order to support the gratuity control program, Bank Mandiri has a program to sign the Integrity Pact which is a statement of all levels of Bank Mandiri to commit to upholding moral and integrity, protecting and maintaining the image, credibility and interests of Bank Mandiri by not requesting or receiving gratuities from parties who have conflict of interest.

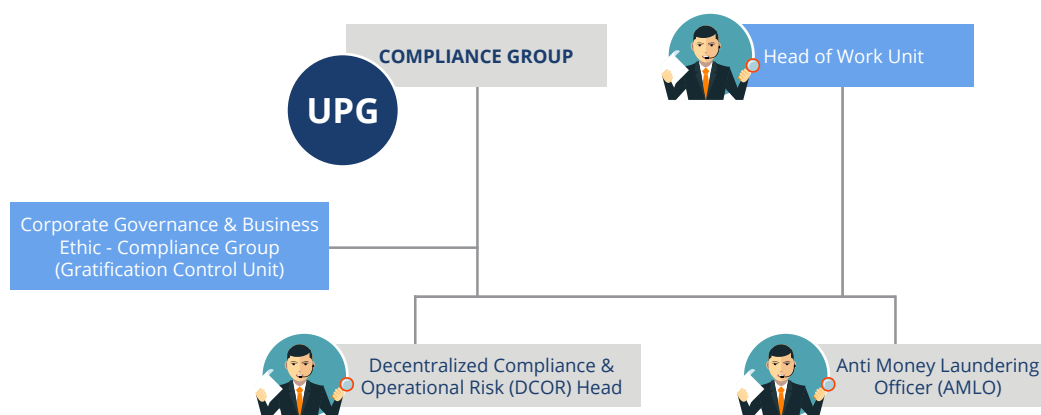
The Integrity Pact is signed by the Board of Commissioners and the Board of Directors every year. In addition, the Integrity Pact was also signed by all employees of Bank Mandiri when they first worked at Bank Mandiri and re-signing every 2 (two) years.

## Management of Gratification Control

### Organizational Structure of Gratification Control Units

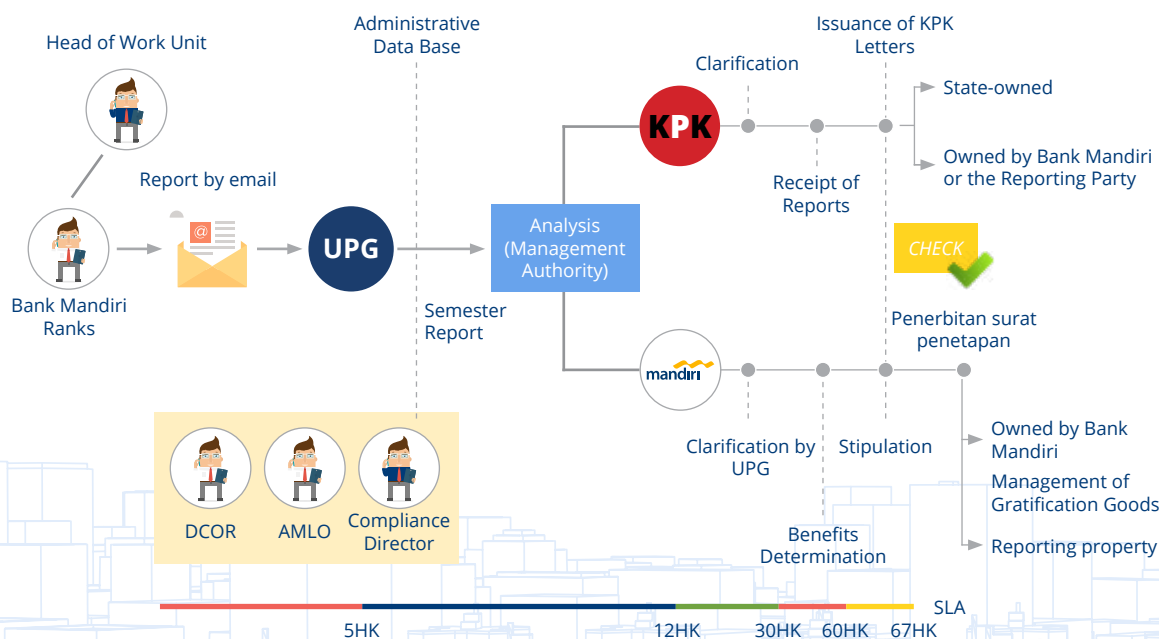
The Bank Mandiri Gratuity Control Unit (UPG) is managed by the Compliance Unit (Compliance Work Unit) at the Company, i.e. the Compliance Group. The UPG functions to control gratuities within Bank Mandiri, which in carrying out their duties are assisted by Decentralized Compliance & Operational Risk (DCOR) and Anti Money Laundering Officer (AMLO). The organizational structure of Bank Mandiri UPG is as follows:

#### UPG Structure of Mandiri Bank



### Gratification Reporting Mechanism

Bank Mandiri has a gratuity reporting mechanism that is adjusted to the KPK reporting mechanism, with the following paths:



## Socialization of Gratification Policy

Socialization related to gratification control was carried out continuously to all levels of the organization to increase awareness where in its implementation UPG coordinated with Head of DCOR and Risk Business Control -AMLO. The socialization was carried out directly to the Working Units at Headquarters, Regional Offices, Branch Offices and through regular ODP/SDP classes. Throughout the year of 2018, face-to-face socialization was conducted to approximately 1,810 Bank Mandiri employees. Other media used in disseminating gratification control policies are through the installation of Gratuity Control Posters at the Regional Offices and Headquarters, sending Email Blasts, Screen Savers, Mandiri Magazine, making gratification display cabinets and urge all Bank Mandiri partners/fellows not to provide gratification related to religious celebrations and new year through national newspaper media.

## Gratification Reports In 2018

Bank Mandiri employees who receive/reject gratuities must report their receipt/rejection to the UPG via e-mail facilities no later than 5 (five) working days after receipt/rejection by filling in the reporting form accompanied by adequate supporting documents.

After receiving the report, UPG will review and classify the report on gratuities that are the authority of Bank Mandiri or the authority of the KPK. Throughout the year of 2018, numbers of reports on receipt/rejection of gratuities received by UPG were 129 reports. The receipt of reported gratuities includes in the form of bribery gratuities, perishable food/goods, goods in the framework of service, honorarium in the context of service and marriage.

## Whistleblowing System

To maintain and enhance the reputation of Bank Mandiri and in line with the second pillar of Anti-Fraud Strategy (SAF), i.e. the pillar of detection, a risk control system and means are required through the Whistle Blowing System (WBS) mechanism. Bank Mandiri has provided a media report on complaints of violations named Letter to CEO (LTC). LTC aims to detect acts of fraud or indications of fraud, encourage awareness and concern for all employees as well as improve the company's reputation in the eyes of stakeholders.

Management of LTC report receipts and administration is carried out by independent third parties to provide safe-environments that encourage employees and stakeholders to dare to report fraud or indications of fraud. Types of reported fraud include corruption, fraud, theft, embezzlement and forgery. In addition to reporting fraud or indications of fraud, LTC can also be used to report non-fraud violations such as violations of norms and ethics (code of conduct).

## Purpose and Objectives of Letter to CEO (LTC)

The LTC program as one of the Anti-Fraud Strategy (SAF) programs, aims to:

1. Detect crimes of fraud or indications of fraud with reports of employees or third parties of Bank Mandiri, which can be submitted by stating their identity clearly and anonymously, which can then be carried out by the investigation process or follow-up actions.
2. Encourage awareness or concern of all employees to participate in keeping the work unit from loss due to fraud so that the quality of supervision is better, and the sense of belonging to employees becomes higher.
3. Enhancing Bank Mandiri's reputation in the eyes of Stakeholders, especially in the context of Corporate Governance that will enhance the company's image because it has adequate anti-fraud tools.

## Management of The Whistleblowing System

The management of the Company's WBS is carried out by Internal Managers, i.e. the Compliance Work Unit and External Managers, i.e. RSM Indonesia, which is an independent third party appointed by Bank Mandiri. Management by RSM Indonesia includes the reception and administration activities of the LTC report. With the presence of External Managers, it can provide a safe-environment that encourages employees and stakeholders to dare to report fraud or indications of fraud. Types of reported fraud include corruption, fraud, theft, embezzlement and forgery. In addition to reporting fraud or indications of fraud, LTC can also be used to report non-fraud violations such as violations of norms and ethics (code of conduct).

WBS management involves independent third parties. Among others, aims to:

1. Increase stakeholder confidence in the management of the WBS
2. Provide security for reporters/whistle-blowers
3. Minimize conflict of interest risk.
4. Independent and professional.
5. The reporter can monitor the status of the follow-up of the WBS report he submitted.

### Flowchart Of Violation Reporting Submission



## Development *Letter To CEO (LTC)*

LTC has undergone development and has been refined in 2018. This is done to improve the effectiveness of its implementation, as follows:



YEAR  
2018

- LTC management involved independent party
- Reporting parties could be from either Bank Mandiri's internal or external parties
- Reported could enclose a detailed identity or anonymously (identity was only recognised by independent party)
- Reporting media were SMS/WA, e-mail, website and mail
- Extended LTC report including report of fraud/indication of fraud, non-fraud and input/idea of business process improvement

YEAR  
2013

- Not enclosing reporter's identity was allowed
- Vendor could report
- Reporting method was added with LTC website
- LTC report included fraud/indication of fraud
- WBS-LTC website was managed by internal party

YEAR  
2009

- Reporter Identity was obligatory
- Solely for employee
- The media was only through mail, e-mail and sms
- WBS-LTC website was managed by internal party

## Submission of The Violation Report

Bank Mandiri has provided reporting media for actions or indications of fraud and/or non fraud that can harm customers and Bank Mandiri as follows:

- 1. Website**  
<https://whistleblowing.tips/wbs/@bmri-lettertoceo>
- 2. Email**  
[bmri-lettertoceo@rsm.id](mailto:bmri-lettertoceo@rsm.id)
- 3. Letter**  
PT RSM Indonesia melalui PO BOX 1007 JKS 12007
- 4. Short Message Services (SMS) and Whatsapp**  
0811900777





## Protection For Whistleblower

As a manifestation of the Company's commitment to maintaining the confidentiality of reporting data, Bank Mandiri provides:

1. Guarantee for the confidentiality of the reporter's identity.
2. Guarantee for the confidentiality of the contents of submitted reports.

## Types of Violations That Can Be Reported

Reporting that can be delivered via LTC, among others, consists of:

1. Fraud
  - a. Corruption  
Corruption is an action taken by anyone who commits an act enriching himself or another person or a corporation that can harm the state's finance or the country's economy. Examples of actions included in the category of corruption include:
    - 1) Receive bribes.
    - 2) Position Abuse.
    - 3) Cooperating with parties outside the Bank to harm the Bank.
    - 4) Blackmail.
  - b. Fraud  
What is meant by fraud is to deceive the Bank, customers or third parties and/or falsify documents, signatures, physical evidence and/or all authentic evidence. Examples of actions included in the fraud category include:
    - 1) Manipulate loan application data.
    - 2) Deceive the customers as if it were a bank product but is actually a fictitious transaction.
    - 3) Manipulate Bank financial data.
- c. Theft  
Theft is defined as taking what is not his right to obtain personal gain or other parties against the law. Examples of actions included in the theft category are:
  - 1) Stealing Bank data.
  - 2) Stealing money from kluis/teller desk.
  - 3) System Hacking
- d. Embezzlement  
Emblem is defined as the act of taking the property of another person in part or in whole where the control of the item already exists in the perpetrator and the possession occurs legally. Examples of actions included in the category of embezzlement are:
  - 1) Using customer funds (lapping).
  - 2) Selling Bank's stationery for personal use.
  - 3) Using petty cash for personal use.
- e. Forgery  
Forgery is the process of making or imitating objects, data, information or documents that are made as if they were true with the intention of deceiving or tricking others. Examples of actions included in the forgery examples are:
  - 1) Falsifying customer data.
  - 2) Falsifying a certificate.
  - 3) Falsifying customer documents.
  - 4) Falsifying signatures.
2. Non-fraud, including violations of norms and ethics (code of conduct), with examples of actions include:
  - a. Opening Bank secrets for personal gain.
  - b. Insider behaviour.
  - c. Immoral acts inside and outside the Bank.
  - d. Harassment.
  - e. Drug abuse.
  - f. Being involved in prohibited community activities.

## Socialization of Whistleblowing System

In order to increase understanding of WBS at all levels of the organization, Bank Mandiri consistently and continuously socializes the system in various ways, including short video displays, placing posters around the office environment, PC screen savers and e-mail blasts to the board of directors of Bank Mandiri and using printed media that can be implemented by WBS more effectively in the future.

## Number of Violation

During 2018, the number of violation complaint reports received through LTC media via website, call center, email, faximile, and letter are as follow:



Years	Submission Medias				Report Classification			Followed-up Report	Completed Report
	Letter	Email	Website	Others	Fraud	Non Fraud	Others		
2017	0	8	0	0	5	3	0	8	8
2018	0	7	1	0	2	2	4	8	8

## Violation Reports Sanctions/Follow-Ups In 2018

Every investigated violation report and those proven as violation has received sanction based on the regulation.

## Internal Fraud

Internal Fraud is carried out by the Company's internal and internal collusion with external parties. Internal audit is carried out by Internal Audit.

Internal fraud within 1 year	Number of cases committed by					
	Members of the Board of Commissioners and Members of the Board of Directors		Permanent employee		Non-Permanent Employees and Outsourcing Personnel	
	Previous year (2017)	Current year (2018)	Previous year (2017)	Current year (2018)	Previous year (2017)	Current year (2018)
Total Fraud	-	-	68	35	34	8
Has Been Completed	-	-	68	35	34	8
In the Settlement Process in the Internal Bank	-	-	-	-	-	-
Settlement has not been attempted	-	-	-	-	-	-
Followed Through Legal Process	-	-	-	-	-	-

## Management of Reports of State Officials Wealth (LHKPN)

### Policy of State Officials Wealth Reports (LHKPN)

Bank Mandiri has a policy regarding the reporting implementation of State Officials Wealth Reports (LHKPN) based on Directors Decree No. KEP.DIR/147A/2017 dated June 21, 2017 concerning State Officials Wealth Reports (LHKPN) in the Environment of PT Bank Mandiri (Persero) Tbk. This policy regulates the Company's employees who are required to report their assets, delivery procedures, LHKPN administrator and work unit, as well as sanctions that can be imposed on employees who do not carry out their reporting obligations.

### Mandatory Report of State Officials Wealth Reports (LHKPN)

Based on the LHKPN Policy above, Mandatory Report of LHKPN are Structural Officers within Bank Mandiri, namely:

1. Member of Commissioners Board
2. Members of Directors Board
3. Senior Executive Vice President

4. Executive Officers reported to Bank Indonesia, namely:
  - a. Regional CEO
  - b. Group Head and Group Head Level Officials
  - c. Branch Head whose office licenses from Bank Indonesia covering Branch Offices and Foreign Branch Offices
5. Employees placed as Directors/ Commissioners Board in Subsidiaries and Pension Funds

## Manager of LHKPN

LHKPN reporting manager consists of LHKPN Management Coordinator and e-LHKPN Management Administrators with this following details:

1. LHKPN Management Coordinator is the Corporate Secretary and Group Head Human Capital Services with the following scopes of duties:
  - a. Coordinating with Corruption Eradication Commission (KPK) in monitoring, filling, and

submitting LHKPN as well as socializing the obligations to the LHKPN.

- b. Coordinating with the Ministry of State-Owned Enterprises and KPK regarding the management and administration of the LHKPN Compulsory Application.
2. e-LHKPN Management Administrators is a Corporate Secretary Group and Human Capital Services Group with the following scope of duties:
  - a. Managing and updating data required to report LHKPN within Bank Mandiri as well as updating the data of mandatory report LHKPN in Bank Mandiri office environment.
  - b. Managing and monitoring LHKPN reporting obligations within Bank Mandiri.

## LHKPN Reporting In 2018

Based on LHKPN reporting until the end of 2018, of the 288 mandatory reports there are 185 people who have fulfilled their reporting obligations.

## Implementation of Integrated Governance

In accordance with Financial Services Authority Regulation No. No.18/POJK.03/2014 concerning the Implementation of Integrated Governance for the Financial Conglomerate, Bank Mandiri as the Main Entity in the financial conglomerate with 11 (eleven) Subsidiaries, has compiled the Integrated Governance Guidelines as a reference for Bank Mandiri and all Subsidiaries within the Bank Mandiri business group. Bank Mandiri has also perfected the governance organs by establishing the TKT Committee, Integrated Compliance Unit, Integrated Risk Management Work Unit and Internal Audit Work Unit.

## Integrated Governance Report

### Self Assessment Report of Integrated Governance During 1 (One) Year of Book

Self-assessments of Bank Mandiri and Subsidiaries are carried out by referring to Financial Services Authority's Circulating Letter No. 15/SEOJK.03/2015 concerning Implementation of Integrated Governance for Financial Conglomerates and referring to the Subsidiary sectoral regulations.

Assessment is carried out on 3 (three) aspects of governance, namely structure, process and outcome in the 7 (seven) Assessment Factors of the following Integrated Governance Implementation:

1. Implementation of the duties and responsibilities of the Main Entity Directors
2. Implementation of the duties and responsibilities of the Main Entity Board of Commissioners
3. Tasks and responsibilities of the Integrated Governance Committee
4. Duties and responsibilities of the Integrated Compliance Work Unit
5. Duties and responsibilities of the Integrated Internal Audit Work Unit
6. Implementation of Integrated Risk Management, and
7. Preparation and implementation of Integrated Governance Guidelines

The Integrated Governance assessment every semester involves the whole Board of Directors and Board of Commissioners, Risk Management Unit, Internal Audit Unit, Compliance Unit and Corporate Secretary and all Subsidiaries.

The results of the Integrated Governance assessment during 2018 are as follows:



## Assessment of Semester I year 2018

Grade	Grade Definition
1 (very good)	The Financial Conglomerate is considered to have implemented Integrated Governance which is very good generally. This is reflected in the very adequate fulfillment of the application of the Integrated Governance principle. If there are weaknesses in the implementation of Integrated Governance, in general these weaknesses are not significant and can be immediately corrected by the Main Entity and/or Financial Services.

The assessment of Integrated Governance implementation is carried out by Bank Mandiri by involving all Subsidiaries.

Bank Mandiri conglomerate has implemented the Integrated Governance which is generally very good, namely by fulfilling the three aspects of Integrated Governance which consist of aspects of structure, process and results.

From a structural aspect, Bank Mandiri has established the Integrated Governance, SKKT, SKAIT and SKMRT Committees. Bank Mandiri has also been compile Integrated Governance Guidelines which become the preparation of the Corporate Governance Guidelines for all Subsidiaries. On semester I 2018, Bank Mandiri has finished drafting the Membership Decree of the Integrated Governance Committee.

From the process aspect, Bank Mandiri has followed up on the findings of internal and external audits. In addition, in the first half of 2018, Bank Mandiri conducted audits of several subsidiaries, namely AXA Mandiri Financial Services, Mandiri Securities, Bank Mandiri Taspen and Mandiri Manajemen Investasi (Mandiri Investment Management) in accordance with the Annual Audit Plan (AAP).

From the results aspect, Bank Mandiri has established a Integrated Governance Committee and has created Integrated Governance Guidelines. In addition, Compliance Work Unit, SKAIT and SKMRT have carried out their duties well and have always reviewed the effectiveness of TKT and documented well.

Among 7 (seven) parameters contained in Financial Services Authority's Circulating Letter No. 15/SEOJK.03/2015, it can be stated that all these parameters have been implemented very well. However, in the first semester of 2018, there were several Directors and Board of Commissioners of Subsidiaries who have not passed the Fit and Proper Financial Services Authority.

## Assessment of Semester II Year 2018

Grade	Grade Definition
1 (very good)	The Financial Conglomerate is considered to have implemented Integrated Governance which is generally very good. This is reflected in the very adequate fulfillment of the application of the Integrated Governance principle. If there are weaknesses in the implementation of Integrated Governance, in general these weaknesses are not significant and can be immediately corrected by the Main Entity and/or Financial Services.

The assessment of TKT implementation is carried out by Bank Mandiri by involving all Subsidiaries.

The Bank Mandiri conglomerate has implemented the Integrated Governance which is generally very good, namely by fulfilling the three aspects of Integrated Governance which consist of aspects of structure, process and results.

From the structural aspect, all the Board of Commissioners and Directors have passed Fit and Proper Test, while there were several Board of Commissioners and Directors of Subsidiaries that were still in the process of Fit and Proper Test, but the numbers were reduced compared to the first semester of 2018.

From the process aspect, the Integrated Governance Committee has conducted meetings 2 (two) times, in accordance with the regulatory provisions. SKAIT has conducted audits of Subsidiaries in accordance with the 2018 Annual Audit Plan. All Subsidiaries have submitted the Quarterly Compliance Reports to Compliance Work Unit period quarter III and IV in 2018.

From the result aspect, all members of Bank Mandiri Financial Conglomerate have carried out their tasks through

governance aspects, and documented the implementation of duties and responsibilities properly. Among 7 (seven) parameters contained in Financial Services Authority's Circulating Letter No. 15/SEOJK.03/2015, it can be stated that all these parameters have been implemented very well. However, there are still some aspects that must be improved.

## Structure of Financial Conglomeration

Financial conglomerate structure of Bank Mandiri consists of Bank Mandiri as the Main Entity, as well as 11 (eleven) Subsidiaries and 3 (three) Sub-subsidiary engaged in various sectors. Bank Mandiri's financial conglomerate structure is as follows:



## Structure of Financial Conglomerates

From 31 Desember 2018, structure of share ownership Bank Mandiri are as follows:

No.	Corporates	Composition	Percentage
1.	Bank Syariah Mandiri	Bank Mandiri	99.99%
		Mandiri Sekuritas	0.01%
2.	Mandiri Sekuritas	Bank Mandiri	99.99%
		Koperasi Mandiri	0.01%
3.	Mandiri Tunas Finance	Bank Mandiri	51.00%
		Tunas Ridean	49.00%



No.	Corporates	Composition	Percentage
4.	Mandiri AXA General Insurance	Bank Mandiri	20.00%
		AXA	80.00%
5.	AXA Mandiri Financial Services	Bank Mandiri	51.00%
		AXA	49.00%
6.	Mandiri Taspen	Bank Mandiri	51.007%
		Taspen	48.416%
		Perorangan	0.507%
7.	Mandiri International Remittance	Bank Mandiri	100.00%
8.	Bank Mandiri Europe Limited	Bank Mandiri	100.00%
9.	Mandiri Inhealth	Bank Mandiri	80.00%
		Kimia Farma	10.00%
		Asuransi Jasa Indonesia	10.00%
10.	Mandiri Utama Finance	Bank Mandiri	51.00%
		Tunas Ridean	12.00%
		Asco	37.00%
11.	Mandiri Capital Indonesia	Bank Mandiri	99.98%
		Mandiri Sekuritas	0.02%

## Committee Structure of Financial Conglomerates

Based on Financial Services Authority Regulation No. 18/POJK.03/2014 concerning Management Application of Financial Conglomerates, the committee structure of Bank Mandiri Financial Conglomerates can be explained in the following table:

GCG Mechanism		Subsidiaries										
		BSM	MS	MTF	MAGI	AMFS	BMT	MIR	BMEL	MI	MUF	MCI
1.	Guidelines of Corporate Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Compliance Work Unit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Internal Audit Work Unit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.	Risk Management Work Unit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## Board of Commissioners and Directors of Bank Mandiri Financial Conglomerates

Board of Commissioners and Directors of Bank Mandiri have duties and responsibilities related to Integrated Governance namely:

### Board of Commissioners :

1. Supervising the implementation of duties and responsibilities, and providing advice to Bank Mandiri Board of Directors as stipulated in the Articles of Association and applicable laws.
2. Supervising the implementation of Integrated Governance.

### Directors :

1. Having full responsibility for the implementation of Bank Mandiri management.
2. Managing Bank Mandiri in accordance with the authority and responsibility as stipulated in the Articles of Association and the applicable laws and regulations.
3. Ensuring the application of Integrated Governance in financial conglomerates.



4. Arranging and informing Integrated Governance Guidelines to all Subsidiaries.
5. Directing, monitoring and evaluating the implementation of Integrated Governance Guidelines.
6. Following up on the direction/advice of Bank Mandiri Board of Commissioners in order to improve the Integrated Governance Guidelines.

Beside Bank Mandiri, the Management Structure in Mandiri Group consists of the Board of Commissioners, the Board of Directors and the Sharia Supervisory Board of Subsidiaries. All of those have the responsibility assigned in the Integrated Governance Guidelines as follows:

#### **Board of Commissioners :**

1. Supervising the implementation of governance, duties and responsibilities of the Board of Directors and following up on audit results from internal and external parties.
2. Establishing committees or appointing parties to carry out functions that support the duties and responsibilities of the Board of Commissioners at least audit committees/functions, and compliance monitoring committees/functions.
3. Organizing Board of Commissioners meetings which at least includes frequency, attendance and decision making procedures.
4. Compiling the Board of Commissioners' work rules.

#### **Directors :**

1. Implementing the principles of corporate governance.
2. Preparing the Corporate Governance Guidelines
3. Following up on audit results and recommendations from the Internal Audit Unit, external auditors, and the results of supervision from the authorities.
4. Organizing Board of Directors meetings.
5. Developing work rules that at least include the procedures for decision making and meeting documentation.



#### **Sharia Supervisory Board :**

1. The Sharia Supervisory Board must carry out its duties and responsibilities in accordance with the principles of Governance.
2. The Sharia Supervisory Board is responsible for providing advice to the Board of Directors and monitoring activities in accordance with Sharia Principles.
3. The implementation of the duties and responsibilities of the Sharia Supervisory Board is adjusted to the applicable laws and regulations in each Subsidiary.
4. Members of the Sharia Supervisory Board must provide sufficient time to carry out their duties and responsibilities optimally.
5. Arranging the work rules of the Sharia Supervisory Board.

**Bank Syariah Mandiri**

Board of Commissioners	
Mulya E. Siregar	President Commissioner/ Independen Commissioner
Bambang Widianto	Independen Commissioner
Dimas Oky Nugroho <sup>*)</sup>	Independen Commissioner
Dikdik Yustandi	Commissioner

<sup>\*)</sup> Still in the process of fit and proper test by OJK

Directors	
Toni Eko Boy Subari	President Director
Achmad Syafii	Director
Putu Rahwidhiyasa	Director
Kusman Yandi	Director
Ade Cahyo Nugroho	Director

Board of Sharia Supervisory	
Ma'ruf Amin	Chairman of Board of Sharia Supervisory
Mohamad Hidayat	Board of Sharia Supervisory
Muhammad Syafii Antonio	Board of Sharia Supervisory

**Mandiri Sekuritas**

Board of Commissioners	
Darwin Cyril Noerhadi	President Commissioner/ Independent Commissioner
Wien Irwanto	Commissioner
Riduan	Commissioner

Directors	
Silvano Winston Rumanir	President Director
Lisana Irianwati	Director
Heru Handayanto	Director

**Mandiri Tunas Finance**

Board of Commissioner	
Rico Adisurja Setiawan	President Commissioner
Harry Gale	Commissioner
Ravik Karsidi	Commissioner

Directors	
Arya Suprihadi	President Director
Harjanto Tjitohardjojo	Director
Armendra	Director

**Mandiri International Remittance Sdn.Bhd.**

Directors	
Wahyu Surahmat	President Director
M Fodli	Director
Diah Natalin Saragih	Non Executive Director
Siti Kamaliyah	Non Executive Director

**Mandiri AXA General Insurance**

Board of Commissioner	
Kepas Antoni Adrianus Manurung	Head Commissioner
Ramanathan Kumar Guru	Commissioner
Frans A. Wiyono	Independent Commissioner
Indra Noor	Independent Commissioner

Directors	
Paul Henri Rastoul	President Director
Sylvain E.C. Ducros	Director
Eddy Alfian	Director

**AXA Mandiri Financial Services**

Board of Commissioner	
Agus Haryoto Widodo	President Commissioner
Paul Henri Nicolas Pierre Marie Rastoul	Commissioner
Akhmad Syakhroza	Independent Commissioner
Wihana Kirana Jaya	independent Commissioner

Directors	
Handojo Gunawan Kusuma	President Director
Henky Oktavianus	Director
Cecil Mundisugih	Director

**Bank Mandiri Taspen**

Board of Commissioner	
Abdul Rachman	President Commissioner
Agus Haryanto	Commissioner
Edhi Chrystanto	independent Commissioner
Sukoriyanto Saputro	independent Commissioner
Zudan Arief Fakrulloh	independent Commissioner

Directors	
Josephus Koernianto Triprakoso	President Director
Paulus Endra Suyatna	Director
Nurkholis Wahyudi	Director
Fajar Ari Setiawan <sup>*)</sup>	Director
Iwan Soeroto	Director

<sup>\*)</sup> Still in the process of fit and proper test by OJK

**Mandiri Capital Indonesia**

Board of Commissioner	
Joseph Georgino Godong	President Commissioner
Rahmat Broto Triaji	Commissioner

Directors	
Mardianto Eddiwan Danusaputro	President Director
Hira Laksamana	Director

**Mandiri Inhealth**

Board of Commissioner	
Sentot A. Sentausa	President Commissioner
Banmbang Wibowo	Independent Commissioner
Ali Ghufon Mukti	Independent Commissioner
Directors	
Iwan Pasila	President Director
Bugi Riagandhy	Director
Wahyu Handoko	Director
Rahmat Syukri	Director

**Mandiri (Europe) Limited**

Board Member	
Mahendra Siregar	Independent Non Executive Director & Chairman
John Kenrick Williams	Independent Non Executive Director
Ita Tetralaswati	Non Executive Director
I Nyoman G. Suarja	Executive Director & Chief Executive

**Mandiri Utama Finance**

Board of Commissioner	
Riyani T. Bondan	President Commissioner
Erida	Commissioner
Mansyur Syamsuri Nasution	Independent Commissioner
Directors	
Stanley Setia Atmadja	President Director
Judy Lesmana	Director
R. Wiweko Probojakti <sup>*)</sup>	Director

<sup>\*)</sup> Still in the process of fit and proper test by Financial Service Authority

**Integrated Governance Committee**

Bank Mandiri has established a Integrated Governance Committee consisting of Bank Mandiri Independent Commissioners and Independent Subsidiary Commissioners for each industry. The Integrated Governance Committee has the fewest duties and responsibilities:

1. Evaluating internal implementation and the compliance function implementation in an integrated manner. In conducting evaluations, the Integrated Governance Committee obtains information in the form of an evaluation of the implementation of internal audits and the compliance function of each of the Subsidiaries from the members of the Board of Commissioners of each Subsidiary Company, who become the members of the Integrated Governance Committee.
2. Providing recommendations to Bank Mandiri Board of Commissioners, regarding:
  - a. Results of evaluation of Integrated Governance implementation;
  - b. Completion of Integrated Governance Guidelines.

During 2018, Integrated Corporate Governance Committee has conducted 2 (two) meetings as follows:

Date	Agenda
May 16, 2018	<ol style="list-style-type: none"> <li>1. Follow ups of Onsite Review Financial Services Authority Results and meeting of Integrated Governance committee Semester II/2017.</li> <li>2. Update the Result of Integrated Internal Audit Semester II/2017.</li> <li>3. Self Assessment Result of Integrated Governance Semester II/2017.</li> <li>4. Work Plan of Integrated Work Unit year 2018.</li> </ol>
December 10, 2018	<ol style="list-style-type: none"> <li>1. Follow-up of the Integrated Governance Committee Meeting May 16, 2018.</li> <li>2. Integrated Governance Self Assessment Results Semester I/2018.</li> <li>3. Realization of the Integrated Work Unit Work Plan.</li> </ol>

**Integrated Compliance Work Unit**

In line with the implementation of Financial Services Authority Regulation No. 18/POJK.03/2014, Bank Mandiri has established a Compliance Group as SKKT which oversees the implementation of the compliance function at Mandiri Group. The duties and responsibilities of Compliance Work Unit are as follows:

1. Monitoring and evaluating the implementation of the compliance function in all Subsidiaries.
2. Preparing a report on the implementation of integrated compliance with the Director Subordinating the Compliance Function and the annual report of Integrated Governance.
3. Organizing forums with subsidiaries regarding the implementation of the integrated compliance function



During 2018, SKKT Bank Mandiri has carried out several initiatives in the context of implementing Integrated Governance as follows:

1. Alignment of compliance policies and compliance risk management mechanisms.
2. Quarterly, receiving and reviewing compliance reports of subsidiaries.
3. Quarterly, preparing reports on the implementation of integrated compliance.
4. Discussion forum with subsidiaries to discuss the assessment of compliance risk profiles (forward looking) and mitigation of compliance issues that occur in subsidiaries.
5. Strengthen communication with Subsidiaries regarding the submission of Subsidiary Compliance Reports.
6. Mentioning the framework of compliance functions management report in subsidiaries based on internal provisions of Bank Mandiri to strengthen the synergy in managing the integrated compliance function.
7. Delivering a list of compliance with new regulations to subsidiaries, ensuring fulfillment of obligations in the new regulations.

### Integrated Internal Audit Work Unit

Bank Mandiri has established Internal Audit as SKAIT which is independent to the operational work unit. SKAIT, in this case is Internal Audit, has also collaborated with first line and second line Bank Mandiri and the Subsidiary's Internal Audit to ensure the effective implementation of internal control functions in Mandiri Group.

SKAIT has the duties and responsibilities contained in the Integrated Governance Guidelines as follows:

1. Carrying out audits on Subsidiary Companies either individually, joint audits or based on reports from the Subsidiary Internal Audit Unit;
2. Monitoring the implementation of Internal audits in each Subsidiary Company by conducting:
  - a. Evaluation of Subsidiaries SKAI audit plan in order to align the integrated audit plan;
  - b. Evaluation of internal and external audits results of subsidiaries and the follow-ups to prepare an integrated internal audit report.

During 2018, Bank Mandiri's SKAIT has ensured the implementation of internal control functions in subsidiaries by:

1. Carrying out an audit of 11 (eleven) subsidiaries.
2. Evaluating and aligning audit plans with subsidiaries before compiling the Annual Audit Plan (AAP) of Bank Mandiri and Subsidiaries.
3. Reviewing the Subsidiary SKAI Audit Report and its follow-ups on a quarterly basis.
4. Compiling Reports on the Implementation of Integrated Internal Audit Functions.

In addition, Bank Mandiri SKAIT also does a number of things in order to improve the functions of the Integrated SKAI as follows:

1. Placement of Head of SKAIT in the majority of Subsidiary Companies by considering SKAIT recommendations.
2. Implementation of Subsidiary Audit Committee Meetings that may invite SKAIT.
3. Organizing the Mandiri Group SKAI forum regularly.

### Integrated Risk Management Work Unit

Bank Mandiri sets the Credit Portfolio Risk Group as SKMRT, which is independent of other operational work units and has adequate policies, procedures and risk limits. SKMRT has the duties and responsibilities contained in the TKT Guidelines, including the following:

1. Providing input to the Board of Directors in the preparation of integrated risk management policies.
2. Monitoring the implementation of integrated risk management policies including developing procedures and tools for risk identification, measurement, monitoring and control.
3. Monitoring risks in financial conglomerates based on the results of the assessment:
  - a. Risk profile of each Subsidiary in the Financial Conglomerates;
  - b. Integrated risk level of each risk;
  - c. Integrated risk profile.
4. Managing stress testing.
5. Carrying out periodic reviews to ensure:
  - a. The accuracy of the risk assessment methodology;
  - b. Adequacy of implementation of management information systems;
  - c. Integrated accuracy of policies, procedures and risk limits.
6. Reviewing strategic proposed new business lines that can be significantly influential on the risk exposure of financial conglomerates.
7. Providing information to the integrated risk management committee on matters that need to be followed up regarding the results of the evaluation on the implementation of integrated risk management.
8. Providing input to the integrated risk management committee, in order to organizing and improving integrated risk management policies.
9. Arranging and submitting an integrated risk profile report periodically to the Directors in charge of the integrated risk management function and to the integrated risk management committee.

During 2018, SKMRT has carried out several initiatives in the context of implementing integrated risk management as follows:

1. Active management supervision through regular forums and committees.
2. Monitoring sustainable risk awareness improvement through the Risk Awareness Survey (RAWS).
3. Improving the risk management process for Subsidiaries on methodologies, processes and policies through on-site review and assistance.
4. Reviewing the methodology for assessing Risk Based Bank Rating at Banks and Subsidiaries.
5. Aligning the preparation methodology of Risk Appetite Statement, Stress Test and IFRS 9.
6. Developing the Risk Assessment Consolidation Generator (RACER) System as an Integrated Risk Management Information System.
7. Preparing the Reports of Subsidiaries Risk Profile Highlights (quarterly).

## Intragrup Transaction Policy

The development of Bank Mandiri and its subsidiaries aggressively in various business segments, making Banks and its Subsidiaries synergize and collaborate in one business ecosystem. This raises the exposure of intragroup transactions within the Mandiri Group. The Bank always keeps the Intragroup Transactions in accordance with external and internal rules both in terms of exposure and process.

All intragroup transaction processes and cooperation established within the Mandiri Group are carried out in accordance with applicable internal provisions (Risk Management Policy (KMNR), Risk Based Bank Rating Procedure Standards (SP RBBR) and RBBR Technical Operational Guidelines (PTO)) and are always guided by Mandiri Subsidiaries Management Principles Guidelines, namely guidelines for Mandiri Group in building an ecosystem of business collaboration. The policy regarding the risk of intragroup transactions at Bank Mandiri refers to Financial Services Authority Regulation No. 17/POJK.03/2014 dated November 18, 2014 and Financial Services Authority's Circulating Letter No.14/SEOJK.03/2015 dated 25 May 2015 concerning Integrated Risk Management for Financial Conglomerates.

The Bank constantly monitors business performance and risks arising from the business synergy of the Bank and Subsidiaries. In this case, the Bank always ensures that Intragroup Transactions within the Mandiri Group are always in accordance with the rules and limits set by the Regulator.

## Mandiri Subsidiaries Management Principle Guideline (MSMPG)

Mandiri Subsidiaries Management Principles Guideline (MSMPG) is a guideline for Bank Mandiri and Subsidiaries in building an ecosystem of business collaboration through a culture of performance. It aims to create additional value for Bank Mandiri and its subsidiaries on an ongoing basis, by adhering to the principles of GCG and the Articles of Association of each of the Subsidiaries.

The principles of managing Bank Mandiri subsidiaries are in accordance with the provisions of MSMPG covering Integrated Governance activities, Financial Reports, Anti Money Laundering, and Prevention of Terrorism Funding (APU-PPT), Human Resources, Procurement, Synergy of Subsidiary Business, Strategy & Performance, Corporate Culture Values, Information Technology Cooperation, Data Management, Corporate Sustainability Principles, Controllers of Gratification and Investment Management.

MSMPG is implemented by referring to the basic principles of managing Subsidiaries as follows:

- Subsidiaries are separated entities from Bank Mandiri.
- Management of subsidiaries is carried out professionally and does not intervene in the operational activities of subsidiaries.
- Management of Subsidiary Companies is carried out without disregarding the duties and responsibilities of the Board of Directors and Board of Commissioners of the Subsidiaries in accordance with the Articles of Association.

The management of Subsidiary Companies is aimed at optimizing sustainable profits, reducing risks, fulfilling regulatory requirements, and good governance.

## Buyback Share and Buyback Bond

In 2018, there was no stock buyback share or buyback bond.

## Provision of Related Party Funds

With reference to the internal policies of Bank Mandiri regarding lending, the provision of funds to related parties (individuals or groups, including executive officers, Board of Directors and Commissioners of the Bank) had been fairly exercised on reasonable terms with the approval of the Board of Commissioners.

The provision of funds to related parties shall not be contrary to the general procedure of granting the provision of funds in force and shall continue to provide reasonable benefits to the Company as well as the provision shall be subject to the approval of the Board of Commissioners. As one form of supervisory function implementation by the Board of Commissioners in the field of credit, lending over IDR 3 trillion individually should be reported quarterly to the Board of Commissioners. Reported loans were credits that had been terminated within 3 (three) months of the reporting period.

Related Information of the Provision of Related Party Funds is in the Management Analysis and Discussion section of this Annual Report.

**Table Number of Provision of Funds for Parties Regarding Position in December 2018**

No.	Provision of Funds	Total	
		Debtor (person)	Nominal (billion IDR)
1.	To Related Parties	16 Debtors consisting of Subsidiaries Subsidiaries and Foreign Offices and 352 executive officers	10.159
2.	To Core Debtors		
	a. Individu	-	-
	b. Group	25	247.939
	<b>Total Core Debtor</b>	<b>25 Group debtors</b>	<b>247.939</b>

## Bank Strategic Plan

The Bank's Strategic Plan, both long and medium term, has been explained in the section on Bank Mandiri Strategy in 2018 Chapter Management Discussion and Analysis in this Annual Report.

## Transactions Containing Conflict of Interest

Throughout 2018, there were no transactions that contained conflicts of interest as stated in the BAPEPAM-LK No. IX.E.1 concerning Conflict of Interest.

## Internal Dispute of Bank Mandiri

During 2018, there were no internal disputes at Bank Mandiri relating to owner intervention, remuneration policies and other causes.



## Prevention of Insider Trading

Internal provisions related to Insider Trading actions are implemented by Bank Mandiri contained in the Bank Mandiri Policy Architecture and Standard Corporate Secretary Guidelines. As for the Bank Architecture Policy, Bank Mandiri has stipulated that “all Bank Offices are only permitted to conduct securities transactions, foreign exchange trading, precious metals, derivative transactions and other goods for their own interests if there is no conflict of interest, violation of Insider Trading regulations from the Capital Market Authority and other regulations.”

1. Insiders who have insider information, such as information in the form of information about the Bank's financial situation, Bank activity plans and/or other unpublished material information which should be expected to influence the decisions of investors or shareholders, are prohibited from buying and/or selling Bank shares.
2. In-person who has insider information is prohibited from influencing any party including the Insider's family to make a purchase or sale of shares.
3. Insiders other than the Board of Directors and Board of Commissioners who commit violations as stipulated above and proven to conduct transactions and/or provide insider information will be the subject to disciplinary sanctions as stipulated in the Human Resources Guidelines Standard.
4. The Board of Directors and the Board of Commissioners and parties due to their position, profession/relationship with the Bank that carries out insider trading liability in accordance with applicable regulations.
5. Annual Disclosure/Annual Statement includes a ban on insider trading. The obligation to give an annual statement to the Bank's ranks is regulated in the code of conduct and/or Human Resources Guidelines Standard.

## Transparency of Financial and Non Financial Conditions

Bank Mandiri fulfills the obligation of transparency and publication of financial and non-financial conditions in accordance with applicable regulations, through the delivery and publication of information through the print media and the Company's website as follows:

1. Monthly Financial Reports to regulators, which are also published through the BI and Bank Mandiri websites.
2. Quarterly Financial Reports to regulators, which are also published through the print media and website of the Company.
3. The Bank Mandiri Annual Report is prepared and presented in accordance with the provisions and submitted to regulators, rating agencies, banking development institutions, research institutions/institutions and financial magazines and published through the Company's website.
4. Information on Corporate Governance, which includes the Annual Report of Corporate Governance, Visions, Missions, Corporate Values, Compositions and Profiles of the Board of Commissioners and Directors, as well as internal provisions related to governance ranging from the Articles of Association to the Charter of Committees published through Bank Mandiri website.
5. Information on Company Products and Services including office network is published through the Annual Report and Bank Mandiri website, so customers, investors and the wider community can easily access information on Bank Mandiri products and services.
6. Information on the Procedure for Submitting Complaints, Information Security and Tips for Customers in using banking services published through Bank Mandiri website for the implementation of consumer protection provisions.
7. Other information that aims to support information disclosure, financial education and services to the public.



# Application of Public Listed Company Governance Guidelines

No	Aspects; Principles; Recommendation		Comply or Explain
A.	Aspect 1 : Relationship between Public Companies and Shareholders in guaranteeing the Rights of Shareholders.		
A.1.	Principle 1: Improving the Value of Organizing General Meeting of Shareholders (GMS).		
A.1.1.		<p><b>Recommendation 1 :</b> Public companies have technical or voting methods or procedures, both openly and closed, that prioritize independence, and the interests of shareholders.</p> <p><b>Explanation :</b> Every share altogether with issued vote rights have one share one vote. Shareholders may use their votes in decision making process, especially in the process that requires voting. However, decision making in the form of voting both openly and closed have not been regulated completely.</p> <p>Public company is recommended to have voting procedure in decision making process in any agenda of General Meeting of Shareholders. The procedure of voting have to secure the independence of shareholders. For example, open voting is done by raising hands in accordance with the instruction offered by the head of the GMS. Meanwhile, in a closed vote, the process is carried by using a sound card or by using electronic voting to facilitate decisions that require confidentiality or the request of shareholders.</p>	<p>In the Annual General Meeting of Shareholders (RUPS) and Extraordinary RUPS, Bank Mandiri has carried out the voting process both openly and closed as stated in Rules of Conduct of the Annual Meeting of Shareholders.</p> <p>At the 2017 Annual General Meeting of Shareholders, the mechanism for open voting was carried out by raising hands and then submitting a voting card to those who did not agree. Meanwhile the closed voting mechanism was carried out with the people in charge approaching all shareholders, and then shareholders put the sound card into the box provided by the people in charge.</p> <p>The Company has made the General Meeting of Shareholder's Rules that can be uploaded on the Company's website and distributed to Shareholders at the time of the GMS.</p> <p><b>Description: Comply</b></p>
A.1.2.		<p><b>Recommendation 2 :</b> The entire members of Board of Directors and Commissioners of Public Company present in Annual General Meeting of Shareholders.</p> <p><b>Explanation :</b> The presence of entire members of Board of Directors and Commissioners of Public Company aims at the goal that every members of Board Directors and Commissioners can pay attention, explain, and answer the problems happening in the company or questions given by shareholders related any agenda in General Meeting of Shareholders directly.</p>	<p>At the 2017 Annual General Meeting of Shareholders, the entire members of Board of Directors and Commissioners presented.</p> <p><b>Description: Comply</b></p>
A.1.3.		<p><b>Recommendation 3 :</b> The summary of all aspects in General Meeting of Shareholders is available in Website Site of Public Company at least one (1) year.</p> <p><b>Explanation :</b> Based on the provisions in Article 34 paragraph (2) of the Financial Services Authority Regulation No. 32/POJK.04/2014 concerning the Plans and Implementation of General Meeting of Shareholders of Public Companies, Public Companies are required to make summary of GMS in Indonesian and foreign languages (minimum in English), and it had to be announced 2 (two) working days after the GMS was held to the public, one of which was through the Public Company Website. The availability of GMS summaries on the Public Company Website provides an opportunity for shareholders who are not present to obtain important information in the implementation of the GMS easily and quickly. Therefore, the provisions concerning the minimum period of availability of GMS summary on the Website are intended to provide sufficient time for shareholders to obtain such information.</p>	<p>The Summary of the Annual GMS for the Fiscal Year 2017, both in Indonesian and English, has been announced 2 (two) working days after the GMS, namely March 23, 2018 through Bisnis Indonesia and The Jakarta Post newspapers and has been uploaded on the website of Bank Mandiri, IDX and OJK Electronic Reporting System. On the website of Bank Mandiri, information has been provided regarding the implementation of the GMS, including a Summary of GMS for the past 5 (five) years.</p> <p>In addition, Bank Mandiri has compiled GMS Highlights in both Indonesian and English which are uploaded 1 (one) working day after the GMS is held on the Bank Mandiri Website.</p> <p><b>Description: Comply</b></p>
A.2.	Principle 2 : Increasing the Quality of Public Company Communication with Shareholders or Investors.		

No	Aspects; Principles; Recommendation			Comply or Explain
A.2.1.			<p><b>Recommendation 4 :</b> Public companies have a particular communication policy with shareholders or investors.</p> <p><b>Explanation :</b> The availability of communication between public companies and shareholders or investors is intended, so shareholders or investors get a clearer understanding of information that has been published to the public, such as periodic reports, information disclosure, business conditions or prospects and performance, and implementation of public corporate governance. In addition, shareholders or investors can also submit input and opinions to the management of the Public Company. The communication policy with shareholders or investors shows the commitment of the Public Company in carrying out communication with shareholders or investors. These policies can include strategies, programs, and timing of communication implementation, as well as guidelines that support shareholders or investors to participate in the communication</p>	<p>Bank Mandiri has a communication policy with shareholders or investors as stipulated in the Standard Guidelines for Corporate Secretary (SPCS) Chapter III.A.I.Related to Information Disclosure.</p> <p>Information disclosure to stakeholders has been prepared by referring to the Capital Market provisions and other relevant laws and regulations, which can be briefly grouped into:</p> <ol style="list-style-type: none"> <li>Periodic and incidental reporting to related institutions (Financial Services Authority, Bank Indonesia, LPS, Ministry of Law and Human Rights, Indonesia Stock Exchange) and reporting through the Electronic Reporting System.</li> <li>General Meeting of Shareholders (GMS) Implemented in accordance with the provisions of the laws and Articles of Association of Bank Mandiri consisting of the annual GMS and other GMS (Extraordinary GMS)</li> <li>Carrying out other activities related to corporate action and/or information disclosure which include: <ul style="list-style-type: none"> <li>Public Expose (quarterly)</li> <li>Analyst Meeting (quarterly)</li> </ul> <p>The Public Expose and Analyst Meeting held every quarter is intended to include information to the public and investors regarding conditions, business prospects, performance, and implementation of corporate governance.</p> </li> </ol> <p><b>Description: Comply</b></p>
A.2.2.			<p><b>Recommendation 5 :</b> The Public Company discloses the communication policy of the Public Company with shareholders or investors on the Website.</p> <p><b>Explanation :</b> Disclosure of communication policy is a form of transparency on the commitment of the Public Company in providing equality to all shareholders or investors as the form of implementation of communication. The disclosure of information also aims to increase the participation and role of shareholders or investors in the implementation of the Public Company communication program.</p>	<p>The Company has a communication of Public Company policy with shareholders or investors as outlined in the Standard Guidelines for Corporate Secretary (SPCS) Chapter III.A.I. Information Disclosure. This policy has been disclosed on the Website. In addition, Bank Mandiri always manages information on the Website so that shareholders or investors can immediately obtain the latest information related to Bank Mandiri, both about Products/ Services, Performance, Management and Activities.</p> <p><b>Description: Comply</b></p>
B.	Aspect 2 : Fungtion and dan Role of Board of Commissioners			
B.1.		Principle 3 : Strengthening the Membership and Composition of the Board of Commissioners		
B.1.1.			<p><b>Recommendation 6 :</b> Determination of the number of members of the Board of Commissioners considering the condition of the Public Company.</p> <p><b>Explanation :</b> The members number of the Board of Commissioners can affect the effectiveness of the implementation of duties from the Board of Commissioners. Determination of the number of members of the Board of Commissioners of a Public Company must refer to the applicable laws and regulations, which at least consist of 2 people based on the provisions of the Financial Services Authority</p>	<p>Bank Mandiri has complied with the provisions of Article 20 Financial Services Authority Regulation No. 33/POJK.04/2014 concerning Directors and Commissioners of Issuers or Public Companies; namely the number of members of the Board of Commissioners have to be more than 2 (two) people. The total number of members of the Bank Mandiri Board of Commissioners is 8 (eight) consisting of 4 (four) Independent Commissioners and 4 (four) non-Independent Commissioners.</p>



No	Aspects; Principles; Recommendation			Comply or Explain
			Regulation No. 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies. In addition, it is also necessary to consider the condition of the Public Company which includes the characteristics, capacity and size, as well as achieving goals and meeting different business needs among the Public Company. However, the large number of members of the Board of Commissioners has the potential to disrupt the effectiveness of the functioning of the Board of Commissioners.	<b>Description: Comply</b>
B.1.2.		<p>Recommendation 7 : Determination of the composition of members of the Board of Commissioners takes into account the diversity of expertise, knowledge and experience required.</p> <p>Explanation : The composition of the Board of Commissioners is a combination of characteristics both in terms of the Board of Commissioners aspects and members of the Board of Commissioners individually, according to the needs of the Public Company. These characteristics can be reflected in the determination of expertise, knowledge and experience needed in the implementation of supervisory and advisory duties by the Board of Commissioners of the Public Company. The composition that has taken into account the needs of the Public Company is a positive thing, especially related to decision making in the context of implementing the supervisory function carried out by considering various broader aspects.</p>		<p>The Board of Commissioners has a self assessment policy stipulated in the Board of Commissioners' Standing Orders. The performance of the Board of Commissioners is carried out by each member of the Board of Commissioners through a Self Assessment mechanism based on assessment criteria related to the implementation of the duties and responsibilities of the Board of Commissioners which includes aspects of structure, direction and supervision.</p> <p><b>Description: Comply</b></p>
B.2.		Principle 4 : Improving Performance of Duties and Responsibility of Board of Commissioners.		
B.2.1.		<p>Recommendation 8 : The Board of Commissioners has a self assessment policy to assess the performance of the Board of Commissioners.</p> <p>Explanation : The Board of Commissioners' self assessment policy is a guideline that is used as a form of collegial accountability for evaluating the performance of the Board of Commissioners. Self assessment is carried out by each member to assess the performance of the Board of Commissioners collegially, and not to assess the individual performance of each member of the Board of Commissioners. With this self assessment, it is expected that each member of the Board of Commissioners can contribute to improving the performance of the Board of Commissioners on an ongoing basis.</p> <p>The policy covers the assessment activities carried out along with their aims and objectives, period of implementation periodically, and benchmarks or assessment criteria used in accordance with recommendations given by the function of nomination and remuneration of Public Company, in which the existence of these functions is required in the Authority Regulation Financial Services Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.</p>		<p>The Board of Commissioners has a self assessment policy stipulated in the Board of Commissioners' Regulations. The performance of the Board of Commissioners is carried out by each member of the Board of Commissioners through a Self Assessment mechanism based on assessment criteria related to the implementation of the duties and responsibilities of the Board of Commissioners which includes aspects of structure, direction and supervision.</p> <p><b>Description: Comply</b></p>
B.2.2.		<p>Recommendation 9 : Self assessment policies to assess the performance of the Board of Commissioners, are disclosed through the Annual Report of the Public Company.</p> <p>Explanation : The disclosure of self-assessment policy on the performance of the Board of Commissioners is carried out not only to fulfill the transparency aspect as a form of accountability for the implementation of its duties, but also to provide confidence especially to shareholders or investors for efforts that need to be carried out in improving the performance of the Board of Commissioners. With the disclosure, the shareholders or investors know the check and balance mechanism for the performance of the Board of Commissioners.</p>		<p>Self assessment policies to assess the performance of the Board of Commissioners have been disclosed in this Annual Report.</p> <p><b>Description: Comply</b></p>

No	Aspects; Principles; Recommendation		Comply or Explain
B.2.3.		<p><b>Recommendation 10 :</b> The Board of Commissioners has a policy related to the resignation of members of the Board of Commissioners if involved in financial crimes.</p> <p><b>Explanation :</b> The policy of resigning from a member of the Board of Commissioners involved in financial crime is a policy that can increase stakeholders' trust in the Public Company, so that the company's integrity will be maintained. This policy is needed to help the legal process, so the legal process does not interfere with the course of business activities. In addition, in terms of morality, this policy builds an ethical culture within the Public Company. This policy can be included in the Guidelines or the Ethical Codes applied to the Board of Commissioners.</p> <p>Furthermore, what is meant by being involved in financial crimes is the status of convicted members of the Board of Commissioners from the authorities. The intended financial crimes are manipulation and various forms of fraud in financial service activities as well as Money Laundering Criminal Actions as referred to in Law Number 8 Year 2010 concerning Prevention and Eradication of Money Laundering Crimes.</p>	<p>Bank Mandiri has a policy regarding the resignation of members of the Board of Commissioners if involved in financial crimes as stated in the Bank Mandiri Articles of Association, namely that the term of office of the Board of Commissioners ends one of them because it violates laws and regulations and when resigning.</p> <p>Based on Article 14 paragraph (26) letter f of the Bank Mandiri Articles of Association, the term of office of members of the Board of Commissioners ends if they no longer fulfill the requirements as members of the Board of Commissioners based on the Articles of Association and other laws and regulations. In the event that a member of the Board of Commissioners resigns including if involved in a financial crime, then the member of the Board of Commissioners concerned must notify Bank Mandiri in writing of its intentions and Bank Mandiri must hold a GMS to decide on the resignation request at the latest 90 (ninety) days after receipt of the resignation letter.</p> <p><b>Description: Comply</b></p>
B.2.4.		<p><b>Recommendation 11 :</b> The Board of Commissioners or the Committee that carries out the Nomination and Remuneration function prepares a succession policy in the nomination process of members of the Board of Directors.</p> <p><b>Explanation :</b> Based on the provisions of the Financial Services Authority Regulation No. 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies, the committee that carries out the nomination function has the task of formulating policies and criteria needed in the nomination process of prospective of Directors candidate. One policy that can support the nomination process as intended is the succession policy of members of the Board of Directors. The policy on succession aims to maintain the continuity of the regeneration process of leadership in the company in order to maintain business continuity and the company's long-term goals.</p>	<p>Bank Mandiri has a Remuneration and Nomination Committee that helps the Board of Commissioners to be able to submit suggestions to holders of Dwiwarna A series in terms of these following aspects:</p> <ol style="list-style-type: none"> <li>1. Arranging, implementing and analyzing criteria and nomination procedures for candidates for the Board of Commissioners and Directors</li> <li>2. Identifying candidates for Directors from both inside and outside and candidates for the Board of Commissioners who fulfill the requirements to be submitted/appointed as Directors or Board of Commissioners.</li> </ol> <p>In order to prepare for leadership regeneration in the future, Bank Mandiri designed the Talent and Succession Management program, a policy of succession of Directors which has been aligned with the Regulation of the Minister of BUMN No. PER-03/MBU/2015 concerning requirements, procedures for the appointment and dismissal of members of BUMN Directors. In addition, as a Public Company, the Company Policy also refers to Financial Services Authority Regulation No. 33/POJK.04/2014 concerning Directors and Commissioners of Issuers or Public Companies. The appointment and dismissal of the Company's Directors is based on the principles of professionalism and Good Corporate Governance (GCG).</p> <p><b>Description: Comply</b></p>
C.	Aspect 3 : Function and Role of Directors		
C.1.	Principle 5 : Strengthen Membership and Composition of Directors		
C.1.1.		<p><b>Recommendation 12 :</b> Determination of the members of the Board of Directors considering the condition of the Public Company and the effectiveness of decision making.</p> <p><b>Explanation :</b> As a company aspect authorized to manage the company, the determination of the number of Directors greatly influences the performance of the Public Company. Thus, the determination of the</p>	<p>Bank Mandiri has complied with the provisions of Article 20 Financial Services Authority Regulation 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies, namely Directors of Issuers or Public Companies consisting of at least 2 (two) members of the Directors. The number of Directors of Bank Mandiri consists</p>



No	Aspects; Principles; Recommendation			Comply or Explain
			number of members of the Board of Directors must be done through careful consideration and must refer to the provisions of the applicable legislation, which based on Financial Services Authority Regulation No. 33/POJK.04/2014 concerning Directors and Board of Commissioners of at least Public Companies consists of 2 (two) people. In addition, the determination of the number of Directors must be based on the need to achieve the objectives of the Public Company and be adjusted to the conditions of the Public Company which includes the characteristics, capacity and size of the Public Company and how effective the decision-making of the Directors is.	of 11 (eleven) people, and its determination has been based on the complexity and needs of Bank Mandiri. In the Board of Directors' regulations, it has been regulated regarding the mechanism of decision making of the Directors.  <b>Description: Comply</b>
C.1.2.		Recommendation 13 :  Explanation :	Determination of the composition of the Board of Directors members takes into account the diversity of expertise, knowledge and experience needed.  Similar to the Board of Commissioners, the diversity of the composition of the members of the Board of Directors is a combination of desirable characteristics both in terms of the aspects of the Directors and in term of individual aspects, according to the needs of the Public Company. The combination is determined by paying attention to the expertise, knowledge and experience that is appropriate in the division of tasks and functions of the Board of Directors in achieving the objectives of the Public Company. Thus, consideration of the combination of characteristics intended will have an impact on the accuracy of the nomination and appointment of individual members of the Board of Directors or Directors collegially.	Determination of the composition of Bank Mandiri Board of Directors has been carried out by taking into account the needs and complexity of Bank Mandiri's business, namely by taking into account the diversity of expertise, educational background, and experience and without differentiating gender. The diversity of the composition of the Board of Directors is expected to provide an alternative solution to an increasingly complex problem faced by the bank compared to members of the Board of Directors who are homogeneous, so that the decisions made become the best decisions.  <b>Description: Comply</b>
C.1.3.		Recommendation 14 :  Explanation :	Members of the Board of Directors in charge of accounting or finance have expertise and/or knowledge in the field of accounting.  The Financial Report is a report on management's responsibility for the human resource management owned by a Public Company, which must be prepared and presented in accordance with accepted Financial Accounting Standards in Indonesia and related OJK regulations, including legislation in the Capital Market sector regulating the presentation and disclosure of public company financial statements. Based on the laws and regulations in the Capital Market sector which regulate the responsibilities of the Board of Directors for Financial Statements, the Board of Directors is jointly responsible for the Financial Report, signed by the President Director and members of the Board of Directors in charge of accounting or finance.  Thus, the disclosure and preparation of financial information presented in the financial statements will greatly depend on the expertise, and/or knowledge of the Directors, especially the members of the Board of Directors in charge of accounting or finance. The existence of expertise qualifications and/or knowledge in the accounting sector that at least belongs to the Board of Directors can provide confidence in the preparation of the Financial Report, so that the Financial Report can be relied on by stakeholders as a basis for making economic decisions related to the Public Company. Such expertise and/or knowledge can be proven by educational background, training certification, and/or related work experience.	The director in charge of accounting or finance at Bank Mandiri is the Director of Finance, namely Mr. Panji Irawan with experience and competence in the field of Treasury (Finance), and accounting knowledge is significantly required to perform the duties. In addition, to support the implementation of his duties, he often participated in financial related forums and seminars both at home and abroad.  <b>Description: Comply</b>
C.2.		Principle 6: Improve the Quality of the Duties and Responsibilities of the Board of Directors.		



No	Aspects; Principles; Recommendation		Comply or Explain
C.2.1.		<p>Recommendation 15 : Board of Directors has a Self Assessment policy for evaluation of the Board of Directors' performance</p> <p>Explanation : Similar to what applies to the Board of Commissioners, Board of Directors' Self Assessment Policy is a guideline utilized as a form of accountability for collegiate evaluation of the Board of Directors' performance. Self Assessment is intended to be performed by individual members to collegiately evaluate the implementation of the Board of Commissioners' performance, and not to evaluate the individual performance of each member of the Board of Commissioners. By Self Assessment, it is expected that individual members of the Board of Directors can contribute to continuously enhance the Board of Directors' performance.</p> <p>The policy may include assessment activities to perform, along with their intent and purpose, periodic implementation time, and assessment benchmarks or criteria to use in accordance with the recommendations provided by the Public Listed Company's remuneration and nomination function. The establishment of the function itself has been mandated in the Financial Services Authority Regulation concerning Remuneration and Nomination Committee in Issuers or Public Listed Companies</p>	<p>The Board of Directors has a self assessment policy. Directors' Performance Assessment is carried out by each member The Board of Directors through a Self Assessment mechanism to assess the performance of collegial Directors' performance, rather than assessing performance individual members of the Board of Directors. As described in the Annual Report in the Directors Performance Evaluation section.</p> <p><b>Description: Comply</b></p>
C.2.2.		<p>Recommendation 16 : Self Assessment policy for evaluation of the Board of Directors' performance is to be disclosed in the respective Public Listed Company's Annual Report.</p> <p>Explanation : Disclosure of Self Assessment policy for evaluation of the Board of Directors' performance is made not only to adhere to the principle of transparency as a form of accountability of the implementation of its duties but also to provide important information regarding improvement measures in the management of Public Listed Companies. Such information is highly useful to provide assurance to shareholders or investors that the company management is continuously directed towards betterment. The disclosure will allow shareholders or investors to obtain knowledge about the check and balance mechanism applied to evaluate the Board of Directors' performance.</p>	<p>Self assessment policy to assess the performance of the Directors has been disclosed in the 2018 Book Annual Report.</p> <p><b>Description: Comply</b></p>
C.2.3.		<p>Recommendation 17 : Board of Directors has policy(ies) for resignation of the Board of Directors' members due to involvement in financial crime.</p> <p>Explanation : Policy for resignation of Board of Directors' members involved in financial crime is a policy that can enhance shareholders' trust to Public Listed Companies, allowing companies to maintain their integrity. The policy is required in order to support adequate legal processes and to prevent such legal processes from disrupting business activities. In addition, from morality perspective, such policy also builds an ethical culture within the environment of Public Listed Companies. The policy may be included in the Guideline or Code of Conduct applicable to the Board of Directors.</p> <p>Furthermore, involvement in financial crime is defined as any member of the Board of Directors being convicted by the authority. Financial crime as defined above includes manipulation and various forms of embezzlement in financial service activities, as well as Money Laundering as specified in Law Number 8 of 2010 on Prevention and Eradication of Money Laundering.</p>	<p>Bank Mandiri has a policy related to the resignation of members of the Board of Directors if involved in financial crimes as stated in the Company's Articles of Association.</p> <p>Based on Article 11 paragraph (24) letter f of the Articles of Association, the term of office of members of the Board of Directors ends if they no longer fulfill the requirements as members of the Board of Directors based on the provisions of the Articles of Association and legislation, including being involved in Financial crimes. In the event that a member of the Board of Directors resigns because of being involved in a financial crime, then the member of the Board of Directors must submit a written resignation request concerning Bank Mandiri and Bank Mandiri must hold a GMS to decide on the resignation request at the latest 90 (ninety) days after receipt of the resignation letter.</p> <p><b>Description: Comply</b></p>
D.	Aspect 4 : Stakeholder Engagement		



No	Aspects; Principles; Recommendation		Comply or Explain
D.1.	Principle 7 : Improving Corporate Governance Aspects through Stakeholder Engagement.		
D.1.1.		<p>Recommendation 18 : Public Company has a policy for prevent insider trading.</p> <p>Explanation : Any individual in possession of insider information is prohibited from conducting Stock transactions using such insider information as specified in the Law on Capital Market. Public Listed Company can minimize the risk of insider trading by taking preventive measures, e.g. By explicitly separating confidential data and/or information from public data/ information, and by making proportional, efficient delegation of duties and responsibilities related to the management of such information.</p>	<p>Policy for preventing insider trading is set in</p> <p>SP Human Capital</p> <ul style="list-style-type: none"> <li>- Chapter III.C.2.c concerning the Code of Conduct concerning the Code of Conduct and Business Ethics which are ethical standards that must be followed by all levels of the bank in carrying out their daily duties and services and conducting business relationships with customers, partners and colleagues.</li> <li>- Chapter III.C.2.e concerning employee Discipline Regulations governing obligations, prohibitions and sanctions to employees.</li> </ul> <p>SP Corporate Secretary</p> <p>Chapter III.A.5 Principles of Information Disclosure, which regulates:</p> <ul style="list-style-type: none"> <li>- Any Insider in possession of insider information is prohibited from influencing any parties, including any Insider's families, to perform share purchase or sales.</li> <li>- Any Insider other than the Board of Directors and Board of Commissioners who is found to violate the abovementioned provision and is proven to having conducted any transaction and/or provided insider transformation shall be charged with disciplinary action as specified in the Human Resources Guideline Standard.</li> <li>- Any member of the Board of Directors and Board of Commissioners and other parties who, due to their position or relationship with the Bank, is found to conduct insider trading shall be held accountable in accordance with the applicable provisions.</li> </ul> <p><b>Description: Comply</b></p>
D.1.2.		<p>Recommendation 19 : Public Listed Company has anti corruption and anti fraud policy in place.</p> <p>Explanation : Corruption policy serves to ensure that a Public Listed Company's business activities are carried out in a legal, prudent manner, and in accordance with good governance principles. Such policy may be a part of the code of conduct or set separately. The policy may include, among others, programs and procedures implemented to address corruption, kickback, fraud, bribery, and/or gratification within a Public Listed Company. The scope of the policy should reflect the respective Public Listed Company's prevention of any forms of corruption, either giving to or receiving from, any parties.</p>	<p>Bank Mandiri has had an Anti-fraud Strategy policy in place, effective as of May 2, 2012, as a follow-up of BI's Circulating Letter No. 13/28/DPNP dated 09 December 2011 concerning Implementation of Anti-fraud Strategy (SAF). The SAF governs, among others, organizations and 4 SAF Pillars within Bank Mandiri, i.e.:</p> <p>Pillar 1: Prevention</p> <p>Pillar 2: Detection</p> <p>Pillar 3: Investigation, Reporting, and Sanction</p> <p>Pillar 4: Monitoring, Evaluation, and Follow Up</p> <p>Bank Mandiri has delivered SAF Implementation Report to OJK regularly every semester, as well as incidental reports concerning any cases that may interfere with the Bank's operation, in accordance with the applicable provisions.</p> <p><b>Gratification Control</b></p> <p>Bank Mandiri has had a Gratification Control PTO and a Gratification Control Unit (GCU) in place to perform gratification control function in accordance with the Decree (SK) of the Board of Directors effective as of July 3, 2015.</p>

No	Aspects; Principles; Recommendation		Comply or Explain
D.1.3.		<p><b>Recommendation 20 :</b> Public Listed Company has a policy in place for supplier or vendor selection and capability improvement.</p> <p><b>Explanation :</b> Policy regarding supplier or vendor selection useful to ensure that the Public Company to obtain goods or services that are needed at competitive prices and good quality. Where as policy increasing the ability of suppliers or vendors beneficial to ensure that the chain supply chain runs efficiently and effective. Ability of suppliers or vendors in supplying/ fulfilling goods or services what the company needs will affect quality of the company's output.</p> <p>Thus, the implementation of policies it can guarantee continuity of supply, both in terms of quantity and quality Public Company needs. As for coverage this policy covers the criteria in the election supplier or vendor, procurement mechanism transparent, capacity building efforts supplier or vendor, and fulfillment of rights relating to suppliers or vendors.</p> <p>The company has procurement related policies goods and services that contain selection and increasing supplier capacity or vendor stated in the Guidelines standard Procurement.</p>	<p>Bank Mandiri has a policy on Selection and Enhancement of the ability of Suppliers or Vendors, namely:</p> <ol style="list-style-type: none"> <li>1. Operational Policy (KOPR), article 205 concerning Operational Facilities and Infrastructure - Procurement (Procurement)</li> <li>2. Procurement Operational Guidelines (SPO) standards which regulate, among others (Chapter III): <ol style="list-style-type: none"> <li>A. General provisions include: <ol style="list-style-type: none"> <li>1) Basic Principles of Procurement</li> <li>2) Procurement Ethics</li> <li>3) Procurement Planning</li> <li>4) Loading Guidelines</li> </ol> </li> <li>B. Provisions for the Implementation of Procurement of Goods and Services include: <ol style="list-style-type: none"> <li>1) Procedures for Procurement of Goods and Services</li> <li>2) Procurement Process</li> <li>3) Procurement Process Stages</li> <li>4) Job Implementation and Job Handover</li> <li>5) Provisions for Employee Change (added/less) specifically in the field of construction services.</li> <li>6) Implementation of Procurement Activities to Overcome Certain Conditions.</li> <li>7) Document and Payment Process.</li> </ol> </li> </ol> </li> <li>3. Procurement Technical Operational Guidelines (PTO) which regulate, among others (Chapter III): <ol style="list-style-type: none"> <li>a. Reviewing aspects in implementing candidate qualifications Provider of goods and services</li> <li>b. Procedure for partner accreditation (Provider of Goods and Services)</li> <li>c. Aspects that need to be considered in a procurement process</li> <li>d. Partner Monitoring includes: <ol style="list-style-type: none"> <li>1) Partner Data Monitoring</li> <li>2) Partner Performance Monitoring consisting of: <ol style="list-style-type: none"> <li>a. Periodic Partner Performance Evaluation</li> <li>b. Partner Performance Evaluation based on the Contract</li> </ol> </li> </ol> </li> </ol> </li> </ol> <p><b>Description: Comply</b></p>
D.1.4.		<p><b>Recommendation 21 :</b> Public Listed Company has policy(ies) in place regarding fulfillment of creditor's rights.</p> <p><b>Explanation :</b> Policy(ies) regarding fulfillment of creditor's rights is used as a guideline in taking loans from any creditor. The policy aims at maintaining fulfillment of creditor's rights while also maintaining creditor's trust to the respective Public Listed Company. The policy may include considerations in setting up agreements and follow ups in fulfillment of a Public Listed Company's duties to creditors.</p>	<p>The policy on fulfilling creditor rights is regulated in:</p> <p>Fund Product SPO, Product Manual and SPO Customer Complaint Management, which briefly regulates:</p> <ol style="list-style-type: none"> <li>1. Right to obtain a sufficient explanation of the characteristics of the product.</li> <li>2. Right to be able to access the fund product terms and conditions through the Bank Mandiri website.</li> <li>3. Ease to transact through branches, e-banking services or other facilities determined by the Bank.</li> <li>4. Obtain interest in the amount according to the provisions in force at the Bank.</li> <li>5. Procedures for handling and resolving customer complaints.</li> </ol> <p>Bank Mandiri Funds and Services Policy, Articles 240 Customer Protection</p>



No	Aspects; Principles; Recommendation		Comply or Explain
			<p>In the activity of raising funds and providing services, the Bank pays attention to the principle of customer protection.</p> <p>To protect customers, the Bank pays attention to the rights and obligations of customers while taking into account the interests of the Bank. The rights and obligations of the parties are poured into documents both application documents, as well as agreement documents and other forms of documents.</p> <p>Banks are required to ensure customers understand the rights and obligations of customers as stated in the document before making a Bank transaction.</p> <p><b>Description: Comply</b></p>
D.1.5.		<p>Recommendation 22 : Public Listed Company has a whistleblowing system in place.</p> <p>Explanation : Well-developed whistleblowing system policy will provide assurance regarding protection for witness or whistleblower of an indication of violation committed by the respective Public Listed Company's employee or management. Implementation of such system policy will impact on the realization of good corporate governance culture. Whistleblowing system policy may include, among others, type of violations reportable via the whistleblowing system, method of reporting, protection and confidentiality assurance of the whistleblower's identity, report handling, report managing party, and result of handling and follow up of report.</p>	<ol style="list-style-type: none"> <li>1. Bank Mandiri has had a whistleblowing system in place under the name Letter To CEO (LTC). LTC is a facility used to submit reports regarding frauds or indications of fraud, either committed by employee or vendor, to the Group's CEO by emphasis Permissioning on the disclosure of the report in order to enhance the effectiveness of Bank Mandiri's internal control system.</li> <li>2. Bank Mandiri's LTC has been implemented since 2009, and has been refined in 2018.</li> <li>3. LTC is regulated in the Letter to CEO (LTC) Technical Guidelines on August 1, 2018.</li> <li>4. Since revitalization in 2018, LTC management has involved parties independent to provide a safe environment that encourages employees and stakeholders to report. The reporter can include a complete identity or anonymously (the identity is only known to independent parties).</li> <li>5. Submission of LTC reports can be submitted through the media as follows: <ul style="list-style-type: none"> <li>- Website <a href="https://whistleblowing.tips/wbs/@bmri-lettertoceo">https://whistleblowing.tips/wbs/@bmri-lettertoceo</a></li> <li>- Email to <a href="mailto:bmri-lettertoceo@rsm.id">bmri-lettertoceo@rsm.id</a></li> <li>- Letter to POBOX 1007 JKS 12007</li> <li>- SMS and WA ke 0811-900777</li> </ul> </li> </ol> <p><b>Description: Comply</b></p>
D.1.6.		<p>Recommendation 23 : Public Listed Company has policy(ies) in place regarding the provision of longterm incentive to the Board of Directors and employees.</p> <p>Explanation : Long-term incentive is a type of incentive provided based on long-term performance achievement. Long-term incentive plan is based on the idea that a company's longterm performance is reflected on share value growth or other long-term targets. Long-term incentive is useful to maintain loyalty and to motivate the Board of Directors and employees to improve their performance or productivity, which in turn will lead to improvement of the company's long-term performance.</p>	<p>Bank Mandiri has a policy of providing long-term incentives to Commissioners and Directors in accordance with the provisions in Financial Services Authority Regulation No.45/POJK.03/2015 concerning Implementation of Governance in the Provision of Remuneration for Commercial Banks. Bank Mandiri implements Governance in Providing Remuneration that has considered various aspects, including bank financial stability, the creation of risk management, term liquidity requirements short and long term, and potential income in the future. Bank Mandiri can postpone deferred variable remuneration (Malus) or withdraw variable paid remuneration (Clawback) to officials classified as Risk Taker (MRT) Materials. As a follow-up initiative in line with the cultural transformation, Bank Mandiri is in the process of drafting a concept related to the implementation of the Risk Taker Material for officials (L2 / BoD Minus One).</p>

No	Aspects; Principles; Recommendation			Comply or Explain
			The presence of long-term incentive is a Public Listed Company's concrete commitment to encouraging the implementation of long-term incentive for the Board of Directors and employees, under the conditions that the procedure and form is in accordance with the respective Public Listed Company's longterm objectives. The policy may include, among others, the purpose and objectives of the long-term incentive, incentive requirements and procedure, and the conditions and risks the Public Listed Company should take into account in providing incentive. Such policy may also be included in the respective Public Listed Company's existing remuneration policy.	
E.	Aspect 5: Information Transparency			
E.1.		Principle 8 : Improving the Implementation of Information Transparency		
E.1.1.			<div>Recommendation 24 : Public Listed Company utilizes information technology in a broader extent other than website as a media for information transparency.</div> <div>Explanation : Utilization of information technology is helpful as a media for information transparency. Disclosure is made not only for information specified in the applicable legislative regulations, but also other information related to the respective Public Listed Company that is considered beneficial for the shareholders or investors. Broader utilization of information technology other than website is expected to enable companies to improve the effectiveness of company information distribution. However, utilization of information technology should take into account the benefits for the respective company and the cost required.</div>	<div>Bank Mandiri has managed the Website The company is always as optimal as possible provide the latest information and accurate for the Public. Besides the Website, the Bank Mandiri also utilizes technology and Other social media applications like SMS Banking, Mobile Banking, Instagram, Facebook and Twitter for media openness information.</div> <div>Description: Comply</div>
E.1.2.			<div>Recommendation 25 : Public Listed Company's Annual Report discloses the owner of end benefit in the respective company's share ownership by at least 5% (five percent), in addition to the disclosure of the owner of end benefit in the company's share ownership by the majority shareholders and controlling shareholders</div> <div>Explanation : Capital Market legislative regulations governing the disclosure of Public Listed Company's annual report has specified the duty of disclosure of information regarding shareholders with 5% (five percent) or more shares in the respective Public Listed Company, as well as the duty of disclosure of information regarding majority shareholders and controlling shareholders of the company, either directly or indirectly, up to the owner of end benefit in the share ownership. The Governance Guideline recommended disclosure of the owner of end benefit in Public Listed Company share ownership by at least 5% (five percent), in addition to the disclosure of the owner of end benefit in the company's share ownership by the majority shareholders and controlling shareholders</div>	<div>Bank Mandiri has disclosed information regarding shareholders who have 5% or more of the Company's shares in the Report Yearbook for 2018.</div> <div>Description: Comply</div>

# Implementation of Corporate Governance Aspects and Principles Application Based on Guidelines of Corporate Governance Principles for Banks Published by Basel Committee in Banking Supervision

The Governance Guidelines cover 12 principles of corporate governance. The Governance Guidelines are the best practice standards applied as a reference in implementing corporate governance in banks. The description of the application can be explained, as follows.

Principle	Explanation	Implementation in Bank Mandiri
Principle 1: Responsibilities of the Board of Commissioners.	The Board of Commissioners has responsibilities which include: approval and supervision on the application of business strategies, governance structures and mechanisms and corporate culture	<p>The Board of Commissioners has carried out the oversight function of Bank Mandiri's management carried out by the Board of Directors as well as advising the Directors through Board of Commissioners meeting forums, Board of Commissioners Meetings with the Board of Directors and Meetings with Committees under the Board of Commissioners. The Board of Commissioners' focus on the policies of the Board of Directors and Management's attention should include:</p> <ol style="list-style-type: none"> <li>Credit.</li> <li>Risk management.</li> <li>Internal control.</li> <li>Information Technology.</li> <li>Human Resources.</li> <li>Management of Subsidiaries.</li> </ol> <p>In the Board of Commissioners' Code of Conduct as outlined in the Decree of the Board of Commissioners No. KEP. KOM/005/2016 stated that the responsibility of the Board of Commissioners is to provide opinions and suggestions on Annual Work Plans and Budgets as well as provide advice on matters considered important by Bank Mandiri in this matter including corporate culture.</p>
Principle 2: Qualifications and Composition of the Board of Commissioners.	Members of the Board of Commissioners must have quality in accordance with their duties and responsibilities, both individually and collegially. The Board of Commissioners must understand its role in monitoring and implementing corporate governance, as well as being able to implement sound and objective decision making.	<p>Bank Mandiri Board of Commissioners members have knowledge and/or experience in finance, and attend seminars, training and education to support their supervisory duties.</p> <ul style="list-style-type: none"> <li>The composition of the Board of Commissioners currently consists of 50% Independent Commissioners and 50% non Independent Commissioners.</li> <li>There is no financial relationship, management relationship, share ownership and/or family relationship between other members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or relations with the Bank, which may affect the ability to act independently as stipulated in the provisions of the Good Corporate Implementation Governance for Commercial Banks.</li> <li>Every year the Board of Commissioners signs an Independent Statement.</li> </ul>
Principle 3 Structure and Mechanism of the Board of Commissioners.	The Board of Commissioners have to determine the proper governance structure and practice in performing its duties and periodically conduct a review of its effectiveness.	<p>The Board of Commissioners has:</p> <ul style="list-style-type: none"> <li>Board Charter of the Board of Commissioners</li> <li>Committees under the Board of Commissioners that assist in the implementation of the duties of the Board of Commissioners, namely the Audit Committee, Risk Monitoring Committee, Remuneration and Nomination Committee and Integrated Governance Committee.</li> </ul>
Principle 4: Directors.	Under the direction and supervision of the Board of Commissioners, the Board of Directors is able to manage the Bank's activities in accordance with the business strategy, risk taste, remuneration policy and other policies that have been approved by the Board of Commissioners.	<p>Supervision of the Board of Commissioners is reflected in the approval of the RKAP and the Bank's Business Plan approved by the Board of Commissioners.</p> <ul style="list-style-type: none"> <li>The Board of Commissioners through the Committees under the Board of Commissioners evaluates the performance of the Company.</li> <li>All policies underlying the operations of Bank Mandiri must obtain the approval of the Board of Commissioners.</li> </ul>



Principle	Explanation	Implementation in Bank Mandiri
Principle 5 Governance Structure of the Business Group.	In a business group, the Board of Commissioners of the parent company has overall responsibility for the business group and to ensure the establishment and implementation of clean governance practices related to the structure, business and risks of business groups and entities. The Board of Commissioners and Directors must understand the business group organizational structure and the risks faced.	<ul style="list-style-type: none"> <li>- The Board of Directors and Board of Commissioners of Bank Mandiri have knowledge and understanding of the main business and main risks of the company, as evidenced by the passing of the entire Board of Commissioners and Directors from Fit and Proper Test. The Board of Directors and the Board of Commissioners also constantly attend training and development to improve their capabilities.</li> <li>- The Board of Commissioners has an Integrated Governance Committee and the Board of Directors has an Integrated Risk Committee to periodically evaluate the implementation of risk and compliance management at Bank Mandiri and Subsidiaries.</li> </ul>
Principle 6 Risk Management Function.	Banks must have a risk management function that is qualified, independent, has quality resources and has access to the Board of Commissioners.	<ul style="list-style-type: none"> <li>- Bank Mandiri runs the Process of Identification, Measurement, Monitoring, Risk Control, and Risk Management Information System through the Enterprise Risk Management (ERM) framework.</li> <li>- Bank Mandiri continues to improve the capabilities and knowledge of all employees, especially in terms of risk management, by organizing regular internal training through Risk Management Academy.</li> <li>- Bank Mandiri also routinely holds at least once a year socialization, discussion forums, internships, and programs on risk management in line with the internalization of the corporate culture.</li> <li>- Bank Mandiri communicates risk management to the Board of Commissioners through the Risk Monitoring Committee and the Integrated Governance Committee.</li> </ul>
Principle 7 Identification of Risk Monitoring and Controlling	Risks must be identified, monitored and controlled for all activities of the Bank. The quality of risk management infrastructure and internal control must be able to keep up with changes in the Bank's risk profile, external risk conditions and industry practices.	In managing Bank Mandiri's Risk Management, bankwide identification, measurement and risk assessment has been performed by periodically developing risk profiles. Risk measurement and assessment has been able to work well according to the established Risk Management Policy that is adjusted to the level of risk faced by Bank Mandiri.
Principle 8 Risk Communication.	Effective risk governance implementation requires accurate risk communication in the Bank environment both between organizations and through reporting to the Board of Commissioners and Directors.	Each semester's Risk Based Bank Rating (RBBR) assessment is submitted to the Integrated Risk Committee, which consists of Directors of Bank Mandiri and Subsidiaries. In addition, the results of the RBBR assessment are submitted to the Board of Commissioners through the Integrated Governance Committee.
Principle 9 Compliance.	The Board of Commissioners is responsible for control management related to the Bank's compliance risk. The Board of Commissioners must determine the compliance function and provide approval for policies and processes for identifying, evaluating, monitoring and reporting, and providing advice on compliance risks.	The Board of Commissioners ensures the implementation of good corporate governance in every business activity and corporate governance policies, including the implementation of compliance. The compliance risk assessment in RBBR is reported to the Board of Commissioners every 6 (six) months to get feedback.
Principle 10 Internal Audit.	The internal audit function must report independent assurance activities to the Board of Commissioners and must support the Board of Commissioners and Directors in encouraging the implementation of effective governance processes and long-term health of the Bank.	Conduct objective testing of evidence in order to provide an independent assessment of the adequacy of internal control, risk management and governance processes within the organization. Internal Audit is directly responsible to the President Director and communicates with the Board of Commissioners through the Audit Committee.
Principle 11 Compensation.	The Bank's remuneration structure must support the implementation of corporate governance and risk management.	<ul style="list-style-type: none"> <li>- The remuneration structure for the Board of Directors and Board of Commissioners of Bank Mandiri has been prepared with reference to Financial Services Authority Regulation No. 45/POJK.03/2015 concerning Implementation of Governance in Giving Remuneration for Commercial Banks.</li> <li>- The remuneration structure for employees is regulated in the Standard Procedure for Human Resources.</li> </ul>
Principle 12 Disclosure and Transparency	The implementation of governance from the Bank must be performed transparently to Shareholders, Depositors, other relevant Stakeholders and Market Participants.	<ul style="list-style-type: none"> <li>- Bank Mandiri has a website with a www address. bankmandiri.co.id, as a means to provide information to Stakeholders.</li> <li>- Bank Mandiri periodically conducts the Public Expose Company Performance.</li> <li>- Bank Mandiri prepares an Annual Report annually Sustainability Report.</li> </ul>

## Good Corporate Governance Assessment

In order to improve the implementation of Bank Mandiri governance in a sustainable manner, Bank Mandiri conducted an assessment of the implementation of governance that has been carried out. Bank Mandiri conducts a self assessment of the implementation of governance on a semester basis based on Financial Services Authority Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks and Financial Services Authority's Circulating Letter No. 13/POJK.03/2017 concerning Implementation of Governance for Commercial Banks. In addition, Bank Mandiri also assessed the implementation of governance through external parties by following the Corporate Governance Perception Index (CGPI) ranking and fulfilling the implementation of the ASEAN Corporate Governance Scorecard (ACGS).

### Self Assessment

Bank Mandiri conducted a self-assessment of the implementation of governance based on Financial Services Authority Regulation No. 55/POJK.03/2016 and Financial Services Authority's Circulating Letter No. 13/POJK.03/2017 which requires Commercial Banks to evaluate the implementation of Bank governance.

### Applied Criteria

The criteria applied in conducting the self-assessment is the Financial Services Authority's Circulating Letter No. 13/SEOJK.03/2017 concerning Implementation of governance for Commercial Banks. The self-assessment is intended to map the strengths and weaknesses of the implementation of corporate governance at Bank Mandiri in terms of three aspects, namely:

#### 1. Governance Structure

The assessment of governance structure aims to assess the adequacy of the Company's governance structure and infrastructure, so the process of implementing the principles of corporate governance produces outcomes that are in line with the goals of the Company's stakeholders. The parties included in the Company's governance structure are the Board of Commissioners, Directors, Committees and work units in the Company. The Company's governance infrastructure includes policies and procedures, management information systems and the main tasks and functions of each organizational structure.

#### 2. Governance Process

The governance process assessment aims to assess the effectiveness of the process of implementing the principles of corporate governance supported by the adequacy of the Company's governance structure and infrastructure to produce outcomes in accordance with the expectations of stakeholders.

#### 3. Governance Outcome

Governance outcome assessment aims to assess the quality of outcomes that meet stakeholders' expectations as the results of the process of implementing the principles of corporate governance supported by the adequacy of the Company's governance structure and infrastructure. Included in the governance outcome include qualitative aspects and quantitative aspects, including:

- Adequacy of report transparency.
- Compliance with laws and regulations.
- Consumer protection.
- Objectivity in conducting assessment/audit.
- Bank performance such as profitability, efficiency and capital.
- Increasing/decreasing compliance with applicable provisions and resolving problems faced by banks such as fraud, violation of the Legal Lending Limit (LLL), violations of provisions related to bank reports to regulators

The self-assessment includes 11 (eleven) factors assessing the implementation of governance which include:

1. Implementation of the duties and responsibilities of the Board of Commissioners.
2. Implementation of the duties and responsibilities of the Board of Directors.
3. Completeness and implementation of the duties of the Committee.
4. Handling conflicts of interest.
5. Application of the compliance function.
6. Implementation of the internal audit function.
7. Implementation of the external audit function.
8. Application of risk management including the internal control system.
9. Provision of funds to related parties and large exposure.
10. Transparency of the Bank's financial and non-financial conditions, reports on the implementation of Good Corporate Governance and internal reporting.
11. Bank Strategic Plan.

## The Parties Who Give Assessment

The Bank Mandiri governance self assessment process involves the entire Board of Commissioners, Directors and work units related to the intended governance assessment factors.

## Assessment Score

In the first semester of 2018, Bank Mandiri has conducted its own assessment of the implementation of governance and has been submitted to Financial Services Authority on July 24, 2018. For this assessment, Financial Services Authority has provided feedback on the results of the governance assessment, so the value of Bank Mandiri is as follows:

Score	Definition of Composites
2 (two)	It is reflected that the management of the Company has implemented good governance in general. This is reflected in adequate fulfillment of the principles of Governance. In this matter there are weaknesses in the application of the governance principles, in general these weaknesses are less significant and can be resolved by normal actions by the Bank's management.

In the second semester of 2018, Bank Mandiri has assessed the individual governance that has been submitted to Financial Services Authority on January 30, 2019. Own assessment of semester II 2018 gets the following values:

Score	Definition of Composites
1 (satu)	It is reflected that the Company's management has implemented good governance in general. This is reflected in adequate fulfillment of the principles of Governance. In the event that there are weaknesses in the application of the governance principles, in general these weaknesses are less significant and can be resolved by normal actions by the Bank's management.

Based on the two results of the assessment, the implementation of Bank Mandiri's governance in 2018 can be summarized as follows:

Strength	Weakness
<b>Structure</b> <ul style="list-style-type: none"> <li>Since the GMS on March 21, 2018, out of a total of 8 (eight) members of the Company's Board of Commissioners, there were 4 (four) members who were Independent Commissioners meaning that the members of the Company's Board of Commissioners consist of 50% Independent Commissioners.</li> <li>All Board of Commissioners and Directors have passed Financial Services Authority Fit and Proper Test</li> </ul>	
<b>Process</b>	
There is still a need to improve the quality of IT infrastructure in supporting the Company's operations.	

Strength	Weakness
<ul style="list-style-type: none"> <li>In order to improve internal control within the Bank Mandiri, a whistleblowing system (WBS) has been called Letter to CEO (LTC) as a means of reporting fraud or indications of fraud, among others through the compilation of LTC PTO, Making a Reporting System, and Socializing Whistleblowing System through the Internal and External Discussion Forum.</li> <li>Bank Mandiri has conducted an audit in accordance with the Annual Audit Plan (AAP)</li> </ul>	-
<b>Outcome</b>	
<ul style="list-style-type: none"> <li>Bank Mandiri received the Top 50 ASEAN Public Listed Companies (PLCs) award based on an assessment of the ASEAN Corporate Governance Scorecard in the 2nd ASEAN Corporate Governance (CG) Awards Ceremony on November 21, 2018 in Kuala Lumpur, Malaysia.</li> <li>Bank Mandiri received an award as The Most Trusted Companies in Indonesia Good Corporate Governance Award 2018 on December 19, 2018. Bank Mandiri scored 93.86 which became the highest score among other companies.</li> </ul>	<ul style="list-style-type: none"> <li>There were still penalties.</li> <li>Employee awareness of Compliance culture still needs to be improved to minimize the occurrence of compliance risks in the future.</li> </ul>

## Recommendations and Follow Up

OJK provides several recommendations on the implementation of Bank Mandiri's governance that has been followed up by Bank Mandiri, including:

Recommendation	Follow Up
There are still members of the Directors still in the process of fit and proper test from OJK.	<p>Members of the Board of Directors have passed the Financial Services Authority fit and proper test process, with the following information:</p> <ol style="list-style-type: none"> <li>Mr. Panji Irawan - August 30, 2018 (based on Financial Services Authority Letter No. SR-180/PB.12/2018)</li> <li>Mr. Donsuwan Simatupang - 30 August 2018 (based on Financial Services Authority Letter No. SR-180/PB.12/2018)</li> <li>Mrs. Alexandra Askandara - September 7, 2018 (based on Financial Services Authority Letter No. SR-183/PB.12/2018)</li> <li>Mr. Agus Dwi Handaya - September 7, 2018 (based on Financial Services Authority Letter No. SR-183/PB.12/2018)</li> </ol>

## External Party Assessment

Other than conducting self-assessment in the implementation of governance based on regulatory provisions, Bank Mandiri actively evaluates governance by External Parties to get feedback on the implementation of Bank Mandiri's governance.

## Corporate Governance Perception Index (CGPI)



In assessing the quality of implementation of governance, Bank Mandiri participates in a research program and CGPI ranking held by The Indonesian Institute of Corporate Governance (IICG). CGPI is followed by public companies (issuers), SOEs, banks and other private companies in which Bank Mandiri has followed CGPI's assessment for 15 (fifteen) consecutive years since 2003.

## Applied Criteria

The stages of CGPI assessment include self assessment, assessment of completeness of documentation and observation. In 2018, the CGPI assessment took the theme "Transforming Business Models in the GCG Framework". Through this theme, Bank Mandiri explained the systems and mechanisms used by the Company's Organs in managing changes in the business model to ensure growth that creates value for stakeholders in order to realize corporate sustainability.

The assessment aspects of the 2017/2018 CGPI include:

### 1. Governance Structure

The aspect of governance structure is an assessment of the adequacy of the company's structure and infrastructure in managing changes in business models that create value for stakeholders in accordance with the principles of governance. Assessment indicators from the governance structure aspects include:

- Shareholders
- Board of Commissioners
- Board of Directors
- Responsible party for functional management

### 2. Governance Process

The aspect of the governance process is an assessment of the effectiveness of systems and mechanisms in managing changes in business models that create value for stakeholders in accordance with the principles of governance. Assessment indicators from the governance process aspects cover:

- Governance of the fulfillment of the rights of Shareholders and GMS
- Governance of Board of Commissioners and Directors
- Governance of Corporation

- Governance of disclosure and disclosure of information
- Governance of Internal and external control
- Governance of managing risk and compliance
- Governance of Human capital
- Governance of Social and environmental responsibility
- Governance of goods/services procurement
- Governance of Information technology
- Governance of strategic planning
- Governance of business innovation

### 3. Governance Outcome

The governance outcome aspect is an assessment of output quality, results, impacts and benefits of managing changes in business models that create value for stakeholders in accordance with the principles of governance. Assessment indicators of aspects of interest include:

- Financial performance
- Non-Financial Performance

## Parties Who Conducted Assessment

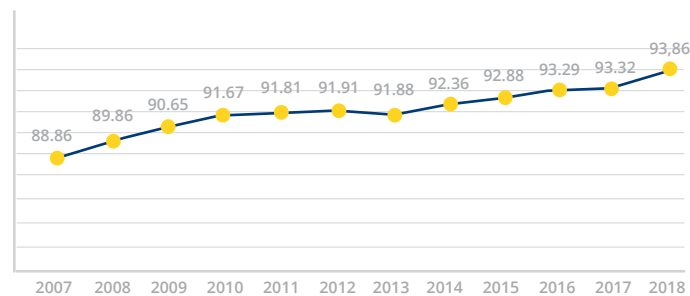
The party that conducted the CGPI assessment was The Indonesian Institute of Corporate Governance (IICG).

## Assessment Score

The results of the CGPI assessment were used by Bank Mandiri to evaluate and improve the implementation of GCG. Bank Mandiri received the title of "Highly Trusted Company" in the 2018 CGPI assessment with a value of 93.86. This award was the 12<sup>th</sup> (twelfth) Bank Mandiri award from 2007 to 2018 in a row. Bank Mandiri's assessment composition for 2 consecutive years is as follows:

Steps	2017 Score	2018 Score
Governance Structure	30.66	24.35
Governance Process	31.40	40.36
Governance Outcome	31.26	29.15
<b>Total</b>	<b>93.32</b>	<b>93.86</b>

The result of CGPI assessment during 12 (twelve) consecutive years is as follow:



## Recommendations and Follow Up

Based on the results of the 2018 CGPI assessment, there are several recommendations from IICG on the implementation of Bank Mandiri's governance. The recommendation will be a formula for improving the implementation of governance at Bank Mandiri.

### Table of recommendations and follow-up

No.	Recommendation	Follow up
Governance Structure		
1.	Bank Mandiri needs to consider and manage the rights of Minority Shareholders by accommodating the aspirations of Minority Shareholders in the selection of Independent Commissioners and Unaffiliated Directors.	Members of the Board of Directors and Board of Commissioners were proposed by Shareholders of A. Dwiwarna and their appointments were made through GMS.
2.	Bank Mandiri needs to consider and respond to issues of gender diversity in the composition of members of the Board of Commissioners.	Candidates for the Board of Directors and Board of Commissioners proposed by the Remuneration and Nomination Committee always meet gender diversity. However, the final nomination was the authority of the Dwiwarna Series A Shareholder. In the committee members under the Board of Commissioners, there is a female member on the Risk Monitoring Committee.
3.	Bank Mandiri needs to establish an organizational structure design adjusted to the needs and division of tasks among Directors in accordance with the objectives and control	Bank Mandiri has established a new organizational structure through the Directors Decree No. KEP.DIR/002/2019 dated 10 January 2019 concerning Organizational Structure.
Governance Process		
1.	Bank Mandiri needs to develop and update policies and guidelines for implementing the GMS and make decisions in the GMS that provide added value to the company's Shareholders	Bank Mandiri has perfected the Corporate Secretary Procedure Standards which, among others, regulate the implementation of the GMS and decision-making at the GMS.
2.	Bank Mandiri needs to develop policies and guidelines as well as a system for implementing corporate social responsibility on an ongoing basis and partnerships and community development program.	Bank Mandiri has perfected the Corporate Secretary Procedure Standard, which includes regulating partnerships and community development program. In addition, Bank Mandiri has developed the Operational Technical Guidelines of partnerships and community development program for managing the partnerships and community development program in more detail.
Governance Outcome		
1.	Based on the trends in Bank Mandiri's financial performance in the last 5 years, it shows dynamic growth, so that Bank Mandiri must continue to increase growth by always maintaining the principle of prudence and systematic application of risk management.	Bank Mandiri constantly develops the strategies needed to improve the Company's performance on an ongoing basis, including the principles of prudence and risk management.
2.	Bank Mandiri needs to improve employee understanding and awareness of the company's anti-fraud system to reduce the number of internal fraud incidents.	Bank Mandiri consistently and continuously holds Whistleblowing System (WBS) outreach, including through short video shows, placing posters around the work environment, PC screen savers and e-mail blasts to the employees of Bank Mandiri and using print media so that the future WBS can be more effective.

## ASEAN Corporate Governance Scorecard (ACGS)

One form of assessment applied related to the implementation of GCG at Bank Mandiri is the ASEAN Corporate Governance Scorecard, which is a parameter for measuring governance practices agreed upon by the ASEAN Capital Market Forum (ACMF). These parameters are based on the OECD Principles and are expected to increase investor confidence in listing companies in ASEAN.





## Applied Criteria

The components of the assessment of the ASEAN Corporate Governance Scorecard are as follows:

1. Shareholders' Rights
2. Equal Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Board Responsibilities

## Parties Who Conducted Assessment

The party that conducted the ASEAN CG Scorecard assessment was the ASEAN Capital Market Forum (ACMF).

## Assessment Score

The result of the ASEAN CG Scorecard assessment was not published in the form of numbers. However in 2018, Bank Mandiri managed to get the TOP 50 of ASEAN Public Listed Companies (PLCs) based on the implementation of GCG in accordance with the ASEAN CG Scorecard. In addition, Bank Mandiri managed to become the TOP 3 PLCs in Indonesia. The achievement of Bank Mandiri was announced in the 2nd ASEAN Corporate Governance Award Ceremony in Kuala Lumpur, Malaysia, on November 21, 2018.

## Recommendation and Follow Up

From the results of the assessment of the ASEAN CG Scorecard at Bank Mandiri in 2018, there were several recommendations from the assessor on the implementation of Bank Mandiri's governance that still had to be improved. The recommendations referred to include:

### Table of Recommendations and Follow Up

No.	Recommendation	Follow-up
1.	It is expected that Bank Mandiri can disclose company stock transactions by the Board of Commissioners or Directors within 3 (three) working days.	Bank Mandiri is in the process of developing internal regulations related to the reporting of share transactions of the Board of Commissioners and Directors of Bank Mandiri.
2.	At least 1 (one) Board of Commissioners member of the Audit Committee has expertise in accounting.	There are members of the Bank Mandiri Audit Committee who became accounting expertise. All Committee members carried out tasks with competencies needed as members of the Audit Committee.
3.	The number of Independent Commissioners in the Remuneration and Nomination Committee members should be more than the Non-Independent Commissioners.	The composition of the Remuneration and Nomination Committee was in accordance with the authority of the Series A. Dwiwarna Shareholders.



## Bad Corporate Governance Practices

Bank Mandiri realizes that bad corporate governance practices will disrupt the Good Governance (GCG) system that has been built by Bank Mandiri. Therefore, during 2018, Bank Mandiri did not take any actions and policies relating to the practice shown in the table as follows:

No.	Information	Practice
1.	Reports stating that the company polluted the environment.	Nil
2.	Important matters being faced by companies, subsidiaries, members of the Board of Directors and/or members of the Board of Commissioners were not disclosed in the Annual Report.	Nil
3.	Non-compliance in fulfilling tax obligations.	Nil
4.	Mismatch of presentation of annual reports and financial reports with applicable regulations and Indonesian GAAP.	Nil
5.	Cases related to workers and employees.	Nil
6.	There was no disclosure of operating segments in listed companies.	Nil
7.	There was a discrepancy between Annual Report hardcopy and softcopy.	Nil

## Statement of Good Corporate Governance Implementation

All members of the Board of Commissioners, Directors and Employees of Bank Mandiri are always committed and applied the principles of good corporate governance and there are no material violations of regulations current regulation. In addition, Bank Mandiri has implemented governance in accordance with ASEAN Corporate Governance Scorecard (ACGS). The principles that have not been implemented by Bank Mandiri have been explained (explained) on the Bank Mandiri website.