

DETAIL OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (RUPST) AND ITS REALIZATION

Day/Date: Thursday/February 27, 2014
 Time: 09.00 hours WIB (Western Indonesia Time)
 Venue (tentative): Auditorium
 Plaza Mandiri 3rd Fl.
 Jl. Gatot Subroto Kav. 36-38
 Jakarta 12190

ATTENDANTS

Shareholders:

1. Ministry of BUMN (State Owned Company)
2. The Public

Both of them represent 82.143% shares

<p>Board of Commissioners:</p> <ol style="list-style-type: none"> 1. Edwin Gerungan – President Commissioner 2. Gunarni Soeworo – Independent Commissioner (Chairman of Audit Committee) 3. Prajoto – Independent Commissioner 4. Krisan Wijaya – Independent Commissioner 5. Wahyu Hidayat – Commissioner 6. Agus Supriyanto – Commissioner 	<p>Directors:</p> <ol style="list-style-type: none"> 1. Budi G. Sadikin – President Director 2. Riswinandi – Vice President Director 3. Abdul Racman – Director 4. Sentot A. Sentaosa – Director 5. Ogi Pratomiyono – Director 6. Pahala N. Mansury – Director 7. Francisca N. Mok – Director 8. Sunarso – Director 9. Kresno Sediarsi – Director 10. Royke Tumilaar – Director 11. Hery Gunardi – Director
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AGENDA	RESULT OF RUPST RESOLUTION	REALIZATION	REMARKS
FIRSTLY	<p>1.a. To approve Company Annual Report including supervisory assignment report which has been implemented by the board of commissioners for fiscal year as ended on December 31, 2013, and legalizing company consolidated financial report for fiscal year ended on December 31, 2013 which has been audited by Public Accountant Office Tanudiredja, Wibisana & Rekan – a firm member of PwC Global Network, with the “Unqualified Opinion” as stated in its report No. A140210003/DC2/HSH/1/2014 dated February 10, 2014.</p> <p>b. To legalize Annual Report on the Implementation of Partnership and Environment Development Program for fiscal year as ended on December 31, 2013 which has been audited by Public Accountant Office Tanudiredja, Wibisana & Rekan – a firm member of PwC Global Network, with “Unqualified Opinion” according to audit report No. A140217005/DC2/HSH/1/2014 dated February 17, 2014.</p> <p>2. By having approved company annual report including supervisory assignment report as has been implemented by the Board of Commissioners and the legalization of company consolidated financial report for fiscal year ended on December 31, 2013 as well as annual report on the implementation of partnership and environment development program for fiscal year as ended on December 31, 2013, then:</p> <p>* The RUPS has provided full acquittal and discharge to all members of the Board of Directors and members of the Board of Commissioners for the management and supervisory actions as have been exercised for the period of fiscal years ended on December 31, 2013, to the extent that such actions do not constitute criminal act and such action is reflected in the annual report, company consolidated financial report as well as annual report ended on December 31, 2013.</p> <p>* The provision of acquittal and discharge from such responsibility is also provided to Mr. Zulkufli Zaini as company President Director, Mr. Muchayat as Vice President Commissioner and Mr. Cahyana Ahmadjayadi as member of the Board of Commissioners for term of office as of January 1, 2013 up to April 2, 2013.</p>		<p>Voting (from total votes attended) Agree: 99.936% Disagree: - Blank: 0.064%</p>

Question: Andar Cahyani (representative from PERTAMINA Pension Fund as holder/owner of 16.869.668 (sixteen million eight hundred sixty nine thousand six hundred sixty eight shares in the Company).

“Relating to financial report of fiscal year 2013 the company has to set aside other provisions amounting to Rp. 4 billion, as a matter of fact in the previous year the Company had not reserved event one cent for this. Does this take part in pressing down the Company profit other than the increase of interest charges?”

Answer: (Pahala N. Mansury)

Regarding the provision or reservation cost in last year of 2013 we indeed have seen that there is no increase as compared to the previous period, but this is also certainly related to the principle of prudence as applied by the Company where we have made efforts to safeguard the ratio of reserve fund against NPL ratio in our possession which we could maintained to above 200% and until the end of last year of 2013 for the ratio of reservation as compared with NPL ratio in our possession under consolidated arrangement we have maintained in the range of 185% but if we see actually the quality of productive assets as owned by the Company is undergoing improvement as compared to the previous periods where the NPL ratio up to the end of year 2013 it also can be maintained in the range of 1.9% and this matter is better than what we had budgeted previously and in comparison with the banking ratio it is also better; so, indeed if we conduct reservation in year 2013 it is higher as compared to the previous year, this matter is really based on the ground that we want to maintain prudence and to see the condition of macro-economy which is indeed still undergoing the presence of uncertainty in future, and we feel necessary to reserve additional fund for safeguarding in the event that it occurs decreasing quality of productive assets in future.

SECONDLY	<p>To approve and stipulate the use of company net profit of fiscal year 2013 amounting to Rp. 18,203,753,302,421.70 as follows:</p> <ol style="list-style-type: none"> 30% of Company net profit for the period of January 1 up to December 31, 2013 or amounting to Rp. 5,461,125,990,426.51 is distributed as cash dividend to the shareholders which will be paid with the provisions as follows: <ul style="list-style-type: none"> * Especially for dividend of Government share originating from 14 billion sheets of shares will be deposited to the Treasury Office for revenue budget item 422111 * To provide power and authority to the Board of Directors for regulating the procedure and implementation of such cash dividend payment as well as it is further announced according to the prevailing provisions. 12.90% of Company net profit for the period of January 1 up to December 31, 2013 or amounting to Rp. 2,348,284,175,883.40 is stipulated as Objective Reserve to support investment. 57.10% from company net profit for the period of January 1 up to December 31, 2013 or amounting to Rp. 10,394,343,135,111.75 is stipulated as Retained Profit. <p>For year 2014 the Company has not allocated net profit for fiscal year 2013 for partnership and environment development program, but it will establish cost reserve for Company Social Responsibility Program which amount is adjusted to the needs and the capability of Company.</p>		<p>Voting (from total votes attended) Agree: 99.843% Disagree: - Blank: 0.157%</p>
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1. Question: Almer Purba (as holder/owner of 1000 shares to the Company submits question which is essentially concerning Mandiri University.

Answer: (Ogi Prastomiyono)

"relating to Mandiri University I would like to explain firstly, what is Mandiri University, because its perception is a Company will open a university beyond Banking business. Secondly, people mention that the abbreviation of MU so this is only the name as used in the development of big companies which is called Corporate University, but we in internal company which we are popularizing is Mandiri University is allocated for the development of Company employees, so this is an investment which part of it is submitted in year 2014 from part of objective reserve balance is Rp. 20 billion as allocated for Mandiri University. There are 3 matters which will be built, namely infrastructure, people, curriculum and others. So, it also utilizes Company assets spread out all over Indonesia such as in Jakarta, some of them are in the areas and the east regions and the objective is for being able to support company business in future according to the strategic plan for the next five years. The most important thing to be prepared is the problem of people. So, we have strong commitment and requesting approval to the shareholders that we will built infrastructure to support the Company in the next five years.

2. Question: Hendra Untung (as holder/owner of 35 shares in the Company)

"if we want to be consistent with the condition in future, don't distribute the dividend because this is the government bank, whereas for bank interest it is useless to distribute big dividend. Secondly, the investment for IT 3 years ago Microsoft had reminded that the investment in hardware will be useless by the presence of cloud technology (cloud computation), indeed the government has not wished that the Bank shall conduct this matter, what has to be done the Company shall start socializing the use of cloud technology so that the Bank is not necessarily wasting the fund for investment in the hardware side"

Answer:

(Budi G. Sadikin)

"for dividend distribution indeed it is the policy of main shareholders and I think it is indeed as BUMN Bank we still have contribution for providing input for the government of the Republic of Indonesia in the framework of state development.

(Kresno Sediarsi)

As for investment for cloud actually for investment in our hardware, there are two matters, for transaction of our services which is internal and the management of this external part is a regulation which has to be followed that all of this we are controlling under bank control. Bank is a company which is handling liabilities particularly concerning data secrecy, secondly for the whole data as available in that Bank shall be managed directly under the control of the Bank, but concerning any matters which development relating to real cloud actually we is developing product services of electronic channel line which is actually directly touching each other with transaction service of the third party this is possible for going through the cloud system but the data from our party, the banking party is always under the control of our self, actually it has caused why we are still making investment in hardware or infrastructure internally.

Thirdly	<ol style="list-style-type: none"> To stipulate public accountant office Tanudiredja, Wibisana & Rekan – a firm member of PwC Global Network as a public accountant report which will audit company consolidated financial report and Annual Report on the implementation of company partnership and environment development program for fiscal year as ended on December 31, 2014. To provide power to the Board of Commissioners for stipulating honorarium and other requirements for such public accountant office, as well as stipulating public accountant office substitute in case of public accountant office Tanudiredja, Wibisana & rekan – a firm member of PwC Global Network, due to any cost whatsoever it is unable to complete the audit of company consolidated financial report and annual report on the implementation of company partnership and environment development program for fiscal year as ended on December 31, 2014. 		<p>Voting (from total votes attended) Agree: 99.123% Disagree: - Blank: 0.877%</p>
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There is no question for this agenda

Fourthly	Providing authority and power to the Board of Commissioner by obtaining prior approval from the shareholders of dwi warna A series for stipulating the amount of tantieme (percentage of profit) for the members of Board of Directors and Board of Commissioners for fiscal year 2013. As well as stipulating the amount of salary, honorarium, allowance and salary as well as other benefits for the members of Board of Directors and Board of Commissioners for year 2014		Voting (from total votes attended) Agree: 97.924% Disagree: - Blank: 2.076%
<p>1. Question: (Andar Cahyani) (representative from PERTAMINA Pension Fund holder/owner of 16.869.668 (sixteen million eight hundred sixty nine thousand sixty hundred sixty eight) shares in the Company. "in year 2013 the salary and allowance of members of Board of Commissioners is amounting to 29.173 decreasing as compared to year 2012 amounting to 35.001, whereas its bonus and tantieme is increasing, what matters that have caused the decrease on salary but the bonus can increase?" Answer: (Wahyu Hidayat) "salary is not decreasing, concerning tantieme (percentage of benefit) is increasing what matters have caused it is certainly due to the shareholder has provided appreciation to the increase of performance of the Board of Directors and the Board of Commissioners. That is all that we want to submit. Thank you.</p>			
FIFTHLY	To approve the plan for taking over the shares of PT. Asuransi Jiwa InHealth Indonesia with total value amounting to Rp. 1.75 trillion, reduced with interim dividend of fiscal year 2013 amounting to Rp. 100 billion and with transactional structure as conducted in 2 phases, for which in phase 1 the portion of ownership of Bank Mandiri is 60% from the whole value and phase 2, the portion of ownership of Bank Mandiri is 80% of the whole value.		Voting (from total votes as attended) Agreed: 81.698% Disagreed: - Blank: 18,302%
<p>1. Question: * Hendra Untung (as holder/owner of 35 shares in the company) * Andar Cahyani (representative from PERTAMINA Pension Fund holder/owner of 16.869.668 (sixteen million eight hundred sixty nine thousand sixty hundred sixty eight shares in the Company) * Reksadana Emco (as shareholder/owner of 485.800 Company shares) * M. Saman (as holder/owner of 4556 shares in the company) "there are first four questions how long this investment will get break even point, how big is the Company target will donate income and profit for Bank Mandiri? According to the prediction of the Board of Directors, in the event that at a later date the Company which has been acquired it turns out to undergo losses so that it becomes the burden of Bank Mandiri, who is held responsible? Thirdly, Bank Mandiri has owned AXA Mandiri which is much bigger than InHealth, why we do not just develop and build AXA Mandiri as compared that we have to takeover InHealth? Is there any plan in future for merging both of them? The fourth, is that health insurance profitable? In view of the community lifestyle who found of enjoying sugar, burger, and others it will caused a number of diseases and all of these have to be covered in insurance premium which amount cannot be predicted at all at this moment. Answer: (Budi G. Sadikin) "possibly I will answer in general and it will be forwarded to Mr. Pahala, that firstly, Bank Mandiri has possessed experience in life insurance sector with AXA Mandiri, indemnity insurance with Mandiri AXA General Insurance. Our investment in insurance sector financially has provided positive profit for the Company and from the side of its return on equity is bigger than the return on off equity from Bank Mandiri, so that the money that we have invested there has provided higher proceeds as compared if we remain being invested in Bank Mandiri. Will these insurances also be resold? The answer is no. We indeed will keep on growing our insurance business. The third question is what benefits which will be got by Bank Mandiri? I think other than financial it is also found other benefits. Firstly, is business diversification of Bank Mandiri, secondly, it is cross selling with existing customers of Bank Mandiri, Bank Mandiri itself currently is in possession of 12 million customers and it is just around 1 million who are able to become insurance Company customers as owned by Bank Mandiri and thirdly, InHealth insurance business has thousands of outlets and provided healthcare services such as Mandiri drugstore, hospital, and doctors which later on the whole transactions can be conducted in Bank Mandiri and contributing big enough cheap fund for Bank Mandiri and it is possible that especially for InHealth it is currently the one and only life insurance company which provides health insurance services under managed care pattern. In general, other health insurance pattern in Indonesia almost all of them applying indemnity pattern with the presence of new Law on BPJS, the whole Indonesian people have to be covered by the insurance and its insurance pattern is managed care, so that it is expected the in future Bank Mandiri will become leading financial institution dealing in managed care insurance sector which so far it has been different with the ones that we have in possession" (Pahala N. Mansury) "The plan for acquiring InHealth constitutes a long term investment for us, so it is certain that the acquisition is not for resale for us. The benefit of this InHealth acquisition as has been submitted other than we have seen the potential of health insurance business development, moreover we are aware that in this year of 2014 it will be applied BPJS in Indonesia. So that the consciousness on health problem and also the importance of health insurance in the eyes of Indonesian people is expected for increasing. If it is compared, how many health insurance penetration in Indonesia as compared to total gross domestic product ("GDP") in Indonesia is still more or less 2.7% is certainly is far enough as compared to other countries which constitutes our neighbors, such as Malaysia, the Philippines and Thailand which have been above 10%. We see in future with the existence of big growth and also other than the premium growth itself, we see that this InHealth acquisition is an opportunity for us for taking further action in healthcare sector or health service provision. Because we see that the money as circulated in this health sector is big enough in amount. So, it indeed constitutes our strategic plan in future. Not only that we will provide customer based in our possession, we also will provide technology which we have for being able to develop InHealth in future, and other than its premium development also how that we are able to get the best data with health provider such as drugstore, hospital, or pharmacy and industry related with healthcare. This also answer how big is the company target will donate income and profit in future. If we see the short term, than certainly its contribution is still small enough in year 2013 and in year 2014 possibly it will be in the range of 100-200 billion which will be donated by InHealth as compared with more or less Bank Mandiri profit which has reached 18 trillion but certainly the potential income or profit as acquired from this InHealth is not from its premium only, but how we are able to gain fund relating to the industry in connection with health service provider in Indonesia. Then, the question from Mr. Hendra just now concerning whether this health insurance will be merged, just now we have answered. If we see also that this profit is relating to return on equity which can be produced by the life insurance company and we see that although currently return on equity of InHealth is still in the range of teens percent, we see in future with the provision of technology and customer based in possession, distribution, including also customer based in the cooperative segment sector which we have, it is expected that the return on equity as produced by InHealth is able to reach 20-25% and certainly it is expected that it will be profitable for us. Just now the question concerning AXA Mandiri has been answered by Mr. Budi.</p>			

(Budi Sadikin) – additional

The question concerning risk, has just been submitted just now that Bank Mandiri has the obligation in the side of asset in the form of credit amounting to Rp. 472 trillion which we underwrite it constitutes core competency of Bank Mandiri for being able to underwrite exposure credit amounting of that amount. Only a few who know that Bank Mandiri has also obligations in the side of liability amounting to 477 trillion in the side of our liabilities. Hopefully it can make the shareholders comfortable concerning the expertise and core competent of Bank Mandiri. As for later on its risk is big, indeed that in the asset it is credit risk, here it is morality risk. I wish to submit the data that in the last 10 years the life expectancy index of the Indonesian people has been increasing from around 64 years old to 72 years old, so it has proven that the Indonesian people are getting healthier.

SIXTHLY

1. To approve amendment to Articles of Association of Company particularly Article 5 by adding 1 (one) paragraph in Article 5 as the 10th paragraph with definition as follows:
Article 5. Share and share certificate
(9)...
(10) a. Share B Series as owned by public shareholder is obligatory to be included in Collective Deposit in the Settlement Agency as well as recorded for trading in Stock Exchange in Indonesia.
b. The implementation of right of Public Shareholder possessing B Series share is subject to the provisions of Article 8 of Articles of Association.
2. In case of resolution regarding amendment to the provision of Articles of Association in point 1 above is not conformed to the provision of laws and regulations which will be applicable in future, then re-amendment to the provision of such Articles of Association will be implemented in the nearest Company RUPS.
3. To provide power to the Company Board of Directors with substitution right for re-declaring the resolution regarding amendment to company Articles of Association in a Notarial Deed and furthermore notifying the authorized government agency as well as conducting other actions as required relating to the amendment to such Company of Articles of Association provided it is not contradictory with the provisions of laws and regulations as currently applicable or will be applicable in future.

Voting
(from total votes as attended)
Agreed: 99.569%
Disagreed: -
Blank: 0.431%

1. Question: M. Saman (as holder/owner of 4556 shares in the Company)

"is by the amendment of article as referred to has no impact and make it difficult for the shareholder and not contradictory with the laws on capital market?

Answer:

(Budi G. Sadikin)

The directives from PT. BII and OJK wishing that the transaction of share in Indonesia is leading to script-less so as it is more transparent and more efficient for Bank Mandiri itself, this rule shall provide impact for tax or profit of Bank Mandiri which cannot be distributed as dividend because indeed the ownership of shares of Bank Mandiri in public is precisely in public at the figure of 40%. So, if with this new regulation it is less than 40%, then the shareholder of Bank Mandiri will get loss due to the profit which can be distributed to shareholder become smaller, that is why substantially we as the Board of Directors of Bank Mandiri who indeed have fiduciary duty to the shareholders is proposing the presence of amendment to such article.

(Ogi Prastomiyono)

Basically, the supplement to this article is just to protect the shareholder of Bank Mandiri and the rights are not missing at all according to article 50 of Law on capital market. The sale and purchase still can be implemented according to the prevailing provision.