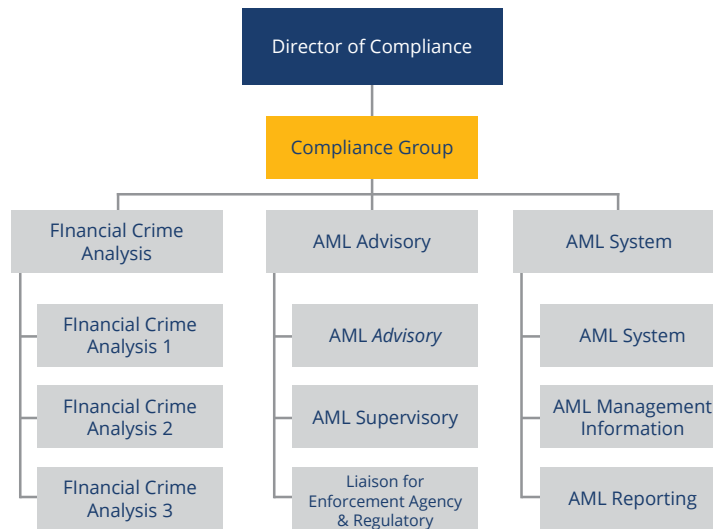


management of AML-CFT in Subsidiaries which is under the coordination of the AML-CFT Special Work Unit. The implementation of the AML-CFT program is carried out by the AML-CFT Special Work Unit which is structurally under the Bank Mandiri Compliance Unit and is directly responsible to the Director in 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:

- 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.
- 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.
- 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.
- 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.
- 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).
- 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.
- Establishing and fostering cooperation with data provider units in fulfilling customer data and transaction information for the purpose of analyzing customer transactions.
- 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
Total		118.278.832.257,56	118.278.832.257,56

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
Total		341	51