

Table of Realization of the Use of Profits from Public Offering of Bonds I Bank Mandiri Phase III of 2018

(in million IDR)

Types of General Offering	Effective Date	Actual Value of Public Offering			Fund Use Plan	Fund Use Realization	Remaining Funds after Public Offering
		Sum of Public Offering	Cost of Public Offering	Net Income	Credit Expansion	Credit Expansion	
Obligasi Berkelanjutan I Bank Mandiri Tahap III Tahun 2018	21 September 2018	IDR3,000	IDR5	IDR2.995	IDR2.995	IDR2,995	-

Table of Details of Realization Value of Public Offering Costs

(in million IDR)

Cost Item	Amount of Use
Securities Guarantor Services Fee	957,00
Allotment Auditor Services Fee	75,00
Legal Consultant Services Fee	680,00
Notary Services Fee	53,90
Trustee Fee	77,00
Rating Costs	1.650,00
Securities Listing Fees	165,00
Miscellaneous expense	1.342,10
Total	5.000,00

All funds resulting from the public offering, after deducting the issuance costs, have been used for credit expansion in the context of business development in accordance with the plan for the use of funds disclosed in the Phase III Year 2018 Bank Mandiri I Prospectus and have been reported to Financial Services Authority through Letter No. TIB / 1337/2018 dated November 19, 2018 concerning Submission of Realization of the Use of Funds Results of the Public Offering of Bank Mandiri Phase I Bonds Phase III of 2018 PT Bank Mandiri (Persero) Tbk.

Information on Material Transactions Containing Conflict of Interest and / or Transactions With Affiliated Parties

Affiliate Transactions

Affiliates, are:

1. Family relationships due to marriage and descent to the second degree, both horizontally and vertically;
2. Relations between Parties with employees, directors or commissioners of the Party;
3. Relations between 2 (two) companies in which there are one or more members of the same Board of Directors or Board of Commissioners;
4. Relations between the company and the Party, both directly and indirectly, controlling and controlled by the company;
5. Relationship between 2 (two) companies controlled, directly or indirectly, by the same Party; or
6. Relations between the company and major shareholders.

Transactions with Affiliated Parties

Affiliated Transactions are all types of transactions both for goods and services carried out by and between:

- Bank with a Bank Affiliated Party, or
- Bank Controlled Company with Bank Affiliated Parties.

Transactions with affiliated parties have the potential risk of abuse by related parties that can harm minority shareholders and have an impact on market integrity. Bank Affiliated Parties are prohibited from utilizing the Bank for personal, family and / or other party's interests which can harm or reduce the Bank's profits; and is prohibited from taking and / or receiving personal benefits from the Bank, other than remuneration and other facilities determined based on the decision of the General Meeting of Shareholders. Affiliated Transactions are carried out by methods, processes and / or methods in such a way that the Bank or Controlled Company does not give / receive different or special treatment to / from the Bank's Affiliated Party. Affiliate transactions are carried out based on normal and reasonable commercial terms.

The following Affiliate Transactions are excluded:

1. Rewards, including salaries, pension contributions, and / or special benefits given to members of the Board of Commissioners of the Board of Directors and employees, as a whole have been disclosed in the Bank's periodic financial statements;
2. Transactions which are the main business activities of the Bank or Bank Controlled Company as stipulated in the Bank's Articles of Association or Bank Controlled Companies; and
3. Transactions that are supporting the main business activities of the Bank or the Bank's Controlled Company.

Based on SPO Corporate Secretary Chapter III.A concerning Bank Activities as a Public Company, it is conveyed that as a form of information disclosure to stakeholders, reports related to Affiliated Transactions which according to the laws and regulations must be informed to the public, the Exchange and / or Financial Services Authority within the time limit legislation stipulated.

Information Disclosure of Affiliation Transactions

In order to fulfill the provisions of Bapepam LK No.IX.E.1 concerning Affiliation Transactions and Conflict of Interest of Certain Transactions, Bank Mandiri has reported the transactions with the related parties that fulfill the affiliation transaction categories as follows:

1. Affiliation Transaction with PT Taspen Persero
 - a. Characteristic of Affiliation Relation: The similarity of the relationship control directly to the Government of the Republic of Indonesia
 - b. Form of Transaction: The shares sale transaction of Bank Mandiri in PT Bank Mandiri Taspen amounted to 114,292,502 shares with price of IDR3,539 per share to the Company (Persero) PT Dana Tabungan dan Asuransi Pegawai Negeri (Taspen Persero)
 - c. Transaction and Fairness Value: The transaction value was IDR404,481,164,578 which had been evaluated by the Public Appraiser Services Office of Ruky, Safrudin & Colleagues and obtained the fairness opinion.
 - d. Transaction Date: December 14, 2018
 - e. Review Mechanism: Used the assessment method as stated in the report of the Public Appraiser Services Office of Ruky, Safrudin & Colleagues and obtained the fairness opinion.
2. Affiliation Transaction with PT Wijaya Karya Bangunan Gedung
 - a. Characteristic of Affiliation Relation: The similarity of the relationship control directly and indirectly to the Government of the Republic of Indonesia
 - b. Form of Transaction: Transaction of the Cooperation Agreement for the Construction, Operation and Building, Operate and Transfer (BOT) of land and buildings located on Jl. Proklamasi No. 31 Jakarta
 - c. Transaction and Fairness Value: The transaction value was IDR53,900,000,000 which had been evaluated by the Public Appraiser Services Office of Amin, Nirwan, Alfiantori and Colleagues and obtained the fairness opinion.
 - d. Transaction Date: December 28, 2018
 - e. Reviu Mechanism: Used the assessment method as stated in the report of the Public Appraiser Services Office of Amin, Nirwan, Alfiantori and Colleagues and obtained the fairness opinion.

Conflict of Interest Transactions

Conflict of interest is a condition in which the Bank's employees in carrying out their duties and obligations to have interests outside of the interests of the service, concerning personal interests, family interests and other parties, so the Bank may lose objectivity in making decisions and policies in accordance with the given authority.

Therefore:

1. All Bank Officers are required to avoid activities that can cause conflicts of interest. If one thing or another cannot be avoided, then the person concerned must report it to the immediate supervisor.
2. All Bank Officers are prohibited from giving approval and or requesting approval for credit facilities, as well as special interest rates and other specificities for:
 - Herself/Himself
 - His family/Her Family
 - A company where he and or his family has an interest
3. All Bank Officers are prohibited from working for other companies either as directors, employees, consultants or commissioners, except when they have received assignments or written permission from the Bank. Especially for members of the Board of Commissioners and Directors, concurrent positions follow the regulatory provisions regarding Good CoDRorate Governance.
4. All Bank Officers are prohibited from being partners directly or indirectly, both partners for goods or services for the Bank.
5. All Bank Officers are prohibited from taking goods belonging to the Bank for their own, family or other outside parties' interests.
6. All Bank employees are only permitted to conduct securities transactions, foreign exchange trading, precious metals, tran derivative witnesses and other goods for their own benefit if there is no conflict of interest, violation of insider trading rules from the Capital Market Authority, and other regulations.

The ranks of Bank Mandiri 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.

During 2018, there was no transaction that fulfilled the conflict of interest category.

Related Transaction

Bank Mandiri and its Subsidiaries carried out transactions with the related parties as defined in PSAK No. 7 concerning the Related Parties Disclosures and Bapepam and LK Regulations No. KEP-347/BL/2012 dated June 25, 2012 concerning "Presentation and Disclosure of Financial Statements of Issuers or Public Companies".

A related party is a person or entity that is related to the entity that prepares its financial statements (reporting entity). The related parties are as follows:

- 1) A person who:
 - a. has control or joint control over the reporting entity;
 - b. has significant influence over the reporting entity; or
 - c. the key management personnel of the reporting entity or the parent of the reporting entity.
- 2) An entity is related to a reporting entity if any of the following:
 - a. The entity and the reporting entity are members of the same business group;
 - b. An entity is an associate or joint venture of the entity;
 - c. Both entities are joint ventures from the same third party;
 - d. An entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - e. The entity is a post-employment benefit plan for the benefits of employee either from the reporting entity or an entity related to the reporting entity;
 - f. The entity is controlled or jointly controlled by a person identified as referred to in point 1); or
 - g. A person identified as referred to in point 1) letter a) has significant influence over the entity or the entity's key management personnel;
 - h. The entity is controlled, jointly controlled or significantly influenced by the Government, namely the Minister of Finance or the Local Governments which are the shareholders of the entity.
- 3) Parties which are not related parties are as follows:
 - a. Two entities simply because they have the same director or key management personnel or because the key management personnel of one entity has significant influence over the other entity;
 - b. Two joint venturers simply because they share joint control of a joint venture;