

## 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).

### PURPOSES AND OBJECTIVES OF LTC

The LTC program as one of the Anti-Fraud Strategy (SAF) programs, aims to:

1. Detect fraud crimes or fraud indications with reports of employees or third parties of Bank Mandiri, which can be submitted by clearly stating their identity or anonymity, which can then be investigated or followed up.
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. Improve the Company'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.

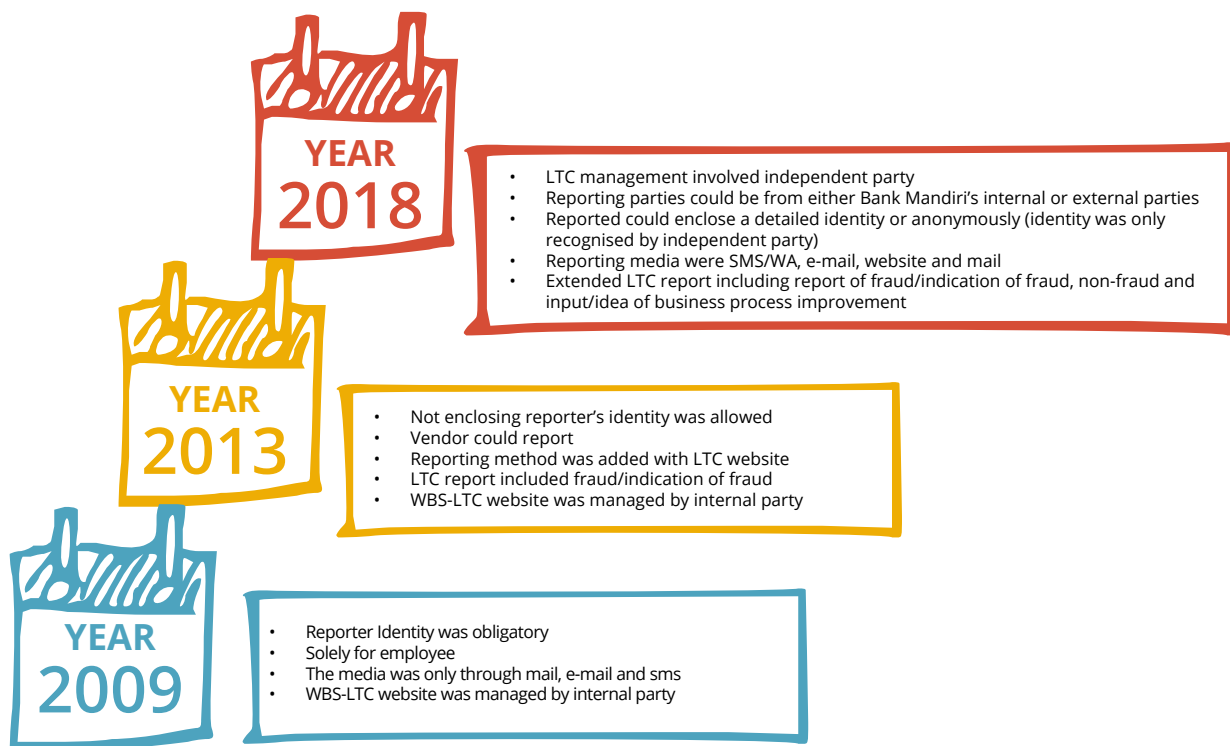
### FLOWCHART OF VIOLATION REPORTING SUBMISSION





## DEVELOPMENT OF LETTER TO CEO (LTC) NAME

LTC has undergone development and has been refined in 2018. This is done to improve the effectiveness of its implementation, as follows:



## 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. Surat : PT RSM Indonesia melalui PO BOX 1007 JKS 12007
4. 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 2019, the number of violation complaint reports received through LTC media via website, call center, email, faximile, and letter are as follow:

Years	Submission Medias				Fraud	Report Classification			Followed-up Report	Completed Report
	Letter	Email	Website	Others		Non Fraud	Others	Lainnya		
2017	0	8	0	0	0	5	3	0	8	8
2018	0	7	1	0	0	2	2	4	8	8
2019	4	24	10	10	0	23	8	17	48	48

## VIOLATION REPORTS SANCTIONS/FOLLOW-UPS IN 2019

Every investigated violation report and those proven as violation has received sanction based on the regulation.