



External Audit PT Bank Mandiri (Persero) Tbk.

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 & Surja as an External Auditor who audited the Consolidated Financial Statements of PT Bank Mandiri (Persero) Tbk. and Subsidiaries, and PT Bank Mandiri (Persero) Tbk. Financial Year Partnership and Community Development Program Financial Report for the 2019 Fiscal Year, determined in the Annual General Meeting of Shareholders on May 16, 2019, based on FSA and other related provisions. Fiscal year 2019, is the fifth audit year period for KAP Purwantono, Sungkoro & Surja.

The chronology of the process of determining the External Auditor Financial Statements for the 2019 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 2019 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 2019 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 May 16, 2019, decided to establish KAP Purwantono, Sungkoro & Surja as KAP that would audit PT Bank Mandiri (Persero) Tbk's Consolidated Financial Statements and Subsidiaries and the financial statements of the PT Bank Mandiri Partnership and Community Development Program, for the 2019 fiscal year, including granting power to the Board of Commissioners to determine the honorarium and other requirements for the KAP, as well as determining a replacement KAP in the case of KAP Purwantono, Sungkoro & Surja, for whatever reason, could not complete the 2019 Financial Year Financial Report audit.





- Bank Mandiri submits a letter to the KAP of the Procurement Participant which submits a proposal regarding the results of the Annual GMS decision which sets KAP Purwantono, Sungkoro & Surja as the KAP who will audit PT Bank Mandiri (Persero) Tbk's Consolidated Financial Statements. and Subsidiaries and the Financial Statements of the PT Bank Mandiri (Persero) Tbk Partnership and Community Development Program for Fiscal Year 2019.

Bank Mandiri applies the principles of Professional Ethics in carrying out the determination of External Auditors, namely :

- Professional responsibility
- Public interests
- Integrity
- Objectivity
- Professional competence and prudence
- Confidentiality
- Professional behaviour
- Technical standard.

Public Accountant Firm, Name of Accountant and Fee

Based on Article 6 of POJK number 6/POJK.03/2015/2015 on 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 OJK.

Audit work fees and other services for Purwantono, Sungkoro & Surja Public Accounting Firms for fiscal year 2019 worth IDR 23,432,100,000 ,. (including OPE and VAT) consists of :

- Audit services and other services amounting to IDR 12,607,100,000 (including OPE and VAT).
- Analytical services for the settlement of corrections to customer account balances, accrued interest balances, and other transactions, as part of an audit of PT Bank Mandiri (Persero) Tbk's consolidated financial statements. and Subsidiaries as of the date and for the year ended December 31, 2019 amounting to IDR 675,000,000 (including OPE and VAT).
- Services related to the implementation of Bank Mandiri corporate actions in 2019 amounting to IDR10,150,000,000 (including OPE and VAT).

The fees for services provided by Purwanto, Sungkoro & Surja Public Accountant Office for fiscal year 2019 received Rp12,607,100,000 (including OPE and VAT) consisting of Audit Fees on Financial Statements totaling Rp11,703,932,075 (including OPE and VAT) and an additional price of Rp903.167,925 (including OPE and VAT) for other service fees provided.

The following is the chronology of the AP and KAP assignments that have audited the Financial Statement of Bank Mandiri at 2010-2019 fiscal year as follows :

Year	Public accounting firm	Accountant Name (Signing Partner)	Period KAP	Period AP	Fee *) (In thousands)	KAP license
2019	Purwantono, Sungkoro & Surja (EY)	Benyanto Suherman	5	2	12.607.100	603/KM.1/2015
2018	Purwantono, Sungkoro & Surja (EY)	Benyanto Suherman		2	11.990.000	603/KM.1/2015
2017	Purwantono, Sungkoro & Surja (EY)	Danil Setiadi Handaja	5	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





Year	Public accounting firm	Accountant Name (Signing Partner)	Period KAP	Period AP	Fee *) (In thousands)	KAP license
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

Information:

*) Fee including OPE & VAT

Other Fee and Services Given by Accountants

The details of other services amounting to Rp903,167,925 (including OPE and VAT) are as follows.

No.	Types of KAP Services 2018	Cost
1.	Audit of PT Bank Mandiri (Persero) Tbk's Financial and Partnership and Community Development Program (PKBL) Financial Statements.	181.621.000
2.	Audit of the Independent Auditor's Report on Compliance with Laws or Legislation and Internal Control.	155.182.500
3.	Audit of Business Activities in the Form of Custody with Management (Trust).	88.000.000
4.	Implementation of agreed upon procedures for the Policy and Control Procedures Implemented by PT Bank Mandiri (Persero) Tbk. in the Provision of Custodian Services.	117.938.700
5.	Application of Agreed Upon Procedure for the Reporting System to Bank Indonesia and certain Reports to Bank Indonesia.	102.927.400
6.	Insurance for PT Bank Mandiri (Persero) Tbk Performance Evaluation Results Report.	149.664.900
7.	Insurance for PT Bank Mandiri (Persero) Tbk PKBL Performance Evaluation Report	89.833.425
	Total	903.167.925

Audit Opinion

Opinions on the results of the 2012-2019 Financial Year Financial Statement are as follows :

Year	Opinion of Financial Statements
2019	The Consolidated Financial Statements present fairly without modification (previously unqualified) in accordance with Indonesian Financial Accounting Standards.
2018	The Consolidated Financial Statements present fairly without modification (previously unqualified) in accordance with Indonesian Financial Accounting Standards.
2017	The Consolidated Financial Statements present fairly without modification (previously unqualified) in accordance with Indonesian Financial Accounting Standards.
2016	The Consolidated Financial Statements present fairly without modification (previously unqualified) in accordance with Indonesian Financial Accounting Standards.
2015	The Consolidated Financial Statements present fairly without modification (previously unqualified) in accordance with Indonesian Financial Accounting Standards.
2014	The Consolidated Financial Statements present fairly without exception, in accordance with Indonesian Financial Accounting Standards
2013	The Consolidated Financial Statements present fairly without exception, in accordance with Indonesian Financial Accounting Standards
2012	The Consolidated Financial Statements present fairly without exception, in accordance with Indonesian Financial Accounting Standards

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 FSA. Basis of Implementation of financial report transparency based on FSA provisions are as follows :

1. POJK No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
2. POJK No. 6/POJK.03/2015 on Transparency and Publication of Bank Reports.
3. POJK No.32/POJK.03/2016 on Amendments to POJK 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.

