

Information on Material Transactions Containing Conflicts of Interest and/or Transactions with the Affiliates

Review Mechanism Policy for Transaction And Fulfillment of Related Terms and Conditions

Bank Mandiri has internal policies related to transactions containing conflict of interest and/or transactions with affiliates. The policy of providing funds to related parties shall not be contrary to the general procedure of granting the provision of funds in force and shall continue to provide a reasonable benefit to the company, the provision shall also be subject to the approval of the Board of Commissioners.

Loan Policy for Board Of Commissioners and Directors

Bank Mandiri has a crediting policy for the Board of Commissioners and the Board of Directors that takes into account the principle of fairness through a generally accepted crediting process such as crediting process to regular customers.

Funding to related parties and to debtors with large amounts of funds is always done with a consideration to the principles of prudence, and has complied with the provisions of the Financial Services Authority (OJK) and other applicable laws and regulations, including the Legal Lending Limit (BMPK).

	Related Parties	Unrelated Parties (Individuals)	Unrelated Parties (Group of Debtors)
Violation of BMPK	None	None	None
Excess of BMPK	None	None	None

The Legal Lending Limit (BMPK) as of December 31, 2017 did not violate and exceed the BMPK's requirements for related parties and unrelated parties. BMPK was calculated in accordance with Bank Indonesia Regulation - PBI no. 7/3 /PBI/2005 dated January 20, 2005 on the Legal Lending Limit for Commercial Bank as amended by Bank Indonesia Regulation no. 8/13/PBI/2006 dated October 5, 2006.

During 2017 there was no violation and/or excess of BMPK for the provision of funds to the Related Parties of Bank Mandiri.

The Appropriateness and Reasons of Doing the Transaction

conflicts of interest had been done appropriately according to the laws and regulations. The transaction was conducted on the basis of the company's requirements and was free of any conflict of interest. In relation to transactions with related parties, Bank Mandiri and Its Subsidiaries conducted the transactions with related parties as defined in Statement of Financial Accounting Standards (SFAS) No.7 on "Related Party Disclosures" and Capital Market Supervisory Agency (BAPEPAM) and Financial Institution (LK) Regulations no. KEP-347/BL/2012 dated June 25, 2012 on "Presentation and Disclosures of Financial Statements of Issuers or Public Companies", defined as follows:

1. Person who:
 - a. Has control or joint control over the reporting party entity;
 - b. Has significant influence over the reporting party entity; or
 - c. Is a key management personnel of the reporting party entity or parent company of reporting party entity.
2. An entity is related to the reporting party entity if it meets one of the following:
 - a. Entity and reporting party 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 of the same third party
 - d. An entity is a joint venture of a third entity and another entity is an associate of the third entity
 - e. The entity is a post-employment benefit program for an employee benefit of one of the reporting party entity or entity associated with the reporting party entity

- f. An entity controlled or jointly controlled by persons identified as referred to in number 1); or
 - g. The person identified as referred to in number 1) on a) has significant influence over the entity or is the key management personnel of the entity
 - h. An entity that is controlled, jointly controlled or significantly influenced by the Government, namely the Ministry of Finance or Regional Government, which is the shareholder of the entity.
3. Non-related parties are as follows:
- a. Two entities which simply because they have the same director or key management personnel or because the key management personnel of one entity have significant influence over another entity
 - b. Two venturers which simply because they are jointly controlling the joint venture
 - c. Funders, trade unions, public service entities and departments and government agencies that do not control, jointly control or have significant influence over the reporting party entity, solely in the normal course of conduct with the entity
 - d. Customer, supplier, franchise holder, distributor or general agent with whom the entity entered into a business

transaction with significant volume, solely because of the economic dependence caused by the circumstances.

Name And Nature Of Relationships

Bank Mandiri And Its Subsidiaries Conducted The Transactions With Related Parties As Defined In Statement Of Financial Accounting Standards (Sfas) No. 7 On "Related Party Disclosures" And Capital Market Supervisory Agency (Bapepam) And Financial Institution (Lk) Regulations No. Kep-347/Bl/2012 Dated June 25, 2012 On "Presentation And Disclosures Of Financial Statements Of Issuers Or Public Companies".

A Related Party Is A Person Or Entity Associated With An Entity That Prepares Its Financial Statement (Reporting Party Entity).

In The Course Of Conducting Its Normal Business, Bank Mandiri Has Significant Business Transactions With Related Parties. The Related Parties And The Nature Of Their Relationship With The Bank Are Described As Follows.

The Relationship Of Related Parties As Main Shareholder

The Government of Republic of Indonesia through Ministry of Finance.

The Relationship Of Related Parties Due To Ownership And/Or Management

The relationship of related parties due to ownership and/or management are presented in the following table.

The Relationship of Related Parties Due to Ownership and/or Management Table

No	Related Parties Due to Ownership and/or Management	Nature of Relationship
1	PT Kustodian Sentral Efek Indonesia	Associate Company
2	PT Sarana Bersama Pengembangan Indonesia	Associate Company
3	Pension Fund of Bank Mandiri	Bank Mandiri as the founder
4	Pension Fund of Bank Mandiri 1	Bank Mandiri as the founder
5	Pension Fund of Bank Mandiri 2	Bank Mandiri as the founder
6	Pension Fund of Bank Mandiri 3	Bank Mandiri as the founder
7	Pension Fund of Bank Mandiri 4	Bank Mandiri as the founder
8	PT Bumi Daya Plaza	Controlled by Pension Fund of Bank Mandiri (since December 19, 2013)
9	PT Pengelola Investama Mandiri	Controlled by Pension Fund of Bank Mandiri (since December 19, 2013)
10	PT Usaha Gedung Mandiri	Controlled by Pension Fund of Bank Mandiri (since December 19, 2013)
11	PT Estika Daya Mandiri	Controlled by Pension Fund of Bank Mandiri 1
12	PT Asuransi Staco Mandiri (formerly known as PT Asuransi Staco Jasapratama)	Controlled by Pension Fund of Bank Mandiri 2
13	PT Mulia Sasmita Bhakti	Controlled by Pension Fund of Bank Mandiri 3
14	PT Krida Upaya Tunggal	Controlled by Pension Fund of Bank Mandiri 4
15	PT Wahana Optima Permai	Controlled by Pension Fund of Bank Mandiri 4

No	Related Parties Due to Ownership and/or Management	Nature of Relationship
16	Pension Fund of Financial Institution of Bank Mandiri	Significantly influenced by Bank Mandiri
17	Employee and Pensioners Health Cooperation of Bank Mandiri (Mandiri Healthcare)	Significantly influenced by Bank Mandiri
18	PT Mitra Transaksi Indonesia	Significantly influenced by Bank Mandiri

The nature of transactions with related parties due to ownership and/or management consists of : share investment, issued securities, subordinated loans, loans, customer savings and bank guarantees.

The Relationship of Related Parties With Government Entities

Table of the Relationship of Related Parties with Government Entities

No	Subsidiaries of SOE	No	Subsidiaries of SOE	No	Subsidiaries of SOE
1	PT Abuki Jaya Stainless (AJSI)	31	PT Asuransi Jiwa Tugu Mandiri (AJTM)	61	PT Brantas Energi Mandiri
2	PT Adhi Persada Beton	32	PT Asuransi Samsung Tugu	62	PT Brantas Hidro Energi
3	PT Adhi Persada Gedung	33	PT Asuransi Tokio Marine Indonesia	63	PT Brantas Mahalona Energi
4	PT Adhi Persada Properti	34	PT Badak Arun Solusi (dhl. PT Patra Teknik)	64	PT Brantas Nipajaya Energi
5	PT Administrasi Medika	35	PT Bahana Artha Ventura	65	PT Brantas Prospek Energi
6	PT Aero Globe Indonesia	36	PT Bahana Securities	66	PT Brantas Prospek Engineering
7	PT Aero Systems Indonesia	37	PT Bakti Timah Solusi Medika	67	PT Brantas Prospek Mandiri
8	PT Aerofood Indonesia	38	PT Balai Lelang Artha Gasia	68	PT BRI Life
9	PT Aerojasa Cargo	39	PT Balebat Dedikasi Prima	69	PT BRI Multifinance Indonesia
10	PT Aerowisata	40	PT Bali Griya Shanti	70	PT Bromo Steel Indonesia
11	PT Agro Sinergi Nusantara (ASN)	41	PT Bank BRI Syariah	71	PT Bukit Asam Banko
12	PT Akses Pelabuhan Indonesia	42	PT Baturaja Multi Usaha	72	PT Bukit Asam Medika
13	PT Alam Lestari Nusantara	43	PT Belitung Intipermi	73	PT Bukit Asam Prima
14	PT Alur Pelayaran Barat Surabaya	44	PT Berdikari Logistik Indonesia	74	PT Bukit Energi Investama
15	PT Angkasa Pura Hotel	45	PT Berdikari United Livestock	75	PT Bukit Energi Service Terpadu
16	PT Angkasa Pura Kargo	46	PT Berkah Kawasan Manyar Sejahtera	76	PT Bukit Multi Investama
17	PT Angkasa Pura Logistik	47	PT Berlian Jasa Terminal Indonesia	77	PT Bumi Sawindo Permai
18	PT Angkasa Pura Property	48	PT Berlian Manyar Sejahtera	78	PT Cinere Serpong Jaya
19	PT Angkasa Pura Retail	49	PT Bhakti Wasantara Net	79	PT Citilink Indonesia
20	PT Angkasa Pura Solusi	50	PT Bhineka Wana	80	PT Citra Bhakti Margatama Persada
21	PT Angkasa Pura Supports	51	PT Bhumi Visatanda Tour dan Travel	81	PT Citra Lautan Teduh
22	PT Anpa International Ltd (Qq PT Akuel Asia Pulse Pte Ltd)	52	PT Bima Sepaja Abadi	82	PT Citra Lintas Angkasa
23	PT Antam Niterra Haltim	53	PT BNI Life Insurance	83	PT Citra Sari Makmur
24	PT Antam Resourcindo	54	PT BNI Sekurites	84	PT Citra Tobindo Sukses Perkasa
25	PT Artha Daya Coalindo	55	PT Borneo Alumina Indonesia	85	PT Clariant Kujang Catalysts
26	PT Arthaloka Indonesia	56	PT Borneo Edo International	86	PT Cogindo Dayabersama
27	PT Arthindokarya Sejahtera	57	PT BPR Rizky Barokah	87	PT Crompton Prima Switchgear Indonesia
28	PT Askrimo Mitra Utama (dhl PT Usayasa Utama)	58	PT Brantas Adya Surya Energi	88	PT Cut Meutia Medika Nusantara
29	PT Asuransi Berdikari	59	PT Brantas Cakrawala Energi	89	PT Dalle Energy Batam (DEB)
30	PT Asuransi Jiwa Taspen	60	PT Brantas Energi	90	PT Danareksa Capital