

Corporate Social Responsibilities to Customers

Policies

In carrying out its corporate social responsibilities to customers, Bank Mandiri complies with policies and regulations that are applicable in Indonesia, namely the Regulation of the Financial Services Authority (OJK) No.: 1/POJK.07/2013 concerning Protection of Financial Services Customers and the Regulation of Bank Indonesia No.: 10/10/PBI/2008 concerning Customer Protection. To complete those regulations, Bank Mandiri has drawn up comprehensive guidelines for the management of complaints filed by customers in the form of Standard Operating Guidelines for Customer Complaint Management.

In relation to customer complaints, Bank Mandiri refers to the Regulation of the Financial Services Authority Number 01/POJK.07/2013 on Consumer Protection of the Financial Services Sector and Circular of the Financial Services Authority Number 02/SEOJK.07/2014 concerning Service and Completion of Consumer Complaint to Business Actor Financial Services, with this Bank Mandiri endeavors to resolve any complaints and customer complaints.

Targets of The Activities

In accordance with the Decree of the Financial Services Authority Number 01/POJK.07/2013 concerning Consumer Protection of the Financial Services Sector, that the Financial Services Business Actor shall promptly follow up and settle the complaint no later than 20 (twenty) working days after the date of receipt of the complaint, and under certain conditions, this may be extended for another 20 (twenty) work days, the Company, therefore, sets a target to resolve any complaints in accordance with the standard level agreement. In relation to customer satisfaction, the Company regularly conducts a customer satisfaction survey whose results are expected to continue to improve the quality of service provided to customers so as to result in a high level of customer loyalty to the Company.

Activities and Their Impact

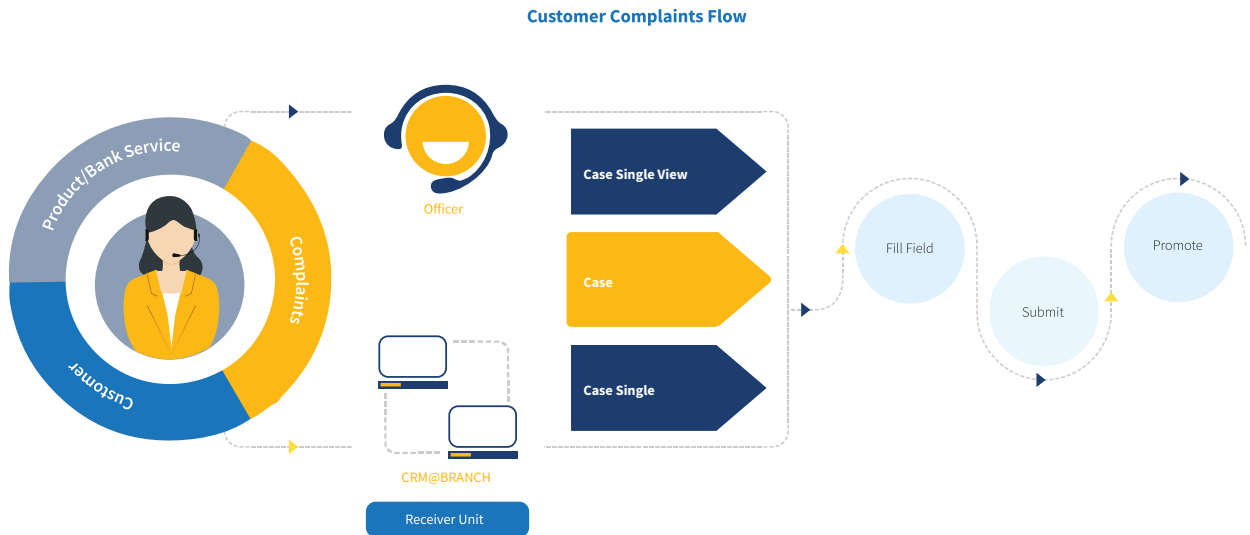
Customer Complaint Submission Program

In response to customer complaints, Bank Mandiri always emphasizes the principle of “Welcome Complaint” which indicates Bank Mandiri’s openness to any complaints made by its customers, even facilitating the submission of such complaints through various submission media such as:

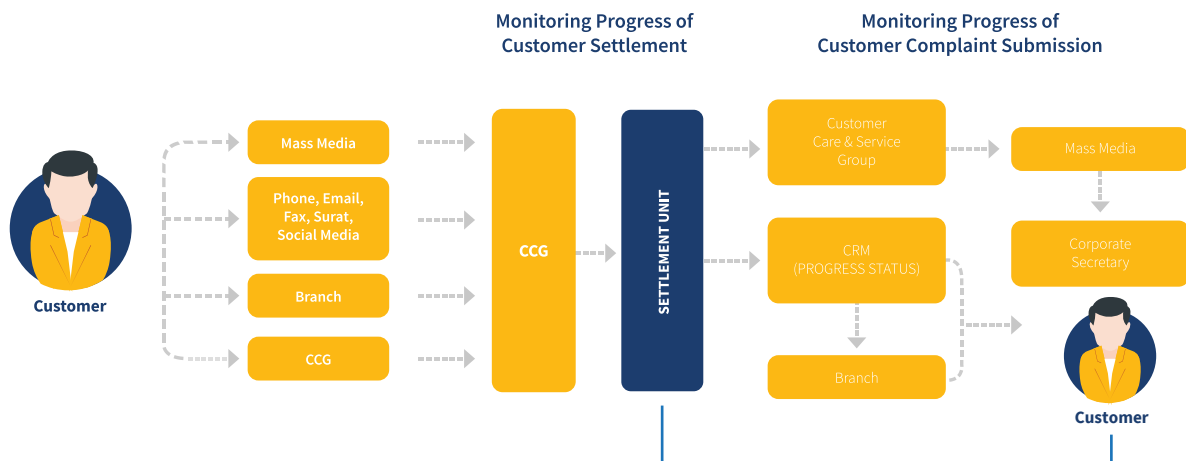
1. Mandiri Call, a service that can be accessed anytime by dialling 14000
2. Website www.bankmandiri.co.id by selecting menu “contact us”
3. Via email at: mandiricare@bankmandiri.co.id
4. Via Bank Mandiri’s Twitter account @mandiricare
5. Via Bank Mandiri’s Facebook account “Mandiri Care”
6. Telegram: 0811-84-14000 (Telkomsel)
7. Official letters addressed to Bank Mandiri, either sent directly, by post, or via facsimile
8. Directly visiting any of Bank Mandiri’s branch offices that scatter across Indonesia.

Dealing with Complaints Filed by Customers

In order to deal with any complaints from customers quickly and effectively, Bank Mandiri describes procedures to be taken by customers who wish to make a complaint using the following figure:



All complaints from customers that have been received are recorded in the customer complaint recording system called CRM@Branch. After a customer's complaint is received, the related unit conducts a customer complaint evaluation based on the Stages of Customer Complaint Settlement below:



At this stage all complaints received by CRM@Branch are forwarded directly to the related settlement unit and supervised directly by the Customer Care Group (CCG) to reassure the concerned customer that his/her complaint will be settled in accordance with the agreed Service Level Agreement (SLA). As for complaints made via the mass media, CCG will work in conjunction with the Corporate Secretary Group to monitor responses to the complaints made in the media.

In an attempt to provide excellent service to its customers, the following table presents data on settlement of complaints submitted by customers performed by Bank Mandiri in the last 4 (four) years:

Type of Customer Complaint	2017	2016	2015	2014
Interest/Profit Sharing/Profit Margin	4	8	34	63
Fines/Penalty	7	31	90	159
Administrative Fee/Provision/Transaction Fee	107	81	156	252
Transaction Failure/Delay	312,740	209,879	295,027	249,808
Total Bill/Account Balance	17,058	11,625	236	871
Miscellaneous	239	5,173	9,883	7,081
Total	330,155	226,797	305,426	305,620
On Progress	6,163	5,037	2,704	3,817
Successfully Settled	323,992	221,760	302,722	254,417

Impact of the Customer Complaint Submission Program

The effective settlement of complaints submitted by customers has affected the level of customer satisfaction. To examine the satisfaction level of its customers in 2017, Bank Mandiri conducted a Customer Satisfaction and Experience Survey for the following business segments: retail, wholesale, corporate banking, and the overall segments. The survey generated 2 (two) types of score, i.e. Customer Satisfaction Score (CSAT) and Net Promoter Score (NPS).

Bank Mandiri worked together with PT The Nielsen Company Indonesia conducting a Customer Satisfaction and Experience Survey for the retail and corporate banking segments, and with PT Kadence International for the wholesale segment. The survey methods adopted were Computer-Assisted Telephone Interviewing (CATI) and Face to Face Interview (F2F). The survey results are presented in the following table.

Table Presenting Results of the Customer Satisfaction and Experience Survey

Business Segment	CSAT	NPS
Retail	83.00	28.00
Wholesale	82.37	38.00
Overall	82.68	33.00

The scores generated by the Customer Satisfaction and Experience Survey conducted by Bank Mandiri throughout 2017 remain higher than those of the banking industry as can be seen in the following table.

Bank Mandiri CSI figures compare to Industry

Business Segment	Bank Mandiri	Industry
Retail	53.10	51.93
Wholesale	60.18	52.30
Overall	55.51	50.13

Impact of the Customer Data Confidentiality Program

The issue of customer data confidentiality has been set out in the internal provisions of Bank Mandiri, such as in the Operating Technical Guidelines for Transparent Use of Customer Personal Data, which has taken into effect since November 10, 2015. These guidelines specify operating procedures related to Transparent Use of Customer Personal Data for both new and existing individual customers. The provisions concerning the use of customer personal data (kept by the Bank) for commercial purposes shall be undertaken transparently and in accordance with the written consent from the concerned customer. These guidelines, among others, specify the functions and duties of the work unit tasked with the management of and mechanisms for the management of Transparent Use of Customer Personal Data.

Impact of The Customer Data Confidentiality Program

In 2017, there were no complaints filed by customers related to data leakage or the issue of customer data confidentiality. In addition, there were neither customer data that went missing nor other complaints from external parties or regulators.

Product Information Program

To show its commitment to protect the rights of its customers, throughout 2017, Bank Mandiri has run various programs and activities as part of its corporate social responsibilities in the field of products and customers. As for the implementation of the policies that have been established, it is described as follows:



Customer Education

To expand the range of educational programs to customers, Bank Mandiri uses the website <http://www.bankmandiri.co.id> and branch offices, flyer, brochure, television, radio, website, social media, indoor media and other advertising media to deliver educational materials about products and services available at Bank Mandiri. In addition, in 2017, Bank Mandiri has also organized educational programs for Bank Mandiri customers as well as the general public which aims to improve the financial literacy of the community. The implementation of customer education event entitled "Mandiri Edukasi 2017" in 12 (twelve) cities with the following information.

No.	City	Date	Topic
1.	Banda Aceh	Friday, March 24, 2017	Smart Ways to Make an Investment
2.	Jakarta	Tuesday, April 11, 2017	Smart Ways to Make an Investment
	Jakarta-Unika Atma Jaya	Wednesday, May 24, 2017	Digital Transaction Security
	Jakarta-Universitas Trisakti	Monday, July 24, 2017	Digital Transaction Security
3.	Bekasi	Saturday, April 15, 2017	Household Financial Planning
4.	Yogyakarta	Thursday, April 20, 2017	Smart Ways to Make an Investment
		Thursday, April 20, 2017	UMKM Goes to Digital
5.	Surabaya	Tuesday, May 09, 2017	Household Financial Planning
		Tuesday, May 09, 2017	UMKM Goes to Digital
6.	Gresik- Kampus UISI	Tuesday, August 01, 2017	Smart Ways to Make an Investment in the Capital Market
7.	Palembang	Friday, September 29, 2017	Financial Planning
8.	Kendal	Tuesday, October 10, 2017	Financial Planning
9.	Cikarang- President University	Wednesday, October 11, 2017	Smart Ways to Make an Investment and Financial Planning
10.	Wonosobo	Thursday, October 12, 2017	Financial Planning
11.	Depok – Universitas Indonesia	Thursday, October 12, 2017	Smart Ways to Make an Investment and Financial Planning
12.	Ternate	Monday, October 16, 2017	Financial Planning
13.	Tangerang Selatan- Pekan Raya Indonesia ICE BSD	Sunday, October 22, 2017	Smart Ways to Make an Investment in the Capital Market
14.	APTIK- Museum Bank Mandiri	Thursday, 26 October 2017	Keamanan Transaksi Digital

To ensure that the education program is effective to improve the financial literacy, the Education Effectiveness Survey 2017 was conducted. The survey was conducted to a total of 939 respondents who were participants of the "Mandiri Edukasi 2017" event from the following cities: Bekasi, Gresik, Kendal, Wonosobo, Surabaya, Yogyakarta, Palembang, Ternate, and Tangerang. Based on the survey results, the "Mandiri Edukasi 2017" event is deemed effective.

Impact of the Product Information Program

The program of information distribution and education to the public regarding products and services offered by the Company aims to facilitate the provision of services and access to customers. The ease of services and access offered to customers further contribute to an increase in the Company's revenue and market share. In 2017, the Company's revenue increased by 3.64% while its market shares were equal to 19.54% and 15.10% for savings products and loans disbursed, respectively.