

## 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". All transactions made in 2017 were categorized as Arm's Length transactions and in accordance with the ordinary commercial requirements as shown by "Unqualified Opinion" from Independent Auditor on 2017 Consolidated Financial Statements.

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