

Whistleblowing System (WBS)

Bank Mandiri implements the Whistle Blowing Policy System (WBS) namely Letter to CEO (LTC) which is referred to:

- 1) Bank Indonesia Regulation No. 5/8 / PBI / 2003 amended by Regulation No. 11/23 / PBI / 2009;
- 2) Bank Indonesia Circular Letter No. 13/28 / DPNP concerning the Anti Fraud Policy;

LTC is a means in reporting fraud complaints or indications of fraud, from employees and vendors to the Managing Director with emphasis on the disclosure of complaints to improve the effectiveness of internal control systems within Bank Mandiri.

LTC Status

The management team of LTC are at Risk Management Unit. The mechanism of LTC has gone through changes and was invigorated in 2013. This was meant to improve the effectiveness of its implementation as outlined in the following scheme:

2009

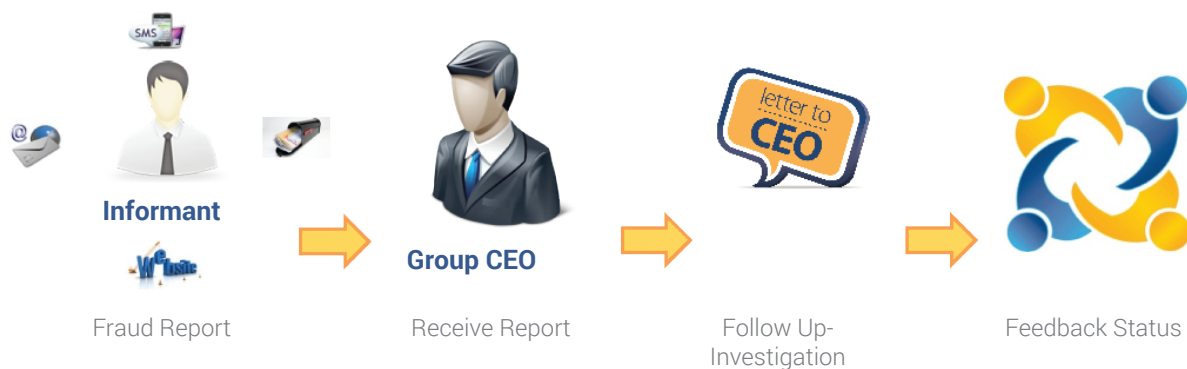
- LTC was introduced in 2009
- Whistleblower must state his/her identity
- Only available to employees
- LTC reports may be submitted by mail, email and sms
- LTC was aimed at fraud/indications of fraud and excellence/improvement

2013

- Media pelaporan ditambah dengan website LTC
- Laporan yang disampaikan melalui LTC adalah yang terkait dengan laporan fraud/indikasifraud
- Revitalization of LTC mechanism in 2013
- Whistleblower not required to state his/her identity in the report
- Not only for employees, but also for vendors
- Reporting media include an LTC website
- LTC now focuses on reports of fraud/indications of fraud

LTC Mechanism

Reporting Procedure



Manner of LTC submission and processing

The rapporteur can report indications fraud / fraud by using the following mechanism :

- a. rapporteur could deliver complaints through the media reporting:
 - 1) E-mail to lettertoceo@bankmandiri.co.id
 - 2) Mail to PO BOX 14000 JKTM 12700
 - 3) SMS to 0811900777
 - 4) Website by typing lettertoceo on the browser (intranet).

Rapporteur will get a Random Unique Number (RUN)

- b. Reports on complaints received directly by the CEO Group and followed up by the Internal Audit Group according to Service Level Agreement (SLA) that has been established.
- c. Rapporteur will get feedback on the status of complaints reported.

Protection for whistleblowers

Bank Mandiri guarantees protection to any reporting on complaint / disclosure by keeping the confidentiality of the identity of rapporteur (name, address, telephone number, email and work unit / company) and or allowing the rapporteur for not stating their the identity (remains anonymous).

LTC Objectives

It is expected that the LTC program will bring benefits to Bank Mandiri through:

Improvements including: (a) fulfilling customer needs, (b) developing the business, (c) increasing market share, (d) increasing revenue & reducing cost, (e) reducing process time and (f) improving employee engagement.

Prevention of violations (anti-fraud) including: (a) increased employee participation in control measures, (b) establishing early warning systems of fraud and (c) reducing the risk of bank losses.

Scope of LTC Policy

The scope of the LTC reporting system in Bank Mandiri governs many aspects, including the management unit, confidentiality and protection of whistleblowers, reporting procedures and sanctions as well as punishments.

Matters that can be reported pursuant to Bank Mandiri LTC policy are the reporting of fraud as defined below:

1) Definition of fraud

- a. A deviant act or purposeful omission undertaken in order to deceive, cheat or manipulate the Bank, a customer or a third party, that occurs inside the Bank; and/or

- b. uses the Bank's facilities so as to incur loss on the Bank, a customer or a third party; and/or
- c. results in financial benefit enjoyed by the fraudster, whether directly or indirectly.

2) Types of fraud

- a. Corruption, namely receiving/asking for reward and/or misappropriation or misuse of the Bank's money for one's personal interest or the interest of others and/or making or causing others to make plans that harm the Bank.

- b. Deceit, namely deceiving the Bank, its customers or third parties and/or forging documents, signatures, physical evidence and/or any authentic proof.
- c. Theft, namely taking part and/or all of the Bank's assets or data illegally.
- d. Omission, namely intentionally and deliberately ignoring procedures or responsibilities as a Bank employee.
- e. Violation, namely violating the Bank's internal regulations or external regulations or defrauding the Bank using technology (cyber crime) and/or not using technology, including manipulating financial statements or committing banking crimes as stipulated in the Banking Law or any other acts equivalent thereto.

LTC Development Plan

as a commitment of the Bank to the LTC policy, the Bank continues to make improvements for LTC policy. This is done so that the Bank Mandiri's LTC policy can adapt to a dynamic Bank business environment.

The Results of LTC Management

The complaints report of violations that are received through the channel LTC either by phone, email, fax or mail box is as follows :

Year	Media			Classification		Report Followed Up	Report Declared Completed
	Mail	Email	Website	Fraud	Non Fraud		
2015	3	4	0	4	3	7	

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