



## GOOD CORPORATE GOVERNANCE

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## SUPERVISORY REPORT OF THE BOARD OF COMMISSIONERS

### Supervisory Board of Commissioners Report

The responsibilities of the Board of Commissioners (BOC) are as set forth in the Articles of Association and they include supervising the management policy, overseeing how the Board of Directors manages the company, and providing advice to the Board of Directors (BOD). In line with these responsibilities, the BOC continuously and proactively provides guidance and feedback to the BOD, starting from the formulation of strategies, implementation phase, to the monitoring of performance. In addition, the BOC is also responsible to ensure that sound risk management is applied, shareholder value is created, and good corporate governance is practiced comprehensively, effectively and efficiently, in accordance with the company regulations.

Throughout 2011, leaders of the global economy continued to their efforts to boost the economic growth by implementing a policy of low interest rates. These countries also support the availability of liquidity in the economic system to spur new investments. However, the global market continues to be affected by fundamental imbalances in the various countries as the result of the weakening global economic and financial conditions due to the crisis in Europe, which hinders the growth of global economy in all market segments. Amid the global economic conditions, in 2011 Indonesia's national economy had the resiliency to respond to the pressure from the global economic crisis. The monetary stability and fiscal policy of the country drove domestic economic growth. The country's national economic resilience was further supported by an upgrade to investment grade rating by Moody's and S&P, which further helped recover the confidence of global investors in the potential of the country.

The BOC considered that the BOD has the ability to identify potential business in the market, evidenced by the declaration of the company's vision to be "Indonesia's Most Admired and Progressive Financial Institution" as well as the implementation of 3 main focuses of the business strategy, which include wholesale transaction banking, retail financing, and retail payment. Bank Mandiri delivered good performance in 2011. Loans and Assets Quality (i.e. nominal amount as well as Gross and Net NPL), Third-Party Funding, and Profitability indicates achievements that exceeded the targets and they are further explained as follow:

### 1. Financial Performance of the Bank

Bank Mandiri recorded a sound performance in 2011. Profit before tax for the year 2011 reached Rp14.6 trillion or 111.7% of the Rp13.1 trillion target, while profit after tax reached Rp11.4 trillion, or 112.2% of the Rp10.1 trillion target. Excess profits are primarily due to the achievement of fee-based income which reached Rp10.6 trillion or 109.4% of the Rp9.7 trillion target, and the realization of other operating expenses, which reached Rp16.1 trillion or 93.4% of the Rp17.2 trillion target. Compared to Rp8.8 trillion of profit after tax in 2010, the amount last year rose by Rp2.6 trillion, or 30.0%.

As of December 31, 2011, total assets (bank only) reached Rp489.1 trillion, or 104.0% of the target of Rp470.4 trillion. Compared with the position at 31 December 2010 of Rp406.0 trillion, total assets rose Rp83.1 trillion or 20.5% growth.

In general, the Company has reached its targets. Some of the key financial ratios indicate an achievement that exceeds the target (bank only):

- a. Nominal NPL reached Rp6.1 trillion compared to the target of Rp7.8 trillion with the Gross NPL ratio of 2.18% (target: 2.92%) and Net NPLs of 0.45% (target: 0.92%).
- b. Provision-to-NPLs reached 183.56% compared to the target of 141.12%.
- c. Return on assets reached 3.37% versus the target of 3.07%.
- d. ROE based on average equity reached 20.2%, and on average core capital reached 25.57%. Each measure exceeded the target.
- e. NIM was below the target at 5.29% versus target of 5.48%.
- f. Operating expenses to operating income reached 67.22% and Efficiency Ratio reached 33.41%, both below the respective targets.

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g. CAR after taking into account credit, market and operational risk reached 15.13% compared to the target of 15.60%.

h. Loan-to-deposit ratio reached 71.65% versus target of 70.97%.

### 2. Perspectives on the Bank's Business Growth

In general, the Board of Commissioners considered that the Board of Directors of the Company has managed the liquidity very well in an effort to fund its business activities. This reflects an increasing confidence among the public and investors towards the bank. The growth of funding generated an LDR of 71.61% and this helped to strengthen the bank in anticipation of the potential impact of global economic turmoil.

Liquidity management supported the bank's business growth as indicated from the following:

#### a. Raising the funding level

The program to raise funding has been executed in line with the Company strategy. The overall achievement of the total public funds in 2011 reached 100.6% of the target, the composition of low cost funding reached 62.7%, exceeding the target of 60.4%. The achievement in raising demand deposits reached 98.6%; the savings deposits reached 108.3% and reached 94.8% of the respective targets.

The bank has placed strong efforts on increasing deposits by enhancing the level of comfort for customers to conduct transactions. Several initiatives and developments have been taken, including product, office network, electronic channel, and other infrastructures to support retail payment activities, and execution of internal strategic alliances to optimize the implementation of the value-chain concept.

The business strategy is well established to support the Company's business, which includes focusing on the targeted customer; developing products or enhancing the features; optimizing infrastructure and technology to support the branch operations and extensive

distribution network for the development of retail payment; increasing the level of service and ensuring the sustainability of the promotion and marketing programs.

The strategy was executed in 2011 through the following work program:

- 1). Increasing customer relationship through various events such as customer gatherings, economic outlook and investment day.
- 2). Developing government-focused relationships, for example with government institutional clients, government foundations, and State Universities.
- 3). Expanding the capabilities of the organization by forming a special funding team to handle the funding of non-debtor clients.
- 4). Enhancing business solution capabilities through the bundling of services which include cash pick-up service with the products Electronic Banking and Consumer Finance for customers in several industries, for example retailers, food & beverages, consumer goods, pharmaceutical, telco, oil & gas.
- 5). Enhancing the quality of internal alliances to optimize the business opportunities of anchor clients' value chains through the development of the branch network, ATMs and EDC to meet the business needs of customers.
- 6). Marketing the payment system products, particularly the Cash Management System (CMS), as well as increasing the active users of CMS and Host-to-Host service among potential clients.
- 7). Developing a distribution and service network and ensuring a more disciplined monitoring of the quality of existing service network.
- 8). Developing promotional and marketing programs that are carefully tailored, taking into account several criteria such as selection of events, the momentum of time, gifts offerings, packaging, and communication media strategy.

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9) Launching of current account product bundling which is offering through a bundling of different products, such as a combination of Mandiri Business Savings (Mandiri Tabungan Bisnis/MTB) product with Mandiri Payroll product, and a combination of Mandiri Employees and Mandiri Plan Saving (Mandiri Tabungan Rencana/MTR), Students (Mandiri Karyawan dan Pelajar) products with Mandiri Savings Plan (Mandiri Tabungan Rencana/MTR).

10) Enhancing the quality of service and improving the company's branding, the quality of branch infrastructure, the quality and quantity of branch frontline staff; undertaking organizational development; and providing customers with knowledge in the area of e-channel transactions.

11) Increasing the level of low-cost funds by directing the customers to optimize the use of operating accounts. One way to achieve that is by trying to ensure that the current borrowing customers can become active users of Mandiri Cash Management (MCM) products and to ensure that its overall business transactions will be executed through Bank Mandiri. Another way to achieve that is by strategizing to ensure that companies within the value chain of existing customers can start to establish business relationships with Bank Mandiri.

### b. Placement of Funds

In terms of placement of funds, the Board considered that the strategies implemented have been aligned with the main focus of the Company, which is business growth and profitability that exceeds market growth, so that Bank Mandiri can be a market leader. To develop the business of "future growth engines" (i.e. Consumer Finance and Micro & Retail Banking), the Bank is optimizing the business potential among the value chain companies within the wholesale banking business while at the same time strengthening the risk management.

The strategy was executed in 2011 through the following work programs:

- 1). Conducting research to analyze the top 10 industrial sectors, including the value chain.
- 2) Expanding the organizational capabilities by establishing the Oil & Gas department.
- 3) Developing a distribution network, including establishing the Bandung Corporate Banking Floor and transferring the supervision of the Corporate Floor, previously from the Directorate of Institutional Banking to the Corporate Banking Directorate.
- 4) Developing the business pipeline and ensuring active monitoring to increase the level of lending business.
- 5) Improving the quality of customer relationships, developing account planning and strategy, and enhancing business alliances to explore the business opportunities within the value chain of a customer, focusing on our priority sectors.
- 6) Increasing the level of customer acquisition in a balanced way within the Commercial & Business Banking segments in order to mitigate risk and optimizing income from high-yield Business Banking products.
- 7) Expediting the process of a loan proposal, starting from the collection of required documentation to the issuance of SPPK (notification letter of loan approval) for KUM (micro business loan) and BPR (rural banks).
- 8) Increasing the revolving rate of customers through installments programs and collaborating with select merchants to offer several programs including discount programs, power cash, and power buy.
- 9) Developing product solutions to increase customer loyalty and credit card usage among Mandiri credit cardholders by offering point-redemption mechanism through EDC usage.

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- 10) Increasing brand awareness through several initiatives, including the implementation of Mandiri Credit Cards Online.
  - 11) Implementation of a strategic initiative to increase the capacity of active cards by developing the e-channel front end which allows credit card activation via our e-channel.
  - 12) Intensifying the offering of consumer loan products, focusing on large developers and housing brokers.
  - 13) Enhancing the synergies and alliances with our multi-finance subsidiary Mandiri Tunas Finance.
- c. Corporate Governance, Risk Management and Internal Control

In general, the corporate governance, risk management, and internal control aspects have been well implemented and the bank seek to continues to make improvements on those aspects. In regards to those aspects, the Board of Commissioners has noted the following:

### 1). Corporate Governance

Bank Mandiri has continuously been self-assessing the implementation of Good Corporate Governance (GCG) and, for the period of 2011, the bank has a composite score of 1.1 and this is categorized as "very good".

The result of the self-assessment reflects the success of management in managing the company. It also reflects the ability of management to instill the corporate culture and work values by implementing prudential banking practice, risk management and discipline in good corporate governance. Through this discipline, Bank Mandiri has successfully been awarded several acknowledgments from domestic and international institutions.

Domestically, Bank Mandiri has won the following awards: The Most Trusted Company (awarded by The Indonesian Institute for Corporate Governance (IICG) for five consecutive years, from 2007 to 2011; Best Financial/Bank (awarded by The Indonesian Institute for Corporate Directorship); The best GCG Innovations by State-Owned enterprise by BUMN Track.

In terms of international awards, Bank Mandiri has received the Corporate Governance Asia Recognition Awards for three consecutive years from 2009 to 2011 in the category of Asia's Best Companies for Corporate Governance. In January 2012, Bank Mandiri received awards from Asiamoney magazine for the following categories:

- (a) Best Overall Company in Indonesia for Corporate Governance.
- (b) Best for Disclosure and Transparency in Indonesia.
- (c) Best for Responsibilities of Management and The Board of Directors in Indonesia.
- (d) Best for Shareholder's Rights and Equitable Treatment in Indonesia.

### 2). Risk Management

The Board of Commissioners regularly reviews the application of risk management by the Bank, which includes, among others, a review on the credit portfolio which exceeds Rp1 trillion. In addition, the Board of Commissioners monitors compliance with Bank Indonesia's Prudential Banking Guidelines, for example promulgations regarding the legal lending limit and the capital adequacy ratio.

In regards to the level of bank soundness and company risk profile as of December 31, 2011 and referring to letter No. RMN/064/2012 of January 27, 2012, Bank Indonesia gave the following assessments:

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Based on the assessment, the quality of risk management on credit risk is classified as strong; CAR is still above the current provisions (> 8%), and the composite level of bank soundness ratings is PK-1.

### 3). Internal Controls

In regards to internal controls, the Bank continuously seeks to make improvements in the execution and practice of prudent banking, good corporate governance (GCG), and internal controls.

Work programs that were implemented in the year 2011 included:

- Developing the GCG website as a medium of information and education.
- Formulating and setting up the compliance risk management system.
- Establishing the standard and procedures against money laundering and terrorism funding in accordance to the FATF Recommendations.
- Developing an application system of Integrated Compliance Management Information System (ICMIS), as well as Compliance Universe System and Compliance Risk Integrated System modules.
- Developing Risk Based Audit (RBA) as a tool to conduct an audit on business units, ranging from smaller units (such as cash outlet and micro business units) to large commercial and corporate.
- Developing an information system of audit management (SIMA) for knowledge management as well as on-desk review and early-warning system as parts of a continuous auditing framework.
- Developing a new methodologies or audit tools, which are in line with the application of

risk management in accordance with Basel II for credit risks that pertain to the corporate segment and wholesale transactions.

- Developing competency in risk, control, audit, and governance by implementing the ACGA program (Audit, Compliance and Governance Academy) and by increasing the number of national and international certification in the field of auditing.

### d. Human Resource Development

In terms of human resource development, the Board of Commissioners considered that the Board of Directors has developed and implemented good programs and consistently strives to implement them in an appropriate sequence, supported by the right infrastructure, and carried out in integrated and effective ways. This is in line with internal targets and the business plan. In regards to those developments, the Board of Commissioners have noted the following:

- a. Developing the human resources aspects, aiming to establish engaged and competent employees through several ways such as Mandiri Corporate University and knowledge management project, centralized talent development programs, employee benefits and incentive programs, enacting the employee value proposition.
- b. Developing the human resources aspects, focusing on developing leadership capabilities and preparing regeneration of senior positions through internal coaching, Strength Finder assessment and certification, Great Leader program, executive education, and implementation of succession plan.
- c. Executing best practice in human resourcing to ensure that the Bank has the resources with the required competencies. There were a number of strategic initiatives in human resources, such as overseas direct and indirect recruitment, collaboration with leading universities to

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implement an integrated CSR initiative, and recruitment of permanent and outsourced employees.

- d. Developing the reward & performance aspects of human resource management in order to improve productivity and level of employee engagement, including enhancing the new employee facilities and the quality of regulations that are currently in place.

Overall, the Board of Commissioners considered that the strategy and programs have been well implemented by the Board of Directors and they were executed in line with the policy and business direction of the Company as reflected by the company performance which exceeded the market growth rate.

4. Structure of the Board of Commissioners and the supporting Committees

There were no changes in the structure of the Board of Commissioners in 2011. The structure is based on the resolution of the general meeting of shareholders as set forth in the Deed of Notary A. Partomuan Pohan No. 32, dated June 21, 2011.

In carrying out the supervisory and advisory functions to the Board of Directors, the Board of Commissioner is assisted by a number of committees, consisting of:

1. Audit Committee
2. Risk Monitoring & Good Corporate Governance Committee
3. The Remuneration and Nomination Committee

These committees have performed their duties and obligations in accordance with their respective charters. They have also provided the Board of Commissioners with recommendations and reports to help carry out its duties and functions.

Further information pertaining to the Board of Commissioners and Committees under its supervision is available in the chapter that covers the Board of Commissioners within the GCG section of this annual report.

Board of Commissioners reported on the implementation of supervision during the year 2011.



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## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

Bank Mandiri is committed to maintaining a sound and strong banking system in Indonesia. Bank Mandiri is confident that the continuous and consistent application of Good Corporate Governance (GCG) principles will increase investor confidence and become an added value for our shareholders and other stakeholders. The GCG practice in Bank Mandiri is implemented through five stages, namely:

FORMULATION OF GOVERNANCE COMMITMENT	ENHANCEMENT OF GOVERNANCE STRUCTURE	ENHANCEMENT OF GOVERNANCE MECHANISM	SOCIALIZATION AND EVALUATION	WALKING THE TALK
<ul style="list-style-type: none"> <li>Formulation of Bank Mandiri vision, mission and strategies</li> <li>Formulation of corporate values</li> <li>Code of conducts</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring a full membership within the Board of Commissioner, the Board of Directors, and the Committees under the supervision of BOC and BOD</li> <li>Strengthening the risk management, compliance, and internal controls</li> <li>Enhancement of the organizational structure to ensure the implementation of checks and balances</li> </ul>	<ul style="list-style-type: none"> <li>Formulation of GCG Charter</li> <li>Application of GCG principles in the rules, guidelines, regulations, and SOP (Standard Operating Procedures)</li> <li>Implementation of the reward &amp; punishment mechanism</li> <li>Product transparency</li> <li>Development of Call Center &amp; Customer Care</li> </ul>	<ul style="list-style-type: none"> <li>Instilling the corporate values</li> <li>Socializing the strategic initiatives, rules, regulations, etc</li> <li>Self-assessment of GCG implementation</li> <li>Assessment of GCG by an independent party</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of GCG principles in every part of the bank's activities</li> <li>Change Agent (1:4) mechanism</li> <li>Service excellence</li> <li>Ethical practice on every level of the organization, through:               <ol style="list-style-type: none"> <li>1. E-procurement</li> <li>2. Integrity Pact</li> <li>3. Confidentiality</li> </ol> </li> </ul>

#### I. GOVERNANCE COMMITMENT

At this stage the management of Bank Mandiri has redefined the vision, mission and strategy of Bank Mandiri, which is explained in detail in the Bank Mandiri corporate plan 2010 – 2014, as the bank is revitalized with a new vision "To be Indonesia's Most Admired and Progressive Financial Institution".

This revitalized vision sets a new direction for the current transformation period (i.e. period 2010 - 2014) in which the goal is to achieve exceptional yet sustainable business performance through the transformation in business, culture and good corporate governance. The corporate values, called TIPCE (Trust, Integrity, Professionalism, Customer Focus and Excellence) serves as the basis and operational foundation of Bank Mandiri.

#### II. GOVERNANCE STRUCTURE

To ensure the achievement of the vision, mission and strategy, the bank continues making enhancements, including

improvements on the organization structure. The current organization structure has been confirmed in Decree No. Directors. KEP.DIR/313/2011 dated December 15, 2011.

The current organization structure must be conducive to facilitating the check-and-balance mechanism which, in turn, will support the accountability of each part of the organization. The composition of the Board of Commissioners and the creation of supporting committees are set up in accordance with the prevailing regulations. The clear segregation of duties among the strategic business units, risk management units, internal control unit, and compliances has proven that the bank has a good mechanism of checks and balances as well as a sound internal control system.

Corporate Governance has been executed with consistency and in adherence with the Limited Liability Company Act (No. 40/2007). The company management has conducted the following:



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### A. ANNUAL GENERAL MEETING OF SHAREHOLDERS AND EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS' RESOLUTIONS

#### Extraordinary General Meeting of Shareholders (EGMS)

EGMS can be held any time based on the needs or urgency of the Company. With regards to the increase in issued-and-paid-up capital from a limited public offering through the issuance of pre-emptive rights, Bank Mandiri conducted EGMS on Friday, January 28, 2011 and reached the following outcomes:

1. To approve the increase of the subscribed and paid-up capital of the company through the Rights Issue by issuing the pre-emptive rights issue (Hak Memesan Efek Terlebih Dahulu or HMETD) of which is exercised subject to the following terms and conditions:
    - a. The Capital increase through the pre-emptive rights is 2,336,838,591 (two billion three hundred thirty-six million eight hundred thirty-eight thousand five hundred ninety-one) Series B Registered Ordinary Share with the nominal value Rp500 (five hundred Rupiah) per share.
    - b. Each Shareholder of the holders of 8,985 (eight thousand nine hundred and eighty five) of the (old) share whose names were registered in the Company Shareholders Register on February 10, 2011 at 16.00 Western Indonesia Standard Time shall obtain 1,000 (one thousand) pre-emptive rights and each one pre-emptive rights gives its holders right to purchase one (new) Series B Registered Ordinary Shares with the Exercise Price of Rp5,000,- (five thousand rupiah) each share.
    - c. If the new shares offered through this Rights Issue is not entirely subscribed by the pre-emptive rights holders of the public portion of the pre-emptive rights, the balance of such share will be allocated to other public holder of the the-emptive rights of which applied for subscription over than its rights, proportionally based on the exercised rights. If after the allocation of the subscription of additional shares, there are still public portion shares left then, PT Danareksa Sekuritas and PT Mandiri Sekuritas which are as the stand-by Buyer, respectively is obligated to purchase the said remaining public portion share pro-rata. After the execution of this Rights Issue then, the shares which are owned by public to become 40% (forty percent), while the shares which are owned by the State of the Republic of Indonesia will become 60% (sixty percent) of the total subscribed and fully paid up share as meant in the Governmental Regulation No. 75 year 2010.
    - d. The aforesaid pre-emptive rights may be transacted in or over the counter market as from February 14, 2011 through February 21, 2011 without prejudice to the capital market laws and regulations.
- Each pre-emptive rights in the form of fraction will be rounded down.
- e. The State of the Republic of Indonesia as the shareholder of the Company will not exercise the pre-emptive rights of its own rights in this Rights Issue. Based on Subscription Agreement dated December 23, 2010, all of the pre-emptive rights owned by the State of the Republic of Indonesia, namely in the amount of 1,558,152,476 (one billion five hundred fifty-eight million one hundred fifty two thousand four hundred and seventy-six) pre-emptive rights will be assigned by selling them to PT Danareksa Sekuritas and PT Mandiri Sekuritas will offer and sell the shares each amount of 779,076,238 (seven hundred and seventy-nine million seventy-six thousand two hundred thirty eight) resulted from the pre-emptive rights exercise of which are obtained from the aforesaid pre-emptive rights of the State of the Republic of Indonesia to domestic or foreign investors through the rights issue that will be executed in the Indonesia Stock Exchange (Bursa efek Indonesia) and will distributed the aforesaid shares to the pre-emptive rights of the State of the Republic of Indonesia.
  - f. Proceeds of the Rights Issue, after being deducted with the issuance costs, will be used for strengthening the capital structure of the Company and then, in compliance with the business plan, will totally used for supporting the credit facilities growth.

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### 2. Confer authority on the Board of Directors to:

- a. Perform the Rights Issue as meant in point 1;
- b. Make Amendment to Article 4 paragraph (2) of the Company's Articles of Association concerning the increase of the subscribed and paid-up capital resulted from the issuance of new shares through the aforesaid Rights Issue.
- c. Administer notifications on the amendment to Article 4 paragraph (2) of the Company's Article of Association to the Minister of Law and Human Rights of the Republic of Indonesia, for such purposes, to file and sign application, letters and documents as required, making amendments or addendum as required by the authority as well as taking any necessary and or required actions complying with the laws, without exception.

### Resolutions of the Annual General Meeting of Shareholders

On May 23, 2011, Bank Mandiri held the Annual General Meeting of Shareholders (AGMS), with the following outcomes:

#### I. Resolution of the First Agenda

1. a. Approved The Company's Annual Report including The Board of Commissioners' Supervisory Report for the financial year ended on December 31, 2010, and ratified The Consolidated Financial Statements of the Company for the financial year ended on December 31, 2010 which has been audited by Tanudiredja, Wibisana&Partners Public Accountant Office – a member firm of PricewaterhouseCoopers Global Network, with an unqualified opinion as stated in its report No. A110330003/DC2/HSH/II/2011.A on March, 30 2011;
- b. Ratified The Annual Report on the Partnership and Community Development Program (Program Kemitraan dan Bina Lingkungan/PKBL) for the financial year ended on 31 December 2010. The report was audited by the Financial and Development Supervisory Board (Badan Pengawasan Keuangan/

BPKP) Representative of BPKP of the DKI Jakarta II Province, with conclusion is as follows: "in general the management of the Partnership and Community Development Program in PT. Bank Mandiri (Persero) Tbk has been performed in accordance with the ministerial regulation No. PER-05/MBU/2007 on April, 27 2007" as stated in the Evaluation Result Report of the implementation of the partnership and community development program of PT Bank Mandiri (Persero) Tbk, financial year 2010 No. LHE-1814/PW30/4/2011. As well as to ratify the financial statement audit result PKBL with an unqualified opinion in accordance with the Financial and Development Supervisory Board of the Province of DKI Jakarta II reports No. LHA-1812/PW30/4/2011 on April, 27 2011.

2. With the approval of the Company's Annual Report including The Board of Commissioners' Supervisory Report that has been executed by The Board of Commissioners and the ratification of the Consolidated Financial Statement of the Company for the financial year ended on 31 December 2010, and the Annual Report on the Implementation of the Partnership and Community Development Program, then:

- The AGMS granted a full release and discharge (volledig acquit et de charge) to all of the member of Board of Directors and the Board of Commissioners for their management and supervision actions during the financial year ended on 31 December 2010, as long as such actions are not considered as criminal actions and reflected in the Annual Report in the Consolidated Financial Statement of the Company and the Annual Report of the Implementation of the Partnership and Community Development Program all of it for the financial year ended on December 31, 2010.
- Such release and discharge was also given to Mr. Soedarjono, Mr. Wayan Agus Mertayasa, Mr. Sasmita and Mr. Bambang Setiawan for the period of from 1 January 2010 until 17 May 2010 and also Mr. Agus D. W. Martowardojo for

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the period of from 1 January 2010 until 20 May 2010.

### II. Resolution of the Second Agenda

Approved and stipulated the use of the Company's Net Profit for the financial year of 2010, in the amount of Rp9,218,297,786,087.18 to be utilized as follows:

1. 35% of the Company's Net Profit for the period of January 1, 2010 until December 31, 2010 or in the amount of Rp3,226,404,225,130.51 shall be distributed as cash dividend to the shareholders. At December, 30 2010, the Company has paid an Interim dividend in the amount of Rp412,431,206,707.87 with the remaining amount in the amount of Rp2,813,973,018,422.64 or approximately in the amount of Rp120.59884 each share to be paid with as final deviden, with the following requirments:
  - a. The Dividend of The Government of the Republic of Indonesia deriving from its 14 billion shares will be transfer to the General Cash account of Republic of Indonesia in Indonesian currency No. 502.000000980 in Bank Indonesia
  - b. Granted full power and authority to the Board of Directors to arrange the payment procedures and execution of such cash dividend payment, including applying for dispensation of the payment distribution to the Ministry of Finance and announcing it in accordance with the prevailing laws and regulations.
2. 4% of the Company's net profit from January 1, 2010 until December 31, 2010 or in the amount Rp368,731,911,443 will be allocated for the Partnership and Community Development Program, with the following details:
  - a. 0.5% of the Company's net profit period of January 1, 2010 until December 31, 2010 or in the amount of Rp46,091,488,930 will be allocated for Partnership Program and
  - b. 3.5 % of the Company's net profit period of January

1, 2010 until December 31, 2010 or in the amount of Rp322,640,422,5135 will be allocated for the Community Development Program.

The utilization of the said Partnership Program and the Community Development Program's funds must be reported to the next Company's AGMS.

3. 2.4% of the Company's net profit period of January 1, 2010 until December 31, 2010 or in the amount Rp220,347,310,460 will be used as legal reserves in accordance with article 70 Company Law.
4. 58.6% of the Company's net income period of January 1, 2010 until December 31, 2010 or in the amount of Rp5,402,814,339,053 will be held as Retained Earning.

### III. Resolution of the Third Agenda

- 1) Approve the appointment Public Accountant Office of Tanudiredja, Wibisana&Partners - member firm of PricewaterhouseCoopers Global Network as the Public Accountant Office to audit the Company's Consolidated Financial Statements for the financial year ended on 31 December 2011.
- 2) The Appoinment of the Financial and Development Supervisory Board (Badan Pengawasan Keuangan dan Pembangunan/BPKP) representative of BPKP of DKI Jakarta II Province (Perwakilan BPKP Propinsi DKI Jakarta II) as the Auditor to audit the Financial Report of the Implementation of the Partnership and Community Development Program for the financial year ended on 31 December 2011.
- 3) The granting of a power of attorney to the Board of Commissioners to determine the audit fee and other conditions applied to the said Public Accountant Office and Auditor, and also to determine the substitute Public Accounting Office in the event that Tanudiredja, Wibisana&Partners Public Accountant Office - member firm of PricewaterhouseCoopers Global Network for any reason whatsoever fails to complete the Company's consolidated financial statements for the financial year ended on 31 December 2011.

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### IV. Resolution of the Fourth Agenda

Approve the granting of authority and power of attorney to the Board of Commissioners with prior approval from the Dwiwarna A Series Shareholders to determine the amount of tantiem which will be given to the members of the Board of Directors and to The Board of Commissioners for the financial year 2010 and also to determine the amount of salary, honorarium, allowance and the facilities of the Board of Directors and the Board of Commissioners in the year of 2011.

### V. Resolution of the Fifth Agenda

Approved the acquisition by the Company of 120,000 new share which will be issued by PT Asuransi Dharma Bangsa which is 60% of all issued and paid-up shares of PT Asuransi Dharma Bangsa after the acquisition and approved Acquisition Plan which mainly described in the abridged Acquisition Plan as previously announced by the Company in Suara Pembaruan and Sinar Harapan daily newspaper on April 5, 2011.

### VI. Resolution of the Sixth Agenda

1. Approved an increase of the pension benefit of Bank Mandiri Pension Fund One's Participants until Bank Mandiri Pension Fund Four's Participants as of January 1, 2011 as follow:
  - a. Bank Mandiri Pension Fund One with an increase of Rp135,000.00;
  - b. Bank Mandiri Pension Fund Two with an increase of Rp135,000.00;
  - c. Bank Mandiri Pension Fund Three with an increase of Rp130,000.00;
  - d. Bank Mandiri Pension Fund Four with an increase of Rp110,000.00;
2. Grant authorization and power of attorney to the Board of Directors of the Company to implement the amendment of the following Pension Fund Regulations:

- a. Bank Mandiri Pension Fund One No. KEP. DIR/171/2010 date 28 June 2010;
- b. Bank Mandiri Pension Fund Two No. KEP. DIR/172/2010 date 28 June 2010;
- c. Bank Mandiri Pension Fund Three No. KEP. DIR/173/2010 date 28 June 2010;
- d. Bank Mandiri Pension Fund Four No. KEP. DIR/174/2010 date 28 June 2010;

In order to increase the pension benefits and approve the Founding Affidavit in accordance with the said changes to the Pension Fund Regulation mentioned above as well as other action as required under Law No. 11 of 1992 on Pension Funds, and its Implementing regulations.

### VII. Resolution of the Seventh Agenda

1. Approved the honourable discharge of:
  - a. Mr. Sentot A. Sentausa as Director of the Company;
  - b. Mr. Budi Gunadi Sadikin as Director of the Company; and
  - c. Mr. Thomas Arifin as Director of the Company;

Appoints of:

- a. Mr. Sentot A. Sentausa as Director of the Company;
- b. Mr. Budi Gunadi Sadikin as Director of the Company; and
- c. Mr. Royke Tumilaar as Director of the Company

The appointments of Mr. Sentot A. Sentausa and Mr. Budi Gunadi Sadikin are effective starting from the closing of AGSM and will finish at the closing of 2016 AGSM. Meanwhile, the appointment of Mr. Royke Tumilaar is contingent upon the result of the fit and proper test; if Bank Indonesia gives approval, then his appointment is effective starting on the day of the approval until the closing of 2016 AGM.

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- The Appointment of the member of Director will be effective as of the closing of this Meeting, except the appointment of Mr. Royke Tumilaar should be considered to be effective after obtaining the approval from Bank Indonesia on the fit and proper test and compliance with the provision of the prevailing laws and regulations. The tenure of such appointed member of Director is until the closing of the fifth Annual General Meeting of Shareholders after their appointment.

Giving authorization through substitution rights to the Board of Directors to restate any changes in the composition of the board in the notary deed and notify the relevant authorities about the changes and take any necessary action in accordance with statutory regulations.

### VIII. Resolution of the Eighth Agenda

In regards to the issuance of Pre-emptive Rights in 2011, the Board of Directors has reported the realization of the use of proceeds from the limited public offering to the shareholders.

## B. BOARD OF COMMISSIONERS

The Board of Commissioners undertakes a supervisory function in general and/or specific according to the Articles Association, advises the Directors and ensures that the company implements Good Corporate Governance across all levels.

### MEMBERS OF BOARDS OF COMMISSIONERS

Edwin Gerungan	President Commissioner and Independent Commissioner
Muchayat	Deputy President Commissioner
Mahmuddin Yasin	Commissioner
Cahyana Ahmadjayadi	Commissioner
Gunarni Soeworo	Independent Commissioner
Pradjoto	Independent Commissioner
Krisna Wijaya	Independent Commissioner

### Independent Commissioners

According PBI No.8/4/PBI/2006 amended PBI No.8/14/PBI/2006 regarding the Implementation of Good Corporate Governance for Banks, The Bank shall have Independent Commissioners who are determined to be independent if he or she is not affiliated in any way with the Directors, other Commissioners or the controlling shareholders. Such affiliation would include any current family, commercial or employment relationships, as well as any other relationship which might affect their independence through a potential conflict of interest.

Thus, Independent Commissioners are intended to encourage an objective climate and working environment and assign fairness and equality among various interests including the interests of minority shareholders and other stakeholders.

Since the closing of the AGM on May 23, 2011, Bank Mandiri has seven members of the Board of Commissioners which consists of 4 (four) independent commissioners. This is in line with the PBI regulation that also requires that a minimum of 50% of the Commissioner of a bank are independent.

### Duties and Responsibilities of the Board of Commissioners

- To supervise and advise the Directors in the areas of working plans, business development, Articles of Association, shareholder meetings and compliance with any other laws and regulations.
- To carry out the duties and responsibilities as delineated in the Articles of Association and decisions of Annual or Extraordinary General Meetings of Shareholders, as well as managing effective communications between Commissioners, Directors, external auditors, and banking supervision and capital market authorities.
- To act in the interests of the Bank and its shareholders by being responsible to the AGM.
- To review and sign off on the Annual Report prepared by the Directors.
- To advise on the Bank's Corporate Plan and Budget proposed and approved by the Directors, and ensure compliance with the Articles of Association.

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6. To monitor the business development of the Bank.
7. To provide opinion and advise to the shareholders regarding imperative issues on the Banks management
8. To report immediately to the AGM if there is an indication of deterioration in the Bank's performance and provide advice for improvements.
9. To inform Bank Indonesia within 7 (seven) working days of any finding of (a) a breach of any financial and banking regulations and (b) any circumstance or anticipated circumstance that might endanger the sustainability of the business of the Bank.

### FREQUENCY OF MEETINGS AND ATTENDANCE OF BOARD OF COMMISSIONER

Name	Frequency of Meetings	Attendance	Non-Attendance	Attendance %
Edwin Gerungan	17	17	0	100%
Muchayat	17	17	0	100%
Mahmuddin Yasin	17	17	0	100%
Cahyana Ahmadjayadi	17	17	0	100%
Gunarni Soeworo	17	17	0	100%
Pradjoto	17	17	0	100%
Krisna Wijaya	17	17	0	100%

### TRAINING/SEMINARS OF MEMBERS OF THE BOARD OF COMMISSIONERS

Name	Position	Theme	Host
Cahyana Ahmadjayadi	Commissioner	Essentials of Leadership	London Business School
Krisna Wijaya	Commissioner	Corporate Social Responsibility	Harvard Business School
Gunarni Soeworo	Commissioner	6 <sup>th</sup> CEE International Conference	Central & Eastern Europe
Pradjoto	Commissioner	Essentials of Leadership	London Business School

#### Recommendation of the Board of Commissioners

The Board of Commissioners actively provide recommendations to the Board of Directors. However, the recommendations are made with consideration of the field of duties of the Board of Commissioners and the Board of Directors, also the checks and balances principle in working relations.

Recommendations given by the Board of Commissioners are considered the supervision function to Bank Mandiri performance, which delivered by giving advice.

#### PROCEDURE FOR DETERMINATION OF REMUNERATION OF BOARD OF COMMISSIONERS

Determination of remuneration for the Board of Commissioners proposed/recommended by the Remuneration and Nomination Committee after being reviewed by the Board of Commissioners and submitted to the AGM.

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### C. COMMITTEES UNDER THE BOARD OF COMMISSIONER

STRUCTURE AND COMPOSITION OF COMMITTEES UNDER THE BOARD OF COMMISSIONER		
AUDIT COMMITTEE	Chair	Gunarni Soeworo Chair (Independent Commissioner)
	Member	Krisna Wijaya Independent Commissioner
		Cahyana Ahmadjayadi Commissioner
		Zulkifli Djaelani Non-Commissioner
		Imam Soekarno Non-Commissioner
REMUNERATION & NOMINATION COMMITTEE	Chair	Edwin Gerungan Chair (Independent Commissioner)
	Member	Muchayat Commissioner
		Gunarni Soeworo Independent Commissioner
		Mahmuddin Yasin Commissioner
		Pradjoto Independent Commissioner
		Cahyana Ahmadjayadi Commissioner
		Krisna Wijaya Independent Commissioner
		Group Head Human Capital Strategy & policy As Secretary (ex-officio) – Non Voting Member
RISK MONITORING COMMITTEE AND GCG	Chair	Pradjoto Chair (Independent Commissioner)
	Member	Edwin Gerungan Independent Commissioner
		Muchayat Commissioner
		Cahyana Ahmadjayadi Commissioner
		Krisna Wijaya Independent Commissioner
		Tama Widjaja Non-Commissioner
		Group Head Market & Operational Risk As Secretary (ex-officio) – Non Voting Member



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### AUDIT COMMITTEE

Bank Mandiri's Audit Committee was established based upon Decree of the Minister for State Owned Enterprises and Decree of the Chairman of Capital Market and Financial Institutions Supervisory Agency and Bank Indonesia Regulation in order to assist and facilitate Commissioners in performing their duties and functions of supervision over matters relating to financial information, internal system controls, effectiveness of internal checks and external auditors, the effectiveness of risk management and compliance with laws and regulations.

The methodology used by the audit committee in performing its duties are:

- a. Review the reports received directly from the work units and or received through the Commissioner.
- b. Review the results of internal and external auditors.
- c. Meetings/discussions with work units, internal and external auditors.

#### Duties and Responsibilities of the Audit Committee

The Audit Committee's duties and responsible are to deliver opinions to the Board of Commissioners in relation to the reports that are submitted by Directors and to identify concerns by the Board of Commissioners, with the following duties:

- a) Reviewing all financial information presented by management.
- b) Reviewing the effectiveness of internal controls of the Bank.
- c) Reviewing the effectiveness and audit reports of the Internal Audit unit.
- d) Reviewing the:
  - Independence and objectivity of public accounting firms joining the bidding to be appointed as the Bank's auditor.
  - Scope of the audit and fees proposed by the selected public accounting firm.
  - Audit progress and audit report of the selected public accounting firm

- e) Bank's compliance with relevant laws and regulations.
- f) Potential risks and reporting them.

#### Implementation of Audit Committee Activities

During 2011 the Audit Committee has conducted the following activities:

1. Discuss the preparation of the manual/Standard Operating Procedures for the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) which must be continuously updated and completed and shall be disseminated periodically.
2. Discusses "product profitability analysis" as new product and existing products are modified based on business unit demand to determine and understand if the products are favourable or unfavourable.
3. Discussing Business Continuity Management (BCM) that also includes the "Contingency Plan" (CP) which is made each year to the most important work areas, including the readiness of personnel and implementation plans for this CP must be regularly disseminated to employees.
4. Meeting with the Public Accounting Firm Tanudiredja, Wibisana & Partners - Price WaterhouseCoopers (KAP TWR-PWC), to discuss:
  - a. Bank Mandiri's financial statements
  - b. The Letter of Management, which covers the result of the audited financial statement of Bank Mandiri
  - c. Plan and Scope of the Audit of Financial Statements of Bank Mandiri.
5. A meeting with the Procurement & Fixed Asset Group to discuss the:
  - a. Implementation of the Procurement Management System
  - b. Impact of Implementation of Purchasing and Effectiveness Efficiency Enhancement Project (PEEEP).

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6. A meeting with the Accounting Group to discuss the development of the Election of a Public Accountant for Bank Mandiri's Fiscal Year 2011 Financial Statement.
7. Meeting with the Internal Audit Unit to discuss among others:
  - a. Significant findings and cases of fraud
  - b. Work Plan
  - c. Fraud Cases
  - d. Follow-up Examination of Bank Indonesia (BI) and the State Audit Board of the Republic of Indonesia (Badan Pemeriksa Keuangan/BPK).
8. A meeting with the Compliance Group to discuss the concept and implementation of Decentralized Compliance & Operational Risk (DCOR).
9. Meeting with the Directorate of Technology & Operations to discuss the Information Technology Strategic Plan.

### INDEPENDENCE AND EXPERTISE OF AUDIT COMMITTEE

Referring to the Audit Committee Charter states that:

1. Members of the Audit Committee consist of at least 1 (one) Independent Commissioner as Chairman and member, and 1 (one) Independent Party who has expertise in finance or accounting, and 1 (one) Independent Party who has expertise in law or banking.
2. Independent commissioners and Independent Parties are members of the Audit Committee as referred to in item 1 (a) they must be at least 51% of the members of the Audit Committee.
3. Audit Committee member who is appointed as Independent Commissioner Chairman of the Audit Committee. In the case of Independent Commissioners who are members of the Audit Committee then one of them will be appointed as Chairman of the Audit Committee.

### FREQUENCY OF MEETINGS AND ATTENDANCE OF AUDIT COMMITTEE

Name	Frequency of Meetings	Attendance	Non-Attendance	Attendance %
Gunarni Soeworo	30	29	1	97%
Krisna Wijaya	30	26	4	87%
Cahyana Ahmadjayadi	30	29	1	97%
Zulkifli Djaelani	30	30	0	100%
Imam Sukarno	30	30	0	100%

**Description:**

Meetings are considered valid if attended by at least 51% of the total number of members including the Commissioner and the Independent Party. Meeting a decision made by consensus agreement, it does not happen in consensus agreement, the decision must be made by a majority vote.

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### NOMINATION AND REMUNERATION COMMITTEE

The Remuneration and Nomination Committee was formed to assist the Board in carrying out the oversight functions on matters relating to the determination of qualification and nomination process and the remuneration of the Board of Commissioners, Directors and Executive Officers.

#### Duties and responsibilities of the Remuneration and Nomination Committee

1. To develop the concepts and analysis related to the functions of the Remuneration and Nomination Committee.
2. To assist the Board of Commissioners in providing recommendations on the number of members of the Board of Commissioners and Board of Directors.
3. To assist the Board of Commissioners in the determination of Policies on Human Resources.
4. To recommend organizational re-structuring to one level below the Board of Directors.
5. To assist the Board of Commissioners to identify and assess potential candidates to one level below the Board of Directors on a quarterly basis as well as each time such changes are made.
6. To assist the Board of Commissioners in providing recommendations on options for Directors and employees, as well as the supervision and implementation of any such options program.
7. To provide a database of candidates for the Board of Directors and Board of Commissioners.
8. To evaluate the remuneration policy and provide recommendations to the Board of Commissioners on:
  - 1) Policy for the remuneration of the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders.
  - 2) Remuneration policy for Executive Officers and employees to be submitted to the Board of Directors.
9. To prepare and provide recommendations on the selection system and procedures and/or replacement of members of the Board of Commissioners and Board of Directors to the Board of Commissioners and to be submitted to the General Meeting of Shareholders.
10. To compile and provide recommendations on prospective members of the Board of Commissioners and/or the Board of Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholders.

### FREQUENCY OF MEETINGS AND ATTENDANCE OF THE REMUNERATION AND NOMINATION COMMITTEE ACTIVITIES

Name	Frequency of Meetings	Attendance	Non-Attendance	Attendance %
Edwin Gerungan	3	3	0	100%
Muchayat	3	3	0	100%
Gunarni Soeworo	3	3	0	100%
Mahmuddin Yasin	3	2	1	67%
Pradjoto	3	3	0	100%
Cahyana Ahmadjayadi	3	3	0	100%
Krisna Wijaya	3	2	1	67%

#### Description:

The meeting is considered valid if attended by at least 51% of the total number of members including the Independent Commissioner and Group Head Human Capital. Meeting decisions are made by consensus agreement, if consensus does not happen, the decision is made by a majority vote.

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11. To provide recommendations on the independent parties who will become members of the Audit Committee and Risk Monitoring Committee.

### Implementation of the Remuneration and Nomination Committee activities

During 2011 the Remuneration and Nomination Committee has undertaken the review as follows:

1. To evaluate the performance of the Board
2. Discussion of the salary survey
3. Improvement of facilities for the discussion of the Board.

4. In the case of members of the Remuneration and Nomination is more than 3 (three), then the members of the Independent Commissioner amounted to no less than 2 (two).
5. Where appropriate, the Remuneration and Nomination Committee may appoint members from outside parties that are independent of Bank Mandiri.
6. Remuneration and Nomination Committee members are appointed by the Board of Directors by virtue of Commissioners meeting.

### INDEPENDENCE AND EXPERTISE REMUNERATION AND NOMINATION COMMITTEE

Reference to the Remuneration and Nomination Committee Charter states that:

1. Members of the Remuneration and Nomination Committee must meet at least the following qualifications:
  - 1) Have integrity, objectivity and high ethics.
  - 2) Have a high competence in terms of:
    - a. Have adequate knowledge, including rules and regulations and applicable laws.
    - b. Understand the concept of human resource management in a comprehensive and knowledgeable manner and know the provisions of the remuneration system and/or bank nominees and succession plan.
2. Members of the Remuneration and Nomination Committee consists of at least 1 (one) Independent Commissioner, 1 (one) of the Commissioners as a voting member and Group Head of Human Capital (ex officio) as a non-voting member.
3. The Remuneration and Nomination Committee is chaired by an independent commissioner.

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### RISK AND GOOD CORPORATE GOVERNANCE MONITORING COMMITTEE

To assist in the implementation of the task to supervise the Bank, the Board of Commissioners established the Risk Management and Good Corporate Governance.

1. Provide input to the Board of Commissioners in the preparation and improvement of risk management policies related to risk control and asset management field liability, liquidity, credit, operational and implementation of Good Corporate Governance prior to seeking the approval from the Board of Commissioners
2. Had discussions with the Board of Directors or work unit associated with the risk management issues that need to be or are being discussed.
3. Ensure the implementation of risk policies and Good Corporate Governance in Bank Mandiri activities.
4. Study the policies and regulations related to internal risk management and Good Corporate Governance that the Board of Directors made.
5. Ensure consideration of all the important risks for new Bank Mandiri products are new and all effects are due to changes or significant events both from internal and external Bank Mandiri.
6. Follow and study the decisions of Risk & Capital Committee.
7. Undertaking this appendix quarterly and evaluating the risk profile of Bank Mandiri on an individual and consolidated basis with its subsidiaries.
8. Provide feedback to the Board on matters that require attention and discussion with the Board of Directors, and have the Board of Directors conduct a follow-up of the evaluation of risk management by the Committee.
9. Proactively meet with the Board of Directors in anticipation of risks, especially if there are important events or external regulations affecting the business of Bank Mandiri.

10. To evaluate the development of the changes to the organizational structure up to one level below the Board of Directors is being independently run by the Bank

11. Monitoring of negative information to the clients of Bank Mandiri, leading to increased credit risk.

#### Activities of the Risk and Good Corporate Governance Monitoring Committees

During the year 2011, GCG Risk Monitoring Committee has met with the parties that are considered relevant to the issues of risk, including:

1. Conduct a discussion of Syndication Loan Pricing Policy.
2. Conduct a discussion of Operational Risk and Mitigation (Risk) Treasury Settlement.
3. Conduct a discussion about the position and liquidity projections for Bank Mandiri.
4. Reviewing the implementation of Basel II & III.
5. In mitigation of legal risk, examines the arbitration step through the Indonesian National Arbitration Board (BANI) in the settlement process.
6. Conduct a discussion about the development of Bank Mandiri's liquidity and trading positions.

The Risk Monitoring Committee and Good Corporate Governance is working with the Audit Committee and held a joint meeting with both parties, while the studies conducted were as follows:

1. Issues and important findings by the Directorate of Compliance & Human Capital.
2. Reviewing the implementation of Basel II and Basel III.
3. Operational Risk and the mitigation policies.
4. Implementation of the Partnership and Environment Development Program (PKBL) of Bank Mandiri.

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### FREQUENCY OF MEETINGS OF THE RISK AND GCG MONITORING COMMITTEE

Name	Frequency of Meetings	Attendance	Non-Attendance	Attendance %
Pradjoto	19	14	5	74%
Edwin Gerungan	19	11	8	58%
Muchayat	19	12	7	63%
Cahyana Ahmadjayadi	19	19	0	100%
Krisna Wijaya	19	15	4	79%
Tama Widjaja	19	19	0	100%

**Description:**

Legally, the meeting can make decisions if attended by 2/3 of the committee members with voting rights and should be attended by the Chairman of the Committee. In the case of Chairman of the Committee for any reason unable to attend, while the issues discussed are very urgent, the Chairman may appoint one member to chair the meeting and the decision of the meeting is valid. Decision of the meeting are valid if approved by 1/2 of the members with voting rights.

### INDEPENDENCE AND EXPERTISE OF RISK & GCG MONITORING COMMITTEE

Referring to the Code of Corporate Governance & Risk Management Committee in Article 4 states that:

1. The committee must consist of at least three members.
2. Committee members consist of at least 1 (one) of the Independent Commissioner as Chairman and member, 1 (one) Independent Party who has expertise in finance and 1 (one) of the Independent Party who have expertise in risk management.
3. Former member of the Board of Directors or Executive Officers of the Bank or the parties that have a relationship with the bank that could affect its ability to act independently, cannot be a member of the Independent Party committee at Bank Mandiri before undergoing a waiting period (cooling off) as stipulated by Bank Indonesia.
4. Committee members from external parties must meet the following requirements:
  - 1) Not having a business relationship with the Bank.
  - 2) Does not have any family relationship with the Board of Directors, Commissioners and controlling shareholders.
  - 3) Have high integrity, ability, knowledge and adequate experience in the field of duty, and have an understanding in the field of banking.

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### D. BOARD OF DIRECTORS

Directors form the organizational level of the Bank that are authorized and responsible for the management of the Bank in the interest of the Shareholders, and according to the vision and mission of the Bank, and to represent the Bank in or out of court, according to the Articles of Association.

Board members amounted to 11 (eleven) members, with the composition of the following:

#### STRUCTURE OF BOARD OF DIRECTORS AFTER GENERAL SHAREHOLDER MEETING MAY 23, 2011

Zulkifli Zaini	President Director
Riswinandi	Deputy President Director
Abdul Rachman	Director of Institutional Banking
Sentot A. Sentausa	Director of Risk Management
Budi Gunadi Sadikin	Director of Micro & Retail Banking
Ogi Prastomiyono	Director of Compliance & Human Capital
Pahala Nugraha Mansury	Director of Finance & Strategy
Sunarso	Director of Commercial & Business Banking
Fransisca Nelwan Mok	Director of Corporate Banking
Kresno Sediarsi	Director of Technology & Operations
Royke Tumilaar	Director of Treasury, FI & Special Asset Management

#### Duties and responsibilities of the Board of Directors

##### I. President Director

- To coordinate the management of the Company as stipulated in the Articles of Association and AGM resolutions with respect to applicable regulations.
- To coordinate, direct and supervise the various Directorates in the Bank, in coordination with the Deputy President Director, on an ongoing basis in their respective duties so that all run well, effectively, efficiently and in line with the Bank's long term strategy.
- To direct necessary process improvements to overcome market challenges by encouraging business units to promote more dynamic and competitive products and services.
- To promote the company image, both nationwide and internationally, and engage in developing healthy relationship with correspondent banks, investment banks, financial institutions, customers and domestic and international monetary authorities.
- Shall be entitled and authorized for and on behalf of the Board of Directors to represent the Company and shall for certain action also be entitled to appoint a person or more as their representative(s) or proxy(ies) by conferring upon him/her/them the authority set forth in a power of attorney.
- To coordinate the implementation of Regional CEOs in directing and developing the Regional Offices to achieve target market share and increase the volume of business (funding and lending) throughout the Regional Offices.

##### II. Deputy President Director

- Policy and Strategy
  - To assist the President Director in guiding and directing policy and strategy, and updating and socializing policies under his/her coordination.
  - To assist the President Director in guiding and directing the preparation of short, medium and long term business and action plans in a manner that is consistent with the Company policy.
- Operational Activity
  - To ensure the coordination of the duties and activities in the Directorates of Special Asset Management, Corporate Banking, Commercial Banking, Micro & Retail Banking, Consumer Finance, Treasury & International Banking, Compliance & Human Capital, Risk Management, Finance



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& Strategy, Technology & Operations, Change Management Office, and Corporate Secretary Group for effective and efficient implementation.

- b) To assist the President Director in directing and supervising the Directorates and subordinate Groups in executing their respective duties, in line with the long term company strategy and addressing the competitive market environment.
- c) To assist the President Director in directing necessary process improvements to overcome market challenges by encouraging business units to promote more dynamic and competitive products and services.
- d) To assist the President Director in promoting the company image, both nationwide and internationally, and engage in developing healthy relationship with correspondent banks, investment banks, financial institutions, customers and domestic and international monetary authorities.
- e) Shall be entitled and authorized for and on behalf of the Board of Directors to represent the Company when the President Director is absent or prevented from attending due to any reason whatsoever, which impediment no evidence to third parties is required.
- f) Supports the role of Regional CEO in coordination functions for alliances with other Strategic Business Units.

### III. Director of Institutional Banking

#### 1) Policy and Strategy

- a) To guide and direct Institutional Banking policy and strategy, and further to update and socialize such policies.
- b) To guide and direct the preparation of short, medium and long term business plans of the Institutional Banking directorate and an action plan consistent with Company policy.

- c) Supports Micro & Retail Banking Director in directing and fostering Regional CEO to achieve the target market share of the Company in the Regional Office in coordination and act as regional office supervisors.
- d) Supports Micro & Retail Banking Director in directing and fostering Regional CEO's to achieve the target volume and improve the business (financial and credit) as determined.

#### 2) Operational Activity

- a) To guide and coordinate the implementation of comprehensive policies with regards to Institutional Banking for the short-, medium- and long-term.
- b) To continually direct and supervise subordinate Groups in executing their respective duties, in line with long term Company strategy and addressing the competitive market for Institutional Banking.
- c) To guide and direct necessary improvements to overcome challenges in Institutional Banking.
- d) To guide, direct and coordinate the development and promotion of Institutional Banking products and to ensure high quality and competitiveness of such products.
- e) To guide and coordinate Institutional Banking activities aggressively in accordance with Company policy and prudent principles.
- f) To guide and coordinate the effective advertising and promotion of our Institutional Banking products in accordance with market research and customer segmentation.
- g) To maintain customer relation by periodically visiting (on-the-spot) and monitoring customer projects.
- h) Supports the role of Regional CEO in coordination functions to form an alliance with other Strategic Business Units.

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### 3) Human Capital

To guide and direct the human capital policies of Institutional Banking, including recruitment, promotion, and transfer/rotation, coaching and training in coordination must be in coordination with Compliance & Human Capital Director.

implementation in all Risk Management units is ongoing.

e) To direct necessary improvement to overcome competitive challenges by encouraging business units to promote more dynamic and competitive products and services.

f) Supports the role of Regional CEO in coordination functions to form an alliance with other Strategic Business Units.

### IV. Director of Risk Management

#### 1) Policy and Strategy

- a) To guide and direct Risk Management policy and strategy, and further to update and socialize such policies.
- b) To guide and direct the preparation of short, medium and long term business and action plans consistent with the Company policy.
- c) Supports Micro & Retail Banking Director in directing and developing the Regional Office to achieve the target market share (market share) of the Company in the Regional Office in coordination and act as Trustees of Regional Offices.
- d) Supports Micro & Retail Banking Director in directing and fostering regional CEO's to achieve the target volume and improve the business (financial and credit) as has been determined.

#### 3) Human Capital

To guide and direct the human capital policies of Risk Management, including recruitment, promotion, and transfer/rotation, coaching and training in coordination with Compliance & Human Capital Director.

### V. Director of Micro & Retail Banking

#### 1) Policy and Strategy

a) To guide and direct Micro & Retail Banking policy and strategy, and further to update and socialize such policies and act as an adviser to PT AXA Mandiri Financial Services, PT Bank Sinar Harapan Bali, Mandiri International Remittance (Subsidiary) and also PT Mandiri Manajemen Investasi (Subsidiary of PT Mandiri Sekuritas).

b) To guide and direct the preparation of short, medium and long term business of Directorate Micro & Retail Banking and the action plan consistent with the Company's policy.

c) Leads and directs all Regional CEO's of Bank Mandiri to increase their market share and the achievement of the target volume of business in all regions of Bank Mandiri.

#### 2) Operational Activity

a) To guide and coordinate the implementation of comprehensive policies with regards to Micro & Retail Banking for the short-, medium- and long-term.

#### 2) Operational Activity

- a) To guide and coordinating the implementation of strategies relating to Risk Management.
- b) To continually direct and supervise subordinate Groups in executing their respective duties, in line with the long-term Company strategy.
- c) To develop the Risk Management organization to ensure the Company maintains reliable policies, procedures and methods in applying risk management.
- d) To continuously monitor compliance and ensure that

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- b) To continually direct and supervise subordinate Groups and foreign subsidiaries in executing their respective duties, in line with long term Company strategy and addressing the competitive market for Micro & Retail Banking.
- c) To guide and direct necessary improvements to overcome challenges in Micro & Retail Banking.
- d) To guide, direct and coordinate the development and promotion of Micro & Retail Banking products and to ensure the high quality and competitiveness of such products.
- e) To guide and coordinate Micro & Retail Banking activities aggressively in accordance with the company policy and prudent principles.
- f) To guide and coordinate the effective advertising and promotion of Micro & Retail Banking products in accordance with market research and customer segmentation.
- g) To guide and direct front-liners in executing standard operating procedures (SOP) of Micro & Retail Banking.
- h) Coordinating and directing the role of Regional CEO's in a coordinated manner to make alliances with other Strategic Business Units.

### 3) Human Capital

To guide and direct the human capital policies of Micro & Retail Banking, including recruitment, promotion, transfer/rotation, coaching and training in coordination with Compliance & Human Capital Director.

## VI. Director of Compliance & Human Capital

### 1) Policy and Strategy

- a) To guide and direct Compliance & Human Capital policy and strategy, and further to update and socialize such policies.

- b) To guide and direct the preparation of short, medium and long-term business for the Directorate Compliance & Human Capital and help create an action plan consistent with Company policy.
- c) Direct the Human Capital strategic planning short and long term in line with the Bank's strategy and policies to improve Human Capital systems to enhance the competence and productivity of Human Resources (HR).
- d) Coordinate the preparation of human resources development strategy through the implementation of an effective competency-based staff development system.
- e) Supervising the management of the Pension Fund and Health Foundation of Bank Mandiri.
- f) Supports Micro & Retail Banking Director in directing and fostering Regional CEOs to achieve the target market (market share Perseroan in the Regional Office in coordination and act as a regional office supervisor.
- g) Supports Micro & Retail Banking Director in directing and fostering Regional CEOs to achieve the target volume and improve the business (financial and credit) has been determined.

### 2) Operational Activity

- a) To coordinate and direct the implementation of good corporate governance principles.
- b) To take necessary option to ensure that the Bank has complied with all applicable laws and regulations.
- c) To monitor and maintain Bank activity in order to not stray from applicable regulations.
- d) To monitor and maintain the compliance of the Bank to every agreement and commitment with external parties.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

- e) To guide and coordinate the implementation of comprehensive policies with regards to Compliance & Human Capital for the short-, medium- and long-term.
  - f) To guide and direct a comprehensive policy and strategy in implementing recruitment systems, placements, transfers, upgrading of employees for short-, medium- and long-terms.
  - g) Believes the availability of job grading and organizational structures is effective, including the calibration job grading to ensure the achievement of consistency between the SBU.
  - h) To direct and coordinate a productive industrial relationship between the Company and individual employees or units
  - i) To coordinate and direct the implementation of incentives, benefits and compensation systems in accordance with reward philosophy, strategy and Bank capability.
  - j) Coordinates and directs the implementation of training systems as required by the Bank present a high productivity and quality.
  - k) To direct and coordinate the implementation and evaluation of corporate culture, to continually support the achievements of Bank objectives.
  - l) Directs and ensures the implementation of service standards, behaviour and values of corporate culture has been in accordance with the Company's program of cultural transformation.
  - m) To coordinate, direct, and monitor the handling of difficult, bank-wide legal cases by providing legal advice to units, management and by optimizing our legal officers.
  - n) To coordinate, direct and monitor legal actions effectively through integrated case handling with clear targets.
  - o) To coordinate the achievement of Compliance and Human Capital Directorate.
  - p) Supports the role of Regional CEO in coordination functions to form an alliance with other Strategic Business Units.
- 3) Human Capital
- a) To guide and direct the human capital policies of Compliance & Human Capital, including recruitment, promotion, transfer/rotation, coaching and training.
  - b) Ensure the implementation of the operational functions of the unit work effective and responsive work, as well as the development of Human Capital up to date information, integrated and easy to use by all work units.
  - c) Monitor employee relations in order to create harmonious industrial relations.
  - d) To monitor the distribution of the Bank's strategic policies of employee relations to every employee.

### VII. Director of Finance & Strategy

- 1) Policy and Strategy
- a) To guide and direct Finance & Strategy policy and strategy, and further to update and socialize such policies.
  - b) To guide and direct the preparation of short, medium and long term business and action plans that are consistent with Company policy.
  - c) Supports Micro & Retail Banking Director in directing and fostering Regional CEO to achieve the target market share (market share) of the Company in the Regional Office in coordination and act as regional office supervisors.
  - d) Supports Micro & Retail Banking Director in directing and fostering CEO Region to achieve the

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target volume and improve the business (financial and credit).

### 2) Operational Activity

- a) To guide and coordinate the implementation of comprehensive policies with regards to Bank Mandiri for the short-, medium- and long-term.
- b) To guide and coordinate the function of Investor Relations in communicating Company financials to investors in an effective, efficient, transparent, accountable and timely manner and to improve the quality of the Bank's Annual Report.
- c) To guide and direct the activity of accounting and reporting, and to have in place a financial system with acceptable controls, policies and procedures to produce timely, complete, consistent, reliable and measurable financial information and MIS.
- d) To coordinate and guide the preparation and implementation of the Company communication strategy in order to build and maintain the Company's reputation as a public company.
- e) To coordinate, direct and monitor the implementation of Corporate Action and other internal activities including, but not restricted to, the activities recorded in the Calendar of Events at internal meetings of the Company
- f) To guide and direct Finance & Strategy policy and strategy, and further to update and socialize such policies.
- g) Leads and directs the preparation of performance management systems that are reliable, scalable, comprehensive, and consistent and to monitor implementation and measure accurately and timely.
- h) Coordinate and direct the policy of the Partnership and Environment Development Program (PKBL) according to applicable regulations and policies established by the General Meeting of Shareholders (AGM).

- i) Leading, coordinating, directing and monitoring the preparation of the Policy, Procedure Memorandum, the Standard Procedure drawn up by each work unit to comply with legislation in force and does not violate the principle of prudence and in accordance with industry best practice.
- j) Supports the role of Regional CEO in coordination functions to form an alliance with other Strategic Business Units.

### 3) Human Capital

To guide and direct the human capital policies of Finance & Strategy, including recruitment, promotion, and transfer/rotation, coaching and training in coordination with Compliance & Human Capital Director.

## VIII. Director of Commercial Banking

### 1) Policy and Strategy

- a) To guide and direct Commercial & Business Banking policy and strategy, and further to update and socialize such policies and act as an adviser to PT Bank SyariahMandiri.
- b) To guide and direct the preparation of business plan of the Directorate of Commercial & Business Banking (short-, medium- and long-term) and institute an action plan consistent with Company policy.
- c) Support Micro & Retail Banking Director in directing and developing the Regional Office to achieve target market share for the Company in the Regional Office through coordination and acting as a Trustee of the Regional Offices.
- d) Support Micro & Retail Banking Director in directing and fostering the regional CEO to achieve the target volume and improve the business financially and credit expansion targets as has been determined.

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### 2) Operational Activity

- a) To guide and coordinate the implementation of comprehensive policies with regards to Commercial & Business Banking for the short-, medium- and long-term.
- b) To guide, direct and coordinate all functions of the Jakarta Commercial Sales Group in developing and promoting products and alliances to be more competitive and profitable.
- c) To guide, direct and coordinate all functions of the Regional Commercial Sales I Group and Regional Commercial Sales II Group in developing and promoting products and alliances to be more competitive and profitable.
- d) To guide, direct and coordinate all functions of the Business Banking I Group and Business Banking II Group in developing and promoting products and alliances to be more competitive and profitable.
- e) To direct and coordinate all functions of the Wholesale Transaction Banking Solutions Group in creating competitive products and policies.
- f) Supports the role of Regional CEO in coordinating to form alliances with other Strategic Business Units.

### 3) Human Capital

To guide and direct the human capital policies of Commercial & Business Banking, including recruitment, promotion, transfer/rotation, coaching and training in coordination with Compliance & Human Capital Director.

## IX. Director of Corporate Banking

### 1) Policy and Strategy

- a) To guide and direct Corporate Banking, Bank Mandiri's Hong Kong branch, Bank Mandiri's Singapore Branch through implementing the foreign branch policy and strategy, and further to

update and socialize such policies while also acting as an adviser to PT MandiriSekuritas and Bank Mandiri Europe Limited (BMEL).

- b) To guide and direct the preparation of short, medium and long term business of the Directorate of Corporate Banking and maintain an action plan consistent with Company policy.
- c) Support the Micro & Retail Banking Director in directing and fostering the Regional CEO to achieve the target market share for the Company in the Regional Office and act as a regional office supervisor.
- d) Support Micro & Retail Banking Director in directing and fostering the regional CEO to achieve the target volume and improve the business financially and through credit expansion as has been determined.

### 2) Operational Activity

- a) To guide and coordinate the implementation of comprehensive policies with regards to Corporate Banking for the short-, medium- and long-term.
- b) To continually direct and supervise subordinate Groups and foreign subsidiaries in executing their respective duties, in line with long term Company strategy and addressing the competitive market for Corporate Banking.
- c) To guide and direct necessary improvements to overcome challenges in Corporate Banking.
- d) To guide, direct and coordinate the development and promotion of Corporate Banking products and to ensure the high quality and competitiveness of such products.
- e) To guide and coordinate Corporate Banking activities aggressively in accordance with Company policy and prudent principles.
- f) To guide and coordinate the effective advertising and promotion of Corporate Banking products in

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accordance with market research and customer segmentation.

- g) To maintain customer relation by periodically visiting (on-the-spot) and monitoring customer projects.
- h) Supports the role of Regional CEO in coordination functions to form an alliance with other Strategic Business Units.

### 3) Human Capital

To guide and direct the human capital policies of Corporate Banking, including recruitment, promotion, transfer/rotation, coaching and training in coordination with Compliance & Human Capital Director.

## X. Director of Technology & Operations

### 1) Policy and Strategy

- a) To guide and direct Technology & Operations policy and strategy, and further to update and socialize such policies.
- b) To guide and direct the preparation of the short, medium and long term business plan of the Directorate Technology & Operations and maintaining an action plan consistent with Company policy.
- c) Lead and direct the preparation and implementation of policies and service strategies in order to maintain customer confidence.
- d) Support Micro & Retail Banking Director in directing and developing the Regional Office to achieve target market share for the Company in the Regional Office while acting as a Trustee of the regional offices.
- e) Supports Micro & Retail Banking Director in directing and fostering regional CEOs to achieve the target volume and improve the business financially and through credit expansion as has been determined.

### 2) Operational Activity

- a) To guide and coordinate the implementation of comprehensive policies with regards to Technology & Operations for the short-, medium- and long-term.
- b) To continually direct and supervise reporting Groups in executing their respective duties, in line with the long term Company strategy and Technology & Operations strategy.
- c) To develop Information technology as a business partner of all units within the organization and ensure that the Company has the most appropriate technological solutions for both the current situation and for the future needs of the business through effective and efficient planning with continuous development, implementation and support.
- d) To coordinate and direct the preparation of the Company's service strategy, consolidation of communications, and internal programs to improve service quality to customers.
- e) To coordinate and direct the optimization of customer data usage to support Company business activities.
- f) To coordinate and direct the preparation and management of complaint handling and customer dispute procedures.
- g) Supports the role of Regional CEO in coordination functions to form an alliance with other Strategic Business Units.

### 3) Human Capital

To guide and direct the human capital policies of Technology & Operations, including recruitment, promotion, transfer/rotation, coaching and training in coordination with Compliance & Human Capital Director.



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### XI. Director of Treasury, FI & Special Asset Management

#### 1) Policy and Strategy

- a). To guide and direct Treasury, Financial Institutions, Special Asset Management, Procurement & Fixed Assets policy and strategy, and further to update and socialize such policies and act as an adviser to Bank Mandiri Cayman Islands.
- b) To guide and direct the preparation of the short, medium and long term business and action plan consistent with Company policy.
- c) Supports Micro & Retail Banking Director in directing and developing the Regional Office to achieve the target market share of the Company in the regional office and acting as a Trustee of the regional offices.
- d) Supports Micro & Retail Banking Director in directing and fostering the regional CEO to achieve the target volume and improve the business financially and through credit expansion as has been determined.

#### 2) Operational Activity

- a) To guide and coordinate the implementation of comprehensive policies with regards to Treasury, Financial Institutions, Special Asset Management, Procurement & Fixed Assets and Bank Mandiri Cayman Island (foreign subsidiary) for the short-, medium- and long-term.
- b) To continually direct and supervise reporting Groups and foreign subsidiaries in executing their respective duties, in line with the long term Company strategy and addressing the competitive market for Treasury, Financial Institutions and Special Asset Management.
- c) To guide and direct the necessary improvements to overcome challenges in Treasury, Financial Institutions and Special Asset Management.

- d) To direct and guide the activity of procurement, maintenance, warehousing, services and facilities to be effective and efficient, and to make sure that the procurement documentation is safely maintained.
- e) To guide, direct and coordinate the development and promotion of Treasury, Financial Institutions and Special Asset Management products and to ensure the high quality and competitiveness of such products.
- f) To guide and coordinate Treasury, Financial Institutions and Special Asset Management activities aggressively in accordance with Company policy and prudent principles.
- g) To guide and coordinate the effective advertising and promotion of Treasury, Financial Institutions and Special Asset Management products in accordance with market research and customer segmentation.
- h) To guide and direct front-liners marketers in executing standard operating procedures (SOP) of Treasury, Financial Institutions and Special Asset Management.
- i) Supports the role of Regional CEO in coordination functions to form an alliance with other Strategic Business Units.
- j) To guide and coordinate all efforts to restore a non-performing loan through restructuring and recovery, internally or in coordination with third party in accordance with substitute Director as in Company policy
- k) To coordinate any recommendation to write off non-performing loans in a timely manner.
- l) To coordinate the management and collection of off-balance sheet loans.
- m) To coordinate any transfer of non-performing loans from business units to recovery unit and vice versa in timely manner.

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- n) Supports the role of Regional CEO in coordination functions to form an alliance with other Strategic Business Units.

### 3) Human Capital

To guide and direct the human capital policies of Treasury, Financial Institutions, Special Asset Management and Procurement & Fixed Assets, including recruitment, promotion, transfer/rotation, coaching and training in coordination with Compliance & Human Capital Director.

### FREQUENCY OF MEETINGS AND LEVEL OF ATTENDANCE OF THE BOARD OF DIRECTORS

Name	Frequency of Meetings	Attendance	Non-Attendance	Attendance %
Zulkifli Zaini	52	42	10	81%
Riswinandi	52	44	8	85%
Abdul Rachman	52	47	5	90%
Sentot A. Sentausa	52	44	8	85%
Thomas Arifin/Royke Tumilaar <sup>*)</sup>	52	41	11	79%
Budi Gunadi Sadikin	52	48	4	92%
Ogi Prastomiyono	52	48	4	92%
Pahala Nugraha Mansury	52	44	8	85%
Fransisca Nelwan Mok	52	44	8	85%
Sunarso	52	41	11	79%
Kresno Sediarsi	52	45	7	87%

Description:

\*) Effective until the closing date of the Annual General Meeting of Shareholders May 23, 2011, Mr. Thomas Arifin was replaced by Mr. Royke Tumilaar

### PROCEDURE FOR DETERMINATION OF REMUNERATION FOR BOARD OF DIRECTORS AND BOARD PERFORMANCE INDICATORS

Determination of remuneration for the Board of Directors is submitted to the General Meeting of Shareholders for each member of the Board of Directors determined on the basis of assessment of performance and contribution of each member of the Board of Directors with the proportions set by the Board of Commissioners after considering input from the Director.

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### EXECUTIVE VICE PRESIDENT (EVP) COORDINATOR

To assist in performing its duties the Board of Directors is assisted by three EVP Coordinator with the composition of the following:

Haryanto T. Budiman	EVP Coordinator Change Management Office
Mansyur S. Nasution	EVP Coordinator Consumer Finance
Riyani T. Bondan	EVP Coordinator Internal Audit

#### I. EVP Coordinator Change Management Office

- 1) Policy and Strategy
  - a) To guide and direct Change Management Office policy and strategy, and further to update and socialize such policies.
  - b) To guide and direct the preparation of short, medium and long term business of the Directorate Change Management Office and enforce the action plan consistently with Company policy.
- 2) Operational Activity
  - a) To guide and direct the evaluation of candidates for legal, financial and valuation specialist.
  - b) To guide and direct the implementation of SBU reorganization within the Directorate and other units.
  - c) To coordinate the implementation of SBU reorganization with management consultant.
  - d) To recommend the implications of the SBU reorganization to Human Resources policy and the necessary alignment of the workforce.
  - e) To monitor and direct the strategic alliance program, corporate culture and branding to be implemented in a timely, efficient manner and generate the expected benefits.

- f) To guide the preparation of feasibility studies and project briefs (including profitability analysis) and inter-business unit strategic alliance program potential.
- g) To guide and coordinate strategic initiatives, in terms of timing, cost and benefits in accordance with the project charter.
- h) To guide initiatives in regards to inorganic growth (mergers & acquisitions).

#### 3) Human Capital

To guide and direct the human capital policies of Change Management Office, including recruitment, promotion, transfer/rotation, coaching and training in coordination with Compliance & Human Capital Director.

#### II. EVP Coordinator Consumer Finance

- 1) Policy and Strategy
  - a) To guide and direct Consumer Finance policy and strategy, and further to update and socialize such policies.
  - b) To guide and direct the preparation of short, medium and long term business of the Directorate Consumer Finance and implement the action plan consistently with Company policy.
- 2) Operational Activity
  - a) To guide and coordinate the implementation of comprehensive policies with regards to Consumer Finance for the short-, medium- and long-term.
  - b) To continually direct and supervise reporting Groups in executing their respective duties, in line with long term Company strategy and addressing the competitive market for Consumer Finance.
  - c) To guide and direct necessary improvements to overcome challenges in Consumer Finance.

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- d) To guide, direct and coordinate the development and promotion of Consumer Finance products and to ensure the high quality and competitiveness of such products.
- e) To guide and coordinate Consumer Finance activities aggressively in accordance with Company policy and prudent principles.
- f) To guide and coordinate the effective advertising and promotion of Consumer Finance products in accordance with market research and customer segmentation.
- g) To guide and direct front-liners marketers in executing standard operating procedures (SOP) of Consumer Finance.

### 3) Human Capital

To guide and direct the human capital policies of within the Consumer Finance Directorate, including recruitment, promotion, transfer/rotation, coaching and training in coordination with Compliance & Human Capital Director.

### III. EVP Coordinator Internal Audit

#### 1) Policy and Strategy

- a) To guide and direct Internal Audit policy and strategy, and further to update and socialize such policies.
- b) To guide and direct the preparation of short, medium and long term business of the Directorate Internal Audit and implement an action plan consistent with Company policy.

#### 2) Operational Activity

- a) To plan, organize, direct and control Internal Audit strategy with an emphasis on high risk activities, and to evaluate procedures/control systems in place to achieve consistent goals with respect to the Internal Audit Charter and the Bank's objective.
- b) To ensure that internal audit evaluates and actively participates to improve the effectiveness of the

Internal Control System in relation to Bank operations to achieve goals as determined by management.

- c) To provide recommendations based upon analysis and evaluation of propositions or policy with regards to the latest systems and procedures to ensure that such system and procedures address aspects of internal control.
- d) To evaluate the implementation of Company risk management by reviewing the risk assessment (risk profile report) reported by risk management units, assisting to identify and evaluate risks and recommend solutions to improve the quality of risk management.
- e) To assist in the application of governance by providing evaluations, recommendations and solutions to improve the governance process.
- f) To evaluate the adequacy of corrective actions by auditees to ensure the internal control systems, risk management and governance processes have been properly executed.
- g) To advise, supervise and coordinate the Regional Internal Control (RIC) with Internal Audit in accomplishing an effective and efficient audit function.
- h) To coordinate the efficiency of duties of external auditor and monitor required follow up.
- i) To report on the execution of Internal Audit duties and responsibilities to internal and external parties in accordance with applicable regulations.

#### 3) Human Capital

To guide and direct the human capital policies of Internal Audit, including recruitment, promotion, transfer/rotation, coaching and training in coordination with Compliance & Human Capital Director.

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### TRAININGS OF THE BOARD OF DIRECTORS AND EVP COORDINATORS

Name	Title	Training	Institution
Zulkifli Zaini	President Director	Aligning Strategy and sales	Harvard Business School, USA
Riswinandi	Deputy President Director	Global Strategic Management	Harvard Business School, USA
Abdul Rachman	Director	Strategic Thinking and Management for Competitive Advantage	Wharton Business School, USA
Sentot A Sentausa	Director	Strategic Thinking and Management for Competitive Advantage	Wharton Business School, USA
Budi Gunadi Sadikin	Director	Interpersonal Dynamics for High-Performance Executives	Stanford Graduate School of Business, USA
Thomas Arifin *)	Director	Global Investment Risk Management Programme	Oxford, UK
Ogi Prastomiyono	Director	Reinventing Leadership: A Breakthrough Approach	Kellogg School Of Management USA
Pahala N. Mansury	Director	Driving Corporate Performance	Harvard Business School, USA
Fransisca N. Mok	Director	Strategies for Leadership Empowering Woman Executives	IMD-Switzerland
Sunarso	Director	Strategic Business Leadership: Engagement, Performance, and Execution Program	Chicago Booth School of Business
Kresno Sediarsi	Director	Executive Program in Information Technology: Strategies and Solutions	Chicago Booth School of Business
Haryanto T. Budiman	EVP Coordinator	Mergers and Acquisitions	Wharton Business School, USA
Mansyur S. Nasution	EVP Coordinator	Competitive Strategy	INSEAD, France
Riyani T. Bondan	EVP Coordinator	Proteus	London, UK Business School, UK.

Description:

\*) Effective until the closing date of the Annual General Meeting of Shareholders May 23, 2011

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### E. COMMITTEE UNDER THE BOARD OF DIRECTORS

Composition of the Executive Committee under the supervision of the Board of Directors is as follows:

1. Risk and Capital Committee (RCC)
2. Retail & Support Executive Committee (RSEC)
3. Wholesale Executive Committee (WEC)
4. Human Capital Policy Committee (HCPC)
5. Information Technology Committee

#### 1. RISK & CAPITAL COMMITTEE (RCC):

Risk & Capital Committee (RCC) is a committee established to assist the Board of Directors in carrying out the control function according to its assignment of each sub committee.

Risk & Capital Committee (RCC) consists of 4 (four) sub-committees, namely:

- 1) Risk Management Committee (RMC)
- 2) Asset and Liabilities Committee (ALCO)
- 3) Capital and Investment Committee (CIC)
- 4) Operational Risk Committee (ORC)

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### 1. RISK MANAGEMENT COMMITTEE (RCC-RMC)

#### FREQUENCY OF MEETINGS AND ATTENDANCE

Name	Meeting	Present	Absent	% Present
<b>Permanent Voting Members</b>				
Zulkifli Zaini	4	1	3	25%
Riswinandi	4	4	0	100%
Sentot A. Sentausa	4	4	0	100%
Pahala Nugraha Mansury	4	1	3	25%
Kresno Sediarsi	4	4	0	100%
Haryanto T. Budiman	4	4	0	100%
<b>Non Permanent Voting Members</b>				
Abdul Rachman	4	4	0	100%
Thomas Arifin/Royke Tumilaar <sup>*)</sup>	4	3	1	75%
Budi Gunadi Sadikin	4	1	3	25%
Sunarso	4	3	1	75%
Fransisca Nelwan Mok	4	0	4	0%
Mansyur S. Nasution	4	4	0	100%
<b>Contributing Permanent Non-voting Members</b>				
Ogi Prastomiyono	4	2	2	50%
Riyani T. Bondan	4	1	3	25%

Description :

\*) Effective until the closing date of the Annual General Meeting of Shareholders May 23, 2011, Mr. Thomas Arifin was replaced by Mr. Royke Tumilaar

#### Duties and Responsibilities of Risk Management Committee (RCC-RMC)

##### 1. General

- Discuss and recommend changes to KMRBM (the risk management policy of Bank Mandiri) and, furthermore, request approval on those changes from the Board of Directors and the Board of Commissioners. Head of Committee can decide whether the approach to seek such approval will be obtained through circulated documents or Board meeting.
- Improve risk management on a regular basis as well as understand the impact of an incidental result of changes in internal and external conditions affecting

the Company's capital adequacy and the risk profile of the Company.

- Specify matters relating to the business decisions that have special conditions, such as if the decision is significantly surpassing expansion compared to the Company's business plan which has been previously established or taking positions/exposures that exceed a predetermined limit.
- Set a limit to the treasury officials transaction authorization associated with the provisions applicable in the Company's Treasury.
- Monitor/manage risk in order to calculate the capital adequacy include the methodology, scenarios and evaluation including abnormal conditions (stress).



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- f. Conduct strategic discussions within the scope of Risk Management, including but not limited to discussion of subsidiaries/entities under the control of the Company.

### 2. Specific

In terms of market risk management strategy and credit risk that goes along with the vision, strategy and risk appetite of the Company include the following:

#### a. Market Risk

- 1) Discuss and recommend changes to the Treasury Policy of Bank Mandiri (Kebijakan Treasury Bank Mandiri/KTBM) and, furthermore, request approval on those changes from the Board of Directors and the Board of Commissioners. Head of Committee can decide whether the approach to seek such approval will be obtained through circulated documents or Board meeting.
- 2) Discuss and recommend changes to the Fund & Service Policy of Bank Mandiri (Kebijakan Dana & Jasa Bank Mandiri/KDJBM) and, furthermore, request approval on those changes from the Board of Directors and the Board of Commissioners (in the same manner as point a.1)
- 3) Establish procedures under KTBM and KDJBM amendments.
- 4) Define and evaluate the methodology and indicators measuring market risk.
- 5) Review the establishment of limits for the trading book.
- 6) Establish a risk-based pricing methodology, risk-adjusted performance measurement.

#### b. Credit Risk

- 1) Discuss and recommend changes to the Credit Policy of Bank Mandiri (KPBM) to move forward requested approval to the Board and the Board of Commissioners.
- 2) Establish and evaluate the strategies and methodologies of the credit portfolio management of the Company, among others through the Company's portfolio of models, the optimum portfolio diversification and portfolio limits.

- 3) Monitor the performance of the tools used to measure credit risk.
- 4) Monitor and evaluate the credit strategy, development and quality of the credit portfolio as a whole, the implementation of the credit risk management function including the establishment of criteria for measuring credit risk and credit risk management as a whole.

#### In 2011 RCC-RMC discussed the following matters:

1. Provide input for follow-up discussions on Credit with more in-depth discussion on the issue of Bank Guarantees, Credit to the Contractor as well as customized business potential according to specific regions. Credit results should be up to the Territory. The discussion also should include portfolio management, product, Bill Processing Line (BPL) as well as business processes.
2. Provide approval on the proposed VaR limit, open position, yearly loss limit and monthly loss limit, effective May 1, 2011.
3. Provide advice that the results of RAWs (the Risk Awareness Survey) need to be followed-up by the subsidiaries of Bank Mandiri. The follow-up proves that Bank Mandiri takes action to consolidate its subsidiaries activities. The results of RAWs need to be further communicated to the subsidiaries, including the benefits thereof. RAWs also serves as a monitoring tool for the action plans that have been set up by the subsidiaries.
4. Approve the proposed improvement of the Risk Management Policy of Bank Mandiri (KMRBM) by making some improvements/revisions according to the input of the Committee and submit to the Board of Directors Meeting.
5. Provide input to the risk-based Bank Rating (RBBR) in discussion with Bank Indonesia, especially best practices so as to have the same perspective. Also discuss and clarify the limits, weights and basic understanding of thinking in order to avoid differences in valuation.
6. Provide advice on the accuracy of Rating and Scoring Model. The accuracy is essential to ensure that the Business Unit has a high level of confidence in using the tool. Data Quality Awareness must be maintained to ensure the accuracy.

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### 2). ASSETS AND LIABILITIES COMMITTEE (RCC-ALCO)

#### FREQUENCY OF MEETINGS AND ATTENDANCE

Name	Meeting	Present	Absent	% Present
Zulkifli Zaini	9	3	6	33%
Riswinandi	9	8	1	89%
Sunarso	9	5	4	56%
Abdul Rachman	9	6	3	67%
Sentot A. Sentausa	9	7	2	78%
Fransisca Nelwan Mok	9	7	2	78%
Thomas Arifin/Royke Tumilaar *)	9	8	1	89%
Budi Gunadi Sadikin	9	5	4	56%
Pahala Nugraha Mansury	9	7	2	78%
Mansyur S.Nasution	9	9	0	100%

Description :

\*) Effective until the closing date of the Annual General Meeting of Shareholders May 23, 2011, Mr. Thomas Arifin was replaced by Mr. Royke Tumilaar

#### Duties and Responsibilities of RCC-ALCO:

##### 1. General

Assets & Liabilities Committee generally has the responsibility to establish policies, strategies and limits of assets & liabilities management that includes:

- Develop, review and modify the Assets& Liabilities Management strategy (ALM).
- Evaluation of the Bank's position and ALM strategies, to ensure that the results of risk-taking position of the Company have been consistent with the objectives of risk management, liquidity risk, interest rate and exchange rate risk.
- Review of the pricing of assets and liabilities to ensure that pricing is able to optimize the investment of funds, minimizing the cost of funds and maintain the Company's balance sheet structure, in accordance with the Company's ALM strategy.
- Review the establishment of limits for the banking book.

- Review of the deviation between the realization of the projected budget and business plan of the Company.
- Submission of information to the Board concerning any developments related rules and regulations that may affect the ALM strategy.
- Conduct strategic discussions within the scope of ALM, including but not limited to discussion of its subsidiaries/entities under the control of the Company.

##### 2. Special

Assets & Liabilities Committee specifically has the responsibility for setting policy, strategy and restrictions on the management of assets and liabilities that include:

- Liquidity Management**  
Establish and evaluate management policies, limit the maximum CO (cumulative outflow), and monitor the implementation of the operating procedures of assets & liabilities management, which pertain to the management of source of

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liquidity, which is imperative to ensure that cash flows are well managed and other unexpected funding requirements are met.

- b. Gap Management  
Establish and evaluate policies and strategies for the management of the gap position, by managing the mismatch between assets and liabilities on the statement of financial position, especially for interest rate sensitivity, in order to optimize net interest income and economic value of capital in accordance with the anticipated directional change in interest rate risk in accordance with specified levels identified by the Company.
- c. Pricing Management  
Establish and evaluate the pricing strategy for managing assets and liabilities in order to optimize the interest margin/spread.
- d. Foreign Exchange Management  
Establishing policies and manage the foreign exchange gap position between the assets and liabilities in order to maintain the level of foreign exchange risk in accordance with the allocated capital.
- e. Fund Transfer Pricing (FTP)  
Setting the tariff methodology Fund Transfer Pricing (FTP) as a basis for measuring the performance of the work unit.

**In 2011 RCC-ALCO discussed the following matters:**

### 1. Funding

In terms of liquidity management, RCC-ALCO has eight times conducted a process of assessing and deciding changes on interest rates which pertains to the counter rates of the following products: IDR and FX time deposits, IDR savings, Mandiri Plan Savings, Mandiri Business Savings as well as the special rates for the following products: IDR and FX time deposits and FX current accounts.

### 2. Loan

In terms of lending rates, RCC ALCO reviews and makes decisions regarding:

- Publication of Base Interest Rate Loan (Suku Bunga Dasar Kredit/SBDK).
- Fixed Interest Rate on FLPP (i.e. a government-subsidized mortgage product for lower income families).
- Adjustment of Interest Rate Credit U.S. Dollar Currency.

3. In an effort to support the development of foreign currency loans by considering the availability of liquidity and the precautionary principle, RCC ALCO decided to monitor the FX LDR.

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### 3). CAPITAL & INVESTMENT COMMITTEE (RCC-CIC)

#### FREQUENCY OF MEETINGS AND ATTENDANCE

Name	Meeting <sup>*)</sup>	Present	Absent	% Present
<b>Group A</b> <b>(Permanent Voting Member)</b>				
Zulkifli Zaini	6	5	1	83%
Riswinandi	6	6	0	100%
Sentot A. Sentausa	6	5	1	83%
Pahala Nugraha Mansury	6	6	0	100%
Haryanto T. Budiman	6	5	1	83%
<b>Group B</b> <b>(Present According To</b> <b>Agenda in Discussion)</b>				
Abdul Rachman	4	4	0	100%
Budi Gunadi Sadikin	4	4	0	100%
Sunarso	4	4	0	100%
Fransisca Nelwan Mok	2	2	0	100%
Kresno Sediarsi	3	3	0	100%
Royke Tumilaar	3	3	0	100%
Mansyur S. Nasution	5	5	0	100%
<b>Contributing Member</b>				
Ogi Prastomiyono	6	6	0	100%
Riyani T. Bondan	1	1	0	100%

Description:

\*) Number of meetings for each Group according with the agendas in Discussion

#### Duties and Responsibilities of RCC-CIC

- Discuss and provide recommendations on the capital placement policy of Bank Mandiri and the subsidiaries management policy and, furthermore, seek approval from the Board of Directors and the Board of Commissioners. The Head of Committee decides whether the approval will be obtained through circulated documentation or Board meeting.
- Establish and provide approval on proposed procedures set forth in the policies mentioned on the point a.
- Conduct evaluations and provide recommendations on the plans regarding new capital placement and divestiture in regards to subsidiaries and, furthermore, submit proposal to the Board of Directors Meeting.
- To evaluate and make decisions regarding an additional capital placement in a subsidiary as long as such placement does not change the status of the majority owner (controlling shareholder) in the Subsidiary.
- Conduct an evaluation and provide recommendations on the strategic initiatives in accordance regarding capital management in line with the strategy and development

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plan of the bank, taking into account the availability of capital to ensure the level of capital adequacy of the bank. Furthermore, the recommendation will be proposed to the Board meeting.

- f. To periodically evaluate the financial performance of equity investments in subsidiaries.
- g. To evaluate the financial performance and management of subsidiaries and provide recommendations for submission to the Board of Directors Meeting.
- h. Establish a subsidiary management strategy that includes supervision and monitoring business performance of its subsidiaries, approval (Short Term Plan/RKAP), Medium Term Plan, the Long Term Plan and the implementation of the GMS subsidiaries.
- i. Conduct evaluations and provide recommendations on the plan and the additional capital allocation in the Strategic Business Unit (SBU), to be submitted to the meeting of the board of directors.

- j. To periodically evaluate the financial performance of investments for SBU capital allocation.
- k. Set strategy and direction of the Pension Fund investment in the Company's position as a founder.

### In 2011 RCC-CIC has done the following things:

1. The Subsidiary Management Policy discussion on Bank Mandiri (KPPABM).
2. Discuss the preparation of Corporate plans and Subsidiaries plans.
3. Discussion of changes to the Pension Fund Investment Directives on Bank Mandiri's environment.
4. Discussion of the capital increase of PT Bank Syariah Mandiri.
5. Nominal additional discussions on the Sub Debt issuance by PT Bank Syariah Mandiri.

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### 4). OPERATIONAL RISK COMMITTEE (RCC-ORC)

#### FREQUENCY OF MEETINGS AND ATTENDANCE

Name	Meeting	Present	Absent	% Present
<b>PERMANENT VOTING MEMBER</b>				
Zulkifli Zaini	8	2	6	25%
Riswinandi	8	5	3	63%
Sentot A. Sentausa	8	8	0	100%
Pahala N. Mansury	8	7	1	88%
Kresno Sediarsi	8	5	3	63%
Haryanto T. Budiman	8	4	4	50%
<b>NON- PERMANENT VOTING MEMBERS</b>				
Abdul Rachman	3	3	0	100%
Thomas Arifin/Royke Tumilaar <sup>*)</sup>	5	4	1	80%
Budi Gunadi Sadikin	4	4	0	100%
Sunarso	4	4	0	100%
Fransisca Nelwan Mok	4	4	0	100%
Mansyur S. Nasution	2	2	0	100%
<b>CONTRIBUTING NON-VOTING MEMBERS</b>				
Ogi Prastomiyono	8	3	5	38%
Riyani T. Bondan	8	5	3	63%

Description: Number of meetings for each Group according with Agendas in Discussion

\*) Effective the closing date of the Annual General Meeting of Shareholders May 23, 2011, Mr. Thomas Arifin was replaced by Mr. Royke Tumilaar.

#### Duties and Responsibilities of RCC-ORC

Risk and Capital Committee a subcommittee of the Operational Risk Committee has the following duties and responsibilities:

##### 1. General

- a. Discuss and recommend the Operational Policy of Bank Mandiri (Kebijakan Operasional Bank Mandiri/ KOBM), Product Transparency Policies and Use of Bank Customer Personal Data (Kebijakan Transparansi Produk Bank & Penggunaan Data Pribadi Nasabah/ KTPB & PDPN), Corporate Secretary Policy Bank Mandiri

(KCSBM), Policy Management Customer Complaint and Dispute Settlement Bank Mandiri (Kebijakan Pengelolaan Pengaduan & Penyelesaian Sengketa Nasabah Bank Mandiri/KP3SN), Accounting Policy Bank Mandiri (KABM), Bank Mandiri Internal Audit Policy (KIABM), Legal and Compliance Policy Bank Mandiri (KHKBM), Anti Money Laundering/Terrorism Financing Prevention Policy (APU/PPT) and Internal Control Systems Policy Bank Mandiri (KSPIBM), for requested further endorsement to the policy of the Board of Directors or by circulated document or by the Executive Board of Directors Meeting Committee Meetings RCC-ORC.

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- b. Establish procedures that exist under the policies in point 1.a above the following amendments.
  - c. Establishing and implementing solutions for problems of settlement operations of the Company which can not be resolved at the level below it.
  - d. Delegate some authority that is authorized by this decision letter to the Director of Field/EVP Coordinator with the right to delegate back to the officials designated in stages. This delegation of authority to decide not to include credit and or other authorities is dealt with separately.
  - e. Set a limit taking into account operational risk exposures and loss experience of the past as a result of operational risk according to applicable regulations.
2. Special
- In relation to risk management of operational risk, legal risk, reputation risk, strategic risk, and compliance risk include the following:
- a. Operational Risk
    - 1) Define and evaluate methods of measuring and managing operational risk and operational risk capital adequacy.
    - 2) Establish and evaluate management strategies and operational risk controls in accordance with the operational risk profile and to determine and evaluate devices that are used for operational risk management (ORM tools).
    - 3 Setting up of operational risk taking into account the risk exposures and loss experience of the past as a result of operational risk according to applicable regulations.
  - b. Legal Risk, Reputation Risk, Strategic Risk and Compliance Risk
    - 1) Legal risk: establish strategies and procedures to control legal risk as a result of weakness of the judicial aspect.
    - 2) Reputation risk: establish strategies and procedures to control the reputation risk resulting from reduced levels of stakeholders confidence that comes from negative perceptions of the Company
    - 3) Strategic risk: establish strategies and procedures to manage the strategic risks due to inaccuracies in the retrieval and/or implementation of strategic decisions and a failure to anticipate the changing business environment.
    - 4) Compliance risk: establish strategies and procedures aimed to manage risks that arise when the company does not follow the regulations.

### In 2011 RCC-ORC discussed the following matters:

- 1. Undertake review of a few standard procedures.
- 2. Perform the approval and consummation of several standard procedures.
- 3. Recommend the compliance policy for Bank Mandiri.
- 4. Policy & Procedure Manual recommendations for Bank Mandiri's Shanghai Branch.

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### HUMAN CAPITAL POLICY COMMITTEE (HCPC)

#### FREQUENCY OF MEETINGS AND ATTENDANCE

Name	Meeting	Present	Absent	% Present
<b>PERMANENT VOTING MEMBER</b>				
Zulkifli Zaini	6	6	0	100%
Riswinandi	6	4	2	67%
Budi Gunadi Sadikin	6	6	0	100%
Ogi Prastomiyono	6	6	0	100%
<b>NON- PERMANENT VOTING MEMBERS</b>				
Pahala Nugraha Mansury	6	5	1	83%
Kresno Sediarsi	6	2	4	33%
Haryanto T. Budiman	6	5	1	83%
<b>NON-PERMANENT NON-VOTING MEMBERS</b>				
Riyani T. Bondan	6	5	1	83%

#### Duties and Responsibilities of HCPC

1. Establish management policies of Human Resources (HR).
2. Set policy planning staff.
3. Establish policy on recruitment and employee contracts.
4. Set policy development and changes in organizational structure.
5. Establish a ranking system policy positions (job grading).
6. Establish employee appraisal system policy.
7. Set a policy on compensation, benefits and employee facilities.
8. Set a policy on employee training and development.
9. Establish Employee Career Path System policy, including policy, promotion, transfer, rotation and detasering.
10. Establish policies and Talent Management Succession Plan employees.
11. Determine the policy direction of the work culture and corporate values in line with the vision, mission and corporate strategy.
12. Set a policy on employee discipline and employee termination policy.
13. Establish policy and welfare systems retired employees.
14. Set policy direction and development of Human Capital Information System.
15. Establish limits of authority in carrying out the policy management of Human Capital.
16. Establish policies related to Industrial Relations.
17. Establish HR policies relating to subsidiaries of Bank Mandiri, Bank Mandiri Pension Fund and the Foundation related to Bank Mandiri and Subsidiaries of Bank Mandiri, Bank Mandiri Pension Fund and the Foundation related to Bank Mandiri.
18. Other matters relating to human resource management.



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In 2011 HCPC has done the following things:

1. Employee Health Active discussions related facilities.
2. Conduct discussion in regards to Uang Panjar Pegawai/ UPP facility (i.e. employee loan)
3. Assessing Mandiri University Project.
4. Undertaking this Location Benefits Policy.

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### INFORMATION TECHNOLOGY COMMITTEE (IT-COMMITTEE)

#### FREQUENCY OF MEETINGS AND ATTENDANCE

Name	Meeting	Present	Absent	% Present
<b>PERMANENT VOTING MEMBER</b>				
Riswinandi	5	3	2	60 %
Sentot A. Sentausa	5	5	0	100 %
Pahala N. Mansury	5	4	1	80 %
Kresno Sediarsi	5	5	0	100 %
Haryanto T. Budiman	5	5	0	100 %
<b>NON- PERMANENT VOTING MEMBERS</b>				
Abdul Rachman	5	3	2	60 %
Thomas Arifin/Royke Tumilaar <sup>*)</sup>	5	4	1	80 %
Budi Gunadi Sadikin	5	4	1	80 %
Sunarso	5	3	2	60 %
Mansyur S. Nasution	5	4	1	80 %
<b>PERMANENT NON-VOTING MEMBERS</b>				
Ogi Prastomiyono	5	3	2	60 %

Description :

\*) Effective until the closing date of the Annual General Meeting of Shareholders May 23, 2011, Mr. Thomas Arifin was replaced by Mr. Royke Tumilaar.

#### Duties of IT-Committee:

1. Ensuring that the IT Strategic Plan is in line with the strategic objectives of PT Bank Mandiri (Persero) Tbk.
2. Ensure IT projects are according to the IT Strategic Plan, with emphasis on efficiency and effectiveness.
3. Ensure IT projects are carried out in accordance with the approved project charter.
4. Ensure successful completion of various problems in the IT-related business units effectively, efficiently and timely.
5. Report to the Board of Directors regarding the performance of duties and responsibilities as stipulated in Decree of the Board.

#### Authorities and Responsibilities of IT-Committee are:

1. Establish a strategic reference framework for managing IT Resources.
2. Provide direction, supervision and decisions on the planning, development and the addition of strategic IT systems.
3. Submit to the Board for approval, the IT Strategic Plan and/or amendments as well as the IT budget allocation of the Strategic Plan.

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4. Monitor the projects related to IT Strategic Plan.
5. Resolve the issues between the business unit associated with the IT that cannot be resolved at the project level.
6. To protect IT assets and ensure the sustainability of the IT services, the committee can make decisions on procedures on IT projects, including the implementation plans and the required budget.
7. Setting priorities and allocation of IT budgets that have been decided by the Board of Directors.
8. Create, reorganize and dissolve a steering committee (i.e. a smaller committee within the IT-Committee)

9. In its capacity as a committee, the Information & Technology Committee has no authority to act on behalf of the Company to make or sign a binding agreement with a third party, this action must be conducted in accordance with the provisions of the Articles of Association.

### **In 2011 IT-Committee has done the following things:**

1. Approval of IT Strategic Plan (ISP) from 2011 to 2014.
2. IT Investment Budget Review in 2011.
3. Treasury review of the Core System
4. Approval of Interconnection Networks ATM Bank initiative Independent & BCA.
5. Approval of Strategic Investment IT budget by 2012.

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### WHOLESALE EXECUTIVE COMMITTEE (WEC)

#### FREQUENCY OF MEETINGS AND ATTENDANCE

Name	Meeting	Present	Absent	% Present
<b>PERMANENT VOTING MEMBER</b>				
Abdul Rachman	7	6	1	86%
Sentot A. Sentausa	7	7	0	100%
Sunarso	7	6	1	86%
Fransisca Nelwan Mok	7	4	3	57%
Royke Tumilaar	7	5	2	71%
Haryanto T. Budiman	7	4	3	57%
<b>NON-PERMANENT VOTING MEMBERS</b>				
-	-			
<b>CONTRIBUTING PERMANENT NON-VOTING MEMBERS</b>				
Ogi Prastomiyono	7	7	0	100%

#### Duties & Responsibilities of WEC:

- Specify:
  - Strategies and procedures as well as product development or activities in the field of wholesale loans, including Corporate Banking: Commercial Banking: Treasury, Financial Institutions & Special Asset Management and Institutional Banking, and
  - Strategies and procedures as well as products and fund the development or activity in the field of wholesale and services which includes Corporate Banking; Commercial Banking: Treasury, Financial Institution & Special Asset Management and Institutional Banking including Treasury products and activities are managed by Micro & Retail Banking.
- Reviewing and monitoring the field of strategic initiatives include wholesale Manual Products/Skim/Wholesale Project area which includes Corporate, Commercial, Treasury & Financial Institution & Special Asset Management and
- Institutional Banking including treasury products marketed by Micro & Retail Banking.
- Determine and decide the issues related to cross-Directorate Performance Management System (PMS), in coordination with the Director related fields.
- Setting the standard procedure proposed refinement of Credit (SPK) Corporate, Commercial, Financial Institution and the Foreign Office.
- Discuss and decide on business development related to the alliances that cut across committee by inviting the Director of Field/EVP and Group Head Coordinator concerned.

#### In 2011 WEC has established a variety of things including:

- Credit approval Process improvement for Corporate Segment.
- Accept the default percentage change features Product Manual Trade Finance Bank Correspondent.
- Approve the adjustment features of the Premier Current Account.
- Agreed to change the Product Manual Treasury Line.

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### RETAIL AND SUPPORT EXECUTIVE COMMITTEE (RSEC)

#### FREQUENCY OF MEETINGS AND ATTENDANCE

Name	Meeting	Present	Absent	% Present
<b>PERMANENT VOTING MEMBER</b>				
Budi Gunadi Sadikin	9	9	0	100%
Sentot A. Sentausa <sup>*)</sup>	9	9	0	100%
Pahala N. Mansury	9	8	1	89%
Kresno Sediarsi	9	8	1	89%
Mansyur S. Nasution	9	8	1	89%
Haryanto T. Budiman	9	7	2	78%
<b>NON-PERMANENT VOTING MEMBERS</b>				
Sunarso <sup>**)</sup>	3	2	1	67%
<b>CONTRIBUTING PERMANENT NON-VOTING MEMBERS</b>				
Ogi Prastomiyono <sup>***)</sup>	9	9	0	100%

Description :

Number of meetings for each Group according with Agendas in Discussion

<sup>\*)</sup> Authority to decide maybe represented by GH Directorate Risk Management

<sup>\*\*)</sup> Present as Director to supervise Business Banking Group, according with Agendas in discussion

<sup>\*\*\*)</sup> May be represented by an appointed Official

#### Duties and Responsibilities of RSEC:

1. Establish strategies and procedures for financial products, services or activities of credit and retail area that includes the Micro & Retail Banking, Consumer Finance and Business Banking, in the form of products or Standard Procedures Manual Credit (SPK), including development and changes. Management and Business Banking supervision remains under the Directorate of Commercial & Business Banking.
2. Conducting studies, establishing and monitoring the field of strategic initiatives including Manual Retail Products/ Schemes/Projects which include Micro & Retail Banking, Consumer Finance and Business Banking, this includes the procurement of goods and services, general services and real estate that is bankwide.
3. Determine and decide the issues that are cross-linked with the Directorate of Performance Management System (PMS) in coordination with Directors in related fields.
4. Discuss and decide on business developments related to

alliances that include multiple business segments and Committees to invite the Director of Field/EVP and Group Head Coordinator related.

#### In 2011 RSEC has done the following things:

1. Implement the Committee's meeting 9 (nine) times with the level of quorum of 100% for the entire implementation. The total number of Committee Meeting agenda's discussed during the year 2011 is up to 24 agendas.
2. Produce the following decisions:
  - a. Product approval or New Activity (PAB) on a proposal Making E-Commerce Portal Bank Mandiri, Financing Products Services Agency Motor Vehicle MTF, Transaction Services at the Post Office Savings, as well as cooperation between PT Bank Mandiri (Persero) Tbk. with PT Pos Indonesia on Instant Weselpos service utilization.

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- b. Approval and direction of the proposed closure of Card Company Brand Garda Oto Visa.
- c. Delivering the direction of the Bank Guarantee Business Report, Progress Semen Tonasa Value Chain Business, Telecommunication Business Value Chain Progress, and Proposed Communication Forum.
- d. Approval of the proposed Standard Procedure Completion of Retail Credit Segment, Revised Standard Procedure Consumer Credit, Retail Credit Standard Procedure Second Edition, Procedure Memorandum Integration Pilot Project Loan Standard Factory to Consumer Loans and Consumer Credit Procedure Manual Products Consumer Loans, Business Savings Product Manual, Independent Product Manual Giro Currency, Savings Manual, Revised Manual Product People's Business Credit (KUR), Revised Manual of Micro Credit Products, Product Manual Completion of Financing to BPR, and Adjustment Manual Features & Savings.
- e. To approve the proposed Memorandum of Operating Procedures for the Independent Mobile and Internet Banking Mandiri, Pilot Project Memorandum of Procedures for Versatile Credit Loan Factory Micro (KSM), Memorandum Procedures Pilot Project Loan Credit Card Factory, and The Pilot Extension Project Loan Consumer Loan Factory.

### CREDIT COMMITTEE

In order to ensure prudent lending principles and risk management best practice, Bank Mandiri had to revamp the process of credit fundamentals disbursement. Each segment in the wholesale lending has been made through discussion in the Credit Committee meetings as an application of the four-eye principle and process of checks and balances between the Business Unit as the initiator with the Risk Management Risk Mitigation Unit. Legal Group and Compliance Group committee's should also always be present to give an opinion from the legal and compliance aspects in order to strengthen the independence, avoiding the dominance of one unit, avoid conflict of interest and ensure objective decision-making and free of pressure.

Credit Committee assists the Directors in terms of the control function in setting the strategy and procedures on matters relating to Bank Mandiri brand implementation.

### RELATIONS BETWEEN BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

Board relationship is the relationship of checks and balances for the progress and health of the Bank. Each Board is in accordance with their respective functional responsibilities for the Bank's business continuity in the long run. This is reflected in:

1. Maintenance of the Bank in accordance with the precautionary principle and criteria set by Bank Indonesia.
2. Implementation of strong risk management and internal control systems.
3. Achieving a reasonable return for shareholders.
4. Protection of the interests of stakeholders are reasonable.
5. Fulfilment of GCG implementation.
6. Implementation of leadership succession and continuity of management in all organizational lines.

To be able to fulfil the responsibilities and carry out the checks and balances such relationship, the Board has agreed on the following matters:

1. Vision, mission and corporate values.
2. Business objectives, strategy, long-term plans and annual work plans and budgets.
3. Policies in meeting the statutory provisions, statutes and prudential banking practices including a commitment to avoid any conflict of interest.
4. Policies and methods the Bank's performance appraisal, work units within the Bank and its personnel.
5. Executive level organizational structure capable of supporting the achievement of the Bank's business objectives.
6. Conduct a joint meeting of the Board of Directors and the Board of Commissioners at least once within three months.

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### BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS MEETING

Board meetings held regularly to discuss strategic matters .

Name	Meeting	Present	Absent	% Present
<b>COMMISSIONERS</b>				
Edwin Gerungan	12	11	1	92%
Muchayat	12	10	2	83%
Mahmuddin Yasin	12	7	5	58%
Gunarni Soeworo	12	11	1	92%
Pradjoto	12	11	1	92%
Cahyana Ahmadjayadi	12	12	0	100%
Krisna Wijaya	12	10	2	83%
<b>DIRECTORS</b>				
Zulkifli Zaini	12	12	0	100%
Riswinandi	12	9	3	75%
Abdul Rachman	12	10	2	83%
Sentot A. Sentausa	12	9	3	75%
Thomas Arifin/Royke Tumilaar <sup>*)</sup>	12	8	4	67%
Budi G. Sadikin	12	11	1	92%
Ogi Prastomiyono	12	9	3	75%
Pahala N. Mansury	12	12	0	100%
Sunarso	12	10	2	83%
Fransisca Nelwan Mok	12	10	2	83%
Kresno Sediarsi	12	9	3	75%
<b>EVP COORDINATOR</b>				
Haryanto T. Budiman	12	7	5	58%
Mansyur S. Nasution	12	9	3	75%
Riyani T. Bondan	12	9	3	75%

Description:

\*) Effective until the closing date of the Annual General Meeting of Shareholders May 23, 2011, Mr. Thomas Arifin was replaced by Mr. Royke Tumilaar.

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## NON-COMMISSIONERS MEMBERS OF COMMITTEES



**TAMA WIDJAJA**  
Member of Risk and GCG  
Monitoring Committee

He completed MBA education at Fort Hays State University, Kansas, USA.

In 1987, he began his career in banking in 1987 as Trainee at PT Bank Niaga.

In 1990, he served as Treasury Manager at Fuji Bank International Indonesia PT.

In 1993, he became General Manager at Treasury Group of PT Raja Garuda Mas.

In 2001, he became Treasury & International Banking Group Head (Senior Vice President) at PT Bank Bumiputera Indonesia Tbk. In 2006, he was appointed to member of Risk and GCG Monitoring Committee of PT Bank Mandiri (Persero), Tbk.



**ZULKIFLI DJAELANI**  
Member of Audit Committee

He pursued his education at the Faculty of Economics, University of Indonesia in Jakarta until 1975.

He started his career as Assistant Accountant at PT Rohm & Haas Indonesia in 1975.

In the course of his career, he has held positions as Branch Manager and Regional Manager at Bank Niaga during the period of 1986 – 1994 and, subsequently, he served as Director of Operations & Human Resources.

Since 1996, he has been a member of the Audit Committee of PT Bank Mandiri (Persero) Tbk.



**IMAM SUKARNO**  
Member of Audit Committee

He completed undergraduate education in 1973 at the 17 Agustus 1945 University. In 1985, he earned Master of Management degree from Asian Institute of Management in Manila, as well as Master of Law (Business) from Gadjah Mada University in 2011.

He started his career in 1975 at Bank Indonesia's Economic Affairs and Statistics Division, in the Balance of Payments and Monetary Unit.

In the course of his career, he has served as Director of Supervisory of Rural Lending Banks (1998 – 2000), Director of Banking Licensing and Information (2000 – 2002) and member of a team that supervised Bank Utama (2002).

Since 2003, he has been serving as a member of the Audit Committee PT Bank Mandiri (Persero) Tbk.



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## CORPORATE SECRETARY



**SUKORIYANTO SAPUTRO**  
Corporate Secretary

He completed undergraduate education at Bogor Agricultural Institute (IPB) in 1980.

He started his career in 1981 as Loan Officer in the Bureau of Credit Plantation at Exim Bank (Indonesian Export & Import Bank). In the course of his career, he has served as Regional Manager in various regions, namely Region III (Jakarta), Region IX (Banjarmasin), Region VII (Semarang) and Region VIII (Surabaya). Subsequently, he held positions as Head of Central Operations Group as well as Head of Micro Business Group.

Since 2008, he was appointed to Head of Corporate Secretary Group.

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### CORPORATE SECRETARY

To improve services to public investors, Bank Mandiri as a public company formed a Corporate Secretary to liaise with investors, capital market participants, regulators and observers. The Corporate Secretary facilitates effective communication and ensures the availability of information to various parties and acts as primary liaison between the Bank, Indonesia Capital Market & Financial Institution Supervisory Agency (Badan Pengawas Pasar Modal dan Lembaga Keuangan/BAPEPAM-LK), Indonesia Stock Exchange and the public.

Bank Mandiri has reported the appointment of the Secretary of the Company to the Securities and Exchange Commission and the Indonesia Stock Exchange and announces it in one national daily.

### FUNCTION OF COMPLIANCE, INTERNAL AUDIT AND EXTERNAL AUDIT

#### A. COMPLIANCE FUNCTION

In ensuring that policies, rules, systems and procedures and business activities conducted by the Bank in accordance with the provisions of Bank Indonesia and regulations applicable, Bank Indonesia has required all commercial banks to assign a member of the Board of Directors as a Director who heads the Compliance function as stated in the PBI No. 13/2/PBI/2011 dated January 12, 2011.

Implementation of the compliance function is reflected in the effectiveness of the compliance function as a 2nd line of defence. Bank Mandiri marks this effectiveness by:

- The presence of a culture of compliance as a cultural whole, involving all levels of the Bank, and to support rapid business growth.
- Management of compliance risk using control and monitoring system as well as an accurate means of measurement that can help identify internal and external factor, which are deterrent to the implementation of compliant culture. The system and measurement can also help determine the required preventive steps.

In line with the development of increasingly complex banking operations, compliance risk exposure faced by the Bank has also increased. Therefore the need for anticipatory measures to minimize compliance risk, among others, performed by preparing a Statement of Compliance and Risk assessment/assessment in order to measure the level of compliance risk in bankwide.

Bank Mandiri's commitment in the implementation of compliance and enforcement of precautionary principles is that from Bank Mandiri's Top Management to the lowest level, are all fully responsible for the implementation of the compliance function in their respective fields.

In the execution of these duties, the Director is in charge of compliance functions Compliance Unit is assisted by an independent operational unit in this case and Compliance Group, Decentralized Compliance & Operational Risk (DCOR) that are under each Director of the Field. The Compliance Group will act as Trustees of the system, which is responsible for handling tasks that are high level and prepare the tools required by DCOR to review compliance with its working unit. The function of DCOR is to provide Compliance Assurance Services to the working unit within its supervision and the services consist of:

1. Supervision services
2. Review/examination services (which are ex-ante and ex-post)
3. Consultation services
4. Regulatory services

Compliance Group and DCOR, which is a supporting unit, have also set strategic steps to support the creation of a culture of compliance in all banking operations at every level of organization, including:

1. Designing a compliance program to realize the Culture Bankwide compliance.
2. Applying the methodology of Compliance Risk Compliance Risk bankwide by integrating the system into the application Enterprise Risk Management (ERM).
3. To increase the role of DCOR as a 2nd line of defence for the bank.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

As a form of commitment to the implementation of the compliance range of compliance and enforcement functions of the precautionary principle, the Compliance Board Bank Mandiri has prepared Annual Compliance Program (ACP) as a starting point to determine a direction and short-term strategic plan for the implementation of the compliance function.

### B. INTERNAL AUDIT FUNCTION, EFFECTIVENESS AND INTERNAL AUDIT COVERAGE IN ASSESSING ALL ASPECTS AND ELEMENTS OF THE BANK

#### 1. Role and Functions of the Internal Audit

Internal Audit at Bank Mandiri is an EVP Coordinator level position, who leads the Directorate to supervise 2 Audit Groups and 4 Non-Audit Departments. The position of Internal Audit is designed that the Directorate for Internal Audit is considered to have a very significant role in the governance of the organization, given that the Internal Audit function helps achieve its goals through a systematic and structured approach to evaluate and improve the effectiveness of internal controls, risk management and the governance process.

In performing its role, Internal Audit also forms alliances of the assurance functions within each part of the bank, including its subsidiaries. A consistent practice alliances in terms of assurance function will bring improvements in terms of synergy as well as working efficiency and effectiveness. The alliance of assurance functions within Bank Mandiri is carried out gradually, involving the Risk & Business Control (RBC), Decentralized Compliance and Operational Risk (DCOR), Risk Management, and the Internal Audit units of subsidiaries. Alliance carried out in the audit process in particular the preparation of annual audit plans and reports, as well as capabilities in the development of audit personnel.

In addition to carrying out the functions of audit assurance, Internal Audit also run a consultative function for oversee the implementation of the strategy and focus of Bank Mandiri in the fields of business, service, cost efficiency, the application principle of prudence (prudential banking practices) and the application of

good corporate governance. In carrying out internal audit activities refer to the Internal Audit Charter.

#### 2. Scope

Audit scope of work includes all Bank Mandiri operational areas and its subsidiaries/affiliates including the use of Information Technology organized either by ourselves or by the Information Technology service provider.

#### 3. Planning and Realization of Audit in 2011

##### A. Audit Plan

Based on the risk assessment process that refer on Enterprise Risk Assessment (ERA), the Internal Audit Set, the Annual Audit Plan (Rencana Audit Tahunan/ RAT) with a routine audit approach, mandatory audits and thematic audits as 199 assignments consisting of:

- a. 189 assignments include routine audits of the work unit/activity/product.
- b. 4 units of work/activities that are mandatory.
- c. 6 units of work/activities/products that are thematic.

##### B. Realization of the Audit

- 1) Up to half of the realization of the assignment II/2011 reached 253 of the assignment or 127.14% of audit targets, consisting of:
  - a. 243 units/activity/product assurance.
  - b. 4 units of work/activities (mandatory).
  - c. 6 thematic audit.
- 2) Realization of a special audit (outside of the realization of a routine audit in 2011) of 36 assignment.

#### 4. Effectiveness Audit

The audit program is realized by a method other than on-site audits as offsite audits are also performed as part of continuous auditing. The continuous auditing program is used for early warning of further interest to do repairs/improvements to minimize risk/loss.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### 5. Number of Deviations Internally (internal fraud)

According to the table below can be seen that companies have a strong commitment in follow up all cases in the immediate time. In addition, it appears that the company provides law enforcement in the form of process by the authorities to ensure that employees always deliver on corporate governance.

### 6. Qualification/certification auditor at Bank Mandiri profession till December 31, 2011 as follows:

- National Professional Certification Holders of Qualified Internal Auditor General (QIA) as many as 79 auditors.
- Holders of the Professional Certification Banking Auditor as many as 60 auditors.
- Auditors International Professional Certification holders as many as 33 auditors, consisting of:

- 18 auditors CFE certification holders
- 7 auditors CBA certification holders
- 3 auditors CFSA certification holders
- 2 auditors holding CISA certification
- An auditor CRP certification holder
- the holder of a CIA certification
- An auditor IRCA certification holder

### 7. 129 Employees in the Directorate of Internal Audit with the following details:

- an Executive Vice President (EVP) Coordinator Internal Audit
- 2 Chief Auditor/Group Head
- 120 officers
- 6 clerks.

### 8. Directors raised/dismiss EVP Coordinator of Internal Audit

## IRREGULARITIES OF INTERNAL (INTERNAL FRAUD)

NUMBERS OF CASES DONE BY								
Internal Fraud in A Year	Management		Employees		Contract Employees		Numbers of Employees	
	2010	2011	2010	2011	2010	2011	2010	2011
Total Fraud	-	-	11	9	2	1	13	10
Resolved	-	-	10	9	2	1	12	10
In process of Internal Solution	-	-	1	-	-	-	1	-
Not-Followed Up yet	-	-	-	-	-	-	-	-
Follow-Up through legal action	-	-	9	5	-	1	9	6

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### C. EXTERNAL AUDIT FUNCTION, THE EFFECTIVENESS OF EXTERNAL AUDIT AND COMPLIANCE TO STIPULATIONS IN THE BANK'S RELATIONSHIP BETWEEN THE CERTIFIED PUBLIC ACCOUNTANTS FOR BANKS AND BANK INDONESIA

Bank Mandiri's supervision is conducted by internal auditors and external auditors. Oversight by an external auditor conducted by Bank Indonesia (BI), the Audit Board of the Republic of Indonesia (Badan Pemeriksa Keuangan Republik Indonesia/BPK-RI) and the Public Accountants Firm/PAF (Kantor Akuntan Publik/KAP).

Internal Audit is responsible for coordinating the implementation and effectiveness of inspection upon the completion of follow-up findings of the examination results of the external auditor.

Though such coordination is expected to achieve a comprehensive and optimal audit result. Discussion of issues considered significant to do so pending periodic follow-up to minimize and external auditors to understand the obstacles in its implementation. Follow-up recommendations by external auditors in December 2011 which are still in the process.

Data in the table are as follows:

Auditor	Number of Findings	In Process	Percentage
PAF (KAP)	19	4	21%
BPK-RI	119	11	9%
BI	219	5	2%

### PUBLIC ACCOUNTING FIRMS THAT HAVE AUDITED THE FINANCIAL REPORTS OF PT BANK MANDIRI (PERSERO) Tbk.

(Rp. million)

Book Year	Name of Public Accounting Firm	Accountant	Fee <sup>*)</sup>
2008	Purwanto, Sarwoko & Sandjaja (Ernst & Young)	Benyanto Suherman	11,390.5
2009	Haryanto Sahari & Rekan (PricewaterhouseCoopers)	Drs. Haryanto Sahari, CPA	10,697.5
2010	Tanudiredja, Wibisana & Rekan (PwC)	Drs. Haryanto Sahari, CPA	11,495.0
2011	Tanudiredja, Wibisana & Rekan (PwC)	Drs. Haryanto Sahari, CPA	11,800.0

Description :

\*) Include Value Added Tax

Audit fee for the services of external auditors referring to the year ended December 31, 2011 amounting to Rp10.2 billion (before VAT) and other attestation services for Rp0.5 billion (before VAT).

As for other services provided for the year ended December 31, 2011 in addition to financial services audit services include attestation engagements are agreed upon procedures for reporting system reliability to Bank

Indonesia, the security of scriptless registration system (BI-S4), custodial services for mutual funds and other services such as performance evaluation reports and audit compliance with laws and regulations and internal control (PSA 62). Appointment of PAF (KAP) in the provision of such services in accordance with the provisions of Bank Indonesia, Bapepam-LK or other relevant provisions, and was approved by the Audit Committee of Bank Mandiri.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### III. GOVERNANCE MECHANISM

In this stage Bank Mandiri improved the system that guarantees the implementation of culture, business ethics and

code of conduct, which all of operational Bank Mandiri was formed as Bank Mandiri policies and procedures.

### IV. SOCIALIZATION AND EVALUATION

To guarantee the implementation of GCG implementation, socialization has been done not only related to the principles of good corporate governance, but including the dissemination of corporate culture, strategic initiatives and policies.

Meanwhile, in order to strengthen the implementation of GCG, Bank Mandiri conducted an evaluation. The purpose of socialization and the assessment is that the whole range of the Bank understands and implements the vision, mission and strategy as well as the principles of good corporate governance is principles of good corporate governance, corporate culture,

business ethics and code of conduct, which all operations at Bank Mandiri set through various policies and rules with understanding and common standards across the whole range of employees of Bank Mandiri.

In addition, in order to comply with Bank Indonesia, Bank Mandiri has undertaken a self assessment for the period of execution of GCG in 2011. Assessment of self-assessment results showed the composite value 1.1 with the title of "Very Good" with the following explanation:

NO	The Factor Assessed	Weighted (a)	Rank (b)	Point (a) x (b)	Notes
1.	Implementation of the Duties and Responsibilities of The Board of Commissioners	10%	1	0.10	The adequacy of the structure, qualifications, competencies are in accordance with size and complexity of the Bank. All the duties and responsibilities of the Board of Commissioners comply with regulations
2.	Implementation of the Duties and Responsibilities of The Board of Directors	20%	1	0.20	The adequacy of the structure, qualifications, competencies are in accordance with size and complexity of the Bank. All the duties and responsibilities of the Board of Directors comply with regulations
3.	Completeness and Implementation of the Duties of Committees	10%	1	0.10	The adequacy of the structure, qualifications, competencies and responsibilities of the Committees are in accordance with the principles of GCG. Decision made from meetings becomes recommendation for Board of Commissioners and used optimistically by Board of Commissioners.
4.	Managing Conflict of Interest	10%	1	0.10	The Bank has a policy, system and procedures for the settlement of conflicts of interest

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

NO	The Factor Assessed	Weighted (a)	Rank (b)	Point (a) x (b)	Notes
5.	Implementation of Bank Compliance Function.	5%	1	0.05	The bank has complied with Bank Indonesia Regulations and other regulations, and meets the requirements of other authorized institutions.
6.	Implementation of Internal Audit Function.	5%	1	0.05	Implementation of the Bank's audit function has been effectively run and meets internal guidelines in accordance with the minimum standards set out in SPFAIB.
7.	Implementation of External Audit Function.	5%	1	0.05	Audit implementation by the Public Accountant has been effective and meets the minimum requirements required under the regulations
8.	Application of Risk Management, including Internal Control System	7.5%	2	0.15	Risk management implementation and internal controls are effective, but need improvement to strengthen the process
9.	Related Party, Lending and Large Exposure Lending	7.5%	1	0.08	The Bank has a policy, systems and procedures to regulate the lending of funds to related parties and in large amounts which comply with limits determined by BMPK
10.	Transparency of Financial and Non-Financial Condition, Implementation of Reports and Good Corporate Governance and Internal Reporting	15%	1	0.15	The Bank is very transparent in its disclosure of financial and non-financial information to the public – through the Bank's website and other media – that is accessible, timely, complete and accurate.
11.	Strategic Plan	5%	1	0.05	The Corporate Plan and strategic plan are realistic and take into account the relevant external and internal factors according to the vision and mission of the Bank.
<b>Composite Value</b>		<b>100%</b>		<b>1.1%</b>	

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

Composite Point	Composite Attribute
Composite Point < 1.5	Very Good
1.5 < Composite Point < 2.5	Good
2.5 < Composite Point < 3.5	Fairly Good
3.5 < Composite Point < 4.5	Not Good
Composite Point > 4.5	Bad

### Award in the field of corporate governance

For the evaluation and obtaining feedback on the implementation of good corporate governance, the bank participated in the rating conducted by an independent party that is Corporate Governance Perception Index (CGPI), which was organized by the Indonesia Institute for Corporate Government (IICG). For 5 (five) consecutive years starting from the period 2006/2007, 2007/2008, 2008/2009, 2009/2010 and 2010/2011, Bank Mandiri was awarded with the category of "Most Trusted" with the highest score.

In addition to the above awards, a variety of other awards received by Bank Mandiri for the year 2011, as follows:

1. Corporate Governance Asia Recognition Awards  
Awards in the category Asia's Best Company for Corporate Governance for 3 (three) consecutive years ie 2009, 2010 and 2011 organized by Corporate Governance Asia.
2. Award "Best Financial/Bank" of the institution Indonesian Institute for Corporate Directorship (IICD).
3. Award "BUMN/SOE Award Winner 2011" category "Best Innovation GCG state".
4. Asia Money as "Best Overall Company in Indonesia for Corporate Governance", "Best for Disclosure and Transparency in Indonesia", "Best for Shareholders Rights and Equitable Treatment in Indonesia" and "Best for Responsibilities of Management and the Board of Directors in Indonesia".



# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### V. WALKING THE TALK

Bank Mandiri eventually realized that the four stages that have been described previously will be less meaningful if the implementation is not done in a disciplined manner and consistently, with good corporate governance principles embodied in concrete actions by all levels of management of Bank Mandiri.

In realizing this stage the consistency of the application will require exemplary top management and senior management to serve as Change Champions and Change Agents in every unit of work, and as a role-model who implements the corporate culture's principles of good corporate governance consistently.

In addition to exemplary Top Management and Senior Management as a Change Agent, Bank Mandiri also established mechanisms that accompanied the implementation of the principles of good corporate governance with the enforcement of ethics in all aspects of the business and operations, among others:

1. Relationships with regulators, among others, reflected in the delivery of financial and non financial information in a timely and accurate.
2. Relationships with customers.  
Bank Mandiri always puts customers in a position that is respectable and usefull ways:
  - Provide the best service standards to customers (service excellence)
  - Always maintain the confidentiality of customer data.
3. Operational aspects:  
Bank Mandiri operations carried out, among others:
  - Completion of e-procurement
  - Delegation of authority to its implementation through committees with a rigorous monitoring.
  - The signing of the pact of integrity by the vendor/ partners and employees who handles procurement projects and services.

Bank Mandiri believes that the implementation of a consistent corporate culture and discipline will make the company have a solid governance that is sustainable in the long run, not just achieving short-term artificial performance.

### CUSTOMER COMPLAINT

To handle customer complaints and provide appropriate solutions in a timely manner, Bank Mandiri has a special unit to handle customer complaints that are formed with comprehensive and reliable standard policies and operations.

The basic principles of handling customer complaints are "Welcome Complaint", where Bank Mandiri provides a lot of channels that are easily accessible by customers. There are:

- Mandiri Call 14000, 24-hour Services
- Website [www.bankmandiri.co.id](http://www.bankmandiri.co.id) by selecting menu - contact us
- By email at [customer.care@bankmandiri.co.id](mailto:customer.care@bankmandiri.co.id)
- Visit Bank Mandiri directly
- Send official letter to Bank Mandiri, through facsimile or sent by post
- Column readers in mass media both print and electronic.

Completion rate customer complaints as follows:

Customer's Complaints Type	Number of Complaints in year 2011	Resolved in 2011 <sup>*)</sup>
Financial	129,670	127,667
Non-Financial	472	467
Total	130,412	128,134

Description:

<sup>\*)</sup> Complaints reported in 2011 which were still pending would be followed up or resolved in 2012

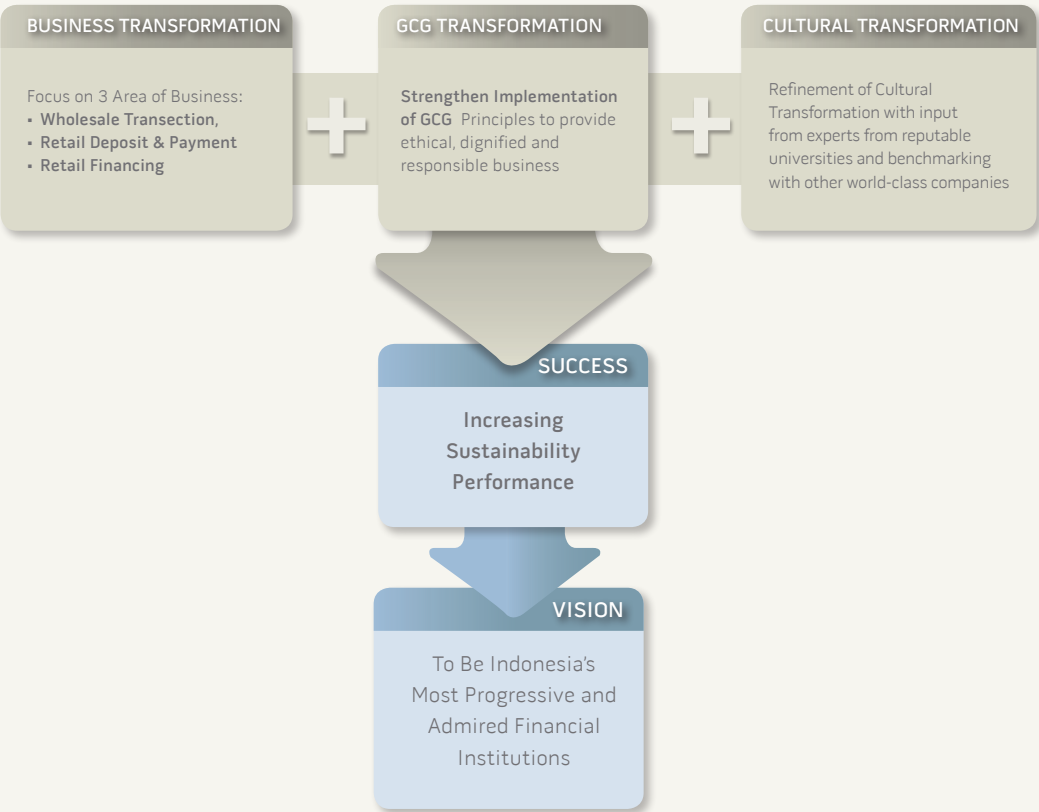
# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### ENFORCEMENT OF BANK MANDIRI CORPORATE CULTURE

Bank Mandiri's performance achieved in the first phase of the transformation process continues to spark the spirit of the Bank to raise its achievements to a greater level in the future. In this second transformation, Bank Mandiri has set more challenging targets to achieve sustainable exceptional performance. Therefore, it is necessary to further transformation in the business, culture and good corporate governance.

In order to achieve sustainable exceptional performance, the corporate culture TIPCE (Trust, Integrity, Professionalism, Customer Focus, and Excellence) remains as the foundation of Bank Mandiri's operating system. Performance targets can be achieved through three complementary pillars to the pillars of Performance, Business Ethics and Internal Environment.



# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### ENCOURAGING WHISTLEBLOWING

In order to mitigate operational risk and fraud, Bank Mandiri needs to take preventive action. One of the efforts is by implementing a whistleblowing system. With this system, all employees can directly give critical information related to improvement and/or fraud and also Anti Money Laundering. Bank Mandiri has implemented a whistleblowing system since 2009 through a program "Letter to CEO" (LTC) by SMS, email, mail and telephone.

#### Benefits of LTC

Expected benefits by implementing LTC program:

1. Improvements which includes: (i) fulfil customer needs (ii) develop business (iii) increase market share (iv) increase revenues & reduced costs (v) decrease processing time (vi) improve employee engagement.
2. Preventing Fraud which includes: (i) increase in employee participative control (ii) early warning system fraud (iii) reducing the risk of bank losses.

#### Criteria of LTC

LTC can be classified into 2 (two) criteria:

##### 1. Excellence

Criteria of excellence Report can be defined as all reports or proposals that give benefits to achieve the improvements, which include:

- 1) Improvement proposals related to customer service in general.
- 2) Improvement proposals related to the application system used in bank operations.
- 3) Improvement proposals related to operational procedures in the work unit.
- 4) Improvement proposals related to internal control in the work unit.
- 5) Other constructive proposals that add value to the bank.

##### 2. Fraud

The criteria of fraud report can be defined as all reports that are intended to prevent fraud which include:

- 1) Against Anti Money Laundering.
- 2) Against regulations, such as signature forgery, corruption, embezzlement, mark-up, drug use, goods destruction.
- 3) Against company policies and operating procedures, or policies, procedures, other regulations that are considered important by the company.
- 4) Against code of conduct, such as conflict of interest, harassment, engage in community activities that are prohibited.
- 5) Perform acts of fraud such as bribes that may cause financial or non financial loss for the company.

#### Completion of LTC program in 2011

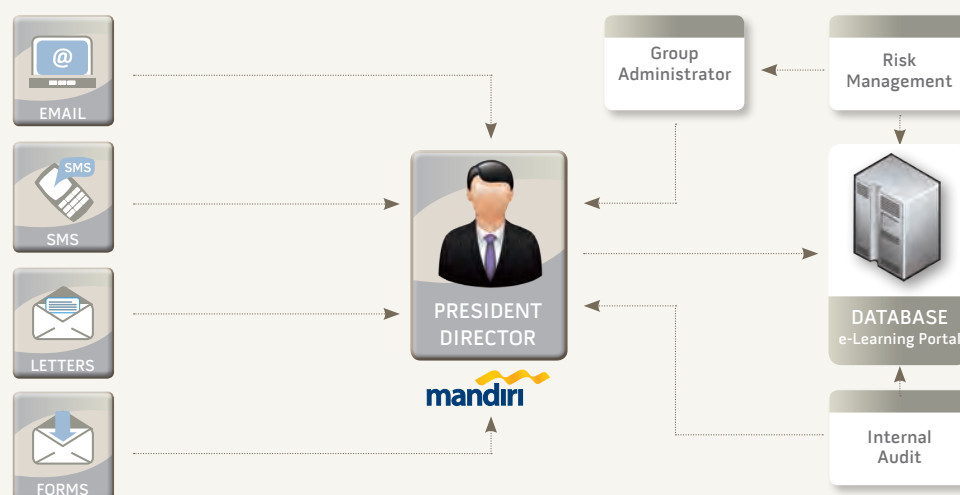
LTC program is considered not yet effective after the implementation and needs some improvement in the program in terms of:

- 1) Effective campaign through internal magazines, email blast, socialization through Directors visit, Change Agent Team Internalization of Corporate Culture.
- 2) Confidentiality of reporting fraud identity.
- 3) Good Response to the complainant/proposer.
- 4) Follow-up of a clear and complete for any reporting.
- 5) The mechanism/system that is clear and easy to reach.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### LTC Mechanism



### CODE OF CONDUCT

Bank Mandiri has Code of Conduct which is an ethical and behavioural standard that must be followed by all employees, which regulates:

- 1 Conflicts of Interest
- 2 Confidential
- 3 Misuse Position
- 4 Insider Behaviour
- 5 Integrity and Accuracy of Bank Data
- 6 Banking System Integrity
- 7 Employees Account Management
- 8 Annual Disclosure
- 9 Punishment/non-compliance
- 10 Monitoring Implementation and Updates

In order to increase the awareness of the code of conduct, Bank Mandiri has been socializing it to all employees to behave reasonable, appropriate and credible in doing business relationships with customers, partners or relationships with colleagues.

Bank Mandiri also requires each employee to create and sign a commitment statement to engage with the Code of Conduct for

Indonesian Bankers, the Bank's Code of Conduct and all applicable regulations both internally and externally.

Bank Mandiri also makes a policy/Code of Business Ethics which must be obeyed by all employees that contains Personal Integrity, Prevention of Discrimination in Implementing the Business of banking and others. In order to meet the Code of Conduct for Indonesian Bankers, the Code of Conduct and business ethics must be effective and every distortion, omission and violation of regulations will get punishment due to terms and condition.

### OTHER ISSUES IN THE IMPLEMENTATION OF GCG

Transparency and disclosure of financial and non-financial condition:

- Bank Mandiri has delivered all reports regarding financial and non-financial conditions transparently to the public through printed or electronic media, including the publication of financial reports on the websites of Bank Mandiri, Bank Indonesia and Ministry of State Owned Enterprise.
- There are no significant matters being faced by the bank, a member of the Board of Directors or Board of Commissioners who are serving that are not disclosed.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### SHARE OWNERSHIP OF THE BOARD OF COMMISSIONERS AND DIRECTORS EXCEEDING 5% OR MORE OF PAID IN CAPITAL SHARE OWNERSHIP OF ACHIEVING 5% OR MORE OF PAID-IN CAPITAL

SHARES OWNERSHIP MORE THAN 5% OF PAID IN CAPITAL					
Name	Bank Mandiri	Other Companies	Other Banks	In non-Bank Financial Institutions	None
<b>BOARD OF COMMISSIONERS</b>					
Edwin Gerungan	-	-	-	-	None
Muchayat	-	-	-	-	None
Mahmuddin Yasin	-	-	-	-	None
Cahyana Ahmadjayadi	-	-	-	-	None
Gunarni Soeworo	-	-	-	-	None
Pradjoto	-	-	-	-	None
Krisna Wijaya	-	-	-	-	None
<b>BOARD OF DIRECTORS</b>					
Zulkifli Zaini	-	-	-	-	None
Riswinandi	-	-	-	-	None
Abdul Rachman	-	-	-	-	None
Sentot A. Sentausa	-	-	-	-	None
Thomas Arifin/Royke Tumilaar <sup>*)</sup>	-	-	-	-	None
Budi Gunadi Sadikin	-	-	-	-	None
Ogi Prastomiyono	-	-	-	-	None
Pahala N. Mansury	-	-	-	-	None
Fransisca N. Mok	-	-	-	-	None
Sunarso	-	-	-	-	None
Kresno Sediarsi	-	-	-	-	None

Description:

\*) Effective until the closing date of the Annual General Meeting of Shareholders May 23, 2011, Mr. Thomas Arifin was replaced by Mr. Royke Tumilaar.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### FINANCIAL AND FAMILY RELATIONSHIPS OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS AND/OR BANK CONTROLLING SHAREHOLDERS

There is no financial relationship and/or family relationship between members of the Board of Commissioners and Directors with other members of Board of Commissioners, other Directors and/or Controlling Shareholders of the Bank, as described in the table below:

Name	Family Relationship with						Financial Relationship with					
	Board of Commissioners		Board of Directors		Controlled Shareholder		Board of Commissioners		Board of Directors		Controlled Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>BOARD OF COMMISSIONERS</b>												
Edwin Gerungan		0		0		0		0		0		0
Muchayat		0		0		0		0		0		0
Mahmuddin Yasin		0		0		0		0		0		0
Cahyana Ahmadjayadi		0		0		0		0		0		0
Gunarni Soeworo		0		0		0		0		0		0
Pradjoto		0		0		0		0		0		0
Krisna Wijaya		0		0		0		0		0		0
<b>BOARD OF DIRECTORS</b>												
Zulkifli Zaini		0		0		0		0		0		0
Riswinandi		0		0		0		0		0		0
Abdul Rachman		0		0		0		0		0		0
Sentot A. Sentausa		0		0		0		0		0		0
Thomas Arifin/Royke Tumilaar *)		0		0		0		0		0		0
Budi Gunadi Sadikin		0		0		0		0		0		0
Ogi Prastomiyono		0		0		0		0		0		0
Pahala Nugraha Mansury		0		0		0		0		0		0
Fransiska N. Mok		0		0		0		0		0		0
Sunarso		0		0		0		0		0		0
Kresno Sediarsi		0		0		0		0		0		0

Description:

\*) Effective until the closing date of the Annual General Meeting of Shareholders May 23, 2011, Mr. Thomas Arifin was replaced by Mr. Royke Tumilaar.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### REMUNERATION & OTHER FACILITIES/POLICIES FOR THE BOARDS OF COMMISSIONERS AND DIRECTORS

Types of Remunerations & Other Facilities	Amount Received in A Year					
	Board of Commissioners		Board of Directors		Independent	
	Person	Rp. Million	Person	Rp. Million	Person	Rp. Million
<b>REMUNERATION:</b>						
Salary <sup>1)</sup>	7	9,567	12	29,528	3	1,248
Bonus	-	-	-	-	3	690
Allowance <sup>2)</sup>	7	6,687	12	18,378	3	280
Tantiem <sup>3)</sup>	8	25,674	15	84,145	-	-
<b>OTHER NON-MONETARY FACILITIES</b>						
Housing (can not be acquired) <sup>4)</sup>	-	-	11	622	-	-
Transportation (can not be acquired)	-	-	-	-	-	-
Compensation (can be acquired)	7	934	11	2,720	-	-
<b>Number of Persons Receiving Remuneration in a year</b>	<b>Board of Commissioners</b>		<b>Board of Directors</b>		<b>Independent</b>	
Above Rp2 billion	-		9		-	
Above Rp1 billion s.d Rp2 billion	7		3		-	
Above Rp500 million s.d Rp1 billion	-		-		-	
Less Than 500 million	-		-		3	

Description:

1) 1 Director Resigned from his position in May 2011 and 1 Director was appointed in May 2011

2) Including holiday (THR) leave, health allowance & hand phones

3) Including tantienne – 1 member of Board of Commissioners and 4 member of Board of Directors resigned in 2010, and 1 Director resigned in May 2011

4) 8 Directors receive housing benefits and 3 Directors live in private house (only utilities expenses)

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### SHARE OPTIONS \*)

Name	Owned Shares	Number of Options			
		Number of Shares	Executed Shares	Option Value	Time Period
BOARD OF COMMISSIONERS					
Edwin Gerungan	-	-	-	-	-
Muchayat	-	-	-	-	-
Gunarni Soeworo	-	-	-	-	-
Pradjoto	-	-	-	-	-
Mahmuddin Yasin	-	-	-	-	-
Cahyana Ahmadjayadi	-	-	-	-	-
Krisna Wijaya	-	-	-	-	-
AUDIT COMIITTEE					
Zulkifli Djaelani	-	-	-	-	-
Imam Sukarno	-	-	-	-	-
RISK MONITORING AND GCG COMMITTEE					
Tama Widjaja	-	-	-	-	-
BOARD OF DIRECTORS					
Zulkifli Zaini	6,604,070	-	-	-	-
Riswinandi	3,000,896	-	-	-	-
Abdul Rachman	5,081,749	-	-	-	-
Sentot A. Sentausa	4,350,335	-	-	-	-
Budi Gunadi Sadikin	3,275,000	-	-	-	-
Ogi Prastomiyono	485,712	-	-	-	-
Pahala Nugraha Mansury	1,116,964	-	-	-	-
Sunarso	15,748	-	-	-	-
Fransisca Nelwan Mok	1,051	-	-	-	-
Kresno Sediarsi	23,982	-	-	-	-
Royke Tumilaar	79,084	-	-	-	-
EVP COORDINATORS					
Haryanto Budiman	207,256	-	-	-	-
Mansyur S. Nasution	56,841	-	-	-	-
Riyani T. Bondan	6,299	-	-	-	-

Description:

\*) Until now there is no more share options held by the Board of Commissioners/Board of Directors, all options were already converted into shares in 2010



# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### RATIO OF THE HIGHEST AND LOWEST SALARIES

1. Ratio of the highest and lowest salary of employees	:	36.5	:	1
2. Ratio of the highest and lowest salary of Directors	:	1.1	:	1
3. Ratio of the highest and lowest salary of Commissioners	:	1.1	:	1
4. Salary of the highest Director's salary to the highest employee's salary	:	2.2	:	1

### CONFLICT OF INTEREST TRANSACTIONS: NONE

### SHARES AND OBLIGATIONS BOUGHT BACK BY THE BANK: NONE

### LEGAL CASES

Legal Cases	Total	
	Civil	Criminal
Resolved	216 Cases	8 Cases
In Process	392 Cases	47 Cases
<b>Total</b>	<b>608 Cases</b>	<b>55 Cases</b>

Currently, Bank Mandiri is still facing some legal issues, which, among others, involve document falsification produced by a syndicate. The court has decided that Bank Mandiri must pay Rp89 billion in damages. The Bank is in the process of conducting legal action by filing a civil suit against the members of the syndicate and the case is still in the process of appeal.

The number of claims against the Bank on lawsuits that have not been completed at December 31, 2011 and 2010 respectively by Rp1.337.544 million and Rp1.172.323 million. On December 31, 2011 and 2010, Bank Mandiri has established reserves and believes that adequate reserves have been established.

### IMPLEMENTATION OF RISK MANAGEMENT, INCLUDING INTERNAL CONTROL SYSTEMS

Bank Mandiri, with reference to PBI No. 5/8/2003 on 19 May 2003 and SE BI No. 5/21/DPNP on 29 September 2003 regarding the implementation of risk management, has undertaken a risk management process comprised of identification, measurement, observation and risk control at all levels.

Given the bank's business continuity is affected by exposure to risks arising either directly from its business activities or indirectly from the business activities of subsidiaries, the Bank shall ensure that the precautionary principle also applies to subsidiaries.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

The Bank's implementation report on risk management includes:

### 1. Supervision of the Board of Commissioners and Board of Directors

- a. Board understands Risks faced by the Bank and provides clear direction, to supervise and actively mitigate and develop a culture of Risk Management at the Bank.
- b. The Board of Directors determines the organizational structure clearly reflects authority, responsibility and function, and also establishes the independence of business units from the risk management units.
- c. The Board of Commissioners is responsible for the approval and routine control of the strategy and risk policy which consists of the Bank's tolerance for risk, domestic and international economic cycles for long term planning.
- d. The Board of Directors is responsible for implementing the risk strategy and policy through clarifying and communicating the risk policy and strategy, risk controls and evaluating the implementation of policy and strategy
- e. The Board of Directors controls the internal and external conditions, ensuring that the Bank's strategy assesses risk and the Bank has authority and responsibility within groups that support the strategy implementation including the corporate plan and business plan.
- f. The Board of Directors evaluates the accuracy of the methodology for risk assessment, implementation of risk SIM, and policy procedures and risk limits.

### 2. Policies, Procedures and Limits

- a. Management is supported by a framework that includes policies and procedures for Risk Management and Risk limits are clearly defined in line with the vision, mission, and the Bank's business strategy.

- b. The Bank has written policies and procedures to address the requirements of transparency principles, increasing customer service quality & stakeholders and in accordance with laws.

- c. The Bank's policy for risk management is based on mission, business strategy, capital adequacy, human capital ability and bank risk appetite.

- d. The Bank evaluates and updates risk management policies considering developments from internal and external conditions.

- e. Sets risk limits, consisting of per product/transaction limit and per functional activity and monitoring limit periodically.

### 3. Adequacy of the Processes for Identification, Measurement, Monitoring and Risk Control and Risk Management Information System

- a. The Bank identifies processes and risk measurement for each product/transaction.
- b. Risk identification is proactive, covering all business activities of the bank and carried out in order to analyze the sources and likelihood of risks and impacts.
- c. The Bank has a supervised risk exposure system, including independent functions which supervise risk exposure, with accurate and timely information systems for feedback and follow-up implementation.
- d. The Bank plans to develop a management information system tailored to the characteristics, activities and complexity of Bank operations.

### 4. Overall Internal Control Systems

- a. The bank implements internal control systems in the application of Risk Management with reference to the policies and procedures that have been specified.
- b. Sets authority and responsibility of controlling policy compliance, procedure and limits.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

- c. Determines reporting and separates the functions of operational units and units that implement control functions.
- d. Procedures that ensure Bank's compliance to regulations
- e. Bank to review the effect, independence, and objectives of the policy framework and operational procedures and the Bank may increase frequency, based on the development of the Bank's exposure to risk, market changes, methods of measurement, and risk management
- f. Routine internal audit by units, documented audit findings and management statements for the audit results, as well as reviewing the follow-up of the audit findings.
- g. Thorough the explanation of risk factors as well as efforts to manage each risk is available in the review and current condition of Risk Management on page 98-105.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### FUNDING TO RELATED PARTIES AND IN LARGE EXPOSURES

Provision of funds to related parties and in large exposures the year 2011 are as follows:

Funding to	Total	
	Debtors	Amount (Rp. Million)
Related Parties	14	3,147,877
Main Debtors		
a. Individual	2	10,741,370
b. Group	23	57,844,196

### FUNDING FOR SOCIAL AND POLITICAL ACTIVITIES

A. For social activities are as follow:

Activities	Amount (Rp. Million) <sup>*)</sup>
BUMN Care	28,178.08
BUMN Partnership	143,962.32
- Natural Disaster	1,458.39
- Education & Training	72,258.38
- Public Facilities	36,090.69
- Religious Facilities	14,921.34
- Health	16,144.79
- Conservation	3,088.72
<b>Total</b>	<b>172,140.40</b>

Description:

\*) un-audited (Financial Report from Unit Partnership & Community Development (PKBL) year 2011 in audit process from Financial Supervisor and Development Agency (BPKP) – Provincial Representatives DKI Jakarta II).

B. For political activities are as follow: NONE

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

### LABOUR, HEALTH AND SAFETY

To ensure peaceful working conditions and increase employee productivity, Bank Mandiri has compiled an employee relationship policy. As a form of implementation of the policy, the bank held a Labour Agreement (CLA) between the Company and employees in this case represented by Bank Mandiri's union officials. The policy clearly regulates the rights and obligations of each party, including Bank Mandiri provides various facilities such as wages and salaries outside health facilities, holiday allowances, paid leave and equal opportunities to all employees to develop careers and others.

### STRATEGIC PLAN

#### A. LONG TERM PLAN

Dealing with various challenges and increasing competition in the banking business in Indonesia, Bank Mandiri continues to transform itself. Bank Mandiri has revitalized its vision in line with the second phase of transformation process (2010-2014) and the long term vision for 2014 is "To be Indonesia's most admired and progressive financial institution". The vision statement can be described in more detail as follows:

- a. Bank Mandiri is committed to developing long-term relationships based on the trust of its customers. Bank Mandiri provides superior services that match international standards through innovative financial solutions. In addition, Bank Mandiri would like to be known for its strong performance, human resources, and teamwork.
- b. By maintaining growth and providing success to its customers, Bank Mandiri takes an active role in encouraging long-term growth in Indonesia and consistently produced high returns to shareholders.

Our vision, as applied to our various stakeholders has been formulated as follows:

#### 1. Customers

As the chosen financial partner, the Bank intends to be trustworthy and always willing to assist our customers. Therefore, the Bank positions itself as a trustworthy financial advisor and also the reliable Bank that is always ready 24 hours a day for its customers.

#### 2. Employees

In the long-term plan, the Bank intends to be the most suitable place for the employees to move forward and develop themselves through innovation and solid teamwork. The Bank will position itself as the second home for its employees to allow the process of self-development for all employees and build stronger teams.

#### 3. Investors

The company intends to become the number one stock in Indonesia, generating consistent investor Interest (Indonesian Anchor Stock) through consistently delivering the best performance on an ongoing basis.

In continuing the transformation process, and in order for the Bank to achieve its vision of becoming the most admired and progressive financial institution in Indonesia, Bank Mandiri has targeted to be the largest bank by market capitalization in Indonesia and to be among the 5 largest banks within ASEAN.

By 2020, Bank Mandiri expects to be the only Indonesian bank among the 3 largest banks in Southeast Asia based on market capitalization.

To achieve this, the future growth strategy will focus on three (3) key areas as follows:

1. Strengthening leadership in the business of Wholesale Transaction Banking (WTB). This will be achieved by offering comprehensive solutions to the financial transactions and building holistic relationships to serve the Corporate & Commercial institutions in Indonesia.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

2. Becoming the customer choice for Retail Deposits.  
To achieve this, the company will provide services with unique banking experiences for its customers (differentiated customer experience) and provide innovative solutions for banking transactions.
3. Achieving #1 or #2 position in the retail financing.  
The Company is expected to win the competition in the mortgage business, personal loans, and consumer cards. In addition, the Company is also expected to become one of the main players in micro banking, as well as the winner in the Islamic banking business competition.

The three focus areas would be supported by strengthening the organization to provide integrated service solutions, improving infrastructure (branches, IT, operations, risk management) and strengthening the human resources (HR).

### B. MEDIUM TERM PLAN

For the mid-term plan, Bank Mandiri has prepared the Bank Business Plan (RBB) of 2012-2014 to consider internal and external conditions faced by using the assumptions and parameters aligned with the most recent internal and external conditions for establishing realistic targets and directions that are challenging but achievable. The work programs are as follows:

1. Network Development Plan for the Office, Branches, ATMs and EDC

In order to deal with rapid domestic economic development and explore potential business opportunities throughout the country as well, Bank Mandiri plans to expand our business network in the country through its office networks, branches, ATMs and EDCs, with the following plans:

- a. Office network opening plan

Bank Mandiri plans to open a new office network to enhance business growth in each segment through the opening of the Corporate

Department, Regional Treasury Marketing (RTM), Money Changer, Commercial Banking Center Floor, Business Banking Center (BBC), Business Banking Center Floor, Business Banking Center Desk, Mandiri Business Lounge, Micro Cluster, Micro Mandiri Unit (MMU), Micro Sales Outlet, Multipurpose Micro Credit Center (KSM), Mandiri Business Partner, Consumer Loans Sales Outlet and the addition of a network using the Post Office outlet.

- b. Branch Opening Plan

Bank Mandiri plans to open new branches, in the framework of good business growth of third party funds or loans. The development of the branches focuses on locations with high levels of attractiveness; large business volumes, high-growth business, but currently low in market share.

- c. Addition of ATM and the EDC plan

Bank Mandiri plans to increase the number of ATMs and EDCs, because the ATM network and an extensive EDC network are among the main keys to gaining market share in the competition for transactional banking business.

2. Optimization of synergies with its subsidiaries

In accordance with the development of the subsidiaries strategy, each subsidiary is supervised by the following directorates:

- a. Corporate Banking Directorate supervises MandiriSekuritas, which is engaged in investment banking, and Bank Mandiri Europe Limited (BMEL) Ltd.
- b. Directorate of Commercial & Business Banking supervises Bank SyariahMandiri, which is directed to grow above the Islamic banking market growth rate and support the growth of Bank Mandiri.

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

- c. Directorate of Micro & Retail Banking supervise 3 (three) subsidiaries, AXAMandiri Financial Services, Mandiri International Remittance and Bank Sinar Harapan Bali.
  - d. Consumer Finance Directorate will supervise Mandiri AXA General Insurance and Mandiri Tunas Finance as points of sales to support the high yield business, particularly motor vehicle financing sector.
3. Infrastructure Project Financing Plan

The Infrastructure Project credit financing plan for the period of 2012-2014 is mainly focused on power plants, telecommunications, toll roads and plantations, since these sectors are prospective sectors which have a multiplier effect on the bank's growth, as well as absorbing labour and help boosting lending to productive businesses that increase economic growth.

Here is a brief description of the financing plan to be provided by Bank Mandiri for infrastructure projects in the period 2012-2014, as follows:

- a. The financing plan for power plant project will focus on the Fast Track and Non-Fast Track projects, including the Independent Power Producers ("IPP") Project owned by the private sector which aims at increasing the availability of electricity, especially with the using of alternative energy sources which are widely available in Indonesia, and are more efficient and renewable.
- b. The financing plan for telecommunications projects, among others, is to finance capital expenditure and operations of the telecommunication operator companies in Indonesia and supporting companies, such as independent tower providers and other related industries.
- c. The financing plan for toll road projects includes the Trans Java Toll Road Project and

Non Trans Java. For Trans Java Toll Road project, the loans are given to Cikampek - Paliaman toll roads project, Semarang - Solo toll road project, and Gempol - Pasuruan toll road project. While for Non Trans Java Toll Road Project the loans are given for Cinere - Jagorawi toll road project, KebonJerukDepok - Antasari toll road project, Bogor Outer Ring Road toll road project, KebonJeruk - Penjaringan toll road the project and KebonJeruk - Ulujami toll road project (JORR W2 North).

- d. The financing plan for agriculture projects, among others are for Plasma and Plantation Estates. For Plasma plantation the financing schemes are Bio-Energy Development Loan - Plantation Revitalization (KPEN-RP) and Commercial scheme. In addition, the Bank will finance the palm oil plantation derivative industries, among others: Refinery and Oleo chemical industry, as well as the Plant Industry Forest (HTI) especially rubber.

Besides focusing on four major infrastructure projects as stated above, in 2012 the financing for infrastructure projects is also intended for transportation projects (Shipping, Air Ports and Harbour), Main Instrument of Defense Systems (ALUTSISTA) procurement projects and for Oil and Gas projects.

#### 4. Non Organic Business Growth Plan

Bank Mandiri remains eager to explore non-organic business growth, including opportunities such as mergers & acquisitions, joint venture formation and also optimizing synergies with its subsidiaries. It aims to further streamline the implementation of segment, distribution and particular product development.

In 2012, Bank Mandiri plans for non-organic growth initiatives in areas that are believed to increase the bank's business growth and provide business synergies throughout the Bank Mandiri Group,

# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

among others through supervision and optimization of its subsidiaries.

In addition, to supporting the aspirations of Bank Mandiri as a provider of innovative and diverse financial solutions, the Bank continues exploring opportunities to grow non-organically through merger or acquisition of financial institutions that add value to the Bank.

Bank Mandiri also will conduct a study and assessment on the potential acquisition of medium-sized banks in order to strengthen the penetration and business growth in the segments which are specific core business of the bank.

Bank Mandiri is conducting an assessment on the development of branchless banking to serve the unbanked segment which is currently not served by financial services. Branchless Banking is a combination of agent banking and mobile banking which is based on electronic money (e-money). In the agent banking concept, the bank works together with non-bank companies acting as an agent and becoming an extension of the bank in offering financial products and services.

This helps people in rural areas to get access to financial services, since it is usually difficult in the rural areas to access a banking branch network.

### C. SHORT-TERM PLAN

The main focus of Bank Mandiri in 2012, which is the third year of implementation of the Corporate Plan 2010-2014 is on business growth and profitability to achieve results that outperform the market with our goal being to become the market leader. Therefore, the bank has targeted the following financial milestones to be achieved by 2014, namely:

1. Market capitalization must be the largest in Indonesia and in the Top 5 for ASEAN Banks.

2. Increase Market Share of revenue.
3. Increase ROA and ROE.
4. Although the growth of business over the next 5 years will be very aggressive, asset quality must be maintained.

Based on these financial milestones, Bank Mandiri has formulated ten priorities in 2012, namely:

1. Improving Return on Equity (ROE) and Earnings after Tax from 2011 levels.
2. Increasing market share of loans and funding from 2011 levels.
3. Increasing corporate customer Share of Wallet compared to the previous year.
4. Increasing fee-based income ratio (excluding non-recurring income), through fee-based income growth in wholesale and retail.
5. Development of network infrastructure/distribution, while maintaining and controlling the operational efficiency.
6. Increasing employee productivity compared to 2011.
7. Development of retail payment business to increase the composition of low-cost funds.
8. IT project prioritization and acceleration of the implementation of IT programs, thus providing a significant impact on the improvement of work processes and increasing revenue of Bank Mandiri.
9. Implementation of "Jiwa Service" and Advanced Culture Transformation are rendered in behaviours, symbols, and systems to maintain the MRI's 1st rank Quality of Service as well as building specific behaviours in each unit as part of corporate culture.



# GOOD CORPORATE GOVERNANCE

## IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

10. Optimizing alliance synergies with subsidiaries to increase both Bank and subsidiaries' profits, in order to achieve the consolidated profit target. Such subsidiaries are among others Bank Syariah Mandiri, AXA Mandiri Financial Services, Mandiri Sekuritas, Mandiri Tunas Finance, Bank Sinar Harapan Bali and Mandiri AXA General Insurance..

# 2011 BANK MANDIRI PRESS RELEASES

## JANUARY

DATE	TITLE
Jakarta, 04 January 2011	The Fixed Asset of Benua Indah Group Remains in the Auction Process
Jakarta, 04 January 2011	Bank Mandiri Distributed KUR Rp3.6 trillion to Support SMEs
Jakarta, 09 January 2011	Participants of Mandiri Entrepreneur Competition Increased
Jakarta, 12 January 2011	Mandiri Prepares Online Payment System for National Selection into State Universities (SNMPTN)
Jakarta, 16 January 2011	Strengthening Micro Business Sector, Bank Mandiri Loans Increased to 45%, NPL Ratio (Gross) Stays at 4%
Jakarta, 19 January 2011	Mandiri to Support the Development of the Telecommunication Sector with Loans Worth Rp12.2 trillion
Jakarta, 20 January 2011	Bank Mandiri Supports 13 Best Entrepreneurs
Jakarta, 24 January 2011	Support Infrastructure Development, Bank Mandiri disburses Loans of Rp246 billion to a Subsidiary of Semen Tonasa
Jakarta, 26 January 2011	Strengthening Business Expansion, Bank Mandiri Opens More Branches
Jakarta, 26 January 2011	Bank Mandiri received Rp11.7 trillion proceeds from Rights Issue
Jakarta, 27 January 2011	Bank Mandiri to Manage the Payment Transactions of BULOG
Jakarta, 28 January 2011	Shareholders Agree that Funds of Rp11.7 trillion Generated From the Rights Issue will be Used to Strengthen Capital

## FEBRUARY

DATE	TITLE
Jakarta, 01 February 2011	Bank Mandiri Strengthens Fund Business in Food Industry, Mayora Indah Utilized Mandiri Cash Management for Efficiency
Jakarta, 02 February 2011	Bank Mandiri to Support Port Revitalization by Distributing Funds Worth Rp1.2 trillion to PELINDO I
Jakarta, 02 February 2011	Bank Mandiri Assist Payment Transactions of Lion Air
Jakarta, 27 February 2011	Growth of Transaction Volume From Mandiri's Credit Cards Above Market

## MARCH

DATE	TITLE
Jakarta, 01 March 2011	Increasing the Efficiency in Education, Bank Mandiri Manage Financial Transaction of Open University
Jakarta, 03 March 2011	Bank Mandiri to Serve Capital Market Investor In 11 Cities
Jakarta, 04 March 2011	To Support Government Institution's Efficiency, Bank Mandiri and BRI Provide Payroll Services to the Ministry of Public Works

## 2011 BANK MANDIRI PRESS RELEASES

Jakarta,	08 March 2011	Indomaret Receives Loan Payment Through Bank Mandiri Network
Jakarta,	10 March 2011	To Strengthen the Synergy within the Banking Industry, Mandiri Distributed Syndicated Loans to Support The Real Sector
Lampung,	12 March 2011	Bank Mandiri to Accelerate SME Growth in Upstream Sector
Jakarta,	14 March 2011	Supporting Growth of Mortgage Business, Mortgage Loan in Bank Mandiri increases 61.5% in 2010
Jakarta,	15 March 2011	Remittance Transaction of Bank Mandiri Reach Rp805 trillion in 2010
Jakarta,	21 March 2011	Increasing Growth of Premium Customers, Bank Mandiri Opens More Priority Branches
Hong Kong,	23 March 2011	Increasing Trade Finance Business, Bank Mandiri Wins Best Domestic Bank Award in Indonesia
Jakarta,	25 March 2011	Bank Mandiri Collaborates With Garuda Indonesia to Increases Credit Card and Debit Card Business
Jakarta,	27 March 2011	Strengthening SME Loans, Bank Mandiri Smoothens Access For Entrepreneurs
Jakarta,	30 March 2011	Bank Mandiri Loans Grow 24%, Asset Increases to Rp450 trillion
Jakarta,	31 March 2011	Bank Mandiri provides Host-to-Host Service and Financial Transaction Distributor of Semen Padang

### APRIL

DATE	TITLE
Jakarta, 05 April 2011	Implementing the Separation of Customer Account, Bank Mandiri Educate Securities Companies
Jakarta, 05 April 2011	Bank Mandiri with AXA S.A To Acquire Dharma Bangsa Insurance To Expand Business in General Insurance
Jakarta, 10 April 2011	To Strengthen International Banking, Bank Mandiri get Best Bank Award from The Asian Banker
Jakarta, 13 April 2011	Bank Mandiri Supports Development of Electric Infrastructure in Indonesia
Palembang, 18 April 2011	To Support Fertilizer Industry, Bank Mandiri Introduces Online Payment to Distributor of PUSRI
Jakarta, 20 April 2011	Bank Mandiri to Serve Payment of BPHTB Provincial of DKI Jakarta
Jakarta, 20 April 2011	Mandiri Provides Banking Services via BlackBerry
Jakarta, 20 April 2011	To Strengthen Oil & Gas Industry, Bank Mandiri Serves Conoco-Phillips in Vendor Payment
Jakarta, 25 April 2011	Bank Mandiri Finances Fast Ship Missile From Indonesia
Palangkaraya, 26 April 2011	To Accelerate Small Business and Cooperation, Bank Mandiri Distributes KUR Loans Of More than Rp4 trillion
Jakarta, 27 April 2011	Providing more Attention to the SME Segment, Bank Mandiri Educates SME Entrepreneurs
Jakarta, 29 April 2011	Bank Mandiri Remained as the Largest Bank with Rp466 trillion of Assets driven by 24.7% of Loan Growth

# 2011 BANK MANDIRI PRESS RELEASES

## MAY

DATE	TITLE
Jakarta, 10 May 2011	Bank Mandiri Cooperated with Dunkin Donuts Indonesia to Strengthen its Transactional Banking
Jakarta, 12 May 2011	Bank Mandiri Focusing on Expanding SME to Absorb More Workforce
Jakarta, 11 May 2011	Bank Mandiri Attained Best Bank With Best Service Award in Indonesia
Jakarta, 19 May 2011	Bank Mandiri Prepares 150 Offices to Serve Payment of SNMPTN
Jakarta, 23 May 2011	Mandiri to pay dividends of Rp138.27 per share
Solo, 28 May 2011	Bank Mandiri allocated Rp1.8 billion to Increase Health & Education Standards in Solo
Jakarta, 30 May 2011	Bank Mandiri to Support the Growth of Plasma Plantations

## JUNE

DATE	TITLE
Jakarta, 01 June 2011	Mandiri Holds Chief Financial Officers Meeting to Discuss Industry Competitiveness
Jakarta, 06 June 2011	Bank Mandiri Corporate with the Indonesian Military (TNI) for the victim of natural disaster
Jakarta, 07 June 2011	Bank Mandiri Re-Elected As Best Payment Bank of KSEI 2011 – 2015
Jakarta, 08 June 2011	Bank Mandiri Lead Syndication Credit for Subsidiaries of PT Petrokimia Gresik Amounting to \$129 million
Jakarta, 09 June 2011	Bank Mandiri Loans Rp5.3 trillion and Forex Line \$2.2 million to PT Pembangunan Perumahan
Jakarta, 10 June 2011	Mandiri Entrepreneurship Gains International Acknowledgment
Jakarta, 12 June 2011	Bank Mandiri Prepares Scholarships of Rp2 billion for Athletes of SEA GAMES
Jakarta, 14 June 2011	Bank Mandiri Lead Syndication Credit \$600 million to Newmont
Jakarta, 15 June 2011	Enhancing Security in Online Payment, Mandiri Launches "Verified by Visa" Feature
Jakarta, 16 June 2011	Bank Mandiri Achieves the Best Bank in Service Excellence Award
Balikpapan, 16 June 2011	Bank Mandiri Held Entrepreneurship Training in Balikpapan for College Students
Jakarta, 22 June 2011	Bank Mandiri Grant Rp1.5 billion to Provide Ambulances in RS Bhayangkara POLRI
Surabaya, 24 June 2011	Customers Free to Choose Exquisite Cars in Program Mandiri Fiesta
Jakarta, 27 June 2011	Customers Free to Choose Exquisite Cars in Program Mandiri Fiesta
Jakarta, 30 June 2011	To Support National Infrastructure Development, Bank Mandiri Gives Loan to Holcim Rp500 billion

# 2011 BANK MANDIRI PRESS RELEASES

## JULY

DATE	TITLE
Hong Kong, 07 July 2011	To Increase International Transaction, Bank Mandiri get Best Indonesian Trade Bank Award
Jakarta, 07 July 2011	Bank Mandiri Sign Commercial Line Agreement with PT ASEI (Persero) to Help Subsidiaries Gain Easier Access to Bank Guarantee
Bandung, 09 July 2011	Bank Mandiri Gives Grant to ITB of Rp1.0 billion to Increase the Quality of Education
Palembang, 11 July 2011	Mandiri Group Gives KUR Rp6.0 trillion to Accelerate Growth in Small Business
Jakarta, 19 July 2011	Expanding Entrepreneurship, Bank Mandiri held Mandiri Young Entrepreneur 2011 and Mandiri Young Technopreneur Award
Jakarta, 21 July 2011	Bank Mandiri to Service Financial Transaction of Mitra Adiperkasa
Jakarta, 21 July 2011	Bank Mandiri Provides Grant of Rp2 billion to Increase Soccer Teams Achievement in SEA GAMES
Jakarta, 23 July 2011	Bank Mandiri Gives Grant Rp301.2 million For 50 Poor People with Harelip in Jakarta Region
Jakarta, 26 July 2011	To Support PT PELINDO II Build Kalibaru Port Phase I n By Distributing Funds Worth Rp11 trillion Equivalent to \$1,3 million
Jakarta, 27 July 2011	Bank Mandiri And Hypermart to Continue Collaboration Issuance and Marketing of Credit Card Co-brand Hypermart
Jakarta, 28 July 2011	Bank Mandiri Assets Reached Rp475 trillion, Growth Increases 26,9% and Micro Credit Increases 41,2%
Jakarta, 29 July 2011	Bank Mandiri to Support Port Expansion in East Indonesia, Mandiri Distributing Funds Worth Rp50 billion and \$40 million to PELINDO IV

## AUGUST

DATE	TITLE
Jakarta, 03 August 2011	Bank Mandiri Becomes Best Agent of ORI 007
Jakarta, 15 August 2011	Bank Mandiri Is Lead Syndication Credit Rp1.4 trillion and \$337 million for PT Pupuk Kalimantan Timur
Jakarta, 16 August 2011	Bank Mandiri Held Award for Outstanding Teachers to Support Education
Jakarta, 18 August 2011	Bank Mandiri Held Pasar Indonesia to Support The Creative Industries
Tarakan, 20 August 2011	Mandiri Gives Loan of Rp6.6 billion to Support Education Based on Information Technology
Jakarta, 23 August 2011	Bank Mandiri And Bank of America Merrill Lynch Collaborate in Cash Management
Jakarta, 23 August 2011	To Prepare for Iedul Fitri, Bank Mandiri Prepares Rp22 trillion
Jakarta, 25 August 2011	Bank Mandiri Participate in Mudik Together with PBNU

# 2011 BANK MANDIRI PRESS RELEASES

## SEPTEMBER

DATE	TITLE
Surabaya, 27 September 2011	To Strengthen Transactional Banking, Bank Mandiri and Samsat East Java launch e-Samsat
Jakarta, 28 September 2011	Bank Mandiri Develops a collaboration with 7-Eleven
Jakarta, 29 September 2011	Bank Mandiri receives Best Achievement Award from AsiaMoney

## OCTOBER

DATE	TITLE
Jakarta, 09 October 2011	Support Sport National Escalation, Mandiri Becomes Official Bank in SEA Games XXVI
Jakarta, 11 October 2011	Bank Mandiri Cooperate with ATM PRIMA Network
Jakarta, 12 October 2011	Mandiri Extends Loans to PLN Rp4 trillion to Support expansion of the Domestic Electricity Grid
Jakarta, 13 October 2011	Strengthening the Interconnectivity in Jakarta, Mandiri Extended Loans of Rp1.4 trillion to PT Jasa Marga's subsidiary
Jakarta, 21 October 2011	Mandiri with ASEI Strengthen Business Non-LC Trade Finance and Domestic
Jakarta, 25 October 2011	Mandiri Arranges Nusa Tenggara Meeting with Investors for Investment Opportunities
Jakarta, 27 October 2011	Bank Mandiri and AXA Initiate General Insurance Company to Strengthen The Business
Jakarta, 28 October 2011	Bank Mandiri to Provide Working Capital Loan to PT Matahari Putra Prima Tbk.
Jakarta, 31 October 2011	Bank Assets Exceeded \$500 billion, Loan Growth Spurred 28.3%

## NOVEMBER

DATE	TITLE
Jakarta, 03 November 2011	Bank Mandiri Serves Plasa.Com Payment Transactions
Jakarta, 06 November 2011	Bank Mandiri Employees Distribute Qurban Meat to Dhuafa
Jakarta, 09 November 2011	Bank Mandiri Strengthens Mortgage Distribution
Jakarta, 21 November 2011	Bank Mandiri Simplifies Payment Transactions for Yakult
Jakarta, 22 November 2011	Bank Mandiri Supports Efficient Transaction Payments of Pegadaian
Jakarta, 23 November 2011	Forming Qualified Banking Resources, Bank Mandiri Builds Banking School
Jakarta, 24 November 2011	Bank Mandiri Launches Shopping Portal tokone.com to Reinforce Credit Card Business
Jakarta, 27 November 2011	Bank Mandiri Helps Clean Floodplain and Watershed to Prevent Flooding
Jakarta, 30 November 2011	Bank Mandiri and Jasa Marga Launched an Effort to Accelerate Transactions

# 2011 BANK MANDIRI PRESS RELEASES

## DECEMBER

DATE	TITLE
Jakarta, 01 December 2011	Bank Mandiri Named Best Selling Agent for Sukuk Retail SR003
Jakarta, 01 December 2011	Bank Mandiri to Restructure Loan from PT Polyprima Karyareksa
Jakarta, 06 December 2011	Strengthening Retail Segment, Bank Mandiri Collaborates With PT Fastfood Indonesia
Jakarta, 07 December 2011	To Support Welfare of Indonesian Workers in Foreign Country, Bank Mandiri held Managing Finance Education and Banking Products
Jakarta, 08 December 2011	Bank Mandiri sponsors Grand Opening of "The Indonesian Market Goes to the Mall"
Depok, 09 December 2011	To Increase Quality of Education Facilities, Bank Mandiri Grants Rp8.4 billion to Renovate 6 National Universities
Banten, 10 December 2011	To Increase Basic Infrastructure, Mandiri with IBEKA Build Micro Hydro Electric Generator in Lebak, Banten
Jakarta, 10 December 2011	Bank Mandiri Educates 235 Ojek Riders on Safe Riding
Jakarta, 12 December 2011	Deepening Business Sensitivity, Bank Mandiri held Economic Forum
Jakarta, 12 December 2011	Bank Mandiri Collaborates with Pizza Hut to Increase Credit Card Transactions
Jakarta, 15 December 2011	Bank Mandiri leads a Rp1.8 trillion syndicated loan for Ciputra World Jakarta
Jakarta, 22 December 2011	Mandiri Prepared Rp4 trillion for Christmas and New Year 2012
Jakarta, 28 December 2011	Bank Mandiri to Offer Financial Services to the Air Force
Jakarta, 29 December 2011	Bank Mandiri to provide BSM Rp300 billion in Capital Injection