

Provision of Funds to Related Party and Large Exposure

In accordance with the regulation of Bank Indonesia on Maximum Lending for Commercial Banks, Bank Mandiri has established guidelines policies and procedures related to the provision of funds to related party and/or large exposures.

Bank Mandiri seeks to implement the deployment/diversified portfolio of provision funds as part of the implementation of prudence principles and risk management in providing funds.

This was done in order to prevent business failure as a result of the concentration of provision of funds, and in order to increase the independence committee towards potential intervention from the parties involved.

Provision of funds to related parties and large exposures position as of 31 December 2016 are as follow:

No	Provision of Fund	Total	
		Debtor (person)	Number (million Rp)
1	To related party	355 *	9,626,830
2	To main debtor/lender:		
	a. Personal	5	22,517,836
	b. Group	20	124,061,271
Total main debtor/lender		25	146,579,107

*) Consist of 14 subsidiary companies of Bank Mandiri and 341 executive officials

In reference to Bank Mandiri internal policy on loan, the provision fund to related party (personal or group, including executive official, Directors and Commissioners of the Bank) has been executed in a proper way and approved by the Board of Commissioners.

Providing Fund for Social Activities and/or Politics

Funds for Social Activities 2016

Bank Mandiri has to prove to its stakeholders that the bank is not only on profit, but also show interests to the society and its surroundings (non-financial) around the working unit Bank Mandiri across Indonesia.

As a form of responsibility to the society, Bank Mandiri has put aside part of its profits to develop the people and its surroundings.

Description related to corporate social responsibility presented in the "Corporate Social Responsibility" section and the Sustainability Report 2016, which became an integral part in this Annual Report.

Funds for Political Activities 2016

Throughout the year 2016, Bank Mandiri has not provided any fund for political activities or parties.

Highest and Lowest Salary Ratio

In 2016, highest and lowest Salary ratio Bank Mandiri were as follow:

1. Highest and lowest employees Salary ratio: 57: 1
2. Highest and lowest Directors Salary ratio: 1, 1: 1
3. Highest and lowest Commissioners Salary ratio: 1, 1: 1
4. Highest Director and Employees Salary ratio: 1, 3: 1

Bank Buy Back Stock and Bond Issuance

Throughout the year 2016, Bank Mandiri Issues Sustainable Bonds I Phase I worth Rp5 trillion and didn't purchase buy back shares.

Internal Conflict

Throughout the year 2016, no internal conflicts in Bank Mandiri occurred related to ownership intervention, remuneration policy or other conflicts.